

§ 275.21 Quality control review reports.

(a) *General.* Each State agency shall submit reports on the performance of quality control reviews in accordance with the requirements outlined in this section. These reports are designed to enable FNS to monitor the State agency's compliance with Program requirements relative to the Quality Control Review System. Every case selected for review during the sample month must be accounted for and reflected in the appropriate report(s).

(b) *Individual cases.* The State agency shall report the review findings on each case selected for review during the sample month. For active cases, the State agency shall thoroughly document the Quality Control Review Schedule, Form FNS-380, to ensure any subsequent case reviewers fully understand household circumstances pertaining to the QC review as well as the reasons for the individual case finding and disposition. The State agency shall also code the findings on the Form FNS-380-1. For negative cases, the State agency shall submit a summary report, coded and documented on the Negative Quality Control Review Schedule, Form FNS-245, in enough detail to ensure subsequent case reviewers fully understand the reasons for the individual finding and disposition. The review findings shall be reported as follows:

(1) The State agency shall utilize SNAPQCS, FNS' automated, web-based QC System, to report all required QC forms, supporting evidence, and information necessary to understand the disposition and final findings for active and negative sampled cases to FNS. Upon State agency request, FNS will consider approval of any technical changes in the review results after they have been reported to FNS.

(2) The State agency shall have at least 115 days from the end of the sample month to dispose of and report the findings of all cases selected in a sample month. FNS may grant additional time as warranted upon request by a State agency for cause shown to complete and dispose of individual cases.

(3) The State agency shall supply the FNS Regional Office with individual household case records and the perti-

nent information contained in the individual case records, or legible copies of that material, as well as legible hard copies of individual Forms FNS-380, FNS-380-1, and FNS-245 or other FNS-approved report forms, within 10 days of receipt of a request for such information.

(4) For each case that remains pending 115 days after the end of the sample month, the State agency shall immediately submit a report that includes an explanation of why the case has not been disposed of, documentation describing the progress of the review to date, and the date by which it will be completed. If FNS extends the time frames in paragraph (b)(2) of this section, this date will be extended accordingly. If FNS determines that the report in the first sentence of this paragraph (b)(4) does not sufficiently justify the case's pending status, the case shall be considered overdue. Depending upon the number of overdue cases, FNS may find the State agency's QC system to be inefficient or ineffective and suspend and/or disallow the State agency's Federal share of administrative funds in accordance with the provisions of § 276.4.

(c) *Monthly status.* The State agency shall report in a manner directed by the regional office the monthly progress of sample selection and completion within 125 days after the end of the sample month. Each report shall reflect sampling and review activity for a given sample month. If FNS extends the time frames in paragraph (b)(2) of this section, this date will be extended accordingly.

(d) *Demonstration projects.* The State agency shall identify the monthly status of active and negative demonstration project (*i.e.*, those cases described in § 275.11(g)) in accordance with paragraph (c) of this section.

[Amdt. 260, 49 FR 6310, Feb. 17, 1984, as amended by Amdt. 262, 49 FR 50598, Dec. 31, 1984; Amdt. 266, 52 FR 3410, Feb. 4, 1987; 75 FR 33438, June 11, 2010; 86 FR 44857, Aug. 13, 2021; 86 FR 49229, Sept. 2, 2021]

§ 275.22 Administrative procedure.

Reports on program performance are intended to provide the State an opportunity to determine compliance with

program requirements, identify and resolve emerging problems, and assess the effectiveness of actions that have been taken to correct existing problems. States' reports enable FNS to assess the nationwide status of eligibility and basis of issuance determinations, to ensure State compliance with Federal requirements, to assist States in improving and strengthening their programs, and to develop Federal policies. Reports must be submitted in duplicate to the appropriate FNS Regional Office according to the time frames established in §§275.20, 275.21, and 275.22 of this part.

[Amdt. 160, 45 FR 15911, Mar. 11, 1980. Redesignated at 52 FR 3410, Feb. 4, 1987]

Subpart G—Program Performance

§ 275.23 Determination of State agency program performance.

(a) *Determination of efficiency and effectiveness.* FNS shall determine the efficiency and effectiveness of a State's administration of the Supplemental Nutrition Assistance Program by measuring State compliance with the standards contained in the Food and Nutrition Act, regulations, and the State Plan of Operation and State efforts to improve program operations through corrective action. This determination shall be made based on:

- (1) Reports submitted to FNS by the State;
- (2) FNS reviews of State agency operations;
- (3) State performance reporting systems and corrective action efforts; and
- (4) Other available information such as Federal audits and investigations, civil rights reviews, administrative cost data, complaints, and any pending litigation.

(b) *State agency error rates.* FNS shall estimate each State agency's active case, payment, and negative case error rate based on the results of quality control review reports submitted in accordance with the requirements outlined in §275.21. The determination of the correctness of the case shall be based on certification policy as set forth in part 273 of this chapter.

(1) *Demonstration projects.* FNS shall make a determination for each individual project whether the reported re-

sults of reviews of active and negative demonstration project cases shall be included or excluded from the estimate of the active case error rate, payment error rate, and negative case error rate.

(2) *Determination of payment error rates.* As specified in §275.3(c), FNS will validate each State agency's estimated payment error rate by rereviewing the State agency's active case sample and ensuring that its sampling, estimation, and data management procedures are correct.

(i) Once the Federal case reviews have been completed and all differences with the State agency have been identified, FNS shall calculate regressed error rates using the following linear regression equations.

(A) $y_1' = y_1 + b_1(X_1 - x_1)$, where y_1' is the average value of allotments overissued to eligible and ineligible households; y_1 is the average value of allotments overissued to eligible and ineligible households in the rereview sample according to the Federal finding, b_1 is the estimate of the regression coefficient regressing the Federal findings of allotments overissued to eligible and ineligible households on the corresponding State agency findings, x_1 is the average value of allotments overissued to eligible and ineligible households in the rereview sample according to State agency findings, and X_1 is the average value of allotments overissued to eligible and ineligible households in the full quality control sample according to State agency's findings. In stratified sample designs Y_1 , X_1 , and x_1 are weighted averages and b_1 is a combined regression coefficient in which stratum weights sum to 1.0 and are proportional to the estimated stratum caseloads subject to review.

(B) $y_2' = y_2 + b_2(X_2 - x_2)$, where y_2' is the average value of allotments underissued to households included in the active error rate, y_2 is the average value of allotments underissued to participating households in the rereview sample according to the Federal finding, b_2 is the estimate of the regression coefficient regressing the Federal findings of allotments underissued to participating households on the corresponding State agency findings, x_2 is