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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 97 ADM-20

TO: Commissioners of
 Social Services

DIVISION: Temporary
 Assistance

DATE: October 24, 1997

SUBJECT: Family Assistance Program (Welfare Reform Act of 1997)

SUGGESTED
 DISTRIBUTION:

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 Food Stamp Directors
 Medical Assistance Directors
 CAP Coordinators
 Employment Coordinators
 Staff Development Coordinators
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ATTACHMENTS:

Attachment 1: Filing References - available on line.
 Attachment 2: Examples - available on line.

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
	SEE	ATTACHMENT	#1		

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I. PURPOSE

This directive advises social services districts (SSDs) of the categorical eligibility requirements of the Family Assistance (FA) program, which is the new public assistance program that replaces the Aid to Families with Dependent Children (ADC) program. It addresses the categorical eligibility changes and other program changes in the transition from ADC to FA, and also explains changes to the Emergency Assistance to Needy Families with Children (EAF) program.

II. BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) provides for block grant funding to states for "Temporary Assistance For Needy Families" (TANF). The federal legislation is intended to increase the flexibility of the states to operate public assistance programs to "provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives...". PRWORA replaces the Aid To Dependent Children (ADC) program with TANF as the federally funded public assistance program for families with children. PRWORA specifies broad categorical rules within which the states have discretion to set up programs to deliver TANF funds to needy families. The federal government will provide each state with a block grant based upon previous levels of ADC expenses to fund the new TANF-funded programs.

Under the State Plan effective December 2, 1996, New York State agreed to the provisions of PRWORA, and agreed in general to maintain current ADC and EAF rules until a new TANF program could be implemented with necessary State legislation. The necessary State legislation has been passed in "The Welfare Reform Act of 1997 (WRA)." The New York State legislation replaces ADC with the Family Assistance program (FA) and Home Relief (HR) with the Safety Net Assistance program (SNA). These two programs implement the federal TANF requirements and WRA requirements in New York State. The WRA also re-authorizes the EAF program under the TANF block grant.

One of the major changes under TANF is the imposition of a time limit on federally-funded assistance. The sixty month lifetime limit for adults and minor heads of households or minor spouses of heads of households became effective December 2, 1996. Districts were informed of the general criteria for the time limit in 97 LCM-10 dated February 13, 1997. In addition, a letter explaining the time limit was sent to all ADC/ADC-U and Child Assistance Program (CAP) households in February, 1997.

III. PROGRAM IMPLICATIONS

A. Family Assistance Program

Part 369 of Department Regulations, the former ADC section, has been amended to present the provisions of the FA program.

The FA program retains many features of the ADC program that it replaces. However, the federal PRWORA and the State Welfare Reform Act of 1997 do make several important changes in the categorical eligibility determination for assistance to families, and other non-categorical changes. Following is a summary of the major changes:

<u>ITEM</u>	<u>ADC</u>	<u>FA</u>
1. Lifetime limit on receipt	No	Yes
2. Deprivation factor required for categorical eligibility	Yes	No
3. Pregnant woman eligible regardless of months	No	Yes
4. Specific Notification Rules For Absence of Minor 45 Days or more	No	Yes
5. 3-month grant continuation after ineligibility of child	Yes	No
6. Minor 18-19 education requirements include expectation of graduation	Yes	No
7. Use of predetermination grant category for federal claiming	Yes	No

1. Sixty Month Lifetime Limit on Federally-funded Public Assistance (FA, CAP, EAF, TANF-funded non-cash SNA). PRWORA specifies that an adult may not receive more than sixty months of TANF-funded assistance, whether or not consecutive, in his or her lifetime. In addition, TANF-funded assistance, such as FA or CAP, may not be provided to a family which includes an adult who has received sixty months of such assistance. TANF-funded assistance received as a minor child does not count toward the lifetime limit, unless received as a minor head of household or minor spouse of the head of household. Some states have imposed time limits on federal assistance that are shorter than sixty months - for example, two years. If an individual has exceeded a time limit in another state that is less than sixty months, that individual will remain eligible for federal assistance in New York State for the remaining months up to a lifetime total of sixty.

In addition to the federal time limit on receipt of federally-funded assistance, the Welfare Reform Act of 1997 specifies that any months in which an adult receives cash assistance through the Safety Net Assistance (SNA) program will also be applied toward the sixty month lifetime limit, even though the SNA is not funded through TANF. Once an individual in the assistance household reaches the sixty month durational time limit, any subsequent assistance to the household must be through the Safety Net Non-Cash Assistance (FNP) program.

The introduction of the time limit on assistance is a major feature of the FA program in New York State and a new terminology must be understood and employed in its implementation.

- a. TANF-funded assistance: In New York State, payments through FA, CAP, SNA funded from TANF, and payment for recurring cash assistance needs through EAF qualify as TANF-funded assistance. ADC, CAP AND EAF provided from December 2, 1996 up to the implementation of FA are included as TANF-funded assistance. TANF-funded programs exist in most other states.
- b. Family Assistance (FA) Program: FA is the federally-funded public assistance program for families established by the Welfare Reform Act of 1997. FA is the successor program to the ADC program in New York State. FA can only be provided to a family that includes a minor child living with a parent or caretaker relative, or to a pregnant woman. As a TANF-funded program, FA is subject to the sixty month lifetime limit on assistance.
- c. Durational Time Limit: There is a lifetime limit of sixty months, whether or not consecutive, that federal welfare reform imposes upon individual adult recipients of federally-funded TANF block grant assistance. After an adult has received such assistance for sixty months, he or she is ineligible for such assistance unless exempted from the limit. In addition, such federally-funded assistance must not be issued to the family that includes an adult who has reached the limit.
- d. Durational Tracking: This is the process of counting the calendar months in which a trackable individual receives federal TANF-funded assistance, either in New York State or elsewhere, and any SNA cash assistance which also counts toward the sixty month limit. The purpose of tracking is to apply the sixty month limit in eligibility decisions for federally-funded assistance when an individual member of a family has reached the limit, and to inform applicants for and recipients of public assistance about the number of months used toward the limit.

- e. Trackable Individual: A trackable individual is an adult or a minor head of household, or minor married to the head of household, who is receiving TANF-funded assistance or SNA cash assistance. A minor is considered to be a head of household when he or she is the grantee for his or her own family. A minor with a child of his or her own who resides in an adult-supervised living arrangement in which payment is made to a person who is not the minor and who is responsible for the disposition of the funds, shall not be considered a "head of household" and therefore shall not be tracked toward the time limit while residing in such an arrangement as a minor.
- f. Minor Child: For purposes of tracking toward the sixty month durational time limit, a minor child is an individual who is not yet eighteen years old, or who is between eighteen and nineteen and is a full-time student in a secondary school, or in the equivalent level of vocational or technical training. At least one individual in the family must be a "minor child" or a pregnant woman for FA eligibility to exist.
- g. Adult: An individual who is not a minor child; that is, someone who is either nineteen or older, or who is between eighteen and nineteen years old and not a full time student in a secondary school, or in the equivalent level of vocational or technical training.

Note: the definitions of "adult" and "minor child" provided in 'f.' and 'g.' above are used for tracking purposes only, and do not affect the filing unit rule. (See IV.-E. -"Filing Unit"- below.)

- h. Month of Assistance: A calendar month will count toward the durational time limit as one month of assistance whenever any assistance for recurring need is provided through a TANF-funded program, or in which SNA cash assistance is provided, for all or for any part of the month. In New York State, TANF-funded assistance includes ADC, FA, and CAP from December 2, 1996, and TANF-funded SNA after August 4, 1997. SNA cash assistance includes Home Relief provided after August 4, 1997. Each calendar month in which such assistance is provided is countable toward the lifetime limit of any trackable individual (that is, any adult or minor head of household) in the case. The following special situations apply:

Exempt From Count

- Services with no monetary value and once only emergency payments for non-recurring needs do not count toward the time limit.

- Assistance to a minor child and the child or children of such individual in an adult-supervised living arrangement will not count toward the individual's time limit, provided that the minor child is not the grantee. (Assistance to such a minor parent will be counted only if he or she is a "head of household" or the spouse of the head of household.)
- Non-cash Safety Net Assistance unless TANF-funded.
- Assistance in a "child only" case - for example, an FA case consisting of a minor child who lives with a parent who receives Supplemental Security Income.

Countable

- Months in which no cash payment was issued will count if a recoupment was being taken which eliminated the potential TANF-funded payment.
 - Months of assistance in other states count if the assistance is provided through federal TANF block grant funds - for example, through that state's FA or equivalent program.
 - Months in which a sanctioned but trackable individual remains a member of an assistance unit receiving TANF-funded public assistance or SNA cash assistance.
- i. Time Limit Count: The time limit count is the numerical count for an individual of the number of months of assistance that have been applied toward the limit of sixty months over the lifetime record for the individual, beginning with the TANF-funded assistance under PRWORA - from December 2, 1996 in New York State, and with SNA cash assistance under the Welfare Reform Act of 1997 -after August 4, 1997.
- j. Exemption: Under the WRA, exemption to application of the time limit will be made on the basis of hardship when the adult family member is unable to work because of an independently verified physical or mental impairment including those which result from domestic violence, or when the adult family member receives Supplemental Security Income (SSI) benefits or additional State payments under Section 208 of the Social Services Law. Given such a determination of hardship, TANF-funded assistance will be provided to a family which contains an individual who has reached the sixty month limit on such assistance. The initial exemptions will not be made until the year 2001, five years after the nationwide commencement of TANF block grant funding.

- k. New York State Two Year Limit on SNA Cash Assistance: In addition to the federal sixty month limit on receipt of TANF-funded assistance, the WRA specifies a two year lifetime limit on receipt of cash assistance through SNA, whether or not TANF-funded, after August 4, 1997. Home Relief received after August 4, 1997 counts toward the State two year limit on SNA cash assistance, as well as toward the sixty month limit on TANF-funded assistance. The federal sixty-month and State two year time limits are thus inter-related and impact on each other.
2. Elimination of the ADC Deprivation Factor. Under the ADC program, financially eligible families also needed to qualify for the ADC category based upon the existence of a "deprivation factor". Clients had to document that the child was deprived of parental support or care for one of four reasons:
- Death of a parent;
 - Continued absence of a parent;
 - Incapacity of a parent;
 - Unemployment in a two-parent household.

Under TANF requirements, the deprivation factor is not an eligibility requirement for FA. FA eligibility is based only upon a determination of the presence of a minor child living with a parent or caretaker relative and financial need. FA may be provided, for example, to a needy family with two able-bodied parents. This elimination of the deprivation factor rules from the eligibility determination process will significantly simplify that process. Note, however, that referral to the child support unit for establishing paternity and/or pursuing support from absent parents remains a requirement in FA if the household includes a child born out of wedlock and/or there is an absent parent.

The elimination of the deprivation factor has several additional significant program implications:

- Transfer of many PG-ADC (Predetermination Grant ADC) cases in which the basis of the category was "no deprivation factor" to FA.
- Reduction in number of cooperative cases for households in which some, but not all, the children had a deprivation factor qualifying them for ADC - known as "Abbot and King vs. Perales" situations.
- Elimination of non-filing unit status for some essential persons in ADC cases: i.e., when the essential person was not a filing unit member because no deprivation factor existed for the individual.
- Elimination of ADC-U (ADC-Unemployment) as a separate case type.

Note: Despite the elimination of the deprivation factor as an eligibility requirement for FA, workers must continue to use individual categorical codes in the WMS case. For purposes of Medicaid federal reporting, the deprivation factor remains a requirement. Please refer to Section VI ("Medical Assistance Implications") of this directive for an explanation of how the existing codes must be used and definitions for new categorical codes.

3. Eligibility Based Upon Pregnancy. A woman with no children was not eligible for ADC unless she was in the sixth month of a medically verified pregnancy. In addition, if a pregnancy allowance was authorized in an ADC case for a woman in her fourth or fifth month of pregnancy, federal participation was not available for the allowance, and it was claimed as "federally non-participating" (FNP). The federal law for FA specifies only that the family include a minor child or a pregnant woman. Therefore, a woman with a medically verified pregnancy is categorically eligible for FA, regardless of the expected date of delivery. If a pregnancy allowance is issued to the FA recipient, the allowance is FA as well; no special claiming procedure is required. The elimination of the six month requirement for eligibility based on pregnancy will also eliminate some PG-ADC situations.
4. Temporary Absence of a Minor (Revised Criteria). PRWORA requires that State programs under TANF must not provide such assistance for a minor child who has been, or is expected to be, absent from the home for a period to be specified by the state unless "good cause" is established. The necessary State legislation, the Welfare Reform Act of 1997, specifies that an absence of a child from the home for a consecutive period of 45 days or more shall make the child ineligible for the PA grant, unless good cause is established for the absence. In addition, specific notification requirements are placed on the adult/caretaker, with a sanction penalty for failure to notify the district of such absences. These provisions are explained in the WRA-related directive on general public assistance changes also recently issued.
5. Grant Continuation when the Child Becomes Ineligible.
 - a. Elimination of The Three Month Grant Continuation When Child Becomes Ineligible. ADC provided that the grant could be continued for an additional specified period of three calendar months after a child became ineligible if need continued, the effects of a condition of ineligibility were being overcome, and the ineligibility of the child resulted from elimination of a deprivation factor - that is, the parent was no longer incapacitated, absent, or unemployed. Under the federal TANF requirements for FA, the three month grant continuation provisions of the ADC program are eliminated because FA does not require a "deprivation factor."

- b. Continuation of FA Grant for Up to One Month When Child Becomes Ineligible: As previously provided for under ADC, the FA grant may be continued for a period of not more than one month after a child becomes ineligible for the FA grant, when the effects of eligibility are being overcome, need continues, and the ineligibility of the child results from one of the following changes in circumstances:
- (1) No eligible grantee is available, except that foster care may not be provided through the FA grant; or,
 - (2) the minor 18 years of age or older leaves school.
6. Revision to Education Requirement for 18 to 19 Year Olds. For FA, an individual who is age 18 remains a child for purposes of eligibility and tracking of the time limit if the individual is a full time student regularly attending a secondary school or in the equivalent level of vocational or technical training. This FA provision is very similar to the former ADC provision, but it makes one change from ADC: the FA requirement eliminates the ADC provision that the individual be "...expected to complete the program before reaching age 19." (This former requirement is not applicable in the FA program.)

Note: The filing unit rule (18 NYCRR 352.30(a)) has always depended on at least one child under 18 being named as an applicant. This rule has not changed and is applicable to the FA program as it was for ADC. (See IV.E.-"Filing Unit"- below.)

7. Elimination of PG-ADC Category. The Predetermination Grant-ADC category was used to identify cases in which the categorical determination was not complete, or was subject to change. This case category was used to obtain retroactive reimbursement of federal funds when the category could be changed to ADC. As already explained above (section III-A 3 & 4), most case situations categorized as PG-ADC are now eligible for FA as a result of the elimination of the deprivation criteria. In addition, the block grant funding mechanism available under PRWORA and TANF eliminates the need for a PG category for FA. Cases with children will now be categorized as either FA or SNA. However, in recognition of the complexity of the welfare reform-related changes and possible future implications, the regulatory basis for use of predetermination grants in Parts 369 and 381 of Department Regulations is retained. Districts will be advised of any decision to utilize this grant category if and when such a decision is made.

B. Emergency Assistance to Needy Families with Children - EAF

PRWORA also provides states with greater flexibility in the design of their Emergency Assistance to Families (EAF) programs since EAF will be funded by the TANF block grant.

One change under PRWORA that narrows the use of EAF is that of age. Previously, a family with an individual under age 21 could, if all other eligibility requirements were met, get EAF. Now, the age requirement is the same as for FA.

The provision that limits EAF authorization to a period not in excess of thirty (30) days in a twelve month period has been eliminated by the WRA. This means that EAF can be authorized more frequently than once in a twelve month period, even if the subsequent emergency is unrelated to a previous one. EAF eligibility criteria are as follows:

1. Emergency assistance shall be provided immediately by a local district to or on behalf of a needy child under the age of 18, or under age 19 and regularly attending a secondary school or the equivalent level of vocational or technical training and any other member of the household in which he is living if the conditions set forth in Department Regulation 372.1 are met, and, in addition:
 - a. the child is (or, within 12 months prior to the month in which emergency assistance is requested, has been) living with a relative related by blood, adoption or marriage; and,
 - b. the child is without resources immediately accessible to meet his needs and those needs cannot be met under Department Regulation 352 by an advance allowance; and,
 - c. emergency assistance is necessary to avoid destitution of the child or to provide living arrangements for him or her in a home; and,
 - d. his destitution or need for living arrangements did not arise because he or a relative with whom he lives refused without good cause to accept employment or training for employment; and
 - e. for a recipient of PA, such destitution did not arise from the mismanagement of a PA grant, or the Emergency Grant being applied for, will not replace or duplicate a PA Grant already made under Department Regulation 352. This section does not prohibit the issuing of EAF to replace a lost or stolen PA grant; and,

- f. no assistance shall be provided which would duplicate public assistance for which a person is eligible or would be eligible but for a sanction for violation of the requirements of Part 385 or other requirements of state law.
2. The use of EAF funds is limited to the programs and services for eligible individual and families administered by the Office of Temporary and Disability Assistance except when amounts are specifically appropriated for services. Then EAF shall be provided to eligible individuals and families only within the amounts specifically appropriated and subject to the terms and conditions of such appropriations.
3. Individuals who are or would be ineligible for FA due to their alien status are also ineligible for EAF.

C. Child Support

It is extremely important to refer to the Child Support Enforcement Unit all cases containing a child whose parent is absent from the household and cases containing a child born out of wedlock and whose paternity has not been legally established.

The support collected on behalf of a child in a FA case will be applied to the family unit that may include more children than those of the support payer. These cases already exist but will increase in number.

IV. REQUIRED ACTION

Districts must begin implementing the new FA program immediately for applications and at the next case action for existing cases, with the exception of ADC-U cases (case type 12) which must be re-categorized to FA or SNA as soon as possible prior to the conversion of case type 12 to the SNA category effective January 1, 1998. Applicants for and recipients of assistance for families must be evaluated subject to the revised and new eligibility requirements for FA. Eliminated ADC requirements are no longer applicable. Workers must make sure that all applicants and recipients are aware of and understand the limitations that now exist for receiving cash assistance. In addition, SSDs must take the following actions:

A. Applicants

Applications for Family Assistance must be processed in the same manner as formerly applicable for ADC, as specified in Parts 350 and 351 of Department Regulations. When an application includes a child meeting the age and relationship requirements for the program, the child is categorically eligible for FA. Workers must pay careful attention to the ramifications of the elimination of the deprivation factor upon the filing unit. The child's blood

related and adoptive siblings who also meet the age and relationship requirements must also apply, as must the natural and adoptive parents of any of the applying children. In order for a blood or adoptive sibling to be a mandatory filing unit member, the sibling must be under age 18. The exceptions to the mandatory filing unit requirement are stated in 'D.' ("Exceptions to Filing Unit") below. All applications for public assistance must be evaluated first for eligibility for Family Assistance; households not categorically eligible for FA must then be evaluated For Safety Net Assistance.

When a pregnant woman is applying, she will be categorically eligible for FA as soon as her pregnancy is medically verified. If the father of the unborn child accepts paternity, is in the same dwelling unit, and is applying, he is eligible to be included in the FA case along with the mother. After the birth of the child, the acknowledged father must be included in the FA case.

Two parent households formerly classified as ADC-U or PG-ADC must now be evaluated for FA eligibility.

Minors between 18 and 19, who are living with a caretaker relative and who are attending school full time are categorically eligible for FA, regardless of the expected date of graduation.

SSD workers must continue to explore the health status of the household members to determine if an individual should pursue medical care or a resource such as Social Security Disability Benefits or Supplemental Security Income.

Careful attention must also be paid to cases with an absent parent or a child in need of paternity establishment. Workers must refer such cases to the Child Support Enforcement Unit.

B. Recipients

All existing PA cases (ADC, ADC-U, PG-ADC, HR) must be categorized as either FA (case type 11) or SNA (case types 12, 16, and 17 - see related directive explaining the SNA program).

Individuals who are determined to be ineligible for FA but who continue to be eligible for public assistance must be recategorized to Safety Net Assistance. Following are some of the more common necessary actions on category:

PG-ADC (HR-PG) cases: SSDs must review PG-ADC (HR-PG) cases (case type 14 upstate) to determine if there is a child in the public assistance case who meets the age and relationship requirements and who also resides in the same dwelling unit with both parents (natural or adoptive). Such cases must be transferred to FA (case type 11). If a child is eligible for FA, and the child has blood related siblings who are on FA, the child and the child's parent(s) must be added to the sibling's FA case.

PG-ADC/pregnancy: Any PG-ADC case containing a pregnant woman must be reclassified to FA. If the acknowledged father of the unborn is living with the pregnant woman and is also a recipient, he should be added to the FA case of the mother.

Note: The deprivation factor was eliminated as an eligibility factor effective December 2, 1996. In re-categorizing PG-ADC cases in which the "PG" status was based upon the absence of a deprivation factor, therefore, workers must determine a retroactive effective date for the FA category for claiming purposes. Such effective date will be either the date that the "PG" status was established based upon absence of deprivation, or December 2, 1996, whichever date is most recent.

ADC-U Cases: All ADC-U cases (Case Type 12) must be recategorized to FA (case type 11) as soon as possible. We have requested lists of all ADC-U cases to guide worker action. Districts will be informed separately from this directive when these lists are available.

All cases: Any FA case containing a child whose blood related siblings who are under age 18 and are not included in the public assistance case must be notified of the change in the rules and that the child(ren) and any parent(s) residing in the same dwelling unit must also apply (unless exempt-see 'D.' below). Workers should explore the following:

- non-applying siblings (and their parents),
- siblings (and their parents) who are in receipt of PG-ADC, and
- siblings (and their parents) who are coded as essential persons on the ADC case.

ADC/FA cases in a three month continuation of categorical eligibility under provision eliminated for FA. Cases that are being continued for three months after the month in which the deprivation for the child ended (the parent's illness ended; an absent parent returned; a principal wage earner parent returned to work) will remain categorically eligible for FA. Therefore, no recategorization will be necessary except for families in ADC-U (Case type 12). Those case types should be changed to FA case type 11.

C. Financial Eligibility and Payment Calculation

Financial eligibility and grant amounts for Family Assistance shall be determined through the budgetary method, based upon the standards and procedures specified in Part 352 of Department Regulations. Changes to these calculations are explained in the separate related directive on changes to PA under the Welfare Reform Act of 1997.

D. Claiming Instructions

The Schedule A "Consolidation of Rolls and Computation of Federal State Aid" is being revised to report Family Assistance expenditures under TANF. The revised column breakouts related to Family Assistance will require reporting of:

- Transitional Services
- Rent Supplements
- Family Shelter
- Domestic Violence Shelters
- Security Deposits
- Other Expenditures

Until the revised Schedule A is issued, districts should continue to use their present Schedule A claim form.

The Schedule F "Schedule of Costs for Emergency Assistance to Needy Families With Children" is being revised to report Emergency Assistance to needy Families (EAF) expenditures. The revised column breakouts related to EAF expenditures will require the reporting of:

- Cash Payments
- Vendor Payments Medical
- Family Shelter
- Security Deposits
- Other Payments

Until the revised Schedule F is issued, districts should continue to use their present Schedule F claim form.

E. Filing Unit Requirements

Basic filing unit rules and procedures from ADC remain applicable for FA. An application for public assistance that includes a child under 18 must also include that child's blood related or adoptive siblings who are also under 18, and natural or adoptive parents who are living with the child. Together, all of these individuals comprise the filing unit. (Note: A blood related sibling who has reached age 18 is not required to be included in the FA filing unit even if a full time student in a secondary school.)

The following categories of individuals are not included in the filing unit because they are not required to apply to be included in the FA case:

- parents and siblings who are SSI recipients;
- stepbrothers and stepsisters;
- ineligible sponsored aliens, undocumented aliens, and aliens who fail to meet the citizenship and alien requirements as stated in 97 ADM-8;

- individuals ineligible due to lump sum provisions; or,
- children who are receiving adoption subsidies which are exempt under section 352.22(p) of Department Regulations.

F. Time Limit

At each application and recertification of ongoing assistance for FA, CAP, TANF-funded SNA, and SNA claimed as EAF for recurring cash assistance needs, SSDs must identify individuals in the family who are adults or otherwise trackable (minor head of household, minor married to head of household), and determine the time limit count for the individual(s). This determination must include use of WMS records of assistance granted to determine the number of months in which the individual received TANF-funded assistance or SNA cash assistance. (A "Time Limit Count" will be added to the WMS record for each PA case in the near future to support such inquiry.) If there is evidence that the individual has lived in another state since becoming eighteen years old, the SSD must also determine whether any TANF-funded assistance was received by the individual in the other state. Since much of the impact of the time limit will depend upon recipient awareness of it, the SSD worker should make every effort to inform the individual of his or her time limit count, and explain what this means in terms of the sixty month limit. Required action for cases near or at the time limit is not addressed in this directive since this event will not occur until early 2001. Such instructions will be developed and issued in a subsequent ADM.

G. Elimination of Deprivation Requirement

Districts must accept and process applications for FA from one and two parent families. The FA eligibility determination shall not include a requirement that the child be deprived of support or care by the absence, death, or incapacity of a parent, or by the unemployment of a parent in a two parent family. However, a referral to IV-D is still required whenever the FA case includes a child for whom paternity has not been established, or a child who is not currently receiving support.

H. Elimination of Grant Continuation for More Than One Month for Ineligible Child

When a child becomes ineligible for FA, the grant may be continued for no more than one month unless the ineligibility of the child results from one of the several specific circumstances noted in Section III A-6.b of this directive.

I. Elimination of Expectation to Graduate Requirement

In determining the minor/adult status of an individual who is 18 or over but not yet 19, the district must determine full time and regular attendance in secondary school or the equivalent level of vocational or technical training. Districts must not require that the individual be expected to graduate before reaching 19.

V. FOOD STAMP IMPLICATIONS

ADC cases which are recategorized as FA are categorically eligible for Food Stamps if all members of the FS case have been in receipt of ADC.

When recategorizing households from PG-ADC to FA, districts must review the Food Stamp case. If all members of the FS case are now in a single FA case, districts must close any NPA or mixed FS Case (type 32) and issue the FS as PA FS. In addition, the categorical eligibility code on the FS budget input screen must be changed from N to Y, if appropriate.

The specific durational time limits explained in this directive apply only to the public assistance programs in New York State. The Food Stamp program applies different time-related criteria to individuals classified as able-bodied adults without children, and to certain categories of non-citizens. There is, however, no lifetime limit placed upon the receipt of Food Stamp benefits for all other persons.

VI. MEDICAL ASSISTANCE IMPLICATIONS

Prior to the passage of the federal PRWORA, persons in receipt of AFDC cash payments were categorically eligible for Medicaid. The same was true for the Home Relief program before enactment of the Welfare Reform Act. Medicaid implications of the WRA include elimination of the automatic entitlement to Medicaid for cash assistance recipients and the redefining of Medicaid eligibility criteria for individuals who are eligible for or receiving cash assistance. Two new Medicaid eligibility groups generally parallel the new cash assistance categories of Family Assistance and Safety Net Assistance. The Medicaid eligibility groups are Low Income Families (LIF) and Single and Childless Couples (S/CC). LIF includes all families with children, pregnant women, and individuals under age 21, who do not live with a caretaker relative. Although families can move into an SNA case for PA, they continue to be considered LIF for Medicaid. S/CC includes single individuals and childless couples who are between ages 21 and 65 and who are not certified blind or disabled.

These new Medicaid categories will mean that the overwhelming majority of PA recipients will also qualify for Medicaid. However, there are several differences between the new PA program requirements and those of Medicaid. These differences exist because the federal legislation requires that LIF Medicaid eligibility not be more restrictive than cash eligibility of the former ADC program and because of other changes resulting from the WRA. The specific implications of each of these changes as they relate to FA are addressed below:

A. Delinkage of Medicaid from Cash Assistance

Applicants must indicate on the common application, DSS-2921 ("Application for Public Assistance, Medicaid and Food Stamps"), that they are applying for Medicaid. Social Services districts should not assume that an individual is not applying for Medicaid. Districts should confirm with the applicant(s) if he or she wishes to apply for Medicaid should such indication be absent on the application for PA. Because a recipient can receive PA and not receive Medicaid, MA coverage code 04 (no coverage) will now be allowed with active PA case types. Additionally, for undercare maintenance, a PA worker must enter Medicaid coverage "From" and "To" dates on screen 5 of the DSS-3209, "WMS Authorization," when Medicaid is not requested or the A/R is not eligible for Medicaid. In most instances, individuals eligible for cash assistance will be eligible for Medicaid.

B. Nonliquid Resources

Medicaid cannot be authorized in a PA case for an individual who has non-homestead real property that is in excess of the allowable standard. When PA is extended for up to six months to allow the A/R to sell real property, MA coverage code 04 must be used. Except for single and childless couples, MA eligibility must be evaluated separately.

C. Low Income Families Medicaid Eligibility Group

The LIF group includes families with children under age 21, children under 21 who are not living with a caretaker relative, and pregnant women. Medicaid eligibility for this group will be determined using the FA budgeting method. Except for the limitation regarding excess real property, if these individuals are eligible for FA and request Medicaid, they will be financially eligible for Medicaid. There is no time limit of 60 months associated with receiving Medicaid.

D. Deprivation Factors

Although deprivation is not a factor in determining Medicaid eligibility under FA budgeting, for purposes of federal reporting, deprivation of parental support or care due to continued absence, incapacity, death, or unemployment must still be recorded. PA procedures including referral to the Child Support Enforcement Unit, medical evaluations of ability to work, and inclusion of a death certificate in the case record will document deprivation for absence, incapacity, or death.

The definition of unemployment requires that the principal wage earner work fewer than 100 hours per month. A statement to verify fewer than 100 hours of work per month is required when hours of employment are not indicated with pay information. The definition of unemployment for the purpose of establishing deprivation no longer includes prior attachment to the workforce. Therefore, an ADC-U checklist (DSS-2503), is no longer required.

Workers must continue to use the individual categorical codes of 01-08 for children, and 13 for dependent relative to identify deprivation. A new individual categorical code - 48 - must be used to identify pregnant women when there is a deprivation.

For identification of individuals who are not deprived of parental support or care, workers must continue to use individual categorical code 09 for children, single adults, and childless couples, and to use code 15 for pregnant women. Additionally, workers must use a new individual categorical code - 26 - to identify parents of an intact household.

E. Temporary Absence of a Minor

For Medicaid purposes, temporary absence exists when a child is absent from the home but is expected to return. No maximum time limit applies.

F. Minor Child

Medicaid defines a child as a person who is under age 21.

G. Employment Requirements

Medicaid has no employment requirements. No person who is otherwise eligible for Medicaid shall lose eligibility as a result of the imposition of a work activities sanction. Thus, in situations where cash assistance is being terminated only for this reason, Medicaid must be continued.

H. Transitional Medicaid (TMA)

A family is eligible for TMA when Medicaid eligibility (not PA) is lost due to increased earnings or new employment of a caretaker relative. The family must have a dependent child living home and the family must have received Medicaid during three out of the past six months prior to losing Medicaid eligibility.

When a public assistance recipient loses eligibility due to excess income, the PA worker must determine TMA eligibility. Because childcare is an allowable income deduction in a MA budget, the PA worker must manually subtract the verified childcare expense from the PA surplus. If the childcare expense eliminates the surplus, then the recipient is not TMA eligible but eligible for full MA.

CNS reason code E30 - Excess Income (no TMA) - must be used. If the childcare expense does not eliminate the surplus, the recipient is TMA eligible and CNS reason code E31 - Excess Income (TMA Eligible) - must be used.

I. Medicaid Extension Due to Increased Support Payments

Any family is eligible for a four month Medicaid extension when Medicaid eligibility (not PA) is lost due either wholly or partially because of the collection or increased collection of child or spousal support.

J. Alcohol and Substance Abuse

For the purposes of Medicaid, only single individuals, childless couples, and parents of intact households who are not certified blind or disabled are subject to alcohol and drug screening assessment.

K. Finger Imaging

Details will be provided in a separate directive.

L. System and CNS Support for MA

Effective November 29, 1997 for upstate districts, the Client Notice System (CNS) will support an automated separate determination process when a PA case is ineligible for cash assistance but is eligible for Medicaid. CNS will also provide the appropriate Medicaid closing language when both PA and Medicaid close for the same reason. Medicaid CNS language will support a PA case denial. However, there is not an automated referral process for denials. Workers must use the current manual referral process employed by their district. CNS will also support language when workers must enter the Medicaid coverage code of 04 for the few instances explained above.

VII. EMPLOYMENT IMPLICATIONS

The changes in category, from PG-ADC (HR-PG) to FA for two parent household cases will impact the participation rate requirements. Such PG-ADC cases are currently in the Home Relief participation rate calculation. Once this transition occurs, these cases will be removed from the Home Relief calculation and be included in the "FA All Families" and "Two Parent Families" participation rate calculations.

VIII. NOTICE REQUIREMENTS

A. Filing Unit Requirement-Denial/Closing Language

When an applicant or recipient refuses to apply for a person or persons in the dwelling unit who are required to apply, the application must be denied or the case must be closed.

The Case Reason code, N14 - Filing Unit Member Failed to Apply - will produce the correct denial or closing language as follows:

This is because some household members must apply to be included in the public assistance case. At least one of the people you want public assistance for is a child under age 18. That means that brothers and sisters and parents in your household must also apply. (NAME) refused to apply so your household can't get public assistance.

This decision is based on Department Regulation 352.30.

B. Recategorization Language

Cases that received cash assistance in the HR-PG or PG-ADC category have not been notified of the federal five year durational time limit (See 'C.' following.), to which they are subject with recategorization to FA. Therefore, for any case which includes an adult who is being reclassified from HR-PG or PG-ADC to FA, timely and adequate notice of the reclassification must be sent.

The following language must be included in the state mandated (or approved local equivalent) notice or provided as an attachment to the notice to explain the reclassification to recipients:

This is because a new State and Federal Law removed the requirement that a child living with both parents must have a deprivation in order to qualify for the federal category of public assistance. Since that requirement has been removed, your assistance will now be provided in the federal category, Family Assistance (FA).

Any month of cash assistance that you receive in the FA program will count toward the federal five year time limit. The new Law that allows no more than five years of federal public assistance benefits to a family started in December, 1996 under the old ADC program.

This decision is based on Department Regulation 369.2.

In addition to the above reclassification language, the worker must include other necessary information on the notice. For example, if there is a change in the grant due to a change in the recoupment rate, that information must be provided and a copy of the budget must be included with the notice.

C. Informational Statement of Limit Count

In February, 1997, a letter was sent to all ADC, ADC-U and CAP households explaining the sixty month lifetime limit on federally funded public assistance. Department booklets on public assistance are being modified to provide an updated explanation of the limit, including the countability of Safety Net cash assistance toward the sixty month limit on FA and other federally-funded public assistance.

As development of a tracking database proceeds, this Department will review printed notices and CNS-generated text to evaluate the potential for reporting time limit counts to recipients at various case actions, such as recertifications.

D. Closing or Denial Actions Based on Attainment of Time Limit

The sixty-month limit will not be attained by any individual until the year 2001. If all countable assistance is received in this State, the earliest decision based on the time limit will occur in December, 2001 or a few months earlier for cases affected by assistance received in states with TANF state plans approved prior to December 1, 1996. Therefore, specific notice language is not presented in this directive. Notices for denial and closing actions based upon individuals reaching the sixty month limit will be developed and communicated to districts in appropriate time frames.

IX. SYSTEMS IMPLICATIONS

Systems codes and edits have been modified both upstate and in New York City to support the changes described in this directive.

Statewide system support for the tracking and reporting of an individual applicant's or recipient's total countable months of assistance is being developed as a priority of this Department. This support will include countable months from the December 2, 1996 effective date of the sixty-month time limit for TANF-funded assistance and after August 4, 1997 for Safety Net cash assistance. Details regarding this system support for application of the sixty month time limit will be issued as it is developed.

X. EFFECTIVE DATE

The provisions of this directive are effective immediately, with retroactive effective dates noted in the text.

Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
97 ADM-8	93 ADM-7	351.2(k)	SSL 349	PASB: II-B-	97 LCM-10
93 ADM-38	88 ADM-35	351.21	PRWORA	1 and 2	
93 ADM-33	87 ADM-2	352.30(a)	Welfare	VIII-A-1	
93 ADM-7	85 ADM-51	Part 369	Reform	VIII-L; Q;	
89 ADM-37	80 ADM-11	Part 372	Act of	R - all;	
88 ADM-35	79 ADM-50		1997	VII-E-all;	
87 ADM-2				XVI-P-all	
85 ADM-51					
80 ADM-11					
79 ADM-50					

CASE EXAMPLESExample #1: Time Limit

Mrs. Frank is recertified for FA in November, 1997. In advance of the interview, the worker reviews the WMS "Transaction History" and determines that the case was opened for ADC in March, 1996, and has been recertified as ADC and FA continuously since that date. The WMS "Authorization/Payment History" shows that a cash grant has been issued throughout the period, except for the months of January and May, 1997. (An alternative verification of payment would be a paper trail of DSS-3209's.)

The worker reviews ABEL Budget records for these two months and finds that in May, Mrs. Frank's earned income increased and the cash grant was zero, based upon a deficit of \$9.00. In addition, there were no restricted or vendor payments made in May. This month will therefore not count toward the sixty month limit. In January, the grant would have been \$15.00, but was reduced to zero by a recoupment. Although no other payments were made to the case, January will count toward the time limit because the cash grant was applied to the recoupment:

Period	Number of Months	Count	Reason
March 1996-November 1996	9	No	Before TANF
December 1996-April 1997	5	Yes	ADC/TANF
May 1997	1	No	No TANF \$\$\$
June 1997-November 1997	6	Yes	TANF
Time Limit Count	11		

The worker therefore informs the recipient during the interview that eleven months have been counted toward the sixty month limit, as of the end of November, 1997, and that the family has forty-nine months of potential eligibility for TANF-funded assistance remaining.

Example #2: Time Limit

Mrs. and Mr. Hogan, a married couple with one child, apply for Family Assistance in May, 1998, stating that Mrs. Hogan and the child received ADC in another state in 1996 before the couple reconciled and moved to New York State in January 1997. The worker contacts the other state social services office by mail and confirms that the mother and child received ADC from May, 1996 through the middle of January, 1997, with cash benefits issued for each month. The worker also finds that Mr. Hogan received four months of Home Relief assistance in New York State from July - November, 1997. The worker also verifies that the couple has lived in New York since January, 1997, or seventeen months.

The application for FA is approved and the worker explains that the family has been credited with four months toward the sixty month limit, based upon Mr. Hogan's receipt of SNA cash assistance in the form of Home Relief payments in August through November, 1997. Since the other state's plan under TANF was approved in January, 1997, Mrs. Hogan's individual time limit count is presently one month, based upon the receipt of TANF funds January, 1997. The worker notes this in the case record for future input into the WMS tracking system when it becomes available.

Example #3: Time Limit

Mr. and Mrs. Wills are FA recipients for themselves and their two children. Both parents are working and earning enough to bring their grant down to \$32.00 per month. At the recertification interview in April, 1998, the worker explains the time limit implications of keeping the case open for the small cash grant. The family's time limit count is thirteen and they are "using up" the remaining forty-seven months at a rate of \$35 per month. The worker refers them to the Medical Assistance worker to address their questions on MA coverage, and after meeting with the MA worker, Mr. and Mrs. Wills request that the FA case be closed at the end of the month. They have decided to attempt to "save" some months of potential eligibility for the future.

Example #4: Time Limit

Mr. Ilks has been receiving FA for himself and his young daughter off and on for three years. At the last recertification, in July 1998, he was informed that the family had used up eight months toward the time limit. However, in August he calls to notify the SSD that his wife has returned from another state with their infant son. He also tells the worker that Mrs. Ilks received public assistance in the other state. The worker explains that she will need to confirm this and that it may change the time limit count for the family.

The worker contacts the social services agency in the other state and determines that Mrs. Ilks and the child received fifteen months of TANF-funded assistance in that state, as of the time she left in July, 1998. The worker adds Mrs. Ilks and the second child to the case effective August 25, 1998 and prepares a change notice to the family which informs them that the time limit count is now sixteen months through August, based upon Mrs. Ilks' time limit count which becomes the case limit count.

Example #5: Elimination of Deprivation Factor

Mr. and Mrs. Smith and their two minor children apply for assistance. They have received PG-ADC previously and were told at that time that they do not qualify for federal assistance (ADC) because they are an "intact" family. Neither Mr. Smith nor Mrs. Smith is incapacitated and their employment history did not establish ADC eligibility based upon unemployment. Now the family meets the FA categorical eligibility requirements, based upon age and relationship.

The worker outlines the program changes to them, describing Family Assistance and Safety Net Assistance. The worker explains to the Smiths that the family may now be eligible for FA, and that the social services district must evaluate the family's eligibility for this program first because federal funds are provided.

Example #6: Elimination of Deprivation Factor

Mr. and Mrs. Jefferson and their six children have been receiving PG-ADC for several months since July, 1997. Mr. Jefferson's income from employment is not enough to meet the needs of his family but he worked too many hours to qualify for ADC-U under the old program rules.

At next contact, the worker sees that because a deprivation is no longer required for the federal category of public assistance, this case is eligible to be transferred to FA. The worker also will retroactively claim FA reimbursement back to the July, 1997 opening of the PG-ADC case.

Example #7: Elimination of Deprivation Factor

Mr. and Mrs. Hamilton are applying for public assistance for themselves and their son, James (age 2). They do not want to apply for George, Mr. Hamilton's 9 year old son by a previous relationship, because George's mother pays a large amount of child support each week.

Previously, according to 85 ADM-51, George would have been required to apply, but his child support income could not be counted against his sibling and Mr. and Mrs. Hamilton because he was not a member of the same (PG-ADC) filing unit (and because he is not legally responsible for them). Therefore, if his income was great enough, he would have been found ineligible and the family would receive PG-ADC for the three applying members.

A deprivation is no longer required to establish categorical eligibility for FA, so James, George and Mr. and Mrs. Hamilton are required to be included in the same FA unit. Their eligibility and degree of need is determined by applying all income, including the child support paid by George's mother (after the disregard), against the needs for four.

Example #8: Elimination of Deprivation Factor

Mrs. Grant and her children received ADC based on the absence of Mr. Grant. When Mr. Grant returned to the home in October, 1997, no other ADC deprivation existed so the worker continued the ADC for the three month period following Mr. Grant's return. She planned to transfer the case to PG-ADC at the end of that time. Because deprivation is no longer a requirement for categorical eligibility for FA, the case must not be recategorized. It will remain case type 11, now FA.

Example # 9: Elimination of Expectation to Graduate Requirement For 18-19 Year Olds

Ms. Taft and her daughter, Willomena, are ADC recipients. Willomena has just turned age 18. She is attending high school full time, but will not graduate before her 19th birthday. The worker is planning to change the category of assistance to PG-ADC.

The worker should not recategorize the case. Age is still an important factor in categorical eligibility, but there is a difference now. A child who is a full time student in secondary school maintains categorical eligibility up to his or her 19th birthday, even if not expected to graduate by the 19th birthday. Therefore, Mrs. Taft and Willomena remain categorically eligible for FA until Willomena reaches age 19 (provided she remains in school).

Example #10: Filing Unit Change Effect on Essential Persons

Mrs. Hoover and her son Edgar, her child by a previous relationship, live with Mr. Hoover and the Hoover's child, Herbert. Mrs. Hoover and Edgar have been categorically eligible for ADC, but since neither parent was ill or incapacitated, and attachment to the workforce could not be established, Mr. Hoover and Herbert could be included in the ADC case only as essential persons.

At the next contact, the worker determines that Mr. Hoover and Herbert are categorically eligible for FA based on the information contained in this ADM. The worker removes the coding that identifies them as essential persons and recodes them as FA case members.

Example #11: Filing Unit Change Effect on Case Composition

In the December 1997 recertification of the Adams case, the worker discovers that the filing unit has changed with the elimination of the deprivation factor. Mr. and Mrs. Adams and their son, John Quincy (age 6), live with Abigale, age 12, Mrs. Adams' daughter by a previous relationship. Mrs. Adams and Abigale receive public assistance in the ADC category. Mr. Adams and John Quincy do not receive public assistance. Mr. Adams has income, and the worker previously used a step parent deeming calculation to determine how much income to apply to the ADC case.

John Quincy had no ADC deprivation and that is why he and his father were not required to apply. Since children who live with both parents are now categorically eligible for FA even if no parent is incapacitated or unemployed, John Quincy now is categorically eligible for FA and must be included in the FA unit. His father must also apply. The worker determines that the family remains income and resource eligible. The household is eligible for a reduced benefit.

The worker sends a Timely and Adequate notice (and a copy of the budget) to tell the family about the reduction in benefits.

Example #12: Pregnant Individual

Mr. and Mrs. Arthur are applying for public assistance. Mrs. Arthur has presented medical verification that she is in her second month of pregnancy. If the Arthurs are determined to be eligible for public assistance, they will be eligible for FA from the opening date of the public assistance case.

Example #13: Filing Unit

Mrs. Wilson and her child Woody (age 17) are FA recipients. Mrs. Wilson's other daughter, Mia (age 18), had been living with her father, but recently moved in with Mrs. Wilson and Woody. Mia is attending high school full time. Mia is categorically eligible for FA since she meets the age and relationship requirements, but she does not want public assistance.

Mrs. Wilson is not required to apply for Mia. Although Mia is a sibling to a recipient minor (Woody), Mia is not under age 18 and is therefore not a mandatory member of the filing unit.