



Food and
Nutrition
Service

Park Office
Center

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JUN 30 2016

SUBJECT: Supplemental Nutrition Assistance Program – Fiscal Year 2017
National Target Areas for Management Evaluations

TO: Regional Administrators
Regional Directors
Supplemental Nutrition Assistance Program
All Regions

The purpose of this memo is to transmit national target areas and procedures for Supplemental Nutrition Assistance Program (SNAP) Management Evaluations (MEs) for Fiscal Year (FY) 2017. The Food and Nutrition Service (FNS) National Office (NO), in collaboration with FNS Regional Offices (ROs), have identified four national target areas and nine other at-risk program areas where resources should be directed for this FY. This memorandum also outlines changes in the definitions of State project area impacting State conducted MEs in FY 2017.

FNS will provide one additional target area for FY 2017, Quality Control MEs, which will be addressed under separate cover.

FY 2017 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 2017 Federal Target Areas are:

1. Able-Bodied Adults Without Dependent (ABAWDs) tracking and policy compliance for all States transitioning off of Statewide time limit waivers in FY 2017;
2. Employment and Training (E&T) programs at the State agency level that meet at least one of the following criteria:
 - FY 2017 budgets in excess of \$10 million (Federal and State funds) as approved in SNAP E&T plans;
 - Shifted to mandatory E&T programs since FY 2014; or
 - Increased the number of work registrants subject to mandatory E&T by more than 20 percent between the FY 2016 and FY 2017 plans.

3. Program Access Review (PAR) at the local level with an emphasis on the recertification process; and
4. Electronic Benefits 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, RO 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 2017. The readiness assessment must be conducted prior to the expiration of each State's waiver, and does not need to be conducted onsite. This readiness assessment is considered technical assistance and should therefore **not** be entered into MEMS NextGen.

Second, RO staff shall use the full ABAWD ME Guide to conduct tracking and policy compliance reviews in all States that have transitioned off of Statewide ABAWD time limit waivers in FY 2017 and any additional States identified by the RO and NO. This review should be conducted at least 3 months after each State's ABAWD time limit waiver has expired. ROs have discretion to conduct ABAWD tracking and policy compliance reviews in tandem with other MEs or to conduct them independently. However, each ABAWD review must be entered as a separate review in MEMS NextGen. 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 Program Access at the Local Level

Each RO shall conduct at least one local PAR in each State to review the State's compliance with SNAP recertification requirements. The term "local office" shall include any organizational unit within the State responsible for 1) interacting with SNAP households in-person or over the phone and 2) performing certification functions related to recertification. For example, a traditional local office, call center, or processing center would all be appropriate "local offices" to review as long as they meet the two criteria. In addition, ROs will be required to review and assess section C of the State's FNS-366B to ensure States are aware of the changes to the form and appropriate State data is being reported. RO staff shall use the FY 2017 Local PAR addendum, scheduled to be completed by September 30, 2016, as their ME guide for each review.

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. ROs shall also ensure States are reviewing project areas in accordance with new definitions by verifying that State ME Plans are in accordance with new project area definitions. 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 responsibility to review other areas on an at-risk basis. In determining risk, the RO should take into consideration any criteria associated with an at-risk area below, time elapsed since an area has been reviewed using timeframes listed for each area below or in the appropriate ME guide, and suspected or confirmed deficiencies in an at-risk area. ROs should also 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, major changes in program design, or policy changes.

The FY 2017 Federal At-Risk review areas are:

1. Program Access Review (PAR) at State agency level;
2. ABAWD for any States that transitioned off statewide time limit waivers in FY 2016 that have demonstrated significant deficiencies in ABAWD tracking and policy compliance;
3. Case and Procedure Error Rate (CAPER) for any State with a closed Corrective Action Plan that has not been previously validated from a prior CAPER ME. All States with CAPER rates above the national average should have a ME completed at least once every three years;
4. Electronic Benefit Transfer (EBT) with an emphasis on EBT Adjustments, Issuance & Replacement of Cards or PINs, and System Security;
5. E&T programs that leverage third party funds, operate in pledge States, have made significant changes in providers, or have made significant changes in funding categories;

6. SNAP-Ed;
7. Recipient Claims Management/Treasury Offset Program at least once every 3 years;
8. QC Statistical anytime a State changes its sampling plan and at least once every 3 years; and
9. Recipient Integrity for any State with a closed Corrective Action Plan that has not been previously validated from a prior Integrity ME and at least once every 3 years.

Federal Procedures:

ROs should note the following procedures for completing MEs in FY 2017:

- 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* in order to be considered an ME review.
- ROs must use the standardized ME review guides to review the specified program areas. It is important to note that review guides are **not** the sole source of questions if something is discovered onsite that requires further investigation. If issues are uncovered during the ME review process, the appropriate steps established through the escalation of high profile and/or chronic critical program issues should be undertaken as outlined in FNS ME Resolution Standard Operating Procedures (SOPs) and FNS Escalation SOPs.
- 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 deficiencies requiring longer term actions. ROs must continue to track long-term corrective actions until implemented and validated.
- If RO personnel suspect significant program violations in ME functional areas not delineated in this memorandum as a target or at-risk area, ROs should consult with the NO before scheduling a ME review so that staff resources can be adequately targeted.
- ROs, in consultation with the NO, will develop a ME review schedule by September 1, 2016 in order for staff resources to be efficiently distributed.

Changes to Project Area Definitions:

The publication of the SNAP Review of Major Changes in Program Design and ME Systems (Major Changes Rule) final rule will impact State conducted ME reviews in FY 2017. Changes to the definitions of project areas as defined in 7 CFR 271.2, which impact the requirements for State conducted MEs, are effective October 1, 2016.

The provision revises the definition of large, medium and small project areas for the purposes of selecting sites for MEs.

- Large project area caseload is more than 25,000
- Medium project area caseload is between 5,000 to 25,000
- Small project area caseload is now fewer than 4,999

ROs must verify that the State has updated their State ME schedule with the updated project area definitions. As a reminder, per 7 CFR 275.20, States are required to submit their annual ME schedule to FNS by August 1st.

Review Staff:

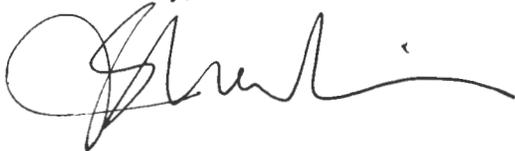
If reviewers at the RO are not familiar with a target area, the RO may need to train reviewers to conduct the review, assign the review to other staff within the RO who have the expertise, or request an expert from another RO or the NO. For example, financial management staff may monitor and review the 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:

In accordance with SNAP Standard Operating Procedures (SOPs), each RO must submit a preliminary review schedule to the NO ME Coordinator by September 1, 2016, that identifies reviews that may benefit from cross-RO or NO participation including development opportunities and requests for expertise. Finalized review planning should be completed and entered into MEMS NextGen for tracking purposes by October 1, 2016. ROs are responsible for keeping their review schedules up-to-date in MEMS NextGen throughout the year in accordance with FNS and SNAP guidance.

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.

Sincerely,



Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program