



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

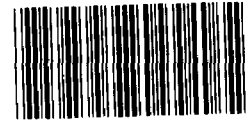
Block 117586

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-205691

FEBRUARY 24, 1982

The Honorable John R. Block
The Secretary of Agriculture



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Dear Mr. Secretary:

Subject: Changes Are Needed in the Proposed
Departmental Review and Evaluation
of the Puerto Rico Block Grant
(CED-82-50)

The Food and Nutrition Service has proposed a study of the implementation and impact of the Puerto Rico Block Grant. The proposal is in preliminary form and has not yet been approved by the Service. We support the Service in its efforts to document Puerto Rico's transition from the Food Stamp Program to the grant and to measure or estimate the grant's impact, but we believe that the preliminary study plan's limited objectives do not fully address the grant's primary objective--providing nutritional assistance to the needy--and could therefore restrict the usefulness of the data gathered. We also believe that additional attention must be given to the methodology needed to gather the data. Our review was performed in accordance with our "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

As you know, the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, Title I, 95 Stat. 357, 364) required replacement of the Food Stamp Program in Puerto Rico with a block grant (referred to as the Nutritional Assistance Grant by the Department). Puerto Rico is to prepare its first operational plan by April 1982 to become effective July 1982. The Congress intended that Puerto Rico have considerable flexibility in the type of nutrition assistance to be offered. There is no requirement, for example, that Puerto Rico continue to use food coupons.

Although the exact nature of Puerto Rico's operational plan is not now known, the new program may well be substantially different from the current Food Stamp Program. In conjunction with reduced program funding for Puerto Rico, it is possible, if not likely, that both the type and amount of assistance to

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recipients will change as well as program administration and accountability.

We believe that a complete and timely impact assessment of the new program is important to measure the grant's impact on recipient benefits and participation within Puerto Rico and to assist other States in designing and implementing a nutritional assistance program if the Food Stamp Program is turned back to the individual States. Such action has been proposed by the President and will likely receive congressional consideration this year.

FOOD AND NUTRITION SERVICE
PRELIMINARY STUDY PLAN

The Service proposes to (1) develop a case study to describe the conversion from the Food Stamp Program to the grant and (2) estimate the impact of the grant on participation rates, benefits, and program costs. The plan's specific objectives are to

- describe the conversion from the current Food Stamp Program to the Nutritional Assistance Grant in Puerto Rico,
- describe the operation and administration of the grant,
- estimate the grant's impact on program participation and benefits, and
- estimate the costs of administering the grant.

The data to estimate impacts of the grant on program cost, participation, and benefits will be developed from time series observations (tracking selected variables over time). A case study will be used to document the conversion from food stamps to the grant and operation of the new program after the conversion.

We believe that both the proposed study objectives and methodology are appropriate; however, we believe that the Service should expand the study's objectives and amplify the study's methodology.

Study objectives need expansion

The preliminary study plan's stated objectives are incomplete because the primary objective of the grant--providing nutritional assistance to the needy--is not being fully examined. It is not clear whether or how the proposed study intends to evaluate Puerto Rico's success in maintaining or improving recipients' nutritional status. We recognize that the collection of food and consumption data necessary to address this question

is costly, but it is by far the best way of measuring the grant's impact on meeting food and nutrition needs in Puerto Rico.

Additionally, the conference report on the act (H. Rept. 97-208, Volume 2, pp. 656-657) states that Puerto Rico may use a small portion of the grant's funds to finance projects to improve or stimulate its agriculture, food production, and food distribution to improve the nutritional standards of needy persons residing in Puerto Rico. If Puerto Rico funds such projects, the Service should consider amending the study plan to evaluate the degree of success any such project might have.

Study methodology needs more development

Our second area of concern is that the methodology section of the proposed study plan needs additional development. Service officials told us, however, that probably nothing more would be done to develop the study plan until Puerto Rico releases its operational plan in April. Although we recognize that some methodological considerations cannot be resolved until Puerto Rico's program is announced, some of the methodology for program assessment is independent of program specifics.

For example, the preliminary study plan indicates that an abbreviated time-series design will be used to estimate program impact. No details of the design methodology are given. Such detail should be developed to show that the design will, in fact, provide answers to questions of interest and concern, and that the evaluation study can be operable when the new program is initiated. Since the basis for the time-series analysis (for the impact analysis portion of the study) is data that has already been collected, the Service should at this time:

- Decide specifically what evaluation questions should be addressed.
- Select which specific variables or indicators of change to track based on what is available in archival data, what is feasible to ask Puerto Rico to continue to collect, and what will be needed in assessing program impact.
- Establish the frequency of data reporting (i.e., monthly, yearly, etc.) and the implications for assessing grant impacts. If data is available only on a yearly basis, for example, it would take several years to have enough observations to assess the impact. If data was available on a monthly basis, the evaluation period could be shorter.
- Assess the potential effect of "start up" on the variables or indicators of change and determine appropriate time periods in which to measure impacts (to avoid confusing

the effects of program "newness" with long-term change associated with the new program).

- Determine how to control for exogenous variables (factors other than those directly associated with the program) such as economic changes, differences in other social programs, etc., that may affect variables of interest such as participation rates.
- Assess the feasibility of separating the effect of the new program from the effect of reduced program funding.
- Develop an analysis plan to evaluate the data collected.

The preliminary study plan also proposes a case study. Since the process of conversion to the new Nutritional Assistance Grant is already in progress, it is important to initiate the case study to document events during this conversion as soon as possible. Although a case study at a later date will be able to document information about the transition by analyzing written records of the process, many important decisions and events of a less formal or unresolved nature may not be documented and therefore be forgotten or recalled in a more favorable or unfavorable light than was actually the case. For example, tensions and conflicts among participants that may not be evident in written records may have had a substantial impact on decisionmaking. These factors are important for developing a reasonable understanding of the process; yet they may fade in participants' minds over time.

CONCLUSIONS

The action taken by the Food and Nutrition Service to evaluate the Nutritional Assistance Grant's impact on Puerto Rico is commendable. The proposed restructuring of the Food Stamp Program could dramatically change how food assistance benefits are developed in individual States. Although the experiences of Puerto Rico in designing and implementing a food assistance program may well have differences from food assistance programs developed in other States, that experience could still be useful in helping those States prepare a food assistance plan and in anticipating program impact. For this reason, it is important that the Service's evaluation be both complete and timely.

RECOMMENDATION

We recommend that you direct the Acting Administrator of the Food and Nutrition Service to expand and modify the Service's preliminary evaluation plan along the lines discussed in this report to fully address the legislative objectives of the Nutritional Assistance Grant and to provide for a more comprehensive plan of data collection and analysis.

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As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the above committees; the House Committee on Agriculture; the Senate Committee on Agriculture, Nutrition, and Forestry; the Acting Administrator, Food and Nutrition Service; and other interested parties.

Sincerely yours,

A handwritten signature in black ink that reads "Henry Eschwege". The signature is written in a cursive style with a large, prominent initial "H".

Henry Eschwege
Director