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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 92 ADM-20

TO: Commissioners of
 Social Services

DIVISION: Income
 Maintenance

DATE: May 11, 1992

SUBJECT: PA Budgeting: Income of Sanctioned Public Assistance
 Recipients

SUGGESTED DISTRIBUTION:	Public Assistance Staff Food Stamp Staff Medical Assistance Staff Staff Development Coordinators
CONTACT PERSON:	For public assistance questions contact Greg Nolan at 1-800-342-3715 extension 4-9313 For food stamp questions contact your county representative at extension 4-9225
ATTACHMENTS:	None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
81 ADM-55		352.31(a) 387.16(c)		PASB XII-H-1 XII-H-9&10 FSSB XII-E-all	

I. PURPOSE

This directive notifies social services districts of a change in the treatment of income when an individual is sanctioned from a public assistance (PA) case.

II. BACKGROUND

Currently, social services districts budget the income of a sanctioned individual against the needs of the remaining case members on a pro-rata basis. Thus, if an individual is sanctioned from a three-person case, two-thirds of that person's income is applied against the remaining members of the PA case and one-third remains for the sanctioned person's use.

The federal government has recently clarified that a sanctioned person's income cannot be pro-rated and applied against the needs of the remaining case members. Rather, the sanctioned person must be removed from the PA grant and his/her full (non-prorated) income applied against the remaining case members.

Department regulation 352.31(a) was amended to reflect this effective April 22, 1992.

III. PROGRAM IMPLICATIONS

The full (non-prorated) income, after appropriate disregards, of a sanctioned individual will now be budgeted against the needs of the remaining persons in the PA case. This change will make budgeting easier and will reduce social services districts' costs. Districts will be required to rebudget these cases with a sanctioned individual and provide effected cases with a notice of the change in the grant.

IV. REQUIRED ACTION

A. Public Assistance

In early May of 1992, each upstate social services district will be provided with a list of PA cases which WMS has identified as having income budgeted from a sanctioned person. Social services districts will then be required to rebudget these cases applying the full (non-prorated) monthly income, after any appropriate disregards, of the sanctioned person against the remaining members of the PA case. This rebudgeting of cases must be completed by July 1, 1992.

For cases which cannot be identified through WMS, districts will be expected to rebudget these cases at the time of the next contact.

Timely and adequate notice must be provided to each family when a reduction or discontinuance of benefits results from this change. Suggested notice language is:

Public assistance rules have changed. When a person is sanctioned from a public assistance case, all of that person's income, after appropriate disregards, must be budgeted against the grant of the people who are left on the PA case. (Enter name) is sanctioned from your case. Since he/she would have to be in your case if not on a sanction, all of his/her income must be budgeted against your case.

The regulation which allows us to do this is 352.31(a).

Please note that the income of a sanctioned person must not be budgeted against the remaining case members if the person being sanctioned is not a filing unit member or a legally responsible relative.

Also, please note that these new budgeting procedures apply to all sanctioned recipients.

An example will illustrate how the new policy will work.

Patricia Jones is receiving an ADC grant for herself and three children. In December of 1991, Patricia is sanctioned from the ADC case for failure to comply with IV-D requirements. In February, Patricia begins receiving unemployment insurance benefits of \$100 a week. The agency is currently applying \$325 (3/4 of \$433.33) in income against family's needs of \$550.

When the agency receives the WMS list of sanctioned budget cases in May of this year, it reviews Ms. Jones' case. The earliest the agency can make the adjustment to Ms. Jones' case is June 1st. Since non-prorated income should have been applied against the case as of May 1st, there is an overpayment for May. The agency first calculates the overpayment for May. This is done as follows:

<u>Grant Actually</u>		<u>Overpayment Calculation</u>	
<u>Received</u>		<u>Grant</u>	
Needs	\$550	Needs	\$550
- Prorated	\$325	- Non-Prorated	\$433.33
Income			
	<u>\$225</u>		<u>\$116</u>

The difference between what the Jones received and what they should have received is the overpayment (\$225 - \$116 = \$109 overpayment).

For June 1st, the agency would have to budget the full (non-prorated) monthly income of \$433.33 and begin recouping the \$109 overpayment at a rate of \$55 a month. This would be done as follows:

Needs	\$550
- Non-Prorated	\$433.33
Income	
Cash Deficit	\$116.00
- Recoupment	\$ 55.00
Actual Grant	\$ 61.00

B. Food Stamps

This change to the budgeting of the income of sanctioned public assistance recipients does not change food stamp policy for the budgeting of sanctioned/ineligible individuals as explained in FSSB XII-E-1.

C. Medical Assistance

In determining Medical Assistance eligibility, a household consists of all applying individuals and their legally responsible relatives. Budgeting procedures for sanctioned individuals on a public assistance case described above under Required Action, Section A, do not apply to MA-only applicant/recipients. For MA-only a/r's, a legally responsible relative who does not comply is included in the case count along with any applicable income and resources, but is denied eligibility. Any PA case that cannot be closed concurrently for PA and MA must be referred for a Rosenberg determination per 82 ADM-5.

V. WMS IMPLICATIONS

Upstate

ABEL will be changed to prohibit entry of Earned Income Source Code 21 - "Earnings of a Sanctioned LRR or Sibling" and Unearned Income Source Code 71 - "Income of a Sanctioned LRR or Sibling". Districts will be informed via an ABEL Transmittal when these changes will take place.

Such income should now be coded with whatever normal source code applies - e.g.: 01-"Salary, Wages, Employer-Provider Sick Pay."

New York City

There is no downstate WMS systems impact.

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VI. EFFECTIVE DATE

This ADM is effective July 1, 1992 retroactive to May 1, 1992.

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