



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

Elliot Spitzer
Governor

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Commissioner

Administrative Directive

Section 1

Transmittal:	07-ADM-02
To:	Local District Commissioners
Issuing Division/Office:	Division of Employment and Transitional Supports
Date:	May 29, 2007
Subject:	Temporary Assistance (TA) Budgeting: 2007 Changes to the Earned Income Disregard and the Poverty Level Test
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors Staff Development Coordinators WMS Coordinators Fair Hearing Staff Medicaid Staff TOP/CAP Coordinators
Contact Person(s):	Temporary Assistance Bureau (TA) at 1-800-343-8859, extension 4-9344 Food Stamp Bureau (FS), extension 3-1469 HEAP Bureau, extension 3-0332 Metropolitan Field Support Bureau, (212) 961-8207 For Medicaid: Local District Support - Upstate (518) 474-8887; New York City (212) 417-4500
Attachments:	None
Attachment Available On – Line:	<input type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
97 ADM 23 06 ADM 04	06 ADM 04	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 07-1

Section 2

I. Summary

This release advises districts of a change in the Earned Income Disregard (EID) and Poverty Level Test in the Temporary Assistance (TA) budgeting process. Effective June 1, 2007, the EID increases from 47% to 48% and districts must begin using the new EID for cases with a budget "From Date" of 6/1/07 or later.

In the Medicaid program, the EID for families eligible for Medicaid as Low Income Families (LIF) increases from 55% to 57% effective June 1, 2007. The EID percentage for Medicaid-only LIF households differs from the Temporary Assistance EID because LIF requires use of the TA standards in effect on November 1, 1997.

II. Purpose

This directive advises local districts of a change in the percentage of the earned income disregard (EID) in the Temporary Assistance (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 issued 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 districts to use 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 on 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 New York City without special needs or unearned income, living in a heated apartment 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 under 18 NYCRR 352.3(a)-(d) and 352.8(b) (1). The Division of Employment and Transitional Supports (DETS) issues an update to the threshold on an annual basis.

IV. Program Implications

The EID increases from 47% to 48% effective June 1, 2007. Districts must begin using the new EID for cases with budgets effective on this date and beyond. The ABEL system will provide support for this change effective April 16, 2007 (April 23, 2007 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 Test limits will change. Beginning on that date, the gross earned and unearned income of applicants for and recipients of TA cannot exceed the 2007 Federal Poverty Guidelines as published in the Federal Register, and available at:

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

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

<u>2007 Federal Poverty</u>	Size of Family Unit	Annual Poverty Guideline	<u>Guidelines</u>
	1	\$10,210	
	2	\$13,690	
	3	\$17,170	
	4	\$20,650	
	5	\$24,130	
	6	\$27,610	
	7	\$31,090	
	8	\$34,570	
	Additional	+ \$ 3,480	

V. Required Action

Applicants

An applicant’s eligibility for TA must be determined without application of the 48% 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 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 6/1/07 or greater (budget effective 6/1/07 or later) will take place prior to June 1, 2007. Recipients will receive notice of the change through the Client Notice System (CNS).

VI. Systems Implications

Upstate

The new 48% EID and the new poverty levels for the Poverty Level Test will migrate Upstate as of April 16, 2007 for budgets with "Budget From" dates of June 1, 2007 or later. A mass re-budgeting/reauthorization (MRB/A) will run on the weekend of April 14, 2007 (initial phase), and the weekend of April 21, 2007 (final phase); automatically re-budgeted cases with earned income will change from 47% to 48% EID. 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 07-1 for additional information regarding MRB/A.

Downstate

NYC will run the MRB/A on the weekend of May 19, 2007, the budgets and reports will be available on May 21, 2007.

VII. Additional Information

Food Stamps 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

Effective June 1, 2007 the 100% Poverty Level Test will be based on the poverty levels published in the Federal Register in January 2007.

Medicaid budgets with an effective "From Date" of June 1, 2007 or later will reflect the change in the EID from 55% to 57%. As required by Social Services Law, Section 366 (1) (a) (8), Medicaid used the standards of the Family Assistance Program as they existed on November 1, 1997. Medicaid uses the November 1, 1997 shelter allowances in calculating the EID.

At next client contact or renewal, cases with an effective "From Date" of June 1, 2007 or later will be re-budgeted using the EID of 57% and the Poverty Level Test based on the 2007 Poverty Level.

For Medicaid, some cases may change from Medically Needy to Low Income Families (LIF) eligibility due to the increase in the EID. Cases re-budgeted after June 1, 2007 but with an effective "From Date" of June 1, 2007, will qualify retroactively for transitional Medicaid (TMA) and the four-month Child Support Extension, if otherwise eligible.

Districts will be advised of the Medicaid Budgeting Logic (MBL) changes for Upstate in a forthcoming MBL transmittal. Information regarding New York City 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 temporary 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 income we count. We decide the amount of the new percentage 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 47% to 48%. We do not count the first \$90 of your gross earned income and then 48% of the remainder."

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

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

VIII. Effective Date

June 1, 2007

Issued By _____

Name:	Russell Sykes
Title:	Deputy Commissioner
Division/Office:	Division of Employment and Transitional Supports