STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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

November 22, 1989

ALL COUNTY LETTER 89-100

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: Budgeting of Non-Federally Funded Payments in Food Stamps

REFERENCE: All County Letter 88-150, dated December 2, 1988
All County Letter 89-21, dated February 24, 1989
M.S. 63-503.232(c)(4)

The purpose of this letter is to direct the County Welfare Departments (CWDs) to implement a change in the treatment of additional or corrective State only or locally funded payments as addressed in Manual Section (M.S.) 63-503.232(c)(4). It is also to inform CWDs the federal definition of General Assistance (GA), as used in the Jones v. Yeutter lawsuit, is expanded beyond that of the State's and Counties' definition of GA. The federal usage of the term GA applies to all State and locally funded payments for which there is no federal financial participatin (FFP). **This federal use of the term "GA" should not be confused with the County only funded (General Assistance) payments.**

BACKGROUND

Current State policy requires all CWD paid grants to be budgeted prospectively. M.S. 63-503.232(c)(4) specifically requires that after the beginning months, if the CWD cannot anticipate additional or corrective payments to the CWD paid grant or does not have time to budget these prospectively, then these payments must be budgeted retrospectively along with the issuance month payment which is budgeted prospectively. This policy also applies to any initial CWD paid grants after the beginning months that could not be budgeted prospectively. During the food stamp household's beginning months, CWD paid grants and additional or corrective payments that cannot be budgeted prospectively are not to be budgeted retrospectively.

It was brought to the Department's attention that there was a conflict between federal and state policy regarding the treatment of unanticipated CWD paid grants in the beginning months. After a review of federal directives and regulations, we concurred that the State policy of excluding unanticipated CWD paid grants received in the beginning months needed to be changed. All County Letter (ACL) No. 88-150, dated December 2, 1988, was issued advising Counties that all CWD paid grants and additional or corrective payments, including those received in the beginning months of Food Stamp Program participation, must be counted retrospectively if they were not counted prospectively. This change was effective January 1, 1989.

LAWSUIT

The issuance of ACL No. 88-150 resulted in the Jones v. Yeutter court case being filed against the United States Department of Agriculture (USDA) and the State Department of Social Services (SDSS). The lawsuit challenged the policy change in ACL No. 88-150. An agreement was reached to withdraw the ACL effective February 17, 1989. Information regarding the conditions of the agreement was provided in ACL No. 89-21, dated February 24, 1989.

DEFINITION OF GENERAL ASSISTANCE

A second issue developed as a result of the lawsuit. The Food and Nutrition Service (FNS), Western Region Office, informed California that there is no authority in the current food stamp regulations for a state to prospectively count assistance payments from state or local funds in a monthly reporting/retrospective budgeting (MRRB) system. Only federally funded payments authorized in the Social Security Act can be budgeted prospectively.

The Department was advised that a waiver would be required to allow the State to continue budgeting GA prospectively. Additionally, FNS specified that for the waiver to be granted, all GA payments, including additional or corrective payments, could not be budgeted retrospectively.

A waiver to continue budgeting GA prospectively and to exclude GA additional and corrective payments as income when unable to budget these payments prospectively was submitted to FNS on July 25, 1989. It was approved on October 20, 1989 with the understanding the waiver is subject to future legislative and regulatory changes which may affect the rights of households receiving GA that are affected by this waiver.

FNS further indicated that, for purposes of computing food stamp benefits, any payment from state or local funds is considered GA, even those state and locally funded payments paid to households in receipt of federally funded public assistance (PA). This change expands the definition of GA beyond County funded GA and General Relief (GR) programs. For example, a food stamp household receiving federally funded AFDC may receive a Reduced Income Supplemental Payment (RISP) which is a State funded payment. The RISP would be GA and any RISP additional and corrective payment would not be budgeted retrospectively.

WAIVER IMPLEMENTATION INSTRUCTIONS

CWDs are to continue to budget GA payments prospectively. Effective with the November 1989 budget month and the January 1990 issuance month, Counties are not to budget GA additional or corrective payments retrospectively that were not budgeted prospectively. All payments which are under the expanded definition of GA are subject to this treatment. We have identified the following as payments from state or local funds:

County Funded GA/GR
State-Only Unemployed Program
State-Only Foster Care Payments
State-Only Adoptions Assistance Payments (AAP)
State-Only Pregnant Woman Payments (first two trimesters)
Reduced Income Supplemental Payments (RISP)
Needy Undocumented Minors Payments

The waiver does not apply to the treatment of the following payments when there is FFP:

AFDC Immediate Need payments
AFDC Homeless Assistance payments
Refugee Cash Assistance (RCA) payments
Refugee Demonstration Project (RDP) payments

The requirements of M.S. 63-503.232(c)(4) continue to apply to these payments when they cannot be budgeted prospectively.

The food stamp regulations will not be amended to reflect these changes until the Jones v. Yeutter lawsuit is settled. At that time, the lawsuit requirements for retroactive relief for affected households will be implemented. You will be kept informed of any further developments.

If you have any questions regarding implementation of this waiver, please contact Ms. Carole Geller in the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330 or ATSS 492-5330. For questions related to the Jones v. Yeutter lawsuit, please contact Ms. Julie Andrews in the Food Stamp Policy Bureau at (916) 324-8701 or ATSS 454-8701.

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Deputy Director