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GOVERNOR

July 25, 2008

ALL COUNTY INFORMATION NOTICE NO. I-55-08

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP PROGRAM COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS

SUBJECT: FOOD STAMP PROGRAM PROVISIONS OF PUBLIC LAW (P.L.) 110-246, THE
FOOD, CONSERVATION AND ENERGY ACT OF 2008 (FARM BILL)
PROVISIONS EFFECTIVE OCTOBER 1, 2008

REFERENCE: FOOD AND NUTRITION SERVICE (FNS), ADMINISTRATIVE NOTICE 08-22

REASON FOR THIS TRANSMITTAL

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

The purpose of this letter is to inform County Welfare Departments (CWDs) of those provisions of P.L. 110-246, the Farm Bill of 2008 that must be implemented effective October 1, 2008. Within the next several weeks, an All County Letter will be transmitted with specific implementation instructions. Regulations reflecting these changes will be developed as soon as possible.

There are additional provisions in the Farm Bill that will not be implemented until the federal rulemaking process is completed. Information regarding those provisions will be provided at that time. In addition, the Farm Bill contains certain optional provisions that may be implemented on October 1, 2008. The Department will be discussing these options with CWDs and other stakeholders, and any relevant instructions will be issued at such time decisions are reached regarding implementation.

Implementation of several of the provisions listed below will necessitate the issuance of a mass-informing notice to program recipients. Currently, we are having internal discussions as to what would be the most efficient process for providing such information. CWDs will be informed of the results of these discussions as soon as possible.

Section 4001. Renaming the Food Stamp Act and Program

This provision renames the Food Stamp Program the “Supplemental Nutrition Assistance Program,” or SNAP and renames the Food Stamp Act of 1977 the Food and Nutrition Act of 2008, effective October 1, 2008. State agencies may continue to use state-specific program names. Changing the program name in California will require a change in state law. Currently, there is state legislation (AB 433) pending to direct the California Department of Social Services to convene stakeholders to develop a new name in California.

Section 4101. Excluding Certain Military Combat Payments From Income

This provision excludes combat-related military pay from consideration as income when determining eligibility and benefit levels if the additional pay is the result of deployment to or service in a combat zone and was not received immediately prior to serving in a combat zone. This codifies current policy for payments made under section 5 of Title 37 of the U.S. Code, which are already excluded from income, and provides the authority to designate other combat-related payments eligible for the exclusion.

Section 4102. Raising the Standard Deduction

This provision raises the minimum standard deduction for households with one to three members from \$134 to \$144 for Fiscal Year (FY) 2009 and indexes it to inflation starting in FY 2010. (The standard deduction remains unchanged for larger households, which already receive a larger standard deduction indexed to inflation).

Section 4103. Eliminating the Dependent Care Deduction Cap

This provision eliminates the cap on the deduction for dependent care expenses (currently \$175 or \$200 per month, depending on the age of the dependent), and allows families eligible for the deduction to deduct the entire amount of dependent care expenses when calculating eligibility and benefit levels.

This provision must be applied to new applicants beginning on October 1, 2008. For current recipients, FNS has encouraged states to apply the new provision to all ongoing households as soon as possible on or after October 1, 2008. Counties should notify potentially eligible households of the availability of the increase in the dependent care deduction.

Section 4104(a). Indexing Asset Limit

This provision adjusts the current food stamp asset limits (\$2,000 for most households and \$3,000 for households with elderly or disabled members) by indexing the limits to inflation, rounded down to the nearest \$250 beginning October 1, 2008. Each adjustment will be based on the unrounded amount for the prior 12-month period.

Section 4104(b). Excluding Education and Retirement Accounts From Resources

This provision excludes all tax-preferred education amounts (e.g., 529s) and retirement accounts (e.g., IRAs), from countable resources in determining eligibility. It excludes any funds in a plan, contract, or account, described in sections 401(a), 403(a), 403(b), 408, 408(a), 457(b), and 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a federal thrift Savings Plan account as provided for in 5 U.S.C. 8439. It also provides for the exclusion of any successor retirement accounts that are exempt from federal taxes.

Section 4107. Increasing the Minimum Benefit

This provision increases the minimum benefit for one and two-person households from \$10 to eight percent of the cost of the maximum benefit allotment for a household containing one

member. Since the maximum allotment is indexed to inflation, the minimum benefit will increase with annual increases in the maximum allotment.

Section 4114. Accrual of Benefits

This provision makes two changes to Electronic Benefit Transfer (EBT). First, the EBT account will become dormant when a household has not accessed its benefits after six months. This is a change from the current three-month time period. Second, benefits will be expunged from an EBT account when they have not been accessed after one year (i.e., 366 days) from the date benefits are posted to a client's EBT account. Changes will need to be made to the EBT vendor system before these changes can be implemented.

Section 4115(a). Issuance and Use of Program Benefits

This provision prohibits state agencies from issuing paper coupons as of the date of the enactment, June 18, 2008. This provision also de-obligates paper coupons as legal tender one year from that date. Therefore, food stamp coupons may no longer be redeemed at stores after June 17, 2009. In addition, the provision requires that EBT cards be the sole method of benefit delivery as of June 18, 2009.

Section 4122. Funding of Employment and Training Programs

This provision makes Employment and Training (E&T) funding allocations to states available for 15 months rather than until expended.

If you have any questions regarding this letter, please contact David Badal, Manager of the Food Stamp Policy Development Unit, at (916) 653-5528 or via e-mail at david.badal@dss.ca.gov.

Sincerely,

Original Document Signed By:

RICHTON YEE, Chief
Food Stamp Branch