

FINAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 63-103.2

Specific Purpose:

This section is amended to reflect current revision dates for forms updated as a result of changes to the Food Stamp Program drug felon eligibility rules and are incorporated by reference. This section is also amended to reflect the addition of a new form entitled "FS 26 (3/05) Food Stamp Program Qualifying Drug Felon Addendum" and is being incorporated by reference. The FS 26 is used ~~to determine the food stamp eligibility of a drug felon~~ when adding a household member not included and on the DFA 285 A2, or when additional information is needed on a drug related felony conviction is not used.

Factual Basis:

These amendments are necessary to include a new form, reflect current revision dates for forms updated as a result of changes to the Food Stamp Program drug felon eligibility rules, and to comply with Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

Sections 63-300.5(e)(11)(A) through (E) and (e)(12)

Specific Purpose:

These sections are added to reflect changes to the Food Stamp Program application process and mandatory verification requirements regarding conditions of eligibility for drug felons. Furthermore, Section 63-300.5(e)(12) is added to provide users with a definition for the term "government-recognized drug treatment program."

Factual Basis:

These new sections are necessary to include the conditions of eligibility for drug felons and to comply with Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

Section 63-402.229 and Handbook

Specific Purpose:

This section is amended to specify which felony drug convictions will cause food stamp ineligibility. These amendments reflect changes to the Food Stamp Program criteria for excluded household members. Current Handbook Section 63-402.229(a) is re-lettered to (c).

Factual Basis:

These amendments are necessary to specify which felony drug convictions will cause food stamp ineligibility and to comply with Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

Section 63-503.441

Specific Purpose:

This section is amended to reflect a language change to the Food Stamp Program rules for treatment of income and resources of excluded members and to include a cross reference.

Factual Basis:

These amendments are necessary to include language as cited in Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

Sections 63-509(b) and (c)

Specific Purpose:

This section is amended to reflect a language change to Food Stamp Program rules for Mandatory Mid-Quarter changes to benefits and recipient Mid-Quarter reports and to include a cross reference.

Factual Basis:

These amendments are necessary to include language as cited in Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

Handbook Section 63-801.737(b)(QR)

Specific Purpose:

This Handbook section is corrected to reflect changes to the Food Stamp Program rules for recoupment by allotment adjustment and to clarify that the first example applies to a Public Assistance Food Stamp (PAFS) household.

Factual Basis:

This amendment is necessary to correct handbook language to comply with Section 18901.3 of the Welfare and Institutions Code as amended by AB 1796 (Chapter 932, Statutes of 2004).

b) Identification of Documents Upon Which Department is Relying

Assembly Bill 1796 (Chapter 932, Statutes of 2004)

c) Testimony and Response

There was written testimony submitted jointly by the Western Center on Law and Poverty (WCLP) and Legal Services of Northern California (LSNC) who both serve low-income individuals, including public assistance and food stamp recipients, who are directly affected by these regulations. There was no oral testimony presented in response to the August 17, 2005, public hearing. The testifier's general comments are summarized and the Department's responses follow.

General Comments:

The testifiers comments deal solely with concern over the lack of provisions to address the issue of how to determine eligibility for individuals who had been denied or terminated from benefits under the previous eligibility rules, but who became eligible upon implementation of AB 1796. Of particular importance is that the changes pursuant to AB 1796 became effective on January 1, 2005, and the regulations have been in effect since July 1, 2005.

The testifiers recognize that the Department required counties to issue the FS 26 form about the change to *existing* (emphasis added) food stamp households. The Department, however, has not directed this information to individuals who were terminated or denied benefits under the previous rules and who are not currently part of an existing food stamp household, but who have become eligible on or after January 1, 2005. The testifiers suggested that the Department can reach these individuals by issuing an informing notice and requiring county welfare departments to post information about the eligibility changes in their offices.

The testifiers continued by indicating that the regulation should provide that upon application, the counties should obtain verification from individuals who were not receiving food stamps at the time the FS 26 went out as to *when* (emphasis added) the household began meeting the new eligibility standards of being in rehabilitation or having ceased use of illegal substances, and then provide eligibility back to the effective date of the law or the date the person qualified, whichever is later. The testifiers concluded by indicating that the regulations should also require counties to provide notice to those not part of an otherwise eligible household, such as by poster in the reception areas, particularly in General Assistance (GA) offices and county health facilities, and notice to GA recipients and County Medical Services recipients.

Response:

There was no statutory requirement to notify individuals who were not part of existing food stamp households of their possible eligibility to the program. In order for eligibility to be determined, an application must be made. Individuals who are convicted drug felons and are excluded members of existing households will have their eligibility determined at the time application is made for inclusion. If determined eligible, benefits will be provided in accordance with normal program rules to add a household member.

d) Local Mandate Statement

These regulations do impose a mandate upon local agencies, but not school districts. There may be “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.

e) Statement of Alternatives Considered

CDSS determined 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.

f) Statement of Potential Cost Impact on Private Persons or Businesses

CDSS has determined 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.

g) Statement of Significant Adverse Economic Impact On Business

The CDSS has determined 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.

h) 15-Day Renotice Statement

No further changes were made to the regulations submitted previously and, consequently, a 15-Day Renotice was not necessary.