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Clerical: Yes
Handbook Revision: Yes

Update 2009-7: Food Stamps American Recovery & Reinvestment Act of 2009 (Stimulus Act of 2009)

Background

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law by President Obama on February 17, 2009, includes many provisions to the Food Stamp Program. This Update outlines the changes the ARRA made to the Food Stamp Program.

Changes

The provisions to the ARRA include:

COLA

A 13.6 percent Cost of Living Allowance (COLA) increase in Food Stamp benefit allotments will take effect on April 1, 2009. This increase will be in effect until the regular COLAs issued in October of each year reach the levels of 13.6%.

Because COLA increases are generally less than 13.6 percent, clients will not actually see any COLA increase again until future COLAs exceed the 13.6% level, although the USDA will issue Food Stamps COLAs each year.

[Refer to Chart Book, ["Benefit Issuance Table,"](#) page 2-3]

Disregarding The Increase When Determining Overissuances (O/Is)

Since the intent of the ARRA is to help clients during difficult times, the portion allotted for the stimulus package will be disregarded when overissuances are computed for recipients.

When computing O/Is for this time period, in order to disregard the 13.6% increase, the allotment tables issued in Chart Book Update 09-01 for Federal Fiscal Year 2008/2009 must be used when computing O/Is for recipients from April 1, 2009 to September 30, 2009 until otherwise notified.

Note: A BEnDS is forthcoming with details for this process.

Minimum Benefit Amount for One & Two Member Households

The following changes regarding minimum benefit amounts are made to amounts for one and two member households.

For Households Receiving Benefits

With the new increase in the maximum benefit amount, the minimum monthly benefit amount for categorically eligible households, also increased for one and two persons from \$14 to \$16.

[Refer to FS HB Chapter 22.4.4 "[Minimum Allotments](#)," page 22-22]

For Applicant Households

For applicant households, the \$10 threshold does not change. Per MPP section 63-503.132, at application and after determining the prorated allotment, benefits will not be issued if the allotment results in less than \$10; no issuance will be made for the month of application.

ABAWDs

Starting April 1, 2009, the Able Bodied Adults Without Dependents (ABAWDs) work requirements are eliminated through September 30, 2010 for both Federal and California Food Assistance Program (CFAP) households. This means that clients cannot be discontinued from Food Stamps for failure to satisfy the ABAWD work requirement during this period. Accordingly, counties will temporarily no longer need to track months on the ABAWD 36-month calendar beginning April 1st. This provision supersedes the statewide waiver so that all existing ABAWD calendars will be stopped effective April 1, 2009. A brand new 36-month calendar will begin October 1, 2010 for all ABAWDs. However, ABAWDs are still subject to sanctions for failure to comply with requirements of the Food Stamp Employment and Training (FSET) program or other allowable work programs as defined in MPP Section 63-407.

[Refer to FS HB Chapter 28 "[Definition \(63-410\)](#)," page 28-1]

Increased Unemployment Insurance Benefits (UIB)

Unemployment benefits will increase by \$25 per week. Any UIB received by a household due to the stimulus legislation is considered income to the household. The amount of the increase is \$25 per week above the current benefit amount. States are given the option of payment methods:

- An amount which is paid at the same time and in the same manner as any regular weekly payment, or
 - By payments which are made separately from, but on the same weekly basis as any regular UIB compensation is paid.
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The \$25 UIB increase begins on the date the State enters into an agreement with the Secretary of Labor to adhere to the provisions of the UIB increase and ends before January 1, 2010. Since the exact circumstances of when payments will occur are unknown, these UIB payments cannot be anticipated for QR households. If, however, a household receives back payments in a single UIB payment, it is to be treated as lump-sum income.

[Refer to Chart Book, "UIB Weekly Benefit Amount," page 7-4]

One-time Payments

A one-time economic recovery payment in the amount of \$250 will be issued to the following recipients:

- Social Security,
- SSI/SSP
- Railroad Retirement Benefits
- Veterans Disability Compensation or Pension Benefits.

These payments are **not** to be considered a benefit payment or cash benefit. They are to be excluded as income and as a resource.

A *Program Directive* will be issued when more information is known concerning the timing of these payments as it becomes available, along with instructions on how to treat these payments for other programs.

[Refer to FS HB "Exempted by Federal Law," page 15-11] and [Refer to FS HB "Exempt Income [63-502.2]," page 19-11]

Tax Credit

Tax credits received directly by the household as a result of ARRA are excluded as income. Credits include:

- **Making Work Pay Credit:** For an eligible individual, an allowance equal to the lesser of:
 - 6.2 percent of the earned income of the taxpayer, or
 - \$400 (\$800 in the case of a joint return).
- **Temporary Increase in the Earned Income Tax Credit (EITC):** an EITC increase due to a 45 percent increase for a taxpayer with 3 or more children or reduction of the marriage penalty.

[Refer to FS HB "Exempt Income [63-502.2]," page 19-11]

**Allowable
Quality
Control
Tolerance for
O/I Reviews**

The ARRA affects food stamp quality control reviews by raising the tolerance level for cited errors. Quality control reviews are conducted on active cases to determine if households are eligible to receive benefits and to determine if households are receiving the correct allotment amount. (Reviews of negative cases are conducted to determine whether the action to deny or terminate the household was correct. Negative case reviews are not affected by this act.)

The allowable tolerance level for conducting quality control reviews for O/Is or under issuances (U/Is) of benefits is increased from \$25 to \$50 through September 30, 2009. (April Sample – September Sample).

**Hold
Harmless
Period**

The Quality Control (QC) hold harmless period extends through September 30, 2009.

Implementation

Information in this Update is effective April 1, 2009.

Documentation

Changes due to the American Recovery and Reinvestment Act must be thoroughly documented on the **Maintain Case Comments** window.

CalWIN

The Reference Table was updated by the CalWIN Project to reflect the April FS COLA changes on 03/07/09. Whenever EDBC is run for any period including April 2009 and any future months, the **Display Food Stamps-Financial Eligibility Budget** window will display the increased amounts based on the FS COLA.

Mass Update

The Mass Update for all Food Stamp cases ran over the weekend of 3/14/09. This Mass Update updated all Food Stamp cases for the month of April and ongoing with the new COLA benefit allotment.

Note:

Certain FS cases will require manual entries in order to have the new amounts applied. Listings of these cases along with instructions will be provided as soon as administratively feasible.

Forms

The following is a new form which explains the increase in the Food Stamp benefits.

FS 31

The "Notice to All Food Stamp Recipients IMPORTANT-PLEASE READ Things You Need to Know" (FS 31 ENG/SP) informs clients about the changes in the ARRA that impact them and their benefits directly.

Laminated posters of the FS 31 were delivered to district offices on 03/24/09 and must be posted prominently in all district office lobbies by 04/01/09 through 09/30/09. The FS 31 must be provided to clients in each Intake packet upon receipt of this Update through the month of September.

A copy of the FS 31 is attached for information purposes only. The FS 31 is posted on the county intranet Forms Section.

Clerical

Office Management Coordinators must ensure that the FS 31 laminated poster is posted in all district office lobbies prior to 04/1/09 through 09/30/09. Hard copies must be provided to clients in each Intake packet issued on or after 04/1/09 through 09/30/09.

Other Programs

The changes listed in the Update only apply to the Food Stamp Program and do not apply to any other program.

Chart Book

Chapter 2 of the Chart Book "Food Stamp Charts" is updated to reflect the new benefit allotment amounts.

Chapter 7 of the Chart Book "UIB Weekly Benefit Amount" is updated to include the \$25 weekly benefit increase.

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CalWIN Division

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NOTICE TO ALL FOOD STAMP RECIPIENTS IMPORTANT — PLEASE READ Things You Need to Know

Effective April 1, 2009, American Recovery and Reinvestment Act of 2009:

- Increases benefits by 13.6%. Most households will receive an increase in benefits if there are no other changes happening to the household.
- Households will not have to repay the amount of the benefit increase if too many benefits are received.
- If you get cash assistance, you will not get less than \$16 in food stamp benefits if you have only one or two people in your household. This is an increase of \$2.
- ABAWD work rules are stopped from April 1, 2009 to September 30, 2010.

You will get a different notice if other changes to your household makes your food stamp benefit different.

If you think we made a mistake in figuring your benefits due to the new changes you may ask for a state hearing, **within 90 days from April 1, 2009** by writing to:

APPEALS UNIT

County of Santa Clara Social Services Agency
333 West Julian Street
San Jose, CA 95110-2335

or you may call toll free: 1-800-952-5253. If you are deaf and use TDD, call 1-800-952-8349. When you ask for a state hearing, you must tell us why you think we made a mistake. You can speak for yourself at the hearing or you can have a friend, attorney, or other person speak for you, but you must get these people to help you. You may ask for free legal aid at a legal aid office in your area.

AVISO A TODAS LAS PERSONAS QUE RECIBEN ESTAMPILLAS PARA COMIDA IMPORTANTE — FAVOR DE LEER Cosas que usted necesita saber

El Decreto de 2009 sobre la Recuperación y Reinversión de América establece que a partir del 1° de abril de 2009:

- Los beneficios de estampillas para comida se aumentarán en un 13.6%. La mayoría de los grupos para fines de estampillas para comida (grupos) recibirán un aumento en sus beneficios si no hay ningún otro cambio en el estado del grupo.
- Los grupos no tendrán que reembolsar la cantidad del aumento en los beneficios si se reciben demasiados beneficios.
- Si usted recibe asistencia monetaria, no recibirá menos de \$16 en beneficios de estampillas para comida si solamente hay una o dos personas en su grupo. Esto constituye un aumento de \$2.
- Entre el 1° de abril de 2009 y el 30 de septiembre de 2010, se suspenderán las reglas relacionadas al trabajo para los adultos (entre 18 y 50 años de edad) con la capacidad de trabajar y sin personas bajo su cuidado (ABAWDs).

Usted recibirá una notificación diferente si otros cambios en el estado de su grupo hacen que sus beneficios de estampillas para comida sean diferentes de cómo eran antes.

Si cree que cometimos un error al calcular la cantidad de sus beneficios, debido a los nuevos cambios, puede pedir una audiencia con el Estado antes de que pasen 90 días a partir del 1° de abril de 2009, escribiendo a:

APPEALS UNIT

County of Santa Clara Social Services Agency
333 West Julian Street
San Jose, CA 95110-2335

o llamando gratuitamente al 1-800-952-5253. Si usted es una persona sorda y usa un aparato de telecomunicaciones para las personas sordas (TDD), llame al 1-800-952-8349. Cuando pida una audiencia con el Estado, tendrá que decirnos por qué cree que cometimos un error. Puede representarse a sí mismo en la audiencia o lo puede representar un amigo, abogado u otra persona, pero usted tiene que pedirles a esas personas que le ayuden. Puede pedir asistencia legal gratuita en una oficina de asesoramiento legal (*legal aid office*) en el área donde usted vive.