



United States
Department of
Agriculture

NOV 24 2008

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: Clarifying SNAP Reporting Requirements - "Known to the State agency"

TO: All Regional Directors
Supplemental Nutrition Assistance Program

The National Office recently has received several questions from Regional Offices concerning what should be considered "known to the State agency" for Supplemental Nutrition Assistance Program (SNAP) reporting purposes. These questions fall into two general areas. First, how is "State agency" defined and which State organizational entities are considered to be part of the State agency for SNAP purposes? Second, once the State agency is "defined", what information is considered "known" to that agency as used in the context of State waivers to act on all changes. The answers to these questions have implications for SNAP simplified reporting and related waivers to act on all changes.

SNAP rules allow States to adopt simplified reporting at the state's option. Within simplified reporting, Federal regulations at 7 CFR 273.12(a)(1)(vii)(A) require the State agency to act on reported changes as follows:

(A) Households with earned income certified for 6 months in accordance with paragraph (a)(1)(vii) of this section must not be required to report changes in accordance with paragraphs (a)(1)(ii) through (a)(1)(vi) of this section. The State agency must act on any change reported by such households that would increase their benefits in accordance with paragraph (c)(1) of this section. The State agency must not act on changes that would result in a decrease in benefits unless:

(1) The household has voluntarily requested that its case be closed in accordance with §273.13(b)(12);

(2) The State agency has information about the household's circumstances considered verified upon receipt; or

(3) There has been a change in the household's PA grant, or GA grant in project areas where GA and food stamp cases are jointly processed in accord with §273.2(j)(2).

As more State agencies have adopted simplified reporting, a growing number of them have requested and received Food and Nutrition Service (FNS) approval to act on *all* changes known to the agency. SNAP simplified reporting rules require States to act on reported changes that increase a household's benefit but forbid the State from acting on

reported changes that would reduce benefits. This potentially creates a problem for State agencies for two reasons. First, the State's Temporary Assistance for Needy Families (TANF) and Medical Assistance (MA) programs often could not or would not adapt to different reporting procedures for SNAP. Many state computer systems were not able to accommodate differences in reporting and resulting income amounts between SNAP and other connected programs. Second, simplified reporting required a cultural change among workers, who had previously acted on all changes, but must now only act on those that increase benefits. Some states were concerned that this could lead to errors.

As a result, a number of State agencies have adopted simplified reporting, but also requested and received a waiver to allow them to act on all changes known to the agency, not just those that increase benefits. In determining which changes it must act on, the State agency must establish which changes are known, including which programs make up the "state agency".

What does "State agency" mean?

Federal law and regulations establish a definition of "State agency". Section 3 (t) of the Food and Nutrition Act of 2008 (FNA) defines "State agency" as follows:

(t) "State agency" means (1) the agency of State government, including the local offices thereof, which has the responsibility for the administration of the federally aided public assistance programs within such State, and in those States where such assistance programs are operated on a decentralized basis, the term shall include the counterpart local agencies administering such programs, and (2) the tribal organization of an Indian tribe determined by the Secretary to be capable of effectively administering a food distribution program under section 4 (b) of this Act or a supplemental nutrition assistance program under section 11 (d) of this Act.

Program regulations at 7 CFR 271.2 adopt a similar definition of "State agency" and further define "public assistance":

Public assistance (PA) means any of the following programs authorized by the Social Security Act of 1935, as amended: Old-age assistance, Temporary Assistance for Needy Families (TANF), including TANF for children of unemployed fathers, aid to the blind, aid to the permanently and totally disabled and aid to aged, blind, or disabled.

Based on these definitions, the "State agency" for SNAP purposes *must* include the organizational entity(ies) responsible for administering TANF and the other assistance programs referenced above. FNS recognizes, however, that the specific organization of

assistance programs and the degree of integration among these programs varies widely across States. For most States, the operational definition of State agency is more expansive than SNAP and TANF and includes other programs administered in conjunction such as MA, child support, child care or other related human services programs. In these cases, the programs operate in conjunction with SNAP to share data systems and other organizational features. Based on this, FNS believes that while federal rules, at a minimum, require the SNAP State agency to include TANF, States may adopt a broader definition that more accurately reflects the specific organization and features of the State agency for that particular State. State agencies have discretion in defining the scope of their agency for SNAP purposes so long as, at a minimum, the TANF function is included.

What is “known” to the State agency?

Once “State agency” is defined, a State must establish what information is considered known to the agency and must be acted upon under waivers to act on all changes. SNAP regulations at 7 CFR 273.12(a)(1)(vii)(A)(2) prohibit the State agency from acting on changes that decrease a household’s benefit unless the information about the household’s circumstances are considered verified upon receipt. Waivers to act on all changes require the State to act on changes “known” to the agency and States have increasingly raised questions about the breadth of this requirement.

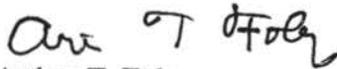
To assist states in dealing with this issue, FNS suggests several considerations for States in structuring their waiver requests:

- First, states that request simplified reporting waivers should be cognizant of the definition of “State agency” as it applies to their organizational structure. As noted above, whether this definition includes just the SNAP and TANF administering agencies or a broader set of assistance programs is a matter for the state to determine based on its particular organizational structure.
- Second, states must continue to require households to report when total income rises above the gross income limit and when able-bodied adults without dependents (ABAWDs) work hours drop below 20 hours per week. States would also act on all other changes reported by households whether the affect is to increase or decrease a household’s benefits.
- Third, states must continue to act on all changes known to the state agency and considered verified upon receipt. This third category would cover computer matches where the database is considered to represent “source data”, such as a BENDEX match. This category would also extend to changes in TANF and GA consistent with the provisions of 7 CFR 273.12(a)(1)(vii)(3).
- Fourth, the state would have to act on all other information that it requires its TANF workers to act upon.

All Regional Directors
Page 4

- Finally, for any information that the state receives that it does not intend to act upon until the next household certification, the state should list such information and the rationale for not acting on that information as part of its waiver request. FNS will consider such a waiver for approval consistent with SNAP requirements concerning efficient and effective program operations.

Please advise your State agencies of these clarifications regarding the definition of "State agency" and that information which is considered "known" to the agency. Please work with the agency to ensure that their operational procedures are consistent with these clarifications and that the relevant definitions are identified in future waiver requests. If you have any questions about this issue, please contact your Regional Office's liaison in the Certification Policy Branch.



Arthur T. Foley
Director
Program Development Division