STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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

April 15, 1992

ALL COUNTY LETTER NO. 92-39

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: PRORATION METHODOLOGY IN SHARED LIVING ARRANGEMENTS, RDB #0791-34

REFERENCE: Manual Sections 63-502.3, 63-503.4

The purpose of this letter is to provide information to the County Welfare Departments (CWD) concerning the implementation of regulations for the new proration methodology in shared living arrangements. This new methodology will eliminate double proration when determining a Food Stamp household's allowable deductions. Food and Nutrition Service (FNS) has given California a two-year waiver (beginning with the date of implementation) to use this new proration methodology. If California can show FNS that the new methodology reduces California's Food Stamp error rate, the waiver may be extended indefinitely.

These new regulations also provide a handbook section with a "Utility Allowance Decision Chart" (M.S. 63-502.353). This chart will assist CWDs in determining when a household is entitled to the Standard Utility Allowance.

Proration Methodology (M.S. 63-502.3)

The following describes the methodology for determining a Food Stamp household's share of living expenses when the Food Stamp household shares living expenses with another individual(s) not participating in the Food Stamp Program or another Food Stamp household or both, while living together. These expenses include allowable shelter, utility and/or dependent care expenses.

Flat Contribution Amount (M.S. 63-502.361)

When the Food Stamp household contributes a flat amount toward an expense, the flat amount is the household's share of the expense. If someone who is not a member of this particular Food Stamp household (except someone excluded for intentional program violation (IPV) or workfare/work requirement sanction) contributes toward the expenses, that amount should be deducted from the total and the remainder is the household's share of the expense. If an individual who is excluded from this household for an IPV or a workfare/work requirement sanction pays the expense, or any portion of the expense, then the amount that individual pays is budgeted as if the household had paid that amount.

If an ineligible alien or someone excluded due to social security number (SSN) disqualification pays the entire amount of an allowable expense, then a single proration must be computed and the household's share after the proration is budgeted as the household's expense.

Unknown Contribution Amount (M.S. 63-502.362)

If the amount the household pays cannot be determined because the household's income is pooled with others living at the same residence, the expense must be prorated and the household's share after the proration, is budgeted as the household's expense. If an individual is excluded for an IPV or workfare/work requirement sanction, that individual should be included in the proration and in determining the share of the household's expense.

If an ineligible alien or an individual excluded for SSN disqualification pools income with the household, include all such individuals in the proration. If an ineligible student, Supplemental Security Income (SSI) recipient or a nonhousehold member pools income with the household, only the individual who actually has income and pools it is included in the proration.

Flat Amount and Unknown Amount (M.S. 63-502.363)

If both a flat amount and an unknown amount are contributed by excluded or nonhousehold members, the flat amount should be deducted from the applicable expense and the balance of the expense should be prorated among household members and any others as described above, excluding the member(s) contributing the flat amount.

Treatment of Excluded and Nonhousehold Members (M.S. 63-503.4)

Allowable Expenses when Shared with Ineligible Aliens or SSN Disqualified Members (M.S. 63-503.442(c))

This section of the regulations has been revised to clarify how the new proration methodology should apply to individuals who are excluded from the household due to their ineligible alien status, or who are SSN disqualified. It describes how to treat expenses when these particular excluded members share expenses with the Food Stamp household. This section references M.S. 63-502.36 for specific direction.

Allowable Expenses when Shared with Ineligible Students, SSI Recipients or Other Nonhousehold Members (M.S. 63-503.452)

This section of the regulations has been revised to clarify how the new proration methodology should apply when there are individuals living in the residence who are considered nonhousehold members for budgeting purposes. It describes how to treat expenses when nonhousehold members share expenses with the Food Stamp household. This section also references M.S. 63-502.36 for specific direction.

Implementation

These regulations are effective May 1, 1992 for all new applicants. Continuing cases must be converted when the case is next reviewed or at recertification, whichever occurs first.

If you have any questions please contact Michele Carotti of the Food Stamp Policy Bureau at (916) 654-1405.

Sincerely,

MICHAEL C. GENEST
Deputy Director

cc: CWDA