



FEB 23 2009

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: SNAP Provisions of the American Recovery and Reinvestment Act of 2009

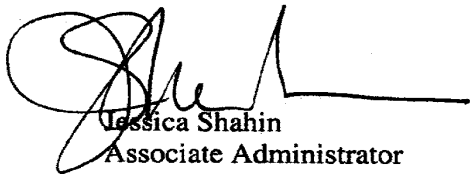
TO: Regional Administrators
Food and Nutrition Service

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009. Attached is an implementation memorandum describing the Supplemental Nutrition Assistance Program (SNAP) provisions of that Act. Please forward the attached memorandum to your State commissioners.

Please provide this office with a progress report by State concerning the implementation of these provisions.

If you have any questions, please contact the appropriate person from the list below:

Contact	Telephone Number	Stimulus Provision
Sandra Clark	703.305.2495	Sec. 101 (a) and (b)(1)&(2), (e)
Jane Duffield	703.605.4385	Sec. 101(c)
Dan Wilusz	703.305.2460	Sec. 101(b)(3),(5),
John Knaus	703.305.2498	Sec. 101(a)(1)&(2) as regards Puerto Rico and American Samoa Block Grant



Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program

Attachment

AN EQUAL OPPORTUNITY EMPLOYER

The American Recovery and Reinvestment Act of 2009 (herein referred to as the ARRA or Act) was recently signed into law. The Act contains changes that raise SNAP benefit levels, and affect the status of Able Bodied Adults Without Dependents (ABAWDs), the computation of client overissuance claims and work requirements, and the allocation of new administrative funding.

In addition to the above, the Act establishes a hold harmless in the implementation of its provisions, and established a \$50 tolerance level for purposes of a Quality Control error determination for the period that the benefit increases under the Act are in effect.

In the coming weeks, additional details will be forthcoming.

A. Provisions that must be implemented on April 1, 2009

Section 101 (a) and (b) Maximum Benefit Increase – FFY 2009

This provision provides that benefits under the Supplemental Nutrition Assistance Program (SNAP) will be calculated using 113.6 percent of the June 2008 value of the Thrifty Food Plan (TFP) effective for the April 2009 issuance for the remainder of Federal Fiscal Year (FY) 2009. In addition, effective April 1, 2009, consistent with Section 8(a) of the Food and Nutrition Act of 2008, the minimum one and two person household allotment will be adjusted. FNS will provide States with the April adjusted allotment tables as well as the appropriate minimum household allotment amounts under separate cover. These higher benefit levels will not be reduced in future Federal Fiscal Years.

The ARRA authorizes States to handle the above changes as mass changes per the provisions of SNAP regulations at 7 CFR 273.12(e).

Section 101(b)(3) Maximum Benefit Increase – Quality Control

The QC variance exclusion will begin on the date of implementation, starting no earlier than April 1, 2009, and continue, for errors related to implementation of the adjusted benefit levels, through September 30, 2009. Any variances resulting from mistakes in the amount of benefits authorized for a household resulting from the application of the adjusted benefit levels will be excluded for cases with review dates between April 1, and September 30, 2009. If the State implements the new allotment levels based on the Thrifty Food Plan adjustments after April 1, 2009, it will only receive the variance exclusion from the date of implementation.

Section 101(b)(4) Requirements for the Secretary – Client Overissuance Claims

Benefits overissued as a result of implementing the adjusted benefit levels must be excluded when calculating the amount of a claim against a household. This exclusion will be in effect from April 1, 2009, through September 30, 2009. The Department is considering the applicability of this provision in the out years.

Section 101(b)(5) Requirements for the Secretary – Quality Control

The \$25 tolerance level in 7 CFR 275.12(f)(2) shall be raised to \$50 beginning April 1, 2009, and continue through September 30, 2009.

Section 101(c) Administrative Expenses

Within 60 days of enactment of the Act, FNS will allocate a portion of \$145 million to the State agencies for fiscal year (FY) 2009. A second allocation of a portion of \$150 million will be made for FY 2010. FNS has been allocated \$4.5 million in total from the above funds for management and oversight activities as well as for monitoring and evaluating the effects of the adjusted benefits. The funds are to be used for State administrative costs associated with carrying out the change in benefits required by the ARRA and for administering SNAP. As required by the ARRA, 75 percent of the amount available for each fiscal year will be allocated to States based on each State's respective share of households that participate in SNAP for the most recent 12 month period for which data are available to FNS. These allocations will be adjusted for participation in disaster SNAP programs as specified by the ARRA. The remaining 25 percent will be allocated to States based on the increase in the number of households that participate over the most recent 12 month period for which data are available, and adjusted for participation in disaster programs. Specific State amounts will be provided under separate cover.

State agencies will need to track the ARRA's administrative expenditures separately. Unless implementing guidance from the Office of Management and Budget necessitates other reporting procedures, State agencies should be prepared to report the ARRA expenditures in the "Unspecified Portion of Other" column on the SF-269 (FS) for SNAP and also report the cumulative ARRA expenditures for the fiscal year in the Remarks Block. This will allow FNS to monitor State administrative costs and the expenditure of the ARRA State administration grant.

Section 101(a)(1) – Consolidated Block Grants for Puerto Rico and American Samoa

Section 101(a)(1) of the ARRA also requires that the block grants in Puerto Rico and American Samoa be calculated using 113.6 percent of the June 2008 value of the TFP for fiscal year (FY) 2009. For FY 2010 and beyond the block grants will not be reduced below the level in effect for FY 2009. FNS will work with the commonwealth to approve its revised plan and ensure that it is implemented by April 1, 2009. American Samoa must revise its memorandum of understanding (MOU) for the Nutrition Assistance Program and submit it to FNS for approval to allow for implementation by April 1, 2009.

Section 101(e) - Treatment of Jobless Workers

Beginning April 1, 2009, and extending through FY 2010, Able Bodied Adults Without Dependents (ABAWDs) SNAP benefits shall not be limited under Section 6(o)(2) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)(2)) unless an individual does not comply with the requirements of a program offered by the State agency that meets the standards of subparagraphs (B) or (C) which require that recipients :

“(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency;

(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State”

States may continue to disqualify individuals from SNAP on the basis of their failure to comply with an Employment and Training Program. However, no one may be disqualified on the basis of the time limit unless the State chooses to make a work assignment available that meets the above requirements. For this purpose, there is no need to track ABAWDs, use exemptions, or request waivers until October 1, 2010.

Section 101(e)(1) - Treatment of Jobless Workers – Quality Control

The QC variance exclusion will begin on the date of implementation, starting no earlier than April 1, 2009, and continue through September 30, 2010. Any variances resulting from improperly disqualifying ABAWDs because they received 3 months of benefits in a 36-month period will be excluded for cases between April 1, 2009, and September 30. If the State implements Section 101(e)(1) after April 1, 2009, it will only receive the variance exclusion from the date of implementation.

B. Provisions that must be implemented subsequent to April 1, 2009

Section 101(a)(1) and (2) – Maximum Benefit Increases for FY 2010 and Later

The benefit levels for FY 2010 and subsequent years will be based on the greater of 113.6 percent of the value of the TFP in June of 2008 and the value of the TFP in June of 2009.

Section 101(e)(2) – Treatment of Jobless Workers

Beginning on October 1, 2010, for the purposes of Section 6(o) of the Food and Nutrition Act of 2008 State agencies shall disregard any period during which an individual received benefits under the SNAP prior to October 1, 2010. The affect of this provision will be to clear all ABAWD time limits due to the 3 in 36 rule and begin anew.