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**ECONOMIC SUPPORT SERVICES POLICY MANUAL
VOLUME 3 - FOOD STAMPS
MANUAL TRANSMITTAL 4**

TO: County Departments of Family and Children Services
Field Directors
State Staff

FROM: Steven E. Love
Acting Director

RE: Farm Security and Rural Investment Act of 2002, Public Law 107-171 (Farm Bill)- Food Stamp Program (FSP) Reauthorization

PURPOSE

This manual transmittal incorporates into the Economic Support Services (ESS) Policy Manual the policy and procedures for implementation of the changes to the Food Stamp Program based on the Farm Bill. The Employment and Training (E&T) policy changes are a result of the release of the final work provisions from the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Balanced Budget Act of 1997.

DISCUSSION

Several changes were mandated in the Farm Bill. The following changes are Federal mandates and will be implemented October 1, 2002. Those changes are:

- Standard deduction based on AU size
- Increased resource limit for AUs containing a disabled AU member
- Partial restoration of benefits to legal immigrants

Other changes included in the Farm Bill were state options. Georgia has chosen to implement the following effective November 1, 2002 :

- Utility allowance change (Exception: Effective October 1, 2002)
- Simplified reporting requirements expanded to more AUs
- Income disregard for educational income
- Resource disregard for burial contracts

The policy change to consider SSI benefits a non-means tested program only for repayment of overpayments of SSI benefits is effective October 1, 2002, and results from a new policy interpretation from the Food and Nutrition Service (FNS).

The policy regarding a standard deduction for self-employment is a state initiative designed to simplify the program. It is effective October 1, 2002.

Standard Deduction

The fixed standard deduction will be replaced with a standard deduction that varies according to AU size. This deduction will be adjusted annually to allow for cost-of-living increases. The standard deduction will be 8.31 percent of the net income limit based on AU size. The minimum standard deduction would be the current standard deduction and the maximum would be the standard deduction for an AU of 6. The standard deductions effective October 1, 2002 are as follows:

AU size 1-4	\$134
AU size 5	\$147
AU size 6 or more	\$168

SUCCESS will be programmed to handle this calculation. Applications, reviews and interim changes completed effective October, 2002 will have this programming applied to the budget. A mass review will be completed by SUCCESS in September to update all other cases with this change effective October.

Increased Resource Limit for AUs Containing a Disabled AU Member

Effective October 1, 2002 a \$3,000 resource limit will be applicable for AUs with an individual 60 or older OR for AUs with a disabled AU member. Disabled as defined by FS policy.

SUCCESS will be programmed to apply this policy. A mass review will be completed by SUCCESS to update all cases with this change in September effective October.

Partial Restoration of Benefits to Legal Immigrants

This change restores food stamp eligibility to any qualified alien who is otherwise eligible and who receives blind or disability benefits, regardless of the date of entry into the United States.

Deeming to immigrant children from a sponsor is eliminated as part of this change.

There will be no SUCCESS changes done for this item as the worker manually determines eligibility for aliens and enters the appropriate information into SUCCESS.

Simplified Utility Allowance

Effective October 1, 2002, standard utility allowances (SUAs) will be the utility deduction applied to FS budgets. The utility options will be:

- H/C SUA- This deduction will be allowed in the following situations:
 - when the AU incurs or expects to incur a utility expense which includes a heating or cooling expense,
 - if the AU incurs or expects to incur an excess utility expense in public housing which is for a heating or cooling expense,
 - or if the AU has received LIHEAA in the past 12 months at that residence.

The amount of this deduction remains unchanged.

- Non H/C SUA- This deduction will be allowed when the AU incurs or expects to incur two utility expenses other than heating or cooling expenses or if the AU living in public housing incurs or expects to incur a non-heating or non-cooling utility expense. The amount of this deduction remains unchanged.
- Actual- This deduction will be allowed when there is only one utility expense other than heating or cooling expense. Twelve months of verification from the utility provider of the utility expense (except for the telephone) is required to allow this deduction. When allowing this deduction due to a telephone expense, the telephone standard will be used. The telephone standard amount remains unchanged.

By mandating the use of SUAs for all AUs, we will no longer prorate utilities for AUs who share utility expenses. This means that if the dwelling is entitled to a SUA, all AUs in that dwelling incurring the cost of utilities will be allowed the appropriate SUA deduction for each AU.

SUCCESS will be reprogrammed to accommodate this change. Because this is a State option a mass review is not required. SUCCESS will prompt the worker to review and update the SHEL screen appropriately when the case is touched on or after November 1, 2002. A verification field will be added to the SHEL screen next to the SUA field to prompt the worker to review and update the SHEL screen. In most cases, A/R's statement is acceptable verification of entitlement to an SUA.

Simplified Reporting Requirements (SRR) Expanded to More AUs

Simplified reporting will be expanded to include all AUs except AUs containing ABAWDs, seasonal/migrant farm workers, homeless individuals and those AUs where all adults are elderly or disabled and there is no earned income.

SUCCESS will be reprogrammed to identify the appropriate cases for SRR, assign the appropriate POE and send the SRR notice. Since this is a State option a mass review is not necessary. Applications approved November 1, 2002 or later will be identified as SRR. Ongoing cases will be converted to SRR at the completion of their next review following November 1, 2002.

Excluded Income

The Farm Bill allows states to exclude income types using the same criteria as TANF or AFDC-related Medicaid (LIM). The following types of income will be excluded in FS effective November 1, 2002:

- Educational income
- VA Educational Benefits

SUCCESS will be programmed to exclude these income types in FS budgets.

Excluded Resources

The Farm Bill allows states to exclude resource types using the same criteria as TANF or AFDC-related Medicaid (LIM). Revocable burial contracts will be excluded as a resource in FS effective November 1, 2002.

SUCCESS will be programmed to exclude this resource type in FS budgets.

Other changes included in this manual transmittal, include the following:

Standard Deduction for Self-Employment Expenses

There will be a standard deduction for self-employment expenses. This deduction will be 40% of the gross income from the self-employment. The AU must verify at least one allowable cost of doing business in order to receive the standard deduction for self-employment expenses. The worker will have to calculate this amount, as SUCCESS will not be re-programmed to handle this change. The worker will include 60% of the self-employment income in the budget as earned income. This calculation will be done by determining the gross income from self-employment and multiplying that by .6. That amount will be entered into SUCCESS as self-employment earned income.

Repayment of Overpayment of SSI Benefits

Repayment of Overpayment of Benefits (Section 3420- Income) will be changed to reflect that for this policy SSI is considered a non-means tested income type. Therefore when there is a

recoupment being made from SSI we will use the net amount in our FS budget. SUCCESS will not be reprogrammed at this time to correctly apply this policy. Workers will have to override the SDX auto update monthly when an SSI overpayment is involved.

Employment and Training (E&T)

E&T changes that previously been issued via e-mails are included in this manual transmittal. The 15% participation exemption for homeless has been expanded to include those A/Rs in homeless shelters and A/Rs who during the SRR POE have become ABAWDs but due to no requirement to report that change do not become known to the worker until the review. These historical months will be documented under the 15% participation exemption.

The other change is in the amount allowed for transportation reimbursement. The amount allowed to be paid to an ABAWD is the greatest of \$3 per day or \$25 per month. The amount allowed to be paid for arranged transportation is up to the maximum of \$400 per month.

Voluntary Quit and Voluntary Reduction of Hours to Less than 30 Hours/ Week

The policy for voluntary quit and voluntary reduction of hours to less than 30 hours per week has changed. The sanction period for both of these issues has changed so that A/R would serve only the minimum sanction period. The worker will have to enter an alert for cases that remain eligible so as to add the sanctioned person back to the AU at the end of the minimum sanction period. The text manually added to the notice by the worker will have to be revised to let the A/R know that in these instances the minimum sanction period is all that will have to be observed before this individual can be eligible for FS again. Also, the criteria for voluntary quit has changed in that the job must have involved 30 hours per week and the quit had to occur within 30 days prior to application or thereafter.

Head Of the Assistance Unit

The definition of the head of the assistance unit has been added to Section 3105, Application Processing. All applications taken on and after October 1, 2002 should use this definition to determine who would be the head of the AU, enter that person on the first line in SUCCESS and designate that person as the DA (H/WR) on the WORK screen. This person will serve as the head of the AU for work requirements also. At the time of failure to comply with a work requirement, if the head of the AU is not consistent with the definition in Section 3105, the new information in Section 3380, Re-evaluation of the Head of the AU would have to be taken into consideration before applying a sanction. The new information has to do with considering the principal earner at the time of failure to comply if the head of the AU is not an adult parent. There is no SUCCESS reprogramming for this change as the worker identifies the head of the AU for work requirements.

Excess Shelter Cap

The excess shelter cap has increased from \$354 to \$367. SUCCESS has been reprogrammed for this change. Case actions completed with an effective date of October 2002 will have the appropriate standard applied.

Food Stamp Financial Standards

The Food Stamp Financial Standards effective October 1, 2002 are included in this manual transmittal and constitute Appendix A of the policy manual. SUCCESS has been reprogrammed with these standards. Case actions effective October 2002 will have these standards applied to them.

ONLINE MANUAL (ODIS) UPDATE

The material contained in this manual transmittal was updated in the ODIS system effective October 1, 2002.

MANUAL MAINTENANCE

Remove pages 3105-1-2 and replace with the attached corresponding pages.

Remove pages 3320-3-4 and replace with the attached corresponding pages.

Remove pages 3350-3-8 and replace with pages 3350-3-5.

Remove pages 3360-1-5 and replace with pages 3360-1-6.

Remove page 3365-7 and replace with page 3365-7.

Remove pages 3370-5-6 and replace with the corresponding pages.

Remove pages 3375-1-5 and replace with pages 3375-1-7.

Remove pages 3380-1-12 and replace with pages 3380-1-13.

Remove pages 3400-1-2 and replace with the corresponding pages.

Remove pages 3405-9-10 and replace with the corresponding pages.

Remove pages 3420-9-22 and replace with the corresponding pages.

Remove pages 3425-1-7 and replace with pages 3325-1-6.

Remove pages 3615-1-22 and replace with pages 3615-1-24.

Remove pages 3630-1-6 and replace with corresponding pages.

Remove pages 3715-1-8 and replace with corresponding pages.

Make an update notation on the Record of Receipt of Manual Transmittals for Volume 3.