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Center for Employment & Economic Supports

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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SUBJECT: Farm Bill Changes to SNAP Standard Utility Allowance (SUA) Policy – Initial Draft Guidance

EFFECTIVE DATE: June 23, 2014

CONTACT PERSON: SNAP Bureau, 518-473-1469

I. Purpose

The purpose of this GIS is to inform social service districts (SSDs) of a change in policy and procedures, due to a change in federal law, regarding the entitlement of SNAP households to the HCSUA, and to provide some **DRAFT** policy guidance while the formal policy directive regarding this change undergoes clearance and review. Specifically, this directive will provide information on the conditions and limitations on the use of LIHEAP (known as HEAP in New York State), benefits or other similar energy assistance benefits to generate or determine a SNAP household's eligibility to have the HCSUA used when determining eligibility for SNAP and monthly SNAP benefit amount. The directive also will identify changes that districts will need to implement to ensure that the monthly SNAP benefit is determined correctly and in accordance with the provisions of Section 4006 of the Act. This GIS also provides information on the systems changes that have been made to conform to the new policy.

II. Background

The connection between HEAP and SNAP first was established by the federal government in 1985 in order to provide a simpler way for states to determine eligibility for the HCSUA. In lieu of demonstrating actual utility costs, SNAP households which receive HEAP (or other similar energy program) benefits are deemed to have incurred out-of-pocket energy expenses and, therefore, are eligible for the HCSUA even if the costs of heating and air conditioning are included in the rent.

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Prior to 1992, New York State did not confer eligibility for the HCSUA on SNAP households based solely on receipt of a HEAP payment. The household had to pay a separate charge for heating or air conditioning. In June of 1992, USDA released Regional Letter 92-50 providing clarification on the use of LIHEAA (Low-Income Home Energy Assistance Act) payments as a basis for granting the HCSUA. In that directive, USDA established that the HCSUA should be granted based not only on actual receipt of a HEAP payment, but also on "reasonable anticipation of receipt" of a payment.

Permitting eligibility for the HCSUA based on "anticipated receipt" of a HEAP benefit greatly simplified the determination of eligibility for the HCSUA. It permitted extensive automation of the standard utility allowances, and was very beneficial for both the agencies administering the program and for the households applying for and receiving benefits. Payment errors decreased because the eligibility of a SNAP household for the HCSUA could be determined automatically based on the eligibility of the household's shelter type for a HEAP payment.

Section 4006 of the Farm Bill ended the use of "anticipated receipt" as a basis for eligibility for the HCSUA. It requires that **households which do not incur a separate expense for heating or air conditioning costs must have received HEAP or other similar energy assistance benefits 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.

In response to this change in policy, in March 2014, OTDA issued additional regular HEAP benefits to the 2013-2014 HEAP benefits previously received by certain active TA and NTA-SNAP households. (See **GIS 14 TA/DC 011** and **WMS Coordinator Letter dated March 12, 2014** for additional details). The additional regular benefit was provided to ensure that the households that previously had received either a \$1 or \$20 HEAP benefit will have received a benefit of greater than \$20 within the current month or previous twelve months and thus remain eligible to have the HCSUA used in their eligibility and benefit calculations. It should be noted that any TA-SNAP or NTA-SNAP case that did **not** get a HEAP Regular Benefit of either \$1 or \$20 authorized prior to March 14, 2014 was not included in OTDA's Mass Authorization.

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III. Summary

Section 4006 of the Agricultural Act of 2014, (the Act), commonly referred to as the 2014 Farm Bill, imposed new conditions and limitations on the use of Low Income Home Energy Assistance Program (LIHEAP) benefits (or other similar energy assistance program benefits) to generate eligibility for a SNAP household to have the Heating/Cooling Standard Utility Allowance (HCSUA) used when determining the household's eligibility for Supplemental Nutrition Assistance Program (SNAP) and its monthly benefit amount.

Section 4006 of the Act, entitled "Standard Utility Allowances Based on the Receipt of Energy Assistance Payments"

- A. Only affects the eligibility for the HCSUA of SNAP households that are eligible for the HCSUA based solely on the receipt or anticipated receipt of a HEAP benefit.**
- B. It does not change or affect the eligibility for the HCSUA of SNAP households that pay a separate charge for heating or air conditioning costs.**

Specifically, Section 4006:

- C. No longer permits eligibility for the HCSUA to be based on anticipated receipt of a HEAP (or other similar energy program) benefit.**
- D. Requires actual receipt of HEAP (or other similar energy assistance program) benefits of greater than \$20 during the current month or prior 12 months in order for an applying or recertifying SNAP household that does not incur separate heating/air conditioning costs to be eligible for the HCSUA.**

IV. Program Implications

Effective March 10, 2014, SNAP households that do not pay separately for heating and/or air conditioning costs or had not received HEAP (or other similar energy assistance program benefits) of greater than \$20 in either the current month or the preceding 12 months are no longer eligible for the HCSUA. The federal legislation requiring this change included a "hold harmless" implementation period that expired on May 5, 2014.

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Effective June 23, 2014, for new SNAP cases and for SNAP budgets with FROM dates of July 1, 2014 or later, workers must assume a greater role in determining the appropriate Standard Utility Allowances (SUAs) for both Temporary Assistance (TA-SNAP) and Non-Temporary Assistance SNAP (NTA-SNAP) households. Prior to these changes, SUA determinations were highly automated through the ABEL budgeting process.

A. Eligibility for the Heating/Cooling SUA

To qualify for the HCSUA, the household must either

1. Own their home
2. Incur heating and/or air conditioning costs separate from their rent, or
3. Have received HEAP (or other similar energy assistance program) benefits of greater than \$20.00 in the current month or the preceding 12 months.

As noted above, “anticipate receipt” of a HEAP or other energy assistance benefit no longer makes a SNAP household eligible for the HCSUA. This means that households who rent their dwelling, but do not pay heating and/or air conditioning costs separate from their rent and who have not received a HEAP (or other similar energy assistance program) benefits of greater than \$20.00 in the current month or the preceding 12 months, cannot receive the HCSUA based on the presumption that they will get a HEAP benefit in the future, including the next scheduled HEAP auto-pay or next HEAP season.

B. Eligibility for the Utility SUA

Households which are **not** eligible for the HCSUA are entitled to the Utility SUA if a cost for utilities, separate and apart from rent, is incurred. Households will be eligible for the Utility SUA if they incur separate charges for any of the following expenses:

1. Electricity
2. Cooking fuel
3. Sewage
4. Trash collection
5. Water fees
6. Fuel for heating water
7. Propane gas and/or rental fee for a propane tank.

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C. Eligibility for Phone SUA

Households which are not eligible for either the HCSUA or the Utility SUA get the Phone SUA. Use of a landline or cell phone service, or use of a pay phone or of friend's phone all confer eligibility for the Phone SUA.

V. Required Action

A. Determining Eligibility for Heating/Cooling SUA

For new applications and recertifications, local district workers must review information provided by the household on the application and any available documentation and systems information to determine home ownership, payment of heating, air conditioning or utility costs separate from the rent, and receipt of HEAP within the month of application or the previous 12 months.

1. Does the household own their home?

Because some source of home heating is required for all homeowners in New York State, **if the SNAP household does own their home, they are assumed to incur separate heating costs, and therefore, are eligible for the HCSUA.***

2. Does the household rent and pay separately for heating and/or air conditioning costs?

In many areas of New York State, it is common for renters to pay heat and/or utility costs in addition to rent. It is less common that separate charges, apart from rent, be incurred just for air conditioning costs.

A SNAP household that rents its dwelling and meets any one of the three conditions listed immediately below is considered to be paying separately for heating and/or air conditioning and is, therefore, eligible for the HCSUA.

- i. Heat is not included in the rent, and the household pays separately for heat, either to a utility or to a fuel provider.**
- ii. The SNAP household pays separately for air conditioning costs. Usually, this is in the form of a**

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separate charge to the landlord. It is a somewhat common arrangement in many public housing units, even where both heating and electric costs are included in the rent, for households that own and operate an air conditioner to be charged a separate additional charge (to compensate for the extra electrical consumption by the tenant) during the hottest months of the year. **A recurring additional monthly charge of this kind, even if the charge recurs for only a few months of the year, confers eligibility for the HCSUA throughout the year.**

iii. The SNAP household pays separately for electricity and owns and operates an air conditioner.

3. Has any adult member of the household received HEAP benefits of greater than \$20 in either the current month or 12 preceding months?

If any adult member of the household received HEAP benefits of greater than \$20 in either the current month or 12 preceding months and the household continues to reside in a HEAP-eligible shelter type, the household is eligible for the HCSUA.

Even if the household has moved from the dwelling where they lived when the HEAP benefit[s] were issued, if the household's current residence is in a HEAP-eligible shelter type, they remain eligible for the HCSUA.

As noted in Section IV.E.1 of 92 ADM-47, "HEAP payments are intended to cover the expenses of the entire dwelling unit." In shared living arrangements where multiple SNAP households occupy the same HEAP-eligible dwelling unit (apartment unit or a house that is a single dwelling unit, not divided into multiple units), if an adult member of any one of the households residing in the dwelling unit received HEAP payments of greater than \$20 in either the current month or the preceding 12 months, all of the SNAP households in that dwelling unit are eligible for the HCSUA.

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If the answer to the questions in numbers 1, 2 and 3 immediately above are all “No”, then the household is not eligible for the HCSUA and eligibility for the Utility SUA must be explored.

4. Does the household rent and pay separately for any of the costs listed below?

- i. Electricity
- ii. Cooking fuel
- iii. Sewage
- iv. Trash collection
- v. Water fees
- vi. Fuel for heating water
- vii. Propane gas and/or rental fee for a propane tank.

If the household does pay for any of the costs listed immediately above, the household is eligible for the Utility SUA.

If the answer to all of the questions in numbers 1 through 4 immediately above is “No”, then the household is not eligible for either the HCSUA and or the Utility SUA.

5. Households which are not eligible for either the HCSUA or the Utility SUA get the Phone SUA. As noted above, use of a landline or cell phone service, or use of a pay phone or of friend’s phone all confer eligibility for the Phone SUA.

(*Note: OTDA recognizes and understands that there are exceptional situations, such as when a party outside the household may pay heating costs for a SNAP household that owns their home, where a homeowner may not incur or pay separate heating and/or air conditioning costs. Instructions on ABEL coding for such households will be provided in another directive.)

B. Verifying SUA Eligibility

1. At Application and Recertification

- i. Verifying home ownership, separate heating and/or air conditioning costs, separate utility costs, phone expense.

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Unless questionable (i.e., contradicted by either documentary evidence or other information provided or obtained as part of the interview and eligibility determination process), **information provided and attested to during the application or recertification process as to the SNAP household's ownership of their home, and/or as to the incurrence of separate charges for heating, air conditioning, utility and phone expenses is considered acceptable verification.**

This includes information provided on a signed (either manually or electronically) SNAP application or recertification application or obtained during the application or recertification interview.

However, as with other eligibility and benefit determination factors, such as citizenship and household composition, all information provided and obtained as part of the eligibility process should be considered when determining the appropriate SUA for an applying or recertifying SNAP household. For example, shelter costs must be verified as part of the eligibility process in order to receive a shelter expense/deduction, and verification of separate heating costs provided to establish eligibility for the HEAP autopay. Mortgage and tax payments, bank records and homeowner's insurance payments or records, used to determine the shelter costs should support, not contradict, the attestation of home ownership. Likewise, heating provider information should support the attestation of separate heating cost.

- a. Verifying receipt of HEAP benefits greater than \$20 in either the current month or 12 preceding months.**

Responsibility for determining receipt of a HEAP payment of greater than \$20 in the current month or preceding 12 months rests with the local district. District workers should **review the WMS Clearance report and BICS screens** to determine if and when the applicant or recipient household received a HEAP payment of greater

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than \$20, and document such in the case file. Currently, the WMS clearance report provides information on receipt of HEAP benefit, but not the amount. As of March 2014, the minimum HEAP benefit issued by New York State is \$21. **

To determine receipt of HEAP benefits, **workers in upstate SSDs** must use the BICS screens on WMS. Workers should check any case numbers active within the current month or previous 12 months for all adult household members to determine receipt of a HEAP benefit. From the WMS main menu, the worker chooses selection 15—BICS MENU and then transmits (XMT). The LDMIP menu screen (DLMENU) appears. The worker will then choose selection 04—CASE RECORD OF ASSIST INQ, and then XMT. The Case Record of Assistance Inquiry Menu (LCRMNU) screen appears. Under the heading PAYMENT AUTH/ISSUANCE HISTORY, The worker should check both the **direct payments history** and the **indirect payments history** of the case, (separate transactions). After the worker enters in the case number and transmits, the DIRECT PAYMENTS AUTH, ISSUANCE, ADJMT AND REFUND HISTORY (LCRDPH) screen displays. From this screen, the worker can verify the issued HEAP benefit amount.

For New York City Human Resources Administration (HRA) workers, POS will search WMS benefit issuance using the applicant's CIN and Social Security number to see if the household has received HEAP benefits of greater than \$20.00 in the current month or the preceding 12 months using any of the HEAP issuance codes listed below. If POS does not find a qualifying HEAP issuance, and the household does not incur a separate expense for heating or air conditioning but states that they have received a HEAP payment, then the worker will ask the household to provide verification that they received a HEAP benefit.

HEAP payments can be identified on the New York City WMS benefit issuance screen by the following special grant codes:

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- **80:** Emergency HEAP payment;
- **82:** Direct HEAP payment to LIPA (currently PSEG);
- **84:** NPA HEAP payment;
- **90:** Direct HEAP payment to Con Ed; and
- **91:** Direct HEAP payment to National Grid

(Note:** In March 2014, OTDA issued supplements to the 2013-2014 HEAP benefits initially received by certain active SNAP households. The supplement was provided to 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 of previous twelve months and thereby will ensure both groups remain eligible to have the HCSUA for SNAP purposes. **This means that all cases being recertified for TA and NTA-SNAP benefits that were active and in receipt of ongoing SNAP benefits before March 10, 2014, remain eligible for the HCSUA at least through April 2015.**)

2. During the Certification Period

Households that were eligible for the HCSUA at the time of most recent application or recertification because they had received HEAP benefits of greater than \$20 (regardless of whether they also were eligible for the HCSUA for other reasons too), retain eligibility for the HCSUA until the next recertification as long as they continue to reside in a HEAP-eligible shelter type. In other words, for SNAP households already eligible for the HCSUA due to receipt of HEAP, there is no need to re-verify that receipt of HEAP except at the next recertification.

- i. Households subject to either the simplified (“six month”) or NYSNIP reporting requirements.**
 - a. For households subject to either the simplified (“six month”) or NYSNIP reporting requirements that currently are eligible for the HCSUA, there generally should not be a need to re-verify or adjust SUA eligibility during the certification period. The new SUA eligibility requirements did not affect reporting requirements between required contacts (periodic or interim report, recertification).**

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Two common exceptions to this would be the following:

- If the household was eligible for the HCSUA because of receipt of HEAP and reports that it moved, the worker must verify that the new shelter type is HEAP-eligible.
- If the household was eligible for the HCSUA **only** because it incurred separate heating or air conditioning costs, and it reports that it no longer incurs those costs.

- b. For households subject to either the simplified (“six month”) or NYSNIP reporting requirements that currently are getting either the Utility SUA or the Phone SUA, the household’s eligibility for a higher level SUA should be reviewed at the time of the Periodic or Interim Report to see if the household has received HEAP benefits of greater than \$20 since the most recent certification, or has moved and now pays separately for heating or air conditioning costs.**

Also, a household receiving the Utility SUA should have its eligibility for the Utility SUA reviewed and adjusted, if appropriate, if it reports that it has moved or no longer incurs separate utility costs.

- ii. Households subject to change (“10-day”) reporting requirements.**

- a. Households subject to change (“10-day”) reporting requirements** are required to report changes in shelter costs, including changes regarding the incurrence of heating, air conditioning and utility costs, by the tenth (10th) day of the month following the month in which the change occurs. Any reported change that would cause a change in a reporting household’s eligibility for a SUA must be processed. As at application and recertification, a household’s attestation of a reported change affecting SUA eligibility is acceptable verification. The report of change, whether oral or in writing, and the date and time of the report should be noted in the case record.

Also, as noted above, for households already eligible for the HCSUA due to receipt of HEAP, as long as the household continues to reside in a HEAP-eligible shelter

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type, there is no need to re-verify that receipt of HEAP
except at the next recertification.

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C. New York State Nutrition Improvement Project (NYSNIP)

Previously, all Shelter Type 96 and Shelter Type 97 households were eligible for the HCSUA based on either actual receipt or anticipated receipt of a HEAP payment. The change to eligibility for the HCSUA required that the benefit tiers for Shelter Types 96 and 97 be split to create a tier that does not reflect the inclusion of the HCSUA into the benefit calculation for new NYSNIP cases that have not received a HEAP payment of greater than \$20 in the current month or preceding 12 months.

Although no SUA or utility information is known about Shelter Type 98 households, the benefit amounts negotiated with USDA incorporated, to a degree, the likely eligibility of some of these households for the HCSUA. The new Shelter Type 98 benefit amounts reflect the loss of the HCSUA based on receipt or anticipated receipt of HEAP benefits.

NYSNIP BENEFITS MATRIX BY SHELTER TYPES
Effective 05/05/14 - 09/30/14

HOUSEHOLD		MONTHLY FOOD STAMP BENEFIT AMOUNT		
		New York City	Nassau/Suffolk	Upstate
Shelter Type 94 (High Shelter/SUA)	SSI Only	\$189	\$189	\$189
	Other Income	\$189	\$189	\$189
Shelter Type 95 (Low Shelter/SUA)	SSI Only	\$189	\$177	\$153
	Other Income	\$183	\$168	\$144
Shelter Type 96 (High Shelter/ SUA/\$21 HEAP)	SSI Only	\$189	\$189	\$189
	Other Income	\$189	\$189	\$189
Shelter Type 96 (No SUA)	SSI Only	\$25	\$25	\$25
	Other Income	\$16	\$16	\$16
Shelter Type 97 (Low Shelter/ SUA/\$21 HEAP)	SSI Only	\$189	\$177	\$153
	Other Income	\$183	\$168	\$144
Shelter Type 97 (No SUA)	SSI Only	\$15	\$15	\$15
	Other Income	\$15	\$15	\$15
Shelter Type 98 (No Shelter or SUA Data)	SSI Only	\$15	\$15	\$15
	Other Income	\$15	\$15	\$15

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VI. Systems Implications

A. Upstate WMS and ABEL

Please see ABEL Transmittal 14-2 for a complete description of the Upstate WMS and ABEL changes, and for instructions on the proper coding of SNAP ABEL budgets.

B. New York City WMS and ABEL

New York City WMS and ABEL, and New York City HRA's Paperless Office System (POS and SNAP POS) have also been re-programmed to eliminate the automatic authorization of the Heating/Cooling ("Level 1") SUA based on the presence of a shelter expense, residence in a HEAP-eligible shelter type and anticipated receipt of a HEAP benefit. Job Opportunity Specialists (JOS)/Workers will now have to determine a household's eligibility for the appropriate based on the household incurring a separate heating/cooling or utility expense or having received HEAP payments greater than \$20 in the current month or in the immediately preceding 12 months.

Staff should use the **Shelter Type Codes/Standard Utility Allowance (SUA) Levels Desk Guide (W-205HH)** for help in determining the correct SUA level. The **W-205HH** has been revised to reflect the changes in the eligibility requirements for receiving the HCSUA (Level 1 SUA).

1. HCSUA (Level 1 SUA)

To give a HCSUA (Level 1 SUA) to households, the Job Opportunity Specialist (JOS)/Worker must enter an "X" in the **FSUA:IND** field or make a numeric entry in the **TYPE** (Fuel Type) field on the **NSBL02** screen of the WMS budget.

2. Utility SUA (Level 2 SUA)

To issue a Utility (Level 2 SUA) to households, the JOS/Worker must enter an "X" in the **FSUT:IND** field on the **NSBL02** screen of the WMS budget.

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3. Phone SUA (Level 3 SUA)

The Level III SUA covers the cost of basic service plus tax for one telephone. WMS will automatically provide a Level III SUA for all Shelter Type Codes that do not meet the criteria for a Level I or II SUA, with the exception of the following:

- **04** Room and Board
- **19** Approved Medical Facilities – Non Hospital
- **23** Undomiciled

Shelter Type Codes **04** and **19** are used on CA-only budgets where SUA eligibility is not applicable. Shelter Type Code **23** (undomiciled) cases are budgeted with a standard homeless shelter deduction.

The Shelter Type Codes below are only eligible for a Utility (Level 3) SUA:

- **06** Hotel/Motel Temporary
- **11** Room Only
- **13** Residential Programs for Victims of Domestic Violence
(Less Than 3 Meals Per Day)
- **14** Residential Programs for Victims of Domestic Violence
(3 Meals Per Day)
- **33** Homeless Shelter - Tier I or Tier II
(Less Than 3 Meals Per Day)
- **34** Homeless Shelter - Tier II (3 Meals Per Day)
- **35** Homeless Shelter - Non Tier I Non Tier II

(Note: A SNAP household should not be budgeted with Shelter Type Code **11**, unless there is a statement from the primary tenant or the homeowner that no portion of the rent paid by the SNAP household goes toward utility expenses.)

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VII. Additional Information:

The following forms will be revised to support the changes described in this release. These revised forms will be transmitted under separate cover:

LDSS-3938 Supplemental Nutrition Assistance Program (SNAP)
Application Expedited Processing Summary Sheet

LDSS-3114 Supplemental Nutrition Assistance Program (SNAP) Budget
Worksheet

LDSS-3115 Supplemental Nutrition Assistance Program (SNAP) Budget
Worksheet (Elderly and disabled for Medical and/or special Shelter
Deductions)

LDSS-4310 Periodic Report

LDSS-4310(A) Follow-up to the Periodic Report