



United States Department of Agriculture

Food Nutrition
Service and

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TO: SNAP State Agencies
Child Nutrition State Agencies

FROM: David G. Burr, Chief Financial Officer,
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DATE: May 26, 2023

SUBJECT: P-EBT in FY 2023 and FY 2024 in light of the end of the PHE in May 2023

Background

On January 30, 2023, the Administration announced the end of the COVID-19 Public Health Emergency (PHE) on May 11, 2023. This action has significant implications for the administration of the Pandemic Electronic Benefit Transfer (P-EBT) activities for Fiscal Year (FY) 2023 and FY 2024. This letter is intended to outline those impacts and identify ways in which FNS intends to assist State partners with the issuance of final P-EBT benefits and the orderly conclusion of the P-EBT activities.

With the end of the PHE on May 11, 2023, FY 2023 will be the final year for which any child will be eligible to receive P-EBT benefits. Additionally, FNS will not receive new allocations of funding for P-EBT after September 30, 2023. Taken together, these changes impact both benefit delivery and the supporting State administrative grants.

Benefit Issuance

The end of the PHE means that FY 2023 will be the final year for both the issuance of new benefits (i.e., associated with FY 2023 eligibility) and for the issuance of retroactive benefits (i.e., associated with eligibility in prior periods in which P-EBT was authorized). Further, as FNS will lose access to the P-EBT appropriation for new funding after September 30, 2023, it is critical that States strive to complete P-EBT issuance during the Summer 2023 service period. Accordingly, on February 16, 2023, FNS issued guidance stating that, due to the anticipated May 11, 2023 end date for the PHE, all P-EBT benefits must be distributed by September 30, 2023. This communication serves to modify and expand upon that guidance.

At this stage, it is important that States should seek to complete as much of their issuance by September 30, 2023, as possible. Many States have approved plans which envision completion of issuance during this timeframe, and FNS strongly encourages all States to issue benefits as timely as possible. However, FNS, through consultation with States and the processor community, understands the challenges this may pose, such as significantly decreasing the amount of time that program operators and States have to identify eligible children, conduct quality control, address errors, and for processors to produce and mail EBT cards by September 30, 2023.

In response, FNS has worked with counsel from USDA and the Office of Management and Budget (OMB) to clarify legal requirements and to secure as much flexibility for States as possible in the benefit issuance process.

FNS will be able to honor retroactive issuance of P-EBT benefits after September 30, 2023. This flexibility is not unlimited and FNS is asking States to complete all benefit issuance **no later than December 31, 2023**. The agency will work with States on a case- by-case basis to address the payment of claims or the correction of errors which extend beyond this date. Issuance of benefits will continue to occur through the SNAP infrastructure as it has throughout the P-EBT activity. States should continue to report P-EBT issuance on the FNS 388 in the month that the benefits are issued, even if the issuance occurs in October, November, or December. FNS will take appropriate actions to attribute costs to the correct fiscal year.

States with approved plans that wish to change their dates of issuance in light of this information are asked to submit a request to FNS in writing. States are expected to provide an updated issuance schedule that commits to issuance of benefits as soon as possible after September 30. States should also explain why it is necessary to revise their issuance schedules and include a statement indicating commitment from their EBT processor stating they can meet the updated issuance schedule. Once approved, this information will be posted publicly next to the approved plan on FNS's website. States are strongly encouraged to update their public information campaigns to notify households and other stakeholders of the new schedule.

States submitting new plans from this day forward should also include an issuance schedule that commits to issuance of benefits as soon as possible. Under no circumstances should the issuance fall after December 31, 2023. The plan should also include a commitment from their EBT processor stating that the processor can meet the timelines for issuance. States are expected to submit all new plans no later than July 14, 2023.

State Administrative Cost Grants

The end of the PHE also impacts P-EBT State Administrative Cost grants. Since there will be no source of funding for these awards after September 30, 2023, no new State Administrative Cost grants can be provided in FY 2024. FNS acknowledges, however, that States will have legitimate administrative costs for P-EBT in FY 2024 associated with any remaining issuance and the orderly conclusion and shutdown of the State's P-EBT activities.

FNS intends to address these needs by extending the performance period of the current FY 2023 P-EBT State Administrative Cost grants, currently scheduled to end on September 30, 2023, through March 31, 2024. **FNS will take this action pro-actively, but State acceptance will be required.** Additional information on these extensions will be forthcoming. States will be able to continue to obligate funds against these awards through the end of the new performance period and will have the standard 120 days to liquidate obligations following its end. On a case-by-case basis, FNS will consider well-supported requests for performance period extension of these awards past March 31, 2023, not to exceed September 30, 2024.

States which have not yet submitted FNS-366a, Administrative Cost Spending Plans for FY 2023 are encouraged to consider anticipated administrative costs for both FY 2023 and FY 2024 when developing their plans. If a State has already submitted their FNS-366a to FNS, they are reminded that they may revise that plan as needed. All FNS-366(a) Administrative Cost Spending Plans must be received by your FNS Regional Office no later than **August 11, 2023**, to allow sufficient time for review, approval and any necessary funding activities. Award levels as of September 30, 2023, will be final and **cannot be subsequently adjusted.**

Local Administrative Cost Grants

FY 2023 will be the final year for P-EBT Local Administrative Cost grants. No new awards will be provided in FY 2024.

Sincerely,

/s/ original signature on file

/s/ original signature on file

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