

April 22, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 19-38**

The purpose of this All County Letter is to provide County Welfare Departments with policy guidance regarding changes to the CalFresh homeless shelter deduction, including indexing the amount of the deduction to inflation. Changes are effective October 1, 2019.



PAT LEARY  
ACTING DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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GAVIN NEWSOM  
GOVERNOR

April 22, 2019

ALL COUNTY LETTER (ACL) NO. 19-38

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL CALWORKS PROGRAM SPECIALISTS  
ALL CONSORTIA REPRESENTATIVES  
ALL QUALITY CONTROL COORDINATORS

SUBJECT: CHANGES TO THE CALFRESH HOMELESS SHELTER  
DEDUCTION EFFECTIVE OCTOBER 1, 2019

REFERENCE: [PUBLIC LAW 115-334; SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PROVISIONS OF THE AGRICULTURE IMPROVEMENT ACT OF 2018 – SECTION 4004 – INFORMATION MEMORANDUM; TITLE 7 CODE OF FEDERAL REGULATIONS 273.9\(d\)\(6\)\(ii\)](#)

The purpose of this letter is to provide County Welfare Departments (CWDs) with policy guidance regarding changes to the CalFresh homeless shelter deduction, including indexing the amount of the deduction to inflation. Changes are effective October 1, 2019.

### **Background**

On December 20, 2018, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of the [Agriculture Improvement Act of 2018](#) (Farm Bill). The provisions of section 4004 of the Farm Bill amend Section 5(e)(6)(D) of the Food and Nutrition Act of 2008 to require that all states provide a shelter deduction to homeless households in which all members are homeless individuals that are not receiving free shelter throughout the month and do not opt to claim an excess shelter deduction. In addition, the Farm Bill indexes the amount of the homeless shelter deduction to inflation beginning with Federal Fiscal Year (FFY) 2019.

The homeless shelter deduction is an alternative to the excess shelter deduction for homeless households. If a homeless household with qualifying shelter expenses chooses the homeless shelter deduction (in lieu of the excess shelter deduction), the deduction will be subtracted from net income in determining eligibility and allotments for the household.

While it was previously a state option to provide the homeless shelter deduction alternative, the Farm Bill made it mandatory that all states make this deduction available to eligible homeless households.

### **CalFresh Impact**

California currently makes the homeless shelter deduction available to eligible homeless households. Therefore, the change to make the homeless shelter deduction option mandatory for all states has no impact to California.

Currently, the homeless shelter deduction amount is \$143 per month and is not indexed to inflation. The change to index the value of the homeless shelter deduction to inflation will result in a shelter deduction amount that may fluctuate from year to year. As a result, the California Department of Social Services will issue the homeless shelter deduction amount on an annual basis when the amount is provided by the United States Department of Agriculture, Food and Nutrition Service (FNS). The FNS will codify these changes in future rulemaking and annual adjustments to this deduction amount will be included in the SNAP Cost of Living Adjustments (COLA) memo beginning FY 2020.

### **California will implement the new homeless shelter deduction amount indexed to inflation beginning in FFY 2020 (October 1, 2019 through September 30, 2020).**

The amount of the FFY 2020 homeless shelter deduction will be communicated to CWDs as soon as it is provided by FNS. Holding the change until October 1, 2019 will allow sufficient time for automation and will sync the change with other COLAs.

As is current practice, CWDs must notify homeless households that have qualifying shelter expenses of their eligibility for this deduction and, if applicable, their option to claim the homeless shelter deduction or the excess shelter deduction. As a best practice, CWDs should provide eligible homeless household information regarding which of the two deductions would be most beneficial to them.

### **Quality Control Impact**

Following SNAP regulations at [7 CFR 275.12\(d\)\(2\)\(vii\)](#), the hold harmless provision period for this provision will be 120 days from the date of state implementation, which is October 1, 2019.

If you have any questions regarding this ACL, please contact the CalFresh Policy Bureau at (916) 651-8047.

Sincerely,

***Original Document Signed By:***

KIM JOHNSON  
Deputy Director  
Family Engagement and Empowerment Division