

February 21, 2008

SUBJECT: Rescission of Prohibition on the Use of Federal E&T Funds to Serve
Individuals in State Programs Funded With TANF MOE Funds.

TO: Program Directors
All Regions

On March 22, 2007, this office transmitted the attached memorandum to Program Directors to clarify that the Food Stamp Act prohibited providing Food Stamp Employment and Training (E&T) Program services to food stamp recipients receiving cash assistance funded by expenditures of State funds that count toward meeting the State's Temporary Assistance for Needy Families (TANF) Maintenance-Of-Effort (MOE) requirements. Upon further consideration, we have determined that serving these individuals is a permissible use of Federal funds and we are rescinding the previous interpretation.

Section 6(d)(4)(K) of the Food Stamp Act limits a State agency's use of Federal E&T funds to provide services to individuals receiving benefits under a State program funded under title IV-A to the amount of funds the State agency used in fiscal year (FY) 1995 to provide service to individuals receiving benefits under title IV-A. Only four State agencies—Colorado, Utah, Vermont, and Wisconsin—are authorized under 7 CFR 273.7(d)(1)(ii)(H) to spend E&T funds on individuals who receive title IV-A assistance. Our original position was that all State funds spent on benefits and services for eligible families that count toward meeting the TANF MOE requirement was part of Federal TANF funding under title IV-A of the Social Security Act; thus those families were not eligible for E&T, except in the four States.

Subsequently, we determined that the phrase “funded under title IV-A” applies only to assistance provided with Federal TANF block grant funds, not to state-funded programs (the Social Security Act actually reinforces the difference by referring to “the State program [TANF] funded under this part or any other State program funded with qualified State expenditures). Since State MOE expenditures can be made either as part of the State's TANF program or in a separate State program, these funds are not to be considered part of TANF funding under title IV-A.

Please advise your respective State agencies of this policy reinterpretation. However, be sure to strongly emphasize that it does not apply to the statutory prohibition against using Federal funds to provide services to individuals receiving benefits funded under title IV-A in accordance with section 6(d)(4)(K) of the Food Stamp Act.

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

Program Directors
Page 2

If you have any questions, please contact Micheal Atwell on 703-304-2449 or via the Internet at micheal.atwell@fns.usda.gov.

Sincerely,

/S/

Arthur T. Foley
Director
Program Development Division

Attachment

cc: Kevin Meckus, Office of General Counsel