

## **Transitional Benefits Practices**

*Summary Prepared to Reflect Changes Made by 2002 Farm Bill*

Food Stamp Program law and regulations [7 U.S.C. 2020(s); 7 CFR 273.12(f)(4)] provide State agencies the option to offer transitional food stamp benefits to households leaving the Temporary Assistance for Needy Families (TANF) program. Transitional benefits ensure that such households can continue to meet their nutritional needs as they make the transition from welfare to work. Transitional benefits guarantee families set benefit amounts and eliminate reporting requirements during the transition period. Benefits can be continued for up to five months in an amount equal to the amount received by the household prior to TANF termination with adjustments for the loss of TANF income. Certification periods can be extended through the last transitional month.

As of a September 2004 survey, fourteen states have implemented this option. This memorandum will highlight some of the ways that State agencies have successfully utilized this option which other States may use as a guide for implementing the option in their state.

### **Benefit Adjustments**

Under the Transitional Benefit Alternative (TBA), the benefit amount determined at the beginning of the transitional period is intended to be a frozen benefit amount for the duration of the benefit period. However, to provide maximum flexibility to State agencies, the Department proposed to permit State agencies to adjust the household's transitional benefit under certain conditions.

First, a State agency has the option to adjust the transitional benefit amount to account for changes in household circumstances that it learns from another program. Currently, only two States providing the Transitional Benefit Alternative make this adjustment.

Second, a State agency may adjust the transitional benefit level to account for the automatic annual changes in the food stamp benefit rules including the Cost of Living Adjustment (COLA). These statutory adjustments are programmed into most states' computers once each year and do not depend on the household providing any information. State agencies who are currently participating in the transitional benefit program are dealing with automatic annual changes in a variety of ways. While some states make the adjustment because it is automatically programmed into their system, others are providing a frozen benefit that does not account for any changes in circumstances. Half of the States are making this adjustment including: Massachusetts, Arizona (if it will increase the household's benefit amount), Oregon, Nebraska, Pennsylvania, New York, and North Carolina.

## **Assigning a New Certification Period**

If the household does not apply for recertification during the transitional period, the State agency has the option in the final month of the transitional period to assign a household a new certification period and require the household to undergo recertification. Most of the State agencies offering Transitional Benefits make this adjustment to the certification period.

## **Notice Requirements**

Under the proposed rule, the State agency is required to issue a transition notice which informs the household of its eligibility for transitional benefits, the length of the transition period, and its right to apply for recertification at anytime during the transitional period. The rule also proposes that the notice is required to explain any changes in the household's benefit amount and that the household is not required to report or verify changes in household circumstances until the deadline established in a written Request for Contact or their recertification interview.

Commenters asked the Department to include an additional notice requirement which would inform households that they need to recertify at the end of the transitional benefit period in order to continue to receive benefits. All State agencies send out a notice of expiration at the end of the transitional period and most include language in their initial notice about the need to recertify at the end of the transitional period.

We have collected and reviewed the notices of the State agencies who have implemented the Transitional Benefit Alternative and a summary of their contents is provided below.

**Arizona** has two documents designed specifically for the Transitional Benefit Alternative. The first is a flyer that explains the transitional benefit program including, its purpose, the duration of the benefit and that their benefit amount may increase from the amount they received while on TANF. The second is a notice which provides the required text for a transitional benefit notice. When the TBA household reapplies and is subsequently approved for TANF, the state issues a general notice of adverse action. At the end of the TBA period, the state issues a Notice of Expiration. Transitioning a household to transitional benefits is automated and occurs based on the TANF case closure code.

**California** has a single notice that contains two columns. One of the two columns is checked off and the information specific to the individual case is filled into the respective blanks. The form also contains standard language about hearing rights and procedures. The first column on the form is for households who are approved for transitional benefits. This column informs the household that because their

CalWORKs (TANF) case has been closed, they will be receiving transitional food stamp benefits. It contains all of the required notice language. The second column is for the termination of the transitional benefit period. This column provides a date that the transitional period will end and the reason.

**Illinois** issued a new form to implement the Transitional Benefit Alternative. When a household enters the transitional benefit period they receive this form, “Action Taken on Your Food Stamp Benefits – Notice of Eligibility – Transitional Food Stamps.” This form contains all of the required information for a transitional benefit notice in addition to language informing the household that they need to reapply at the end of the transitional period to continue receiving food stamp benefits. The State issues a notice of expiration prior to the end of the transitional benefit period. If a household member leaves during the transitional period, the State sends a notice of change and reduces the benefit amount. This is the only change to the benefit amount that is made during the transitional period.

**Maryland** has a single notice specific to the transitional benefit program. When the household enters the transitional period, they receive a notice to inform them of the action. The notice provides the required regulatory language in a way that is clear to the household as to the reason for the change in their benefit level and the program for which they are now qualified. For example, they provide clear language explaining the calculation of the benefit amount including information about what income they include and exclude. This initial notice also informs the household that if they want to receive benefits after the five-month transitional period they will have to undergo a recertification.

Once the household enters the transitional benefit program, all of the other program notices are the same as those provided to traditional Food Stamp Program participants. Under the current program, if a household returns to TANF during the transitional benefit period, the transitional benefits continue unless the household requests a recertification. However, most households do not make this request. The State disagrees with the provision in the proposed rule that forbids the continuance of the transitional benefit allotment once a household returns to the TANF program.

**Massachusetts** inserts the required regulatory language into their standard notices. In addition to the current required regulatory language, they insert information into the initial notice to inform the household that they will be sent a notice about reapplying for benefits. Their form also contains information about other possible programs for which the family may qualify including child-care and transportation assistance.

**Nebraska** adjusts the household’s recertification period so that it ends at the end of the transitional benefit period. The State uses its standard forms for the traditional Food Stamp Program for issuing information about the termination of their benefits and the need to recertify. If a household begins to receive TANF

during the transitional period, the State closes the transitional benefit case and sends a notice to the household so they can reapply.

**New Mexico** has a single notice that is sent out to households notifying them that they have been approved for the transitional food stamp program because their TANF cash assistance case has been closed. The notice contains all of the required regulatory language including details about how they calculate the benefit amount and reasons why the household might want to reapply for benefits during their transitional period. This notice also contains a statement informing the household that they will be sent a notice about filing a new application toward the end of the transitional benefit period. At the end of the transitional benefit period, the State recertifies the household. The approval notice explains their new reporting requirements.

**New York** has a notice that contains all of the required language for a transitional benefit notice. They also have a statement in the initial notice that informs the household that they will receive another form about their food stamp benefits before the end of their transitional period. This second notice is a standard notice of expiration informing the household that they need to recertify in order to receive continuous benefits. All of the transitional benefit notices from the State of New York contain information about other benefit programs for which the household may qualify including transitional child care, discounts on telephone services and state health care programs.

**North Carolina** has text that it inserts into its standard notice that contains the required regulatory language for the Transitional Benefit Alternative. They then send out their standard notice of expiration before the end of the transitional benefit period.

**Oregon** has a fact sheet outlining the Transitional Benefit Alternative. It is in a question and answer format and outlines the program, the reporting requirements, and the consequences for reporting a change. The State also has language that it inserts into their standard forms that contain the required language for households entering the transitional benefit program. The initial notice also contains a statement notifying households that they need to reapply toward the end of the transitional period to continue receiving benefits. The termination form provides: (1) the date that the benefits end; (2) the date to reapply by to get continuous benefits; (3) advice to contact the office to reapply; (4) a statement that the household has to provide more information to the local office to determine their eligibility for the program; (5) information about the interview; (6) the consequences for missing the interview; and (7) a statement that if they do not reapply before their benefits end, they may have a lapse in their benefit amount.

**Pennsylvania's** automated system inserts numbered paragraphs into their standard notice. The text of these paragraphs contains information related to the Transitional Benefit Alternative. The system contains text for three specific circumstances:

1. The household is eligible for the Transitional Benefit Alternative and their benefit amount increases.
2. The household is eligible for the Transitional Benefit Alternative and there is no change in their allotment.
3. The transitional benefit period is over and the household is eligible for participation in the Food Stamp Program.

Pennsylvania also has a fact sheet that contains questions and answers about the Transitional Benefit Alternative. This fact sheet states that a caseworker will contact the household before their transitional period ends regarding their continued eligibility or ineligibility.

**Virginia** uses their standard notices for the Transitional Benefit Alternative. They did not provide us any detailed information about their forms because they believed that the language they use is just the standard regulatory language for these forms.

**Wisconsin** has four notices that are used for households receiving transitional benefits. In addition to the language specific to the transitional benefit program, all of the notices contain standard language about appeal rights and fair hearings. First, an initial notice is sent out to households when they enter the transitional benefit period. This notice provides all of the required regulatory language in addition to informing the household that they will have to reapply if they want to continue to receive benefits at the end of the transitional period. Second, a notice is sent out 45 days before the end of the transitional benefit period. This notice provides: (1) the date that the benefit period will end; (2) advice about reapplication; and (3) information about the use of their EBT card. Third, a notice is sent out at the end of the transitional period. This notice provides the same information as the second notice. Fourth, a notice is sent to households if a member applies as part of another household. This notice informs the household that their benefit amount has changed because there has been a change in their transitional benefit group and lists the household members.

### **Summary**

While some of the notices issued by these States do not go beyond the required notice text, most include information in the initial notice about the need to reapply toward the end of the transitional period to continue receiving food stamp benefits. Some states have also created other informational materials to help explain the program's purpose and the requirements for participation. Additionally, a few states, such as New York and Massachusetts, go a step further and include information about other programs, including transitional child care, in their transitional benefit notices.

August 2005