



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

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YVONNE COPELAND • Director, Division of Child and Family Well
Being

December 21, 2022

Mr. Eugene Malveaux, Regional Director
Supplemental Nutrition Assistance Program
61 Forsyth St. S.W. Room 8T36
Atlanta, Ga 30303-3415

Dear Mr. Malveaux:

North Carolina received and reviewed the Fiscal Year 2022 Management Evaluation (ME) review of the North Carolina Department of Health and Human Services administration of the Supplemental Nutrition Assistance Program (SNAP) response letter dated October 28, 2022. We have addressed all the issues identified in your letter and have a plan of action in place that we believe will satisfy the findings. Attached you will find North Carolina's corrective action plan for the findings noted in the letter. If you have questions, please reach out to me at 919-527-7271 or by email at Cynthia.Ervin@dhhs.nc.gov.

Sincerely,

Cynthia Ervin
Assistant Director
North Carolina Department of Health and Human Services, Division of Child and Family Well Being

cc: Madhu Vulimiri, Deputy Director, Division of Child and Family Well Being

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD AND FAMILY WELL-BEING

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ABAWD

Finding 1.1: The SA failed to track ABAWD participation correctly. 7 CFR 273.24(b)(3)

Background: States are responsible for tracking the participation of ABAWDs, even in areas covered by a waiver. Tracking starts with identifying household members who do not meet any exemption(s), or screening for exemptions. Tracking also means measuring the continuous 3- year period and keeping a record of whether individual non-exempt ABAWDs (ABAWDs subject to the time limit) are meeting the work requirement. FNS identified that in 8 of 30 cases reviewed, the SA failed to track ABAWD participation correctly.

Required Corrective Action 1.1: The SA must ensure all SNAP eligible months are correctly tracked and updated on the State's tracking calendar. The SA must provide staff training and utilize case accuracy reviews to ensure policy is applied consistently and accurately. The SA must provide a copy of the case file review tool utilized for supervisory and management evaluation reviews. The review tool must include this specific targeted ABAWD policy element to ensure SA compliance. Any related material, staff training or correspondence issued in response to this finding must be provided to FNS for approval prior to staff distribution.

NCDHHS Response: The state agency contacted North Carolina Families Accessing Services through Technology (NC FAST) staff that are responsible for programming the state's eligibility system with ABAWD rules on October 28, 2022. According to NC FAST, the system is working as designed. The ABAWD time clock should not display if an ABAWD has not used a countable month. The display issue with tracking ABAWDs was identified as a defect and was resolved on December 17, 2022.

Finding 1.2: The SA failed to inform households of the ABAWD reporting requirements. 7 CFR 273.12(a)(1)(vii)

Background: ABAWDs must report whenever their work hours fall below 20 hours per week, averaged monthly. This does not mean that ABAWDs need to report their work hours every month. States must inform ABAWD households of this reporting requirement at application, recertification, and when the State agency transfers households to a new reporting system. Under simplified reporting, the State must explain this reporting requirement both orally and in writing. During the review, FNS discovered that case files were not consistently documented that the household was informed of the ABAWD reporting requirements.

Required Corrective Action 1.2: The SA must ensure all ABAWDs are informed of the ABAWD reporting requirement at application, recertification, and when the State agency transfers households to a new reporting system. Under simplified reporting, the State must explain this reporting requirement both orally and in writing and the case file must be documented as required. Policy, training material, resource guides and applicable client material must be updated to include accurate and correct information. In addition, the SA must provide staff training and utilize case accuracy review tool to ensure policy is applied consistently and accurately. The SA must provide a copy of the case file review tool that is utilized for supervisory and management evaluation reviews. The review tool must include this specific targeted ABAWD policy element to ensure SA compliance. Any related material, staff training or correspondence issued in response to this finding must be provided to FNS prior for approval prior to staff distribution.

NCDHHS Response: The state agency has developed a consolidate work notice form to provide to households at application and recertification. The consolidated work notice form was implemented in May 2022. A Dear County Director Letter will be sent to all county agencies regarding the consolidated work notice and to explain that the ABAWD reporting requirements must be explained both orally and in writing and the case file must be documented.

Policy and training materials have been updated to include accurate and correct training and is attached for FNS review and approval. Upon approval of policy and training materials, training will be scheduled with all county agencies to ensure that all county staff is aware of accurate ABAWD policies and procedures. A copy of the case file review tool is attached that is used for specific targeted ABAWD policy elements during supervisory and management evaluation reviews.

SNAP-ED

Finding 2.1 (Repeat Finding): The SA failed to ensure the appropriate Civil Rights (CR) assurances were included in all agency agreements. FNS Instruction 113-1, Section X (B)

Background: The SA must obtain written assurance of nondiscrimination compliance from their local agencies that receive Federal assistance, and where applicable, this statement must be incorporated into the State and local agreements. During the review, FNS discovered the SA does not include the Federal certification regarding nondiscrimination in their SNAP-Ed IA contracts. FNS also found UNC-CH's community partnership agreement did not include any CR assurance, and NCSU's Steps to Health template Memorandum of Understanding (MOU) did not include all SNAP protected classes.

Required Corrective Action 2.1: The SA must amend all SNAP-Ed contracts to include the appropriate CR assurances. The SA should use language from the updated SNAP Federal-State Agreement (shared with States July 5, 2022) for the CR assurance. The SA must provide FNS with the page from each of the amended agreements, showing the inclusion of the CR assurance, and provide the signature page from each executed SNAP-Ed contract, containing the updated assurances. The UNC-CH community partnership agreement and NCSU SNAP-Ed Steps to Health template MOU must be updated to include the correct protected classes. Copies of the amended documents must be provided to FNS for validation.

NCDHHS Response: The state agency has experienced a transition in SNAP-ED staff as well as transition from Department of Social Services to a new division, Division of Child and Family Well-Being. As of December 19, 2022, all SNAP-Ed contracts have been amended to include the appropriate CR assurances. The state agency is working closely with Division of Child and Family Well Being Contracts and Procurement Staff to execute all SNAP-Ed contracts. The state agency is estimating that contracts will be executed by February 1, 2022. The estimated date is not a definite date, and the state agency will follow-up with FNS if the estimated execution date is not met. Once contracts have been executed, requested copies will be sent to FNS for validation.

State ME Systems

Finding 3.1: The SA failed to provide a description of its review method(s) for each program area required to be reviewed, as specified by FNS, in its FY 2021 ME Plan. 7 CFR 275.9(b)(1)(v).

Background: The SA's FY 2021 State ME Plan identified the target areas to be reviewed in accordance with the FNS FY 2021 State Target Memorandum. However, upon further review of the plan, FNS discovered the SA failed to describe the review methodology for the required target areas of Initial Certification Processes and Access, and Household Reporting Requirements.

Required Corrective Action 3.1: The SA must develop its FY 2023 State ME Review Plan in accordance with Federal regulations, to include a review methodology for each target area to be reviewed. The SA must provide a copy of its FY 2023 ME Review Plan to FNS for review and validation.

DHHS Response: Management will ensure the methodology for accessing local agency compliance with the identified target areas are incorporated in the ME plan and working papers. The updated ME plan will be submitted to FNS prior to the specified deadline. ME working papers will be revised and training will be conducted with the state agencies Continuous Quality Improvements Specialist who conducted ME reviews each fiscal year prior to monitoring.

Finding 3.2: The SA did not review the national target areas of program operations, specified by FNS in the FY 2021 State Target Memorandum. 7 CFR 275.8(a)

Background: The SA's FY 2021 State ME Review Plan identified the target areas required to be reviewed in accordance with the FY 2021 State Target Memorandum. However, after a thorough review of the State's cover letters, work papers, reports, and quality improvement plans, FNS determined the SA failed to review the required Initial Certification Processes and Access, and Household Reporting Requirements target areas.

Required Corrective Action 3.2: The SA must ensure all national target areas of program operations, specified by FNS each FY in the State Target Memorandum, are reviewed by State reviewers in that FY. The SA must provide a copy of its FY 2023 ME Review Plan to FNS for review and validation.

DHHS Response: The state agency submitted a copy of the FY 2023 ME Review Plan and the FY 23 ME Review Working Papers to FNS on November 1, 2022, for review and validation. Currently, the state agency has not received a response from FNS to determine if the FY 23 ME State Plan and ME Review Working Papers is sufficient. The ME plan and Review Spreadsheet is attached. Changes, if any, will be made once a response is received from FNS.

QC Statistical

Finding 4.1: The SA failed to transmit all cases (100 percent) selected in the sample month within 115 days of the end of the sample month. FNS Handbook 310 section 190.

Background: The SA has failed to transmit 8.58 percent of the active cases selected for the QC fiscal year months of October 2021 – April 2022, within 115 days of the end of each sample month. Each case selected in the samples of active and negative cases shall be accounted for by classifying it as Completed, Not Completed, or Not Subject to Review within 115 days of the end of the sample month.

All cases (100 percent) selected in a sample month must be disposed of and the findings reported to Supplemental Nutrition Assistance Program-Quality Control System (SNAP-QCS).

Required Corrective Action 4.1: The SA must transmit all cases (100 percent) selected in the sample month within 115 days of the end of the month. The SA must continue to submit reports of late transmission to FNS the end of each month the 115-day deadline is not met. FNS will track the SA data transmissions through QCS, for the three (3) consecutive months of July, August, and September, to validate the SA is meeting data transmission procedures in accordance with FNS Handbook 310 section 190.

DHHS Response: The state agency recognizes that the deadline to transmit all cases (100 percent) in the sample within 115 days of the end of the month is not being met. Staff vacancies has been the leading component that the state agency has experienced that prevented cases from being transmitted by the required deadline. The state agency will transmit 100 percent of QC cases by the following deadline using the schedule below:

- 11/23/22 - July 2022 cases
- 12/22/22 - August 2022 cases
- 01/23/23 - September 2022 cases

Several strategies are under development that will assist with eliminating finding 4.1

- Filling three vacant QC Analyst positions by Spring 2023
- Utilizing temporary staff to assist with training and completing the second party review process
- Administrator, Coordinator, and two Lead Analysts will continue handling dual roles to ensure processes are completed
- Continue providing the QC Overdue Cases report until goals are met.

Open Findings (FY 2021-Employment and Training)

Finding 2.2: The SA failed to document the date individuals were referred to E&T Providers to begin participation in the Program.

Status: This finding will remain open until the SA implements the Standardized SNAP E&T Screening and Referral Form and submits the results of a random sample of cases to FNS for review and validation. The sample must include cases reviewed by the SA within a 60-day period and all cases must include E&T participants.

DHHS Response: The state agency implemented the standardized SNAP E&T Screening and Referral Form on September 1, 2022. The state agency will send a Dear County Director Letter in early January 2023 to local agencies and E&T providers as a reminder to complete the E&T Screening and Referral Form for all E&T participants. The state agency will begin reviewing cases again once the Dear County Director Letter is sent to local counties and providers. The results of the random sampling will be sent to FNS for review and validation.