

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 4 CalWORKs/Food Stamps Intercept Program

CDSS hereby gives notice of the proposed regulatory action described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held September 17, 2003, as follows:

September 17, 2003
Office Building # 9
744 P St. Auditorium
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on September 17, 2003.

CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

CONTACT: Anthony J. Velasquez, Chief
Office of Regulations Development
California Department of Social Services
744 P Street, MS 7-192
Sacramento, California 95814

TELEPHONE: (916) 657-2586 FACSIMILE: (916) 654-3286
E-MAIL: ord@dss.ca.gov

CHAPTERS

Manual of Policies and Procedures, Division 20 (Fraud and Suspected Law Violations), Chapter 20-400 (California Work Opportunity and Responsibility to Kids/Food Stamps (CalWORKs/FS) Intercept Program), Sections 20-400 (California Work Opportunity and Responsibility to Kids/Food Stamps (CalWORKs/FS) Intercept Program), 20-401 (Definitions), 20-402 (General Requirements), 20-403 (Eligibility Requirements), 20-404 (Format), 20-405 (Certification), 20-406 (Intercept Warning Notice to Delinquent Recipients), and 20-409 (Safeguard Procedures)

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Deficit Reduction Act of 1984 (P.L. 98-369, Section 2653) set general criteria for determining which debts are referable under federal tax offset. The California Department of Social Services began the Federal Tax Intercept program in tax year 1992, collecting Food Stamp (FS) overissuances consisting of FS Intentional Program Violations (IPVs) and Inadvertent Household Errors (IHEs) at the Internal Revenue Service (IRS) under special authority of Section 17(b) of the Food Stamp Act. Final Regulations 7 CFR 271 were published on September 1, 1995. The Debt Collection Act of 1982 as amended (P.L. 97-365) authorized federal agencies to offset debts through federal wage, salary and retirement payments, although this match was not initiated by the Food and Nutrition Service (FNS) until 1996. The Debt Collection Improvement Act of 1996 (P.L. 104-134) mandated state participation (which had been optional) in the Treasury Offset Program (TOP). TOP includes the Federal Tax Intercept Program and the Federal Salary Offset Program (FSOP). It also expanded FSOP to include Social Security payments in addition to salaries and benefits.

In current regulations the CalWORKs/FS Intercept Program is an annual process. Counties submit delinquent accounts by May 1 of each year for intercept the following tax season. Any debt which becomes delinquent after May 1 is not submitted for tax intercept until the following May. Counties have the ability to remove or change the dollar amount of these accounts by submitting a file to CDSS by September 1.

As a result of the changes to the federal portion of the CalWORKs/FS Intercept Program, CDSS implemented the Welfare Intercept System (WIS) Enhancement Project. Key changes to the system allow the counties to establish, increase, decrease, or delete accounts as appropriate throughout the year. WIS is updated on a weekly basis with information provided by counties, the Franchise Tax Board, and the Internal Revenue Service. Moving to a continuous system will allow counties to keep account information more current and accurately. The proposed regulations incorporate these changes.

COST ESTIMATE

1. Costs or Savings to State Agencies: None.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: None.

LOCAL MANDATE STATEMENT

These regulations impose a mandate on local agencies but not on school districts. There are no reimbursable state-mandated costs because these regulations make only technical and clarifying changes.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554, Welfare and Institutions Code. Subject regulations implement and make specific 7 CFR 273.18; 31 USC 3716; 7 USC 2022; and Aktar v. Anderson 58 Cal.App.4th 1166.

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person: Anthony J. Velasquez (916) 657-2586
Backup: Maureen Miyamura (916) 657-2586

AGENDA ITEM(S) FOR THIS PUBLIC HEARING – September 17, 2003

- | | | |
|----------|-------------------------------|----------------------------------------------------------|
| ITEM # 1 | ORD #1202-28
Regulations | ABAWD, Food Stamp Voluntary Quit, and FSET Emergency |
| ITEM # 2 | ORD #0403-08 | Family Reunification Child Support Referral Requirements |
| ITEM # 3 | ORD #0603-13
Reimbursement | Foster Care Rates - Triennial Financial Audits and Cost |
| ITEM # 4 | ORD #0203-04 | CalWORKs/Food Stamps Intercept Program |
| ITEM # 5 | ORD #0503-12 | Foster Youth Personal Rights |