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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 93 LCM-58

Date: June 3, 1992

Division: Economic Security

TO: Local District Commissioners

SUBJECT: Food Stamp Data Analysis Report for 10/1/91 through 9/30/92

ATTACHMENTS: I Food Stamp Changes in Educational Income and Eligible Student Status - available on-line
II Data Analysis Report - Twelve Month Report; Statewide FS-QC Reviews, Overissuances, Ineligibles, Underissuances 10/1/91 through 9/30/92 Review Period (With Upstate Case Detail) - not available on-line

The Statewide Food Stamp error rate increased from 9.78% to 10.06% for the period ending 9/92.

During this same period, the Upstate error rate showed a marked increase from 7.62% to 9.98% while the NYC error rate decreased from 10.90% to 10.11%. It should be noted that conclusions about this period's final error rate cannot be based on this report since adjustments may result based on the federal re-review. This report should be viewed as an indicator of problem areas and used for Corrective Action planning.

Upstate, the principal error elements are Earned Income and Household Composition which account for 38% and 15% of the total error dollars respectively.

- o For Earned Income, agency errors accounted for only 9% of the error dollars. This was a significant decrease from 25% for the 10/90 through 9/91 reporting period. Conversely, client errors increased from 75% to 91%, with client failure to report income or employment being the principal cause of error. It is anticipated that the implementation of the Quarterly Reporting System will work to reduce such errors since clients will only be required to report changes quarterly.

Additionally, you may be interested in implementing an NPA-FS Call Back Project in your district. This initiative involves contacting the client 60-90 days after an NPA-FS case opening to see if there have been any changes to their case status. This should result in a reduction of client caused errors due to unreported earnings. If you would like more information on the Call Back Project, please contact Sandy Borrelli at 1 800-342-3715 extension 4-4127.

- o Household Composition errors account for only 11% of the Upstate errors due to a substantial decrease in agency errors.

- o Additionally, there was a substantial increase in agency errors related to RSDI/SSI Income. In an effort to reduce these, line staff should familiarize themselves with situations in which the potential for SSA or SSI income exists. Copies of an award letter or current check should be obtained at certification. Additionally, BENDEX should be reviewed. The amount of the income on BENDEX can be assumed to be accurate for QC purposes if properly documented by the worker.

Additionally, you should be aware that there have been recent changes in the determination of eligibility of students as well as the budgeting of student income. The changes have simplified the process and may result in fewer errors in the determination of student status. Staff should refer to GIS Message 92/IMDCO21 for an explanation of these changes.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security

To: Local Social Services Commissioners, Food Stamp Commissioners,
Income Maintenance Directors, Employment Coordinators

From: Oscar R. Best, Jr., Deputy Commissioner, Division of Income
Maintenance

Subject: Food Stamp Changes in Educational Income and Eligible Student
Status

Effective: April 10, 1992

USDA recently advised us of provisions of the Food, Agriculture, Conservation and Trade Act Amendments of 1991 (PL 02-237), and provisions of the Mickey Leland Memorial Domestic Hunger Relief Act (PL 101-624) which affect educational income and eligible student status. These changes were effective February 1, 1992.

A. Simplified Educational Income Exclusions Rules - All educational income is now excluded in the same manner, regardless of the source. It is no longer necessary to determine if the income is from a source authorized by Title IV of the Higher Education Act. As in the past, JTPA educational grants are excluded from consideration as income. See Food Stamp Source Book section XII-G-10 for further clarification regarding budgeting of JTPA funds.

1. Earmarked Income - Exclude the amounts of all educational grants, deferred payment loans, scholarships, fellowships and veteran's educational benefits earmarked by the institution, school program or other grantor for tuition and mandatory fees, child care, books, supplies, transportation, and miscellaneous personal expenses (other than living expenses). Verification that these expenses are incurred and/or paid is not required when an earmarking statement is available.

2. Unearmarked Income - All educational income that is not earmarked may be excluded by subtracting from it actual incurred educational expenses, (other than child care expenses) to the extent the expense has not already been excluded from the income as earmarked. In order to be excluded as an actual expense, the expense must be verified. Unearmarked child care expenses, when verified, are allowable as a dependent care deduction of up to \$160 per month per child.

3. Mandatory Fees - Mandatory fees now include the rental or purchase of any equipment, materials and supplies related to the pursuit of the course of study involved. The fees need not be charged to all students within a certain curriculum. Use reasonable judgement in deciding whether expenses are truly incurred as a result of the pursuit of the student's course of study.

4. Dependent Care Costs - A student is prohibited from receiving a Food Stamp Dependent Care Deduction if the child care has already been excluded from earmarked educational income. Actual child care expenses in excess of the earmarked amount, up to \$160 per month per child, may be allowed as a dependent care deduction.

B. Changes to Eligible Student Status - The following is a list of all the criteria which permits a student enrolled at least half-time in an institution of higher education to participate in the food stamp program as an eligible student. New modifications to rules are indicated by *:

1. Under age 18 or is age *50 or older;
2. Not physically or mentally fit;
3. Employed and paid for a minimum of 20 hours per week;
4. Receiving AFDC;
5. Responsible for the care of a dependent child under age 6;
- *6. Enrolled full-time in an institution of higher education and is a single parent with responsibility for the care of a dependent child under age 12 (regardless of the availability of adequate child care);
7. Responsible for the care of a dependent child who has reached the age of 6 and is under the age of 12 for whom adequate child care is not available *to enable the individual to attend class and work 20 hours per week or participate in a state or federally financed work study program;
8. Participating in a *state* or federally financed work study program(funded under Title IV-C) during the regular school year;
9. Assigned to or placed in an institution of higher education through:
The Job Training Partnership Act program,
*A Food Stamp Employment and Training (FSE&T) program,
*A Department of Labor program under Section 236 of the Trade Act of 1974; or
*A HR Jobs Program activity which is comparable to a FSE&T activity approved by this department in the annual FSE&T Plan.

Questions regarding student income exclusions or eligible student status may be directed to your County Food Stamp Representative at 1-800-342-3715, extension 4-9225.