DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

December 31, 1997

ALL COUNTY LETTER 97-84

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
[X] Initiated by CDSS

SUBJECT: CALIFORNIA FOOD ASSISTANCE PROGRAM BENEFIT CALCULATION METHODOLOGY

REFERENCE: ALL COUNTY INFORMATION NOTICE I-52-97
ALL COUNTY LETTER 97-50
ALL COUNTY LETTER 97-77

The California Department of Social Services (CDSS) has received conditional approval from the Food and Consumer Service (FCS) for the California Food Assistance Program (CFAP) state plan. Having in place a more accurate system for calculating the actual federal and state coupon value for CFAP by March 1, 1998, is one of the conditions that CDSS must meet. The other condition requires the development of quality control procedures for CFAP cases, which will be provided to the counties soon in a separate transmittal letter.

CFAP was implemented September 1, 1997. As transmitted to the counties in All County Letter 97-50, FCS allowed CDSS to use a temporary benefit calculation methodology that expires on February 28, 1998, to determine federal and state share of benefit costs for CFAP.

This letter is to provide counties with the new methodology that will be used beginning March 1, 1998 in CFAP. This methodology has been approved by FCS and is being used by the State of Washington for their state funded food assistance program for legal non-citizens. It is a more precise benefit calculation methodology for a CFAP combined household (household with federal Food Stamp Program members and state-funded CFAP members). The methodology produces accurate figures for both the federal and state benefit amounts for each case. The methodology is as follows:

Step 1: Calculate benefits for the entire household as if all members were eligible for federal benefits.

Step 2: Calculate benefits for the members of the household eligible for federal benefits.

Step 3: Subtract benefits calculated in Step 2 from those in Step 1. The difference is the state-only cost.

All case budgeting and benefit level calculations, as well as all eligibility factors (other than immigration status) are to be determined using existing food stamp regulations. In no case will the household receive more benefits than those calculated in Step 1 in which all members are considered. The resulting calculations will be used for reimbursing the federal government for the state share of benefits and also will provide the actual federal benefit calculations for quality control review purposes in these cases. Attached are examples of the new benefit calculation methodology.

Information and instructions concerning CFAP reporting and cost claiming for this change in the benefit calculation methodology will be provided in a future All County Letter.

If you have general CFAP questions, please contact the Food Stamp Bureau at (916) 654-1896. Questions regarding administrative cost claiming can be directed to the Fiscal Policy Bureau at (916) 657-3440. Questions regarding food stamp coupon reporting may be directed to the Financial Accounting and Reporting Bureau at (916) 657-3390.

Bruce Wagstaff

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachment

A. The household consists of an excluded alien father with monthly earnings of $500, 1 federally eligible child and 1 state only eligible child. Rent, including utilities, is $300.

Step 1. Federal and State Budget		**Step 2. Federal Only Budget**	
a. Prorate Income: $500/3x2 =	$333.33	a. Prorate Income: $500/3x1 =	$166.66
b. Prorate Rent: $300/3x2 =	$200	b. Prorate Rent: $300/3x1 =	$100
c. 80% of Earned Income =	$266.66	c. 80% of Earned Income =	$133.33
d. Less $134 Standard Deduction=	$132.66	d. Less $134 Standard Deduction =	$ 0
e Allowable Shelter Costs: $132.66/2 =	$ 66.33	e. Allowable Shelter Costs =	$ 0
f. Excess Shelter: $200- 66.33 =	$133.67	f. Excess Shelter: $100-0 =	$100
g. Net Income: $132.66- 133.67 =	$ 0	g. Net Income =	$ 0
h. Food Stamp Allotment for 2 =	$224	h. Food Stamp Allotment for 1 =	$122
Step 3.	Federal and State Allotment:	$ 224	
	Federal Only Allotment:	- $ 122	
	State Only Program Share	$ 102	

B. An AFDC household consists of 2 excluded alien parents, 2 federally eligible children and 1 state only eligible child. The family's only income is a 5 person AFDC grant of $767. Rent, including utilities, is $450.

Step 1. Federal and State Budget		**Step 2. Federal Only Budget**	
a. Prorate Income: $767/5x3 =	$460.20	a. Prorate Income: $767/5x2 =	$306.80
b. Prorate Rent: $450/5x3 =	$270	b. Prorate Rent: $450/5x2 =	$180
c. Unearned Income =	$460.20	c. Unearned Income =	$306.80
d. Less $134 Standard Deduction =	$326.20	d. Less $134 Standard Deduction =	$172.80
e. Allowable Shelter Costs: $326.20/2 =	$163.10	e. Allowable Shelter Costs =	$ 86.40
f. Excess Shelter: $270-163.10 =	$106.90	f. Excess Shelter: $180-86.40 =	$ 93.60
g. Net Income: $326.20-106.90 =	$219.30	g. Net Income: $172.80-93.60 =	$ 79.20
h. Food Stamp Allotment for 3 =	$255	h. Food Stamp Allotment for 2 =	$200
Step 3.	Federal and State Allotment:	$ 255	
	Federal Only Allotment:	- $ 200	
	State Only Program Share	$ 55	