

GENERAL INFORMATION SYSTEM
Center for Employment & Economic Supports

March 19, 2014

Page: 1

TO: All Subscribers

SUGGESTED DISTRIBUTION: Commissioners; TA Directors; SNAP Directors, HEAP Directors,
WMS and Training Coordinators

FROM: Phyllis D. Morris, Deputy Commissioner
Center for Employment and Economic Supports

SUBJECT: Farm Bill Changes to SNAP Standard Utility Allowance (SUA) Policy

EFFECTIVE DATE: Immediately

CONTACT PERSON: SNAP Bureau, 518-473-1469

Background

On February 7, 2014, President Obama signed The Agricultural Act of 2014 (also referred to as "The Farm Bill") into law. Title IV of the Act reauthorized the Supplemental Nutrition Assistance Program (SNAP). Included in the Act are several provisions that affect SNAP eligibility, benefits, and program administration. To date, OTDA has received very limited direction from the United States Department of Agriculture, Food and Nutrition Service (USDA-FNS) as to how these provisions specifically will affect SNAP policy. FNS has indicated that more detailed guidance, including Question and Answer transmittals, will be forthcoming.

On March 5, 2014, FNS issued partial direction (attached) to the states regarding the implementation of one of the provisions (Section 4006) of the Act, entitled "Standard Utility Allowances Based on the Receipt of Energy Assistance payments." Section 4006 included new conditions and limitations on the use of Low Income Home Energy Assistance Program (LIHEAP) benefits (or other similar benefits) to generate or determine a SNAP household's eligibility to have the Heating/Cooling Standard Utility Allowance (HCSUA) used when determining the household's eligibility for SNAP and its monthly benefit amount.

Purpose

The purpose of this GIS is to provide Social Services Districts (SSDs) with as much **preliminary** information about this change and its effect on SNAP policy and case processing as is possible at this time. It is not intended to provide complete direction, and we understand that it will raise many questions. As noted, USDA needs to provide further clarification and direction to the states on many issues attendant to this change in policy before we will be able to provide more complete policy and procedural direction.

GENERAL INFORMATION SYSTEM
Center for Employment & Economic Supports

March 19, 2014

Page: 2

Program Implications

Specifically, Section 4006 of the Farm Bill requires that households which do **not** incur a separate expense for heating or cooling costs must have received a LIHEAP (known as HEAP in New York State) or other similar government energy assistance benefit of **greater than \$20**, in either the current month or the twelve prior months, in order to have the HCSUA used in the determination of the household's SNAP eligibility, monthly benefit allotment and eligibility for expedited processing.

As stated in the attached guidance from USDA:

- For **new** SNAP households, this provision must be implemented for certification periods beginning on or after March 10, 2014.
- For ongoing SNAP households, States have the option to delay implementation for **current** recipients by up to five months beginning on the date on which the amendments would otherwise apply to the household. (For most currently active SNAP cases, the date on which this amendment applies is for recertification periods that begin April 1, 2014.) Further guidance regarding the available options and ways in which States may choose to implement the provision for ongoing households will be provided in Questions and Answers to be released by USDA.
- Quality Control (QC) variances resulting from this change may be excluded from the analysis of QC errors for a period of 120 days from the required implementation date. States will be held harmless for 120 days from March 10, 2014 for errors occurring as a result of the implementation of this provision. The variance exclusion will end on July 8, 2014.
- Consistent with the time period normally provided to States for initiating and completing system changes, states will be held accountable for implementing the changes associated with this provision 60 days (on Monday, May 5, 2014) from the issuance of [USDA's] memorandum.

New SNAP Cases

Currently, systems edits in both the Upstate and New York City Welfare Management Systems (WMS) force coding, based on Shelter Type Code and Shelter Expense information in the budget that mandates the use of the HCSUA in eligibility and benefit calculations. These edits must be changed before SSDs can correctly code new SNAP cases to conform to the new policy.

While the required systems changes are in the process of being made and until instructed otherwise, SSDs should continue to process new SNAP applications according to existing policy and procedures, including existing SUA policies and procedures. Under no circumstances should the processing of a new SNAP application be delayed due to the information provided in this GIS.

GENERAL INFORMATION SYSTEM
Center for Employment & Economic Supports

March 19, 2014

Page: 3

Currently-Active SNAP Cases

OTDA will be issuing supplements to the 2013-14 Home Energy Assistance Program (HEAP) benefits initially received by certain currently active SNAP households. Currently-active SNAP households that initially received a \$1 HEAP benefit will receive a \$20 supplement to the initial benefit, and recipients who initially received a \$20 or \$25 HEAP benefit will receive a \$10 supplement. **Receipt of these supplements will ensure that the households that initially received either a \$1 or \$20 HEAP benefit will have received a benefit of greater than \$20 within the current month or 12 prior months and thereby will ensure that both groups remain eligible to have the HCSUA used for SNAP purposes until 2014-15 HEAP benefits are issued in November 2014.** (See GIS 14 TA/DC010, dated March 14, 2014 for more information regarding the issuance of these supplemental HEAP benefits.) **This means that all cases being recertified for SNAP that were active and in receipt of ongoing SNAP benefits before March 10, 2014, can continue to receive the HCSUA.**

As noted above, we expect that in response to this notification about this change in policy and the limited information that we are able to provide at this time, that the SSDs will have many questions about the impact of this change on SNAP SUA policy, case processing, quality control and overpayments. The SNAP Bureau will be collecting and responding to such questions. There will be an opportunity to discuss questions pertaining to the SUA policy changes during the next Local Error Prevention (LEP) conference call on Tuesday, March 25, 2014. Please send your questions to otda.sm.cees.snap@otda.ny.gov.



United States Department of Agriculture

Food and
Nutrition
Service

MAR 05 2014

3101 Park
Center Drive
Alexandria, VA
22302-1500

SUBJECT: Supplemental Nutrition Assistance Program – Section 4006
Agricultural Act of 2014 – Implementing Memorandum

TO: Regional Administrators
Food and Nutrition Service

On February 7, 2014, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of The Agricultural Act (the Act) of 2014 (P.L. 113-79). Attached is an implementing memorandum describing Section 4006, "Standard Utility Allowances Based on the Receipt of Energy Assistance." Regulations reflecting revisions to SNAP associated with this provision made by the Public Law 113-79 will be published as soon as possible. An implementing memorandum describing the remaining SNAP provisions of the Act will be forthcoming.

Please forward the attached memorandum to your State commissioner. Please keep us advised of any implementation problems and how States plan to implement Section 4006.

If you have any questions, please contact Lizbeth Silbermann at Lizbeth.Silbermann@fns.usda.gov.

A handwritten signature in black ink, appearing to read "Jessica Shahin".

Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program

Implementation Memo – Section 4006 of the Agricultural Act of 2014

The Supplemental Nutrition Assistance Program (SNAP) was recently reauthorized as part of The Agricultural Act (the Act) of 2014 (P.L.113-79) enacted February 7, 2014. The law contains various provisions that affect SNAP eligibility, benefits, and program administration.

This memorandum describes Section 4006 of the Act, entitled “Standard Utility Allowances Based on the Receipt of Energy Assistance Payments,” and the implementation action required for this provision.

Per SNAP regulations at 7 CFR 275.12(d)(2)(vii), Quality Control variances resulting from a change required by Federal law may be excluded from the analysis of QC errors for a period of 120 days from the required implementation date. States will be held harmless for 120 days from March 10, 2014, for errors occurring as a result of the implementation of this provision. The variance exclusion will end on July 8, 2014.

Section 4006. Standard Utility Allowances Based on the Receipt of Energy Assistance Payments.

By way of background, the connection between the Low-Income Home Energy Assistance Program (LIHEAP) and SNAP was originally established in 1985 in order to provide a simpler way for States and applicants to determine household utility costs. Receipt of LIHEAP benefits is intended to serve as a reasonable proxy for the actual utility costs that a household incurs. As a result, in lieu of demonstrating actual utility costs, receipt of LIHEAP benefits may be used to trigger the higher heating and cooling Standard Utility Allowance (SUA), and thereby increase the SNAP deductions for which households may be eligible.

This relationship between LIHEAP and SNAP continues to serve as an important administrative simplification for States and households, easing the burden of documenting all household utility expenses while continuing to ensure that households most in need receive all the deductions to which they are entitled. FNS encourages States to move forward with implementation of section 4006 in a manner that adheres to the original intent and basis for the connection between LIHEAP and SNAP.

This provision requires that households receive a payment greater than \$20 annually in Low Income Heating Assistance Program (LIHEAP) benefits or in other similar energy assistance benefits in the current month or in the immediately

preceding 12 months in order to automatically qualify for the Standard Utility Allowance (SUA) based on receipt of LIHEAP. This change takes effect 30 days after enactment (March 10, 2014) and applies to certification periods that begin on or after that date (on or after March 10, 2014).

This provision was intended to prevent the issuance of nominal LIHEAP payments in order to automatically qualify SNAP households for the SUA. In addition, it strengthens the LIHEAP/SUA link by requiring that the household must have received an actual LIHEAP payment in order to use LIHEAP participation as the basis for the household's qualification for the SUA.

For new households, this provision must be implemented for certification periods beginning on or after March 10, 2014.

For their ongoing caseloads, States have the option to delay implementation for current recipients by up to five months beginning on the date on which the amendments would otherwise apply to the household. For most State agencies, this would apply to recertification periods that begin April 1, 2014. Further guidance regarding the available options and ways in which States may choose to implement the provision for ongoing households will be provided in Questions and Answers to be released shortly.

Households with actual utility expenses remain eligible for the SUA. For households that no longer qualify for the SUA based on receipt of LIHEAP, States must take steps to determine if a household qualifies for the SUA based on actual utility expenses. Furthermore, FNS encourages State agencies to review their current utility allowances, including the limited utility allowance and the single utility allowances to ensure that households with actual utility expenses are able to claim all of the deductions for which they are eligible.

This memorandum serves as notice to State agencies that, consistent with the time period normally provided to States for initiating and completing system changes, the Food and Nutrition Service will begin holding States accountable for implementing the changes associated with this provision 60 days from the issuance date of this memorandum.