USDA
United States Department of Agriculture

Food and Nutrition Service

Park Office Center

3101 Park Center Drive
Alexandria
VA 22302

JUL 23 2015

SUBJECT: Supplemental Nutrition Assistance Program – Fiscal Year 2016 National Target Areas for Management Evaluations

TO: Regional Administrators
Program Directors
All Regions

The purpose of this memo is to transmit national target areas and procedures for Management Evaluations (MEs) for fiscal year (FY) 2016. The Food and Nutrition Service (FNS), with input from the Regional Offices (ROs), has identified 4 national target areas for the ROs to review. In addition, FNS has identified 7 other program areas that ROs should review on an at-risk basis only.

FY 2016 National Target Areas:

MEs for the Federal target areas must be performed on an annual basis in accordance with Federal Regulation 7 CFR 275.3(a). Each year, FNS identifies specific areas required to be reviewed by the ROs.

The FY 2016 Federal Target Areas are:

1. Able-bodied adults without dependents (ABAWD) tracking and policy compliance for States transitioning-off of Statewide time limit waivers in FY 2016;
2. Employment and Training (E&T) programs at the State agency level with total annual budgets in excess of $3 million (Federal and State funds) in FY 2016 **as well as** States with an E&T program that was not reviewed in FY2013-2015; and
3. Program access at the State agency level (including online application processing, call/change centers, initial and recertification application processing timeliness);
4. Electronic Benefit Transfer (EBT) when the State is scheduled to implement photos on the EBT card **or** if the State has already implemented this policy.

Review of ABAWD Tracking and Policy Compliance

First, Regional staff shall use Section V of the ABAWD ME Guide to conduct readiness assessments in States that are anticipated to transition-off of a Statewide ABAWD time limit waiver in FY 2016. The readiness assessment must be conducted prior to the expiration of each State's waiver, and does not need to be conducted on site. Second, Regional staff shall use the full ABAWD ME Guide to conduct comprehensive reviews in States that have transitioned-off of Statewide ABAWD time limit waivers in FY 2016. This review should be conducted at least 3 months after each State's ABAWD time limit waiver has expired (April 2016 at the earliest in

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the majority of States). ROs have discretion to conduct ABAWD tracking and policy compliance reviews in tandem with other MEs, or to conduct them independently. Furthermore, as noted in the ABAWD ME Guide, ROs need not review content shared by the E&T ME Guide if they have already or plan to conduct an E&T review within the same fiscal year.

Review of the State ME System

In addition to the annual ME reviews, the ROs shall conduct a review of the State agency's ME system on a biennial basis. FNS may review a State agency's ME system on a more frequent basis if a regular review reveals serious deficiencies in the ME system.

This review will include, but not be limited to, a determination of whether or not the State agency is complying with FNS regulations, an assessment of the State agency's methods and procedures for conducting ME reviews, and an assessment of the data collection by the State agency in conducting the review. ROs may consolidate the scheduling of these reviews to reduce the frequency of entry into the State agencies.

Federal At-Risk Areas:

ROs have the flexibility to review other areas on an at-risk basis. In determining risk, the RO should take into consideration the time elapsed since an area has been reviewed, deficiencies identified at that time, and any recent changes to the program area. The RO does not need to include the reason a program area was not reviewed in the ME review report that is sent to State agencies.

The FY 2016 Federal at-risk review areas are:

1. Case and Procedure Error Rate (CAPER);
2. Electronic Benefit Transfer;
3. E&T programs that leverage third party funds or that operate in pledge States (whose budget is less than $3 million);
4. Nutrition Education;
5. Recipient Claims Management/Treasury Offset Program;
6. State ME Systems on a biennial basis or more frequently as needed; and
7. Recipient Integrity.

In FY 2014, the ROs created a new module to assess a State's CAPER. The module is necessary to respond to significant changes enacted in the Federal regulations in 2011 to expand the review process of terminations, denials, and suspensions. Last year, the ROs tested the module in one State with the highest rate in their Region. In FY 2015, the CAPER module was completed for all high risk States. For FY 2016,

the CAPER module should be completed for all high risk States. High risk is any State whose FY 2014 CAPER rate exceeds the national average.

In FY 2014, the ROs updated the SNAP Nutrition Education module to conform to the requirements of the Healthy Hunger Free Kids Act of 2010. Last year, the ROs tested the module in States with the largest SNAP Nutrition Education allocations. In FY 2016, the SNAP Nutrition Education module should be completed for all high risk States. High risk is any State with carry-over SNAP Ed funding that will not spend their allotment within the required two years and any additional high risk indicators determined by the Region.

The Recipient Integrity ME is comprised of multiple individual modules that cover specific function areas related to program integrity. In FY 2016, the Regions should continue to conduct a Recipient Integrity ME for any high risk State, but may also limit the review to only the individual modules that are deemed high risk for that State. High risk may be determined by prior findings, to validate that States have successfully addressed corrective actions, or additional high risk indicators determined by the Region.

Federal Procedures:

ROs should note the following procedures for completing MEs in FY 2016.

- Reviews of a national target areas and State ME systems—regardless of whether it is a target area or at-risk area in a given year—*must be completed onsite*.

- To determine whether or not to perform an ME review for an at-risk area, ROs should refer to the ME review guides and consider changes in the past year that put the State agency at risk for compliance problems such as recent staffing cuts, personnel changes, reduced budgets, or policy changes.

- ROs must use the standardized ME review guides to review the specified program areas.

- ROs are required to perform four local level Program Access Reviews per year.

- ROs should remind State agencies about their responsibility for completing corrective action within 60 days. According to 7 CFR 275.3, States are expected to immediately correct most ME deficiencies within 60 days and report back to the RO on longer range activities. Thus, the 60 day period must be used to immediately address and correct ME findings and the Corrective Action Plan should report on longer range activities.

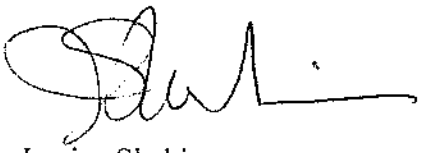
Review Staff:

If reviewers at the RO are not familiar with a target area, the RO may need to train reviewers to conduct the review or assign the review to other staff within the RO who have the expertise. For example, financial management staff may monitor and review the financial area of a component, information technology staff may monitor and review an automated function, or civil rights staff may review an overlapping client services component. This will help ensure that problems are identified and corrected.

Reports of RO Review Activity:

The ROs are required to submit the following information related to their review activity. In accordance with our new Standard Operating Procedures, each RO must submit a review schedule to the National ME Coordinator by August 20, 2015, that identifies reviews that may benefit from cross-Region or National Office participation including development opportunities and requests for expertise. Finalized review planning should be completed by October 1, 2015. All ME reviews must be entered into the FNS ME Management Systems for tracking purposes.

We appreciate the effort made by you, your staff, and your State agency partners to ensure the integrity of and improved access to SNAP. If you have any questions or require assistance, please contact Christina Palazzolo at (703) 605-3212 or Christina.Palazzolo@fns.usda.gov.



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