Introduction to Puerto Rico’s Nutrition Assistance Program
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Puerto Rico’s food assistance program, the Nutrition Assistance Program (NAP, or PAN for its Spanish acronym) helps residents of Puerto Rico afford a basic diet. This program is especially important given high levels of poverty and hardship: over two-fifths of all residents of Puerto Rico (43 percent) and over half of children in Puerto Rico (57 percent) lived in poverty in 2018, according to the most recent Census Bureau data. About one-third of adult residents of Puerto Rico experience food insecurity, which is a lack of consistent access to adequate food, a recent study found. People with low incomes (under $25,000 annually) were more than three times as likely to experience food insecurity than households with higher incomes. While this program provides important nutritional benefits, the support it provides is limited in contrast to the benefits provided under the Supplemental Nutrition Assistance Program (SNAP), the household food assistance program that operates in the United States, Guam, and the Virgin Islands.

This brief explains basic information about the program and its participants.

What Is NAP?

NAP is Puerto Rico’s household food assistance program. It provides benefits to residents of Puerto Rico with low incomes, most of whom are children, seniors, people with disabilities, and adults who are looking for work or taking care of family members. NAP is especially important given high rates of poverty and food insecurity in the Commonwealth.

NAP receives a fixed amount of federal funding each year, called a block grant. Unlike funding for SNAP, which expands and contracts in response to need, NAP must stay within its fixed funding


levels regardless of need. As a result, NAP cannot automatically expand when the economy stumbles or natural disaster strikes. Puerto Rico participated in SNAP’s predecessor, the Food Stamp Program, from 1974 (when the program went nationwide) until 1982. Congress and President Reagan, however, replaced Puerto Rico’s food stamp program with a block grant that became NAP, and cut funding significantly through the Omnibus Budget Reconciliation Act of 1981. The federal block grant covers all NAP food benefits and 50 percent of administrative costs, with Puerto Rico covering the remaining administrative expenses. In fiscal year 2018, federal funding for NAP was about $1.92 billion.

Puerto Rico’s Department of Family Socioeconomic Development (ADSEF for its name in Spanish, Administración de Desarrollo Socioeconómico de la Familia), an agency under the umbrella of Puerto Rico’s Department of Family, administers the program. The U.S. Department of Agriculture’s Food and Nutrition Service (FNS) provides oversight, similar to its role providing oversight for states’ and territories’ administration of SNAP. For example, Puerto Rico submits a state plan of operations each year, which FNS approves.

NAP is one of the largest nutrition programs in the United States. The federal government spends nearly $2 billion on NAP each year, putting the program behind only SNAP, child nutrition programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) in federal spending on nutrition programs. The program provides about two-fifths of the Commonwealth’s population with benefits to purchase food each month. Despite the program’s size and reach, little public information is available about NAP.

Who Is Eligible for NAP?

NAP has historically been targeted toward very low-income families. The program is generally available to participants who meet income and resource limits, which are set at levels low enough to ensure available funding will cover the participants who apply. Because federal funding for NAP is capped, income eligibility limits have historically been set far lower and benefits are generally less generous than if Puerto Rico participated in SNAP.

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3 SNAP operates in all U.S. states, the District of Columbia, and the U.S. territories of Guam and the Virgin Islands. American Samoa and the Commonwealth of the Northern Mariana Islands also receive nutrition assistance block grants in lieu of SNAP.


5 As described in the text box, “Disaster Funding After Hurricanes Irma and Maria,” Congress has passed two temporary funding increases for NAP following Hurricanes Irma and Maria, one of $1.27 billion, which funded increased benefits from March 2018 through February 2019, and the second, for $600 million, that the Commonwealth is spending to boost benefits again for approximately one year that began in August 2019.

6 Average SNAP benefits have generally been similar to NAP benefits in recent years, before the increase from disaster funding, but this comparison does not capture the disparity due to differences in benefit calculation. If NAP participants received benefits based on the same benefit calculation as in SNAP, average benefits would be significantly higher than in SNAP. This is because SNAP benefit calculation gives households with lower incomes higher benefits, and NAP households have incomes that are significantly lower than in SNAP. For example, in 2018, about 65 percent of NAP households had income at or below half the federal poverty line, compared to 38 percent of SNAP households.
Under NAP rules, family members and other individuals who live together can apply as a unit (or “nucleus”), meaning eligibility is determined based on the unit’s income, and resources and benefits are based on the number of people in the unit. Some family members who reside separately can also be included, such as college students who depend on income from their families to cover basic expenses. Elderly and disabled members can generally apply as a separate unit from other members of their household.

Households must have net income — income after some exclusions and deductions are subtracted from total income — below certain levels based on their household size. For example, as of March 2019, a household of three must have monthly net income below $1,706. Original program rules established a much lower income level of $599 for a family of three for 2019, in line with recent years, but Puerto Rico raised income limits after receiving additional NAP funding in response to Hurricanes Irma and Maria. (This increase in the income limits led to a rise in participation of about 10 percent.) While participant benefits were cut to previous levels when this funding expired in March 2019, Puerto Rico kept higher qualifying income limits. Households must have assets, such as money in a bank account, less than or equal to $15,000, though most households likely have assets far below this level.7

In addition to these financial requirements, households must provide proof of identity and residence and show that school-age children are enrolled in school. Eligibility is restricted for some non-U.S. citizens.8

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7 For example, a 2013 report on the 2007 Puerto Rico Survey of Consumer Finances found that only about one-third of families in the bottom quintile of income had financial assets such as bank accounts, and of those who did, the average value was about $500. See Harold J. Toro-Tulla, “Puerto Rico Survey of Consumer Finances,” Center for a New Economy, November 2013, https://grupecne.org/wp-content/uploads/2013/11/TopLine-Report-FINAL_for_web.pdf.

8 Similar to SNAP, certain authorized immigrants (such as lawful permanent residents, refugees or asylees, or victims of trafficking) may be eligible. Some of those authorized immigrants may only be eligible if they have lived in the United States for at least five years or are lawful permanent residents who have worked 40 quarters, depending on their status. Other lawfully present immigrants, such as those who are under age 18 or are receiving government assistance for disability, are not subject to the waiting period.
### Disaster Funding After Hurricanes Irma and Maria

Puerto Rico was devastated by Hurricanes Irma and Maria in September 2017. Congress and the President provided roughly $1.27 billion in additional NAP funding in October 2017, which the Commonwealth began using in March 2018. Puerto Rico and USDA signed an agreement that required the Commonwealth to submit a comprehensive plan to USDA before it could use the additional funding. USDA approved this plan in February 2018.

NAP administrators used the additional funding to increase benefits and raise income limits, which modestly increased the number of NAP participants. For example, a family of three under regular NAP rules must have monthly net income below $599 and receives a maximum monthly benefit of $315; under the disaster funding, this household faced a net income test of $1,606 and received a maximum base benefit of $511. When this funding ended in March 2019, recipients’ benefits were cut to previous levels, though the Commonwealth kept and updated the higher eligibility levels.

In June 2019, Congress provided an additional $600 million to supplement NAP funding. Puerto Rico submitted a plan for USDA approval before using the funds, and in August 2019 began supplementing existing participants’ benefits for the next year. The Commonwealth will maintain the higher eligibility limits that it has had in place since March 2019. For example, a household of three must have monthly net income below $1,706, receives a benefit based off a maximum base benefit of $315, and will receive an additional monthly benefit supplement of $98, according to Puerto Rico’s disaster plan approved by USDA.

This process differs significantly from states and territories participating in SNAP. When they experience natural disasters, they can request disaster SNAP benefits from USDA, which include benefits available for new households affected by the disaster that can use a simplified application, as well as replacement or supplementary benefits for households already participating and lost food due to the disaster. This process does not require congressional action, and the USDA approval process is straightforward. These programs generally begin operating within months of a disaster, and often within days or weeks. A recent report from USDA’s Office of the Inspector General described how Puerto Rico’s lack of disaster authority prevented the Commonwealth from adequately planning for and providing disaster benefits in a timely fashion after the 2017 disasters. Puerto Rico did not receive approval for and begin operating a disaster nutrition assistance program until nearly six months after the disaster; in contrast, the Virgin Islands, which participates in SNAP and can provide assistance through the Disaster SNAP program, was able to provide assistance in November 2017, only 47 days after the hurricanes.

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#### How Do People Apply for and Use Benefits?

To apply for NAP, a member of the household can visit a local office or service center and fill out an application. There are over 90 local offices in ten regions throughout Puerto Rico, with at least one in each municipality. Applicants can also fill out a pre-determination form online or by telephone, after which ADSEF will contact them to complete the application and schedule an interview. Applicants must complete an eligibility interview and present documentation to verify their information. The agency’s policy is to evaluate applications within 30 days, and in 2017, about 90 percent of applications were processed within this timeframe. Once approved, participants must report certain changes that may affect their eligibility, and they must reapply, generally every 6 to 12 months for working individuals or families with children, and every 12 to 24 months for households consisting of elderly or disabled individuals.

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⁹ 2019 Puerto Rico Comprehensive State Plan, obtained via a Freedom of Information Act request from the U.S. Department of Agriculture.
NAP participants can spend their benefits from an electronic benefits card (similar to a debit card), called the Family Card, at local retailers. Puerto Rico has about 3,000 retailers authorized to participate in NAP. Participants spend their benefits quickly, redeeming about 80 percent of their non-cash benefits within one week of receipt and 91 percent within two weeks, according to a 2015 study. They spent about 75 percent of their benefits at supermarkets and superstores, about 15 percent at large general or combination stores or wholesalers, and about 8 percent at small or medium grocery stores.\textsuperscript{10}

A small portion of the NAP benefit can be redeemed as cash at automatic teller machines within the Commonwealth. This allows participants to buy eligible foods from retailers and farmers markets that do not have electronic payment equipment. In 2019, they can receive 10 percent of their benefit in cash to spend on food, which will fall to 5 percent in 2020, and by 2021, all benefits will be redeemed only through the debit card at participating retailers.

NAP benefit amounts are based on a schedule developed by ADSEF that sets benefits low enough to ensure that spending stays within the program’s fixed funding levels. ADSEF develops a table of base benefits per household size that participants receive each month. If the total cost to provide these base benefits in a given month falls below the allocated budget, the program distributes the remaining funds to all participants based on a formula. This means that in most months, participants’ benefits include this adjustment, the amount of which varies each month, in addition to their base allotment. Participants may also receive an annual benefit adjustment supported by funds carried over from the previous fiscal year. Each elderly individual also receives 20 percent more than the standard benefit.\textsuperscript{11} In some regions of the Commonwealth, about 4 percent of benefits are given in vouchers that participants can redeem at farmers markets called Family Markets.

Although benefit levels have risen in recent months due to additional disaster funding (as described in the box above), NAP benefits are modest. A family of three, for example, receives a maximum base benefit of $315 per month in fiscal year 2019 under regular NAP rules, plus any additional benefits from the monthly adjustment, or additional benefits for elderly individuals.

In April 2019, the average household, with an average of 1.8 people, received $223 in NAP benefits, or about $122 per person. Benefits vary by family size, income, and other characteristics. NAP units with children, for example, which have an average of 3.2 people, received an average benefit of $356 that month, about $110 per person. Households with elderly individuals, which have an average of 1.3 people and receive a benefit boost for each elderly individual, received an average monthly benefit of $188, about $140 per person.

\textsuperscript{10} “Examination of Cash Nutrition Assistance Program Benefits in Puerto Rico,” U.S. Department of Agriculture, Food and Nutrition Service, August 2015, \url{https://fns-prod.azureedge.net/sites/default/files/ops/PuertoRico-Cash.pdf}.

\textsuperscript{11} Puerto Rico calculates a base benefit based on household size and net income. The regulations provide that elderly individuals receive a 20 percent increase applied to this base benefit corresponding to a household of the same size with zero net income.
NAP's funding structure limits the program’s ability to respond to need. Because funding for NAP is capped, eligibility and benefit levels are constrained by available funding. In contrast, SNAP eligibility limits are based on poverty levels, and benefit levels are based on an assessment of the minimal cost of a nutritious diet, though evidence suggests SNAP benefits are inadequate for many households. NAP also can’t respond to expand quickly when need increases, such as following a natural disaster. In this respect, NAP stands in contrast to SNAP, which expands to meet increased need.

Who Participates in NAP?

Providing resources to buy food is especially important in Puerto Rico, given high rates of poverty and hardship.

Households that participate in NAP have very low incomes, in part because the program has historically been targeted to low-income households. Nearly two-thirds of NAP households have monthly income at or below half of the federal poverty line (about $20,780 for a family of three in 2018). (See Figure 1.)

Over half of NAP participants are children, seniors, or people receiving disability benefits, and close to half of non-elderly adult participants not receiving disability benefits live with children. (See Figure 2.) Over two-thirds (71 percent) of non-elderly adults not receiving disability benefits are working, report they are looking for work, or live with other household members who are working. Most of the

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13 In collaboration with Dr. Hector Cordero-Guzman, CBPP obtained public use, de-identified NAP/PAN administrative data from the SAIC database from the Puerto Rico Department of Family through a public records request to the Puerto Rico Institute of Statistics. This analysis of income data includes income counted for NAP administrative purposes, including earnings and unearned income such as Social Security or from other government or non-governmental sources.

14 CBPP analysis of calendar-year 2018 NAP administrative data.

15 To be classified as having a disability, an individual has to have been certified by an agency such as the Social Security Administration, Veterans Affairs, or local agencies as disabled, which generally requires a severe and long-lasting disability. Other individuals may have conditions that impede their ability to perform some tasks, but do not meet these requirements.
remaining adults are studying, have a physical or mental condition that keeps them from working, or live with household members who are children or have disabilities.\textsuperscript{16}

\textbf{FIGURE 2}

\textbf{Over Half of NAP Participants Are Children, Elderly, or Disabled}

- 25\% Children
- 32\% Elderly/Individuals with disabilities
- 21\% Non-elderly, non-disabled adults with children
- 22\% Non-elderly, non-disabled adults without children

Source: CBPP analysis of 2018 NAP/PAN administrative data, obtained from the Puerto Rico Department of the Family (ADSEF) through the Puerto Rico Institute of Statistics (PRIS)

\textsuperscript{16} CBPP analysis of calendar-year 2018 NAP administrative data.