

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

October 16, 1992

: Reason for this Transmittal

- : [] State Law Change
- : [] Federal LawChange
- : [] Court Order or Settlement Agreement
- : [] Clarification Requested by One or More Counties
- : [X] Initiated by CDSS

ALL COUNTY INFORMATION NOTICE
I-55-92

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP HOUSEHOLDS' REPAYMENT OPTIONS FOR
ADMINISTRATIVE ERROR OVERISSUANCES

Because of a complaint filed by the Legal Services of Northern California, the State Department of Social Services is providing County Welfare Departments with a clarification regarding the recovery of Food Stamp overissuances caused by administrative errors. The recoupment of these agency caused overissuances through allotment reduction is to be voluntary on the part of the Food Stamp recipient.

The Manual of Policy and Procedures (MPP) Sections 63-801.431(b) and 63-801.732 state that "for administrative error claims, the household shall also be informed of the availability of allotment reduction as a method of repayment if the household prefers to use this method." However, Federal regulations emphasize that ". . .no household shall have its allotment reduced by an amount with which it does not agree for payment of an administrative error claim. . .," and these regulations provide that any demands for repayment of such claims shall "inform the household of the availability of allotment reduction as a voluntary method of repayment." (Emphasis added.)

In order to reflect with more clarity the intent of the Federal regulations, the above MPP sections will be revised to state that a household may not have its allotment involuntarily reduced for repayment of an administrative error overissuance. The language will provide the information found in Manual Section 63-801.737(b) which states "For administrative error claims, the amount of food stamps to be recovered each month from a household choosing to use this method, shall be negotiated with the household. Choice of this option is entirely up to the household and no household shall have its allotment reduced by an amount with which it does not agree for payment of an administrative error claim."

Until the corresponding Notices of Action (the DFA 377.73 Food Stamp Repayment Notice, DFA 377.7B1 Food Stamp Repayment Notice Final Notice, and DFA 377.7c Food Stamp Repayment Agreement) are revised to include this clarification, Counties are instructed to advise households that allotment reduction due to an administrative error overissuance is to be voluntary.

Stock of the revised Notices of Action are expected to be available in late December.

If you have any questions, please contact Suzanne McNamee of the Food Stamp Program Bureau at (916) 657-3815 or CALNET 437-3815.

ORIGINAL SIGNED BY

MICHAEL C. GENEST
Deputy Director
Welfare Programs Division