

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



October 18, 2005

ALL COUNTY LETTER NO. 05-30

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS  
ALL CalWORKs PROGRAM SPECIALISTS

**REASON FOR THIS TRANSMITTAL**

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

SUBJECT: FINAL REGULATIONS TO IMPLEMENT THE QUARTERLY REPORTING/PROSPECTIVE BUDGETING (QR/PB) SYSTEM IN THE FOOD STAMP PROGRAM (FSP)

REFERENCE: ASSEMBLY BILL (AB) 444(CHAPTER 1022, STATUTES OF 2002; AB 692 (CHAPTER 1024, STATUTES OF 2002; AB 1402 (CHAPTER 398, STATUTES OF 2003); ALL COUNTY LETTERS (ACL) 03-18, 04-19, AND 04-30; AND ALL COUNTY INFORMATION NOTICES (ACIN) I-54-03, I-84-03; I-09-04, I-10-04, AND I-29-04.

The purpose of this letter is to notify counties of final regulatory provisions for the QR/PB system in the FSP. The QR/PB emergency regulations were previously adopted on an emergency basis and became effective July 1, 2004. The final regulations became effective on August 5, 2005. The final QR/PB regulations are available on the California Department of Social Services website at [http://www.dss.cahwnet.gov/ord/CDSSManual\\_240.htm](http://www.dss.cahwnet.gov/ord/CDSSManual_240.htm).

The final FSP QR/PB regulations contain requirements which supercede the emergency regulations as well as certain policies and provisions set forth under prior QR/PB ACLs and ACINs. These changes were made as a result of public testimony received and subsequent departmental decisions. The changes/additions are summarized below:

**MPP Section 63-508.654(c)(1) – Excluded Individual:** This is a situation in which the excluded individual was initially determined eligible based on Data Month information, but prior to authorization of benefits, the County Welfare Director (CWD) determines in the Submit Month that the new member is ineligible. This section clarifies that the information received in the Submit Month is considered a mid-quarter voluntary report and the excluded household member is treated in accordance with Section 63-503.442.

**MPP Section 63-508.661(b) – Resource Eligibility:** This regulation is amended to make clear that actions regarding resource changes can be taken mid-quarter if they do not impact eligibility. For example: a new bank account is reported; the case record is updated with the new information, but eligibility is not changed.

**MPP Section 63-509(a)(2) – Reasonably Anticipated Income:** A new paragraph is added under (a)(2) to clarify that a decrease in income reported in the Submit Month is treated as a mid-quarter change. The information of decreased income is used to anticipate income for the next QR Payment Quarter, if the change is expected to continue into the next quarter.

**MPP Section 63-509(a)(3)(C)2. – Utility Costs/No Change Notice of Action (NOA):** This section was amended to clarify that a “No Change NOA” must be sent to a household within 30 days of a reported utility cost change if the reported change does not result in a benefit change.

**MPP Section 63-509(a)(5)(C) – Weekly and Bi-Weekly Conversion Factor Usage:** This is an additional provision for usage of the conversion factor. The conversion factor can also be used if: the household anticipates a change in income in the next QR Payment Quarter; the new amount is known; the amount will remain the same for the entire QR Payment Quarter; and the county is in agreement with the household’s report of the change in income.

**MPP Section 63-509(a)(5)(F) – Weekly and Bi-Weekly Conversion Factor Usage:** This is a new section added to clarify that the conversion factor shall not be used for income received on a monthly or semi-monthly schedule.

**MPP Section 63-509(c)(3)(A)Handbook – Move Out of County:** An additional phrase is added in the Handbook to clarify when a household moves from County A to County B, County A shall inform the household that a new application is needed in County B for food stamp benefits to resume.

**MPP Section 63-509(d)(7) – Voluntary Mid-Quarter Reports:** A sentence is added to this section to clarify that a “No Change NOA” must be sent within 30 days of a voluntary mid-quarter change when the reported change does not change benefits.

**MPP Section 509(d)(7)(C) – 130 Percent of the Federal Poverty Level (FPL) for Non-Assistance Food Stamp (NAFS) Households:** This section is added to provide for a mid-quarter discontinuance when a NAFS household voluntarily reports income over 130 percent of the FPL.

**MPP Section 63-509(e)(4) – Voluntary Mid-quarter Changes Reported at the Same Time:** This section is added to clarify that in any instance where two or more changes are reported to the CWD at the same time, the CWD must evaluate each change separately and according to the sequence of occurrence. A Handbook provides a scenario of such an occurrence.

**MPP Section 63-509(f)(4)(A) – New Person Results in Financial Ineligibility:** This section is added to clarify that only changes in income of existing household members, which are voluntarily reported and which exceed 130 percent of FPL, will render a household ineligible mid-quarter. The income of an individual entering the household would be excluded from the 130 percent threshold and will not render the household ineligible until the next QR Payment Quarter.

**MPP Section 63-509(h)(1)(C) (Handbook) – Benefits Approved in Another Household:** A new Handbook section is added to give examples of county-initiated actions when benefits are applied for and approved for a household or household member living in another household. The scenarios add clarification regarding the timing for adding the household member(s) to the new household and the timing for sending NOAs.

**MPP Section 63-509(h)(1)(F) through (I) – Additional County-Initiated Actions:** These are new sections expanding the types of county-initiated actions allowed to be taken by the CWD mid-quarter. County-initiated actions now also include actions for: sanctions or financial penalties; failure of the household to comply with a Quality Control Review; duplicate benefits; discontinuance due to the termination of a California Work Opportunity and Responsibility to Kids (CalWORKs) inter-county transfer; status changes in the California Food Assistance Program, Cost-of-Living Adjustments (COLAs) for the FSP, CalWORKs, General Assistance, and for COLAs administered by the Social Security Administration; adjustments due to erroneous or incomplete recipient QR 7 or mid-quarter reports of information, or lack of action by the county on the QR 7 or mid-quarter recipient reports; the ending of the three-month time limit for an Able-Bodied Adults Without Disabilities (ABAWD) or an ABAWD who has regained eligibility and subsequently stops meeting the work requirements; and, discontinuance due to an ineligibility determination when recertification falls outside the submit month.

If you have any questions regarding the FSP QR/PB system, you may contact:

|                              |                      |                |
|------------------------------|----------------------|----------------|
| Food Stamp Policy            | LeAnne Torres        | (916) 654-2135 |
| Food Stamp Forms and Notices | Frederick Hodges     | (916) 653-7973 |
| Food Stamp Quality Control   | Michael Bowman-Jones | (213) 833-2260 |

Sincerely,

***Original Document Signed By '***

***Cal Rogers for:***

CHARR LEE METSKER  
Deputy Director  
Welfare to Work Division