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September 25, 2008

OFFICE OF FAMILY INDEPENDENCE MANUAL TRANSMITTAL 2008-25 Volume 3 Food Stamp Program Manual Transmittal 25

TO: County Directors of Family and Children Services

State Directors

OFI Regional Managers OFI State Operations Staff OFI FS Program Specialists

FROM: Beverly W. Jones, Deputy Director

Division of Family and Children Services

RE: Updates to the Food Stamp Program Manual

PURPOSE

This transmittal provides updates to the Food Stamp Program from the 2008 Farm Bill that reauthorizes and updates certain provisions of the Food Stamp Program (FSP) effective October 2008. The 2008 Farm Bill renames the Food Stamp Program at the federal level to the Supplemental Nutrition Assistance Program (SNAP). The most significant improvements to the program are increases in the standard deduction for households; an increase in the minimum benefit to \$14 which will be adjusted for inflation annually; and elimination of the limit on dependent care deductions, exclusions of education savings and preferred retirement accounts. Also included is policy clarifications on how interim changes will be addressed, the sharing of shelter and utility expenses. A change to eliminate EBT accounts becoming inactive is included as well.

DISCUSSION

This transmittal includes clarifications on policy contained in the following sections:

<u>Section 3000, General Program Overview</u> - <u>Updates the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program at the Federal level.</u>

<u>Section 3110 Expedited Processing –</u> Eligibility for expedited services for applications that are received through the mail, by facsimile, through the online application process or dropped off at local offices will be determined **after** the AU has been contacted to verbally confirm the information listed on the application form. Procedures for setting up EBT accounts have been deleted.

<u>Section 3350, Work Registration</u> – Note added that there are no 15% exempt counties or cities for the current ABAWD period.

<u>Section 3405, Resources</u> – Two types of education savings accounts that receive tax-preferred status under the federal tax codes, Section 529 qualified tuition programs, and Coverdell education savings accounts are excluded from the asset test. Also excluded are tax preferred retirement accounts.

<u>Section 3610, Food Stamp Budgeting</u> – TCOS recipients added as to the TANF and SSI categorically eligible whose resources are disregarded. Procedures no longer applicable for determining eligibility for AU's of more than 20 members, deleted. Wording under Procedures for Determining Benefit for a Categorical Eligible AU changed to indicate that the minimum benefit amount will be issued (increased from \$10).

<u>Section 3613, Standard Deduction - Standard Deductions increase based on size of the AU.</u>

- 1 − 3 \$144
- 4 \$147
- 5 \$172
- 6 & over \$197

<u>Section 3615, Dependent Care Deduction – Wording changed to indicate that dependent care expenses will not be limited.</u> A deduction for dependent care expense may also be allowed for adults such as an elderly or disabled member of the AU. Expenses may also include transportation costs to the dependent care provider. Verification of childcare expense by cancelled check is deleted. Verification must be from the provider.

Section 3617, Shelter and Utility Deductions - Maximum excess shelter deduction is increased to \$446 for non-elderly/disabled AUs. Non-Heating/Cooling SUA will not be referenced. Language changed to Limited Utility Allowance to enhance understanding of the distinctions between the utility standards. Policy is changed to reflect that sharing of mortgage expenses will not be considered as income to homeowner; all AU's sharing that expense will be eligible to receive a shelter deduction for the portion of the expense they incur. Policy is changed to allow AU's charged for excess utilities by private landlords the appropriate utility standard. A chart to explain policies on phone expense deduction is added. Deleted section on verification of utility expenses as that is covered in Section 3035.

<u>Section 3650, Failure To Report Earned Income Budgeting</u> – Added wording that the 10-10-14 period for taking action on increased earnings begins following the end of the SRR reporting period. Deleted procedures for determining only the amount of increased wages not to be allowed the 20% EI deduction.

Section 3715, Interim Changes — Clarification is added to indicate that changes to SRR AUs will be acted upon if: reported to the FS worker for the purpose of updating the FS, automatic updates to the FS case due to changes processed in the TANF or Medicaid Programs, and if reported to the FS worker by Social Services. Wording is changed under the reporting of medical expenses to reflect the same procedures as listed in the Medical Deduction Section 3614. The policy change to a 14-day adverse action period is updated under the subsection of Providing Verification for *Increases In Benefit* Changes. Under the subsection of *Changes Reported in SUCCESS*, reference to auto update of CSE payments is removed as this update no longer occurs. Under Change of Address/Unable to Locate, language added that shelter expenses for SRR AUs will only be addressed if reported by the AU.

<u>Section 3720, Reporting Requirements</u> — Added the requirement to recalculate eligibility, not to just simply terminate benefits, when an income change exceeding 130% of the FPL is reported. Clarification is added to indicate that changes to Non-SRR AUs will be acted upon if: reported to the FS worker for the purpose of updating the FS, automatic updates to the FS case due to changes processed in the TANF or Medicaid Programs, and if reported to the FS worker by Social Services. Statement is added that action will be taken on changes in ABAWD work requirements.

<u>Section 3805</u>, <u>Electronic Benefits Transfer (EBT)</u> – EBT accounts will no longer become "dormant", after 90 days of inactivity. Contact with the Agency will not be required to access any accumulated benefits. EBT accounts will remain active for one year. EBT accounts not debited for six months may have unused benefits recouped to repay any outstanding claims.

<u>Section 3810, Issuance</u>, - Reference to issuance of ID cards for communal and delivered meals is deleted, as this policy is no longer in effect. The phrase "but, the AU will receive a monthly ongoing benefit of \$10 anyway" is removed from the 2nd condition under the note concerning benefits issued to eligible AU's of one or two members. The minimum benefit allotment increases to \$14 and will be indexed annually. References to \$10 as the minimum allotment are changed to read "the minimum benefit". Reference to issuances of \$1, \$3 and \$5 receiving allotments of \$2, \$4 or \$6, respectively, is deleted. This policy was tied to the issuance of food stamp coupons. Procedures on coupon conversion are deleted. Food Stamp coupons are being deobligated as legal tender.

INSTRUCTIONS FOR MANUAL MAINTENANCE

Remove Section 3000, General Program Overview, 1 page, and replace with attached Section 3000, 1 page.

Remove Section 3110, Expedited Application Processing, pages 1 - 6, and replace with attached Section 3110, pages 1 - 6.

Remove Section 3350, Work Registration, pages 1-9, and replace with attached Section 3350, pages 1-8.

Remove Section 3405, Resources, pages 1-21 and replace with attached pages 1-21.

Remove Section 3610, Food Stamp Budgeting, pages 1-5, and replace with attached Section 3610, pages 1-4.

Remove Section 3613, Standard Deductions, page 1, and replace with attached Section 3613, page 1.

Remove Section 3615, Dependent Care Deduction, pages 1-2, and replace with attached Section 3614, pages 1-2.

Remove Section 3617, Shelter and Utility Deductions, pages 1 - 12, and replace with attached Section 3617, pages 1 - 9.

Remove Section 3650, Failure to Report Earned Income Budgeting, page 1, and replace with attached Section 3650, page 1.

Remove Section 3715, Interim Changes, pages 1 - 8, and replace with attached Section 3715, pages 1 - 8.

Remove Section 3720, Reporting Requirements, pages 1-4, and replace with attached Section 3720, pages 1-3.

Remove Section 3805, Electronic Benefits Transfer, pages 1-7, and replace with attached Section 3805, pages 1-7.

Remove Section 3810, Issuance, pages 1 - 8, and replace with attached Section 3810, pages 1 - 5.

<u>Appendix A</u> –Add update Basis of Issuance Table following page A-1.

Appendix F- Replace Appendix F, revised 08/08, with Appendix F, revised 10/08.

Form 339 - Simplified Reporting, New Federal Poverty Limits Updated

Form 524 – TANF Information and Referral Form (TCOS) added.

Form 524SP – TANF Information and Referral Form, Spanish version, added

Form 809SP – Verification of Earned Income(English-Spanish version)

Form 830SP – Food Stamp Employment and Training Program Facts (E & T), Spanish version

Form 863SP – Notice of Missed Appointment, Spanish version

Place Manual Transmittal 2008-25 Cover Letter following Manual Transmittal 2007-24 Cover Letter in Appendix C.

ON-LINE MANUAL (ODIS) UPDATE

The material in this manual transmittal will be updated in the ODIS system effective 10/1/08.