

Planning for Summer EBT Administrative Costs for 2024

The Consolidated Appropriations Act of 2023 created a permanent nationwide Summer Electronic Benefit Transfer (Summer EBT) Program. Beginning in 2024, states, territories, and Indian Tribal Organizations will be required to cover 50 percent of the Summer EBT administrative expenses from nonfederal sources. This is a dramatic departure from Pandemic EBT, which provided federal funding to cover 100 percent of the administrative costs. While the change aligns Summer EBT with federal-state administrative cost sharing in the Supplemental Nutrition Assistance Program, it still places a significant burden on states, and there are advocacy efforts to [change the policy](#).

Careful planning and preparation by states and territories, and technical assistance by the U.S. Department of Agriculture Food and Nutrition Service (USDA FNS), are critical to ensure full implementation of Summer EBT in 2024. Many states are in the midst of their annual appropriations process, and it is important that they allocate funding for the administration of Summer EBT in 2024. It is critical to make these plans now since states must express interest in providing summer 2024 EBT benefits to USDA by January 1.

Things to Consider

- States may be able to estimate the administrative budget for Summer EBT by examining the administrative costs for the previous Pandemic EBT Program. Adjusting this number to account for existing systems, infrastructure, and the distribution of only summer benefits (as opposed to multiple disbursements and program changes during the course of a year) can help determine a general idea of the funding they should be allocating for the planning and implementation of the Summer EBT Program.
- Each year, a state must submit a management and administration plan for Summer EBT by February 15. States can work with USDA FNS to create an interim agreement and operational plan to provide early administrative funding to support planning and early implementation activities prior to final plan approval.

Spotlight on California: Summer EBT Administrative Funding

California anti-hunger advocates and state legislators were able to successfully advocate to ensure that funding, including for a statewide application to be operational for the summer of 2024, was set aside for Summer EBT through their state's annual appropriations process. They estimated the amount needed for the 50 percent match by reviewing the administrative funding asks for the Pandemic EBT Program. The state of California calculated approximately \$94 million for Pandemic EBT implementation, and therefore, included \$47 million in its budget to cover the 50 percent match for Summer EBT for the summer of 2024. Other states should consider using a similar method to appropriate funds for 2024.

Other Funding Opportunities to Support Summer EBT

States that have finished their annual budget process for fiscal year 2024 and have not been able to secure Summer EBT funding should consider other options. In [initial guidance](#) released by USDA FNS on the Summer EBT Program, the following opportunities for additional funding were highlighted.

State Administrative Expense Funds

[State Administrative Expense](#) (SAE) funds are provided to state child nutrition agencies for administrative costs incurred while operating the child nutrition programs. A state agency can carry over up to 20 percent of granted SAE funds per fiscal year.

In the recent guidance, USDA stated that states can use SAE funds to prepare for Summer EBT through the end of fiscal year 2023. Beginning in fiscal year 2024 — when administrative funds will be available for states for the sole purpose of Summer EBT — states may no longer utilize SAE funds to cover their share of administrative Summer EBT costs.

Non-Competitive Technology Innovation Grants

[Non-competitive Technology Innovation Grants](#) (TIG) are grants issued by USDA FNS to states for the purpose of developing, improving, and maintaining automated information technology systems used to operate and manage all child nutrition programs. While there are no TIG grants currently open for states to apply for, any funds that states have from previous grants, or any funds under these grants in the future, could be utilized to improve systems that may have a collateral benefit for Summer EBT. For example, a state could utilize a TIG grant to create a system that gathers and maintains school meal eligibility information at the state level.

Other Resources

- [FRAC's report: *Looking Ahead to Permanent Summer EBT: Recommendations*](#)
- [Initial USDA Guidance for Summer EBT](#)
- [The Center on Budget and Policy Priorities *State Budget Basics*](#)