

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 17, 1987

ALL COUNTY LETTER NO. 87-112

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF FOOD STAMP ENERGY ASSISTANCE PAYMENTS -  
RDB #0687-31

REFERENCE: ALL COUNTY LETTER NO. 87-73, DATED MAY 18, 1987 and  
87-97, DATED July 10, 1987

The purpose of this letter is to provide the county welfare departments (CWDs) with information concerning the implementation of the emergency food stamp regulation changes contained in the above referenced regulation package. The regulations were approved by the Office of Administrative Law on July 28, 1987 and were effective August 1, 1987.

These regulations involve two changes to the OBRA and Nondiscretionary #2 regulations (as outlined in ACL No. 87-73) which were effective April 1, 1987. The changes are in regard to the handling of energy assistance payments and are as follows:

1. Manual Section 63-502.352(a)(1) (formerly 502.361(a), renumbered by AB 1111 regulation changes effective July 1, 1987)

This section currently entitles a household who incurs heating or cooling expenses separate and apart from their rent or mortgage payments to claim the standard utility allowance (SUA). However, if these households receive energy assistance vendor payments they must incur out-of-pocket heating or cooling expenses over and above their energy assistance payment in any month during their certification period in order to be entitled to the SUA. In addition, the CWD must determine if a household incurs out-of-pocket heating/cooling expenses in any month by prorating the energy assistance vendor payment.

The amendment to this section now specifies that households who receive energy assistance payments (whether direct or indirect/vendor) made under the Low Income Home Energy Assistance Act (LIHEAA) of 1981 are automatically entitled to receive the SUA. Examples of LIHEAA payments are Home Energy

Assistance Program (HEAP) and Energy Crisis Intervention Program (ECIP). All energy assistance vendor payments not made under LIHEAA of 1981 must continue to be prorated to determine entitlement to the SUA. Non LIHEAA payments include the Relief for Energy Assistance through Community Help (REACH) program handled by PG&E.

2. Manual Section 62-503.254

This section currently specifies that any expense covered by an excluded reimbursement or vendor payment cannot be considered a deductible expense.

The amendment to this section now allows energy assistance vendor payments made under the LIHEAA of 1981 to be considered a deductible expense. Therefore, even if the household is receiving an energy assistance payment made under LIHEAA of 1981, (whether direct or indirect), the amount of a LIHEAA payment can be included as part of the shelter expenses calculation as an actual expense. However, those households which choose to claim actual utility expenses and who receive an energy assistance vendor payment not made under the LIHEAA of 1981 would only be able to claim the portion of the expense not paid by the vendor payment.

Both provisions are effective for all new applications filed on or after August 1, 1987 and retroactive to October 1, 1986 for restoration of any lost benefits. Currently certified households shall be converted at the household's request, at termination or recertification, whichever occurs first.

Restoration of Lost Benefits

A determination of the entitlement to a restoration of lost benefits shall be made either upon request of the household, or when the CWD becomes aware that a household was denied benefits or would have been eligible for a higher allotment, and implemented as follows:

Any household that was denied benefits shall receive restored benefits back to October 1, 1986 or the date of application, whichever is later.

Currently participating households shall receive benefits back to October 1, 1986 or the first month in which application of these provisions would have affected the household's benefits, whichever is later.

Informing Notice

As indicated in ACL No. 87-97, due to the expected small percentage of the caseload which receives LIHEAA payments, an informing notice will not be provided. However, CWDA do have the option of developing and providing their own notice regarding the energy assistance regulations.

If you have any questions, please contact Mike Papin of the AFDC and Food Stamp Policy Implementation Bureau at 916/324-6584 or ATSS 454-6584.



*for* ROBERT A. HOREL  
Deputy Director

cc: CWDA