

affected; and/or the duration of the caseload growth and its impact on program operations. Adjustments for these factors may result in a waiver of all, part, or none of the error rate liabilities for the applicable period. As appropriate, the waiver amount will be adjusted to reflect States' otherwise effective administration of the program based upon the degree to which the error rate exceeded the national performance measure. For example, a reduction in the amount may be made when a state agency's recent error rate history indicates that even absent the events described, the State agency would have exceeded the national performance measure in the review period. Under this approach, unless the State agency can demonstrate a direct uncontrollable impact on the error rate, the effects of caseload growth that ended prior to the second half of the prior fiscal year will not be considered. If the State agency has provided insufficient information to determine a waiver amount for the uncontrollable effects of caseload growth using factual analysis, the waiver amount shall be evaluated using the following five step calculation: first, determine the average number of households certified to participate statewide in the Food Stamp Program for the base period consisting of the twelve consecutive months ending with March of the prior fiscal year; second, determine the percentage of increase in caseload growth from the base period (step 1) using the average number of households certified to participate statewide in the Food Stamp Program for the twelve month period beginning with April of the prior fiscal year and ending with March of the current fiscal year; third, determine the percentage the error rate for the subject fiscal year as calculated under paragraph (e)(5)(i) of this section exceeds the national performance measure determined in accordance with paragraph (e)(5)(i) of this section; fourth, divide the percentage of caseload growth increase arrived at in step 2 by the percentage the error rate for the subject fiscal year exceeds the national performance measure as determined in step 3; and finally, multiply the quotient arrived at in step 4 by the liability amount for the current fiscal year to determine the amount of waiver of liability. Under this methodology, caseload growth of less than 15% and/or occurring in the last half of the subject fiscal year will not be considered. Mathematically this formula could result in a waiver of more than 100% of the liability, however, no more

than 100% of a State's liability will be waived for any one fiscal year.

(D) A change in the food stamp program or other Federal or State program that has a substantial adverse impact on the management of the food stamp program of a State. Requests for relief from errors caused by the uncontrollable effects of unusual program changes other than those variances already excluded by § 275.12(d)(2)(vii) will be considered to the extent the program change is not common to all States.

(1) When submitting a request for good cause relief based on unusual changes in the Food Stamp or other Federal or State programs, the State agency shall provide the following information:

- (i) The type of change(s) that occurred;
- (ii) When the change(s) occurred;
- (iii) The nature of the adverse effect of the changes on program operations and the State agency's efforts to mitigate these effects;
- (iv) Reason(s) the State agency was unable to adequately handle the change(s);
- (v) Identification and explanation of the uncontrollable errors caused by the changes (types of errors, geographic location of the errors, time period during which the errors occurred, etc.);
- (vi) The percentage of the payment error rate that resulted from the adverse impact of the change(s) and how this figure was derived; and
- (vii) The degree to which the payment error rate exceeded the national performance measure in the subject fiscal year.

(2) The following criteria will be used to assess, evaluate and respond to claims by the State agency for a good cause waiver of liability in conjunction with the appeals process, and to determine that portion of the error rate/liability attributable to the uncontrollable effects of unusual changes in the Food Stamp Program or other Federal and State programs: Geographical impact of the unusual changes in the Food Stamp Program or other Federal and State programs; State efforts to control impact on program operations; the proportion of food stamp caseload affected; and/or the duration of the unusual changes in the Food Stamp Program or other Federal and State programs and the impact on program operations. Adjustments for these factors may result in a waiver of all, part, or none of the error rate liabilities for the applicable period. As appropriate, the waiver amount will be adjusted to reflect States' otherwise effective administration of the program

based upon the degree to which the error rate exceeded the national performance measure.

(E) A significant circumstance beyond the control of the State agency. Requests for relief from errors caused by the uncontrollable effect of the significant circumstance other than those specifically set forth in this paragraph will be considered to the extent that the circumstance is not common to all States, such as a fire in a certification office.

(1) When submitting a request for good cause relief based on significant circumstances, the State agency shall provide the following information:

- (i) The significant circumstances that the State agency believes uncontrollably and adversely affected the payment error rate for the fiscal year in question;
- (ii) Why the State agency had no control over the significant circumstances;
- (iii) How the significant circumstances had an uncontrollable and adverse impact on the State agency's error rate;
- (iv) Where the significant circumstances existed (i.e. Statewide or in particular counties);
- (v) When the significant circumstances existed (provide specific dates whenever possible);
- (vi) The proportion of the food stamp caseload whose management was affected;
- (vii) Identification and explanation of the uncontrollable errors caused by the event (types of errors, geographic location of the errors, time period during which the errors occurred, etc.);
- (viii) The percentage of the payment error rate that was caused by the significant circumstances and how this figure was derived; and
- (ix) The degree to which the payment error rate exceeded the national performance measure in the subject fiscal year.

(2) The following criteria shall be used to assess, evaluate and respond to claims by the State agency for a good cause waiver of liability in conjunction with the appeals process, and to determine that portion of the error rate/liability attributable to the uncontrollable effects of a significant circumstance beyond the control of the State agency, other than those set forth in paragraph (e)(7)(i)(E) of this section: Geographical impact of the significant circumstances; State efforts to control impact on program operations; the proportion of food stamp caseload affected; and/or the duration of the significant circumstances and the impact on program operations. Adjustments for these factors may result