



Food and Nutrition  
Service

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January 9, 2023

**SUBJECT:** Pandemic Electronic Benefits Transfer Program (P-EBT)  
Approval of North Carolina's State Plan for Children in Schools  
and Child Care, School Year 2022-2023

**TO:** Willie Taylor  
Regional Administrator  
Southeast Regional Office

The Families First Coronavirus Response Act (P.L. 116-127; the Act), as amended, authorized a temporary assistance program for households with children without access to meals in school and to certain SNAP-enrolled children in child care during the public health emergency declared on January 27, 2020. Pursuant to the authority granted under Section 1101 of the Act, FNS approves North Carolina's enclosed plan to operate P-EBT for children in schools and child care.

### **Summary of State's Plan**

The North Carolina Department of Health and Human Services, the North Carolina Department of Public Instruction, and the North Carolina Division of Non-Public Education will issue P-EBT benefits through the state's Supplemental Nutrition Assistance Program (SNAP) EBT card system to households with eligible children. The state's plan covers the months of September 2022 through May 2023.

School children are eligible for benefits if they would have received free or reduced price meals at their schools through the National School Lunch Program (NSLP) if not for the closure or reduced attendance or hours of their schools for a period of at least 5 consecutive days. Children in child care are eligible if they are enrolled in SNAP and their child care facility is closed or operating with reduced attendance or hours, or if they live in the area of a school that is closed or operating with reduced attendance or hours. The state will use the best feasibly available data and USDA-approved simplifying assumptions to issue benefits in amounts that are tied as closely as possible to the number of days those eligible children do not receive a meal service through their schools or child care facilities.

### **Children in Schools**

The state and its school districts will identify children eligible for free or reduced price NSLP meals using the most current available data. All school districts that rely on eligibility data from the most recent prior year will have a means to address that they do not issue benefits to school year 2021-2022 graduates and other non-students and will offer households with new students the ability to establish their eligibility through the traditional school food authority-run school meal application and direct certification processes. The state will also provide a path for households with eligible homeschooled children and children in fully virtual schools to receive benefits; these children may be eligible if they began homeschooling or enrolled in fully virtual school due to concerns about the COVID health emergency.

In addition, North Carolina has or will:

**(for children currently enrolled in NSLP-participating schools)**

- communicate the P-EBT eligibility requirements to NSLP-participating local public school units (PSUs) and NSLP-participating non-PSUs including current eligibility for free or reduced price meals and lack of access to meals at school due to a COVID-related absence or school-approved COVID-related virtual learning day,
- instruct PSUs and non-PSUs to provide each student’s P-EBT eligible days to the North Carolina Department of Public Instruction ahead of the state’s planned benefit issuances (by the 10<sup>th</sup> day following the end of the month):
  - PSUs and non-PSUs will determine the number of benefit days for individual students using the quarantine and virtual instruction codes in the state’s recently updated Student Attendance and Student Accountability Handbook,
- tentatively issue benefits for the months of September 2022 through January 2023 in a single issuance in February,
- issue benefits retrospectively monthly for the rest of the school year, February through May, on or about the 25<sup>th</sup> of the month following the end of the benefit month,
- monitor the data submitted by the SFAs; the state will contact the PSU or non-PSU if any outliers are identified,

**(for eligible children attending non-NSLP virtual schools and eligible homeschooled children)**

- use data from state systems to identify potentially eligible children:
  - existing state law requires virtual schools to register with the North Carolina Department of Public Instruction; homeschool administrators must register with the North Carolina Division of Non-Public Education,
  - the state’s outreach will be directed toward potentially eligible families through an “invitation to apply” letter:
    - the state will send letters to households of children in virtual schools that began operation since the start of the pandemic; virtual schools that existed prior to the start of the pandemic will forward the names of students who enrolled since the start of the pandemic to the state and the state will send letters to the households of those children,
    - the state will send letters to children in homeschools that began operation since the start of the pandemic,
    - the invitation to apply letter will clarify that P-EBT eligibility applies to a well-defined, narrow subset of virtual school and homeschooled children, and that receipt of the letter does not indicate eligibility for P-EBT benefits,

- the application will consist of a school year 2022-2023 free and reduced price meal application, documentation to support the application's income sources, and a set of supplementary questions to confirm the remaining eligibility criteria:
  - all applicants will be asked whether their children attend a non-NSLP virtual school or are homeschooled **due to concerns about COVID**,
  - the state will collect information (such as but not limited to SNAP case number) to determine categorical eligibility for free meals; the state will also determine whether the child's local public school participates in CEP,
  - for children who are not categorically eligible for free meals and would not have attended a CEP school if not for COVID, the state will confirm income eligibility through the information entered on the free and reduced price meal application, and the state will use the income documentation provided by applicants to verify their income eligibility as follows:
    - the state will confirm that the documentation matches the income entered on the application for **at least** the first 100 applications received,
    - if the error rate on the first 100 applications is below 5 percent, the state **may** elect to verify 10 percent of remaining applications; if the error rate is higher, the state will continue to verify all applications,
    - the application will require parents to promptly notify the state if their children return to an in-person school during the school year,
- the state will provide USDA the opportunity to review the application prior to implementation,
- issue benefits to all homeschooled and virtual school students as their applications are approved:
  - the state will issue initial benefits for all prior months in the month following application approval,
  - the state will issue benefits on a monthly basis after the end of each remaining month in the school year,
  - the state will issue benefits to these students on or around the 25<sup>th</sup> of the month, consistent with the issuance schedule for all other school children.

### **Children in Child Care**

At a minimum, the state will identify all children under age 6 who are enrolled in SNAP in the benefit month. The state will not issue child care benefits to any child for months after their SNAP enrollment ends. Finally, the state will ensure that children who receive a benefit through P-EBT's child care component do not also receive a benefit through P-EBT's school component for the same month.

In addition, North Carolina has or will:

- identify SNAP-enrolled children under age 6,
- determine if there has been a statewide reduction in access to child care by comparing Child and Adult Care Food Program (CACFP) lunch claims since the start of SY 2022-2023 to the same months prior to the pandemic,
- issue an average benefit to all eligible children statewide for the months North Carolina experienced a reduction in child care access:
  - use the reduction in claims for September and October 2022 compared to September and October 2019 to calculate and issue benefits for September 2022 through January 2023,
  - use the reduction in claims for September, October and November 2022 compared to the sum of claims for September, October November 2019 to calculate and issue benefits for February 2023,
  - use the reduction in claims for October, November and December 2022 compared to the sum of claims for October, November and December 2019 to calculate and issue benefits for March 2023,
  - use the reduction in claims for November, December 2022 and January 2023 compared to the sum of claims for November, December 2019 and January 2020 to calculate and issue benefits for April 2023,
  - use the reduction in claims for December 2022 and January, February 2023 compared to the sum of claims for December 2019 and January, February 2020 to calculate and issue benefits for May 2023
  - multiply the reduction in claims by the average monthly number of instructional days for school children in the same months (185 days over 9 benefit months for an average of 21 days per month), and by \$8.18, to determine the average monthly benefit,
- provide USDA with the state's tentative average benefit for confirmation prior to issuing benefits,
- confirm that lunch claims, for the most current months in spring 2023 where complete data are available, have not returned to pre-pandemic levels before issuing benefits for those months or subsequent months,
- tentatively issue benefits for the months of September through January in a single issuance in February,
- issue benefits retrospectively monthly for the rest of the school year.

Finally, the state will identify risks for improper payments and ensure a high level of integrity.

#### **Estimated Caseload and Value of P-EBT Benefits**

The state will calculate monthly benefits for each eligible child in the household equal to the daily reimbursement for a free breakfast, lunch, and snack multiplied by the number of benefit days calculated as described in the state's plan.

- North Carolina estimates that it will issue \$41.8 million to approximately 496,840 school children for school closures and reductions in attendance and hours extending from September 2022 through May 2023.
- North Carolina estimates that it will issue \$63.3 million to approximately 203,000 SNAP-enrolled children in child care from September 2022 through May 2023.

### **Release of Information**

Pursuant to Section 1101(e) of the Act, the Secretary hereby authorizes the release of the information necessary to carry out P-EBT in North Carolina. Section 1101(e) of the Act states, “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.”

### **Plan Timetable and Revisions**

North Carolina will distribute benefits to households consistent with the timeframes identified in the state plan. Should the state encounter challenges or delays that significantly impair its ability to implement the approved P-EBT plan or require substantive changes, the state must notify the FNS Regional Office as soon as possible. The FNS Regional Office will work with the state to identify reasonable solutions and review revised plans for approval or further revision.

### **Civil Rights**

North Carolina will continue to comply with civil rights requirements by not discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity. The state will also provide meaningful access to its programs and activities for individuals who are limited English proficient, and provide equal access to individuals with disabilities.

### **Administrative Funds**

The North Carolina Department of Health and Human Services will participate in a P-EBT Administrative Budget Planning process using the FNS-366(a) Program and Budget Summary. When the FNS-366(a) is finalized, that will determine the state’s Administrative Grant level. However, the FNS-366(a), Program and Budget Summary, may be updated and revised as the state’s operational plan evolves.

### **Reporting**

The North Carolina Department of Health and Human Services will complete the FNS-292B, the FNS-46, the FNS-388, and the FNS-778 reports in accordance with existing requirements.

FNS values North Carolina's partnership in the administration of Pandemic EBT. FNS stands ready to provide additional support as needed. If you have questions, please contact the FNS Southeast Regional Office.

Sincerely,

Cindy Long  
Administrator