

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



July 21, 2006

ALL COUNTY INFORMATION NOTICE I-52-06

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP COORDINATORS
ALL CalWORKs PROGRAM SPECIALISTS

<u>REASON FOR THIS TRANSMITTAL</u>
<input type="checkbox"/> State Law Change
<input type="checkbox"/> Federal Law or Regulation Change
<input type="checkbox"/> Court Order
<input type="checkbox"/> Clarification Requested by One or More Counties
<input checked="" type="checkbox"/> Initiated by CDSS

SUBJECT: FOOD STAMP QUESTIONS AND ANSWERS (Q&As)

The purpose of this letter is to provide counties with answers to questions regarding Food Stamp Program (FSP) policy. These questions were submitted by the Food Stamp Review and Advisory Team (FRAT) of the County Welfare Director's Association (CWDA). Answers were developed at the state level and finalized with assistance from FRAT members.

Answers to these questions are intended to be informational and are only based on the general circumstances provided in the question. For appropriate application to specific case circumstances, counties should refer to the regulations, All County Letters, and All County Information Notices that are referenced in the responses.

If you have any questions regarding the attached Q&As, please contact Joyce Brewer of the Policy Implementation Unit at (916) 654-3366.

Sincerely,

Original Document Signed By:

RICHTON YEE, Chief
Food Stamp Branch

Attachment

TREATMENT OF INCOME – UNEARNED INCOME FROM CTB

QUESTION:

How are California Training Benefits (CTB) treated in the FSP? If they are considered income, are they earned or unearned? Note: CTB is a type of payment from EDD. However, it appears it is for training/re-training in approved programs.

ANSWER:

The CTB program allows eligible California Unemployment Insurance (UI) claimants who lack competitive job skills to receive their UI benefits while attending an approved training/re-training program. Since UI benefits are unearned income, CTB is classified in the same manner per MPP 63-502.14 and 63-502.142 which states “Unearned income shall include but not be limited to: Annuities, pensions, retirement, veteran’s, or disability benefits; worker’s or unemployment compensation...”

TREATMENT OF INCOME – WORK STUDY GRANTS

SCENARIO:

A customer receives a Federal Work Study Grant. The grant award letter stated that the work study amount is \$4000. The customer has earned the \$4000 and continues to work.

The customer's grant disbursements are currently suspended because she has two incomplete classes. Grant disbursement is being withheld until classes are completed.

QUESTION:

Now that the work study allotted in the award letter has been earned (met), do we count the continued income in the Food Stamp budget?

Does the Federal Work Study continue to be exempt while the disbursements are suspended?

ANSWER:

Yes, the additional hours would be counted as income. The customer has earned the \$4000 allotted in the grant, so all additional hours will count as income. Per MPP 63-502.13 and 63-502.137, "Earned income shall include:" "Work study income which has not been excluded by federal statute..." Under MPP 63-502.2 "Income Exclusions", MPP 63-502.2(e) states: "Educational assistance not otherwise excluded by federal statute as specified in Section 63-507(a)(6), to the extent that it is either earmarked by the lender, used for, or intended to be used for, allowable educational expenses at qualifying institutions as specified in Section 63-502.2(e)(3)".

Yes, the Federal Work Study continues to be exempt while disbursements are withheld because the customer needs to complete two classes. She continues to be eligible to the grants that were awarded under Title IV.

TREATMENT OF INCOME – SHELTER DEDUCTIONS

SCENARIO:

An approved Food Stamp household has a shelter and utility expense which totals \$500.00. The household reports an increase in their shelter and utility expense of \$2000.00 which appears to be questionable. The County Welfare Department contacts the household requesting verification of the increase in shelter. The household fails to provide the verification.

QUESTION:

Since the household has failed to provide verification, do we

- Not increase the shelter and utilities and continue to allow the \$500,
- Zero out the shelter and utilities, or
- Terminate the case for failure to provide verification.

ANSWER:

Per ACL 84-34 and ACIN I-62-89 regarding the Saldivar vs McMahon court case, each county has two options to choose from for income deductions when the household fails to provide verifications(s). Option #1 does not allow any unverified deduction(s). In this case, the allotment amount is to be computed using previously verified deduction amounts. Option #2 disallows any unverified deductions(s) if the requested verification/information is not received before the extended filing date per MPP 63-504.34 which states "...If the household fails to provide the missing verification/information, other than for income, by the extended filing date, the CWD shall not consider the CA 7 incomplete. Any deductions for which the verification/information is missing shall be disallowed..." In such cases, the unverified deduction is "zeroed out" and no deduction is allowed. Whatever option the county elects, the elected procedure must be countywide.

BUDGETING – SHELTER DEDUCTION

SCENARIO:

There is a mom and 2 undocumented non-citizen children, 1 citizen child (receiving CalWorks and Food Stamps) and mom's boyfriend, also an undocumented non-citizen. The boyfriend is employed. Everyone purchases and prepares together. There is a sworn statement on file that the boyfriend pays half of the rent and the rest is paid with the CalWorks grant.

QUESTION:

Should the shelter cost be determined based on MPP 63-503.442 (c) (3) which states that the known portion of the shelter cost paid by an excluded household member is deducted from the total expense and the remainder is allowed as a deduction for the Food Stamp household?

ANSWER:

Yes. According to MPP 63-503.442 (c) (3), since we have a definite amount contributed by the excluded person, deduct the known amount from the total cost, and allow the remainder as a deduction for the Food Stamp household.

RESOURCES – TREATMENT OF SSI/SSP

QUESTION:

If a spouse is receiving SSI/SSP, and the combined resources of the couple are counted in the determination of the SSI/SSP eligibility, should their combined resources be counted in the Food Stamp Program?

ANSWER:

No. If the total joint combined resources have been used to determine SSI/SSP eligibility, the joint resources are not used when determining food stamp eligibility based on inaccessibility of those resources. MPP 63-501.21 states: "Resources owned jointly by household members and ... shall be considered available in their entirety to each household, unless it can be demonstrated by the applicant household that such resources are inaccessible to that household. If the household can demonstrate that it has access to only a portion of the resource, the value of that portion of the resource shall be counted toward the household's resource level..." If the portion used to determine SSI/SSP eligibility is unknown, use ½ of the total resources to determine eligibility in the Food Stamps Program. Once this determination is made at application or recertification there is no "look-back" if at a future time more information is received indicating a different eligibility determination could have been made.