

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

August 18, 1994

ALL COUNTY LETTER NO. 94-67

Reason for this Transmittal

- | | |
|-------------------------------------|-------------------------------------------------|
| <input type="checkbox"/> | State Law Change |
| <input checked="" type="checkbox"/> | Federal Law Change |
| <input type="checkbox"/> | Court Order or Settlement Agreement |
| <input type="checkbox"/> | Clarification Requested by One or More Counties |
| <input type="checkbox"/> | Initiated by CDSS |



TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: Implementation of Provisions of the Mickey Leland
Childhood Hunger Relief Act (P.L. 103-66) (RDB#0594-16)

REFERENCE: MANUAL SECTIONS (MS) 63-023; 63-102 h (1) (A) and (B), i. (4) (b) and t. (5); 63-402.146, .42, and .621(b); 63-407.811 (c) (1)(B) and .832; 63-501.3(k) (16) and (A), .521 (h), .522, (a) and (b), .524 (a), .525 and .526; 63-502.2 (b) 2 (C), and (D), (i), and (j); 63-503.13, .471 and .472; 63-504.311 (e) (1) and .618 (c) and (e); 63-805.1; and Handbook Section 63-1101.23

This letter provides County Welfare Departments (CWDs) with information concerning the implementation of revised provisions contained in the above referenced regulation package. These regulations implement provisions of the Mickey Leland Childhood Hunger Relief Act (P.L. 103-66) effective September 1, 1994 and the Hamilton v. Lyng court order, which was effective August 1, 1988.

Attached are:

- A summary of the significant changes to the regulations,
- Mass change notice to inform Food Stamp households about the increase in the dependent care deduction,
- A draft copy of the revised regulations.

If you have any questions, please contact the Food Stamp Program Bureau, Policy Implementation Unit at (916) 654-1896.


MICHAEL C. GENEST
Deputy Director
Welfare Programs Division

Attachments

Implementation of Provisions of the Mickey Leland Childhood Hunger Relief Act

- o M.S. 63-023 specifies effective September 1, 1994, CWDs shall implement the above mentioned provisions for all food stamp household applicants.
- o Continuing cases and any other affected households, shall be converted to this provision at the household's request, at recertification, when the case is reviewed next or the CWD becomes aware a review is needed, whichever occurs first.
- o Applicant households are entitled to restored benefits if the CWD does not implement these provisions by September 1, 1994. Those households who applied and were denied, are entitled to restored benefits if otherwise eligible. Restored benefits to applicant households are to be provided back to the initial date of application or September 1, 1994, whichever occurred later.
- o Variances resulting from implementation of these provisions will be excluded from quality control error analysis for 120 days beginning with September 1, 1994 effective date.

Definitions

- o M.S. 63-102 h.(1)(A) and (B) are being added to specify that as a result of the Hamilton v. Lyng court order, AFDC homeless assistance payments will be treated as a "non-recurring lump sum payment" for the Food Stamp Program. These payments will include "temporary shelter assistance" for a homeless family seeking permanent housing and "permanent housing" payments for security deposits and utility deposits when permanent housing is located. This section also specifies that "AFDC Interim Shelter" payments are not considered an excludable AFDC homeless assistance payment.
- o M.S. 63-102 i.(4)(b) clarifies that "Initial Application and Certification" for the purpose of prorating benefits is an application filed after any break in certification of more than one month.
- o M.S. 63-102 t.(5) clarifies and expands the current term "temporary housing" to "transitional housing." The new term now means time limited residency to facilitate the movement of homeless individuals and families to permanent housing. The limitation which required temporary housing lacking the facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption is being repealed.

Household Concept

- o M.S. 63-402.146 specifies that separate household status shall not be granted to children of narcotic addicts or alcoholics who reside at a treatment center.
- o M.S. 63-402.42 clarifies that the children of the resident narcotic addict or alcoholic may now qualify for food stamps if residing in centers providing meals.
- o M.S. 63-402.621(b) has been amended to specify that each resident participant in a treatment program along with his/her children shall be certified as an individual household. The Food Stamp certification requirements for the resident participant's spouse and/or other family members remain unchanged.

Work Registration Requirements

- o M.S. 63-407.811(c)(1)(B) has been amended to specify that for persons who are unable to participate in the Food Stamp Employment and Training (FSET) Program due to lack of dependent care, the dependent care costs have increased from \$160 per month to the maximum rate specified in Handbook Section 63-1101.23.
- o M.S. 63-407.832 has been amended to specify that the FSET participant will be reimbursed for the actual dependent care costs not to exceed the maximum rate specified in Handbook Section 63-1101.23.

Resource Determinations

- o M.S. 63-501.3(k)(16) has been amended to clarify that the Earned Income Tax Credit (EITC) is excluded from resources for 12 months providing the household member receiving the EITC was participating in the Food Stamp Program when the EITC was received and participates continuously during that 12 month period.
- o M.S. 63-501.3(k)(16)(A) has been added to clarify that continuous participation during the 12 month period includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7's.

- o M.S. 63-501.521(h) has been added to state that the entire value of a vehicle is excluded when used to transport fuel for heating or water for home use and when such transported fuel or water is the primary source of fuel or water for the home.
- o M.S. 63-501.522(a) and (b) have been amended to list the yearly increases of the vehicle exclusion limit through September 30, 1997. In addition, the handbook example has been amended to reflect the increase.
- o M.S. 63-501.524(a) and .525 have been amended to clarify that the current allowable limit of \$4,550 is now addressed as the vehicle exclusion limit.
- o M.S. 63-501.526 has been amended to exclude as a resource the value of a vehicle necessary to carry the primary source of fuel for heating or water for home use.

Income Exclusions

- o M.S. 63-502.2(b)(2)(C) has been amended to specify that a GA payment made to a household for energy or utility costs is excluded as a vendor payment.
- o M.S. 63-502.2(b)(2)(D) has been amended to revise the term "temporary housing" to "transitional housing" for the homeless and as such those housing assistance vendor payments continue to be excluded. The requirement that these payments for temporary housing which lack facilities for the preparation of cooking of hot meals or the refrigerated storage of food for home consumption along with the sunset provision has been repealed.
- o M.S. 63-502.2(i) has been amended to exclude earned income of children who are elementary or secondary school students at least halftime and who have not attained their 22nd birthday at the beginning of the budget month.
- o M.S. 63-502.2(j) has been amended to clarify that AFDC homeless assistance payments for temporary shelter or permanent housing are treated as a nonrecurring lump-sum payment.

Determining Household Eligibility and Benefit Levels

- o M.S. 63-503.13 has been amended to eliminate proration of benefits for all households at recertification unless the

household was off the program for more than one month. The prohibition of prorating benefits for migrant or seasonal farmworker households which have a break in participation of 30 days or less has been removed. All households which have a break in participation of one month or less shall not have their benefits prorated.

- o M.S. 63-503.472 incorporates language from 63-503.471 and has been amended to specify that a resident narcotic addict or alcoholic, together with the resident's children staying in the center shall have their eligibility determined as an individual household.

Household Certification and Continuing Eligibility

- o M.S. 63-504.311(e)(1) has been amended to clarify that only the nonexcluded earned and unearned income received in the corresponding budget month is considered in calculating the household's benefit level. This includes the earned income of an elementary or secondary school student if the student is 22 years of age or older at the beginning of the budget month.

Recertification of All Households

- o M.S. 63-504.618(c) and (e) are being amended to eliminate proration of benefits at recertification unless the household was off the program for more than one month.

Intentional Program Violation Disqualification

- o M.S. 63-805.1 has been amended to specify that the disqualifications for a person found to have committed an intentional program violation through an administrative disqualification hearing or a court of appropriate jurisdiction or those who have signed a waiver of right to an administrative disqualification hearing or a disqualification consent agreement have been repealed since they are listed in M.S. 20-300.3.

HANDBOOK

Handbook Section 63-1101.23

- o M.S. 63-1101.23 has been amended to reflect the increase to the dependent care deduction from \$160 per dependent to \$200 a month for each dependent child under 2 years of age and \$175 a month for each other dependent.

Mass Change Notice - Dependent Care Deduction

Attached is a reproducible copy of the TEMP 2074 (8/94) Multilingual (English, Spanish, Vietnamese, Cambodian, Chinese and Lao) the general mass change notice described in Manual section 63-504.391(b). CWDs are encouraged to mail a copy of this notice to all households along with the September allotment. Also included is the TEMP 2075 (8/94) Multilingual (English, Spanish, Vietnamese, Cambodian, Chinese and Lao) for retroactive notification to clients. These notices are necessary to inform clients about changes in the deduction amounts. A camera ready copy of these forms may be obtained by contacting Language Services Bureau at (916) 654-1282 or CALNET 464-1282.

Before duplication, CWDs must ensure that the notices contain the county specific address which clients should use to send written state hearing requests. Those CWDs that do not mail a copy of these notices to all households shall utilize the news media or post this information in certification offices, issuance locations or other sites frequented by certified households. If any other change is to be effective with the September allotment, as always, the Food Stamp Notice of Change (DFA 377.4) must be used to provide individual notice to the household.

If the CWD is unable to effect necessary programming changes to reflect the increase to the dependent care deduction, lost benefits must be restored back to September 1, 1994. All retroactivity must be completed as soon as administratively possible, but in no event later than with the issuance of the October 1994 allotment.

NOTE: If retroactive benefits are paid, the county must specify on the TEMP 2075 the method of retroactivity, for example, inclusion with the October allotment, a special issuance, etc.

IMPORTANT NOTICE TO ALL FOOD STAMP RECIPIENTS

As of September 1, 1994, the maximum dependent care deduction will be increased from \$160.00 a month to \$200.00 a month for each dependent child under two years of age and to \$175.00 a month for each other dependent. This will affect dependent care paid beginning in September. This increase is the result of a change in Federal law.

The amount of Food Stamp benefits you will get depends on your household status. If you received a notice that other changes to your benefits will take place, the increase in the dependent care deduction will be part of those changes.

If you think we made a mistake in your allotment because of the increase in the dependent care deduction, you may ask for a state hearing. Your request may be written or verbal, but it must state that you want a hearing and why you think

this action is wrong. Your request for a state hearing must be made *within 90 days of when you got this letter*. If you wish to make a request for a state hearing, write to:

Or call toll free: 1-800-952-5253. If you are deaf and use TDD, call 1-800-952-8349.

You can speak for yourself at the state hearing. You can have a friend, attorney or other person speak for you, but **YOU** must get these people to help you. You may ask for free legal aid at a legal aid office in your area.

AVISO IMPORTANTE A TODAS LAS PERSONAS QUE RECIBEN ESTAMPILLAS PARA COMIDA

A partir del 1º de septiembre de 1994, aumentará la deducción máxima por concepto de cuidado de personas a su cargo de \$160.00 a \$200.00 dólares al mes, por cada niño que usted tenga a su cargo, que sea menor de dos años de edad, y a \$175.00 dólares al mes por cada otra persona que dependa de usted. Esto afectará el cuidado de personas a su cargo que se pague comenzando en septiembre. Este aumento es el resultado de un cambio en la ley federal.

La cantidad de beneficios de estampillas para comida que usted recibirá depende de la situación de su hogar. Si usted recibió una notificación informándole que ocurrirán otros cambios en sus beneficios, el aumento en la deducción por concepto de cuidado de personas a su cargo formará parte de esos cambios.

Si usted cree que cometimos un error en su asignación como resultado del aumento en la deducción por concepto de cuidado de personas a su cargo, usted puede pedir una audiencia con el estado. Su petición para una audiencia

puede hacerse por escrito o verbalmente, pero tiene que declarar que usted quiere una audiencia y la razón por la cual usted cree que esta acción está equivocada. Tiene que hacer su petición para una audiencia *en un plazo de 90 días contados a partir de la fecha en que usted recibió esta carta*. Si desea solicitar una audiencia, escriba a:

o llame al número gratuito: 1-800-952-5253. Si es sordo y usa TDD, llame al 1-800-952-8349.

Puede representarse a sí mismo en la audiencia estatal. Puede pedirle a una amistad, un abogado u otra persona que lo represente, pero **USTED** tiene que pedirle a esta persona que le ayude. Puede pedir asistencia legal gratuita en la oficina de asesoramiento legal (legal aid) en la zona donde usted vive.

THÔNG BÁO QUAN TRỌNG CHO NHỮNG NGƯỜI NHẬN TRỢ CẤP PHIẾU THỰC PHẨM

Kể từ 1 tháng 9 năm 1994, sự khấu trừ tối đa về chi phí săn sóc người phụ thuộc sẽ được tăng từ \$160.00 lên \$200.00 một tháng cho mỗi người con dưới hai năm tuổi và tăng lên thành \$175.00 một tháng cho mỗi người phụ thuộc khác. Sự gia tăng này sẽ khởi sự áp dụng đối với khoản chi phí săn sóc người phụ thuộc đã trả trong tháng 9. Sự gia tăng này là do một sự thay đổi luật của Liên Bang.

Số trợ cấp phiếu thực phẩm quý vị sẽ được lãnh tùy thuộc vào tình trạng của hộ quý vị. Nếu quý vị đã nhận được một thông báo cho biết sẽ có những sự thay đổi khác đối với trợ cấp của quý vị, thì sự gia tăng về chi phí săn sóc người phụ thuộc này sẽ là một phần trong số những sự thay đổi đó.

Nếu quý vị nghĩ rằng chúng tôi đã tính sai mức trợ cấp của quý vị vì sự gia tăng về chi phí săn sóc người phụ thuộc này, quý vị có thể xin một buổi thụ lý hành chính. Quý vị có thể viết thư hay gọi điện thoại để xin buổi thụ lý, nhưng quý vị phải nói rõ là

quý vị muốn xin một buổi thụ lý và lý do tại sao quý vị nghĩ rằng biện pháp này là sai. Quý vị phải xin buổi thụ lý hành chính này *trong vòng 90 ngày kể từ ngày quý vị nhận được thư này*. Nếu quý vị muốn xin một buổi thụ lý, xin viết thư cho:

Hoặc gọi điện thoại miễn phí số: 1-800-952-5253. Nếu quý vị bị điếc và sử dụng điện thoại TDD, xin gọi số 1-800-952-8349.

Quý vị có thể tự mình trình bày trước buổi thụ lý hành chính. Quý vị có thể nhờ một người bạn, một luật sư hay một người nào khác giúp cho mình, nhưng **QUÝ VỊ** phải tự tìm những người này để nhờ họ giúp cho quý vị. Quý vị có thể tìm xin sự giúp đỡ về luật pháp miễn phí tại một văn phòng cố vấn pháp luật ở địa phương.

IMPORTANT NOTICE TO ALL FOOD STAMP RECIPIENTS

As of September 1, 1994, the maximum dependent care deduction was increased from \$160.00 a month to \$200.00 a month for each dependent child under two years of age and to \$175.00 per month for each other dependent. This increase was the result of a change in Federal law.

If you are entitled to receive retroactive benefits as a result of this increase, you will either receive a supplemental issuance or the retroactive benefits will be included on your next month's allotment. If you had any other change to your food stamps benefits that took place in September, you will receive a separate notice about those changes.

If you think we made a mistake in your allotment because of the increase in the dependent care deduction, you may ask

for a state hearing. Your request may be written or verbal, but it must state that you want a hearing and why you think this action is wrong. Your request for a state hearing must be made *within 90 days of when you got this letter*. If you wish to make a request for a state hearing, write to:

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You can speak for yourself at the state hearing. You can have a friend, attorney or other person speak for you, but YOU must get these people to help you. You may ask for free legal aid at a legal aid office in your area.

AVISO IMPORTANTE A TODAS LAS PERSONAS QUE RECIBEN ESTAMPILLAS PARA COMIDA

A partir del 1º de septiembre de 1994, aumentó la deducción máxima por concepto de cuidado de personas a su cargo de \$160.00 a \$200.00 dólares al mes, por cada niño que usted tenga a su cargo, que sea menor de dos años de edad, y a \$175.00 dólares al mes por cada otra persona que dependa de usted. Este aumento es el resultado de un cambio en la ley federal.

Si usted tiene derecho a recibir beneficios retroactivos como resultado de este aumento, usted recibirá, ya sea una emisión suplemental, o se incluirán los beneficios retroactivos en su asignación correspondiente al próximo mes. Si hubo algún cambio en sus estampillas para comida que haya ocurrido en septiembre, usted recibirá una notificación por separado sobre estos cambios.

Si usted cree que cometimos un error en su asignación como resultado del aumento en la deducción por concepto de cuidado de personas a su cargo, usted puede pedir una audiencia con el estado. Su petición para una audiencia puede hacerse por escrito o verbalmente, pero tiene que

declarar que usted quiere una audiencia y la razón por la cual usted cree que esta acción está equivocada. Tiene que hacer su petición para una audiencia *en un plazo de 90 días contados a partir de la fecha en que usted recibió esta carta*. Si desea solicitar una audiencia, escriba a:

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THÔNG BÁO QUAN TRỌNG CHO NHỮNG NGƯỜI NHẬN TRỢ CẤP PHIẾU THỰC PHẨM

Kể từ 1 tháng 9 năm 1994, sự khấu trừ tối đa về chi phí săn sóc người phụ thuộc đã được tăng từ \$160.00 lên \$200.00 một tháng cho mỗi người con dưới hai năm tuổi và tăng lên thành \$175.00 một tháng cho mỗi người phụ thuộc khác. Sự gia tăng này là do một sự thay đổi luật của Liên Bang.

Nếu vì sự gia tăng này mà quý vị được cho truy lãnh trợ cấp, quý vị hoặc sẽ nhận được một sự cấp phát trợ cấp bổ túc hoặc khoản truy cấp này sẽ được trả gộp với khoản được cấp trong tháng tới của quý vị. Nếu đã có những sự thay đổi khác đối với trợ cấp food stamps của quý vị trong tháng 9, quý vị sẽ nhận được một thông báo riêng biệt về những sự thay đổi đó.

Nếu quý vị nghĩ rằng chúng tôi đã tính sai mức trợ cấp của quý vị vì sự gia tăng về chi phí săn sóc người phụ thuộc này, quý vị có thể xin một buổi thụ lý hành chính. Quý vị có thể viết thư hay gọi điện thoại để xin buổi thụ lý, nhưng quý vị phải nói rõ là

quý vị muốn xin một buổi thụ lý và lý do tại sao quý vị nghĩ rằng biện pháp này là sai. Quý vị phải xin buổi thụ lý hành chính này *trong vòng 90 ngày kể từ ngày quý vị nhận được thư này*. Nếu quý vị muốn xin một buổi thụ lý, xin viết thư cho:

Hoặc gọi điện thoại miễn phí số: 1-800-952-5253. Nếu quý vị bị điếc và sử dụng điện thoại TDD, xin gọi số 1-800-952-8349.

Quý vị có thể tự mình trình bày trước buổi thụ lý hành chính. Quý vị có thể nhờ một người bạn, một luật sư hay một người nào khác giúp cho mình, nhưng **QUÝ VỊ** phải tự tìm những người này để nhờ họ giúp cho quý vị. Quý vị có thể tìm xin sự giúp đỡ về luật pháp miễn phí tại một văn phòng cố vấn pháp luật ở địa phương.

Adopt new Section 63-023 to read:

63-023 IMPLEMENTATION OF PROVISIONS OF THE MICKEY LELAND CHILDHOOD
HUNGER RELIEF ACT (P.L. 103-66)

63-023

- .1 County welfare departments (CWDs) shall implement any changes in regulatory provisions based on the effective date of these amendments regardless of budgeting method.
- .2 Section 63-023; Sections 63-102i.(4), and t.(5); Sections 63-402.146, .42, .421, .62, and .621(b); Sections 63-407.811(c)(1)(B) and .832; Sections 63-501.3(k)(16) and (16)(A), .521(h), .522, .522(a) and (b), .524 and .524(a), .525, and .526; Sections 63-502.2(b)(2)(C) and (D), and (i); Sections 63-503.13, .471, and .472; Sections 63-504.311(e)(1) and .618(c) and (e); Section 63-805.1; and Handbook Section 63-1101.23, as amended herein, shall become effective September 1, 1994.
- .3 For all food stamp applicants, the regulations become effective on September 1, 1994. Restored benefits are to be provided back to the date of application or September 1, 1994, whichever occurred later.
- .4 For continuing cases, these provisions shall be implemented upon request by the household at recertification, when the case is next reviewed, or when the county welfare department becomes aware that a review is needed, whichever occurs first.
- .5 Sections 63-102h.(1) and 63-502.2(j), as amended herein as a result of Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838 and the subsequent district court orders in Hamilton v. Lyng, were effective with the August 1, 1988 allotments. Food Stamp benefits are to be restored retroactive to July 1, 1988 to recipients whose allotments were reduced, suspended or terminated because the homeless assistance they received was counted as income. AFDC homeless assistance payments are to be excluded from income in any state hearing decisions regardless of whether the CWD action occurred before or after the effective date of the injunction. This would include cases pending back to February 1, 1988.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Public Law 103-66, Section 13971(b)(4); U.S.D.A. Food and Nutrition Service Administrative Notice 94-39; and the July 8, 1988 and July 26, 1988 district court orders in Hamilton v. Lyng.

Renumber Section 63-102t.(1) to Section 63-102t.(5) and Sections 63-102t.(2) through (5) to Sections 63-102t.(1) through (4), respectively and amend Sections 63-102h., i.(4)(A)(b), and t.(5) to read:

63-102 DEFINITIONS (Continued)

63-102

h. (1) "Homeless Assistance" payments for AFDC are considered "nonrecurring lump sum payments" and include:

(A) Payments for "temporary shelter assistance" for a homeless family seeking permanent housing, not to exceed the current temporary shelter consecutive-day time limit.

(B) Payments for "permanent housing" to pay for security deposits and utility deposits once permanent housing is located.

"AFDC Interim shelter" payments are not to be included as "Homeless Assistance" under this definition.

(12) (Continued)

(13) (Continued)

(14) (Continued)

i. (Continued)

(4) "Initial Application and Certification" means:

(A) For the purpose of prorating benefits (see Section 63-503.13):

(a) The first application for benefits a household has ever filed, or

(b) An application for certification filed after any period of more than one month during which the household was not certified for participation ~~break in certification.~~
(Continued)

t. (21) (Continued)

(22) (Continued)

(23) (Continued)

(24) (Continued)

(15) "Temporary Transitional housing" for the purposes of determining if PA or GA vendor payments for housing assistance should be excluded as income means/ time limited residency to facilitate the movement of homeless individuals and families to permanent housing in a place lacking facilities for preparing and cooking hot meals or for the refrigerated storage of food for home consumption. The residency will shall be determined to be time limited when the household states that their housing situation is temporary, or the CWD or the housing unit imposes a time limit.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 273.1(c)(5); 7 CFR 271.2; 7 CFR 273.2, (j), and (j)(4); 7 CFR 273.9(c)(1)(ii)(D); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.16(c); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 2710.2; 45 CFR part 401; 45 CFR 400.62; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) F. Supp. [Dock. No. CV-89-0768]); Section 66011, Education Code; Sections 10554 and 18904, Welfare and Institutions Code; and Section 902, Public Law (P.L.) 102-237, Section 902; 7 U.S.C. 2014(c)(2)(B) and (k)(2)(F); U.S.D.A. Food and Nutrition Service Administrative Notice 94-39; Hamilton v. Madigan (9th Cir. 1992) 961 F.2d 838.

Amend Sections 63-402.14, .42, .62, and .621(b) to read:

63-402 HOUSEHOLD CONCEPT

63-402

.1 Household Definition

.14 Separate household status shall not be granted to: (Continued)

.146 Children of narcotic addicts or alcoholics who reside at a treatment center as specified in Section 63-402.4. (Continued)

.4 Residents of Institutions (Continued)

.42 Narcotic addicts or alcoholics who, for the purpose of regular participation in a drug or alcohol treatment and rehabilitation program, reside at a treatment center. An individual must be a resident of the center and participating in the treatment or rehabilitation program to qualify for the Food Stamp Program as outlined in Section 63-503.47. In addition, children of narcotic addicts or alcoholics, residing in centers providing meals, shall qualify for the Food Stamp Program as specified in Section 63-503.47.

.421 If the spouse and/or family members (other than the children of the narcotic addict or alcoholic) reside at the treatment or rehabilitation center, but do not receive treatment and the center customarily provides meals for residents, the spouse and/or family members are residents of an institution and are not eligible for food stamp benefits. If the treatment or rehabilitation center does not provide meals to the spouse and/or family members residing at the center, ~~the spouse and/or family members residing at the center~~, the spouse and/or family members are roomers and may participate in the Food Stamp Program as separate households if otherwise eligible as specified in Section 63-402.2. (Continued)

.6 Authorized Representatives (Continued)

.62 Drug addict/alcoholic treatment centers and group living arrangements as authorized representatives. Narcotics addicts or alcoholics who regularly participate in a drug or alcoholic treatment program on a resident basis and disabled or blind residents of group living arrangements as defined in Section 63-102(f)(2) who receive benefits under Title II or Title XVI of the Social Security Act may elect to participate in the food stamp program. However, if per Section 63-402.2, Title XVI recipients are ineligible for food stamps, this ineligibility shall apply to Title XVI (SSI) recipients residing in group living arrangements.

.621 (Continued)

- (b) Each resident participating in the treatment program, together with his/her children, shall be certified as ~~a one person~~ an individual household without regard to a spouse and/or family members (other than the children of the narcotic addict or alcoholic) who may or may not reside at the treatment center.

Authority Cited: Section 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.1(a)(1) through (b)(1); 7 CFR 273.1(a)(2)(i)(B) and (C); 7 CFR 273.1(b)(1)(iii); 7 CFR 273.1(b)(2)(iii); 7 CFR 273.1(c); 7 CFR 273.1(c)(1); 7 CFR 273.1(e)(1); 7 CFR 273.1(d)(1) and (2); 7 CFR 273.1(g); 7 CFR 273.2(j)(4); 7 CFR 273.10(c)(1)(i); 7 CFR 274.5 and 7 CFR 274.10; USDA Administrative Notice 89/65/Policy Memo 89-11 and 89-12, and U.S.D.A. Food and Nutrition Service Administrative Notice 94-39; ~~and~~ Sections 10554 and 18904, Welfare and Institutions Code; and 7 U.S.C. 2012.

Amend Sections 63-407.811(c)(1)(B) and .832 to read:

63-407 WORK REGISTRATION REQUIREMENTS (Continued).

63-407

.8 Food Stamp Employment and Training Program

.81 CWD Screening

The CWD shall screen each work registrant to determine whether or not the registrant will participate or be deferred from the FSET Program. This requirement shall not apply in counties that are totally geographically excluded as allowed in Section 63-407.842.

.811 The following registrants shall be deferred from mandatory participation until the CWD determines that the situation precluding participation no longer exists. (Continued)

(c) A person who is unable to participate due to personal circumstances. This shall include persons who:

(1) Lack dependent care;

(A) Lack of child care is defined in accordance with Section 63-408.41(j).

(B) Lack of dependent care shall be determined if dependent care costs exceed ~~\$100/00~~ the maximum dependent care deduction per month per dependent. (The current amounts are reproduced in Handbook Section 63-1101.23.) (Continued)

.83 Participant Reimbursement

As of July 1, 1989 and thereafter, the CWD shall reimburse participants, including volunteers and applicants, for costs that are reasonably necessary and directly related to participation as specified in Sections 63-407.831, .832 and .833. The CWD shall inform each participant that allowable expenses up to the amounts identified in this section shall be reimbursed upon presentation of appropriate documentation. (Continued)

.832 For dependent care costs, the CWD shall reimburse the actual cost in an amount not to exceed ~~\$100~~ the maximum dependent care deduction per month per dependent. (Continued)

Authority Cited: Sections 10553, 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.1(d)(2); 7 CFR 273.7(d)(1)(ii)(A) and (E); 7 CFR 273.7(f), (f)(1)(vi), (f)(2), and (f)(4)(ii); 7 CFR 273.7(g)(1)(ii) and (iii); ~~and~~ Sections 10554 and 18904, Welfare and Institutions Code; 7 U.S.C. 2014(e) and 7 U.S.C. 2015(d)(4)(I)(i)(II), and U.S.D.A. Food and Nutrition Service Administrative Notice 94-39.

Amend Sections 63-501.3(k)(16) et seq. and .52 et seq. to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.3 Exclusions from Resources

In determining the resources of a household, only the following shall be excluded: (Continued)

(k) Resources which are excluded for food stamp purposes by federal statute. The following is a listing of some of the resources excluded by federal statute: (Continued)

(16) Earned Income Tax Credit (EITC) payments received by ~~individuals~~ any household member as an advance payment or in the form of a lump sum. These payments shall be excluded for the 12 months, of receipt and the following month provided the household was participating in the Food Stamp Program at the time of receipt of the EITC and provided the household participates continuously during that 12-month period. (Public Law 101/308 103-66)

A. Continuous participation includes breaks in participation of one month or less due to administrative reasons, such as delayed recertifications or missing or late CA 7s.

A/B. If the pay stub does not indicate an EITC advance payment was received, no further action is required.

B/C. If it is unclear from the pay stub what amount of EITC advance payment the recipient received, the CWD shall obtain clarification from the recipient and contact the employer if necessary to obtain the amount.

.5 Resource Values

The value of nonexcluded resources, except licensed vehicles as specified in Section 63-501.52, shall be their equity value. The equity value is the fair market value less encumbrances. (Continued)

.52 Handling of Licensed Vehicles. (Continued)

.521 The entire value of any licensed vehicle shall be excluded if the vehicle meets any of the following conditions: (Continued)

(h) If the household depends upon the vehicle to carry fuel for heating or water for home use, when such transported fuel or water is the primary source of fuel or water for the household.

.522 All licensed vehicles not excluded under Section 63-501.521 shall individually be evaluated for fair market value and that portion of the value which exceeds \$4,500 the current vehicle exclusion limit, as specified in Section 63-501.522(a), shall be attributed in full toward the household's resource level, regardless of any encumbrances on the vehicles. Any value in excess of \$4,500 the current vehicle exclusion limit shall be attributed to the household's resource level, regardless of the amount of the household's investment in the vehicle, and regardless of whether or not the vehicle is used to transport household members to and from employment. Each vehicle shall be appraised individually. The fair market values of two or more vehicles shall not be added together to reach a total fair market value in excess of \$4,500 the current vehicle exclusion limit.

(a) The vehicle exclusion limit for vehicles shall be:

- (1) \$4,500 through August 31, 1994;
- (2) \$4,550 from September 1, 1994 through September 30, 1995;
- (3) \$4,600 from October 1, 1995 through September 30, 1996; and
- (4) \$5,000 from October 1, 1996 through September 30, 1997.

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(#b) For example, through August 31, 1994, a household owning an automobile with a fair market value of \$5,500 shall have \$4,500 excluded and \$1,000 applied toward its resource level.

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.523 (Continued)

.524 In the event a licensed vehicle is assigned both a fair market value in excess of \$4,500 the vehicle exclusion limit as specified in Section 63-501.522(a) and an equity value, only the greater of the two amounts shall be counted as a resource.

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(a) For example, a second car which is not used by a household member to go to work will be evaluated for both fair market value and for equity value. Based on a vehicle exclusion limit of \$4,500, if the fair market value is \$5,000 and the equity value is \$1,000 the household shall be credited with only the \$1,000 equity value, and the \$500 excess fair market value will not be counted.

.525 In summary, each licensed vehicle shall be handled as follows: First, it will be evaluated to determine if it is excluded as specified in Section 63-501.521. If not excluded, it will be evaluated to determine if its fair market value exceeds \$4,500 the current vehicle exclusion limit. If worth more than \$4,500 the current vehicle exclusion limit, the portion in excess of \$4,500 the limit for each vehicle will be counted as a resource. The vehicle also will be evaluated to see if it is exempt from equity valuation for reasons such as the household's only vehicle or necessary for employment as specified in Section 63-501.523. If not equity exempt, the equity value will be counted as a resource. If the vehicle has a countable market value of more than \$4,500 the current vehicle exclusion limit and also has a countable equity value, only the greater of the two amounts shall be counted as a resource.

HANDBOOK ENDS HERE

.526 Determining Value of Licensed Vehicles

TABLE 1

Step 1	Step 2	Step 3
Totally exclude if:	Determine Fair* Market Value (FMV)	Determine Equity Value* if Not Excluded for the Following Reasons:
1. through 6. (Continued)		
7. <u>Household depends on vehicle to carry fuel for heating or water for home use when such fuel or water is the primary source of fuel or water for the household.</u>		

IF NONE OF THE ABOVE
GO TO STEP 2

COUNT ONLY THE EXCESS
OVER ~~\$4500~~ THE CURRENT
VEHICLE EXCLUSION LIMIT
FOR EACH VEHICLE AND
IF THE TOTAL EXCESS
DOES NOT EXCEED THE
HOUSEHOLD'S ~~MAXIMUM~~
~~ALLOWABLE RESOURCE~~
VEHICLE EXCLUSION LIMIT
THEN GO TO STEP 3

IF THE FMV AND EQUITY
ARE DETERMINED FOR
ANY ONE VEHICLE, ONLY
THE GREATER OF THE
TWO AMOUNTS SHALL
BE COUNTED TOWARD
THE HOUSEHOLD'S
RESOURCE LIMITS

* Equity value equals FMV less encumbrances.

Authority Cited: Sections 10553, 10554, 11209 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; 7 CFR 272.8(e)(17); 7 CFR 273.2(j)(4); and 7 CFR 273.8(e)(11) and (h); Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in U.S.D.A. Food and Nutrition Service Administrative Notice 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d) and (g)(2) and (3); 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A. Food and Nutrition Service Administrative Notices 91-30 and 94-39; and Index Policy Memo 90-22, dated July 12, 1990.

Amend Sections 63-502.2(b)(2)(C) and (D), (i), and (j) to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued)

63-502

.2 Income Exclusions. Only the following items shall be excluded from household income: (Continued)

(b) Vendor payments. Money that is not legally obligated to be paid to the household, but which is paid to a third party for a household expense by a person or organization outside of the household. (Continued)

(2) An AFDC, GA/GR, RCA or ECA payment shall be considered an excludable vendor payment and not counted as income to the household if that payment is for: (Continued)

(C) Energy assistance [as defined in Section 63-501.3(k)(7)] or a GA payment made to the household for energy or utility-cost assistance; or

(D) Housing assistance payments made to a third party on behalf of a household residing in temporary transitional housing [see Section 63-102(t)] which lacks facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption. Such vendor payments shall be excluded under this provision if paid to the housing provider during the period beginning October 30, 1987 and ending September 30, 1990, for the homeless; or

(E) (Continued)

(i) The earned income (as defined in Section 63-502.13) of children who are members of the household, who are elementary or secondary school students at least half time, and who have not attained their 18th 22nd birthday at the beginning of the budget month. The exclusion shall continue to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break. If the child's earnings or amount of work performed cannot be differentiated from that of other household members, the total earnings shall be prorated equally among the working members and the child's pro rata share shall be excluded. Individuals are considered children for purposes of this provision if they are under the parental control, as defined in Section 63-102p.(1), of another household member.

(j) Money received in the form of a nonrecurring lump-sum payment, including, but not limited to, income tax refunds, rebates, or credits; retroactive lump-sum social security, railroad retirement benefits, or other payments; retroactive payments from the approval of an application for any assistance program; AFDC homeless assistance payments for temporary shelter or permanent housing [see Section 63-102(h)]; court ordered retroactive payments for any assistance program; supplemental or corrective payments received for a previous month from any assistance program; lump-sum insurance settlements; or

Amend Sections 63-503.13 and .47 et seq. to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS

63-503

.1 Month of Application (Continued)

.13 A household's benefit level for a) the initial month of certification, or b) the first month for which the household is certified for participation in the Food Stamp Program following any period of more than one month during which the household was not certified for participation, shall be prorated from the date the application is received in the appropriate office. ~~/ except for migrant and seasonal farmworker households/ Migrant and seasonal farmworker H~~households which have a break in participation of one month 30 days or less shall not have their benefits prorated. They shall receive benefits for the whole month. (Continued)

.4 Households with Special Circumstances (Continued)

.47 Residents of Drug/Alcoholic Treatment and Rehabilitation Programs (Continued)

.471 Narcotics addicts or alcoholics who regularly participate in drug or alcoholic treatment and rehabilitation programs on a resident basis may be eligible for food stamps, as specified in Section 63-402.4. These programs must provide meals to residents to qualify as eligible institutions. Residents of those programs that do not provide meals may apply as roomers, as provided in Section 63-402.21, and are not subject to the provisions of this section.

.472 ~~A~~ Resident narcotic addicts and or alcoholics in a center~~s~~ providing meals, together with the resident's children staying in the center, shall have their eligibility determined as ~~a one/ person~~ an individual household. The CWD shall certify residents of addict/alcoholic treatment centers by using the same provisions that apply to all other applicant households, except that certification must be accomplished through an authorized representative, as described in Section 63-402.62.

.4723 (Continued)

.4724 (Continued)

.4725 (Continued)

.4726 (Continued)

.4727 (Continued)

.4778 (Continued)

.4789 (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii); 7 CFR 273.2(j)(4); 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii) and (c)(3)(ii); 7 CFR 273.11(a)(2)(i), (c), (c)(1), (c)(2)(iii), (c)(3)(ii), (d)(1), and (e)(1); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (s); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____ F. Supp. _____ [Dock. No. CV-89-0768]); Waiver Letter WFS-100:FS- 10-6-CA, dated October 2, 1990, United States Department of Agriculture, Food and Nutrition Service; Administrative Notice No. 92-23, dated February 20, 1992 and No. 94-39; ~~and~~ P.L. 101-624; and 7 U.S.C. 2012 and 2017(c)(2)(B).

Amend Sections 63-504.311(e)(1) and .618(c) and (e) to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY (Continued) 63-504

.3 Monthly Reporting (Continued)

.31 CWD Action on the CA 7

.311 Upon receiving the CA 7 the CWD shall: (Continued)

(e) Determine the household's level of benefits based on actual information reported on the CA 7 and household composition determined as of the issuance month, in accordance with Section 63-503.3. In calculating the household's benefit level, the following income and deductions shall be considered:

(1) Nonexcluded ~~earned~~ and unearned income received in the corresponding budget month, including the earned income of an elementary or secondary school student only if the student is ~~eighteen~~ 22 years of age or older at the beginning of the budget month. The CWD shall use the actual amount received by the household to compute benefits, except as provided in Section 63-503.22. (Continued)

.6 Recertification of All Households

.61 General Requirements (Continued)

.618 CWD Action on Untimely Application for Recertification (Continued)

(c) A household's benefit level shall be prorated following any period of more than one month during which the household was not certified for participation as specified in Section 63-503.13. ~~For applications received in the month following the expiration of the certification period/ benefits shall be prorated as specified in Section 63-503.13. However, eligible households who receive a notice of action informing them of the expiration of their certification period at the time of certification shall not have benefits for the first month of the new certification period prorated if they file their applications for recertification by the filing deadline specified in the notice.~~

(d) (Continued)

- (e) *Any application not submitted in a timely manner shall be treated as an application for initial certification.* For nonmonthly reporting households who submit applications within 30 days after the certification period expires, previously verified income or actual utility expenses need not be verified if the source has not changed and the amount has not changed by more than \$25. (Continued)

Authority Cited: Sections 10554, 11265.1, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 271.2; 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.10(g)(1)(i) and (ii); 7 CFR 273.13(a)(2); 7 CFR 273.14(b)(3); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), (h)(3), (h)(3)(ii), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii) and (3)(ii); 7 CFR 274.10; P.L. 101-624; and Sections 10554 and 18904, Welfare and Institutions Code; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); and U.S.D.A. Food and Nutrition Service Administrative Notice 94-39.

Amend Section 63-805.11 to read:

63-805 INTENTIONAL PROGRAM VIOLATION DISQUALIFICATION

63-805

.1 Disqualification Penalties for Intentional Program Violation

.11 Individuals found to have committed an intentional Program violation either through an administrative disqualification hearing or by a court of appropriate jurisdiction or individuals accused of intentional Program violation who have signed a Waiver of Right to an Administrative Disqualification Hearing or a Disqualification Consent Agreement shall be ineligible to participate in the Food Stamp Program as follows/ specified in Section 20-300.3.

III Six months for the first violation/

III Twelve months for the second violation/

III Permanently for the third violation/

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

Amend Handbook Section 63-1101.23 to read:

63-1101 TABLES OF COUPON ISSUANCE (Continued)

63-1101

.2 Income Deductions (Continued)

.23 Dependent Care Deduction. Effective ~~October 1/ 1988~~ September 1, 1994, the maximum dependent care deduction shall be ~~\$180 per dependent/ \$200~~ a month for each dependent child under two years of age and \$175 a month for each other dependent. (Continued)