



Food and
Nutrition
Service

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DATE: March 22, 2021

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) –
Non-Competitive Grant Opportunity for States Using Third Party
Income Databases for Verification – Fiscal Year 2021

TO: All SNAP State Agencies
All Regions

The Food and Nutrition Service (FNS) is pleased to announce a non-competitive grant opportunity for State SNAP agencies that use third party income databases, including but not limited to Equifax’s “The Work Number,” to verify earned income as part of their household eligibility determination process. Approximately \$20 million is available for these grants for Fiscal Year (FY) 2021, contingent on the availability of Federal funding.

The purpose of these grants is to gather information and data about how, when, and to what effect States use third party income databases to verify earned income, and the cost for these services. To participate and receive funding through these grants, States must meet certain evaluation requirements. Eligible States will use the grant funds to offset the expense of their contracts for these income verification services and to provide evaluation data to FNS. States must apply at <https://www.grants.gov>. Click “Get Started”, then search for the opportunity number: USDA-FNS-SNAP-21-IDSV. The application due date is Friday, May 21, 2021.

FNS awarded grants to three States in FY 2020 to conduct a similar evaluation. (States awarded grants in [FY2020 through the Non-Competitive Grant Opportunity for States using Automated Income Data Sources for Income Verification](#) may also participate in this grant opportunity provided they apply and meet all eligibility requirements.) This year’s grant opportunity differs significantly in the amount of funding available and the potential for States to use it to offset their contract expenses.

The enclosures provide full details on how to apply for these funds and the individual minimum grant amounts that each State may receive. If you have further questions on this grant opportunity, please contact your FNS Regional Office.

Sasha Gersten-Paal
Director, Program Development Division
Supplemental Nutrition Assistance Program

Attachments

Enclosure A: Requirements and Procedures

Background: States are required to verify a household's gross non-exempt income prior to certification in all cases. States typically meet this requirement for earned income by requesting that the household provide documentary evidence, such as pay stubs. In addition, many States consult a third party income database to request documentation of the household's income.

This optional consult with a third party database to obtain verification has the potential to promote program access by increasing efficiency and reducing burden for both States and households. For example, in many cases, the third party income database may provide the State with verification of the household's earned income faster than the household can provide it. In other cases, the third party income database may identify income that the household did not report to the State in its application or otherwise, which has the potential to improve payment accuracy.

There is variation in terms of when and how States use this tool and important questions remain concerning which approaches may be more or less advantageous and/or cost effective. The FY 2021 Omnibus Appropriations Bill provided FNS with approximately \$38 million for the purpose of evaluating States' usage of third party income databases and the eventual establishment of a national level contract. FNS is allotting \$20 million of these funds to these grants to continue to evaluate the practice and gather the foundational information needed to pursue a national level contract in the future.

Eligibility Criteria: States must apply and meet the following criteria to be eligible to receive funds and participate in this non-competitive grant:

- The State must be using or anticipate using a third party income database, such as but not limited to Equifax's "The Work Number," to verify earned income as part of their household eligibility determination process as of October 1, 2021.
- The State must provide FNS with the cost and cost-related terms of its current contract/agreement with the third party income database. The State must provide this information with the required grant application (please see below for how to apply). If, when it applies for this grant, the State is not using a third party income database to verify earned income as part of their process to determine a household's eligibility, but anticipates doing so by October 1, 2021, it must explain the circumstances in its application and provide the cost and cost-related terms of the contract after it is finalized.
- The State must provide FNS with answers to the questions in the Enclosure B. The State must provide this information with the required grant application.
- The State must meet the evaluation requirements below and detailed in the Enclosure C. The State must provide this data to FNS by the required due dates. If, when it applies for this grant, the State is not using a third party income database, but anticipates doing so by October 1, 2021, FNS will adjust due dates accordingly.

Evaluation and Reporting Requirements: Grantees must adhere to the following evaluation and reporting requirements:

- Grantees must provide the Datasets described in Enclosure C.
- Based on the information shared by the State in response to the questions in Enclosure B, FNS will collaborate with States selected to receive grants to design additional reporting requirements for a sample of 200 cases.
- The State must also provide quarterly narrative progress reports utilizing the FNS-908, and provide financial status reports quarterly through the Food Program Reporting System (FPRS). Additional details will be provided in the Terms and Conditions of the Award.

Individual Grant Amounts: Enclosure C lists the minimum amount of funds that each grantee may receive. FNS determined these amounts based on the following methodology, assuming all 53 State agencies apply and are eligible for the grants.

- FNS is allotting a total of \$20 million to these grants;
- Each grantee will receive \$200,000.00 as a floor amount;
- In addition, each grantee will receive a share of the remaining \$9.4 million amount equal to the State's share of the overall monthly average number of SNAP participants in FY 2020;
- If a grantee were to withdraw or otherwise not participate in collecting and reporting the evaluation data, FNS reserves the right to re-allocate the grant funds; and
- All funding requests must be in whole dollars.

Period of Performance: The period of performance is June 1, 2021 through September 30, 2022.

Eligible Expenses: Eligible expenses include only the following:

- Expenses incurred by the grantee collecting and providing the required evaluation data; and
- Expenses incurred by the grantee accessing the third party income database to verify SNAP households' earned income.

How to Apply: States must apply for these funds through the Grants.gov web portal at www.grants.gov.

- From the home page, click "Get Started," then search for the opportunity package. The funding opportunity number is USDA-FNS-SNAP 21-IDSV. States must submit their applications via the Grants.gov web portal.
- In order to submit an application using the Grants.gov system, States must have a valid Data Universal Numbering System (DUNS) number and register in both the new System for Award Management (SAM) and on Grants.gov.

Grant Application Proposal Requirements: All applicants must submit the following by no later than Friday, May 21, 2021:

- A proposal of no more than three pages that includes the following:
 - The name of the third party database used by the State to verify household income;
 - The cost and terms of the State’s current contract with the third party database;
 - Answers to the list of questions in Enclosure B; and
 - A description of how the State would fulfill the evaluation requirement summarized in Enclosure C. Please note any considerations regarding data availability.
- A one-page budget narrative describing the Federal funds requested in SF-424A, including detailed calculation stating how the amount of funds requested were derived.
- Required Grant Application Forms (available in the application package on Grants.gov):
 - SF-424 Application and Instruction for Federal Assistance
 - SF-424A Budget Information and Instruction
 - SF-424B Assurance-Non-Construction Programs
 - SF-LLL (Disclosure of Lobbying Activities): Indicate on the form whether your organization intends to conduct lobbying activities. If your organization does not intend to lobby, write “Not Applicable.”
 - Forms AD-1047-1049 and AD-10-1052, as applicable
 - FNS-906 Grant Program and Accounting System Questionnaire (attached)

Catalog of Domestic Federal Assistance (CFDA): The Catalog of Domestic Federal Assistance number for this grant project award is 10.561.

Application Due Date: Complete grant applications must be uploaded to www.grants.gov by 11:59 PM, Eastern Daylight Time, on May 21, 2021. Late applications will not be considered. FNS will not consider additions or revisions to applications once they are submitted.

Grant awards are subject to the availability of funding and/or appropriations of funds.

Grant Agreement: When awards are made, State agencies and FNS will sign a FNS-529 Grant Award form. A fully executed FNS-529 agreement, with terms and conditions, will serve as the official grant agreement.

Enclosure B: Application Questionnaire

Please answer the questions below and provide the completed questionnaire with your State's application. If your State is not using a third party income database at the time of application, but anticipates doing so by October 1, 2021, please answer the questions below to the best of your knowledge based on your State's planned processes.

1. Name of database used by the State (e.g., The Work Number or another vendor).
2. Please explain the cost of the service. For example, is the State charged a set cost each time a worker attempts a match (requests income information from the database) and it returns income information ("a hit")? If so, what is the cost per hit? Are there additional costs for user accounts/access and if so what is the amount?
3. How many months of pay verification is provided per hit? Do additional months of pay verification increase costs?
4. On average how many days elapse between a request and a response for information from the database?
5. How does the State settle differences between applicant statements and information obtained from the database?
6. Is the data returned by the database ever incorrect? If so, how often?
7. Is the data ever outdated (older than 30 days from the date of application)?
8. Is the data used to verify monthly income reported by the household, discover unreported income, or both?
9. How is the data used to support projection of expected income over the certification period?
10. How are eligibility workers' decisions on when to run a match with the database guided or monitored by the State?
11. Are applicants asked for verification of earned income prior to running a match with the database? If verification is provided by the household, does the State still run a match?
12. What criteria (if any) are local offices and workers directed to use in using the database for different households? Can they use independent case-by-case judgements?
13. Is there a limit on the number of times database can be used by a local office or the State as a whole?
14. What are the workers' next steps in processing cases reporting earned income when a match is run with the database but no income information is returned?
15. Are households informed of the State's usage of the database as a deterrent to incorrect reporting?
16. Is the database used for fraud detection? If so, how?
17. Is the database used for purposes of identifying and pursuing claims? For example, are claims pursued based upon information obtained from the database over multiple months?
18. What impact does using the database have on administrative burden? Please provide methodology used to estimate impact.
19. What impact does using the database have on timeliness? Please provide methodology used to estimate impact.
20. What impact does using the third party data source have on payment accuracy? Please provide methodology used to estimate impact.

Enclosure C: Datasets

Dataset 1:

The State must provide the information listed below for October, November, and December 2021, on a rolling basis by the required due date (30 days after the close of the time period). The term “match” means a request submitted to the third party database for a household member’s income information. The term “hit” means a match that was submitted and returned income information. FNS will provide grantees with an excel spreadsheet to report this information after awards are made.

Time period:	Due to FNS by:
October 2021 data	December 1, 2022
November 2021 data	January 1, 2022
December 2021 data	February 1, 2022

1. Total SNAP caseload by month
2. Number of matches attempted per month for the following groups:
 - a. Total
 - b. Zero-income cases
 - c. Cases subject to periodic report
3. Number of matches that returned income information (“hits”) for each of the groups in (2) above:
 - a. Number of hits
 - b. The number of hits that returned income information that differed from household reported information
 - i. Of hits that identified an income difference, the number that identified a new source of income (not reported by the household) that resulted in a change to the household’s allotment and/or eligibility
 - c. If the matches are used for fraud detection, the number of referrals made based on match results.
4. Number of matches run on initial applications per month, and of these matches:
 - a. The number run before the interview
 - b. The number run after the interview
5. Number of matches attempted on recertification applications per month, and of these matches:
 - a. The number run before the interview
 - b. The number run after the interview
6. Cost for the service by month

Dataset 2: Based on the information shared by the State in response to the questions in Appendix A, FNS will collaborate with States selected to receive grants to design additional reporting requirements for a sample of 200 cases.

Enclosure D: Estimated Minimum Grant Amounts

State agency	Minimum grant amount	Average monthly participants FY 2020	Share of all SNAP caseload FY 2020
Alabama	\$ 364,571.00	769,123	1.75%
Alaska	\$ 218,488.00	86,407	0.20%
Arizona	\$ 392,375.00	899,062	2.05%
Arkansas	\$ 289,668.00	419,064	0.95%
California	\$ 1,255,073.00	4,930,862	11.22%
Colorado	\$ 306,576.00	498,083	1.13%
Connecticut	\$ 284,833.00	396,468	0.90%
Delaware	\$ 230,085.00	140,602	0.32%
District of Columbia	\$ 227,122.00	126,758	0.29%
Florida	\$ 919,642.00	3,363,234	7.66%
Georgia	\$ 535,068.00	1,565,935	3.56%
Guam	\$ 209,423.00	44,041	0.10%
Hawaii	\$ 238,810.00	181,378	0.41%
Idaho	\$ 234,945.00	163,316	0.37%
Illinois	\$ 656,291.00	2,132,469	4.85%
Indiana	\$ 365,228.00	772,193	1.76%
Iowa	\$ 270,936.00	331,518	0.75%
Kansas	\$ 245,931.00	214,659	0.49%
Kentucky	\$ 339,701.00	652,894	1.49%
Louisiana	\$ 386,472.00	871,475	1.98%
Maine	\$ 235,803.00	167,328	0.38%
Maryland	\$ 365,865.00	775,169	1.76%
Massachusetts	\$ 411,214.00	987,108	2.25%
Michigan	\$ 539,221.00	1,585,343	3.61%
Minnesota	\$ 292,541.00	432,490	0.98%
Mississippi	\$ 298,618.00	460,889	1.05%
Missouri	\$ 358,274.00	739,692	1.68%
Montana	\$ 223,632.00	110,446	0.25%
Nebraska	\$ 235,306.00	165,005	0.38%
Nevada	\$ 301,845.00	475,971	1.08%
New Hampshire	\$ 216,232.00	75,860	0.17%
New Jersey	\$ 369,373.00	791,564	1.80%
New Mexico	\$ 309,457.00	511,545	1.16%
New York	\$ 824,153.00	2,916,967	6.64%
North Carolina	\$ 512,310.00	1,459,576	3.32%
North Dakota	\$ 210,820.00	50,568	0.12%
Ohio	\$ 523,671.00	1,512,672	3.44%
Oklahoma	\$ 346,233.00	683,420	1.56%
Oregon	\$ 341,105.00	659,453	1.50%
Pennsylvania	\$ 602,062.00	1,879,031	4.28%

State agency	Minimum grant amount	Average monthly participants FY 2020	Share of all SNAP caseload FY 2020
Rhode Island	\$ 239,040.00	182,455	0.42%
South Carolina	\$ 335,624.00	633,837	1.44%
South Dakota	\$ 217,786.00	83,123	0.19%
Tennessee	\$ 416,503.00	1,011,825	2.30%
Texas	\$ 1,010,922.00	3,789,829	8.63%
Utah	\$ 237,078.00	173,286	0.39%
Vermont	\$ 215,366.00	71,817	0.16%
Virgin Islands	\$ 205,277.00	24,664	0.06%
Virginia	\$ 387,225.00	874,992	1.99%
Washington	\$ 404,628.00	956,327	2.18%
West Virginia	\$ 271,676.00	334,976	0.76%
Wisconsin	\$ 363,479.00	764,019	1.74%
Wyoming	\$ 206,397.00	29,900	0.07%