



Questions & Answers on the Final Rule on Noncitizen, Eligibility and Certification Provisions of PRWORA - Second Section

This section of Qs&As covers the Application form, Filing the Application Form, Interviews, Verification, Request For Contact and Shortening Certification Periods, Drug/Alcohol Treatment Programs, Transitional Benefits, Recertification, Aliens, Self-Employment, Shelter Expenses, and Extending Certification Periods.

Section G The Application Form

Question G-1

Suppose a state agency uses a multi-program application form and a household only wants to apply for food stamps. How would a household know which questions to answer?

Answer G-1

It is up to the state agency to indicate clearly which questions are necessary for the Food Stamp Program.

Section H Filing the Application Form

Question H-1

7 CFR 273.2(c)(2)(i) requires the state agency to tell an applicant that receiving food stamps has no bearing on another program's time limits. Is there a particular way that the state agency must inform the household?

Answer H-1

It is up to the state agency to decide.

Question H-2

Must a state print out the entire computerized application for applicants to review prior to their signing the form? Or can a state produce a shorter version for the applicant, containing only certain information and a space for the signature?

Answer H-2

It is up to the state agency to decide. However, the regulations (please see 7 CFR 273.2(c)(1)) require the state agency to give the household:

- The "opportunity to review the information that has been recorded electronically", and
- A "copy of that information for their records".

Section I - Interviews

For guidance about interviews as part of recertification, please also see the questions in section N.

Question I-1

Can the state agency combine the notice of missed interview (NOMI) with a notice of denial?

Answer I-1

Only at recertification.

Question I-2

Can the local office say that a client's house is not an acceptable place for the interview?

Answer I-2

Yes.

Question I-3

What happens if the local office and the household cannot agree on a place for the interview?

Answer I-3

Then the interview must take place at the food stamp office (please see 7 CFR 273.2(e)(1)).

Question I-4

Suppose a face-to-face interview is required.

What if the local office says we will only have meetings in this one place and the household refuses, then what do we do if a location outside the office can't be found that is acceptable to both?

Answer I-4

The household must attend the interview in the local office.

Question I-5

What constitutes a mass call-in (7 CFR 273.2(e)(1))?

Answer I-5

A mass call-in is a demand that households attend interviews because the households share particular demographic or group characteristics. Please note that the phrase *report en masse* appears in an example of a prohibited activity in the preamble on page 70151, in the middle column.

Question I-6

What does that mean for Project Recall?

Answer I-6

Project Recall cannot **require** in-office interviews. The state agency may **ask** the clients to attend interviews in food stamp offices. The state agency may call clients on the telephone.

Question I-7

Is a household still allowed to call in any changes that have occurred?

Answer I-7

Yes.

Question I-8

Some local offices schedule two interviews in advance. If a household misses its first interview, must the state agency send a notice of missed interview?

Answer I-8

Yes, once the requirement to send this notice goes into effect. The basic purpose of the notice is to remind the household of its responsibilities. Such a reminder is appropriate whether a second interview has already been scheduled or not. However, 7 CFR 273.2(e)(3) says that the reminder notice must state "that the household is responsible for rescheduling a

missed interview". For such a local office, a waiver of this provision may be advisable, since the rescheduling has already taken place.

Question I-9

273.2(e)(2) states, in part: "The State agency must notify the applicant that it will waive the face-to-face interview required in paragraph (e)(1) of this section in favor of a telephone interview on a case-by-case basis because of household hardship situations as determined by the State agency." Does this notice have to be on the application? Could the state agency just tell the household, explain it through an informational video, put it on a poster, or publish it in a brochure?

Answer I-9

It is up to the state agency to decide. However, the applicant must be informed, so a message that is only on a poster may not inform all applicants.

Question I-10

Until this final rule, a state agency was required to schedule a second interview when the household failed to attend its first scheduled interview. Some state agencies had waivers that allowed them to deny an application immediately when a household missed its second appointment.

Now that the second appointment is not mandatory, would FNS approve a waiver letting a state agency deny an application immediately when a household misses its first appointment for an interview?

Answer I-10

Until 7 CFR 273.2(e)(3), the notice of missed interview, goes into effect, a state agency is still required to schedule a second interview. FNS is extending waivers that allow an immediate denial after the **second** missed interview.

When the requirement for a notice of missed interview becomes effective, we shall not approve a waiver that allows a state agency to deny an application immediately after the household misses its **first** interview.

Question I-11

May a local office arrange for interviews on a first come, first served basis?

Answer I-11

No, once 7 CFR 273.2(e) goes into effect. In the meantime, FNS strongly discourages state agencies from engaging in this practice. There is a discussion of this issue in the preamble on page 70152, in the left-hand column.

Question I-12

May a local office give a household the option of having a scheduled interview or a first come first served interview?

Answer I-12

Yes, as long as the household can be certain of having an interview on a particular day.

Question I-13

May the State agency schedule an interview for a specific day, but not for a specific time of the day?

Answer I-13

A state agency should use normal business practices that provide a basic level of customer service. As the preamble states, FNS's intent in writing this regulation was to ensure that "the State agency schedule a specific date and time for an interview for every applicant household" (please see page 70152, the left-hand column).

Question I-14

A local office may want to set a limit on the number of people who will be seen in the office per day. May a local office use such quotas each day?

Answer I-14

The state agency may only be able to interview a limited number of people on each day, but it must schedule an interview on another day for people who have not been interviewed that day.

Question I-15

A state agency has a waiver not to schedule a second interview. Instead, the scheduling notice, the Notice of Expiration, and the application form all tell the household that it is the household's responsibility to reschedule a missed interview.

Once the regulation about the Notice of Missed Interview (NOMI) goes into effect, will the state agency have to send a NOMI even though they provide participants with written notification before the first interview?

Answer I-15

Yes. One of the NOMI's functions is to tell the household that they have, in fact, missed a required interview.

Question I-16

For the state that is described in Question I-16, once the regulation about the NOMI goes into effect, will the waiver become obsolete?

Answer I-16

The waiver not to schedule a second interview will become obsolete.

Section J Verification

Question J-1

If a household has signed a release of information, why can't it be disclosed that the individual is applying for or receiving food stamps?

Answer J-1

The regulations say that the state agency **should not** disclose this information. It may disclose information when it is necessary to do so. The intent is to minimize the disclosure of information.

Section K Request For Contact and Shortening Certification Periods

Please note that at this time, the requirement to send a Request for Contact (RFC) is not yet effective. However, the prohibition against using a Notice of Expiration (NOE) to shorten a certification period is in effect and must be implemented by June 1, 2001.

Question K-1

If an RFC was provided, and the household did not respond, can the benefits be suspended for the following month (following 10-day adverse action time frame) if the current month was already suspended? 273.12(c)(2)(ii) allows a case to be suspended for one month only how does this rule fit?

Answer K-1

Yes, the state agency may suspend the household's participation. 273.12(c)(2)(ii) limits suspension to one month for a particular reason temporary ineligibility. Suspending a household after sending a Request for Contact would be a suspension for a different reason, and is therefore permissible.

Question K-2

Why can't the 10-day adverse action time frame be given with the RFC notice so that two separate notices do not have to be sent? Example: A request for contact could be sent 02-10 asking for information about a new household member and state in the notice that if the information is not provided within 10 days, the March 01 benefits will be terminated or suspended. In this instance, the household would have their 10 days to submit and a 10-day adverse action time frame.

Answer K-2

It is in the state agency's and household's interest to avoid an unnecessary termination. The RFC allows the state agency to approach the household for necessary information without sending a formal adverse notice (please see the preamble on

page 70158, in the right-hand column).

On the other hand, a state agency sends a notice of adverse action for cause. That is, the state agency knows that the household is entitled to lower benefits or that the household has refused or failed to cooperate.

Question K-3

If the state agency follows 273.12(c)(3)(ii) and terminates the case, only reapplication will result in benefits being granted, correct? In other words, the state is not required to reinstate benefits after termination if the household complies with the request. Example: RFC sent 01-05 asking for wage information; it is not received by 01-20 so the February benefits are terminated. If the wage information is received 01-30, termination continues unless the household makes reapplication, correct?

Answer K-3

Not necessarily. There are at least two circumstances when benefits would continue:

- The state agency just cancels the termination.
- The household requests continued benefits.

The state agency may also follow the procedure in 273.12(c)(3)(iii), which provides for suspension for a month rather than termination.

Question K-4

It appears 273.12(c)(3)(ii) and (iii) conflict. (ii) states benefits **must be terminated** following 10-day adverse action notice if the household does not respond or refuses to provide the information and (iii) states the state **may suspend** the household for 1 month following 10-day adverse action notice requirements.

Answer K-4

There are two options when a household fails to respond to the RFC in a satisfactory manner. Assuming that the household never provides the necessary information, the two ways are:

- Request for Contact Termination [(c)(3)(ii)].
- Request for Contact Suspension Termination [(c)(3)(iii)].

Question K-5

In 273.12(f) it states that in a situation that requires a reduction or termination of TANF the state agency must issue a request for contact. What if the information used to reduce or terminate TANF is sufficient to reduce or terminate food stamps can the state agency act on the information available if it is sufficient and forego the RFC?

Answer K-5

Yes. According to 7 CFR 273.12(f)(3)(I)(A), the RFC only comes into play when the state agency does not have sufficient information to determine eligibility and benefit level for food stamps.

Question K-6

The final rule requires state agencies to implement 7 CFR 273.12(f)(3)(ii)(A) by January 20, 2001. However, this provision refers to implementing it in accordance with 7 CFR 273.12(c)(3)(i), which is not yet effective.

How can a state agency implement 273.12(f)(3)(ii)(A) before the effective date for 273.12(c)(3)(i)?

Answer K-6

State agencies must implement 7 CFR 273.12(f)(3)(ii)(A) by June 1, 2001 for all newly applying households.

Until the requirement for the Request for Contact becomes effective, the state agency must develop a procedure for getting information. Some possible options are:

- Send a document to a household that explains what information is needed.
- Call a household and try to clarify confusing information.

The state agency must stop using a Notice of Expiration by June 1, 2001.

Question K-7

Can the state agency shorten a 24-month certification period when:

- A household's circumstances change, and
- It is no longer eligible for such a long certification period?

For example, suppose a household, with two elderly members, correctly received a 24-month certification period. Then, a non-elderly, non-disabled adult joins the household. Such a household is not entitled to a certification period longer than 12 months. May the state agency shorten the certification period?

Answer K-7

Yes.

The Food Stamp Act (at Section 3(c)) precludes certification periods of longer than twelve months for households like this one. The regulations cannot supersede the Act.

Two ways that the state agency could do this are:

- Terminate the household's participation immediately and recertify the household, or
- Terminate the household's participation at the twelfth month and recertify the household at that time.

If the state agency shortens the certification period, it must send the household a notice of adverse action.

Question K-8

Suppose the local office has lost contact with the household. Perhaps the post office returned mail. What should the local office do?

Answer K-8

Until 7 CFR 273.12(c)(3), the Request for Contact, becomes effective, the state agency must issue an advance or adequate notice of adverse action and terminate the household's participation. However, before doing so, it would be prudent to try to locate the household in another way, since the notice will probably never reach the household.

When 7 CFR 273.12(c)(3) becomes effective, the state agency will have to issue a request for contact and then issue a notice before terminating the household's participation. But again, another attempt, such as a telephone call, would be prudent.

Either way, the state agency has the option of sending an adequate, rather than an advance, notice (please see 7 CFR 273.13(c)).

Question K-9

Is it okay for the local office to call the household if they cannot reach the household in any other way?

Answer K-9

Yes.

Question K-10

Once the RFC procedure goes into effect will it be okay for the local office to call the household before issuing a written Request for Contact?

Answer K-10

Yes. However, if the state agency cannot contact the household by telephone, it must then send a Request for Contact. The state agency must not simply terminate the household's participation.

Section L Drug / Alcohol Treatment Programs

Question L-1

This refers to 7 CFR 273.11(e)(4). This provision lets a state agency issue semi-monthly allotments to households in drug addict and alcoholic treatment centers.

Suppose the state agency learns of a change in circumstances, but cannot change the first of the semi-monthly allotments. What is the policy about changing the second semi-monthly allotment?

Answer L-1

The state agency must not change the second issuance. The state agency would issue a notice that would affect the whole allotment for a subsequent month.

Section M Transitional Benefits

Question M-1

7 CFR 273.12(f)(4)(i) permits the state agency to "freeze for up to 3 months the household's benefit amount at the level the household received when it was receiving TANF." However, the regulation goes on to say: "If the household is losing income as a result of leaving TANF, the State agency must adjust the food stamp benefit amount before initiating the transition period."

Exactly when does one adjust and not adjust before freezing the benefit?

Answer M-1

If enough information is available, the state agency must calculate an allotment for the transitional period and compare it to the last allotment that was received while the household was receiving TANF.

- If the new benefit would be higher than the old benefit, freeze the transitional benefit at the new level (that is, adjust the benefit).
- If the new benefit would be lower than the old benefit, freeze the transitional benefit at the old level (that is, do not adjust the benefit).

If there is not enough information on hand to calculate the new benefit, the state agency must freeze the transitional benefit at the old level (that is, do not adjust the benefit).

This answer presumes that the household's last allotment while receiving TANF was a correct allotment. For the treatment of incorrect allotments, please see question M-3.

Question M-2

Suppose a household leaves TANF at the same time that its food stamp certification period expires. Can the state agency give the household transitional benefits for the first three months of its new certification period?

Answer M-2

No. The transitional benefit is really just a delay in putting adverse changes into effect during a certification period. There is no authority to certify a household using outdated information. However, the state agency could extend the expiring certification period up to the household's limit of 12 or 24 months.

Question M-3

Suppose the state agency discovers that the transitional benefit would be incorrect. Can the state agency correct the household's benefit, even if that means reducing it?

Answer M-3

Yes.

Question M-4

Suppose the state agency extends the certification period for a Monthly Reporting / Retrospective Budgeting household. Would the state agency still send out the monthly reports and then ignore the information during the extension period?

Answer M-4

No. A household that receives transitional benefits is not required to submit monthly reports, according to 7 CFR 273.12(f)(4)(ii).

Question M-5

In the case of a missing or incomplete monthly report during the transitional period, what actions do we take?

Answer M-5

No action, because the household is not required to submit a monthly report.

Question M-6

Must the state agency act on reported changes once the transitional period ends?

Answer M-6

Yes. According to 7 CFR 273.12(f)(4)(iii), the transitional period is really just a delay in processing reductions in allotments. So when the transitional period ends, the state agency must put the reductions into place.

Section N Recertification

Question N-1

A household files a re-application before the end of its current certification period. The household then fails to take a required action. According to 7 CFR 273.14(e)(2), the state agency may deny the application:

- At that time,
- At the end of the certification period, or
- 30 days after the end of the certification period.

It appears that the state agency can opt to implement one of these three choices. Is this correct?

Answer N1

Yes.

Question N-2

Given the situation in Question N-1, suppose the state agency chooses to deny the re-application 30 days after the end of the certification period and the client cooperates within those 30 days. In order to process the household's eligibility, can the state agency use the previously filed re-application or must the household file a new application?

Answer N-2

Use the previously filed re-application form.

Question N-3

Suppose a household's certification period expires and the household then applies sometime in the next 30 days. According to 7 CFR 273.14(e)(3) this is a re-application. Must the household file an initial application form or a re-application form?

Answer N-3

A re-application form.

Question N-4

A state agency sends a Notice of Expiration, a blank re-application form, and the date and time of a scheduled appointment. ***The household never contacts the state agency.*** Must the state agency send a Notice of Missed Interview?

Answer N-4

No. The household has not re-applied, so it is not entitled to a Notice of Missed Interview.

Question N-5

This question is similar to, but not identical to, question N-4. A state agency sends a Notice of Expiration, a blank re-application form, and the date and time of a scheduled appointment. ***The household mails the re-application form back,*** but does not attend the interview. Must the state agency send a Notice of Missed Interview?

Answer N-5

Yes. This household has applied, so it is entitled to a Notice of Missed Interview. The state agency may combine this with a Notice of Denial.

Question N-6

This question concerns delayed processing when it is the state agency's fault. Why would we prorate and then restore benefits back to the first day of the month? Would it not be easier just to provide benefits back to the first day of the new certification period? If not, would this be a supplement for the current month?

Answer N-6

The Food Stamp Act requires proration. Section 8(c)(1) states:

- The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued, except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10.

However, a state agency may restore the lost benefits simultaneously with the household's normal allotment.

Question N-7

Why are states required to send a notice of missed interview to households who have failed to make their recertification interview?

Answer N-7

The Notice of Missed Interview (NOMI) tells a household that it has not followed through with its re-application and that it may still do so. The intent was to make sure that households do not drop off the Program because they failed to understand a procedural requirement.

If a household did not reapply, the state agency is under no obligation to send it a NOMI.

Please also see question N-4.

Question N8

The regulations require a face-to-face interview at least once a year. Can the state agency require face-to-face interviews more frequently?

Answer N-8

Yes. But 7 CFR 273.10(e)(1) precludes the state agency from requiring a household to attend an interview at the food stamp office except at certification and recertification.

Question N-9

What is considered an interview? For example, if the household comes into the local office, is that an interview?

Answer N-9

This recent final rule has not changed the meaning or purpose of an interview. The interview is an oral discussion of the information that an application requires (please see 7 CFR 273.2(e)(1)).

Question N-10

In deciding when to require an interview at recertification, may the state agency decide on a household-by-household basis.

Answer N-10

No. The State agency must establish categories and procedures that will be applied consistently to ensure fair and non-discriminatory treatment of program applicants and participants.

Question N-11

There used to be a requirement that state agencies include on their re-application forms certain statements, including descriptions of penalties and clients' rights and responsibilities. Is it correct to say that none of these statements must be on the re-application form now?

Answer N-11

No, re-application forms are fundamentally application forms and must contain the statements that are described at 7 CFR 273.2(b)(1).

Section O Aliens

Please note that at this time, the provision regarding indigent aliens, at 7 CFR 273.4(c)(3)(iv), is not yet effective.

Question O-1

Under long-standing policy, a state agency will determine household members ineligible if they do not:

- Disclose their citizenship
- Establish satisfactory immigration status
- Provide their Social Security Numbers, or
- Apply for Social Security Numbers.

What information can the state agency require these non-applicants to provide?

Answer O-1

Non-applicant household members are still required to answer questions that affect the eligibility of the applicant household members, such as information on income, resources, striker status, and intentional program violations (IPV's).

Question O-2

The rules state the sponsor's (and spouse's) income will be deemed at application and recertification. The amount of deemed income depends in part on the sponsor's income and the number of dependents that the sponsor claims for Federal income tax purposes.

What happens if the sponsor's income is reduced or the number of dependents increases during the certification period? The rules only discuss change or loss of employment or death (7 CFR 273.4(c)(4)). They do not discuss changes in amounts of employment or the sponsor's household composition changes.

Answer O-2

The Household's Requirement to Report Changes

7 CFR 273.4(c)(4) requires a sponsored alien is only required to report a change in the deemed income when the sponsor (or sponsor's spouse):

- Changes employment,
- Loses employment, or
- Dies.

The State Agency's Requirement to Act on Changes

The state agency must act on all reported changes in accordance with the household's budgeting and reporting systems.

Question O-3

What is a non-citizen national? This term appears at 7 CFR 273.4(a)(2) and 273.2(f)(2).

Answer O-3

A non-citizen national is a person born in an outlying possession of the United States (American Samoa or Swain's Island) on or after the date the U.S. acquired the possession, or a person whose parents are U.S. noncitizen nationals (subject to certain residency requirements).

Question O-4

7 CFR 273.4(a)(5)(ii) refers to having 40 qualifying quarters of work. Suppose a household earned qualifying quarters, but simultaneously received benefits from a federal means-tested program. Does this mean that the quarters do not apply in determining eligibility for food stamps?

Answer O-4

Yes, when the program was a federal means-tested public benefit. Examples of federal programs that distribute means-tested benefits are:

- Food Stamps
- Medicaid
- State Child Health Insurance (SCHIP)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Food Assistance Programs in Puerto Rico, American Samoa, and the Northern Marianas (CNMI).

Question O-5

What is the importance of indigence in a sponsored alien?

Answer O-5

If a sponsored alien is indigent, the ordinary rules on deeming the sponsor's income and resources (7 CFR 273.4(c)(2)) do not apply. Please see 7 CFR 273.4(c)(3)(iv) and the preamble on page 70168, right column.

Question O-6

A sponsor is an individual who executed an affidavit of support. Does this mean that individuals who were sponsored before PRWORA no longer have income deemed from sponsors?

Answer O-6

The November 21, 2000 rule applies only to sponsored aliens for whom the sponsor has executed INS Forms I-864 or I-864A. There should be few if any sponsored aliens who entered under the old affidavit of support. The old affidavit was last used on December 18, 1997.

Question O-7

State agencies have the option of allowing clients to declare themselves to be non-applicants. According to 7 CFR 273.11 (c)(2) and (3), the state agency can treat the non-applicant's income differently, depending upon whether the non-applicant:

- Refuses to provide or apply for a Social Security Number (prorate the income), or
- Is unwilling or unable to provide documentation of alien status (prorate or count entirely, at the state agency's discretion).

When clients simply declare themselves to be non-applicants, which must the state agency do?

Answer O-7

Prorate the income, because the state agency has not determined whether the person is an alien or not.

Section P Self-Employment

Question P-1

How will payments for capital assets and real estate be determined when IRS income tax forms are used for the self-employment income budgeting calculation?

Answer P-1

It would be the state agency's responsibility to request, and the household's responsibility to provide information about these payments.

Question P-2

When she applies, a farmer reports that last year she purchased:

- A tractor for \$20,000
- A breeding bull for \$8,000
- A plow for \$5000

Her payments could be as high as \$33,000 or as low as the minimum the lending agent allows, depending on payments he actually made. How much would the state agency exclude as a cost of doing business?

Answer P-2

Whatever the household expects to pay during the upcoming year.

Question P-3

The same basic circumstances as Question P-4.

What if the farmer is still making payments on equipment he purchased in the last ten years? Do we have to get amounts and prices of those payments? Additionally determining the payments could be very complex farmers usually get an

operating loan each year based on the amount owed from last year and this year's anticipated amount. The loan could have money for seed purchases, livestock for resale, along with capital asset purchases.

Answer P-3

The state agency would need to get the household's payments for equipment unless:

- The state agency chooses to use the standard cost of doing business for its TANF Program (please see 7 CFR 273.11(a)(3)(iv), or
- The state agency has an approved simplified method for calculating the cost of doing business (please see 7 CFR 273.11(a)(3)(v)). FNS would consider approving a simplified method that would treat the repayment of an operating loan as a cost of doing business.

Question P-4

Suppose a farmer submitted income tax forms for 2000 for his allotment calculation. The farmer then reports in March, 2001, that he paid \$50,000 for a tractor. Must a state agency consider that a substantial change and re-budget the household's self-employment income?

Answer P-4

Yes.

Question P-5

Suppose a food stamp household operates a day care center and receives payments from the Child and Adult Care Food Program. Is the CACFP payment, for the household's own children, excluded income?

Answer P-5

No. The payment is non-excluded (or countable) income, from which the state agency would exclude the cost of doing business (please see 7 CFR 273.11(b)(3) and (b)(3)(I)).

Section Q Shelter Expenses

Question Q-1

There seems to be a conflict between the preamble and the regulations.

On page 70175, in the left column, the last paragraph states:

- Recipients of LIHEA are entitled to the HCSUA only if they incur expenses that exceed the LIHEA payments...

However, 7 CFR 273.9(d)(6)(iii)(C) reads:

- Households that receive direct or indirect energy assistance that is excluded from income consideration (other than that provided under the LIHEA) are entitled to a standard that includes heating or cooling only if the amount of the expense exceeds the amount of the assistance.

Which policy should the state agencies follow?

Answer Q-1

A household that receives a LIHEA payment is automatically entitled to an HCSUA, if the state agency has one. There has been no change in policy.

The wording on page 70175, left column, the last paragraph, refers to the Food Stamp Act. However, the LIHEA Act **controls**, or **supersedes** the Food Stamp Act. And the LIHEA Act requires that the LIHEA payments "be considered to be expended by the household for heating or cooling expenses".

Question Q-2

7 CFR 273.9(d)(6)(iii)(E) requires that a mandatory SUA "not result in increased program costs". How does a state agency

prove that the cost of its SUA is neutral?

Answer Q-2

There is no particular method that a state agency must use.

One acceptable method is:

- A Determine the overall cost of the new standard by multiplying the new standard by the anticipated SUA caseload.
- B Determine the cost of the current system by adding together:
 - The product of the old standard and the SUA caseload, and
 - The actual expenses of the non-SUA caseload.
- C Comparing A to B and finding that A is no more than B.

If the new mandatory SUA were the same as the old optional SUA, there would be a savings. This is because the households that used to use actual utility expenses would now be deducting the lower SUA. Because of this savings, the state agency could increase the SUA and still make it cost-neutral.

Question Q-3

If a household's only utility bill is for heating or cooling, must the state agency allow the HCSUA?

Answer Q-3

Generally, yes, if the state agency uses an HCSUA. However, there are exceptions for some residents of public housing and some residents of states with minimal cooling costs.

Question Q-4

Policy Memorandum 03-97-04 permitted a state agency to have an SUA that includes heating (but not cooling) costs, and another SUA without heating costs. A household with cooling, but not heating costs would use the non-heating SUA.

Does the new regulation supersede the policy in 03-97-04?

Answer Q-4

Yes.

A state with minimal cooling costs may include the cost of cooling in the electricity component. So in such a state, a household with cooling but not heating would use the Limited Utility Allowance (LUA), according to 7CFR 273.9(d)(6)(iii) (A).

Question Q-5

The new \$340 shelter cap goes into effect for households whose certification period begins on or after March 1st. Suppose a certification period were going to expire February 28th, but the state agency extended the certification period. Would the extension entitle the household to the new shelter cap?

Answer Q-5

No. Section 846 of the legislation that included the Hunger Relief Act (Public Law 106-387) mandated an increase in the excess shelter cap. That section made the increase effective on March 1, 2001. However, the law went on to say:

- The amendment made by this section shall not apply with respect to certification periods beginning before March 1, 2001.

Since the example's extended certification period began before March 1, 2001, the household would not be entitled to the new shelter cap.

Question R-1

Can a worker decide in the fourth month of a six-month certification period to extend the certification period up to 12 months because the worker is anticipating a heavy work load?

Answer R-1

Yes. However, the state agency may want to monitor this situation closely to avoid an even heavier workload when the extended certification periods expire.