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Effective Date: 02/28/2011

# Rulemaking Hearing Rule(s) Filing Form

*Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing. TCA Section 4-5-205*

<b>Agency/Board/Commission:</b>	Tennessee Department of Human Services
<b>Division:</b>	Family Assistance
<b>Contact Person:</b>	Phyllis Simpson
<b>Address:</b>	Office of General Counsel Citizens Plaza Building, 15 <sup>th</sup> Floor 400 Deaderick Street Nashville, Tennessee 37243-1403
<b>Zip:</b>	37243-1403
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<b>Email:</b>	Phyllis.Simpson@tn.gov

**Revision Type (check all that apply):**

- Amendment  
 New  
 Repeal

**Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only **ONE** Rule Number/Rule Title per row)**

Chapter Number	Chapter Title
1240-01-04	Financial Eligibility Requirements
Rule Number	Rule Title
1240-01-04-.27	Standards of Need/Income

Chapter Number	Chapter Title
Rule Number	Rule Title

Chapter 1240-01-04  
Financial Eligibility Requirements

Amendments

Rule 1240-01-04-.27 Standards of Need/Income, is amended by deleting Table IV-A and Table IV-B under paragraph (1) subparagraph (d) in their entirety, and by inserting a new Table IV-A and Table IV-B, so that, as amended, subparagraph (d) Table IV-A and Table IV-B under paragraph (1) shall read as follows:

(d)

Table IV-A  
Standard Deduction

Household Size	1	2	3	4	5	6+
Standard Deduction	\$142	\$142	\$142	\$153	\$179	\$205

Table IV-B  
Food Stamp Deductions

Maximum Dependent Care	No Limit
Maximum Shelter Deduction for Non-Elderly/Disabled Households	\$458
Maximum Shelter Deduction for Elderly/Disabled Households	No Maximum

Authority: T.C.A. §§ 4-5-201 et seq.; T.C.A. § 4-5-202; T.C.A. §§ 71-1-105 and 71-5-304; 7 U.S.C.A. § 2014 and 2017(a); 7 C.F.R. §§ 273.9 and 273.10.

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Department of Human Services (board/commission/ other authority) on 11/09/2010, and is in compliance with the provisions of TCA 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/24/10

Rulemaking Hearing(s) Conducted on: (add more dates). 10/26/10

Date: November 9, 2010

Signature: [Handwritten Signature]

Name of Officer: Phyllis Simpson

Assistant General Counsel

Title of Officer: Tennessee Department of Human Services



Subscribed and sworn to before me on: November 9, 2010

Notary Public Signature: Regina D. Mitchell

My commission expires on: May 8, 2012

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[Handwritten Signature]

Robert E. Cooper, Jr.  
Attorney General and Reporter

11-24-10

Date

**Department of State Use Only**

Filed with the Department of State on: 11/30/10

Effective on: 2/28/11

[Handwritten Signature]

Tre Hargett  
Secretary of State

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## Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. §4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

Date(s), Time(s) and Place(s) of Public Hearing(s): October 26, 2010, 1:30 p.m. Central Time, Department of Human Services, 2<sup>nd</sup> Floor Conference Room #1, Citizens Plaza Building, 400 Deaderick Street, Nashville, Tennessee 37243.

A public hearing was held on the date, time and place noted above by the Department of Human Services to receive comments regarding amendments to the above referenced rules. No comments were received.

### **Regulatory Flexibility Addendum**

Pursuant to T.C.A. § 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

The United States Department of Agriculture establishes standards of eligibility for participation by households in the Food Stamp Program pursuant to 7 U.S.C. § 2014. For purposes of Acts 2007, Chapter 464, the Regulatory Flexibility Act, the Department of Human Services certifies that these rulemaking hearing rules substantially codify existing federal law, such that, pursuant to Section 6 of the Regulatory Flexibility Act, the Regulatory Flexibility Act's provisions do not apply to these rules. In addition, these rulemaking hearing rules do not appear to affect small businesses as defined in the Act because these rules are related to the determination of eligibility and provision of benefits to individuals and households who file an application for them. These rules do not regulate or attempt to regulate businesses.

## **Impact on Local Governments**

Pursuant to T.C.A. 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

These rules have no projected financial impact on local governments.

**Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to TCA 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

Rule 1240-01-04-.27. This revision changes tables IV-A and IV-B to reflect an increase in the Standard Deduction amount for households containing 1 to 3 people and a decrease in the Maximum Shelter Deduction for non-elderly or non-disabled households effective for October 1, 2010. These amounts are set by the federal government.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

T.C.A. §§ 4-5-201 et seq.; 71-1-105 and 71-5-304; 7 U.S.C. §§ 2014 and 2017(a); 7 C.F.R. § 273.9 and 7 C.F.R. § 273.10.

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Rule 1240-01-04-.27. All current and potential recipients of the Food Stamp Program.

A rulemaking hearing was held on October 26, 2010. No comments urging adoption or rejection of this rule were received.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

None.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

No increase or decrease in state or local expenditures.

Since food stamp purchases are exempt from state and local sales tax, there would be no increase in state and local revenue.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Sandra Ramsey, Program Manager, Food Stamp Policy  
Tennessee Department of Human Services  
Citizens Plaza Bldg., 12<sup>th</sup> Floor  
400 Deaderick Street  
Nashville, TN 37243  
(615) 313-5652

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Sandra Ramsey, Program Manager, Food Stamp Policy  
Tennessee Department of Human Services  
Citizens Plaza Bldg., 12<sup>th</sup> Floor

400 Deaderick Street  
Nashville, TN 37243  
(615) 313-5652

Richard Dobbs, Director, Food Stamp Policy  
Tennessee Department of Human Services  
Citizens Plaza Bldg., 12<sup>th</sup> Floor  
Nashville, TN 37243  
(615) 313-5652

Phyllis Simpson, Assistant General Counsel  
Department of Human Services, Citizens Plaza, 15<sup>th</sup> Floor  
400 Deaderick Street  
Nashville, Tennessee 37243  
(615) 313-2266

**(H)** Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Sandra Ramsey, Program Manager, Food Stamp Policy  
Tennessee Department of Human Services  
Citizens Plaza Bldg., 12<sup>th</sup> Floor  
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(615) 313-2266  
Phyllis.Simpson@tn.gov

**(I)** Any additional information relevant to the rule proposed for continuation that the committee requests.

N/A

**RULES  
OF  
TENNESSEE DEPARTMENT OF HUMAN SERVICES  
FAMILY ASSISTANCE DIVISION**

**CHAPTER 1240-01-04  
FINANCIAL ELIGIBILITY REQUIREMENTS**

**1240-01-04-.27 STANDARDS OF NEED/INCOME.** The following tables show the income standards, food stamp coupon allotment (Thrifty Food Plan), standard income deduction, maximum shelter/dependent care deductions, and standard utility/telephone allowances to be used in the Food Stamp Program to determine eligibility and level of benefits. (Tables I through VII). Table VIII shows the maximum income level, consolidated standard of need, and the possible standard payment amounts to be used in the AFDC program to determine eligibility and level of benefits.

(1) Food Stamp Standards.

- (a) Food Stamp Gross Monthly Income Standards. The gross monthly income standard is used to determine whether a household is eligible; it is not used to determine the actual amount of the coupon allotment.
1. If the household's gross monthly income (before deductions) exceeds the gross income standard for the number of persons in the household, the household is not eligible for food stamps.
  2. If the household's gross monthly income (before deductions) is equal to or less than the gross income standard for the number of persons in the household, the household may be eligible. At this point, the net income standard shall be applied to the household's net income as instructed in 1240-01-04-.27 (1)(b).

Table I

No. of Persons in Household	1	2	3	4	5	6	7	8	9	10
Gross Income Standard	\$1174	\$1579	\$1984	\$2389	\$2794	\$3200	\$3605	\$4010	\$4416	\$4822

For each additional member add \$406

- (b) Net Monthly Income Standards-Food Stamps. The Net Monthly Income Standard is used to determine whether a household is eligible. It is NOT used to determine the actual amount of their coupon allotment. This standard applies to all households including household containing a member who is elderly or disabled.
1. If a household's available income (after exclusions and deductions) exceeds the Net Monthly Income Standard for the number of persons in the household, a household is not eligible for Food Stamps.
  2. If a household's available income (after exclusions and deductions) equals or is less than the appropriate Net Monthly Income Standard for the number of persons in the household, the household is eligible for a Food Stamp allotment.

Table II

**“REDLINE      VERSION-RULE      1240-01-04-.27      DATED  
NOVEMBER 8, 2010”**

No. of Persons in Household	1	2	3	4	5	6	7	8	9	10
Maximum Net Income	\$903	\$1215	\$1526	\$1838	\$2150	\$2461	\$2773	\$3085	\$3397	\$3709

For each additional member add \$312

(c) Basis of Coupon Issuance - Value of the Thrifty Food Plan. The Thrifty Food plan shows the maximum coupon allotment that can be authorized for a household of any given size, and is used to determine the actual amount of the coupons for which the household qualifies.

1. Calculate 30% of a household's available income (after exclusions and deductions).
2. Subtract that amount from the maximum coupon allotment for the appropriate household size to determine the value of the coupon allotment. The minimum allotment for one and two person households is \$16.00 even if thirty percent of those household's net income subtracted from the Thrifty Food Plan is less than \$16.00. For all other household's sizes, the allotment is based on the actual amount derived from the preceding calculations.
3. If after using the appropriate formula the result ends in 1 through 99 cents, the amount shall be rounded down to the nearest lower whole dollar. If the computation results in an allotment of less than \$10, then no issuance shall be made for the initial month.

Table III

No. of Persons in Household	1	2	3	4	5	6	7	8	9	10
Maximum Coupon Allotment	\$200	\$367	\$526	\$668	\$793	\$952	\$1052	\$1202	\$1352	\$1502

For each additional member add \$150

(d)

Table IV-A  
Standard Deduction

Household Size	1	2	3	4	5	6+
Standard Deduction	\$1442	\$1442	\$1442	\$153	\$179	\$205

Table IV-B  
Food Stamp Deductions

Maximum Dependent Care	No Limit
Maximum Shelter Deduction for Non-Elderly/Disabled Households	\$4598
Maximum Shelter Deduction for Elderly/Disabled Households	No Maximum

**“REDLINE VERSION-RULE 1240-01-04-27 DATED  
NOVEMBER 8, 2010”**

(e)

**TABLE V-A  
Food Stamp Standard Utility Allowance**

Household Size	1	2	3	4	5	6	7	8	9	10 or more
Standard Utility Allowance	\$314	\$326	\$338	\$350	\$360	\$372	\$384	\$396	\$408	\$419

**Table V-B  
Food Stamp Basic Utility Allowance**

Household Size	1	2	3	4	5	6	7	8	9	10 or More
Basic Utility Allowance	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126

The Basic Utility Allowance is to be used for households who are not eligible for the Standard Utility Allowance because they do not incur a major heating or cooling expense, but who do incur utility costs such as electricity for lighting, gas for cooking, water/sewerage, or garbage pickup.

(f)

**TABLE VI  
Food Stamp Standard Telephone Allowance**

Household Size	1	2	3	4	5	6	7	8	9	10 or More
Telephone Standard	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25

(g) The Homeless Shelter Standard may be used in determining eligibility and amount of benefits. It is intended to offset such expenses as may reasonably be expected to be incurred for households in which all members are homeless individuals but are not receiving free shelter throughout the month.

**TABLE VII  
Homeless Household Shelter Allowance**

Household Size	1	2	3	4	5	6	7	8	9	10 or more
Homeless Shelter Standard	143	143	143	143	143	143	143	143	143	143

1. A homeless individual is an individual who lacks a fixed and regular nighttime residence, or an individual who has a primary nighttime residence that is:
  - (i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;
  - (ii) an institution that provides a temporary residence for individuals intended to be institutionalized;
  - (iii) a temporary accommodation in the residence of another individual if the accommodation in the residence is for no more than 90 days; or

**“REDLINE      VERSION-RULE      1240-01-04-27      DATED  
NOVEMBER 8, 2010”**

(iv) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) AFDC Standards.

- (a) Consolidated Need Standard (CNS). The Department has developed a consolidated standard of need based on size of the assistance unit, which indicates the amount of income the assistance group would need to meet subsistence living costs according to allowances set by the state for items including food, clothing, fuel, lights, household operations, personal incidentals and shelter. The CNS which determines a non-responsible relative's eligibility to be included in an assistance unit, also is used as a basis for determining the gross income standard and the standard payment amount.
- (b) Gross Income Standard. This standard is set by federal law at 185% of the consolidated standard of need. If the gross countable income of an assistance unit exceeds this standard, then the assistance unit is not eligible for AFDC.
- (c) Standard Payment Amount. Tennessee does not meet 100% of need as defined by the Consolidated Need Standard. Rather, a maximum payment by family size, dependent on funds available, is paid. An assistance payment is determined as follows:
  - 1. If the assistance unit's net income (after allowable exclusions and deductions) equals or exceeds their consolidated need, then the assistance unit is not eligible for AFDC.
  - 2. If the assistance unit's net income is less than their consolidated need, then the monthly grant amount is the smaller of a maximum by family size (standard payment amount) or the deficit if it is \$10 or more. If the deficit is \$1 - \$9, the assistance unit is eligible for Medicaid Only, and is deemed to be an AFDC recipient group.
  - 3. The minimum monthly grant which can be paid is \$10. Assistance units otherwise eligible for grant less than \$10 are eligible for Medicaid benefits as deemed AFDC recipients.

(d) AFDC Need/Payment - Standards.

Table VIII

	Number of Persons in Assistance Unit									
	1	2	3	4	5	6	7	8	9	10
Gross Income Standard	777	1110	1252	1289	1489	1507	1633	1655	1838	1875
Consolidated Need Standard	420	600	677	697	805	815	883	895	994	1014
Standard Payment Amount	95	142	185	226	264	305	345	386	425	467
Minimum AFDC Payment \$10 per month for any assistance unit.										

	Number of Persons in Assistance Unit									
	11	12	13	14	15	16	17	18	19	20
Gross Income Standard	1929	1977	2020	2055	2083	2109	2131	2149	2162	2173

**“REDLINE      VERSION-RULE      1240-01-04-27      DATED  
NOVEMBER 8, 2010”**

Consolidated Need Standard	1043	1069	1092	1111	1126	1140	1152	1162	1169	1175
Standard Payment Amount	508	549	589	630	670	711	750	790	831	871
Minimum AFDC Payment \$10 per month for any assistance unit.										

The AFDC standard payment for an assistance unit of three (3) persons represents 37.0% of the consolidated need for an assistance unit of that size. The payments for units composed of different numbers of recipients represent an upward or downward adjustment of the percentage in the preceding sentence which is necessary to maintain the payment at a level not more or less than that paid in fiscal Year 1993-1994.

(e) Reserved.

**Authority:** T.C.A. §§4-5-201 et seq., 4-5-202, 71-1-105 and 71-5-304; 7 U.S.C.A. §2014 and 2017(a), 7 CFR §§272.9, 273.9 and 273.10, and PL 110-246, Title IV §§ 4102, 4103, and 4107 June 18, 2008 and PL 111-5, Division A, Title I §101, February 17, 2009. **Administrative History:** Original rule filed August 15, 1980; effective September 29, 1980. Repeal and new rule filed December 10, 1981; effective January 25, 1981. Amendment filed August 17, 1982; effective September 16, 1982. Amendment filed November 9, 1982; effective December 9, 1982. Amendment filed December 17, 1982; effective March 16, 1983. Amendment filed March 3, 1983; effective April 4, 1983. Amendment filed March 28, 1983; effective April 27, 1983. Amendment filed August 19, 1983; effective September 19, 1983. Amendment filed December 6, 1983; effective January 5, 1984. Amendment filed September 4, 1984; effective October 4, 1984. Amendment filed September 28, 1984; effective December 14, 1984. Amendment filed December 27, 1985; effective March 16, 1985. Amendment filed October 29, 1985; effective January, 14, 1986. Amendment filed November 21, 1985; effective February 12, 1986. Amendment filed December 31, 1985; effective March 17, 1986. Amendment filed April 15, 1986; effective July 14, 1986. Amendment filed July 23, 1986; effective October 29, 1986. Amendment filed November 28, 1986; effective February 28, 1987. Amendment filed April 7, 1987; effective July 29, 1987. Amendment filed February 9, 1988; effective May 29, 1988. Amendment filed February, 12, 1988; effective April 29, 1988. Amendment filed July 23, 1992; effective October 28, 1992. Amendment filed September 29, 1994; effective December 14, 1994. Amendment filed November 18, 1996; effective February 1, 1997. Amendment filed April 4, 1997; effective June 18, 1997. Amendment filed September 18, 2001; effective December 2, 2001. Amendment August 28, 2002; effective November 11, 2002. Amendment filed December 11, 2002; effective February 24, 2003. Amendment filed February 27, 2004; effective May 12, 2004. Amendments filed December 9, 2004; effective February 22, 2005. Amendments filed December 5, 2005; effective February 18, 2006. Amendment filed December 11, 2006; effective February 24, 2007. Amendments filed November, 16, 2007; effective January 30, 2008. Amendments filed December 30, 2008; effective March 15, 2009. Amendment filed July 7, 2009; effective October 5, 2009. Amendment filed September 22, 2009; effective December 21, 2009. Amendments filed November 9, 2009; effective February 7, 2010.