

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



June 4, 1997

ALL COUNTY LETTER NO. 97-36

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

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

SUBJECT: IMPLEMENTATION OF THE REVISED SHELTER AND UTILITY DEDUCTIONS REGULATIONS IN THE FOOD STAMP PROGRAM

REFERENCE: Manual Sections (M.S.) 63-502.353(a)(3), .353(a)(6), .353(b); 63-502.36, and .361(a) through (c), and HANDBOOK SECTION .361(d); .362, .362(a), .362(b)(1)(2) and HANDBOOK SECTION 362(b)(3), .362(c); and HANDBOOK SECTION .363; .364 (a) through (c); and HANDBOOK SECTION .365.

This letter provides County Welfare Departments (CWDs) with information concerning the implementation of the revised Food Stamp Program regulations regarding the calculation of shelter and utility deductions. These provisions are effective July 1, 1997 (See attachment). Also enclosed is the revised regulation package.

The California Department of Social Services (CDSS) was granted a Federal waiver in October 1990 which allowed counties to calculate shelter costs for Food Stamp recipients in shared housing differently than as required in Federal regulations. The CDSS Food Stamp Program regulations Manual Sections (M.S.) 63-502.353 and M.S. 63-502.36 currently contain instructions for the calculation of the shelter and utility deductions. The waiver has been extended through June 30, 1997 to allow for the revision of existing regulations, but after that date will no longer apply.

In order to comply with Federal regulations, existing shelter and utility deduction regulations and handbook sections have been amended or clarified as summarized below:

- The methodology for determining the shelter and utility deductions has been changed. In shared residence situations, CWDs will now need to determine how many households in the residence are contributing to shelter and/or utilities. Each contributing household receives either a proration of other shared utility costs or the actual utilities, depending on the choice made by the Food Stamp Household (FSHH). Currently, Food Stamp recipients must account for the members of the residence, and CWDs often need to make numerous adjustments to deductions, depending on changes

of members within the residence. This often results in errors and is very time consuming. It is anticipated that these revisions will reduce confusion and errors.

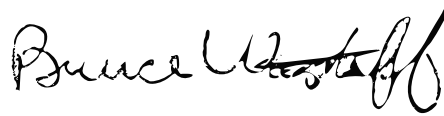
- There are three major categories of excluded household members. Specific instructions on how to treat the contributions made by members of these categories of excluded household members are provided in M.S. 63-502.362(a), (b), and (c).
- When determining deductions, the focus now is on who in the household contributes, not whether or not members have income.
- The Utility Decision Chart [M.S. 63-502.353(a)(6)] has been moved and renumbered as M.S. 63-502.361(d). It has also been revised to reflect the new methodology for determining the utility deduction in shared residence situations. Additionally, a new decision chart has been adopted at M.S. 63-502.363, which provides an alternative aid to counties to assist them in determining how to calculate deductions in various situations.
- Existing language at M.S. 63-502.362 is being repealed to delete instructions on how to treat the deductions of contributing household members. New language has now been adopted to comply with Federal regulations, and explains how CWDs are to treat contributions made by excluded household members. Under the waiver, counties have been able to deduct known contributions from the Standard Utility Allowance (SUA) and allow the remainder of the deduction to the household. The new regulations allow this deduction method only when the contribution is made by a household member who receives Supplemental Security Income (SSI) or is an excluded student. Additionally, counties have been able to prorate in a number of circumstances in the past. The new regulations allow proration for the households consisting of contributing ineligible aliens and/or members who are Social Security Number (SSN) disqualified, or when the contributions of a SSI recipient and/or excluded student household members cannot be differentiated.
- M.S. 63-502.363 is being repealed because it is no longer accurate, due to the impending expiration of the Federal waiver upon which this regulation was based.
- M.S. 63-502.364(a) through (e) is being repealed because these examples were based on the waiver, and are no longer accurate.

IMPLEMENTATION INSTRUCTIONS

Effective July 1, 1997 CWDs shall implement these regulations for all FSHH applicants.

Beginning July 1, 1997, the CWDs shall convert affected continuing cases at household request, or whenever an action is being taken on the case or at recertification, whichever occurs first. However, the conversion must be completed within one year from the effective date of these regulations, i.e., by June 30, 1998.

If you have any questions regarding the implementation guidelines, please call Bill Shaw, Food Stamp Program Bureau, Policy Implementation Unit at (916) 654-1459 or CALNET 464-1459.

A handwritten signature in black ink that reads "Bruce Wagstaff". The signature is written in a cursive style with a large, stylized initial "B".

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachments