



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number:
#01-34

Effective Date: March 1, 2001

Issuance Date: March 8, 2001

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

FROM: CHARLES E. HENRY, ACTING EXECUTIVE DIRECTOR

RE: INCREASE IN THE EXCESS SHELTER DEDUCTION

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

On October 28, 2000 President Clinton signed Public Law 106-387, which amends the Food Stamp Act. One of the provisions of this rule increases the maximum amount of excess shelter expense deduction.

CURRENT POLICY

The maximum excess shelter expense deduction is \$300 for households that do not include someone who is elderly or disabled.

NEW POLICY

- The maximum excess shelter expense deduction for households that do not include an elderly or disabled person increases to \$340 effective March 1, 2001, but does not apply to certification periods starting before this date.
- The federal statute does not permit states to implement this increase as a mass change like we usually do.
- The increase applies to new applications taken on or after March 1, 2001 and to recertifications beginning on or after March 1.

- The increase does not apply to interim changes for households certified before the March 1 effective date.

Examples:

Ms. A was certified on February 15. Her certification period is February through July. Her excess shelter expense deduction is \$300. She is not entitled to the new \$340 shelter cap until her next recertification.

Mr. B applies for food stamps on March 2, 2001. His excess shelter expense is \$375. CARES will apply the new \$340 maximum excess shelter expense deduction.

Ms. C was recertified on February 15. Her certification period is March through July. She is entitled to an excess shelter expense deduction of \$340. Because the recertification action occurred prior to March 1, the case manager must take action to pass the case through **ELIG** to apply the correct shelter amount. (See CARES procedures)

ACTION DUE

This policy is effective for new applications and recertifications taken on or after March 1, 2001.

PAYMENT ACCURACY

This policy is very error prone because CARES is not programmed to store more than one amount for the excess shelter cost. If an interim change is completed on the food stamp case, the food stamps will go through **ELIG** and the wrong shelter cap will be applied. The policy is further complicated by our integrated system. If a change is made on an associated case, the wrong shelter cap will be applied.

Errors caused by the shelter cap increase will fall below the Quality Control error threshold of \$25. However, it could increase the amount of an error, in multiple error cases. Quality Control procedures also permit a 120-day error exclusion period, so that errors will not be counted on cases sampled before July 1, 2001.

INQUIRIES

Please direct policy questions to Kay Finegan at (410) 767-7939 and systems questions to David Holland at (410) 238-1295.

cc: DHR Executive Staff FIA Management Staff
Constituent Services DHR Help Desk

CARES PROCEDURE

CARES stores one parameter for the excess shelter cost. On 2/28 this parameter will be changed to \$340.

Cases processed effective 3/1 will use the new parameter in the benefit calculation. This means cases completed before this date will calculate benefits based on \$300 regardless of the case type (app or redet).

A listing of March and April redeterminations will be sent to the local department shortly after 3/1. The list will include the cases with a shelter cap of \$300. The cases must pass through **ELIG** to apply the correct shelter cap amount. On **MISC** place a **Y** in the **Calc Elig Ind** field to force this process.