

Department of
Agriculture

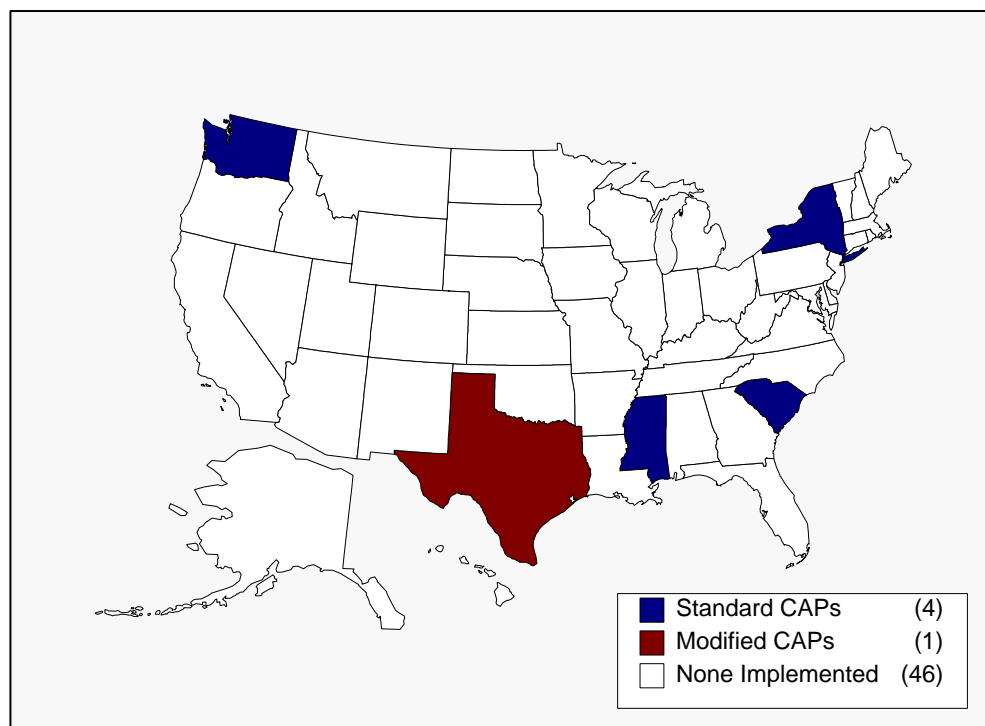
Food and Nutrition
Service

Food Stamp Program



**A Government Partnership to Increase Food Stamp Program
Participation among the Elderly and Disabled**

Combined Application Projects Guidance for States Developing Projects



June 2004

USDA IS AN EQUAL OPPORTUNITY EMPLOYER AND PROVIDER



INTRODUCTION

Low-income seniors are among the most at-risk of food insecurity because they often live alone, have health problems, and are less mobile. For these individuals, the Food Stamp Program can serve as a primary source of nutrition assistance to improve their health and increase their independence. Historically, however, this population has underutilized the program despite more lenient eligibility rules and outreach efforts specifically targeted to them. In 2001, the most recent year for which participation rates are available, only 28 percent of seniors eligible for food stamps participated in the program compared to 60 percent of all eligible people.

One method of improving access to food benefits for persons with special needs is through Combined Application Projects (CAPs). These demonstration projects are a creative partnership among the Social Security Administration (SSA), State agencies and the Food and Nutrition Service (FNS) to simplify the food stamp application process for recipients of Supplemental Security Income (SSI) who live alone.

Since 1997, Federal law has required that applicants for or recipients of SSI must be given the opportunity to file a food stamp application at the SSA office when applying for SSI. This joint application process has not always worked as seamlessly as originally intended. Social Security workers may not have enough information to complete a food stamp application because of differences between the requirements of the two programs or workers may postpone getting information while waiting for disability determinations. Oftentimes, workers at the food stamp office must make additional contacts with the household to finish the application form which defeats the purpose of joint filing.

CAPs make it easier for SSI recipients to receive food stamps. Under the CAP demonstration, one-person SSI households can file a shortened food stamp application form consisting of a few questions without having a face-to-face interview at the food stamp office. Benefit amounts are either standardized or calculated automatically using one of two standard shelter expenses. Data collected from the SSA interview are electronically transferred to the food stamp office.

Today, five State agencies are operating CAP demonstrations. The South Carolina Combined Application Project (SCCAP), the first of the CAPs, was implemented in 1995 and is still ongoing. The SCCAP demonstration has proven very successful in increasing food stamp participation among SSI recipients. The rate of food stamp participation for this group in South Carolina increased from 38 percent in 1994 to 50 percent in 1998, while the national rate of participation decreased from 42 percent to 38 percent during the same period. SCCAP outreach efforts enrolled over 8,500 new food stamp cases.

In 2001, FNS and SSA expanded the CAP demonstration to Mississippi (MSCAP), and Washington State (WASHCAP). In 2003, New York implemented its CAP known as the New York State Nutrition Improvement Project or NYSNIP. Texas implemented a variation of the project in 2002 known as the Simplified Nutritional Assistance Program (SNAP) that does not involve application processing by SSA. Instead, Texas uses automated information provided by SSA to identify SSI recipients who are not already receiving food stamps. These individuals are sent a one-page food stamp application. If they choose to participate, the individuals complete the form and return it to the food stamp office.

Currently, FNS and SSA are working to expand the South Carolina-model (referred to as the “standard” CAP) to three additional States – Florida, Massachusetts and Pennsylvania. Because this type of CAP requires significant coordination with SSA offices, FNS is limited in the number of projects it can approve. FNS is, however, in the process of expanding the Texas-model (known as the “modified” CAP) to as many States that have expressed an interest in implementing the projects. States that have not already submitted a request for a modified CAP may still do so by contacting their Regional offices. FNS has limited capacity so interested States will be taken in turn.

WHAT THIS GUIDANCE CONTAINS

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SECTION 1 – STATUS REPORT AND
SUMMARY OF PROJECTS



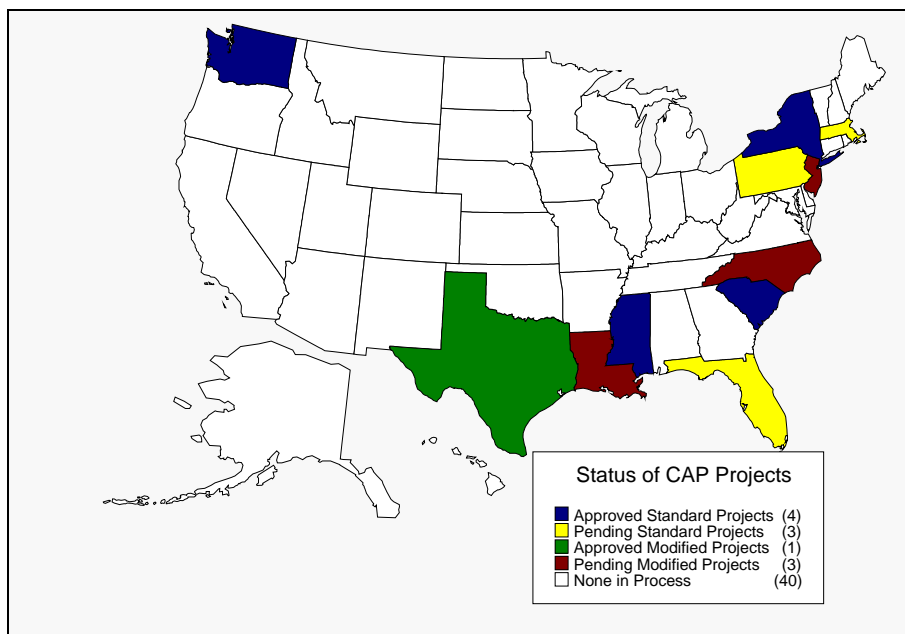
FOOD STAMP PROGRAM

THE NUTRITION SAFETY NET

Combined Application Projects Status Report – June 2004

Combined Application Projects (CAP) are a Government partnership among States, the Food and Nutrition Service and the Social Security Administration (SSA) to test streamlined procedures for providing food stamp benefits to elderly and disabled individuals. Benefits are processed for recipients of Supplemental Security Income (SSI) using increased automation, simplified calculation of allotments and by eliminating the need for face-to face interviews with Food Stamp Program staff. Two types of projects are in operation. The “**standard**” model includes simplified joint application processing by SSA as individuals apply for or are recertified for SSI. The “**modified**” model does not require coordination with SSA. Both models use information already provided to the State via the automated State Data Exchange system to identify and enroll SSI individuals using a streamlined application process.

Standard Projects		Modified Projects	
Approved Plans - 4	Pending Plans - 3	Approved Plans - 1	Pending Plans - 3
Mississippi New York South Carolina Washington State	Florida Massachusetts Pennsylvania	Texas	Louisiana New Jersey North Carolina



SUMMARY OF COMBINED APPLICATION PROJECTS

UPDATED January 2004

Combined Application Project (CAP) demonstrations are a joint FNS-SSA partnership that tests streamline procedures for providing food stamp benefits to one-person households eligible for both food stamps and Supplemental Security Income (SSI).

Effective January 2004, the maximum Federal SSI payment for individuals living alone or living with others and paying a prorated share of housing and food costs is \$564 per month. Some States supplement the Federal payment.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2004)
South Carolina (SCCAP)	October 1995 extended through September 2006	18,176 (03/04)	<p>Open only to eligible one-person households with no earned income. To identify these households, the project relies on living arrangement coded by SSI as "A" (i.e., individuals living alone or living with others but paying a fare share of food and housing costs.)</p> <p>Opt out – Household may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed \$35; or 2) its shelter costs exceed \$301/month.</p> <p>Certification Periods – two years.</p>	<p>Four standard benefits amount for all participants. Households with SSI only and those with SSI and other unearned income each have two levels depending on whether they have high shelter costs or low shelter costs.</p> <p>SSI only – households with monthly shelter costs at or above \$215 per month receive \$37; households with shelter costs below \$215 receive \$12.</p> <p>SSI and other unearned income – households with monthly shelter costs at or above \$215 receive \$28; households with shelter costs below \$215 receive \$10.</p>
Mississippi (MSCAP)	October 2001 through September 2006	19,069 (03/04)	<p>Essentially the same as SCCAP</p> <p>Opt out – Household may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed \$35; or 2) its actual shelter costs (housing + utilities) are \$330/month or above.</p> <p>Certification Periods – three years.</p>	<p>4 Standardized Benefit Amounts:</p> <p>SSI only – households with combined monthly shelter costs at or above \$205 per month receive \$42; households with shelter costs below \$205 receive \$12.</p> <p>SSI/SSA – households with combined monthly shelter costs at or above \$205 receive \$33; households with shelter costs below \$205 receive \$10.</p>
Washington (WASHCAP)	December 2001 through November 2006	36,850 (03/04)	<p>More automated than SCCAP. SSA information directly downloaded into State computer system and benefits automatically generated. In SCCAP, State must manually create food stamp case based on downloaded SSA data. No flat SSI benefit, but will consider actual SSI income (which may vary because of recoupment) and unearned income. Therefore, no standard benefit.</p> <p>Open to one-person SSI households with no earned income. Unlike other projects, once a household is participating in WASHCAP, the household can have earned income for up to 3 consecutive months. If</p>	<p>No standardized benefit amounts. Benefits determined using actual income from SDX, current standard deduction, standardized shelter amount, and the SUA.</p> <p>Income: Actual SSI income and any other unearned income reported to SSA. Information downloaded daily from SDX.</p> <p>Standard: All households receive the current standard deduction.</p> <p>Standardized shelter: Households receive one of</p>

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts (Effective January 2004)
			<p>employment last longer, the household is terminated from the project.</p> <p>Opt out – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed \$35; 2) its shelter costs exceed \$514/month; or 3) it would receive more benefits under the regular FSP.</p> <p>Certification Periods – two years.</p>	<p>two standardized shelter amounts --</p> <p>High shelter-\$312 -- households with monthly shelter expenses (excluding utilities) greater than or equal to \$302 receive a standard shelter expense of \$312; or</p> <p>Low Shelter-\$150 -- households with monthly shelter expenses (excluding utilities) less than \$302 receive a standard shelter expense of \$150 for housing.</p> <p>SUA – All households receive the SUA of \$287.</p> <p>Excess Shelter Deduction -- The standard shelter and SUA are subtracted from ½ half of countable income. Households receive the excess deduction.</p>
<p>New York</p> <p>(NYSNIP)—New York State Nutrition Improvement Project</p>	<p>Approved 3/26/03 through September 2008</p> <p>State began converting existing households in NYC in July 2003 for August 2003 benefits. Will begin mass conversion for households not receiving food stamps in 6/04. Target implementation for new SSI recipients via SSA is 08/04</p>	<p>121,000 (04/04)</p>	<p>More complicated than the other projects as it has 30 standardized benefit amounts – 10 levels in each of 3 different project areas.</p> <p>Limited to SSI households who live alone, but unlike other projects they can have earned income. NY’s coding system to identify individuals living alone is more refined than in other projects and is able to eliminate SSI shared living situations.</p> <p>Food stamp cases would be automatically opened for all eligible SSI clients. SSI recipients would be notified by mail of their eligibility for food stamps and sent an electronic benefit transfer (EBT) card. A client’s use of the EBT card to access food stamp benefits would constitute an electronic signature acknowledging his or her understanding of and agreement to the Food Stamp Program’s rights and responsibilities. Under SCCAP and WASHCAP, clients are informed of the projects at the time of their SSI interview, and are required to sign a statement in which they agree to participate in the project before a food stamp case is opened.</p> <p>Opt out – Households may opt out of the project and participate in the regular FSP if: 1) its unreimbursed monthly medical expenses exceed \$35; or 2) its shelter costs exceed \$300/month.</p> <p>Certification Periods – four years with interim contact at the end of two years.</p>	<p>30 standardized benefit amounts – 10 levels in each of 3 different project areas. Benefits range from \$16 to \$141.</p>

MODIFIED PROJECTS

The following projects are outreach projects only – the State uses information from SSA to identify SSI households who are not already receiving food stamps. These individuals are sent simplified food stamp application forms.

State	Implementation and ending date	Number of Households Participating	General Requirements	Benefit Amounts
<p>Texas (SNAP) – Simplified Nutritional Assistance Program</p>	<p>September 2002 through October 2008</p>	<p>64,000 (4/04)</p>	<p>State uses SSA information to identify eligible SSI recipients in either code “A” or code “B” living arrangement. These individuals are sent a simplified FSP application form that they must return.</p> <p>Limited to SSI recipients over 65 who are not currently receiving food stamps. Participants may have other income (either earned or unearned) in addition to SSI.</p> <p>Married couples can participate but are treated as separate households.</p> <p>Individuals currently receiving food stamps are not eligible for SNAP. Therefore, there is no conversion of current participants to SNAP (unlike SCCAP and other CAP projects).</p> <p>Participating households are instructed to report shelter changes to the State. The State is required to act on all changes that move the household from one shelter expense to the other.</p> <p>Households can opt out at any time and participate in the regular FSP.</p> <p>Certification Periods -- 3 years or until the end of the project’s termination, whichever is earlier.</p>	<p>2 Standardized Benefit Amounts</p> <p>Households with total shelter costs at or above \$289 receive \$46 per month.</p> <p>Households with total shelter costs below \$289 receive \$35 per month.</p>

SECTION 2 – WAIVER CHECKLIST



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COMBINED APPLICATION PROJECTS CHECKLIST OF PROPOSAL REQUIREMENTS

1) Complete List of Waivers—(Including the following)

- 273.1(a)—household definition
- 273.2(b)—application requirements
- 273.2(c)—filing of an application (general description; application form; rights and responsibilities; opt-out procedures; date of application; expedited service; and conversion of households participating in the regular FSP)
- 273.2(e)—interviews
- 273.2(f)—verification
- 273.9(d), 273.10(d), 273.10(e)—deductions and benefit calculations
- 273.2(k), 273.10(a) and (f), 273.14 – certification periods
- 273.12—change reporting requirements

2) Detailed Operating Procedures

- How will eligible cases be identified?
- Will cases be included that have more than SSI as income?
- What will the SSA worker be required to do?
- How will information be transmitted from SSA to the State?
- How will State calculate benefit and notify household?

3) Outreach Plan

- When will outreach start?
- How will the State identify eligible SSI households?
- How will the State notify eligible households? Letters, News conferences, Mailings to advocacy groups, radio announcements, etc? How will the State deal with nonresponses?
- How will the State handle the potentially large influx of applications? This was a problem for South Carolina, which found it could not process all the new applications in 30 days.

4) Conversion Plan

- What is the procedure/timetable for converting existing SSI/food stamp recipients?

5) Shelter Expense

- Effective with PRWORA, Section 17(b)(1)(B)(iv)(IV)(aa) of the Food Stamp Act prohibits demonstration projects that increase the shelter deduction to households with no out-of-pocket costs or housing costs that consume a low percentage of the household's income.
- States must develop a mechanism to better target actual shelter costs of participating households. One suggestion is to develop two shelter allowance standards or two benefit standards — one for households with little or no shelter costs, and another for households with high shelter costs. This requires the SSA worker to ask additional question to SSI/CAP applicant and additional modification of SDX screens (or how codes are understood).

6) Evaluation Plan

- Costs of project to FSP and SSA
- Impact of shelter standards on program costs
- Accuracy of benefit amounts

7) Quality Control

- CAP cases will be reviewed by Quality Control (QC) according to procedures for determining eligibility and benefit amount established in the approved project. Results from the QC review will be included in the State's payment error rate.

SECTION 3 – STANDARDIZATION AND
COST NEUTRALITY PROCEDURES



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Standardization Procedures for States Applying to Run SSI Joint Processing Alternative Demonstrations

This paper outlines some common issues that States must consider and provide when they submit a request to conduct a food stamp/SSI joint processing (also known as a Combined Application, or CAP project) demonstration. FNS has now worked intensively with a number of states to approve joint processing demonstrations that both serve the SSI population fairly and maintain an acceptable level of cost neutrality to the Food Stamp program.

CAP projects give one-person aged, blind, or disabled households who receive SSI an opportunity to receive food stamps via a “one-stop” process. The applicant applies for food stamps at the same time as he/she applies for SSI, and if approved for SSI, food stamp benefits begin the following month.

Combined Application Project Models

The existing joint processing demonstrations currently fall under two “models.”

The Standard Model --this model focuses on both outreach to new single-person SSI applicants and converts existing SSI/FSP households to the combined application demonstration. There are two variations:

- 1) **Standardized Benefit Amounts** (SC & MS) Applicants are given one of four standardized food stamp benefit levels based upon their (either high or low) shelter expenses and other income.

- 2) **Standardized Shelter Expenses** (WA) The model takes into account an applicant’s shelter expenses (high or low), then assumes standardized shelter expenses based on that high/low shelter expense determination. Individualized food stamp benefits are then calculated based on the applicant’s other economic circumstances.

The Modified CAP (TX) – this model focuses on outreach only. Single person SSI households not receiving food stamps are contacted and given one of two standardized food stamp benefit levels based upon their (either high or low) shelter expenses. While existing SSI/FSP cases are not converted to the joint processing demonstration in Texas, FNS would allow for the conversion of these individuals if requested by the State.

Selecting Benefit Amounts and Shelter Expense Thresholds

Regardless of which model a State uses for its CAP project, here is some basic information that the State should consider and share with FNS to speed the approval process.

The shelter expense characteristics of the existing SSI/FSP caseload: these will be used to determine high/low shelter cost categories for the potential CAP population. Utility, heating/cooling, and other shelter-related allowances may also be taken into account, depending on State-unique circumstances and the design of the State's CAP project.

The proposed shelter cutoff levels: The State should offer suggested levels to distinguish between their participants with high shelter costs and low shelter costs. States should also be prepared to offer a shelter expense level at which they will suggest persons with very high shelter expenses apply to the regular Food Stamp Program.

An estimate of the State's existing single-person SSI/FSP caseload above and below the shelter cutoffs and the current food stamp benefit levels for that caseload: this is used to help determine average benefit levels if a State wishes to make standardized benefits a component of their CAP project. All of this information will be used during the evaluation to assess the effectiveness of a State's outreach efforts and the project's cost neutrality.

All CAP projects approved by FNS have recognized that some qualified households have unearned income in addition to their SSI benefit. SSI passes through the first \$20. Information should be provided for both those without other unearned income and those with other unearned income.

The proposed standardized benefit levels: CAP projects should ensure that participants receive a benefit amount comparable to what they might receive under the regular Food Stamp Program. The State should offer its proposed benefit levels with this in mind. At a minimum, there must be two benefit levels: one for participants with low shelter expenses and another for those with high shelter expenses.

For the standardized shelter model: The high and low standardized shelter expenses and the benefit calculation results of using them for the existing single-person FSP/SSI participating households.

Cost Neutrality

CAP projects are required to operate within an acceptable level of cost neutrality for the Food Stamp Program. Although CAPs are designed to increase participation by streamlining the application process and benefit structure, the project should not cost more than it would have cost to add new participants under the regular Food Stamp Program. States should remember this when they work on their proposed expense cutoffs and standardized shelter expense/benefit levels. FNS measures cost neutrality in terms of benefit levels only. Administrative savings are not considered in determining whether a CAP project is cost neutral.

Benefit Loss

Although CAPs are required to be cost neutral, they should also not cause excessive numbers of participants to receive lower benefits than they would receive under the regular FSP. Laws governing demonstration projects at section 17(b)(1)(B) of the Act mandate that projects reducing benefits by more than 20 percent for more than 5 percent of households in the area subject to the project may not include more than 15 percent of the State's food stamp caseload. In determining the percentage of participants losing benefits and the amount of their benefit loss, FNS takes into consideration project rules that allow participants to opt out of the project and participate in the regular FSP.

Testing the Proposed Benefit Levels and Shelter Cutoff Levels

Once the State has decided upon the suggested benefit levels and living expense cutoffs for its CAP project, FNS will require the State to test those levels by simulating their effects on their existing single-person Food Stamp/SSI population. The State generally should be prepared to:

- Collect the existing basic information about the State's current FSP/SSI single person population - to include income sources and amounts, shelter costs, medical expenses, or other pertinent living expense allowances (if those are to be part of the demonstration), geographic area where participants reside (again, if that is a factor in the demonstration), and current Food Stamp benefit levels.
- Generate a spreadsheet or some other document that applies the State's proposed standardized benefit levels to its current single-person FSP/SSI population. This should reflect as closely as possible the manner by which the State plans to treat this population in its CAP project. For example, persons with low shelter expenses should be given the benefit standard that is being proposed for that group; those with high shelter expenses should likewise be given the proposed standard for that group, etc. Persons whose characteristics would probably make them better off in the regular Food Stamp Program should also be treated as if they had the chance to opt-out of the CAP demonstration (for example, those individuals with a medical expense deduction or very high shelter costs).
- Compare the results of the simulation to current benefit levels by showing the aggregate benefit cost differences between the State's FSP/SSI population under its current benefit structure, and what aggregate benefits would look like once the State's proposed standardized benefits have been applied to that population. The State should also be prepared to show:
 - How many people gained benefits vis-à-vis the simulated demo and the regular FSP, and to what extent did they gain?
 - How many people lost benefits vis-à-vis the simulated demo and the regular FSP, and to what extent did they lose?

Once the State is able to test its proposed benefit levels, it is easier to work with FNS to make any adjustments necessary to bring their demonstration within an acceptable level of cost neutrality while ensuring fair and adequate benefit levels for project participants. At the end of this document is a list of data elements FNS needs to consider your project.

Additional Considerations

States that would like to include SSI individuals with earned income in their CAP projects should clearly inform FNS of their intent.

We will work with States to help them structure their demonstration appropriately, but States must also bear in mind that Social Security Administration (SSA) workload and technical capabilities limit the flexibility States have in designing CAP demonstrations. All CAP projects must also undergo an evaluation to determine the effects of the project on program participation, benefit levels, customer satisfaction, and other factors. We will address specific evaluation requirements in a separate paper.

Data Elements For FNS

To determine cost neutrality and the 20 percent rule and therefore to approve your CAP project, FNS needs the following data on each case for all cases used to establish the State's requested standardized benefits/shelter expenses and the State's requested shelter threshold for distinguishing between low and high shelter costs:

- Household size (if including SSI couples)
- Earned income (if included in your demonstration)
- SSI benefit amount received by the case
- Any other unearned income amount received by the case
- Shelter expense (rent or mortgage expense) reported by the case
- Utility amount reported by the case
- Utility amount used in the shelter deduction (i.e. SUA, actual expense, or any other amount)
- Medical expenses reported by the case
- Actual Food Stamp benefit received by the case
- The requested CAP benefit amount the State would assign to the case
- Any additional data not included in this list the State can supply and the State feels is needed by FNS

These data should be provided electronically to FNS in a Microsoft Excel spreadsheet in a timely manner. If the number of cases is large, the State should provide the data file on a CD since the FNS e-mail system might not accept the data file via e-mail.

Because all CAP demonstrations include outreach using SSA's State Data Exchange system, it is extremely useful to know the number of SSI cases in your State that match your eligibility criteria and are not currently receiving food stamps.

SECTION 4 – EXAMPLES OF APPROVALS



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THE NUTRITION SAFETY NET

NOTE: PROVIDED AS GENERAL GUIDANCE – PROCEDURES MAY HAVE CHANGED

SIGNED OCTOBER 8, 2003

Ms. Roxie Schalliol
Director
Division of Employment and Assistance Programs
Department of Social and Health Services
P.O. Box 45470
Olympia, Washington 98504-5470

Dear Ms. Schalliol:

This approves your July 16, 2003 letter requesting that operational and administrative changes be made to the Washington State Combined Application Project (WASHCAP).

Under your amended waivers, you have requested that clarifications be made to several procedures. The requested updates only serve to clarify current procedures, and will not change how the project is currently being operated. The changes to the existing plan include the following:

- Clarification of the definition of a WASHCAP-eligible household including the State's decision to not extend WASHCAP to married Supplemental Security Income (SSI) couples;
- A clearer explanation of the State's outreach plans for WASHCAP;
- Clarification of the application procedures to reflect the project's combined SSI/Food Stamp interview including added citation of the waived regulation;
- Clarification of procedures in determining the WASHCAP allotment including a statement indicating that clients will receive advance notice on changes and that the standard deduction will be as determined by the Food and Nutrition Service according to the requirements of section 4103 of Public Law 107-171; and
- A change to the Quality Control review procedures to include WASHCAP reviews in determining the statewide error rate.

If you have any questions about this approval, please contact Connie Slough at (703) 305-2762.

Sincerely,

/s/

John H. Knaus
Acting Director
Program Development Division

Washington State Combined Application Project (WASHCAP) Approved Waivers and Project Requirements

I. WAIVERS

Note: The waivers in this section apply only to WASHCAP eligible households. The waivers do not apply to any SSI/FSP recipients that do not meet the eligibility criteria for WASHCAP.

1. Eligibility For WASHCAP/Household Definition

Waivers: Section 3(i) of the Food Stamp Act and 7 CFR 273.1(a)

The definition of household in the WASHCAP project is:

1. An individual who is determined eligible to receive SSI by SSA, and
 - Meets the SSA definition of Living Arrangement “A” or who will be institutionalized less than 90 days. Individuals institutionalized less than 90 days and not responsible for their own food purchase and/or preparation are also not considered a household if the change is reported directly to the financial service specialist worker (FSS).
 - Has no earned income, but once a WASHCAP participant, if becomes employed, receives earned income for less than 3 consecutive months; and,
 - Declares to purchase and prepare food separately.

The following SSI recipients will *not* be included in the WASHCAP project:

1. SSI recipients living with a spouse.
2. Children, under age 18, defined as neither married nor head of household.
3. Individuals institutionalized more than 90 days and not responsible for their own food purchase and/or preparation. Individuals institutionalized less than 90 days and not responsible for their own food purchase and/or preparation are also not eligible for WASHCAP if the change is reported directly to the financial service specialist worker (FSS).
4. SSI recipients living with others, but not purchasing or preparing their food separately.
5. WASHCAP participants that began employment and have earned income for more than three consecutive months.

2. Application Procedures

Waivers: 7 CFR 273.2(b), (c) & (k)

At the time of SSI application, the SSA worker will identify applicants that are eligible for WASHCAP and explain the project to them. The worker will also provide the applicant with a brochure that describes the program and explains participants’ rights and responsibilities. If the applicant chooses to participate in WASHCAP, he or she will be asked to complete and sign a simplified application. The applicant will be considered eligible for the project once he or she has been determined eligible for SSI. Eligible individuals will begin receiving WASHCAP benefits the month after SSA approves their SSI benefits. Food stamp benefits

will be issued through an automated interface between SDX and the State's Food Stamp Automated Client Eligibility System (ACES).

(a) Application Form:

For the purpose of this project, The Washington State agency will use a simplified food stamp application for use with the SSI application form. The WASHCAP food stamp application will include the following questions or statements:

- 1) Do you purchase and prepare your food separately?
- 2) Are your monthly housing expenses (not counting utilities) equal to or greater than \$302 per month (effective FY 2003 and subject to annual CPI adjustment)?
- 3) Do you wish to participate in the food stamp program?

By signing the SSA/WASHCAP application, applicants certify that they understand their rights and responsibilities and that they understand that they will automatically be transferred to WASHCAP when they begin receiving SSI.

(b) Rights and Responsibilities:

A brochure that includes a section covering rights and responsibilities will be given to the applicant at the time of the SSI /WASHCAP application. The brochure with the rights and responsibilities will be sent to households when they are recertified for WASHCAP. It will also be sent to all households that are converted to WASHCAP from the regular Food Stamp Program (FSP).

(c) Eligibility to opt out of WASHCAP:

All SSI recipients that want to participate in the FSP and are eligible for WASHCAP will be required to receive food stamps through the project. However, a household that is eligible for WASHCAP may opt out of the project and participate in the regular FSP if it meets one of the following three criteria: (1) its unreimbursed medical expenses are in excess of \$35 a month; (2) its shelter costs are in excess of \$499 (Effective for FFY 2003 and subject to CPI yearly updates) and/or (3) it would receive more food stamps if it participated under the regular FSP.

Households will be notified of the opt-out criteria on the WASHCAP application and in the WASHCAP brochure. At the applicant's request, the State will estimate what benefit the applicant would receive if it chose to apply for benefits under the regular FSP. The applicant may use this information to determine if it should apply under the regular program.

(d) Date of Application:

The WASHCAP date of application for food stamp benefits will be the date SSI is approved. Food stamp benefits will be paid beginning with the month after the month of SSI approval through an automated interface between SDX and the ACES computer system.

(e) Expedited Services:

There will be no expedited food stamp services for this project. However, the SSA worker will inform the applicant that food assistance benefits may be issued sooner if the household applies directly at the local food stamp office. In addition, the informational brochure that SSA workers will provide to applicants will explain expedited service criteria in the regular

FSP. All clients will have the option of applying for food stamps at the local food stamp office or at SSA while the SSI eligibility determination is pending.

(f) Conversion of Households Participating in the Regular FSP:

Applicants may apply at their local food stamp office for food stamp benefits in the interim prior to determination of their SSI eligibility. Applicants that do participate in the regular program in the interim period prior to the determination of SSI eligibility will be automatically converted to WASHCAP when determined eligible for SSI.

Applicants will be informed at the time of application that they may receive food assistance in the regular FSP while they wait for SSI approval. They will also be informed at that time that their food stamps may be reduced once they are transferred to WASHCAP. At the time the household is determined eligible for SSI, and thus eligible for WASHCAP, the State shall send the household a notice informing it that it is being moved from the regular FSP to WASHCAP. This notice will be mailed at least 10 days in advance of the change, as required by current regulations at 7 CFR 273.13(a). If a notice cannot be mailed at least 10 days in advance of a change, the change will be postponed till the next month, in order to comply with the requirements of 7 CFR 273.13(a).

In the notice, the State will inform the household of its WASHCAP benefit, as well as what its benefit would be if it were participating under the regular FSP. The household will be informed in the letter that if its regular FSP benefit exceeds the CAP benefit, or if it has unreimbursed medical expenses of more than \$35 or housing costs in excess of \$499 a month, it is eligible to opt out of WASHCAP and participate in the regular FSP. The letter will include a phone number that households may call in order to opt out of WASHCAP, if eligible to do so, or to get more information.

3. Interview

Waivers: 7 CFR 273.2(e) and (k).

For the purpose of WASHCAP, the SSA worker will conduct interviews with food stamp applicants/recipients according to SSI procedures and inform any individual who applies for SSI benefits, and lives in a "household" as defined above, of the FSP and WASHCAP. The SSA worker will explain that any SSI applicant who is eligible for this project will have their food stamp eligibility determined at the same time eligibility is established for SSI. The SSA worker will explain the project requirements and penalties.

4. Verification

Waivers: 7 CFR 273.2(f) and (k)

For the purpose of WASHCAP, the use of the SDX data verified under SSI verification regulations will fulfill all food stamp verification requirements. Any household who meets the verification criteria for the SSI program shall be considered to have met the verification criteria for WASHCAP.

5. Allotment Calculation

Waivers: Section 5(e) and 8(c) of the Food Stamp Act of 1977, 7 CFR 273.9(d), 7 CFR 273.10(d), and 7 CFR 273.10(e).

In WASHCAP, allotments will be calculated as follows:

In determining an applicant's monthly benefits under WASHCAP, the State will use the applicant's actual SSI income as reported by SSA, as well as other any other unearned income. SDX information is downloaded daily into ACES, so the State will be able to process an accurate benefit every month.

Households with earned income are ineligible for WASHCAP. However, households that have earned income subsequent to participating in WASHCAP will remain in the project until they receive earned income for more than three consecutive months. Any earned income received by a household while participating on WASHCAP will be excluded from the WASHCAP benefit calculation.

All households will receive the standard deduction as determined by FNS according to the requirements of section 4103 of Public Law 107-171. Households with shelter costs greater than or equal to \$302 per month, excluding utilities, (as determined by the SSA worker during the SSI interview) will receive a standard shelter expense of \$312. Households with shelter costs less than \$302, excluding utilities, per month will receive a standard shelter expense of \$150. Both households with the high and low shelter standards will receive the State's current Standard Utility Allowance (SUA) for a one-person household. All shelter values in this section are effective for FY 2003 and are subject to annual CPI adjustments.

In determining a household's shelter deduction, the State will subtract the standard shelter expense for which the household is eligible from half of the household's adjusted gross income (the household's income after all other FSP deductions have been subtracted). The remainder is the household's shelter expense deduction, which will be subtracted from the household's adjusted gross income to arrive the household's net monthly income.

If a household receives earned income for more than three consecutive months, the State will terminate the household from the WASHCAP demonstration. The household will receive a notice of adverse action in accordance with current food stamp regulations. The notice will inform the household that it may apply for benefits under the regular FSP and will include an application for the regular program.

Households will begin receiving WASHCAP benefits the month after SSA approves SSI for the individual. There will be no proration of benefits.

If the client has received benefits within the last 30 days, the allotment will not be prorated.

6. Certification Periods

Waivers: Section 3(c) of the Food Stamp Act of 1977, and 7 CFR 273.2(k), 273.10(a) and (f), and 273.14.

The certification period for WASHCAP participants will be 24 months. If SSA redetermines a household's SSI eligibility during the WASHCAP certification period, the State will consider the household recertified for WASHCAP and will assign the household another 24 month certification period.

If SSA does not redetermine the household's eligibility during the 24 months, the State will send a mail-in recertification form to each household prior to the end of the household's 22nd month of participation. The form will notify the household that their benefits will stop if the form is not returned by the last day of the 24th month and that the form must be returned by the 15th day of the 24th month if the client wishes to receive uninterrupted benefits.

To accommodate Necessary Supplemental Accommodation Services (NSA) clients, a reminder letter will be sent out to all clients during the end of the 23rd month reminding them that they must submit the recertification form by the 15th day of the 24th month for continued benefits. The State will allow a WASHCAP household until the end of the 25th month to return the recertification form. If a household returns the form any time in the 25th month, it will be recertified and receive full benefits for the 25th month; the 25th month will not be treated as an initial month and there will be no proration of benefits in that month.

7. Change Reporting

Waivers: 7 CFR 273.2(k) and 273.12

Households participating in WASHCAP will report changes in circumstances in accordance with SSI rules. Changes will be reported to the SSI office. These changes will be communicated to the State food stamp office through the SDX. WASHCAP recipients are not required to report changes to the local community services office of the Department of Social and Health Services.

SSI reporting rules do not require households to report changes in shelter costs. Households, however, must be permitted to report changes in their shelter expenses, and the State agency must act on such changes when the changes would move the household from one standard shelter expense to the other.

8. Notice Requirements

All FSP notice requirements remain in effect for the WASHCAP project. All notices necessary to meet current federal regulations regarding certification, recertification, or changes in Food Stamp allotments will be generated by the SDX and ACES computer system. The 10-day rule to act on the information will start on the day the State agency gets information from the SDX interface.

II. OTHER PROJECT REQUIREMENTS

1. Outreach

The State agency estimates that there are about 60,000 SSI recipients in the State who do not receive Food Benefits. Not all of these individuals meet the WASHCAP eligibility requirements, but the department intends to outreach to as many as possible. The project will last approximately two years and will involve contracted outreach providers, department staff in Home and Community Services and Community Services Offices, and other agencies that provide services and support for the elderly and disabled. The department expects to see significant results from this project.

(a) Application Packets.

Each month, the department will send a WASHCAP application packet to 5,000 SSI clients who may be eligible. The department will do this for 24 months or until the group has been covered twice using social security numbers (SSN). The Automated Client Eligibility System (ACES) will produce a mailing tape each month pulling data from the SDX using the following selection criteria:

Any single or separated SSI recipient who:

- Is at least 18 years old as of the first of the month in which the tape is produced,
- Who has a living arrangement of "A",
- Who receives at least \$1.00 in SSI monthly income, and
- Has no earned income.

The first tape will be produced in March 2002 and a WASHCAP application packet will be mailed to the first 5,000 individuals not already receiving food assistance on the tape in March 2002. Each month thereafter, the packet will be mailed to the next 5,000 individuals using client social security numbers to identify the clients. The mailings will continue for 24 consecutive months or until the group has been covered twice.

The department currently contracts with 39 outreach coordinators in the State. The department will provide the WASHCAP application packets to the outreach coordinators and WASHCAP program training for the contractors and subcontractors.

The department will stock WASHCAP application packets in each Community Service Office (CSO) and Home and Community Services Office (HCS), and provide WASHCAP training for CSO and HCS staff. The department will also supply WASHCAP application packets to each SSA office in the state.

The department will coordinate outreach activities with Senior Centers around the state, tribal entities, Senior Information and Assistance, and other agencies that provide services to elderly and disabled citizens.

The department will prepare Public Service Announcements, and use other media vehicles as determined as a way to publicize the WASHCAP project.

(b) Processing Applications

The WASHCAP application packet will contain a letter that explains the WASHCAP program, an application form, Electronic Benefit Transfer (EBT) information, an alternate cardholder authorization form, and a self-addressed stamped envelope.

A centralized unit will be set up to process all WASHCAP applications.

The WASHCAP unit will determine eligibility for WASHCAP then notify the SSI office that the client is eligible. SSI will generate an SDX with the WASHCAP eligibility data, which will be transmitted to ACES. WASHCAP benefits will begin the first of the month following the month the WASHCAP eligibility information is received on the SDX.

WASHCAP applications received from SSI recipients whose cases are maintained by the Home and Community Services (HCS) offices will be forwarded to HCS for processing. HCS will follow the same procedures to approve WASHCAP eligibility as the WASHCAP centralized unit.

2. Conversion

SSA will convert all WASHCAP eligible households currently participating in the FSP to WASHCAP at the beginning of the demonstration project. Using the shelter cost information in the household's regular food stamp case file, the State will assign the household the proper shelter estimate and determine the household's WASHCAP benefit. The State will send the household a notice of conversion to the WASHCAP program 2 1/2 months prior to the actual conversion. The notice will include both the household's WASHCAP benefit and the benefit the household receives under the regular FSP. The notice will inform the household of the opt-out criteria and provide it a telephone number to call in order to opt out of the project if eligible. Clients who are eligible to opt out of WASHCAP but fail to do so prior to the SSA/ACES conversion file cut-off dates may still opt out of WASHCAP but will receive at least one month of WASHCAP assistance before they can be converted back to regular food assistance. The State will not restore any benefits a household may lose as result of its failure to opt out of the project on a timely basis.

As noted earlier, FNS would prefer that the State not automatically convert households that are participating in the regular FSP to WASHCAP if the households would receive fewer food stamp benefits as a result of the conversion. We understand, however, that requiring the State to change its automated procedures at this time would delay implementation of WASHCAP by up to a year. Therefore, we are approving the State's procedures as described above. Since the mass conversion will occur only at the beginning of the project, there is no need for revised procedures.

3. Evaluation

The purpose of this study is to evaluate the Washington State Combined Application project (WASHCAP), from the perspectives of SSA offices, Food Stamp administration and case managers, and clients.

Research Objectives

There are seven objectives for the WASHCAP evaluation:

- a) Describe the processes involved in implementing WASHCAP.
- b) Review clients' experience as they apply and assess the project's effect on client satisfaction.
- c) Assess the effect of the project on food stamp participation among SSI households.
- d) Assess the impact on Food Stamp caseworkers.
- e) Assess the effects of the project on the SSI office.
- f) Assess the project's impact on the level of household benefits.
- g) Assess the impact on administration costs.

Methods of Evaluation

The evaluation must include:

- An assessment of administrative data. Washington administrative records can provide information and track the full population of Food Stamp and SSI recipients. This information includes demographic background, food stamp benefit histories, administrative costs, and SSI history.
- A client Survey.

To complete the requirements of this evaluation, other methods that might be used include but are not limited to:

- Surveys of case managers, or office managers.
- Focus groups.
- Site Visits.

Deliverables:

The contractor shall provide the following deliverables by the specified dates:

- 1) First report (by June 1, 2002)
- 2) Second report (by June 1, 2003)
- 3) Third report (by June 1, 2004)
- 4) Fourth report (by June 1, 2005)
- 5) Final Report (by June 1, 2006)

4. Quality Control (QC)

WASHCAP cases will be added to the QC sample and reviewed according to the terms and conditions of this project. These cases will be included in the Statewide:

- Estimate of the active error rate;
- Completion rate;
- Payment error rate;
- Underissuance and overissuance error rate; and
- Negative error rate.

If the QC reviewer finds that the household is correctly participating in the project, the case would be assigned a case classification “1” code and reviewed according to the project’s approved waivers. If the household is not correctly classified for participation in the project, eligibility and benefit amounts shall be reviewed against regular FSP rules, taking into account any FNS-approved waivers (other than those for this demonstration project) or any State selected options to deviate from specific provisions.

Any variance exclusions that apply to the regular FSP apply to this project. For example, variances resulting from the use of information provided by any Federal agency are excluded in accordance with regulations at 7 CFR 275.12(d)(2)(v) providing the State agency has correctly processed the information. Consequently, variances resulting from incorrect information provided by SSA that the State uses to determine if a household is eligible to participate in the project or to certify benefits for households in this project would be excluded so long as the State processes the information correctly. This exclusion applies even when the household reports incorrect information to SSA. Households incorrectly participating in the project based on SSA information that the State agency correctly processes will be reviewed according to the project’s requirements rather than regular FSP rules. Conversely, households incorrectly participating in the regular FSP based on SSA information that the State agency correctly processes will be reviewed according to regular FSP rules.

5. Waiver Time Frame

This demonstration project is approved for five years from the date of implementation. Any requests for extension should be submitted at least 6 months in advance of the end of the project period.

NOTE: PROVIDED AS GENERAL GUIDANCE – PROCEDURES MAY HAVE CHANGED

SIGNED MARCH 26, 2001

Ms. Jackie Johnson
Deputy Commissioner
Office of Programs
Texas Department of Human Services
701 West 51st Street
P.O. Box 149030
Austin, Texas 78714-9030

Dear Ms. Johnson:

This is in response to your August 25, 2000, letter to Esther Phillips, Food Stamp Program Director for the Food and Nutrition Service's (FNS) Southwest Regional Office, requesting approval to implement the Simplified Nutritional Assistance Program (SNAP). The demonstration project would test an alternative to the joint processing provisions of the Food Stamp Act for providing benefits to households eligible for both food stamps and Supplemental Security Income (SSI). We are approving your request with the modifications noted below. Please note, the State may not begin certifying households for SNAP until an evaluation component for the project has been approved by FNS.

Eligibility for SNAP will be limited to individuals receiving SSI who are 65 years or older, not currently receiving food stamps, not institutionalized, and living in Texas. Under SNAP, married individuals who are both receiving SSI will be treated as separate households. A SNAP participant who resides in a household in which other members later apply and receive food stamps through the regular Food Stamp Program (FSP) would be considered a separate household, and his or her circumstances would not be considered when determining the eligibility and benefit level of the other household members.

Under the SNAP project, the State would identify eligible SSI recipients through a periodic check of the Social Security Administration's (SSA) State Data Exchange (SDX) computerized file of recipients. The "Aged Individual" code established by Social SSA staff at SSI application and transmitted to the SDX tape will be used to identify eligible individuals. This information is electronically transferred to the State. SDX information will be used by the State agency to update eligibility for SSI recipients monthly after they are approved for SNAP. SDX monthly case updates will result in case denial due to SSI denials, death, residence in nursing home or out-of-State.

The State will mail eligible individuals a simplified FSP application which they must return to the State's Food Stamp Automated Benefits (FSAB) unit. Individuals that return the notice/application will be certified for the length

Ms. Jackie Johnson

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of the project (36 months) without an interview or additional verification (beyond SSI verification requirements), and will receive a standardized benefit for that entire period. At the end of their certification period, eligible households who wish to continue receiving food stamp benefits would have to apply under regular food stamp office rules at the regular food stamp office. SNAP participants who lose their eligibility for the project, either through loss of eligibility for SSI or for another reason, will be sent a notice of adverse action that complies with food stamp regulations. The notice will inform the household of its potential eligibility for benefits under the regular Food Stamp Program and provide information on how to apply for the regular program.

The State expects the majority of intake to occur in the 1st year of the project. In subsequent years, the State will periodically check the SDX for eligible SSI households and provide those households the opportunity to participate in SNAP.

We are approving your request with modifications in three areas: benefit level, application form, and reporting of changes in household circumstances.

SNAP Benefit Levels

The first modification concerns the level of the SNAP benefit. In your request, you proposed a standard SNAP benefit for all participants of \$38; the approximate average per person benefit for SSI participants currently receiving food stamps in Texas. We could not approve this benefit level because it does not take into account variations in households' shelter costs. Section 17(b) of the Food Stamp Act of 1977, as amended, which provides authority to operate demonstration projects, prohibits FNS from approving projects that increase the shelter deduction for households with little or no shelter costs. In response to our request to modify the SNAP benefit level to take into account differing shelter costs, the State divided households into two groups—those with shelter costs above and below \$208. Households with shelter costs below \$208 will receive a standard benefit of \$25, and households with shelter costs of \$208 will receive \$42.

The State selected \$208 as the shelter cut-off amount because it determined that, given the maximum SSI allotment, \$208 in shelter costs is the point at which shelter expenses begin to impact allotment levels. In determining the \$25 and \$42 benefit levels, the State took into account cost neutrality considerations and determined that those amounts, when combined with administrative savings derived from the streamline application process, should make the project cost neutral.

We are approving the two proposed SNAP benefit levels. However, the State should provide us with some methodology for annually indexing these numbers so that they increase along with annual increases in the SSI and food stamp benefit levels.

SNAP Application Form

The second modification concerns the shortened application form which eligible households must return to the State's FSAB unit. We have received copies of the revised application form and information sheet. The forms need to be modified as follows:

- A statement of households' rights and responsibilities under the FSP/SNAP must be added to the application form or the information sheet. In addition, there must be a statement on the application that the household understands its rights and responsibilities under the program. By signing the application, the household will attest to this statement.
- The application should include a space for the household to name an authorized representative.
- On the application, applicants are instructed to place a check in the appropriate space if their "monthly utility expenses" are more than \$208. "Monthly utility expenses" should read "monthly rent and utility costs" or something similar.
- In addition to asking households if they have shelter costs that exceed \$208, the application should alert households that have shelter costs significantly higher than \$208 that they may be eligible for a higher food stamp allotment if they apply for food stamps under the regular FSP. FNS can assist you in identifying an appropriate shelter amount.

We are enclosing samples of the forms utilized in the South Carolina Combined Application Project which you may wish to refer to when revising your forms. The modified forms should be submitted to FNS for review before being utilized.

Reporting Changes in Shelter Costs

The third modification to your SNAP request concerns reporting of changes in a household's shelter costs. According to your request, households will not be required to report changes in their circumstances. Changes that may effect

eligibility for SNAP will be identified through the use of SDX data verified under SSI regulations. However, as we understand it, the SSA does not collect shelter cost data in the SSI interview, so that information will not appear in the SDX system. We believe that it is important that households be given the opportunity to report changes in their shelter costs during the 3 year demonstration period, as this may affect their benefit levels. Therefore, we believe that the State should send a yearly notice to households participating in the SNAP demonstration asking if their shelter costs exceed the applicable shelter cut-off amount. This would not be a recertification form, so households that fail to return it would not have to be terminated from the program. If a household fails to return the form, the State would assume the household's shelter costs had not changed.

Other Issues

- **AI Code on SDX**

We understand from SSA that households who become eligible for SSI before they reach the age of 65 because they are disabled are coded as disabled in the SDX. This coding does not change to AI after the individual reaches the age of 65. Therefore, the State may miss eligible SNAP participants if it relies solely on the AI code. We understand that the SDX file also contains dates of birth, and we strongly recommend that the State check date of birth when reviewing the SDX to identify eligible SNAP participants.

- **Evaluation**

Approval of any demonstration project is contingent on development of a satisfactory evaluation. The State submitted an evaluation proposal along with its initial request. We are still evaluating that proposal and we will notify the State if it is approved or if we require changes to the proposal. The State may not begin certifying households for SNAP until the evaluation component has been approved.

- **Quality Control (QC)**

SNAP cases will be added to the QC sample and reviewed, and considered in the completion rate. However, these cases will not be included in the State's payment error rate calculation.

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- **Waiver Time Frame**

We are approving the waiver for 6 years from the date the State begins certifying households for the project. In the first 3 years of the project, the State may certify every household for up to 3 years. After the completion of the 3rd year of the project, if the State has not received an extension, it may certify households only until the end of the project.

A list of the waivers approved for this project is attached. If you have any questions about this approval, please contact Matthew Crispino at (703) 305-2407.

Sincerely,

Bonny O'Neil
Acting Deputy Administrator
Food Stamp Program

Attachments

Texas Simplified Nutritional Assistance Program (SNAP) Approved Waivers

1. Household Definition

Waivers: Section 3(i) of the Food Stamp Act and 7 CFR 273.1 (a).

The definition of household in the SNAP project is:

An individual who SSA has determined is eligible for SSI and:

- is age 65 or older;
- is not currently receiving food stamps,
- is not institutionalized, and
- lives in Texas
- A SNAP participant who resides in a household in which other members later apply and receive food stamps through the regular Food Stamp Program would be considered a separate household, and his or her circumstances would not be considered when determining the eligibility and benefit level of the other household members.

2. Application Procedures

Waivers: 7 CFR 273.2(b) & (c).

The State agency will mail a simplified application form to SSI recipients who have been identified as meeting SNAP eligibility criteria. Applicants will sign and mail the applications to the State's FSAB unit, a centralized unit that processes SSI cases. Upon receipt of the application, FSAB will certify the applicant for up to 36 months, notify applicants of their eligibility and authorize the EBT contractor to mail an EBT card, PIN, and EBT training material to the household.

3. Interview

Waivers: 7 CFR 273.2(e)(1).

FSAB will process all applications without a face-to-face or telephone interview, or other local office involvement except where special situations necessitate interaction with the State office.

4. Verification

Waivers: 7 CFR 273.2(f).

SNAP verification requirements are fulfilled by the use of SDX data verified under SSI regulations. Any household who meets the verification criteria for the SSI program and additional State criteria meets the verification criteria for this project.

5. Allotment Calculation

Waivers: Section 5(e) and 8(c) of the Food Stamp Act of 1977, 7 CFR 273.9(d), 7 CFR 273.10(d), and 7 CFR 273.10(e).

SNAP participants will receive one of two standard benefits--\$25 a month if they have shelter costs below \$208 a month, or \$42 if they have shelter costs that exceed \$208 a month. The shelter and benefit levels must be adjusted annually to reflect changes in FSP and SSI benefit levels.

6. Recertifications

Waivers: Section 3(c) of the Food Stamp Act of 1977, 7 CFR 273.10(f)(6).

The automated SDX match process will be used to redetermine SNAP eligibility monthly. Once certified under SNAP, the household will remain certified until it loses eligibility to participate in SNAP, its certification period expires, or until the demonstration project ends, whichever is earlier.

7. Change Reporting

Waivers: 7 CFR 273.12.

SNAP recipients are not required to report changes in their circumstances. The SDX update process will satisfy change reporting requirements for project demonstration purposes.

NOTE: PROVIDED AS GENERAL GUIDANCE – PROCEDURES MAY HAVE CHANGED

SIGNED NOVEMBER 27, 2001

Ms. Jackie Johnson
Deputy Commissioner
Office of Programs
Texas Department of Human Services
701 West 51st Street
P.O. Box 149030
Austin, Texas 78714-9030

Dear Ms. Johnson:

This letter is a follow-up to our March 26, 2001, letter to you approving waivers for the Simplified Nutritional Assistance Program (SNAP). The purpose of this letter is to resolve two outstanding SNAP-related issues: the SNAP evaluation, and the reporting of shelter expenses.

SNAP Evaluation

This letter confirms that the Food and Nutrition Service (FNS) has approved the SNAP evaluation plan, a copy of which is attached. Please note, FNS asks that your office submit evaluation data at intervals of 15 months, 30 months, and 60 months, and then a final report after the project is complete.

Reporting of Shelter Expenses

In our March 26, 2001, letter approving the SNAP project, we required that the State send a yearly notice to households participating in the SNAP demonstration requesting that the household report changes in its shelter costs. We imposed this requirement because under SNAP, households will be required to satisfy only SSI reporting requirements, and SSI does not currently require households to report changes in shelter expenses. We were concerned that SNAP households may not know to report shelter expense changes which, if reported, could affect their food stamp benefit level.

After discussing the notice requirement with your staff, and reviewing shelter reporting requirements imposed in other food stamp combined application demonstration projects, we have concluded that the requirement to send a yearly notice to households to check on shelter costs is unnecessary and burdensome on the State. We are modifying that provision to require Texas to notify SNAP participants that they are to report changes in their shelter costs to the State food stamp office, and to require that the State act on changes in shelter costs that it learns of, either from the household or from some other source, that would move the household from one shelter expense to the other. This change will remove the onus from the State of having to send a letter to each household every year inquiring about their shelter expenses.

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If you have any questions about this letter, please contact Matthew Crispino of my staff at (703) 305-2407.

Sincerely,

Arthur T. Foley
Director
Program Development Division

SECTION 5 – EVALUATION



FOOD STAMP PROGRAM

THE NUTRITION SAFETY NET

EVALUATION GUIDELINES Combined Application Projects

The evaluation of the **[insert project name]** must include, at a minimum, the following items and must continue throughout the duration of the project unless the Food and Nutrition Service (FNS) notifies the State otherwise.

NOTE: Other evaluation components may be added to take into consideration any unique characteristics of the State's approved project.

I. Evaluation Components

A. Determine the project's impact on benefit levels and costs:

1. For each fiscal year of the project's duration, calculate the difference between the benefit amount issued under the project and the benefit amount that project participants would have received under the regular Food Stamp Program (FSP) based on actual household circumstances.

Method – We believe the best way to obtain this information is by conducting reviews of project households that have been selected using a statistically valid, random sample. The review will compare the benefit amount the household received in the project during a specific month to the benefit amount the household would have received under the regular FSP for that same month based on the household's actual circumstances. The size of the random sample must be large enough so that at least **[number to be determined by FNS]** cases are reviewed. The reviews may be conducted during a single month or spread out over a period of time using information that has been obtained *by contact with the client* such as telephone or mail-in form. For each fiscal year, the State will report the difference in benefit amounts between the project and the regular FSP for each case reviewed. While we believe use of a random sample is the most reliable way to obtain this information, the State may submit to FNS for approval an alternative methodology that achieves the same degree of reliability.

2. What is the number and percent of project participants who either gain or lose benefits compared to what they would have received under the regular FSP? What is the variation in the amount of gain or loss?

Method -- Reviews of random sample cases.

3. Calculate the number and percent of households that opt out of the project and participate in the regular FSP because they have unreimbursed medical expenses of more than \$35 per month and/or housing costs greater than the cutoff amount for participation **[insert amount]**. When individuals opt out of the project to participate in the regular FSP, how many more benefits do they receive under the regular FSP?

Method – System Reports and regular FSP data.

4. For households with earned income, what is the amount of their monthly earnings over a 6-month consecutive period? What is the variation in earnings from month-to-month during that period of time? **[Only needed if project includes earners.]**

Method -- Provide an Excel file containing Supplemental Security Income (SSI) benefits and earned income amount for the 6-month period during the 1st and 2nd years of the demonstration. Data can be obtained from SDX or system reports.

5. Depending on the project, we may require collection of information on households incorrectly certified to participate in the project such as those who are not single-person households.

B. Determine the project's effect on food stamp participation rates:

1. Does participation increase among the project population? How many SSI recipients were receiving food stamps before the start of the project (baseline) compared to the number of SSI recipients receiving under the project? How many SSI recipients receiving food stamps were converted to **[insert project name]** at the start of the project?

Method -- Data can be obtained from SDX match and system reports.

2. How many demonstration participants actually use their benefit?

Method -- Data can be obtained from SDX match and system reports such as information provided on Electronic Benefit Transfers.

C. Determine the effect of outreach for bringing into the project individuals who had not participated in the regular FSP during the previous 60 days.

1. How many SSI recipients were eligible for food stamps but were not receiving benefits during the 60 days prior to the start of the project (baseline). How many SSI recipients were eligible for benefits but are not participating in the project or the regular FSP?

Method -- Data can be obtained from SDX match and system reports.

2. How many SSI recipients not receiving food stamps were brought into the project through intake at the Social Security Administration?

Method -- Data can be obtained from SDX match and system reports.

3. How many SSI recipients were brought into the project by the State (either conversion or intake)?

Method -- Data can be obtained from SDX match and system reports.

D. Determine client satisfaction among project participants.

Survey a sample of [number to be determined by FNS] clients near the end of the second year of the demonstration to assess client's understanding and perception of the application and eligibility process. [The sample may need to be stratified if the project has different standardized benefit amounts or shelter expenses for different localities within the State.] Topics to be addressed by the survey should include, at a minimum:

1. Social and economic demographic characteristics such as age, sex, ethnicity, race, urbanization, gross income, monthly shelter costs, and unreimbursed medical expenses.
2. For recipients converted from the regular FSP into the project, the extent to which these individuals understand: how the food stamp benefit will be calculated; the impact that the project will have on their benefit amount; the alternatives available to them if they so choose.
3. For individuals who were not participating in the FSP prior to the project, were they aware of the FSP before? Had they ever applied for benefits under the regular FSP? Why or why not? Did they understand that their benefits might be lower under the demonstration?
4. Did participants understand that they could opt out of the demonstration and apply for food stamps at the food stamp office if their medical or shelter expenses reached a certain threshold?

II. Reporting Requirements

- A. The evaluation data listed under items A, B, and C above will be submitted to FNS throughout the duration of the project at intervals of 15 months after benefits are first issued under the project. Information should be reported separately for each fiscal year.
- B. The client survey under items D above should be submitted to FNS once during the duration of the project, 30 months after benefits are first issued under the project. If the project is extended, FNS may request a follow-up survey.
- C. Unless otherwise directed, prepare and submit a final report to FNS at the end of the demonstration period. Include a description of implementation issues, processes involved in implementation, and lessons learned.

SECTION 6 – QUALITY CONTROL PROCEDURES



GENERAL QUALITY CONTROL PROCEDURES

BACKGROUND

Initially, the Food and Nutrition Service (FNS) determined that CAP cases should be excluded from the Quality Control error rate. As CAP demonstrations have become more mainstream, FNS reversed its initial position and decided that these cases should be reviewed and included in the error rate as an other case. Following are the review procedures effective for all CAP demonstrations.

CURRENT PROCEDURES FOR ALL STATES

Combined Application Project cases will be added to the Quality Control (QC) sample, reviewed, and included in the State agency's payment error rate. If the QC reviewer finds that the household is correctly participating in the project, the case would be assigned a case classification "1" code and reviewed according to the project's approved waivers. If the household is not correctly classified for participation in the project, eligibility and benefit amounts shall be reviewed against regular Food Stamp Program (FSP) rules, taking into account any FNS-approved waivers (other than those for this demonstration project) or any State selected options to deviate from specific provisions.

Any variance exclusions that apply to the regular FSP apply to this project. For example, variances resulting from the use of information provided by any Federal agency are excluded in accordance with regulations at 7 CFR 275.12(d)(2)(v) providing the State agency has correctly processed the information. Consequently, variances resulting from incorrect information provided by the Social Security Administration (SSA) that the State uses to determine if a household is eligible to participate in the project or to certify benefits for households in this project would be excluded so long as the State processes the information correctly. This exclusion applies even when the household reports incorrect information to SSA. Households incorrectly participating in the project based on SSA information that the State agency correctly processes will be reviewed according to the project's requirements rather than regular FSP rules. Conversely, households incorrectly participating in the regular FSP based on SSA information that the State agency correctly processes will be reviewed according to regular FSP rules.

SECTION 7 – CONTACTS AND ACKNOWLEDGEMENTS



FOOD STAMP PROGRAM

THE NUTRITION SAFETY NET

COMBINED APPLICATION PROJECTS – CONTACTS

AGENCY	NAME	TITLE	TELEPHONE	E-MAIL
Food and Nutrition Service	John Knaus	Chief, Program Design Branch	(703) 305-2098	john.knaus@fns.usda.gov
	Shelia Little	Senior Program Analyst	(703) 605-0727	shelia.little@fns.usda.gov
Program Design Branch	Connie Slough	Senior Program Analyst	(703) 305-2762	connie.slough@fns.usda.gov
Food and Nutrition Service Office of Analysis, Nutrition & Evaluation	Bob Dalrymple	Chief, Family Programs Analysis Branch	(703) 305-2138	bob.dalrymple@fns.usda.gov
	Kate Fink	Program Analyst	(703) 305-2106	kate.fink@fns.usda.gov

EXISTING PROJECTS

Mississippi Department of Human Services – MSCAP	Janis Bond	Director, State Operations	(601) 359-4834	jbond@mdhs.state.ms.us
New York State Office of Temporary and Disability Assistance – NYSNIP	Tom Hedderman	Temporary Assistance Specialist II	(518) 486-6939	tom.hedderman@dfa.state.ny.us
South Carolina Department of Social Services – SCCAP	Sissy Jeffords	SCCAP Coordinator	(803) 898-0955	sjeffords@dss.state.sc.us
Texas Department of Human Services SNAP	Boyd Graves	Policy Section Manager	(512) 438-3458	boyd.graves@dhs.state.tx.us
	Ana Bonilla	Program Administrator	(512) 908-8115	ana.bonilla@dhs.state.tx.us
Washington Department of Social and Health Services WASHCAP	Alicia Kone	Administrator, Division of Assistance Programs	(360) 413-3205	koneam@dshs.wa.gov
	Linda Baskin	Unit Administrator	(360) 413-3105	baskilj@dshs.wa.gov
	Chandra Moss	Business Analyst	(360) 664-4477	mosscl@dshs.wa.gov

PROJECTS UNDER DEVELOPMENT

Florida Department of Children and Families – SUNCAP	Patti Swan	SUNCAP Coordinator	(850) 922-5505	patti_swann@dcf.state.fl.us
Massachusetts Department of Transitional Assistance BAYSTATECAP	Lauren Arms	Food Stamps Program Manager	(617) 348-5452	lauren.arms@dfa.state.ma.us
Pennsylvania Department of Public Welfare – PA CAP	Nancy Poindexter	Division Director of Federal Programs and Program Management	(717) 772-7906	npoindexter@state.pa.us
Louisiana Department of Social Services – LaSNAP	Nan Poston	Assistant Program Director	(225) 342-4061	nposton@dss.state.la.us
New Jersey Division of Family Development – SNAS	Marybeth Schaedel	Coordinator Food Stamp Program	(609) 588-2197	mary.schaedel@dhs.state.nj.us
North Carolina Division of Social Service – SNAP	Rhonda McLamb	Program Coordinator Food Assistance and Energy Programs	(919) 715-0023	rhonda.mclamb@ncmail.net

ACKNOWLEDGEMENTS

CAP demonstrations are truly a collaborative effort between State and Federal government agencies. Because the success of these projects depends on many key players, we want to take this opportunity to recognize their contributions.

We are grateful to the States that have taken the initiative to implement or plan to implement CAPs. In particular, we want to thank the State staff listed as the project contacts in the preceding page for their work and dedication to making these projects successful.

The standard CAPs are operated in partnership with SSA. We would like to thank SSA staff involved in the development of these projects and in particular for the technical assistance provided by Jim Carey, Senior Program Advisor and Cynn timer Mages, Social Insurance Specialist.

A considerable amount of time in the development of the projects is spent by FNS' Office of Analysis, Nutrition and Evaluation in assessing the impact these projects will have on benefit levels for participants and on costs to the Federal government. We are grateful for the continuous support provided by Bob Dalrymple, Chief Family Programs Analysis Branch, Kate Fink, Program Analyst, and Mike DePiro, Program Analyst.

We also want to recognize the leadership role FNS' Southeast region has provided to support these projects and in particular the work of Charlie Simmons, Food Stamp Program Director, and Glenda Smith, Senior Program Specialist. We especially want to recognize the significant contributions made by Nora McMillan, Deputy Director, who recently passed away.

FOR ADDITIONAL INFORMATION

For more information about CAPs, please contact John Knaus, Shelia Little, or Connie Slough of FNS' Program Design Branch in Alexandria, Virginia. Telephone numbers and e-mail addresses for these individuals may be found in the preceding contact list.

The Food Research and Action Center (FRAC) recently released a guide on CAPs that contains detailed information about each project. Their report may be found on FRAC's Web site: <http://www.frac.org/pdf/CAPreport.pdf>.