



HOW STATES CAN UTILIZE AMERICAN RESCUE PLAN FUNDS:

Food Programs and Nutrition Assistance

States can leverage The American Rescue Plan (ARP) Act funding to invest in food programs and nutrition assistance.

Throughout the coronavirus pandemic, the demand for federal food and nutrition assistance program benefits such as food-purchasing assistance through the Supplemental Nutrition Assistance Program (SNAP) and the Supplemental Nutrition Program for Women, Infants and Children (WIC) has increased dramatically. [The number of individuals](#) receiving SNAP benefits rose by 15.8% in March 2019 alone. Given the [detrimental impact](#) that food insecurity has on the health and development of infants and young children, it is vital these program receive the financial support necessary to cover current increases in administrative costs and elevated benefit redemption rates.

In response to this need, The American Rescue Plan (ARP) Act enacted March 11, 2021 provides just over \$2 billion to the U.S. Department of Agriculture (USDA) SNAP and WIC programs.

SNAP Receives \$1.175 Billion for Extension of 15% Benefit Increase, Administrative Costs, and Technology Development

As a result of the economic hardship caused by the COVID-19 pandemic, food insecurity within American households has spiked, especially among communities of color and households with children. According to a [Pulse Survey conducted by the Center on Budget and Policy Priorities in March 2021](#), 18 million adults reported their household sometimes or often did not have enough food within the past seven days - a rate significantly above pre-pandemic levels.

The ARP will address this increase in food insecurity through allocating \$1.175 billion to SNAP. Research conducted by the USDA is the basis for this allocation. Through a [USDA study](#) conducted in 2011, researchers found that similar SNAP benefit increases in the 2009 Recovery Act were an effective means to lessen food insecurity among program participants.

The ARP will support SNAP benefits and programming through the allocation of funding as follows:

- **\$1.135 billion for state agencies**, disbursed through grants administered by the Secretary of Agriculture through Fiscal Year 2023.
 - 75% of funds will be allocated to states based on the share of each state's households that participate in SNAP for the most recent 12-month period.
 - 25% of funds will be allocated to states based on the increase in the number of households that participate in SNAP for the most recent 12-month period.
- **\$15 million for rising administrative costs** for fiscal years 2021 through 2023 resulting from the increased demand for SNAP benefits. States will not be required to match these funds.
- **\$25 million for technological improvements**, including further development of online purchasing platforms, modernization of Electronic Benefit Transfer (EBT) processes, and the provision of technical assistance to educate retailers on the acceptance of online SNAP benefits.

Total funds allocated for SNAP in the ARP also will support **extending the 15% increase in SNAP benefits** provided in the December COVID-19 relief legislation **through September 30, 2021**. For estimated increases in average monthly SNAP benefits by state, [click here](#).

WIC Receives \$900 million for Cash Value Voucher Benefit Increases and Program Modernization

Over the past decade, the share of eligible families participating in the WIC program has steadily declined. [According to the USDA Food and Nutrition Service](#) (FNS), this trend in declining participation has slowed throughout the pandemic. However, participation has remained lower than in 2019 despite drastic increases in the number of households struggling to achieve nutritionally adequate diets.

To address this trend, the ARP invests approximately \$900 million in the WIC program to strengthen the provision of services and increase participant enrollment rates. This decision is backed by [decades of evidence](#) that WIC results in better health outcomes for infants and children as well as nutritious diets for program participants.

ARP funding earmarked for WIC program activities will be allocated as follows:

- **\$490 million to increase the amount of the Cash Value Voucher** under a “qualified food package¹” to up to \$35 per person, per month. Increases in the value of cash vouchers will allow participants to purchase more fruits and vegetables at grocery stores and farmers markets.
 - To receive such increases, states must notify the Secretary of Agriculture of their intent to use the increased amount and during which period the increase would apply.
 - The Secretary of Agriculture is authorized to provide increases in voucher values through September 30, 2021.
- **\$390 million for outreach, innovation, and program modernization efforts.** This includes the issuance and/or extension of appropriate waivers and flexibility to increase participation in WIC and the utilization of benefits. USDA-FNS also intends to use these funds to undertake a “[robust national outreach campaign](#)” to ensure eligible mothers and families know about WIC and how to enroll.
 - Funding will be available for fiscal years 2021 through 2024.
 - This section of the ARP is applicable to both WIC and the WIC Farmers’ Market Nutrition Program.



State leaders can learn how to successfully invest in food programs and nutritional assistance by looking to other states.

In recent years, state and local food and nutrition assistance programs have implemented innovative strategies to improve outreach to potential enrollees and benefit redemption among participating families. For example, in 2017 the New York State Department of Health and 14 county WIC agencies initiated the [WIC Strong Campaign](#). Through this campaign, participating agencies modernized their front-facing websites and enhanced engagement with potential enrollees through digital and print advertising to assist the public in understanding the WIC program and its benefits in a user-friendly manner. Websites also were designed to be translated instantly into over 100 languages. ARP funds allocated to SNAP and WIC programs can similarly be utilized to enhance outreach strategies, support innovation, and promote program modernization. In addition to website enhancements, potential avenues for improvement include collaborating with media popular in diverse and underserved communities, hiring bilingual staff, and establishing referral networks, among other things. Through the [WIC Special Project Innovation Grant](#), state and local WIC agencies will implement and evaluate similar program enhancements over the next year. For more information on the progress of these projects, [click here](#). For more information on how WIC programs can implement strategies to strengthen benefit redemption, [click here](#).

¹ WIC qualified food packages provide participant choice and variety in the selection of WIC-eligible foods that can be purchased with Cash-Value Vouchers. Food eligibility is determined by USDA-FNS and must also comply with Food and Drug Administration Standards of Identity. For more information on WIC food packages, [click here](#).

Sources and Additional Resources

To access the American Recovery Plan Act, [CLICK HERE](#)

To access the USDA American Rescue Plan Fact Sheet, [CLICK HERE](#)

To access the USDA-FNS press release on WIC and WIC Farmers’ Market Nutrition Program - American Rescue Plan Act - Program Modernization, [CLICK HERE](#)

To access the USDA-FNS Fact Sheet, [CLICK HERE](#)

To access the Center on Budget and Policy Priorities brief on food assistance in the American Rescue Plan Act, [CLICK HERE](#)

For More Information

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