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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 91 ADM-38

TO: Commissioners of  
 Social Services

DIVISION: Income  
 Maintenance

DATE: September 25, 1991

SUBJECT: Public Assistance Savings

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 SUGGESTED

DISTRIBUTION: Income Maintenance Directors  
 Food Stamp Directors  
 Medicaid Directors  
 WMS Coordinators  
 Employment Coordinators  
 Staff Development Coordinators

CONTACT  
 PERSON:

Call 1-800-342-3715:

Income Support Programs: Ask for appropriate  
 extensions listed in ADM  
 on pages 2-4

Food Stamps: County Representative, 4-9225

Medical Assistance: MA Eligibility County  
 Representative

- if upstate, 3-7581;

- if new York City, (212) 417-4853

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
89 ADM-21		352.2(b)	SSL 131	PASB	GIS
90 INF-57		352.7(g)	SSL 106-b	XII-E-2.1	91 IM/DC026
		352.11		XII-H-4-8	
		352.31(d)		XIII-D-5.2	
		387.11(a)		XVIII-D	
				XIX-G-all	
				XXIII-C-8-	
				All	
				FSSB	
				XII-G-1	

I. PURPOSE

This release will advise social services districts of changes to Department regulations which promote efficiency in the operation of public assistance programs while maintaining essential assistance for the needy.

II. BACKGROUND

These measures are part of the State's effort to achieve public assistance savings.

III. PROGRAM IMPLICATIONS

The changes detailed in this ADM should result in a more effective use of public assistance funds.

IV. REQUIRED ACTION

A. HR Recoupment

Contact Person: Charles Giambalvo, extension 4-3231

Department regulations 352.11 and 352.31(d)(2) have been amended so that social services districts must now recoup 15% of a household's needs when recovering an overpayment to a HR, PG-ADC or VA case unless undue hardship is substantiated. (Minimum recoupment remains at 5% if undue hardship is substantiated.)

Clients in receipt of HR, PG-ADC and VA from whom overpayments are currently being recouped at 10% must be notified of the new level of recoupment. The appropriate timely and adequate notice (See 89 ADM-21 and 90 INF-57) or approved local equivalent should state that: "We are increasing the amount of your monthly recoupment from \_\_\_\_\_ to \_\_\_\_\_. We are doing this because a recent change in regulations requires us to recoup overpayments at 15% of your needs. We were recouping at 10% of your needs".

The client notices that contain undue hardship language will not be revised by the implementation date of this directive. Therefore social services districts should enter the appropriate rate of recoupment up to 15%. In the last sentence which discusses when undue hardship is determined to exist, the worker must change the sentence to read "If it is determined ... to a reduction of 5% to 15%".

If the recoupable offense took place while the case was in the HR, PG-ADC or VA category and the case is reclassified to ADC, the maximum percentage that can be recouped is 10%. If the recoupable offense took place while the case was in ADC and the case is reclassified to HR, PG-ADC or VA the maximum percentage that can be recouped is 15%.

An increase in a PA recoupment to 15% may result in an increase to the household's FS benefit if the recoupment type is one of the following:

<u>NYC</u>	<u>Upstate</u>
E = Agency Error	1 = Agency Error
X = Contested Reduction	2 = Client Error
C = Concealment	5 = IV-D Payments
	6 = Shelter Expenses - Other Than Rent

An increase in FS benefits would occur because these PA recoupment types are excluded as FS income.

B. Recoupment of Rent Arrears Paid to Applicants

Contact Person: Maureen Standish, extension 3-6555

Department regulation 352.7(g)(4) has been amended so that social services districts may authorize a grant to pay for rent, mortgage or tax arrears for applicants for public assistance but only under the following conditions. These conditions also apply to the payment of arrears for applicants for emergency public assistance (EAF, EHR). They do not apply to EAA.

1. The payment of such arrears must be necessary to forestall eviction or foreclosure, and no other facilities are available; or the health and safety of the applicant will be severely threatened if the arrears are not paid; and
2. The authorization of the arrears payment must be approved by someone designated by the social services district who is higher in authority than the supervisor who regularly approves authorizations; and
3. The applicant demonstrates an ability to pay shelter expenses, including any amounts in excess of the appropriate local agency shelter maximum in the future. However, when in the judgement of the social services official, the individual or family has sufficient income or resources to secure and maintain alternate permanent housing, rent arrears need not be paid to maintain a specific housing accommodation; and

4. Social services districts are not required to issue a grant for shelter arrears above the local agency monthly shelter maximum. However, if an amount above the local agency monthly shelter maximum is paid towards the monthly arrears, the amount above the maximum is an overpayment subject to recovery and recoupment and the recoupment must be excluded from food stamp income; and
5. The applicant, if accepted for ongoing assistance, must agree to future restriction of shelter payments.

C. Budgeting of SSI Income in an HR Household

Contact Person: Charles Giambalvo, extension 4-3231

Department regulation 352.2(b) has been amended so that social services districts must no longer view Supplemental Security Income (SSI) recipients' income and resources as "invisible" when determining eligibility and level of grant for Home Relief (HR), PG-ADC or VA cases. For Aid to Families with Dependent Children (ADC) purposes, the concept of SSI "invisibility" remains unchanged. Invisibility means that a person receiving SSI is not included in the ADC household and the SSI recipient's income is not included in the ADC budget.

NOTE: The calculation of Interim Assistance Reimbursement for multi-person households has not changed (See PASB XIX-G-all).

Legal Responsibility

For SSI recipients who are legally responsible for an HR, PG-ADC or VA applicant/recipient, "Allen" budgeting procedures apply. The SSI income is first applied to the needs of the SSI recipient before any SSI income is determined available to the HR, PG-ADC or VA applicant/recipient. See PA Source Book Section XII-E-2.1 and XXIII-C-8-all for details. Also see example #1 below.

No Legal Responsibility

For SSI recipients who are not legally responsible for one another, "Swift" budgeting procedures apply. The worker must make an inquiry to determine if the SSI recipient actually contributes any income to the HR, PG-ADC or VA applicant/recipient. The results of this inquiry would determine the effect, if any, of the SSI income upon the HR, PG-ADC or VA applicant/recipient. See PA Source Book Section XII-H-4 for details. Also see example #2 below.

Since SSI recipients are exempt from filing unit responsibility, the SSI benefits of a dependent child residing with an HR household would be budgeted according to "Swift" as noted above.

All affected HR, PG-ADC or VA cases must be reviewed for possible budget changes, and all necessary actions must be completed by the first client contact or first recertification after the effective date of this ADM, whichever is sooner. Appropriate notification must be sent to inform the household of any public assistance changes to the grant.

Example 1 - "Allen" Budgeting

Mr. Smith, who is a 45 year old HR recipient, resides with his wife, who is in receipt of SSI, in an apartment in Broome County. Mr. Smith pays \$400 per month for rent which does not include heat. He has no other income. His wife receives the SSI individual "living with others" rate of \$430 per month. Mr. Smith's PA budget would be calculated as follows:

	<u>HR 2-Person</u>
Basic Allowance	\$179.00/mo.
Energy Allowance	22.50/mo.
Supplemental Energy Allowance	17.00/mo.
Shelter with out heat	197.00/mo. (agency maximum)
Fuel Allowance	<u>58.00/mo. (natural gas)</u>
Total Needs	\$473.00/mo. (rounded down)
<u>SSI Income</u>	<u>430.00</u>
HR Grant	43.00

\$473.00/mo. divided by 2 = \$236.50/mo. (each individual's separate public assistance needs). Mrs. Smith's SSI income of \$430/mo. is sufficient to meet her PA needs of \$236.50/month and must be applied against the HR 2 person budget. Mr. Smith remains eligible for HR in the amount of \$43.00 per month. (\$473/mo. - \$430/mo. = \$43 per month).

NOTE: If Mrs. Smith's income were not sufficient to meet her needs, none of her income would be applied against her husband's HR grant (unless she applied for HR). In this situation, Mr. Smith would receive an HR budget for one person.

Example 2 - "Swift" Budgeting

Mr. Brown, who is a 25 year old HR recipient, resides in an apartment in Albany County with his SSI mother. Mr. Brown is the tenant of record and pays \$350 per month for rent including heat. Mr. Brown's mother receives the SSI individual "living with others" rate of \$430 per month and contributes \$175 per month toward the rent. Mr. Brown's PA budget would be calculated as follows:

	<u>HR 1 Person</u>
Basic Allowance	\$112.00/mo.
Energy Allowance	14.10/mo.
Supplemental Energy Allowance	11.00/mo.
Shelter with heat	<u>175.00/mo.</u> (\$350/mo. - \$175/mo. contribution)
Total Needs	\$312.00 (rounded down)

#### Medical Assistance Implications

In establishing initial or ongoing eligibility for MA-only A/Rs, any SSI cash recipient must continue to be considered "invisible" for all categories.

In cases where PA has determined that an A/R is ineligible for cash assistance because an SSI recipient has been included in the budget, districts must do a separate determination for MA that excludes the SSI recipient. In determining eligibility for MA-onlys, the SSI recipient and his/her income must be excluded from the HR-related budget.

#### V. SYSTEMS IMPLICATIONS

##### Upstate WMS

##### A. HR Recoupment

Edits will be changed to allow an increase in the maximum recoupment percentages for HR cases from 10% to 15%. For ADC cases, the maximum allowable recoupment percentage will remain at 10%. WMS will produce lists as an aid for social services districts in identifying affected cases, specifically for HR cases with ongoing recoupments.

##### B. Recoupment of Rent Arrears Paid to Applicants

Workers should use recoupment code 6 for the recoupment of shelter arrears in excess of the shelter maximum paid to applicants. Code 6 will be redefined, to include this reason, in the future.

##### C. Budgeting of SSI Income in a HR Household

To accomplish the budgeting illustrated in example 1, the SSI recipient's needs and income should be included in the ABEL budget even though the SSI individual is not part of the HR case.

WMS ABEL edits will be changed to no longer prohibit entry of Unearned Income Source Code "45 - SSI" when the number of individuals in an HR budget is greater than 1. WMS will produce lists as an aid for social services districts in identifying affected cases, specifically HR, PG-ADC and VA cases with PA/FS Code = "04 - Do Not Authorize Non-PA Person in Household".

ABEL transmittal #91-5 announced edit changes effective August 1, 1991 to support the policy explained in Section A and C above.

Downstate WMS

New York City will be notified under separate cover of all system related changes that apply to these regulations.

VI. EFFECTIVE DATE

This Directive is effective October 1, 1991 retroactive to July 19, 1991.

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