

**AZ State Plan for Pandemic EBT
Children in Child Care ONLY, 2021-2022**

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| Summary: | (1) This document is a template to assist States in the development of State plans to operate Pandemic EBT for children in schools or child care during school year (SY) 2021-2022. (2) This document relates to Section 4601 of the Families First Coronavirus Response Act (P.L. 116-127) as amended by the Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159), the Consolidated Appropriations Act, 2021 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2). |

*Additional context and background for this document can be found at:
<https://www.fns.usda.gov/snap/state-guidance-coronavirus-pandemic-ebt-pebt>*

The P-EBT Assistance for Children in Schools and Child Care is covered under OMB Control # 0584-0660, Pandemic EBT (Schools) which expires on August 31, 2021. The collection covers the burden associated with States submitting school year plans and the submission of the FNS-366a and SF-425 reporting forms. FNS has submitted a renewal request for OMB # 0584-0660, Pandemic EBT (Schools) which accounts for the information collection burden associated with the increased complexity of determining benefit levels under the Schools portion of P-EBT, administrative cost grants, and submitting plans for the Child Care and Summer portions of P-EBT which are not currently approved under OMB #0584-0660

**State Plan for Pandemic EBT
Children in Child Care ONLY, 2021-2022**

- 1. State Arizona:**
- 2. Primary Citations:** Families First Coronavirus Response Act (FFCRA);
Continuing Appropriations Act, 2021 and Other Extensions Act;
Consolidated Appropriations Act, 2021;
American Rescue Plan Act of 2021

3. Executive Summary:

Please provide the following data. In addition, please include a statement indicating that you commit to informing USDA of any significant increase or decrease in these data points during the *date range*¹ covered by this initial plan (or subsequent amendment).

- a. The *date range* covered by this State plan or amendment
 - Children in child care are defined by FNS guidance as those who are under 6 as of August 1st 2021->
 - i. **August 2021 - May 2022 and born/living during this time receiving SNAP in the month the benefit is being paid for.**
- b. Estimated monthly and total *amount* of P-EBT benefits the State will issue within this plan/amendment's date range.
 - Arizona estimates **127,000** children under 6 on SNAP will be eligible for a **\$310** for an estimated maximum total issuance for the months August 2021 - May 2022 of approximately **\$39,370,000**. Arizona commits to inform FNS of any significant changes in expected P-EBT benefits issuance following analysis of child care access and benefit amounts prior to issuance for the Spring semester.
 - Estimated amount issued to non-school children in child care for 21/22
 - i. **\$19,685,000** August 2021 though December 2021
 - ii. **\$19,685,000** January 2022 through May 2022
- c. Estimated total *number* of children to which the State will issue P-EBT benefits.
 - Estimated number of non-school children in child care
 - i. **127,000 child care children**
- d. Tentative P-EBT issuance schedule (the dates on which you will issue P-EBT benefits).
 - Children in child care

The Child Care Population as described earlier will only be considered in this plan. Issuance will be as follows:

*Arizona is currently implementing a new contract with our EBT vendor and this timeline is subject to change.

Child Care Only Issuance Schedule

P-EBT benefits for Fall 2021 (August - December 2021) are tentatively scheduled for

1. **Mid-July 2022** issuance FALL or sooner

P-EBT benefits for Spring 2022 (January - May 2022) are tentatively scheduled for

2. **Mid-August 2022** Issuance SPRING

3. **Up to Late October 2022** Corrections

¹ The date range covered by the P-EBT State plan or amendment. A State's plan will typically cover the instructional months in the State's school year (September 2021 through June 2022, for example).

4. P-EBT for Children in Child Care (see Q&As #25-33)

Standard for P-EBT Eligibility

A child enrolled in a covered child care facility is eligible for P-EBT if:

- The child is a member of a household that is enrolled in SNAP in the benefit month.
- The child is enrolled in a covered child care facility. (Note that under the FFCRA, USDA deems all children under the age of 6 to be enrolled in a covered child care facility.)
- During a public health emergency designation, the child's child care facility is closed or is operating with reduced attendance or hours for at least 5 consecutive days, resulting in the child's inability to attend the facility; or one or more schools in the area of the facility, or in the area of the child's residence, is closed or is operating with reduced attendance or hours.

- Describe how the State will identify eligible children and confirm their eligibility consistent with the above standard.

Arizona will conduct two semester-long assessments of statewide eligibility for issuing P-EBT benefits to this population, looking at Child and Adult Care Food Program (CACFP) Lunch Claim data (explained below) as an indicator of access to meals/child care for the SNAP Under 6 population. If the majority of SNAP Under 6 caseload (children receiving SNAP between August 2021 - May 2022 and under the age of 6 as of August 1, 2021) is found to have reduced access during each period, Arizona will proceed to the next step of monthly child-level benefit eligibility for that period.

AZDES determined that Arizona's child care system continues to operate during the Fall 2021 semester at significantly reduced capacity due to the COVID-19 pandemic. The most recently-available data shows a **24.4%** reduction in CACFP lunches served between August through December 2021, compared against pre-pandemic levels.

Informed by the data that shows reduced child care access, Arizona proposes to determine all children enrolled in SNAP and under age 6 (as of August 1, 2021) eligible for P-EBT child care benefits throughout the state. Arizona will conduct an additional statewide analysis for P-EBT eligibility for Spring semester months of January - May 2022. If this analysis shows that there is no longer reduced access to child care for a month within the period in question, Arizona will not assign benefits for that month.

Once it has been determined that statewide child care access remains reduced for that semester, Arizona will identify all children in Arizona's eligibility system (AZTECS) who were under age 6 as of August 1, 2021, and will issue P-EBT benefits only for the months the child was enrolled and receiving in SNAP between August 2021 - May 2022. A child who turns 6 after August 1, 2021, will remain eligible under the P-EBT Child Care plan through May 31, 2022, under a proposed simplifying assumption that the child remains enrolled and receiving in SNAP.

- How will the State determine and confirm the child’s receipt of SNAP benefits in accordance with relevant SNAP privacy requirements?

AZDES (SNAP agency) will determine P-EBT eligibility using its existing SNAP eligibility system, AZTECS.

- How will the State determine that a child’s residence is in the area of one or more schools that is closed or is operating with reduced attendance or hours? (See Q&A #29)

Arizona is not basing child care eligibility on proximity to area schools in this plan.

- For children whose residence is *not* in the area of one or more closed schools or schools operating with reduced attendance or hours, how will the State determine that child’s eligibility? Specifically, how will the State determine that:
 - the child’s child care facility is closed or is operating with reduced attendance or hours, or
 - the child’s child care facility is in the area of one or more schools that are closed or operating with reduced attendance or hours?

See explanation above.

- Are there any State or local public health ordinances that limit the capacity of child care facilities in response to COVID-19 in your State? If yes, describe how you will use those to find that all SNAP-participant children under age 6 are eligible for P-EBT in those areas?

No.

- Describe the process that the State will use to update and re-establish each child’s continued P-EBT eligibility and benefit level consistent with changes in the operating status of the child care facility or area schools? How frequently will that information be updated? (Note that this information must be updated no less frequently than every other month.)

Arizona anticipates retroactively issuing P-EBT benefits to children eligible under this Child Care plan, so no prospective eligibility determinations will be necessary. As stated above, Arizona proposes to assess historical CACFP lunch data as a proxy for child care access on a semester-long basis.

- Describe how the State will set benefit levels for children once they have been determined eligible for some level of benefit? (See Q&A #29.)

Arizona proposes to set a standard monthly P-EBT child care benefit at **24.4%** fully virtual benefit for child care age children. Arizona will use the average days CACFP lunches were served (set at 18 days (average used in most states is 180 days ÷ 10 months (August-May)) = **\$155** (Arizona is using \$7.10 daily) per month) for the months of August - December 2021. This equates to **\$31** per month, when rounded to the nearest whole dollar.

This benefit level is based on AZDES' most recent analysis of CACFP data that shows participation is 24.4% below pre-pandemic levels in a year-over-year comparison (2019 vs. 2021) of Fall semester months. To determine the benefit level for the Spring semester months, AZDES will be using CACFP claims for the months of January through March to calculate an average monthly benefit for the months of April and May. AZDES will then compare CACFP lunch data for the months of January - May 2022 to the pre-pandemic months of January - May 2019 and set the benefit in the same manner as described for Fall semester. See page 6 for additional details on this calculation.

- Describe the roles and responsibilities of each State agency or other partners involved in P-EBT (e.g. which agency is responsible for confirming eligibility).

AZDES, with the help of its eligibility system (AZTECS), will identify the eligible SNAP Under 6 population based on age requirements and monthly SNAP participation described above.

AZDES is utilizing data that the Arizona Department of Education (ADE) submits to FNS on CACFP lunch reimbursement claims.

- What simplifying assumptions does the State propose? Why must the State make those simplifying assumptions? Please address both of these questions in detail.

As stated above, Arizona proposes two simplifying assumptions.

First, Arizona proposes the simplifying assumption that a child who turns 6 after August 1, 2021 will remain eligible and can continue to participate under the P-EBT Child Care plan through May 31, 2022, as long as the child remains enrolled and receiving SNAP in each of these months.

Second, Arizona proposes a simplifying assumption to determine all children under age 6 and enrolled in and receiving SNAP to be eligible for P-EBT benefits statewide, based on a AZDES' analysis showing that Arizona's child care system continues to operate at significantly reduced capacity across the state due to the COVID-19 pandemic.

AZDES is utilizing data that ADE submits to FNS on CACFP. As shown in Table 1 below, the count of lunches served statewide in Fall of 2021 was well below pre-pandemic levels of 2019. This is largely due to child care programs being forced to close in response to the pandemic, as well as concern about the transmissibility of the highly contagious Delta and Omicron variants that began circulating among children not yet eligible for vaccines in Fall 2021.

Table 1: CACFP Lunches Served - Homes & Centers Excluding At-Risk Center Lunches in Arizona, 2019 and 2021

| CACFP lunch claims pre-pandemic months | | CACFP lunch claims current school year months | | Percent Change, Fall Semester: To be applied to daily rate and number of school instructional days per month. |
|--|------------------|---|------------------|--|
| August 2019 | 673,570 | August 2021 | 509,334 | |
| September 2019 | 676,254 | September 2021 | 531,638 | |
| October 2019 | 783,631 | October 2021 | 532,445 | |
| November 2019 | 651,340 | November 2021 | 502,753 | |
| December 2019 | 660,619 | December 2021 | 527,918 | |
| Total | 3,445,414 | Total | 2,604,088 | 24.4% |

5. Benefit Levels

| |
|---|
| <p><i>Standard for Benefit Levels</i></p> <ul style="list-style-type: none"> The full daily benefit level for each eligible child is equal to the free reimbursement for a breakfast, a lunch, and a snack for school year 2021-2022. The benefit is multiplied by the number of days that the eligible child's status makes them eligible for P-EBT benefits. |
|---|

| SY 2021-2022 July 1, 2021 - June 30, 2022 | Free Reimbursements USDA School Meal Programs | | | |
|--|--|-----------|--------|---------------|
| | Lunch | Breakfast | Snack | Daily Total |
| Contiguous U.S. | \$3.75 | \$2.35 | \$1.00 | \$7.10 |
| Alaska | 6.03 | 3.78 | 1.63 | 11.44 |
| Hawaii, Guam, Virgin Islands, Puerto Rico | 4.37 | 2.74 | 1.17 | 8.28 |

Notes:

- Lunch rates include the 7 cent performance-based reimbursement and the extra 2 cents per meal received by school food authorities in which 60 percent or more of the lunches served during the second preceding school year were served free or at a reduced price.
 - Breakfast rates are those received by "severe need" schools.
 - Snack rates are those for afterschool snacks served in afterschool care programs
- Source: <https://www.govinfo.gov/content/pkg/FR-2021-07-16/pdf/2021-15107.pdf>

- Describe the benefit levels proposed, including how days of eligibility will be determined. What simplifying assumptions does the State propose? Why must the State make those simplifying assumptions? Please address both of these questions in detail.

| Childcare Calculations | Percent Change in CACFP Lunch Claims | Average # of Virtual Days per Month in Schools Plan | Number of Months in Semester | Daily Benefit Amount | Average Monthly Benefit | Full Semester Benefit |
|------------------------|--------------------------------------|---|------------------------------|----------------------|-------------------------|-----------------------|
| Fall Semester | 24.40% | 18 | 5 | \$7.10 | \$31 | \$155.00 |
| Spring Semester | % | | | \$ | \$ | \$ |

Monthly rounded due to eligibility system limitations

As noted on pages 4-6, Arizona proposes to set a standard monthly P-EBT Child Care benefit for the Fall 2021 semester months at **24.4%** of the fully-virtual benefit for school age children (set at 18 days (average used in most states is 180 days ÷ 10 months (August-May)) = **\$155** (Arizona is using \$7.10 daily) per month). This equates to **\$31** per month for each of the Fall semester months.

This benefit level is based on AZDES’ most recent analysis of CACFP data that shows participation **24.4%** below pre-pandemic levels throughout Fall semester months (2019 vs. 2021).

To determine the benefit level for the Spring semester months, AZDES will be using CACFP claims for the months of January through March to calculate an average monthly benefit for the months of April and May. AZDES will then compare CACFP lunch data for the months of January - May 2022 to the pre-pandemic months of January - May 2019 and set the benefit in the same manner as described for Fall semester. Arizona commits to inform FNS of any significant changes in expected P-EBT benefits issuance following analysis of child care access and benefit amounts prior to issuance for the Spring semester.

6. Implementation Timeline, EBT Processing, and Benefit Issuance

Please provide an implementation timeline for SY 2021-2022 with estimated dates for major milestones in your plan.

- States should develop their timeline cooperatively, including input from its EBT processor and all State agencies involved in implementing P-EBT. Instead of using specific dates, describe important milestones and realistic durations between them. USDA suggests that States build their timelines from the date USDA approves the State’s plan (Day #0).
- The timeline must include the State’s tentative issuance dates. In SY 2020-2021, most States issued in phases, and on a rolling basis thereafter. For example: issuance to SNAP households Day #10, to non-SNAP households on Day #15, and to newly identified cases from Day #16 onward. This is a best practice, which we encourage States to continue.
- Examples of other possible milestones include, but are not limited to:

- State Education agency provides student data to SNAP State agency (Day #5)
- P-EBT hotline becomes active (Day #9)
- Public notice campaign begins (Day #10), etc.

Please also address each of the following:

- Will the State issue P-EBT benefits on a unique P-EBT card design? If so, who will receive these cards, non-SNAP households only? Or also SNAP households?
- How will the State distinguish P-EBT from SNAP and D-SNAP issuances? USDA strongly encourages the use of a sub-benefit type, even if your State did not do so in SY 2020-2021. This will greatly facilitate the States' ability to report and USDA to maintain accountability for P-EBT.
- What will be your draw/spend priority for P-EBT, SNAP, and D-SNAP? USDA suggests making P-EBT first on your draw/spend priority.
- How will the State handle expungement of P-EBT benefits? USDA recommends that States follow the same expungement rules that the State currently follows for SNAP.
- During SY 2020-2021, large numbers of P-EBT cards were returned to EBT processors via mail, due to incorrect addresses. How will you and your EBT processor handle returned P-EBT cards? How will you handle the need to issue replacement cards in these cases?
- Will you issue *new* P-EBT cards to existing P-EBT households?
 - If so, who will receive these cards? Non-SNAP households only? Or also SNAP households?
 - If not, how will you handle cases where the P-EBT household no longer has their P-EBT card?

Response:

The below dates are tentative and contingent upon other factors.

May - FNS plan approved/Programming setup

ISSUANCE-Mid-Late July - AZDES issuance Fall Semester 21/22 Child Care Under 6 Aug-December

Mid June - Calculate Spring Semester Benefit

ISSUANCE-Mid-August: AZDES issuance Spring Semester 21/22 Child Care Under 6 Jan-May (Note:Apr-Jun will be based on Calculated Average loss for SPRING. Timeframe dependent on ADE data being ready for use in calculations.

Late October 2022 - Corrections if needed

P-EBT Issuance Schedule by Case Last Name (Child Care):

| Last name's first letter is | Benefits available |
|------------------------------------|---------------------------|
| A-B | *15th of the month |
| C-D | 16th of the month |
| E-F | 17th of the month |
| G-H | 18th of the month |
| I-J | 19th of the month |
| K-L | 20th of the month |
| M-N | 21st of the month |
| O-P | 22nd of the month |
| Q-R | 23rd of the month |
| S-T | 24th of the month |
| U-V | 25th of the month |
| W-X | 26th of the month |
| Y-Z | 27th of the month |

*Estimated, may need to be sooner or later depending on when 15th falls as processing needs to occur in the middle of the week.

Please also address each of the following:

- **Will the State issue P-EBT benefits on a unique P-EBT card design? If so, who will receive these cards, non-SNAP households only? Or also SNAP households?**
 - As was done for the 20-21 school year and summer 2021, all SNAP Under 6 P-EBT eligible children will be issued P-EBT benefits to the SNAP case/ EBT card they were actively receiving SNAP benefits on during a particular month within the covered period.
- **How will the State distinguish P-EBT from SNAP and D-SNAP issuances? USDA strongly encourages the use of a sub-benefit type, even if your State did not do so in SY 2019-2020. This will greatly facilitate the States' ability to report and USDA to maintain accountability for P-EBT.**
 - What does the P-EBT card look like for households who are not currently receiving Nutrition Assistance?
N/A
 - **AZ will continue to use FSPV as the P-EBT issuance subtype code to identify P-EBT issuance – with our simplifying assumptions and tracking we anticipate being able to identify the P-EBT benefits.**
- What will be your draw/spend priority for P-EBT, SNAP, and D-SNAP? USDA suggests making P-EBT first on your draw/spend priority.
 - **FSPV will be drawn priority 1 followed by SNAP as was done in previous plans.**
- How will the State handle expungement of P-EBT benefits? USDA recommends that States follow the same expungement rules that the State currently follows for SNAP.
 - **AZDES will send out a notice of expungement to participants at 90 days of non-use**
 - **AZDES will expunge based on the SNAP rules at the time of the expungement**
- **During SY 2020-2021, large numbers of P-EBT cards were returned to EBT processors via mail, due to incorrect addresses. How will you and your EBT processor handle returned P-EBT cards? How will you handle the need to issue replacement cards in these cases?**

N/A as benefits only being issued to SNAP cases

- Will you issue *new* P-EBT cards to existing P-EBT households?
 - If so, who will receive these cards? Non-SNAP households only? Or also SNAP households?

N/A as benefits only being issued to SNAP cases on SNAP EBT cards

- If not, how will you handle cases where the P-EBT household no longer has their P-EBT card?
 - AZDES will issue another card upon request

7. Customer Service

Recommended Standard for Household Support

USDA strongly encourages States to develop a customer service plan that anticipates common questions from households of children that are eligible and potentially eligible to participate in P-EBT, and that ensures that all who are eligible are able to receive and use their P-EBT benefits.

- USDA strongly encourages States to provide a means to resolve disputes and answer from actual or potential P-EBT households.
- USDA strongly encourages States to provide relevant program information to actual and potential P-EBT households.

- How will the State resolve disputes or issuance errors (incorrect benefit amount, denied benefits, etc.)? Based on the large number of such inquiries received by USDA, the States, and EBT processors, USDA suggests a phone number (hotline) staffed by personnel empowered to research and address such cases.
- Please describe how the State will serve groups with potential access problems, for example: homeless children, foster children, children without social security numbers, children and caregivers with limited English proficiency, households without internet access, and people living with disabilities.
- Describe the State’s public information campaign. That is, the information you will provide to the general public (i.e., *not directly* to P-EBT participants), and how you will provide that information (i.e., print or broadcast advertising, social media, mailers to the general population).
- Describe what information you will provide for households that do not want the P-EBT benefit that is directly issued to them. How to dispose of the card, etc.
- Describe the information you will provide *directly* to P-EBT participants (this is different from the information you provide to the general public), and how you will provide that information. For example:

- What will you provide to explain the purpose of P-EBT and how to use the benefit? Based on the large number and wide variety of public inquiries that USDA, States, and EBT processor call centers received regarding P-EBT in over the past year, USDA recommends it include:
 - A description of P-EBT
 - Instructions for PINing a P-EBT card
 - Explanation of where benefits can be used
 - Explanation of how benefits can and cannot be used (i.e., eligible foods and non-eligible items)
 - Explanation of violations and penalties, such as trafficking
 - An indication that benefits are non-transferable
 - Instructions for destroying the card, if they want to decline benefits
 - Information regarding a hotline, helpdesk, or website/portal that participants can reach out to, if they have questions, need assistance (setting up a PIN, for example)
- How will you provide P-EBT information to non-SNAP households? How will you provide P-EBT information to SNAP households?
 - Will you provide information via mailers? Will the mailer(s) be a flyer/brochure, buck slip, letter, or some other alternative? USDA recommends flyers/brochures, because these can be used more flexibly than buck slips.
 - Will you provide information via e-mail, text messages, social media, website, robo-call, and/or other electronic means?

Response:

- AZDES will send a notification to each receiving household:
 - A description of P-EBT
 - Explanation of where benefits can be used
 - Explanation of how benefits can and cannot be used (i.e., eligible foods and non-eligible items)
 - Explanation of violations and penalties, such as trafficking
 - An indication that benefits are non-transferable
 - Information regarding a hotline, helpdesk, or website/portal that participants can reach out to, if they have questions, need assistance (setting up a PIN, for example)
 - Children PEBT is being issued to
 - Expected issuance amount for Fall and Spring

- AZDES will maintain a PO Box for handling various needed reviews on cases already built:
 - PO BOX 19009 Phoenix, AZ 85005
 - Items that will be considered proof of custody: Judicial decree, court documents, will, enrollment paperwork, affidavit of guardianship

- AZDES Customer Service Line for PEBT will not be activated as our target population is existing SNAP cases, instead support will be offered via our normal call center.

- AZDES Call Center will be instructed to refer general disputes or issuance errors to CLU (Client Liaison Unit) or Level 2 P-EBT support team for remediation
 - Ability to reissue cards
 - Add/remove children from cases
 - Update date of birth (DOB) or other demographic information
 - Update Primary assigned to case or update Primary Name
 - Research denials
 - Call Backs/Emails to Beneficiaries
 - Research Payment Disputes - Any underpayments will be reviewed and determined by an administrative review completed by The Client Liaison Unit until November 1, 2022.

- If issuance is in error and has been spent, Level 2 support or AZ EBT Team will
 - Record error on OverPayment(OP) worksheet
 - Reissue corrected benefits to claimant if not the same individual
 - Record OP note in the case with the OP, ONLY once guidance is confirmed from FNS

- If issuance not spent Level 2 Support or AZ EBT Team:
 - Move to correct case
 - Keep a log of these events for tracking purposes

- Research by CLU team Level 2 Support
 - Administrative reviews that can't be resolved with submitted paperwork

- PRIOR P-EBT years 2019/2020, 2020/2021 and Summer 2021 will be considered closed - any corrections and support will center around the 2021/2022 school year for Child Care ONLY forward. Only exceptions will be making address corrections and/or card replacements on cases with balances available.

- Please describe how the State will serve groups with potential access problems, for example: homeless children, foster children, children without social security numbers, children and caregivers with limited English proficiency, households without internet access, and people living with disabilities.

- AZDES will have a customer service line with Spanish speaking as an option
- AZDES will address groups with access problems in a variety of ways:
 - Printed materials and alternative formats will be available
 - Informational website will be mobile friendly to support clients with phones
 - Existing TTY services where needed
 - AZDES Client Liaison Unit is specially trained to help clients that may need extra help or can't access traditional methods of contact.
 - AZDES - PEBT runs off the SNAP tender option which operates as a SNAP benefit from a client and retailer perspective. As such homeless or disabled cases will have access to the Restaurant Meal Program Arizona participates in.

Describe the State's public information campaign. That is, the information you will provide to the general public (i.e., *not directly* to P-EBT participants), and how you will provide that information (i.e., print or broadcast advertising, social media, mailers to the general population).

- The AZDES will meet with local media to offer program details and build awareness of the program as needed
 - AZDES Public Information office will design a mobile friendly P-EBT informational landing page with a Q&A section
 - AZDES PIO will issue press releases and social media releases
 - Arizona Food Bank Network will inform clients about the program so they can be on the lookout for the benefits or plan their food budget around the issuances.
-
- Describe what information you will provide for households that do not want the P-EBT benefit that is directly issued to them. How to dispose of the card, etc.
 - Since only SNAP cases are involved, in the rare instance someone declines the benefit, a recoupment will be made and noted in Case Notes for the case.

- Describe the information you will provide *directly* to P-EBT participants (this is different from the information you provide to the general public), and how you will provide that information. For example:
 - What will you provide to explain the purpose of P-EBT and how to use the benefit? Based on the large number and wide variety of public inquiries that USDA, States, and EBT processor call centers received regarding P-EBT in over the past year, USDA recommends it include:
 - A description of P-EBT
 - Instructions for PINing a P-EBT card
 - Explanation of where benefits can be used
 - Explanation of how benefits can and cannot be used (i.e., eligible foods and non-eligible items)
 - Explanation of violations and penalties, such as trafficking
 - An indication that benefits are non-transferable
 - Instructions for destroying the card, if they want to decline benefits
 - Information regarding a hotline, helpdesk, or website/portal that participants can reach out to, if they have questions, need assistance (setting up a PIN, for example)
 - How will you provide P-EBT information to non-SNAP households? How will you provide P-EBT information to SNAP households?
 - Will you provide information via mailers? Will the mailer(s) be a flyer/brochure, buck slip, letter, or some other alternative? USDA recommends flyers/brochures, because these can be used more flexibly than buck slips.
 - Will you provide information via e-mail, text messages, social media, website, robo-call, and/or other electronic means?

Information will be provided via Notice and/or Mass Email-for SNAP when benefits start to issue.

An FAQ and P-EBT landing page will be provided online , here is a example of the spring P-EBT page which will be modified to support the 2020/2021 effort:

[AZ P-EBT Landing Page](#)

- **Will you provide information via mailers? Will the mailer(s) be a flyer/brochure, buck slip, letter, or some other alternative? USDA recommends flyers/brochures, because these can be used more flexibly than buck slips.**

- AZDES will provide letters with general information about the P-EBT Child Care Only program and details

- **Will you provide information via email, text messages, social media, website, robo-call, and/or other electronic means?**
 - AZDES will provide general program information in email blasts to households that provide email addresses
 - SNAP households will receive notification of when to expect benefits issued and monthly allotment table in a welcome letter

8. Over-issuance of P-EBT benefits

States should outline a process to recover or adjust P-EBT payments to correct errors on previous issuances. States cannot simply apply their existing SNAP benefit claim process to P-EBT. Accordingly, States should develop P-EBT-specific rules and procedures and include those in their State plans. States must also consider the capability of their SNAP systems to distinguish P-EBT from SNAP benefits.

The process should take into consideration that many households received their benefits, without application, through an automated match process that relied on the State's own administrative data. Reclaiming benefits under those circumstances calls for a process that weighs the equity of the claim, the burden on affected households, and the likelihood and costs of recovery. Given those considerations, a State's P-EBT plan should consider reasonable thresholds for taking action to recover over-issued benefits. States that establish a process for benefit recovery must provide clear notice to beneficiaries of the circumstances under which the State may attempt to recover benefits or reduce a future issuance. Under no circumstances may the State reduce a SNAP benefit to settle a P-EBT claim.

Finally, the States recognize that USDA is responsible for ensuring accountability of funds for P-EBT purposes. As part of its oversight responsibilities, USDA may hold State agencies liable for aggregate over-issuances or improper payments. USDA's course of action is to pursue P-EBT over-issuance claims in the aggregate where USDA believes such action is merited, based on the nature of the error that gave rise to the over-issuance, the size of the error, and whether such action would advance program purposes.

Please describe how your State will manage P-EBT payment errors.

Response:

For instances where overpayments occur due to system error or other assignment errors the benefit may be recouped by AZDES for that case if readily available and a standard note recorded in the case about the action taken. If the benefit has been spent, the case may be referred to the AZDES Office of Accounts Receivable and Collections(OARC) after consultation with FNS and AD approval. P-EBT benefits will not be reclaimed or recouped by reducing the household's SNAP benefits. Prior to any referrals for overpayments, AZDES will coordinate with FNS for updated guidance, based on the dollar amount and reason for the overissuance.

Based on FNS guidance, AZDES will act accordingly to either pursue collection of the overpaid P-EBT benefits or capture the benefits in a separate spreadsheet, with the following details:

- Case name
- Case number
- Child's name
- Child's identifying information
- Month of overissuance
- P-EBT amounts
- Reason for overissuance [cause(s)]
- Date Discovered

Underpayments: Starting in August 2022 or sooner if possible, AZDES will begin to accept underpayment claims from SNAP clients to research and resolve for children under 6 not paid or underpaid due to accepted updated information. If the claim is approved and processed, AZDES will issue the difference in a subsequent issuance cycle as a supplemental payment. Individual calls or contacts will be handled by the local office/Customer Service line or CLU units.

9. Benefit Issuance Reporting

The State agrees to complete the FNS-292 form as well as all other normally recurring SNAP reporting, including the FNS 46, 388, and 778 reports, on a timely basis in accordance with requirements.

10. Administrative Funding

A separate grant to cover State level administrative costs associated with the administration of P-EBT will be awarded to the SNAP State Agency within each State, for the period of performance August 1, 2021 through September 30 2022. As the authorized grantee, the SNAP State Agency will be granted access to the associated letter-of-credit in which the administrative grant funds will be placed. As P-EBT related State administrative costs may be incurred by State agencies other than the SNAP State Agency, the SNAP State Agency will be responsible for entering into interagency agreements in the form of a Memorandum of Understanding, or document of similar construct, with all other respective State agencies

responsible for delivering P-EBT benefits. The SNAP State Agency will be responsible for reimbursing the administrative costs of all associated agencies accordingly.

Prior to USDA releasing the grant for administrative funding, each SNAP State Agency will be required to submit a P-EBT Budget Plan using the FNS-366(a) Program and Budget Summary Statement. Funds will not be released to the SNAP State Agency's letter-of-credit until this plan is submitted and approved. The SNAP State Agency's Budget Plan should include the estimated administrative costs for all State agencies that will be handling P-EBT.

As noted in Item 9 above, the SNAP State Agency will be also responsible for reporting all administrative expenditures on a separate FNS-778, Supplemental Nutrition Assistance Program, Federal Financial Report designated specifically for P-EBT. The expenditures on the FNS-778 should align with those outlined in the FNS-366(a), Program and Budget Summary Statement. The forms associated with P-EBT will be modified accordingly.

11. Release of Information

Per Section 1101(e) of the Families First Coronavirus Response Act: Notwithstanding any other provision of law, the Secretary of Agriculture may authorize State educational agencies and school food authorities administering a school lunch program under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) to release to appropriate officials administering the supplemental nutrition assistance program such information as may be necessary to carry out this section.”

12. Civil Rights Statement

The State will continue to comply with civil rights requirements by not discriminating on the ground of race, color, or national origin, by providing meaningful access to its programs and activities for individuals who are limited English proficient, and by providing equal access to individuals with disabilities.

13. Administration of State P-EBT Plan

The State will administer P-EBT according to the terms of its approved State plan. If the State wishes to change any of the terms of its plan, the State shall first notify USDA and will, if requested by USDA, submit a plan amendment for USDA review and approval.

Signature and Title of Requesting SNAP State Agency Official:



Signature

Print Name and Title

Jason Sauer, Deputy Assistant Director

Date of Request 5/26/2022