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Administrative Directive

Section 1

Transmittal:	09-ADM-06
To:	Local District Commissioners
Issuing Division/Office:	Center for Employment and Economic Supports
Date:	March 25, 2009
Subject:	Expansion of Categorical Eligibility for Food Stamps for Households with Out-of-pocket Dependent Care Expenses
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors FEDS Coordinators Fraud Directors Staff Development Coordinators
Contact Person(s):	Food Stamp Bureau (FSB) at 1-800 343-8859, extension 3-1469
Attachments:	<i>PUB-4916: Helping Hands for People in Need</i>
Attachment Available On – Line:	yes

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
07 ADM-09 08 ADM-09 01 ADM-02 08 INF-03		387.9		FSSB, Section 5	ABEL Transmittal 08-3, and 07-3

I. Summary:

The gross income threshold for categorical eligibility for the Food Stamp Program (FSP) for households with out-of-pocket dependent care expenses that do **not** have any aged or disabled members and that do **not** have any individuals who are sanctioned or disqualified is being raised from 130% of poverty to 200% of poverty.

This change in policy does not affect FS applicant or recipient households that have any aged/disabled members. Categorical eligibility for the FSP for households with aged/disabled members (and without any sanctioned or disqualified members) was set at 200% of poverty on January 1, 2008.

II. Purpose:

The purpose of this Administrative Directive (ADM) is to inform the local districts about the expansion of categorical eligibility for the FSP and the effects of this expansion on policy, procedures and systems. This change is expected to increase eligibility for, and participation in, the Food Stamp Program in New York State, particularly among low-income working households.

III. Background:

As established in 07 ADM-09, on January 1, 2008, OTDA expanded categorical eligibility for the Food Stamp Program through the provision of a TANF-funded service, the "[Helping Hands for People in Need](#)" (Pub. 4916) brochure to all food stamp applicant and recipient households. The brochure is provided to all recipients of ongoing food stamp benefits via an annual mailing of the brochure, and to all applicants for food stamp benefits, including applicants for Temporary Assistance (TA) and/or Medicaid (MA) as well as food stamp benefits, by requiring inclusion of the brochure in application packets. Provision of the brochure to applicant and recipient households is the responsibility of the State (through the annual mailing) and the local districts (through the application packets). The local district may not require the household to prove annual receipt of the brochure.

Through the provision of the brochure, categorical eligibility was expanded to include all FS households except households with individuals who were disqualified from participation due to an IPV (intentional program violation) or sanction, and except for households with income in excess of either 130% or 200% of poverty, depending on the presence of aged/disabled members in the household. For households **without** any aged/disabled members and with gross household income of 130% of poverty or less, receipt of this brochure confers categorical eligibility for the FSP. For households with an aged/disabled member, receipt of the brochure confers categorical eligibility on the household for a period of one year if gross household income is 200% of poverty or less. **Households with aged/disabled members may be eligible for the FSP with income over 200% of poverty, but they cannot be categorically eligible.** In other words, if the

income of a household with an aged/disabled member exceeds 200% of poverty, the household is subject to the resource limit and to a net income test.

The Food, Conservation and Energy Act of 2008 (commonly known as “The Farm Bill”) re-authorized the FSP for five years and re-named it, on the federal level, as the Supplemental Nutrition Assistance Program (SNAP). As noted in **08 ADM-09**, one of the mandatory provisions of this re-authorization was that, *effective October 1, 2008, the full amount of out-of-pocket dependent care expenses paid by a food stamp-eligible household became a deductible expense from that household’s income when calculating the amount of food stamp benefits*. Previously, the amount of out-of-pocket dependent care expenses that could be deducted from a household’s income when calculating food stamp benefit budgets had been capped.

To be eligible to have this or any income *deduction* (as opposed to an income *exclusion*) applied to the calculation of its food stamp benefit, a household first must not be disqualified from participation due to its gross income. For households without any aged/disabled members, this meant that, prior to March 1, 2009 the full amount of out-of-pocket dependent care expenses was not deductible from its income unless the household first could pass the 130% of poverty gross income test.

With the uncapping of the deduction for out-of-pocket dependent care expenses, it is apparent that households with significant out-of-pocket dependent care costs can benefit from an increase to the categorical eligibility gross income threshold. Therefore, **effective March 1, 2009, households with out-of-pocket dependent care expenses that either apply for or receive food stamp benefits will be considered categorically eligible for the FSP if the household’s gross income is 200% of poverty or less, unless the household has members who are sanctioned or disqualified from participation in the FSP.**

Please note that, unlike households with aged/disabled members, under no circumstances can a household with out-of-pocket dependent care expenses (but no aged/disabled members) be eligible to participate in the FSP with gross income in excess of 200% of poverty.

Allowable Dependent Care Deductions are payments for the actual out-of-pocket costs paid to a caregiver for the care of a child or other dependents (including an incapacitated adult) when necessary for a household member to accept or continue employment.

IV. Program Implications:

The main purpose of the last expansion of categorical eligibility (see 07 ADM-09 and 08 INF-03) was to eliminate FSP resource limits for most households that meet the pertinent income thresholds. This directive does not change that in any way. Any household that is considered categorically eligible for the FSP, by definition, does not have to pass a resource test. This applies to households affected by this expansion of categorical eligibility. However, as noted in the preceding section, the main purpose of this particular change in policy is to increase the number of households with out-of-pocket

dependent care expenses and gross income between 130% and 200% of poverty that are eligible to have the full amount of out-of-pocket dependent care costs deducted from household income when calculating the household's FS benefit.

V. Required Action:

- As of March 1, 2009, households that do **not** have any aged or disabled members and that do **not** have any individuals who are sanctioned or disqualified from participation in the FSP are categorically eligible for the FSP if the household has out-of-pocket dependent care expenses and income of 200% of poverty or less. For such households, all FS budgets for the period of 03/01/09 or later will have the full amount of out-of-pocket dependent care expenses deducted from household income when calculating the amount of the household's FS benefit.
- For all FS applicant and recipient households that pass the 130% Gross Income Test (GIT), the full amount of out-of-pocket dependent care costs already is applied as an income deduction to all FS budgets with a "From" date of October 1, 2008 or later. **This is current policy, and is not being changed by this directive. No action is required.**
- For all FS applicant and recipient households with an aged or disabled member, the full amount of out-of-pocket dependent care costs already is applied as an income deduction to all FS budgets with a "From" date of October 1, 2008 or later. **This is current policy, and is not being changed by this directive. No action is required.**
- For a household **without** an aged or disabled member but with an individual who is sanctioned or disqualified from participation in the FSP, the household cannot be categorically eligible for the FSP and must pass the 130% GIT in order to have the full amount of out-of-pocket dependent care costs applied as an income deduction to its FS budgets. Such households with income above 130% of poverty are ineligible. **This is current policy and is not being changed by this directive. No action is required.**

VI. Systems Implications:

Upstate WMS

As noted on page 9 of ABEL Transmittal 08-3, effective 11/17/2008 for FS budgets calculated with a FROM DATE of 03/01/2009 or later, a 200% of poverty Level GIT will be applied to ABEL FS budgets that have **Dependent Care** costs provided the household does not include all TA and/or SSI individuals, any aged/disabled individuals or any FS-sanctioned individuals. Such households that fail the 200% GIT will be FS ineligible. As noted above, this differs from FS households with aged/disabled members that fail the 200% GIT in that such households still may be FS eligible (non-categorically) by passing the FS Net Income Test. The Dependent Care households that pass the 200% GIT and are considered to be FS categorically eligible will not have to pass the FS 100% of

Poverty Level Net Income Test. However, similar to the aged/disabled households that pass the 200% GIT and have three or more members in the FS household, such households still may not be eligible for a FS benefit. This is the case if, in calculating the households monthly benefit amount, 30% of the households FS NET INCOME when subtracted from the maximum Thrifty Food Plan amount for the household size does not provide a FS benefit amount of greater than zero.

For FS budgets with Dependent Care costs, a worker would enter an “N” in the FS CE field on the FS Input screen for the correct eligibility test to be performed by ABEL. However, even if the household has dependent care costs, if the household has all TA and/or SSI individuals a “Y” would still be entered in the CE field, and if the household has a FS-sanctioned individual an “S” would still be entered in the CE field.

Please see ABEL Transmittal 08-3, page 9 for general information regarding the effect of the FS categorical eligibility Indicator (CE) field in the WMS ABEL system. See ABEL Transmittal 07-3, page 10 for additional details about the categorical eligibility indicator.

NYC WMS

Effective with Release 2009.1, the 200% of poverty level Gross Income Test for categorical eligibility will be applied to FS budgets with a budget effective date of 03/A/09 if:

- the household has dependent care costs entered on Screen NSBL06 (07-410>0), and
- provided that the household does not include any members who are in receipt of TA benefits, SSI benefits, who are aged/disabled or who are FS-sanctioned individuals. (Note: Such households either already are categorically eligible for FS, or already are subject to the 200% of poverty Gross Income Test for categorical eligibility.)

For households meeting the criteria described in the two bullets in the paragraph immediately above, and where CE = N, the household will be subject to the 130% Gross Income Test. CE=N will remain in the WMS record whether the household is found to be eligible for benefits or ineligible.

VII. Additional Information:

None

VIII. Effective Date:

March 1, 2009

Issued By

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Title: Deputy Commissioner

Division/Office: Center for Employment and Economic Supports