



## Summer EBT: Planning for State Administrative Funding

### Introduction

The Summer EBT (Electronic Benefit Transfer) Program provides families with approximately \$40 a month per eligible child to help with food costs during the summer months. Eligible families receive money on an EBT card to purchase groceries at approved stores. To participate, states, territories, and Indian Tribal Organizations (ITOs) are required to cover 50 percent of Summer EBT administrative expenses from nonfederal sources. In contrast, Pandemic EBT — a temporary program that provided grocery benefits during the pandemic — allocated federal funding to cover 100 percent of administrative costs.<sup>1</sup> While the change aligns Summer EBT with federal-state administrative cost sharing in the Supplemental Nutrition Assistance Program (SNAP)<sup>2</sup>, which is currently 50–50, this was a new cost for states to cover.

Thirty-seven states and the District of Columbia (D.C.), two Indian Tribal Organizations, and all five territories ran the Summer EBT Program in 2024. The total administrative cost of the program varied widely from state to state during summer 2024, as some states already had systems in place from Pandemic EBT, and others had to build out their infrastructure.

This case study highlights how six states determined their administrative funding levels for the first year of Summer EBT implementation, as well as considerations for those states that have not yet participated.

### Methodology

Six state agencies were interviewed by the Food Research & Action Center via video call for this case study. States were selected based on their participation in the Summer EBT Program, as well as their regional diversity and the size of the eligible population. These include:

- Louisiana Department of Children & Family Services
- Nebraska Department of Education
- New Jersey Department of Agriculture
- New York State Office of Temporary and Disability Assistance
- Wisconsin Department of Health Services
- West Virginia Department of Human Services

## Planning for Administrative Costs

Summer EBT statute requires that states submit an Interim Plan of Operation and Management (iPOM) by August 15 each year to begin drawing down federal funding in advance of the summer period.<sup>3</sup> The iPOM requires that states:

- provide an estimate of the number of children eligible in the state;
- submit an FNS-366A form (USDA's Program and Budget Summary Statement);<sup>4</sup> and
- submit a budget narrative providing a breakdown of each cost.

These components require that states provide information on their expected expenditures, including staff time, EBT processing costs, outreach costs, and costs for distributing required notices. Of this total amount outlined in the iPOM, the U.S. Department of Agriculture (USDA) funds half, and states cover the other portion.

### *Initial Estimates*

All of the states interviewed reported that at least some of their initial estimates were based on the cost of implementing the Pandemic EBT Program. These costs included establishing and operating call centers, developing and managing application systems, EBT vendor expenses, and information technology costs. West Virginia supplemented their Pandemic EBT estimates with their known SNAP costs — which includes costs tied to setting up new EBT accounts and creating and mailing EBT cards — as many of the same systems are utilized. In New Jersey, the agency responsible for Pandemic EBT was not the lead agency for Summer EBT. But like West Virginia, some cost estimates for New Jersey Summer EBT were based on Pandemic EBT, while others were based on the expense of running other programs within the agency, such as SNAP and other benefit programs.

### *Staffing*

States took different approaches to staffing for the Summer EBT Program. West Virginia and New York did not need to hire any additional staff, which helped reduce their estimated costs. They were able to reallocate staff from departments working on programs similar to Summer EBT, such as SNAP or child nutrition. Wisconsin budgeted for seasonal staff to manage their call center and prioritized hiring staff that worked in the call center during Pandemic EBT who were already familiar with the program. Other states opted for a combination of full-time and part-time staff to handle both the planning and implementation of the program. For instance, New Jersey hired a Summer EBT Program coordinator and an assistant coordinator.

### *Contractors and Vendors*

Another factor in estimating administrative costs is the use of contractors and vendors for Summer EBT implementation. While all states worked with an EBT vendor to generate EBT accounts and cards, some states worked with contractors for other pieces of the program. The use of contractors came down to capacity within states. New Jersey, for example, hired a project management contractor, as it helped to coordinate the work of the three agencies involved in the program. States that had existing partnerships with vendors to run call centers also added Summer EBT to that service.

Louisiana utilized a contractor to upgrade their systems, including their customer and administrative portals and data systems. The state already had a contract with the company, so the Summer EBT Program was added to that contract. West Virginia also added Summer EBT to the scope of work of contractors already operating in the state.

While in some situations the use of contractors is necessary to help support capacity, one way some states reduce costs is to find ways to house services within the program's state agency or other state agencies. For example, New York was able to use a call center that was housed in another state agency and provided administrative dollars to increase staff. Nebraska used a temporary employee to conduct application processing, which helped the state keep their administrative funding costs low.

### *Infrastructure*

States shared that understanding existing infrastructure and identifying gaps is critical when planning for Summer EBT administrative costs. West Virginia was able to integrate the Summer EBT Program into its existing eligibility system, a universal platform that manages data for SNAP, Temporary Assistance for Needy Families (TANF), and Medicaid. Additionally, the state utilized its statewide educational database for seamless data collection, needing only a small investment for upgrades.

All states interviewed reported leveraging some of their existing systems, and the extent of needed upgrades varied. Common infrastructure expenses included application systems, eligibility systems, call centers, benefit management tools, and outreach. While all states were able to secure the administrative funds needed to run Summer EBT, those with larger budgets were able to make more substantial system improvements.

Wisconsin shared that while they were making bigger investments early in the program, which resulted in a higher administrative cost, they anticipated that these investments would lower the program costs in future years.

## **Budgeting for Summer EBT in 2025 and Beyond**

A consideration for many state agencies, as well as advocates, is how the state will keep the Summer EBT Program in the budget each year. This greatly depends on the state's budget process and agency's strategy.

### *Short-Term Budgeting*

In Louisiana, the 50–50 match was an initial hurdle. With advocacy and awareness-builders, the state pivoted once state legislators became aware of the program's benefits. The legislature pushed the program forward, allowing the state agency to put the administrative costs into their supplemental budget. In Nebraska, advocates were key to getting legislation introduced in 2024 that would have required the state to fund the program. While the legislation did not pass, it created pressure that resulted in the state taking up the program.

### *Long-Term Budgeting*

In New York, Wisconsin, and Louisiana, the strategy for long-term funding for Summer EBT was ensuring Summer EBT was an intrinsic part of their state agency budget.

In some states, this meant protecting Summer EBT funding from being easily pulled out and cut from state budgets. Overall, it is imperative that states build support and buy-in for Summer EBT so that it is permanently funded in the state's budget year after year.

Another long-term strategy is to pass bills that require participation. In California, the state passed legislation in 2024 requiring that the state maximize participation in the Summer EBT Program, so that the program will continue to be funded each year.

### *Technology Grants*

USDA offered states the opportunity to apply for non-competitive grants for technological improvements to the Summer EBT Program in 2024. The grants allowed states to utilize the funds for any number of projects, including building out databases, improving application systems, and creating permanent infrastructure to operate the program. The grants totaled \$1.1 million for each implementing agency that applied. This funding has been critical for states as they budgeted for 2025 implementation and beyond and should be provided again in future years.

### *Other Funding Streams*

States are not allowed to use federal dollars from other programs, such as funding for school meals, to support Summer EBT, unless the grants or programs specifically allow for this. The technology grants offered by USDA for 2025 implementation are an example of allowable grant funds, as are the Technology Innovation Grants for child nutrition programs. There are other limited situations where federal dollars may be used to support Summer EBT; states should connect with USDA for more information.

Additionally, states and ITOs are permitted to utilize third-party dollars to cover the state match. This can be in the form of dollars donated or through in-kind contributions.

## **Conclusion**

Summer EBT is a proven method to reduce food insecurity and increase nutrition during the summer months when students lose access to school meals. While the 50–50 administrative match can take additional planning and advocacy, in 2024, most states were able to raise the funds; some were even able to keep their half of the administrative funds under \$1 million by utilizing the methods outlined in this case study. This might mean a larger upfront investment to build out infrastructure and systems, but the cost to run the program will likely decrease once those systems are in place. Louisiana, for example, invested \$3 million in Summer EBT and was able to distribute \$80 million in benefits to eligible children. When more states leverage available federal funds for Summer EBT and commit to covering administrative costs, they will unlock returns on an important investment in children's health and well-being.

### **Endnotes**

1. <https://www.govinfo.gov/content/pkg/PLAW-116publ127/pdf/PLAW-116publ127.pdf>
2. <https://www.ers.usda.gov/publications/pub-details?pubid=42003#:~:text=Related%20Content-Overview,are%20compared%20with%20earlier%20legislation>
3. States may request a waiver for this deadline.
4. <https://www.reginfo.gov/public/do/DownloadDocument?objectID=3685501>