

brought to our attention in several waiver requests from State agencies. We are taking action to rectify this deficiency in the regulations by proposing to amend 7 CFR 273.10(c)(3)(ii) to clarify that contract income which is not the household's annual income and is not paid on an hourly or piecework basis shall be averaged over the period the income is intended to cover.

Certification Periods—7 CFR 273.10(f)

In October 1991, the Department solicited suggestions from State agencies for simplifying the recertification process. Several State agencies recommended changes in the requirements for certification periods to allow more flexibility in aligning the food stamp recertification and the PA/GA redetermination in joint cases. We have granted waivers to State agencies to facilitate matching the PA/GA and food stamp periods, including extension of food stamp certification periods for up to 16 months.

Alignment of the food stamp recertification with the PA/GA redetermination has long been a problem for State agencies. Section 3(c) of the Food Stamp Act, 7 U.S.C. 2012(c), requires that the food stamp certification period of a GA or PA household coincide with the period for which the household is certified for GA or PA. However, because PA/GA and Food Stamp Program processing standards and the period for which benefits must be provided are not the same, it is often difficult to get the certification periods for the programs to coincide.

Some State agencies have requested that the Food Stamp Program return to the policy of open-ended certification periods which existed prior to the Food Stamp Act of 1977 so that the food stamp portion of the case may be recertified at the same time as the PA/GA redetermination. Section 11(e)(4) of the Act, 7 U.S.C. 2020(e)(4), however, requires that households be assigned definite certification periods and thus precludes the use of open-ended certification periods. It is also clear in the legislative history of the Act that Congress intended for households participating in the Food Stamp Program to be subject to distinct certification periods. The House of Representatives Report No. 464, 95th Cong., 1st Sess. (August 10, 1977), states on page 277 that “* * * in no event should [the mandate that the food stamp certification period be identical to the PA eligibility period] lead to food stamp eligibility for public assistance recipients being a perpetual entitlement

as their assistance might be instead of being subject to distinct entitlements marked off by certification period[s] * * *” We feel, therefore, that the intent of the Act clearly prohibits us from returning to open-ended certification periods.

We are proposing, however, three alternative means of assisting State agencies in aligning PA/GA and food stamp certification periods. First, we are proposing to amend 7 CFR 273.10(f)(3) to allow the following procedure: When a household is certified for food stamp eligibility prior to an initial determination of eligibility for PA/GA, the State agency shall assign the household a food stamp certification period consistent with the household's circumstances. When the PA/GA is approved, the State agency shall reevaluate the household's food stamp eligibility. The household will not be required to submit a new application or undergo another face-to-face interview. If eligibility factors remain the same, the food stamp certification period can be extended up to an additional 12 months to align the household's food stamp recertification with its PA/GA redetermination. The State agency will be required to send a notice informing a household of any such changes in its certification period. At the end of the extended certification period the household must be sent a Notice of Expiration and must be recertified before being determined eligible for further food stamp assistance, even if the PA/GA redetermination has not been completed. In the event that a household's PA/GA redetermination is not completed at the end of the food stamp certification period and, as a result, the household's food stamp and PA/GA certification periods are no longer aligned, the State agency may employ the procedure described above to once again align those certification periods.

Our second proposal for aiding State agencies in aligning PA/GA and food stamp certification periods is to allow State agencies to recertify a household currently receiving food stamps when the household comes into a State office to report a change in circumstances for PA/GA purposes. At that time, the State agency would require the household to fill out an application for food stamps and to undergo a face-to-face interview. If the household is determined eligible to continue receiving food stamps, its current certification period would end and a new one would be assigned.

Our third proposal for aiding State agencies in aligning PA/GA and food stamp certification periods would allow

State agencies to assign indeterminate certification periods to households certified for both food stamps and PA/GA. Under this proposal, a household's food stamp certification period would be set to expire one month after the household's scheduled PA/GA redetermination, so long as the period of food stamp certification did not exceed 12 months. Therefore, if a food stamp certification were set to expire in seven months, that being the month after the month the PA redetermination was due, but the PA redetermination was not done on time, the food stamp certification period could be postponed up to an additional five months to align food stamp recertification and PA/GA redetermination. In the twelfth month, the household would have to be recertified for food stamp purposes, even if the PA redetermination had not yet been completed.

The Department is proposing to amend 7 CFR 273.10(f)(3) to permit State agencies to implement the three above-described procedures.

Calculating Boarder Income—7 CFR 273.11(b)

Current rules at 7 CFR 273.11(b) provide that State agencies must use the maximum food stamp allotment as a basis of establishing the cost of doing business for income received from boarders when the household does not own a commercial boardinghouse. Boarders are not included as members of the household to which they are paying room and board. The households receiving the room and board payments must include those payments as self-employment income, but can exclude that portion of the payments equal to the cost of doing business. The rules provide that the cost of doing business is either (1) the maximum food stamp allotment for a household size equal to the number of boarders; or (2) the actual documented cost of providing room and meals, if that cost exceeds the maximum allotment. The Department is proposing to revise current regulations to provide State agencies with an additional option for calculating border income.

The Consistency rule included a provision that would have required State agencies to use, in place of the maximum allotment method, a flat percentage equal to 75 percent of the boarder-generated income as the means of establishing the cost of doing business for income received from boarders. The proposal allowed the household to use actual expenses if it could verify that its actual expenses were higher than the flat percentage. This is currently the policy of the AFDC