



# Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.9, 02/01/2022)

## 1.1 General Information

- 1. Agency or State Entity Name:** 5180 - Social Services, Department of
- 2. Proposal Name and Acronym:** **SUN Bucks Solution**
- 3. Proposal Description:** The California Department of Social Services (CDSS) proposes to re-engineer the manual process used to establish SUN Bucks eligibility, to meet the federal requirement published in the Interim Final Rule (IFR). The SUN Bucks, formerly known as Summer-EBT (S-EBT), is a permanent federal program to provide food benefits to families with school-age children during summer breaks when they do not have access to school meals. SUN Bucks was first implemented in California in Summer 2024. The current manual process is labor-intensive, and this proposal will streamline the process, improve accuracy, efficiency, quality, and time management.

**Proposed Project Execution Start Date:** 07/01/2025

- 4. S1BA Version Number:** Version 11

## 1.2 Submittal Information

### 1. Contact Information

Contact Name: Nikhil Kulkarni

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### 2. Submission Type: New Submission

### 3. Sections Changed if this is a Submission Update: N/A

### 4. Summary of Changes: N/A

### 5. Attached [Project Approval Executive Transmittal](#)

6. Attached [Stage 1 Project Reportability Assessment](#)

## 1.3 Business Sponsorship

### Executive Champion (Sponsor)

**Title:** Deputy Director

**Name:** Alexis Fernández Garcia

**Business Program Area:** Family Engagement and Empowerment Division (FEED)

### Business Owner

**Title:** Branch Chief

**Name:** Andrea Brayboy

**Business Program Area:** CalFresh and Nutrition Branch

### Product Owner

**Title:** Bureau Chief

**Name:** Sharisse Kemp

**Business Program Area:** California Food Assistance Program (CFAP)

## 1.4 Stakeholder Assessment

1. Indicate which of the following are interested in this proposal and/or the outcome of the project.

State Entity Only: No

Other Departments/State Entities: Yes

Public: No

Federal Entities: Yes

Governor's Office: No

Legislature: No

Media: No

Local Entities: No

Special Interest Groups: No

Other: Yes

**Foundation for California Community Colleges (FoundationCCC)**

## **2. Describe how each group marked 'Yes' will be involved in the planning process.**

### **Other Departments/State Entities:**

#### *California Department of Education:*

CDSS is the SUN Bucks lead implementing agency, and the California Department of Education (CDE) is the partnering agency. Both departments are collaborating to implement and operate SUN Bucks, with CDE playing a critical role in establishing SUN Bucks eligibility based on applications and Free or Reduced Price Meal (FRPM) eligibility data currently held in the California Longitudinal Pupil Achievement Data System (CALPADS), or any other School Nutrition system (owned and operated by CDE). The SUN Bucks solution must be able to receive and/or access CALPADS data to confirm eligibility for SUN Bucks. Because of this need, CDE's input is required and critical to the development of the SUN Bucks Solution. CDE, including CALPADS administrators, will be a key partner in the development of the SUN Bucks Solution. CALPADS may be consulted in the context of streamlining data sharing between CALPADS and the SUN Bucks Solution.

CDE input will also be critical to ensure the SUN Bucks Solution can share data with any future SUN Bucks application solutions developed by CDE. CDSS will engage CDE to participate in every phase of the project, including workgroups, requirements development, validation, and user testing. The aim is for CDE to engage extensively and early in the development process, ensuring a design that prioritizes and streamlines data sharing.

#### *California Statewide Automated Welfare System:*

The California Statewide Automated Welfare System (CalSAWS) is the State's integrated eligibility system for CalFresh, CalWORKs, and Medi-Cal. While CalSAWS is not directly involved in the implementation or operation of SUN Bucks, data regarding the receipt of CalFresh, CalWORKs, and Medi-Cal are held within CalSAWS and will be used to establish SUN Bucks eligibility. CalSAWS will be consulted in the context of streamlining data sharing between CalSAWS and the SUN Bucks Solution. It will be important for the team to consult, inform, and elicit information from CalSAWS representatives regarding project requirements, development, validation, and testing of SUN Bucks Solution. CDSS will engage with CalSAWS in the planning process through workgroup meetings and stakeholder feedback sessions.

#### *Office of Technology and Solutions Integration*

The Office of Technology and Solutions Integration (OTSI) is a partner of CDSS and provides information technology and project management expertise to CDSS. OTSI is responsible for the acquisition, implementation, contract management, and day-to-day operations of California's food and cash EBT services, as a part of the Electronic Benefit Transfer (EBT) Project. The EBT Project automates card issuance and delivery, redemption, settlement, and reconciliation of California's food and cash program benefits through a contract for EBT services with the Fidelity Information Services (FIS), LLC. As it relates to this proposal, FIS issues SUN Bucks benefits on EBT cards and

mails them to eligible families. The team will need to consult, inform, and elicit information from OTSI representatives regarding project requirements, development, contracting, and testing of the SUN Bucks Solution. CDSS will engage with OTSI in planning through workgroup meetings and stakeholder feedback sessions. Additionally, FIS may be consulted in the context of streamlining data sharing between FIS and the SUN Bucks Solution. CDSS will engage the OTSI and FIS in the planning process through workgroup meetings, requirements development, validation, and testing.

### **Federal Entities:**

#### *United States Department of Agriculture:*

The United States Department of Agriculture (USDA) provides federal oversight over SUN Bucks, as well as 50% federal funding for SUN Bucks administrative costs, including IT solutions. Federal partners are interested in the process and outcome of system development, as well as maintaining established budgets. The SUN Bucks Solution may be subject to the Advanced Planning Document (APD) process and the Food and Nutrition Service (FNS) must be aware of what systems states are developing and using.

### **Other:**

#### *SUN Bucks Call Center Operator*

The SUN Bucks Call Center, currently operated by the Foundation for California Community Colleges (FoundationCCC), provides SUN Bucks customer service to the public. To do this, call center agents must have access to SUN Bucks data and the ability to review, update, and maintain accurate records of case actions. The SUN Bucks call center operator will be involved in developing the call center agent-facing component of the data management system to ensure the solution satisfactorily meets their needs. CDSS will engage FoundationCCC via workgroups, validation, and user testing. The aim is for FoundationCCC to engage in the development process, ensuring a design that prioritizes system user needs.

## **1.5 Business Program**

1. Business Program Name: Family Engagement and Empowerment Division (FEED)

2. Program Background and Context:

CDSS oversees seven federally funded and several state-funded food programs, with a key focus on the Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California. This program offers monthly food benefits to individuals and families with low incomes, providing essential support to local communities. CDSS, with its expertise in administering food and nutrition programs, has been designated as the lead implementing agency for SUN Bucks, a federal program established by the Consolidated Appropriations Act of 2023.

SUN Bucks, formerly known as Summer-EBT (S-EBT), is a permanent federal program aimed at providing food benefits to families with school-age children during summer breaks when they do not have access to school meals. This program started in 2024 and addresses the summer hunger gap for over 29 million families nationwide. Its establishment is supported by evidence from previous initiatives like a federal demonstration project and Pandemic EBT (P-EBT), which have demonstrated success in reducing child hunger and improving diet quality.

In California, CDSS's role as the lead implementing agency was solidified by Assembly Bill (AB) 120 and Senate Bill (SB) 348 Chapter 43, Year 2023-2024. These bills also mandate collaboration with the CDE to maximize program participation. Currently, funding of \$47 million (\$23.5 million from the General Fund) was allocated for outreach and automation to introduce the SUN Bucks program to eligible children, beginning in the summer of 2024.

The SUN Bucks program is governed by the S-EBT Interim Final Rule (IFR) released by the FNS on December 29, 2023. This rule outlines stringent requirements for states opting to operate the program, distinguishing it from previous initiatives like P-EBT. In its inaugural year, California leveraged various program flexibilities provided by the USDA to initiate SUN Bucks benefits in 2024. Leveraged flexibilities included program waivers, which waived federal regulations requiring the issuance of benefits 7 to 14 calendar days before the start of the operation period for children who are automatically eligible for benefits, and the issuance of benefits no later than 15 operational days after a complete application is received. However, compliance with federal SUN Bucks requirements is essential for California's ongoing program participation.

To expedite the SUN Bucks program implementation, California is utilizing existing school meal application forms and manual data management processes for benefit issuance. However, this approach relies on gathering data from multiple sources, removing duplicates, and manually transferring the data for benefit issuance. This multi-agency coordination with manual data processing creates inefficiencies, delays benefit delivery, and places a heavy burden on limited staffing resources.

Looking ahead, waiver flexibilities allowed by the USDA in the program's inaugural year are unknown. States, including California, must submit annual plans for continued federal approval, emphasizing a shift towards fully meeting SUN Bucks program requirements, without the use of waivers.

**3. How will this proposed project impact the product or services supported by the State entity?**

The SUN Bucks Solution is key to the ongoing administration of SUN Bucks at the State level, including the provision of customer service, issuing timely benefits, administrative processes, and compliance with federal requirements. Per [7 CFR 292.16 \(c\) \(1\)](#), the State is unlikely to obtain annual USDA approval and funding to administer SUN Bucks without the SUN Bucks Solution as it is essential for timely benefit issuances. Without

USDA approval, California families will not receive the over \$600 million dollars in federal nutrition benefits available to them each year.

The SUN Bucks Solution will streamline data exchange between CDE, CDSS, FIS, and other partners to allow for more efficient management and operation of the SUB Bucks program. This automation will eliminate the need for manual data processes, ensuring information is exchanged quickly between the systems. Leveraging existing data from CALPADS and CalSAWS, the system will streamline the receipt of SUN Bucks eligibility determinations completed by educational agencies. Once a child is deemed eligible, a case will be created, and benefit issuance data will be sent to FIS to issue benefits onto an EBT card. By automating these tasks, the SUN Bucks Solution will significantly improve program operations, nullify the need for program waivers, reduce staffing resources and costs, and improve the timeliness of delivering SUN Bucks benefits to families.

The case record will include information regarding the eligible child and the benefits issued. The SUN Bucks Solution will also track relevant actions, such as requests for replacement benefits, over-issuances, program opt-outs, and requests for hearings. The SUN Bucks Helpline agents will be able to track their actions and include case notation. Case information will be retained, according to federal requirements, to ensure the State and the federal government can effectively audit the program. Additionally, the data management system will support the accuracy of benefit issuances, by preventing duplicate issuances. Finally, the data management system will allow for different levels of access, including administrative access for State staff-involved hearings and appeals, and Management Evaluations (ME).

## 1.6 Project Justification

### 1. Strategic Business Alignment

Title: Deputy Director

Name: Alexis Fernández Garcia

Strategic Plan Last Updated? 3/31/2021

**Strategic Business Goal:** Enhance the welfare of children and adolescents: Improve the lives of children facing extreme poverty, in foster care, or within the juvenile justice system by tackling adverse childhood experiences, meeting early childhood and educational requirements, and enhancing access to physical health, mental health, and social services.

**Alignment:** To achieve this goal, the SUN Bucks Solution will facilitate the issuance of over \$600 million in federal nutrition benefits to over five million eligible children each year in California. These benefits are critical to supporting the health and well-being of eligible children.

**Mandate(s):** Federal

**Bill Number/Code: 7 CFR 29216 (C)(1)**

*“Automation of Summer EBT operations. All State Summer EBT agencies are required to sufficiently automate their Summer EBT operations and computerize their systems for obtaining, maintaining, utilizing, and transmitting information concerning Summer EBT.”*

**2. Business Driver(s)**

Financial Benefit: Yes

Increased Revenue: Yes

Cost Savings: Yes

Cost Avoidance: Yes

Cost Recovery: No

Will the State incur a financial penalty or sanction if this proposal is not implemented?  
No

**Improvement**

Better Services to the People of California: Yes

The proposed SUN Bucks Solution is key to the ongoing administration of SUN Bucks at the State level, including the provision of customer service, issuance of benefits, and compliance with federal requirements. Specifically, federal requirements to automate program operations and computerize systems for obtaining, maintaining, utilizing, and transmitting information. Without this solution, the State is not likely to receive continuing annual USDA approval to implement SUN Bucks. Without USDA approval, California families will not receive over \$600 million dollars in federal nutrition benefits available to them each year. The SUN Bucks Solution will help to better serve families with school-age children with purchasing food during the summer when kids might not have access to school meals.

Efficiencies to Program Operations: Yes

The SUN Bucks Solution will improve the efficiency and accuracy of the SUN Bucks program by utilizing technology and automation. The automated system will provide a repository of data and eligibility information, facilitate the issuance of benefits, log actions and key case information, and ensure consistency in customer service. The system will eliminate the manual process of having to upload data to the EBT services vendor system to issue benefits to eligible children. In that manual process, inefficiencies can arise from errors or insufficiently vetted procedures. When inefficiencies occur, it requires more manpower to come back to the table, troubleshoot the issue, and deploy a solution. Having an automated system will greatly minimize human error and enhance services to eligible beneficiaries.

Improved Equity, Diversity, and/or Inclusivity: No

Improved Health and/or Human Safety: **Yes**

The SUN Bucks Solution closes the gap on childhood hunger by providing food benefits during the summer months when children are not in school and would otherwise receive free or reduced-price school meals. The implementation of an automated system will streamline operational processes. The SUN Bucks Solution contributes to the improved health and human safety of eligible Californians by helping meet nutritional needs.

Improved Information Security: **No**

Improved Business Continuity: **No**

Improved Technology Recovery: **No**

Technology Refresh: **No**

Technology End of Life: **No**

### **Statewide IT Strategic Alignment**

The SUN Bucks Solution proposal will help California achieve its statewide IT strategic goals by emphasizing collaboration, scalability, and adherence to best practices and standards. The SUN Bucks Solution proposal helps to achieve strategic asset management capabilities that are indispensable for Agency's mission for optimization, connection, data sharing, security, and broad re-use across departments. Data sharing between other entities, CDSS, OTSI, and FIS will optimize and promote solution re-use to avoid unnecessary duplication. The programs will make decisions in the context of not only the individual department needs, but with the conscious consideration of other agencies' missions and values as well. By collaborating with CalSAWS and the School Nutrition Program systems, CDSS will ensure interoperability and compliance while maintaining Department autonomy. The SUN Bucks Solution system will facilitate better communication, collaboration across State, county, and providers to address challenges and opportunities. It will promote consistent standardization across an integrated digital ecosystem, to California's ability to generate improved ways of addressing Californians' health and wellness needs, while potentially minimizing less efficient and suboptimal solutions.

## **1.7 Business Outcomes Desired**

### **Executive Summary of the Business Problem or Opportunity:**

The USDA released the Summer-EBT Interim Final Rule (IFR) on December 29, 2023, establishing the SUN Bucks program. The IFR mandates that administering agencies automate program operations and computerize systems for obtaining, maintaining, utilizing, and transmitting information. S-EBT, a new permanent program, is the catalyst which requires the exploration and need for such a system as outlined in 7 CFR 292.16(c)(1).

Automating program operations through a data management system will offer a solution compliant with all federal operational and program requirements. This new system will



streamline program administration, enhance management precision, and improve benefit delivery for recipients. Presently, operations rely on manual data retrieval of over 5 million records that are vital for program eligibility and benefit distribution. These operations are scattered across disconnected databases, CALPADS and CalSAWS, requiring manual deduplication of the records and manually transferring the records for issuances, leading to inefficiency in program operations and high operational costs. The various data sources and manual transfer of records increase the risk of data integrity and substantially increase the possibility of a data breach. Moreover, the current setup lacks provisions for timely benefit issuance, thus failing to meet federal program standards. The centralized data management system will consolidate information and provide access and facilitate communication from various sources that are currently accessed independently to integrate with vendor and partnering agency systems. This integration will ensure consistent outcomes across programs, reduce errors, avoid redundant investments, and position California favorably for long-term SUN Bucks administration.

**Objective ID: 1**

**Objective:** Reduce time to issue benefits

**Metric:** The average number of days it takes to issue benefits once eligibility data has been received.

**Baseline:** Currently, SUN Bucks benefit issuance is a manual process that can take 11 to 51 days.

**Target Result:** The target average days to issue benefits would be under 14 days from the receipt of eligibility data. This target result brings the State into compliance with the two federal programmatic requirements: 1) to issue benefits within 7 to 14 days **before** the start of the operational period, and 2) within 15 operational days after a complete application is received **during** the operational period. Results will be measured by running a report from the SUN Bucks Solution 16 months after its implantation or 2 cycles of the program's operation (the program operates annually during June, July, and August), whichever comes first.

**Objective ID: 2**

**Objective:** Reduce reliance on manual data processes for eligibility determination.

**Metric:** The percentage of cases that require manual intervention to ingest and process the data used to confirm eligibility.

**Baseline:** Currently, 100% of data files require manual retrieval and processing.

**Target Result:** The target is to have 95% of all cases processed using data that is automatically gathered, processed, and transferred. Results will be measured by running a report from the SUN Bucks Solution 16 months after its implantation or 2 cycles of the program's operation (the program operates annually during June, July, and August), whichever comes first.

**Objective ID: 3**

**Objective:** Improve accuracy of benefits issuance

**Metric:** Reduction in the benefits issuance error rate, which includes both over issuance (one client receives benefits multiple times) and under issuance (a client that is actually eligible and does not receive benefits)

**Baseline:** Program does not have current data regarding over and under issuances due to the recent implementation (Summer 2024) of the SUN Bucks program.

**Target Result:** The target is to have an error rate of under 5%, which is a commonly accepted industry benchmark. By eliminating duplication of records and reducing anomalies, we expect to achieve the target result. Results will be measured by running a report from the SUN Bucks Solution 16 months after its implementation or 2 cycles of the program's operation (the program operates annually during June, July, and August), whichever comes first.

## 1.8 Project Management

### 1. Project Management Risk Score: 1.2

(Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix A Project Management Risk Assessment Template](#) to the email submission.)

[SIMM 45A](#)

### 2. Project Approval Lifecycle Completion and Project Execution Capacity Assessment

Does the proposal development or project execution anticipate sharing resources (State staff, vendors, consultants, or financial) with other priorities within the Agency/State entity (projects, PALs, or programmatic/technology workload)?

**Answer:** Yes

Does the Agency/State entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

**Answer** Both

## 1.9 Initial Complexity Assessment

### 1. Business Complexity Score: 2.7

[SIMM Section 45 Appendix C](#)

### 2. Noncompliance Issues: (Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is noncompliant.)

Programmatic regulations:

HIPAA/CIIS/FTI/PII/PCI: **No**

Security: **No**

ADA: **No**

Other: **No**

Not Applicable: **No**

**Noncompliance Description: Summer EBT Program: Areas of Non-Compliance with Federal Programmatic Regulations**

This narrative identifies areas where the current Summer EBT program administration falls short of meeting federal regulations.

**Benefit Issuance Delays:** Federal regulations mandate the issuance of benefits to eligible households within 15 operational days after submitting a completed application. Unfortunately, the current manual processing system, involving data gathering from various sources, de-duplication, and vendor communication, hinders timely issuance in 2024.

**Benefit Timing Discrepancy:** Federal guidelines require benefits to be issued at least 7 but no more than 14 calendar days before the summer operational period begins, for children who qualify for streamlined certification or have approved applications on file. Considering the large volume of records and card mailing limitations, the manual process delays and prevents adherence to this regulation in 2024.

**Automation Shortfall:** Federal regulations necessitate a sufficient level of automation for SUN Bucks operations. Currently, the program relies entirely on manual processes, lacking computerization for information management, eligibility transmission, and benefit issuances. This represents a significant area of non-compliance in 2024.

These discrepancies highlight the need for addressing the program's automation and streamlining processes to ensure timely benefit issuance, and adherence to federal regulations.

### **3. Additional Assessment Criteria**

How many locations and total users is the project anticipated to affect?

Number of locations: **Statewide**

Estimated Number of Transactions/Business Events (per cycle): **68 million transactions/summer operational period**

Approximate number of internal end-users: **600**

Approximate number of external end-users: **0**

## 1.10 Funding

### Planning

1. Does the Agency/State entity anticipate requesting additional resources through a budget action to *complete planning* through the project approval lifecycle framework? If yes, when will a budget action be submitted to your Agency/DOF for planning dollars? **YES**

FY 24/25 Funding has been secured in BCP 5180-198-BCP-2024-MR with an additional ask for FY 25/26.

2. Will the State incur a financial penalty or sanction if this proposal is not implemented? **NO**
3. Please provide the Funding Source(s) and dates funds for planning will be made available:

Beginning 07/01/2024, 50% of funding will come from the Federal Government after the remaining 50% General Fund is secured.

### Project Implementation Funding

1. Has the funding source(s) been identified for *project implementation*? **YES**

Will a budget action be submitted to your Agency/DOF? **YES**, Funding has been secured in BCP 5180-198-BCP-2024-MR with an additional ask for FY 25/26.

If "Yes" is selected, specify when this BCP will be submitted: **FY 24-25**

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project: **Between \$10 Million and \$50 Million**

## Department of Technology Use Only

**Original “New Submission” Date: 8/15/2024**

**Form Received Date: 8/15/2024**

**Form Accepted Date: 8/15/2024**

**Form Status: Completed**

**Form Status Date: 8/15/2024**

**Form Disposition: Approved**

**If Other, specify:** Click or tap here to enter text.

**Form Disposition Date: 08/15/2024.**

**Department of Technology Project Number: 5180-232**