

08/01/07

**SUBJECT:** Food Stamp Program - State Agency Operations Review and Management Evaluation Target Areas for Fiscal Year 2008

**TO:** Regional Administrators  
All Regions

In preparation for the next fiscal year, the Food and Nutrition Service Headquarters (FNS-HQ) has identified the most critical program areas to monitor for the successful operation of the Food Stamp Program (FSP) nationwide. In general, you should include these areas in reviews of State agency operations and in letters to the States as high priority monitoring areas for Management Evaluations (ME) to be conducted during fiscal year (FY) 2008. The target areas for FY 2008 will remain the same as those for FY 2007.

**National Target Areas:** Review areas are limited to those of the highest national priority for the FSP: 1) Program Access, 2) Corrective Action Assessment, 3) Recipient Claims Management, 4) Nutrition Education, 5) Reviews of State ME Systems, 6) Employment and Training (E&T) Program, and 7) Issuance/Electronic Benefits Transfer (EBT). Please target additional areas for monitoring based on the needs of particular State agencies for oversight and assistance in maintaining program integrity. Please include other monitoring areas as needed in your directives to State agencies for reviewing local operations.

State ME reviewers may not be familiar with how to review some of the target areas. The State agency may need to train State ME reviewers to conduct the review or assign expert staff to support the ME review team. Similarly, if reviewers at the FNS regional office are not familiar reviewing a target area, you may need to train reviewers to conduct the review or assign the review to other staff within the region who have the expertise. For example, financial management staff may monitor and review the financial area of a target, information technology staff may monitor and review an automated function, or civil rights staff may review an overlapping client services target. It does not matter which staff conduct the review as long as the target areas are covered so problems are identified and corrected.

**Mandatory Review of Target Areas:** It is not mandatory to review every target area in each State if there are valid reasons not to do so. For example, if you reviewed a target area in the last 2 years, identified no problems, and know that there have been no changes to affect the target area, you may determine that a review is not necessary. You do not need to include the reason a target was not reviewed in the ME review report that you send to State agencies.

**On-Site Monitoring of State ME Systems:** State agency ME reviews of local certification offices ensure much wider coverage of program access issues than can be accomplished through FNS Program Access Review (PAR) efforts alone. Therefore, you are still required to monitor this aspect of States' ME reviews closely. To better assess the quality, scope, and effectiveness of State ME activities, please complete one local site visit per State as part of the biennial review of each State's ME System. During these visits please examine the practices

involved in State agency conducted ME's of local offices, paying particular attention to how well the State teams are evaluating program access. You may make this assessment by either accompanying the State team as it conducts a local on-site ME review or by visiting a local office subsequent to the State's team and examining the issues previously examined by the State's team. You may review any target area during the local office review when it makes sense.

**Frequency of Reviews:** Regional offices are required to conduct an annual State Agency Operations Review (SAOR), a biennial review of the State ME system, and an annual assessment of the State corrective action process. However, in light of current staffing levels and the advent of improved technology, the form these reviews take may vary. You may determine that an on-site review is not warranted and instead choose to review available data from the regional office. For example, if last year's SAOR found no problems and the State's operations have not changed in any significant way (such as changes in staffing levels or personnel), you may determine that an on-site review is not necessary. If this is the case, then you can perform an on-site review the following year but expand your review to include operations of the current year. When determining whether or not to perform an on-site review, you should consider changes that put the State agency at risk for compliance problems such as recent staffing cuts, personnel changes, reduced budgets, policy changes, etc.

### **Beginning Year Report FY 2008**

Due by January 1, 2008. The beginning year report is a preliminary regional office schedule of review visits to States, including review type and coverage. If you know which targets will not be reviewed at the time you prepare the beginning year report, please include that information as well. Please send the report to the Office of Regional Operations and provide a copy the Program Development Division. Please do not send copies of the targeting letters sent to State agencies.

### **End of Year Report FY 2008**

Due November 30, 2008. This report summarizes your review activities conducted in each State, organized by State. Address each applicable national target area, plus any additional program areas reviewed. List findings by program area. Please provide the following details for each State:

State Agency

- Program Area
- Date of Review
- Deficiency Description (Describe the deficiency in enough detail that referring back to the review report is not necessary. Include an analysis of causes and estimated severity of impact on program operations, when possible.)
- Corrective Actions Taken/Planned

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For the year end summary you must complete the chart in Attachment 2. On this chart, you must indicate why you did not review a target area in the State agency. Please mail the end of year report to John Knaus, Chief, Program Design Branch, Room 810 or e-mail it to [John.Knaus@fns.usda.gov](mailto:John.Knaus@fns.usda.gov).

We appreciate the efforts of you, your staff, and your State agency partners to ensure integrity of and improved access to the FSP. If you have any questions or require assistance, please contact Linda Jupin at 703-305-2437, or Moira Johnston at 703-305-2515.

/s/

Jessica Shahin  
Acting Deputy Administrator  
Food Stamp Program

Attachments

cc: FNS-HQ Food Stamp Program Division Directors  
FNS Regional Food Stamp Program Directors  
ORO – Connie Slough  
OANE – Rich Lucas

FINAL:FNS:FSP:PDD:PDB:MJohnston:07-26-07:nc

I:PDB:Management Evaluations:Targeting Memos:ME Target Memo FY 2008CoverLetter

<b>Symbol</b>	<b>Surname</b>	<b>Date</b>	<b>Symbol</b>	<b>Surname</b>	<b>Date</b>