

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE  
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 1      Electronic Benefit Transfer (EBT) Regulations Changes

The CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held October 13, 2010, as follows:

October 13, 2010  
Office Building # 8  
744 P St., Room 105  
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The purpose of the hearing is to receive public testimony, not to engage in debate or discussion. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on October 13, 2010.

Following the public hearing CDSS may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

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## CHAPTERS

California Department of Social Services, Manual of Policies and Procedures, Division 16, Electronic Benefit Transfer (EBT) System, Sections 16-015 (EBT Security), 16-120 (Account Aging and Expungement), 16-315 (Food Stamp Benefit Conversion), and 16-601 (Cardholder Training).

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The federal government regulates the Supplement Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program. Federal regulations provide rules to follow regarding account aging and expungement. State EBT regulations have reflected those rules in providing counties guidance on when to change account status.

Effective October 1, 2008, the Food and Nutrition Act of 2008, the federal government changed the time period for account aging. The new time periods are being updated in our EBT regulations. In addition to changing account aging time frames, the Act also de-obligated food stamp coupons as legal tender. Therefore all reference to coupons being converted to EBT benefits is being repealed in these regulations.

Significant changes in these regulations include: 1) changing the number of days before an account reaches inactive, dormant, or expunged status; and 2) removing the reference to food stamp coupons as legal tender.

## COST ESTIMATE

1. Costs or Savings to State Agencies: No fiscal impact is associated with this regulation change.
2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance With Government Code Sections 17500 - 17630: None
3. Nondiscretionary Costs or Savings to Local Agencies: No fiscal impact is associated with this regulation change.
4. Federal Funding to State Agencies: No fiscal impact is associated with this regulation change.

## LOCAL MANDATE STATEMENT

These regulations do impose a mandate on local agencies, but not on local school districts. There are no reimbursable state-mandated costs under Section 17500 et seq. of the Government Code, because these regulations only make technical and clarifying changes.

## STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

## STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

The CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

#### SMALL BUSINESS IMPACT STATEMENT

CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

#### ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

#### STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

#### STATEMENT OF ALTERNATIVES CONSIDERED

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action.

#### AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Welfare and Institutions Code Sections 10077, 10553, 10554, 18904, and 18904.1. Subject regulations implement and make specific 7 U.S.C. 2016(f)(3)(C) and (h)(12).

#### CDSS REPRESENTATIVE REGARDING THE RULEMAKING PROCESS OF THE PROPOSED REGULATION

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