



CDSS

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REASON FOR THIS TRANSMITTAL

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

May 29, 2014

ALL COUNTY LETTER (ACL) NO. 14-54

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALFRESH COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS

SUBJECT: AGRICULTURAL ACT OF 2014 (FARM BILL): CALFRESH CHANGES

REFERENCE: PUBLIC LAW (P.L.) 113-79. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PROVISIONS OF THE AGRICULTURAL ACT OF 2014 – FOOD AND NUTRITION SERVICE ADMINISTRATIVE NOTICES 14-17 AND 14-22, ISSUED MARCH 24, 2014 AND APRIL 11, 2014, RESPECTIVELY.

The purpose of this All County Letter (ACL) is to transmit implementing instructions and information to county welfare departments (CWDs) regarding changes to the Supplemental Nutrition Assistance Program (SNAP) that impact CalFresh, resulting from the enactment of the Agricultural Act of 2014 (P.L. 113-79) on February 7, 2014. Regulations and any relevant forms and notices reflecting these changes will be developed as soon as possible.

There are certain provisions of P.L. 113-79 that require “immediate” implementation, while others cannot be implemented until the federal rulemaking process is completed, and finally, some provisions only require action by the Food and Nutrition Service (FNS). For the sake of brevity, those provisions that only require action by FNS are not included in this ACL. However, those provisions were included in the FNS implementation memorandum referenced above that was previously shared with CWDs.

Note: Only the provisions that are “policy” in nature are addressed in this ACL. Other provisions dealing with retailer requirements, electronic benefit transfer (EBT), data matching, etc., will be covered in a subsequent letter to be issued by the California Department of Social Services (CDSS) Program Integrity Branch.

Provisions and Effective Dates:

Immediate Implementation

Section 4006: Standard Utility Allowance (SUA) Based on the Receipt of Energy Assistance Payments

This provision requires that households receive a payment greater than \$20 annually in Low Income Home Energy Assistance Program (LIHEAP) benefits or in other similar energy assistance benefits in the current month or in the immediately preceding 12 months in order to automatically qualify for the SUA based on receipt of LIHEAP. This change took effect 30 days after enactment (March 10, 2014) and applies to certification periods beginning on or after March 10, 2014.

This provision requires that if a State agency elects to use a Standard Utility Allowance (SUA) that reflects heating and cooling costs, the SUA shall be made available to households that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such a payment, or such a payment was made on behalf of the household, that was greater than \$20 annually. Previously, there was no restriction on the amount of the LIHEAP payment.

CDSS Implementation Action: All County Welfare Director's Letter issued on April 24, 2014 and via this ACL.

Statewide Utility Assistance Subsidy (SUAS) Governor's May Revision Budget Proposal

The Governor's Budget May Revision, released on May 13, 2014, proposes a new SUAS program to comply with the requirements of this section. SUAS will provide a once per year energy assistance cash payment (in compliance with the federal mandate) to those CalFresh households who would otherwise not be eligible for the Standard Utility Allowance in the determination of their eligibility or the computation of their CalFresh benefit amount. Further, the SUAS payment will only be made to those households who would either become eligible for CalFresh or who would receive an increase in their CalFresh allotment as a result. Until such time that the Governor's Budget is approved, counties must comply with the information provided in the All County Welfare Directors Letter issued on April 24, 2014.

On April 11, 2014, FNS issued Administrative Notice 14-22 providing questions and answers regarding Section 4006. Included was guidance regarding the timeframes for

implementation described in detail below. However, given the SUAS proposal in the Governor's May Revision Budget, it is imperative that CWDs and the automated eligibility systems be prepared to implement the provisions of SUAS in compliance with Section 4006. For new cases with certification periods beginning on or after March 10, 2014, the instructions below are applicable. For ongoing cases, FNS provided states with options regarding implementation for cases scheduled for recertification on or after March 10, 2014. In summary, the options are:

- 1) implementation at recertification or,
- 2) implementation five months after the household's recertification or,
- 3) implementation up to five months after recertification or, implementation at a **date certain** within five months of recertification for households recertified since the effective date and at recertification for all other ongoing households.

As a result of consultation with the California Welfare Directors Association and the Statewide Automated Welfare Systems consortia, option three above has been determined to be the best option for California. Therefore, contingent upon approval of the Governor's May Revision Budget, CWDs must provide the SUAS payment for all ongoing households which will benefit from receiving the SUAS payment with certification periods effective April, May, June, July, August, September and October 2014 no later than November 30, 2014. Ongoing households, which will benefit from receiving the SUAS payment recertified on or after November 1, 2014 must be provided with the SUAS payment no later than the last day of the first month of their new certification period.

Until November 2014, no other action is required for continuing cases. Counties may continue to provide the SUA until the next certification period or November 2014, whichever is later. FNS expects that states will collect utility information at the household's next recertification on or after May 5, 2014.

For new cases whose certification period begins on or after March 10, 2014:

For new cases whose certification period begins on or after March 10 the SUA should not be granted unless the household is otherwise eligible for the SUA, (i.e. unless the household has verified heating/cooling costs or if the household has received a LIHEAP payment of \$20.01 or more in the previous twelve calendar months). Although this provision was effective on March 10, FNS provided a 60-day grace period and will begin holding states accountable effective May 5, 2014.

Identification of Cases:

Counties are highly encouraged, where possible, to identify those cases (new cases and ongoing cases at recertification) that would benefit from receiving the SUA, but are not currently eligible for the SUA based on the requirements of Section 4006. This would include households denied that would have been eligible or would have received an increased allotment had the SUA been applied in the determination of eligibility and the computation of benefit amount.

Verification Requirements

As a reminder, the following verification requirements for utility expenses were clarified in ACIN I-45-11:

For the Standard Utility Allowance (SUA), if a bill for heating/cooling is not available, a statement suffices as verification that the household is incurring heating and/or cooling costs (MPP § 63-300.5(e)(6)). The SUA is allowed if any heating and/or cooling costs are incurred apart from mortgage or rent payments. A statement also suffices as verification for households that do not qualify for a SUA but incur expenses for at least two separate utilities (telephone, water, sewer, and garbage) other than heating and cooling are eligible for Limited Utility Allowance (LUA). A statement also suffices for a household incurring only telephone expenses, or in its absence, an equivalent form of communication, is eligible to receive a telephone deduction referred to as Telephone Utility Allowance (TUA).

If the household is not able to provide verification within the 10 day timeframe, the CWD should be able to determine eligibility and benefit level without verification for the deduction. If the recipient later provides verification, it should be considered, and if it would result in an increase in benefits, the CalFresh benefits should be increased.

Hold Harmless:

There is a 120-day Quality Control “hold harmless” period for new cases whose certification period began on or after March 10, 2014. The hold harmless period expires July 7, 2014. (The April 24, 2014 ACWDL incorrectly indicated May 5, 2014).

Section 4018: Prohibiting Government-Sponsored Recruitment Activities

Federal funds are banned from being used for television, radio, or billboard advertisements that are designed to promote CalFresh benefits and enrollment.

This provision applies exclusively to those types of outreach efforts and not to others not listed such as brochures, and other types of activities. If a county is funded for SNAP-Ed activities (currently 19 counties received funding from CDSS through the competitive process), these same provisions do not apply to SNAP-Ed. If the county’s SNAP-Ed plan was approved and included those activities, they are permissible. This provision just applies to funding received for outreach activities.

In addition, Federal funding is banned from being used for any agreements with foreign governments designed to promote CalFresh. (This applies only to agreements, and does not impact responding to questions from such entities as the Mexican Consulate here in California.)

CDSS Implementation Action: All County Welfare Director’s Letter issued on April 10, 2014.

Section 4019: Tolerance Level for Excluding Small Errors

This provision changes the Quality Control (QC) tolerance level from \$50 to \$37. This change is effective immediately and is retroactive beginning with the October 2013 QC case reviews. All dollar errors shall continue to be coded and recorded regardless of the amount, however, only variances that exceed \$37 shall be cited and included in the calculation of an over issuance or under issuance error. All payments to ineligible households, regardless of the amount, shall continue to be cited

CDSS Implementation Action: The Research and Development Enterprise Project (RADEP) database that counties use to enter and upload case information has been updated to comply with the change.

Section 4023: Cooperation with Program Research and Evaluation

This provision requires State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs (e.g. CalFresh) authorized under the Agricultural Act of 2014 to cooperate with the United States Department of Agriculture (USDA) and its contractors on evaluations and research.

CDSS Implementation Action: Implemented via this ACL.

Provisions not to be implemented until Federal rulemaking occurs

CDSS will issue further guidance on the following sections upon the completion of the FNS rulemaking process.

Section 4003: Enhancing Services to Elderly and Disabled CalFresh Recipients

The provision expands the definition of "Retail food store" in the Act to include governmental or private nonprofit food purchasing and delivery services that purchase and deliver food to the elderly and/or disabled. The provision requires the service entity to inform the participant of any delivery fees, specifies that these fees are ineligible to be paid for with SNAP benefits, and prohibits the service entity from increasing the price of food for SNAP recipients beyond what the service entity paid. USDA is limited to approving no more than 20 entities prior to rules being released.

With this new provision the Golden Advantage Nutrition Project (GANP) may be able to expand to non-profit agencies that deliver meals to homebound seniors, which are not Title III (C) sites

Section 4007: Eligibility Disqualifications

This provision addresses student eligibility by clarifying that participants in a CalFresh Employment and Training Program are still eligible if they are enrolled in a course or program of study that is part of a career and technical education program, or are participating in remedial courses, basic adult education, literacy instruction, or English as a Second Language.

Section 4008: Eligibility Disqualifications for Certain Convicted Felons

This provision prohibits anyone convicted of aggravated sexual abuse, murder, sexual exploitation and abuse of children, sexual assault as defined in the Violence Against Women Act of 1994, or similar State law, and who is not in compliance with the terms of their sentence, is in violation of probation/parole, or a fleeing felon from receiving CalFresh benefits. If such an individual is in an otherwise eligible household, the income and resources of the individual will be considered when determining eligibility. Convictions for conduct that occurred on or before date of enactment (February 7, 2014) of the Agricultural Act of 2014 do not apply and the individuals would not be subject to this disqualification.

Section 4009: Ending Supplemental Nutrition Assistance Program Benefits for Lottery or Gambling Winners

This provision states that any household in which a member receives substantial gambling or lottery winnings (as determined by FNS) will immediately lose eligibility for CalFresh benefits until they again meet normal income and resource standards. In addition, state agencies shall establish agreements with entities responsible for gaming in their State to identify individuals who have received substantial lottery or gambling winnings. No action is to be taken until further guidance from the USDA is provided.

Section 4014: Restaurant Meals Program

This provision requires States which elect to operate a restaurant meals program to submit plans and reports to FNS. The plans must show how the State program meets the needs of homeless, elderly, and disabled recipients in particular geographic areas, limits participation to only the necessary private establishments, and meets any other conditions that FNS may prescribe.

Annual reports are required regarding the number served and whether the program is meeting established needs. Only private establishments that are determined by USDA to meet an established need are authorized to participate.

Section 4018: Prohibiting Government-Sponsored Recruitment Activities

This provision prohibits the use of Federal funds from being used for recruitment activities that would be “designed to persuade an individual to apply for SNAP” (CalFresh). In addition, FNS is required to issue regulations that would forbid outside entities from receiving Federal funds if compensation for any person at the outside entity is based on the number of individuals that person recruits to apply for CalFresh. No action is required until further guidance from the USDA is provided.

Section 4022: Pilot Project to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP

This provision makes several changes that would impact the CalFresh Employment & Training (E&T) Program, some of which involves FNS action only. However, the provision also requires USDA to develop performance measures to monitor how well E&T prepares participants for employment and the number who obtain employment after participation. USDA can require States with inadequate performance outcomes to modify their E&T plans. These measures are to be released as an interim rule. In addition, the legislation also creates up to ten 3-year pilot projects to enable more work registrants to locate jobs, increase their earnings, and reduce reliance on public assistance. This provision does not currently impact the E&T program in California; however, if California is later chosen to participate in the pilot project, CDSS will provide further guidance to all shareholders.

If you have any questions regarding the provisions having to do with outreach, please contact Caryn Rizell, Outreach Unit Manager, at (916) 654-1435. For all other sections, please contact your county CalFresh analyst.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division