



OCT 11 2013

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: Update on Food and Nutrition Service Operations
Supplemental Nutrition Assistance Program (SNAP) Lapse in Funding

TO: SNAP State Agency Directors
All States

The Food and Nutrition Service (FNS) wants to extend our appreciation to States for their work in maintaining continuing service and benefits to Supplemental Nutrition Assistance Program (SNAP) participants and applicants in accordance with the FNS Contingency Plan issued October 1, 2013.

FNS understands that States are concerned about future operations stemming from the continuing lapse in Federal funding and have appreciated the information you provided us recently regarding your issuance and notice timelines.

According to the information we have received, several States provide the next month's issuance files as early as the 15th of the month. With that in mind, understanding the operational issues and constraints that States face, and in the interest of preserving maximum flexibility, we are directing States to hold their November issuance files and delay transmission to State electronic benefit transfer (EBT) vendors until further notice.

FNS will continue to work with our States and appreciates your continued support in responding to information requests that will assist in the ultimate course of action. If you have any questions, please contact your Regional Administrator or Jessica Shahin, Associate Administrator for the Supplemental Nutrition Assistance Program (SNAP), at jessica.shahin@fns.usda.gov.

Sincerely,

Audrey Rowe
FNS Administrator

cc: Regional Directors
Supplemental Nutrition Assistance Program
All Regions

AN EQUAL OPPORTUNITY EMPLOYER

- By Oct. 25
- 191,000 people in Hawaii on program.
- \$47M per month

November

Q. Is it possible for a State to step in to cover the cost of SNAP benefits once SNAP funding runs out at the end of the month? Is there any precedent for a State taking over the federal government's costs for the program? Has FNS issued any guidance on how a state would be able to do so (including technical questions of loading the benefits on EBT cards). Have any State agencies reached out to FNS on this question?

A. FNS is hopeful that the current lapse in appropriations for SNAP will be resolved in time to permit normal, timely issuance of November benefits. If November benefits should be suspended due to the absence of funding, States may elect to continue issuance with State funds by working directly through their EBT contractors. However, FNS's ability to subsequently reimburse States for any such issuance and the associated administrative expenses is unclear. Significant legal and financial considerations would need to be addressed before any reimbursement could occur. If a State were to undertake this course of action, it would need to do so at its own risk and with no assurance of Federal reimbursement.

Q. If a state were to provide a week's cash benefit to help the neediest food stamp recipients pay for food in November, for the reason that logistically making a State issued food stamp payment through EBT is too complicated, then would that cash benefit be FNS reimbursable when government opens up again and retroactive payments to states are authorized?

A. FNS is hopeful that the current lapse in appropriations for SNAP will be resolved in time to permit normal timely issuance of November benefits. SNAP is a food benefit and is provided with limitations associated with the purchase of eligible foods. If a State issued a cash benefit to help SNAP participants pay for food in November, this would be done at the State's option and decision; there is no vehicle, barring specific Congressional action, that would provide for Federal reimbursement of a cash benefit.

Q. Vermont is considering using state funds to pay the 3SquaresVT benefit to our Cash Out recipients. They would like to know if it is OK to pay just those folks, about 17,000, and not pay the rest of our 3SquaresVT beneficiaries. If it is OK to do this can we get a reimbursement from FNS to cover this expense once the shutdown has been resolved?

A. Vermont would need to discuss the legal implications to the State for providing funds to some SNAP recipients and not others with their own general counsel. If Vermont were to undertake this course of action, it would do so at its own risk and with no assurance of Federal reimbursement.

Q. The following question was raised outside of State inquiries, but FNS thought it would be of interest to States: As Vice Chair for the State Forum of the Electronic Government Payments Council, I have been asked to send something out to the states regarding the Next Generation Conference in November 2013. We are hoping that we can tell them something positive so that people will continue to plan to attend. Any suggestions you have would be helpful.

Supplemental Nutrition Assistance Program (SNAP)
Lapse in Funding
Questions from States – Part 5
October 11, 2013

A. Without a FY 2014 appropriation, FNS is unable to provide state exchange funds for conference attendance. When a full FY 2014 appropriation becomes available, barring Congressional action, FNS would hope to reimburse 1 SNAP attendee per State, as we have in the past.

Q. Several States have indicated that their governments are starting to look at the possibility of furloughs for staff who have federal funding attached to their salaries. What advice do you have for States considering furloughs of staff with federal funding attached to their salaries?

A. It is anticipated that once an appropriation is enacted, barring other Congressional action, normal FY 2014 SAE and other allowable reimbursements will be made available to the States. Employees continuing normal SNAP activities would presumably be considered allowable reimbursements. FNS expects States to continue to conduct eligibility and issuance processes, integrity, oversight and system maintenance in order to ensure that benefits will reach those in need.

Q. Would we be required to provide some sort of adverse action notice for November benefits? We would prefer to send a letter or communication as opposed to a system generated notice if needed or required. However, a mailing would certainly not be without a substantial cost to the State.

A. States should handle the noticing as mass changes, which may be publicized via news media, posters in certification offices, issuance locations, or other sites frequented by certified households, or general notices mailed to households. Many States choose to go beyond the minimum requirements and issue notices directly to households in order to minimize confusion and provide good customer service; however, this is not subject to the 10 day notice requirements. For those States sending a separate notice, they may want to consider delaying the release of the notification until there is more certainty regarding November funding in order to avoid client confusion.

Q. If there is no legislation signed and November benefits are not issued, will that be considered a mass change?

A. Yes.

Q. Bottom line is that not knowing how to proceed for November monthly benefits is not the bigger issue as we can make that call very late and not affect timely issuance (October 30). The much greater concern is not knowing how to handle daily expedited files. Should we assume based on the guidance yesterday that we should continue processing those daily files all the way through the end of October as well even though they obligate funding into November?

A. Yes. While an expedited issuance in the latter half of October will reflect a pro-rata share of the October allotment and the full November allotment, it is considered an October issuance.