United States Department of Agriculture

Food and Nutrition Service

Southeast Region

61 Forsyth St. S.W.
Room 8T36
Atlanta, GA
30303-3415

May 21, 2015

Aldona Wos, M.D.
Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

Dear Dr. Wos:

It is a Food and Nutrition Service (FNS) priority to ensure that households applying for or participating in the Supplemental Nutrition Assistance Program (SNAP) receive timely processing of their applications in accordance with Federal regulations. On October 1, 2014, FNS issued guidance underscoring the importance of serving eligible households in accordance with Federal application processing requirements and outlining the process FNS will use to escalate these concerns with chronically underperforming States. While 100 percent compliance with the 30-day and 7-day application processing standards has long been the stated requirement, FNS practice has been to consider 95 percent and above as acceptable performance. This guidance is specifically focused on actions FNS will take with State agencies that consistently process less than 90 percent of their applications on time. To date, FNS has issued five warning letters to States that have chronically failed to meet acceptable timeliness performance of at least 90 percent.

In 2014, FNS issued an advanced warning letter to North Carolina regarding application backlogs that accrued as a result of implementation issues with North Carolina Families Accessing Services through Technology (NC FAST) eligibility system. North Carolina is to be credited with diligence and hard work which eliminated the backlog of over 20,000 applications. FNS provided extensive technical assistance and worked collaboratively with the Department of Health and Human Services (DHHS) to support these efforts. FNS appreciates the partnership we have with DHHS. However, concerns remain with North Carolina's long term trends in overall application processing timeliness, and the hardships this creates for thousands of low-income households across North Carolina.

For Fiscal Year (FY) 2013, North Carolina's application processing timeliness rate was 75.36 percent with an upper bound of 80.50 percent ranking 49th among 53 SNAP State agencies. FNS timeliness data reported on a quarterly basis throughout FY 2014 indicates that North Carolina has failed to improve their timely processing to an acceptable level. For the most recent quarterly data for July – December 2014, the State has an upper bound rate of 84.60 percent.

Therefore, in accordance with the October 1, 2014 policy, FNS is now taking action to help ensure citizens of North Carolina are receiving the basic level of responsiveness and quality of service that they deserve from their government. This letter serves as advance notification that DHHS could soon be subject to the suspension or disallowance of administrative funds in accordance with 7 Code of Federal Regulations (CFR) 276.4 if the State is unable to achieve significant progress towards the benchmarks set forth in this letter.

The State's chronically poor performance in timeliness is in direct conflict with application processing statutory and regulatory provisions meant to protect a low-income household's right to receive nutrition assistance benefits in a timely manner. FNS has routinely identified areas of noncompliance related to program access and timeliness during management evaluation (ME) reviews. It is apparent that the State's corrective action initiatives have not achieved the desired effect. Therefore, DHHS must take substantial steps to improve access to SNAP benefits.

FNS recognizes that the State has yet to achieve the full benefits of its modernization projects, new eligibility determination system, and process improvements that were started in 2013. As with any major transition, staff and system adjustments take time. However, timely access to SNAP benefits for eligible low-income North Carolina residents should not be contingent upon program modernization.

The State must provide a response to this advance notification within 30 days of the date of this letter with a detailed corrective action plan (CAP). At a minimum, the CAP must include:

- a description of the timeliness issues;
- an analysis of the underlying cause(s) of the timeliness issues;
- identification of specific strategies to address each of the underlying cause(s) and meet the benchmarks below;
- the names of the individuals responsible for implementing each of the corrective action strategies; and,
- the plans for monitoring and evaluating the effectiveness of the strategies and progress towards meeting the benchmarks below.

In addition, the CAP must contain measurable outputs that will evaluate DHHS progress toward a 95 percent application processing timeliness rate. Specifically, DHHS must meet the following benchmarks:

- An 85 percent average statewide timeliness rate for the 6 month period July 2015 through December 2015; and,
- A 95 percent average statewide timeliness rate for the 6 month period January 2016 through June 2016.

Monitoring of timeliness is critical. DHHS must also provide weekly reports that document the status of statewide corrective action strategies, along with data showing the State's progress towards meeting the above benchmarks. Specifically, the data must include a monthly statewide application process timeliness rate and weekly data on the number of cases beyond the Federal processing requirements. The weekly data should consist of all initial applications without a determination and initial applications approved that week. Each record should include the applicant's case number, county or local office, date of application, expedited indicator,

interview date, approval date, date benefits available, and application processing days (calculated from the date of application to the date the report is run).

If FNS timeliness data for the time periods listed above indicates that DHHS has failed to meet the required benchmarks to FNS satisfaction, FNS will issue a formal warning letter in accordance with 7 CFR 276.4. DHHS would then have 30 days from receipt of the formal warning to submit additional evidence that it is in compliance or submit a revised corrective action plan. If the DHHS response is inadequate, FNS could suspend Federal funding for State administrative expenses upon receipt of the State's response.

FNS is available to provide technical assistance. Please contact Peggy Fouts, Regional SNAP Director, at (404) 562-7099 with questions.

Sincerely,

ROBIN D. BAILEY, JR.
Regional Administrator

cc: Sherry Bradsher
Wayne Black
David Locklear

File Code: FNS 42 Performance System Reports North Carolina FY 2015