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Food and
Nutrition
Service

SUBJECT: Supplemental Nutrition Assistance Program Provisions of the Agriculture Improvement Act of 2018 – Section 4004 – Information Memorandum

Park Office
Center

TO: Regional Administrators
Food and Nutrition Service

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The attached questions and answers provide policy clarifications to address State agency concerns regarding the Food and Nutrition Service's (FNS) February 8, 2019, Information Memorandum which discussed Section 4004 of the Agriculture Improvement Act of 2018 (the Act).

FNS is releasing this memorandum as formal guidance for use by Regional Offices and State agencies as they implement the provisions of Section 4004. We are committed to providing ongoing technical assistance to States on issues related to the requirements of the Act. This memorandum comprises part of a series of implementation questions and answers and FNS anticipates additional question and answer documents will be forthcoming.

If further questions related to the implementation of this provision arise, please contact Mary Rose Conroy at maryrose.conroy@fns.usda.gov.

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- 1. The Information Memo indicates that the new value of the homeless shelter deduction is for FY19. It also says that States should implement the deduction as soon as possible. Are States expected to backdate this deduction to the beginning of the Fiscal Year even though the Farm Bill wasn't passed until December?**

This provision of the Agriculture Improvement Act (the Act) is considered self-executing, so States should implement immediately. However, the legislation is not retroactive and does not apply to cases with certification periods beginning before the date the Act was enacted (December 20, 2018). While the provision was effective as of December 20, 2018, FNS understands the practical implications of making such changes to systems and policies at the State level.

FNS expects States to work diligently to implement this provision as quickly as possible and will continue to monitor progress in individual States via our normal Regional Office monitoring and Management Evaluation process. Any State that anticipates significant challenges to expedient implementation should notify their Regional Office immediately so that FNS can provide technical assistance and guidance.

- 2. How is the homeless shelter deduction budgeted? Is it part of the excess shelter deduction?**

The homeless shelter deduction is an alternative to the excess shelter deduction for homeless households that do not receive free shelter throughout the month (i.e., homeless households with some shelter expenses). While it was previously an option for States to provide this alternative to these homeless households, the Act made it mandatory for State agencies to offer the homeless shelter deduction. If a homeless household with qualifying shelter expenses chooses the homeless shelter deduction (in lieu of the excess shelter expense deduction), the deduction must be subtracted from net income in determining eligibility and allotments for the household, in accordance with 7 CFR 273.9(d)(6)(i).

- 3. What is the verification policy for this deduction?**

This provision does not require any changes to existing verification policy on shelter deductions. States may verify shelter costs at their option. Consistent with the provisions of 7 CFR 273.9(d)(6)(i), a household receiving a homeless shelter deduction cannot have its shelter expenses considered as part of the excess shelter deduction or the standard utility allowances. However, a homeless household may choose to claim actual costs under the excess shelter deduction instead of claiming the homeless shelter deduction if actual costs are higher and verified.

4. How do States apply this deduction to existing cases? Can we apply it at the household's next scheduled contact?

FNS expects that State agencies will need to gather additional information about shelter expenses from currently participating SNAP households in order to apply this deduction to their cases, as applicable. State agencies may collect this information during the household's next scheduled recertification, at which time the State agency may explain the deduction and any verification requirements. Households with qualifying expenses must be offered the homeless shelter deduction and, if the household opts for the deduction, have it applied to their case, no later than the household's next scheduled recertification after the date of implementation. States may apply the homeless shelter deduction sooner than the household's next scheduled recertification if they receive sufficient information about the household's shelter expenses to make changes to its case.

5. Can the updated amount of \$147.55 be rounded, and if so, which direction (up or down). Some State systems are not programmed to handle figures that are not whole dollar amounts.

In implementing the homeless shelter deduction, States should follow their current net income calculation procedures under 7 CFR 273.10(e)(1)(ii), which stipulate that the State agency may elect to include the cents associated with each individual shelter cost in the computation of the shelter deduction and round the final shelter deduction amount.

6. Our State already has the option of allowing the homeless shelter deduction, and we are currently using \$143 for FY2019. Does this mean, we should be allowing the \$147.55 as soon as possible?

Yes. All States, both those that currently take the option and those that do not, are required to implement the homeless shelter deduction at the new value as soon as possible. FNS expects that States that already have the option in place will be best positioned to implement the new deduction value quickly for all households eligible for this deduction, while States implementing the deduction as a household option for the first time may need to make additional system changes.

7. The information memo indicated that, "Homeless households that have qualifying shelter expenses must be made aware of their eligibility for this deduction and, if applicable, their option to claim this or an excess shelter deduction." Is there guidance on how they are to be made aware? Are States required to provide this information on the application or verbally?

FNS recognizes the importance of ensuring that this vulnerable population be made aware of and understand the options regarding shelter deductions, including potential eligibility for the excess shelter deduction and the new homeless shelter deduction in all States. There is no particular method that is required for providing households with this information. States are expected to follow their normal procedures for informing households about the availability for deductions for which they may be eligible and are encouraged to connect with partners and service providers that work with this population to spread awareness about this policy change.

8. What are the start and end dates of the QC hold harmless period for this provision?

Following SNAP regulations at 7CFR 275.12(d)(2)(vii), the hold harmless period for this provision will be 120 days from the date of state implementation of this provision. States must notify their FNS Regional Office prior to implementation of what date they choose to implement this provision.

9. Is the QC hold harmless period for all States or just States that did not have it as an option before this provision?

All States are required by the Act to make changes based on this provision. States that previously had implemented the deduction as an option will need to adjust the value and States that did not previously have the deduction in place will need to adopt it as a household option. Since the provision impacts all States, the hold harmless period of 120 days from implementation applies to all State agencies.