



Virginia  
Regulatory  
Town Hall

## Proposed Regulation Agency Background Document

<b>Agency Name:</b>	Department of Social Services
<b>VAC Chapter Number:</b>	22 VAC 40-560
<b>Regulation Title:</b>	Monthly Reporting in the Food Stamp Program
<b>Action Title:</b>	Repeal
<b>Date:</b>	December 13, 2000

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

### Summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

The proposed action is to repeal the regulation that identifies which households must receive monthly report forms for the Food Stamp Program. Federal regulations and the Food Stamp Act of 1977, as amended, previously mandated that almost all recipient households must receive, complete, and return to the a monthly report each month.

In 1990, Congress enacted legislation that allowed monthly reporting to be optional for State agencies. At the point that monthly reporting became a state option, the Department opted to align the food stamp reporting requirement with the cash assistance program, the Aid to Families

with Dependent Children (AFDC) Program. This alignment resulted in monthly report forms being sent only to those households that were required to submit the forms for the AFDC program. Monthly reporting ceased for the AFDC program in 1991 and this termination resulted in the termination of monthly reporting in the Food Stamp Program.

## Basis

*Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.*

§2015 of the Food Stamp Act of 1977, as amended, and regulations at Title 7 of the Code of Federal Regulations at §273.21(b) allow that monthly reporting is a state option. The federal regulations further allow that if monthly reporting exists, certain households are excluded from the requirement. §63.1-25.2 of the Code of Virginia, as amended, grants the State Board of Social Services the authority to operate the public social services programs, including the Food Stamp Program.

The Virginia Attorney General's office certified that the Department has the authority to promulgate the proposed action to repeal the regulation and that the proposal comports with applicable laws.

## Purpose

*Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.*

The regulation defined which households received monthly report forms. The regulation limited monthly reporting to the households that also received public assistance benefits from the Aid to Families with Dependent Children Program. Monthly reporting in this program stopped in 1991 and the Department repealed the associated regulation in 1992.

This regulatory action to repeal is needed to have the regulations accurately reflect the administration of the Food Stamp Program in Virginia.

## Substance

*Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.*

There are no substantive changes or provisions. The Department proposes to repeal the regulation.

## Issues

*Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.*

Food stamp households must report changes in their circumstances because changes could impact the amount of benefits households receive or impact eligibility for benefits. The general time frame for reporting changes is to make the report within ten calendar days from the time changes occur. Monthly reporting was a federal requirement that set specific standards for food stamp recipients to follow for submitting reports of household circumstances each month whether or not changes occurred in the households' circumstances.

The issuance, receipt and evaluation of thousands of monthly report forms made for a costly and time-consuming process for state and local offices. The state office mailed the forms and provided stamped envelopes for the forms' return. Local agency staff evaluated the returned forms for completeness or determined whether the forms were returned or returned timely. The evaluation of the monthly report forms required a case review for all cases regardless of whether changes occurred in household circumstances.

In 1990, monthly reporting became a state option for the Food Stamp Program. The Department modified the monthly reporting procedures by limiting the reporting requirement to households that met the cash assistance program's reporting requirements. When the cash assistance program terminated the monthly reporting requirement, that termination ended monthly reporting for food stamps.

The Department determined that the benefits for monthly reporting were minimal compared to the financial costs and ineffective usage of time by food stamp recipients and by local agency staff. The Department determined the need for the regulation's repeal during the periodic review.

The repeal of the regulation provides no advantage or disadvantage to recipients. Recipients must continue to notify local agency workers about changes in their circumstances as the changes occur. Recipients do not have to report unchanged information.

## Fiscal Impact

*Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.*

There is no fiscal impact associated with the repeal of the regulation. Monthly reporting ceased in Virginia in 1991.

Reviving the regulation by changing the selection criteria would require changes in the eligibility determination computer system to correctly select households to receive the reports and to correctly assign penalties for households that fail to submit the reports timely. In addition to the computer programming costs, before monthly reporting may begin again, every worker assigned to the Food Stamp Program would require training about monthly reporting and the associated policies such as retrospective budgeting. In 1992, the cost savings of not sending the forms monthly were estimated to be \$228,000 annually. Postage costs would be needed for any revival of monthly reporting.

## Detail of Changes

*Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.*

There are no changes in the regulation being proposed. The Department proposes the repeal of the regulation.

## Alternatives

*Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.*

When monthly reporting became an option for state agencies, the Department considered the alternatives to require monthly for all households not exempted by federal regulation, to eliminate monthly reporting for all households or, to require monthly reporting of only certain households. Limiting monthly reporting to households required to file such reports for the public assistance program was a compromise to retain monthly reporting for some food stamp households while reducing the overall number of such reports and thereby, reducing the associated costs.

At the time of the periodic review, the Department considered whether to repeal the regulation or revise it. The Department considered revising the regulation to allow monthly reporting for a selected portion of the caseload other than the public assistance program population identified in the regulation.

The Department convened a work group in September 1999 to consider recipient reporting options. The U.S. Department of Agriculture proposed regulations and invited State Agencies to use the proposed regulations before final rules are issued. The work group, composed of state and local staff from all over the State, evaluated monthly reporting as part of its deliberations and determined that a return to monthly reporting was not in the best interests of the Virginia.

### Public Comment

*Please summarize all public comment received during the NOIRA comment period and provide the agency response.*

The Department received no comments on the proposal to repeal the regulation.

### Clarity of the Regulation

*Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.*

Staff in the Division of Benefit Programs and an assistant attorney general reviewed the regulation for clarity and understandability.

### Periodic Review

*Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.*

No additional review is needed. The regulation is being repealed.

### Family Impact Statement

*Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of*

*responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

The repeal of the regulation allows food stamp recipient households to report changes in their circumstances when the changes occur instead of being required to file a written report each month whether changes exist or not. This action does permit households to be responsible for reporting changes. The amount of food stamp benefits a household receives is often dependent on whether the household reports changes timely to the local agency and as such, this may impact the amount of disposable income a family has.

The regulatory action does not alter relations between parents and their children nor does this impact marital commitment.