

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

ITEM # 3 Food Stamp Program (FSP) Substantial Failure to Comply in Another Program

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 August 13, 2008, as follows:

August 13, 2008
Office Building # 9
744 P St. Auditorium
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 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 August 13, 2008.

CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such 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.

CONTACT: Office of Regulations Development
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CHAPTERS

Chapter 63-500 (Eligibility Determinations), Section 63-503 (Determining Household Eligibility and Benefit Levels)

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law provides for the Food Stamp Program, under which each county distributes food stamp benefits to eligible households. The Food Stamp Program is designed to promote the general welfare, and to safeguard the health and well-being of the nation's population by raising the levels of nutrition among low-income households. Therefore, it is necessary that the California Department of Social Services (CDSS) be in compliance with state and federal regulations to ensure the continued service to these households.

Currently, state regulations do not clarify what constitutes a substantive failure to comply with a requirement in another means tested program, in order to determine how food stamp benefits will be calculated. State regulations do not distinguish between a procedural versus a substantive failure to comply. A substantive failure to comply when the other program reduces or terminates benefits, the food stamp benefits shall not increase. Failure to comply with a procedural requirement, and the other program reduces or terminates benefits, the food stamp allotment can be reduced.

The regulatory amendments are necessary to comply with the Code of Federal Regulations at 7 CFR 273.11(j) regarding the substantive failure to comply involving another programs requirements. The County Welfare Department (CWD) shall not increase the household's food stamp allotment as a result of the decrease in income.

Additional, language will be provided in the form of a handbook example to instruct the CWD that a sanction or overpayment that is a result of a substantive failure to comply shall be included in the calculation when determining food stamp benefits.

COST ESTIMATE

1. **Costs or Savings to State Agencies:** The Department has determined that there are no additional costs or savings because this regulation makes technical, non-substantive or clarifying changes to current laws and regulations.
2. **Costs to Local Agencies or School Districts:** The Department has determined that there are no additional costs or savings because this regulation makes technical, non-substantive or clarifying changes to current laws and regulations.
3. **Nondiscretionary Costs or Savings to Local Agencies:** None.
4. **Federal Funding to State Agencies:** The Department has determined that there are no additional costs or savings because this regulation makes technical, non-substantive or clarifying changes to current laws and regulations. The change could potentially increase federal food stamp benefits, but the state does not share in the benefit costs of this federal program.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not on school districts. There are no “state-mandated local costs” in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government within the meaning of Section 17513 of the Government Code.

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 and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554, Welfare and Institutions Code. Subject regulations implement and make specific 7 CFR 273.11(j).

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

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