



David A. Paterson
Governor

**NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY
ASSISTANCE**
40 NORTH PEARL STREET
ALBANY, NY 12243-0001

David A. Hansell
Commissioner

Administrative Directive

Section 1

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| Transmittal: | 09-ADM-05 |
| To: | Local District Commissioners |
| Issuing Division/Office : | Center for Employment and Economic Supports |
| Date: | March 24, 2009 |
| Subject: | Temporary Assistance Budgeting: 2009 Changes to the Earned Income Disregard and the Poverty Level Income Test |
| Suggested Distribution: | Temporary Assistance Directors Food Stamp Directors Employment Coordinators Staff Development Coordinators WMS Coordinators Fair Hearing Staff Medicaid Staff TOP/CAP Coordinators |
| Contact Person(s): | Temporary Assistance (TA) Bureau, 1-800-343-8859, ext 4-9344 Food Stamp (FS) Bureau, ext 3-1469 Home Energy Assistance Bureau (HEAP) Bureau, ext 3-0332 Metropolitan Field Support Bureau (212) 961-8207 Medicaid: Upstate (518) 474-8887; New York City (212) 417-4500 |
| Attachments: | None |

Filing References

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|------------------------|--------------------|--|-----------------------------------|-------------------------------|---|
| 97 ADM-23 08 ADM-01 | 08 ADM-01 | 352.18 352.19 352.20 352.3(a)-(d) 352.8(b) (1) | SSL 131-a (8)(a)(iii) | TASB Chapter 18, Section I | ABEL Transmittal 08-1 Federal Register 1/23/09 |

Section 2

I. Summary

This Administrative Directive (ADM) advises local departments of social services (local districts) of a change in the Earned Income Disregard (EID) and Poverty Level Income Test in the Temporary Assistance (TA) budgeting process. Effective June 1, 2009, the EID increases from 50% to 52% and districts must begin using the new EID for cases with a budget “From Date” of June 1, 2009 or later.

II. Purpose

This Directive advises local districts of a change in the percentage of EID in the TA budgeting process. Annually on June 1, as required by Social Services Law (SSL) Section 131-a(8)(a)(iii), this percentage must be adjusted up or down to reflect the changes in the most recently published poverty guidelines of the United States Department of Health and Human Services. Additionally, this directive also updates the thresholds of the Poverty Level Income Test.

III. Background

The Welfare Reform Act of 1997 (WRA) required the use of a new budgeting methodology employing a flat percentage EID. The EID is applied to the difference between the eligible applicant’s or eligible recipient’s gross income and the \$90 work expense disregard. SSL 131-a(8)(a)(iii) requires the Office of Temporary and Disability Assistance (OTDA) to adjust the EID annually effective June 1 each year to reflect the most recently released federal poverty guidelines.

The amount of the EID is calculated based on the amount necessary to cause a family of three (with children) living in a heated apartment in New York City without special needs or unearned income, to become ineligible for assistance when earnings equal the most recently issued federal poverty guidelines.

The WRA also imposed a Poverty Level Income Test that requires a household’s total gross earned and unearned income to be at or below the federally established poverty level by family size. This test applies only to persons living in situations subject to the maximum shelter allowances set forth in 18 NYCRR 352.3(a)-(d) and 352.8(b) (1). The Center for Employment and Economic Supports (CEES) issues an update to the threshold on an annual basis.

IV. Program Implications

The EID increases from 50% to 52% effective June 1, 2009. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The Automated Budget Eligibility Logic (ABEL) system will provide support for this change effective April 11, 2009 (April 26, 2009 in NYC).

The change in the EID is applicable to all Family Assistance (FA) households, including households in which the category of assistance is FA by reason of pregnancy. Safety Net

Assistance (SNA) households containing a pregnant woman or a dependent child applying for or receiving SNA or SSI are also eligible to receive the EID. This includes cases no longer eligible to receive federally funded FA or SNA because an adult on the case, or minor head of household, has reached his/her State 60-month limit.

Effective June 1, the Poverty Level Income Test limits will change. Beginning on that date, the gross earned and unearned income of applicants for and recipients of TA cannot exceed the 2009 Federal Poverty Guidelines as published in the Federal Register, and available at:

<http://aspe.hhs.gov/poverty/09poverty.shtml>

Households residing temporarily in a hotel/motel, a homeless or domestic violence shelter, AIDS housing, congregate care facility, etc., are not subject to the Poverty Level Income Test. ABEL fully supports this test.

2009 Federal Poverty Guidelines

| Size of Family Unit | Annual Poverty Guidelines |
|---------------------|---------------------------|
| 1 | \$10,830 |
| 2 | \$14,570 |
| 3 | \$18,310 |
| 4 | \$22,050 |
| 5 | \$25,790 |
| 6 | \$29,530 |
| 7 | \$33,270 |
| 8 | \$37,010 |
| Each Additional | +\$ 3,740 |

V. Required Action

Applicants

An applicant's eligibility for TA must be determined without application of the 52% EID unless the applicant has received TA for any one of the four months preceding the date of the current application. If eligible without EID, the district must use the disregard in calculating the net earned income.

ABEL automatically applies the Poverty Level Income Test to all applicants residing in appropriate shelter types (all TA households except those residing temporarily in a hotel/motel, homeless shelter, domestic violence shelter, AIDS housing, congregate care facility, etc).

Recipients

A mass re-budgeting of all cases with earned income currently receiving the EID and with an authorization "To Date" of 6/1/09 or later (budget effective 6/1/09 or later) will take place prior to June 1, 2009. Recipients will receive notice of the change through the Client Notice System (CNS).

VI. Systems Implications

Rest of State

The new 52% EID and the new poverty levels for the Poverty Level Income Test will migrate as of April 11, 2009 for budgets with "Budget From" dates of June 1, 2009 or later. A mass re-budgeting/reauthorization (MRB/A) will run on the weekend of April 11, 2009 (initial phase), and the weekend of April 18, 2009 (final phase); automatically re-budgeted cases with earned income will change from 50% to 52% EID. CNS notices will be automatically sent. Cases listed as exceptions during the initial phase of the mass re-budgeting need to be manually re-budgeted by the district. (See ABEL Transmittal 09-2 for additional information regarding MRB/A).

New York City (NYC)

NYC MRB's will be scheduled as follows: Pass 1- Notices, on the weekend of April 25, 2009, with budgets and reports available on April 27, 2009; and Pass 2- Update, on the weekend of May 16, 2009, with budgets and reports available on May 18, 2009.

VII. Additional Information

Food Stamp Implications

Food Stamp (FS) benefits must be re-budgeted with the increase in available TA income due to the increase in the TA EID. TA/FS cases that are mass re-budgeted will have their FS benefits adjusted automatically. FS households continue to receive a 20% earned income disregard from their gross earned income.

Medicaid Implications

The Medicaid program will publish the earned income disregard for Medicaid-Only cases separately.

Districts will be advised of the Medicaid Budgeting Logic (MBL) changes for Upstate in a forthcoming MBL transmittal. Information regarding NYC systems changes will also be forthcoming.

Notice Requirements

Districts must provide recipients who do not receive a notice through CNS with a manual notice that includes the following language:

"We are counting less earned income against your public assistance needs. Each year, the percentage of earned income that we must disregard is adjusted. The higher the earned income disregard, the smaller the amount of your earned income we count. The new percentage is based on the changes to the most recently issued poverty guidelines by the United States Department of Health and Human Services. The earned income disregard has been changed from 50% to 52%. We do not count the first \$90 of your gross earned income and then we do not count 52% of the remainder".

“This decision is based on Regulation NYCRR 352.20 (c).”

If no CNS notice is generated and sent, local districts must send an adequate notice to households which receive a reduction in FS benefits because of this change.

VIII. Effective Date

June 1, 2009.

Issued By

Name: Russell Sykes
Title: Deputy Commissioner
Division/Office: Center for Employment and Economic Supports