

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 28, 2000

ALL-COUNTY INFORMATION NOTICE NO. I-124-00

TO: ALL COUNTY WELFARE DIRECTORS
ALL WELFARE-TO-WORK COORDINATORS
ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: FOOD STAMP QUESTIONS AND ANSWERS

The purpose of this All County Information Notice is to provide counties with answers to questions regarding Food Stamp Program policy. These questions were submitted by the County Welfare Directors Association's Technical Review Team (TRT) and the answers submitted to TRT for review and comments before being finalized by the Food Stamp Bureau. As requested by TRT county representatives, Questions and Answers (Q&A's) are separated and categorized for ease of reference by county staff.

If you have any questions, please contact the Food Stamp Policy Implementation Unit analyst assigned to that area of the regulations.

Sincerely,

ORIGINAL SIGNED 12/28/00 BY:GARY SWANSON, Chief
Food Stamp Branch

FOOD STAMP PROGRAM POLICY QUESTIONS AND ANSWERS

STUDENT EMPLOYMENT

QUESTION #1a

Are students 18-49 years of age who are enrolled in secondary education (high school) classes exempt from work registration? Are those students going to school and taking English as a Second Language (ESL) or to get a General Equivalency Diploma (GED) included in this exemption?

ANSWER

Yes, students ages 18-49 enrolled in a secondary school (high school) qualify for the work registration exemption under Manual of Policies and Procedures (MPP) Section 63-407.21(h), if they are enrolled on at least a half-time basis as defined by the school. This includes students enrolled in ESL or GED classes for part or all of the units necessary to meet the school's definition of half-time participation [MPP 63-406.11; MPP 63-406.12; MPP 63-407.21(h)].

QUESTION #1b. Who defines half time?

ANSWER

Half time is defined by the institution (MPP 63-406.11).

TIMELY REPORTING

QUESTION #1

What is timely reporting regarding completing and filing a CA 7? Is it the 11th of the report month or is it the extended filing date? This has an impact on what is the first month of an overissuance for non-reported income.

Example

A retrospectively budgeted food stamp (FS) household member starts work and receives income in the month of January. She submits her income report for January on February 5th with no earnings reported. She also has income that she does not report for the months of February, March, April and May. The county discovers the earnings in May through the Income and Eligibility Verification System (IEVS). According to MPP 63-801.311(c)(1), "If, due to an inadvertent error on the part of the household, the household failed to report a change in its circumstances within the time frames required in MPP 63-505, the first month affected by the household's failure to report shall be the first month in which the change would have been effective had it been timely reported."

ANSWER

Timely reporting is actually the 5th of each report month. According to MPP 63-504.3, monthly reporting households are required to submit a complete CA 7 by the 5th of each report month. If a household fails to file a complete CA 7 by the 11th of the report month or files an incomplete CA 7, the county shall provide a notice of action to the household about the overdue or incomplete CA 7 (MPP 63-504.27). The household must return the CA 7 by the extended filing date, which will be provided on the notice. Although the CA 7 would be considered untimely, no penalties are involved if a complete CA 7, with all income and changes reported, is filed by that extended filing date. When there is a failure to report income received or any other changes, and an overissuance occurs as a result, the county can establish a claim to collect that overissuance. According to MPP 63-801.311(c)(1), if a household fails to report a change within the time frames required in Section 63-505, the first month affected shall be the first month in which the change would have been effective had it been timely reported.

In the example provided, the first month of the overissuance is March, because the recipient failed to report income on her CA 7 report for January. The first month that would have been affected, if the client had reported timely, is March. March is two months later than the month in which the change in household circumstances occurred, which in this case was the receipt of additional income.

VEHICLE VALUATION

QUESTION #1a

The Kelly Blue Book Internet site has two selections to choose from. One is "Trade-in" value and the other is "Retail" value. Which value should we use to determine the Fair Market Value (FMV) of a vehicle?

ANSWER

According to MPP 63-501.511, the FMV of a vehicle is established through publications usually referred to as "blue books." The blue book is used to obtain the wholesale value of the vehicle. If the term wholesale value is not used in a particular blue book, the county should assign a listed value that is comparable. The Food and Nutrition Service has clarified that when a wholesale value is not used in the hard copy blue book, the "trade-in" value should be used as a comparable.

QUESTION #1b

Do we need to compare the trade-in value and the retail value?

ANSWER

No. The two are not compared. The retail value should not be considered.

QUESTION #1c

If four different Internet sites give four different values and the actual blue book still another value, do you use an average?

ANSWER

No. The FMV should only be based on a blue book value. This value can either be based on a hard copy or Internet site. However, the county in valuation of vehicles must consistently use whichever bluebook is chosen.

VEHICLE VALUATION (Continued)

QUESTION #2

If a household member's disability is based on a mental disability, does it meet the requirement to exclude a vehicle?

ANSWER

Based on MPP 63-501.521(e) and the Anderson v. Saenz court case, the vehicle can be excluded only for a physical disability and not a mental disability. In addition, the Food Stamp Act of 1977, as amended through P.L. 106-104, November 13, 1999, only specifies a physical disability as the basis for excluding a vehicle as a resource that is used to transport a disabled household member. However, as specified in MPP 63-501.521(e)(3), "there shall be a limit of one vehicle per physically disabled household member."

NONCITIZEN SPONSORSHIP

QUESTION #1

Are noncitizen parolees exempt from sponsorship requirements?

ANSWER

Not all noncitizen parolees are exempt from sponsorship requirements. Parolees are legal noncitizens who may or may not have a sponsor when entering the United States. They may have I-94 212d(5) and/or I-688B 274a 12c(11) documentation. Under 7 CFR 273.4(a)(2), aliens admitted for legal permanent residence under the Immigration and Nationality Act or a grant by the Attorney General may be required to have sponsorship [MPP 63-503.491(c)].

Parolees are not subject to time limited federal eligibility under MPP 63-405.12.

INCOME VERIFICATION

QUESTION #1

TALX Corporation is a private corporation that provides income verification services to its members. Are counties allowed to use this type of service to retrieve income verification for food stamp households?

ANSWER

Yes, the counties are allowed to use the services by TALX Corporation, but only as an additional source of verification. The Income Eligibility Verification System (IEVS) is mandated by the federal Food Stamp Program and the California Food Assistance Program (MPP 20-006). Food stamp regulations do not prohibit additional income verification systems being used by counties. However, counties using such systems are reminded that due process for applicants and recipients continue to be protected under existing Food Stamp Program verification and appeals procedures. In addition, households maintain the right to provide independent verification (pay stubs, etc.) when they disagree with information being used by a county.

STANDARD TELEPHONE DEDUCTION

QUESTION #1

Is the standard telephone deduction ever prorated? For example, if you have two households living together and their only utility cost is a phone and they share that cost, is the standard prorated?

ANSWER

A standard telephone allowance of \$20 is allowed in instances where a household incurs telephone costs but is not entitled to the SUA per MPP 63-502.363(b). In your scenario there are two identified households. If they each incur actual telephone expenses, and each is not entitled to SUA, each household can have a standard \$20 allowance or decide on actual costs to be deducted. Therefore, there is no issue as to prorating the standard telephone allowance.

OVERISSUANCE

QUESTION #1a

This question came up at a recent CalWIN session. Can both an inadvertent household error (IHE) and an intentional Program violation (IPV) overissuance be collected at the same time through allotment reduction? Can an administrative error (AE), IHE, and IPV overissuance be collected at the same time through allotment reduction? MPP 63-801 does not address this question. Food stamp question 801-12, answered 10/1/85, updated 1/2/90 and reviewed 6/95, supports the practice of collecting different types of overissuances at the same time through allotment reduction.

ANSWER

Multiple overissuances, except for AEs established under the Lomeli v. Saenz court case agreement, can be collected at the same time through allotment reduction. However, the amount of the reduction depends on the types of claims being collected. MPP 63-801.733 states that “the CWD shall reduce the household’s allotment as specified in Section 63-801.736, to recover any amounts of a claim not repaid through a lump sum cash and/or food stamp coupon payment, unless a payment schedule has been negotiated with the household.” The maximum amount of allotment reduction for IHEs and AEs is 10% or \$10, whichever is greater [MPP 63-801.736(a)]. The maximum amount of allotment reduction for IPV is 20% or \$10, whichever is greater [MPP 63-801.736(b)]. Even when combining overissuances, the amount of the reduction cannot exceed the maximum amount for the type of overissuances involved. Therefore, the maximum amount of allotment reduction when combining overissuances is 10% or \$10, whichever is greater, with the exception of multiple overissuances that include an IPV, in which case, the maximum amount of allotment reduction is 20% or \$10, whichever is greater.

Lomeli v. Saenz administrative error overissuances should not be collected with any other type of overissuance through allotment reduction, because Lomeli limits collection to 5% or \$10, whichever is greater, for a maximum of 36 consecutive months. At the end of the 36-month period any remaining balance is not collected.

Overissuances of different types, AEs, IHEs, and IPV, can always be collected one at a time by means of allotment reduction.

QUESTION #1b

If overissuances are collected one at a time by means of allotment reduction, in what order should they be collected?

ANSWER

When overissuances are collected one at a time by means of allotment reduction, they may be collected in any order.