

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. House of Representatives Bill (H.R.) 2646 was passed by the United States (U.S.) House of Representatives and the U.S. Senate and signed by the President on May 13, 2002. H.R. 2646 has been designated Public Law 107-171, the Farm Security and Rural Investment Act of 2002. This Act contains the Food Stamp Reauthorization Act of 2002, which legislates mandatory changes to the Food Stamp Act of 1977. The State of California Food Stamp Program regulations must implement these changes effective October 1, 2002. These mandatory changes to the Food Stamp Program restore certain disabled noncitizens to federal food stamp eligibility; increase the resource limit for households with a disabled member from \$2,000 to \$3,000; and restructure the Standard Deduction from one amount for all households to 8.31 percent of the net income limit, which varies based on household size.
2. The necessary federal changes to implement the Food Stamp Reauthorization Act of 2002 must be completed by October 1, 2002.
3. The nonemergency rulemaking process, as defined in the Administrative Procedures Act, would not allow these regulations to be implemented by October 1, 2002.
4. A delay in the implementation of these regulations may put CDSS at risk of legal action which could be brought about by individuals who have not been granted benefits due to the lack of implementing these regulation changes. Additionally, failure to implement these regulation changes on time would put California at risk for an increased Food Stamp Program payment accuracy error rate, which could lead to increased financial penalties from the U. S. Department of Agriculture.

INFORMATIVE DIGEST

On May 13, 2002, Public Law 107-171, the Farm Security and Rural Investment Act of 2002 was signed into law. This Act contains the Food Stamp Reauthorization Act of 2002, which legislates mandatory changes to the Food Stamp Act of 1977. Most of these mandatory changes must be implemented effective October 1, 2002.

These proposed regulatory amendments implement mandatory federal changes to the Food Stamp Program to restore certain disabled noncitizens to federal food stamp eligibility (The Food Stamp Reauthorization Act of 2002, Section 4401); increase the resource limit for households with a disabled member from \$2,000 to \$3,000 (The Food Stamp Reauthorization Act of 2002, Section 4107); and restructure the Standard Deduction from one amount for all

households to 8.31 percent of the net income limit, which varies based on household size (The Food Stamp Reauthorization Act of 2002, Section 4103).

Without these regulations in place on October 1, 2002, California would be out of compliance with federal law. This would leave California at risk of legal action from individuals who have not been granted benefits. California would also be at risk of an increased food stamp payment accuracy error rate and increased financial penalties.

State law requires that the California Food Assistance Program (CFAP) be in conformity with federal law for the Food Stamp Program. Therefore, without these regulations in place on October 1, 2002, CFAP would be out of compliance with State law.

COST ESTIMATE

1. Costs or Savings to State Agencies: Savings of approximately \$23,400,000 in the current SFY. Additional cost of approximately \$2,100,000 to Food Stamp Administration in the current SFY.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Additional expenditures of approximately \$2,900,000 in the current SFY.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not school districts. There are no "state-mandated local costs" in these regulations, which require federal and state reimbursement due to increased administrative costs under Section 17500 et seq. of the Government Code. The local agencies, State, and federal agencies share administrative costs. Increased costs in benefits are paid entirely by the federal government.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Welfare and Institutions Code Sections 10553, 10554, and 18904. Subject regulations implement and make specific Sections 4103, 4107, and 4401 of the Food Stamp Reauthorization Act of 2002.