



JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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EDMUND G. BROWN JR.
GOVERNOR

April 18, 2011

The Honorable Mark Leno, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Attention: Ms. Jody Martin

Dear Senator Leno:

Per the legislative intent adopted and included in the Legislative Analyst's Office *Supplemental Report of the 2010-11 Budget Package*, I am addressing item number 5180-111-0001 relating to Supplemental Security Income/State Supplementary Program (SSI/SSP).

In August 2010, the Legislature's Conference Committee adopted legislative intent requiring California Department of Social Services (CDSS) to convene a workgroup to evaluate the estimated effects of eliminating the SSI cash-out policy. The convening of this workgroup was contingent on receiving a positive response from the United States Department of Agriculture (USDA), indicating the federal government's interest in changing its existing policy.

The CDSS received a response from Kevin Concannon, Under Secretary for Food, Nutrition and Consumer Services/USDA, to our request to reconsider its policy and allow California to partially end cash-out. USDA has concluded that the Food and Nutrition Act of 2008 prohibits CDSS from ending cash-out for some SSI recipients but not for others. Specifically, USDA determined that Section 6 (g) of the Act explains that individuals who receive SSI, and who reside in a state that provides SSP, cannot be eligible for the federal Supplemental Nutrition Assistance Program (SNAP), otherwise known as "CalFresh" in California. Ultimately, USDA concluded, "Since California would continue to provide SSP to mixed households, all SSI recipients, including those in pure households, would continue to be ineligible for SNAP (i.e., CalFresh)." Copies of the correspondence are enclosed.

We do not plan to appeal as the federal response is consistent with prior responses. However, we will continue to work with your office and advocates should there be any viable alternative proposal.

For further information, please contact me at (916) 657-2598, or Patti Huston, Deputy Director, Office of Legislation, at (916) 657-2623.

Sincerely,

JOHN A. WAGNER
Director

Enclosures

c: Members, Joint Legislative Budget Committee

The Honorable Bob Huff, Vice Chair, Senate Budget & Fiscal Review Committee
The Honorable Christine Kehoe, Chair, Senate Appropriations Committee
The Honorable Mimi Walters, Vice Chair, Senate Appropriations Committee
The Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee
The Honorable Diane L. Harkey, Vice Chair, Assembly Appropriations Committee
The Honorable Bob Blumenfield, Chair, Assembly Budget Committee
The Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
The Honorable Carol Liu, Chair, Senate Human Services Committee
The Honorable Bill Emmerson, Vice Chair, Senate Human Services Committee
The Honorable Jim Beall Jr., Chair, Assembly Human Services Committee
The Honorable Brian Jones, Vice Chair, Assembly Human Services Committee
The Honorable Tom Ammiano, Assembly Human Services Committee
The Honorable Shannon L. Grove, Assembly Human Services Committee
The Honorable Isadore Hall III, Assembly Human Services Committee
The Honorable Anthony Portantino, Assembly Human Services Committee
The Honorable Holly Mitchell, Chair, Assembly Budget Subcommittee No 1 on Health and Human Services
The Honorable Mark DeSaulnier, Chair, Senate Budget Subcommittee No 3 on Health and Human Services
Ms. Keely Bosler, Staff Director, Senate Budget & Fiscal Review Committee
Ms. Jennifer Troia, Consultant, Senate Budget & Fiscal Review Committee
Mr. Gregory Schmidt, Secretary of the Senate
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Mr. Kevin Bassett, Senate Republican Chief of Staff
Mr. Richard Mersereau, Director of Policy, Assembly Republican Caucus
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee
Mr. Seren Taylor, Fiscal Director, Senate Republican Fiscal & Policy Office
Mr. Greg Maw, Director of Policy, Senate Republican Fiscal & Policy Office
Mr. Peter Schaafsma, Staff Director, Assembly Republican Fiscal Office
Ms. Julie Souliere, Consultant, Assembly Republican Fiscal Office
Mr. Christopher Woods, Budget Director, Office of the Speaker
Ms. Gail Gronert, Consultant, Office of the Speaker
Mr. Craig Cornett, Budget Director, Office of the Senate President Pro Tem
Ms. Myesha Jackson, Legislative Consultant, Office of the Senate President Pro Tem
Ms. Jody Martin, Consultant, Joint Legislative Budget Committee
Mr. Mac Taylor, Legislative Analyst, Legislative Analyst's Office
Mr. Todd Bland, Legislative Analyst, Legislative Analyst's Office
Ms. Mareva Brown, Consultant, Senate Office of Research
Ms. Pam Haynes, Legislative Director, Speaker's Office of Member Services
Ms. Diana S. Dooley, Secretary, Health and Human Services Agency
Ms. Ana J. Matosantos, Director, Department of Finance
Mr. Jim Humes, Executive Secretary, Office of Governor Edmund G. Brown Jr.
Mr. Gareth Elliott, Legislative Secretary, Office of Governor Edmund G. Brown Jr.



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

Mr. John Wagner
Director
California Department of Social Services
744 P Street
Sacramento, California 95814

Dear Mr. Wagner:

Thank you for your April 1, 2010, letter regarding California's Supplemental Security Income/State Supplemental Payment Program (SSI/SSP). This program, also known as the Supplemental Nutrition Assistance Program (SNAP) cash-out program, provides a State funded supplemental food benefit in lieu of SNAP benefits to individuals receiving SSI. In your letter, you requested that the Food and Nutrition Service (FNS) reconsider its policy and allow California Department of Social Services (CDSS) to partially end cash-out. Under your proposal, households in which all members receive SSI/SSP, or "pure" households, would be eligible for SNAP benefits, while households in which some but not all members receive SSI/SSP, or "mixed" households, would continue receiving SSI/SSP and not be eligible for SNAP benefits.

As you know, California has considered this option in the past and FNS determined that it would be contrary to the Food and Nutrition Act (the Act) of 2008. However, in light of your request, we revisited this issue. After consultation with the Social Security Administration and a thorough review of our statutory authority, FNS again concluded that the Act prohibits California from ending cash-out for some SSI recipients but not for others. Section 6(g) of the Act provides that individuals who receive SSI, and who reside in a State that provides an SSP, cannot be eligible for SNAP. Since California would continue to provide an SSP to mixed households, all SSI recipients, including those in pure households, would continue to be ineligible for SNAP.

In light of the statutory prohibition against partially ending cash-out, I encourage you to consider the option of ending cash-out completely in California given current State circumstances and funding levels of the program. I understand your concerns that eliminating cash-out would be disadvantageous to some SSI households. Mixed households could see a decrease in SNAP benefits while pure households could see an increase in benefits. According to a February 2010 study by Mathematica, completely ending cash-out in California would have a lesser impact on mixed households than in prior years.

The SSI population in California, as in all States, is a vulnerable one. I appreciate your commitment to ensuring that all at-risk individuals receive the nutrition assistance that will enable them to remain healthy. While FNS is unable to grant your request to partially end cash-out, I encourage you to consider the idea of ending cash-out completely. As always, any administrative expenses California would incur by processing applications for SNAP benefits would be reimbursed by the Federal government at 50 percent.

Mr. John Wagner
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Thank you again for your letter. If you have any questions, please contact Allen Ng, Regional Administrator, Western Regional Office. He can be reached at 415-705-1310.

Sincerely,



Kevin W. Concannon
Under Secretary
Food, Nutrition, and Consumer Services



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

MAY 20 2010

JW/RG/FC/CM/EL

Mr. John A. Wagner
Director
California Department of Social Services
744 P Street
Sacramento, California 95814

Dear Mr. ~~Wagner~~ ^{John}:

Thank you for your April 1, 2010, letter requesting that the Department of Agriculture reconsider our policy to allow California Department of Social Services (CDSS) to eliminate cash-out for households in which all members are receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP), (or "pure" SSI/SSP households) and be entitled to Supplemental Nutrition Assistance Program (SNAP) benefits. Those households in which some but not all members receive SSI/SSP (or "mixed" SSI/SSP households) would still receive SSI/SSP and not be entitled to SNAP benefits.

The Food and Nutrition Service (FNS) staff is looking into your request and will provide a more detailed response in the near future. As you may know, such a request has implications for the Social Security Administration and we will need to coordinate with them.

If you have further questions during the pendency of this review, please contact Jessica Shahin, Associate Administrator, SNAP, FNS, at (703) 305-2026.

Sincerely,

Kevin W. Concannon
Under Secretary
Food, Nutrition, and Consumer Services

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JOHN A. WAGNER
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DEPARTMENT OF SOCIAL SERVICES
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ARNOLD SCHWARZENEGGER
GOVERNOR

April 1, 2010

Mr. Kevin W. Concannon, Under Secretary
USDA Food, Nutrition, and Consumer Services
Jamie Whitten Bldg., Room 216E
1400 Independence Ave., S.W.
Washington, D.C. 20250-0106

Dear Under Secretary Concannon:

As you may recall, during the American Public Human Services Association meeting in Portland in December, we discussed the status of the Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipient population in California who have been "cashed out" of Supplemental Nutrition Assistance Program (SNAP) benefits since 1974. At that time, California exercised the federal option to increase our SSP payment in lieu of administering SNAP benefits to SSI/SSP recipients. We are currently re-evaluating cash-out, both from a policy and a cost/benefit perspective. We are currently engaged in discussions with our advocate partners (principally the California Food Policy Advocates) to consider all practicable alternatives in this regard.

The California Department of Social Services (CDSS) has occasionally considered changing our cash-out policy in order to allow SSI/SSP recipients access to SNAP benefits. Eliminating cash-out across the board, while providing a direct benefit to many "pure" SSI/SSP households (those with either one or two members receiving SSI/SSP only), also would have a deleterious impact on many currently participating households that contain both SSI/SSP and non-SSI/SSP members. For such households, federal SNAP rules allow SSI/SSP income to be disregarded in the determination of the household's eligibility and benefit amount. Ending cash-out therefore would either reduce or eliminate the benefits of such households.

One scenario under consideration is the feasibility of eliminating cash-out only for those households that would derive a benefit from such a change in policy. In the past, USDA's policy has been that cash-in (or the elimination of cash-out) must be completely inclusive or exclusive, and that "carving out" a portion of the SSI/SSP population was not allowable. We request that USDA reconsider that policy and allow CDSS to eliminate cash-out only for those "pure" SSI/SSP households who would benefit. Doing so would allow these households to receive the same food assistance that is available to most other low-income people in California, while continuing to maintain benefits for other households containing an SSI/SSP recipient. This also would increase California's SNAP participation rate.