



Further Questions Answers on the Balanced Budget Act of 1997

These questions and answers deal with able-bodied adults without dependents (ABAWDs).

BALANCED BUDGET ACT OF 1997 (PUB. L. 105-33) QUESTIONS AND ANSWERS—SET 4

Q1. If an ABAWD who has used up his/her 3 months of eligibility and has been off the Food Stamp Program applies, should referral to a qualifying workfare or education/training program occur at the time of application or only after the application has been approved?

A1. An ABAWD who applies for the Food Stamp Program after having used up his/her 3 months of eligibility and having been off the program should be referred to a qualifying workfare or education/training program at the time of application so that the individual may use the components to reestablish eligibility.

If the State agency assigns an applicant ABAWD to a workfare program, it may use its discretion in establishing participation hours (until regulations are issued). The State agency may either prospectively determine individual household allotments or they can use a range of estimated food stamp allotments and corresponding hours based on typical ABAWD cases. However, the maximum number of hours associated with any work activity may not exceed the statutory cap of 30 hours weekly.

A State agency may assign an applicant ABAWD who, **except for having exhausted the time-limit**, is eligible for the Food Stamp Program to 30-days of job search under a workfare program. The ABAWD would be required to perform job search for a minimum of 12 hours in the month to reestablish eligibility (see question #33 from the 2nd Qs&As packet). If an ABAWD who has been assigned to a 30-day job search period as part of a workfare program satisfies the job search requirements and thereby reestablishes eligibility but does not find a job, the State agency must place the ABAWD in a workfare assignment in the next month.

If an applicant ABAWD completes a workfare or work experience assignment during the 30-day application processing period, and is otherwise eligible for the Food Stamp Program, the ABAWD must be issued benefits back to the date of application (the monthly food stamp allotment being compensation for the hours the ABAWD worked). If an applicant ABAWD completes an education/training assignment during the 30-day application processing period, and is otherwise eligible for the program, the State agency may choose whether to issue the ABAWD benefits back to the date of application or in the next month. (Issuance of benefits back to the date of application would not be mandatory in the case of education/training programs because the food stamp allotment is not needed to compensate ABAWDs for participation in non-work programs.)

Q2. May any of the 80 percent of a State agency's 100 percent E&T grant required to be spent on ABAWDs (many of whom are already work attached) be for one-time expenses of an ABAWD incurred to put the ABAWD back to work? For example, would it be acceptable to pay for a license or certification the ABAWD may need to start or return to work?

A2. No, the 80 percent funding may only be used to operate qualifying workfare or 20-hour-a-week education/training programs.

Q3. What workfare costs are chargeable to the 100 percent Federal E&T funds? If a State agency purchases an ABAWD a broom to use at a workfare site, is that a chargeable cost? What if the State agency buys the broom for the site?

A3. For workfare programs that are operated as a component of a State agency's E&T program, the State agency may utilize 100 percent Federal E&T funds to pay the administrative costs involved in the creation of qualifying workfare slots, such as the costs of hiring job developers. State agencies may also use the 100 percent Federal E&T funds to cover the costs of equipment required for a workfare participant's personal safety or for performance of work if such items are also purchased by regular employees. In addition, the cost of worker's compensation or comparable protection provided to workfare participants by the State agency is chargeable to a State agency's 100 percent grant.

Current regulations prohibit State agencies from using any Federal E&T funds for the purchase of equipment, capital expenditures, tools or materials used by participants (save for the exceptions noted above), or the costs of equipment required for a workfare participant's personal safety or for performance of work if such items are also purchased by regular employees. In addition, the cost of worker's compensation or comparable protection provided to workfare participants by the State agency is chargeable to a State agency's 100 percent grant.

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

Q4. May States spend in a subsequent fiscal year any of their 100 percent Federal E&T grant that they do not expend in the current fiscal year?

A4. No. All 100 percent Federal E&T grants are effective only for the year in which the money is allocated. One hundred percent Federal E&T funds that a State does not expend in the fiscal year must be returned to FNS. FNS shall reallocate the unexpended funds in accordance with the Food Stamp Act.

In FY 99, however, FNS shall reallocate to each State an amount equal to that portion of the State's FY 98 100 percent E&T grant which the State did not spend. For example, a State which expended only \$500,000 of a \$1 million FY 98 E&T grant will receive an additional \$500,000 in FY 99 (i.e., in addition to its FY 99 100 percent Federal E&T grant).

Twenty percent of this reallocated funding may be used to serve non-ABAWDs and to fund activities that do not meet the requirements of Sections 6(o)(2)(B) and (C) of the Food Stamp Act, such as job search and job search training. The remaining 80 percent may only be spent on ABAWDs and on creating work and training opportunities that meet the requirements of Sections 6(o)(2)(B) and (C) of the Food Stamp Act.

States which met their full maintenance of effort (MOE) requirement in FY 98 may utilize all of the reallocated FY 98 funds without further expenditure of State money. States that did not meet their full FY 98 MOE, however, may only spend that portion, if any, of the reallocated funding they receive that represents unused FY 98 base E&T funding. To use any reallocated funds that represent unused FY 98 supplemental funding, these States must meet their FY 99 MOE.

FNS reserves the right to reallocate during FY 99 any 100 percent Federal E&T funding, including funding reallocated to a State from FY 98, which a State has not budgeted in its FY 99 State E&T plan or otherwise informed FNS that it will utilize in FY 99.