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Field Operations Memo 96-32
October 21, 1996

To: Local Office Staff
From: Joyce Sampson, Assistant Commissioner for Field Operations
Re: Phase I: No Increase in Food Stamp (PA or NPA) Allotment as a Result of a Cash Program Sanction

Background

State Letter 1101, effective October 21, 1996, transmits a federally mandated change to food stamp regulations. This new requirement prohibits an increase in the food stamp allotment (PA or NPA) due to a *cash grant decrease* resulting from a *failure to comply* with a cash program (TAFDC, AFDC, EAEDC, SSI) requirement.

Rationale: Increasing the food stamp allotment diminishes the impact of the cash penalty.

This Field Operations Memo:

- defines what constitutes a failure to comply with a cash program requirement;
 - provides instructions on manually determining the countable sanction amount and PACES data entry requirements for correct food stamp calculation;
 - discusses PACES notice changes, reports for identifying cash cases which have been sanctioned and future system enhancements; and
 - identifies situations in which this rule does *not* apply.
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**Definition of
Failure to
Comply**

This rule prohibits an increase in the food stamp allotment when benefits under *another federal, state or local welfare or public assistance program* are decreased due to a recipient's failure to comply with a cash assistance program requirement.

Note: The Food Stamp Program will not be involved in making the determination of whether or not the recipient failed to comply with another department's assistance program requirements.

For Department administered programs, the following action reasons will identify a failure to comply with a cash program requirement.

TAFDC Action Reasons which indicate that a grantee or dependent has failed to comply with a TAFDC program requirement:

AR 27	(Work Program)
AR 28	(Disability Process)
AR 55	(Teen Parent - School Attendance And Living Arrangement)
AR 66	(Child Support)
AR 73	(EDP)
AR 74	(Direct Deposit)
AR 79	(Teen Parent - School Attendance)
AR 87	(Teen Parent - Living Arrangement)
AR 88	(Immunization)
AR 89	(Program Violation)
AR 95	(Learnfare)

Definition of Failure to Comply (Continued)

AFDC Action Reasons which indicate that a grantee or dependent has failed to comply with an AFDC program requirement:

- AR 66 (Child Support)
- AR 73 (ESP - 1st)
- AR 74 (Direct Deposit)
- AR 81 (ESP - 2nd)
- AR 89 (Program Violation)
- AR 97 (ESP - 3rd)

EAEDC Action Reasons which indicate that a grantee or dependent has failed to comply with an EAEDC program requirement:

- AR 28 (Disability Process)
- AR 73 (DET)
- AR 75 (Job Offer Refusal)
- AR 82 (EBT)
- AR 89 (Program Violation)
- AR 95 (TEMP)

Phase I: Manual Process for Determining the Sanction Amount

For a food stamp recipient (PA or NPA) who has been sanctioned for one of the above reasons, the worker must determine the amount to be counted in the food stamp calculation.

- ◆ For each sanctioned recipient *without earned income*, the countable sanction amount for food stamp purposes is \$86.00.
 - ◆ For each sanctioned recipient *with earned income*, the countable sanction amount for food stamp purposes is \$86.00 plus \$90.00. If the gross monthly earnings are below \$90.00, enter \$86.00 plus the actual amount of gross monthly earnings.
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**Data-Entry &
Benefit
Determination**

Once the countable sanction amount for food stamp purposes has been determined, the worker must:

- ◆ Enter the countable sanction amount on Line 20, FIW2 section of the PACES Worksheet. Only one entry will be allowed for this income in Block 20-C (Week 1).

Note: PACES has been programmed to automatically enter an X in the 4 1/3 Block.

- ◆ Enter this income as Type "FS".

For example,

- (1) If a TAFDC recipient is sanctioned for failing to comply with direct deposit (AR 74) and has gross monthly earnings of \$25.00, the worker must enter \$86.00 + \$25.00 as Income Type "FS" in Block 20-C of the PACES Worksheet. If the recipient has gross monthly earnings of \$20.00 in a subsequent month, the worker must adjust the Type "FS" income amount and enter \$86.00 + \$20.00 as Income Type "FS" in Block 20-C of the PACES Worksheet.
 - (2) If a TAFDC recipient is sanctioned for failing to comply with immunization (AR 88) and has gross monthly earnings of \$125.00, the worker must enter \$86.00 + \$90.00 as Income Type "FS" in Block 20-C of the PACES Worksheet. If the recipient stops working in a subsequent month, the worker must adjust the Type "FS" income amount and enter \$86.00 as Income Type "FS" in Block 20-C of the PACES Worksheet.
 - (3) If a TAFDC recipient is sanctioned and has **no earnings when sanctioned**, the worker must enter \$86.00 as Income Type "FS" in Block 20-C of the PACES Worksheet. If the recipient subsequently begins working, the Type "FS" income amount must *remain* \$86.00.
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**Data-Entry &
Benefit
Determination
(Continued)**

Line 20 is limited to three entries. If a household contains multiple sanctioned members, and there is not enough room to enter the FS income on separate lines, combine the countable sanction amounts under one client number and annotate the case record that the Type FS income is for multiple sanctioned members.

PACES will use the countable sanction amount in the calculation of food stamp benefits for each month that the cash case remains in a sanctioned status.

**Change to
PACES
Notice**

The countable sanction amount will be identified in the Unearned Income amount. It will be listed as *Gross Unearned / Sanction Income* in the Food Stamp Explanation section of the PACES notice.

**Removal of the
"FS" Income**

The countable sanction amount must remain on file until the sanction has been cured, the disqualification penalty removed or the reason for the sanction no longer exists.

For example,

- ◆ The sanction is cured if a TAFDC recipient sanctioned for refusing a 20 hour-per-week TEMP placement (AR27) subsequently begins working 20 hours per week.
- ◆ The reason for a Learnfare (AR 95) sanction would no longer exist if the child who is not meeting the Learnfare requirements turns 14.

The Type "FS" income previously entered as the countable sanction amount must be zeroed out when the sanction is cured or the reason for the sanction no longer exists.

Note: If a food stamp case devers to Category 9 as a result of a cash case sanction, the Type "FS" income amount must remain on file until the sanction has been cured or the reason for the sanction no longer exists.

Reports

Beginning in November 1996, the NPA Food Stamp Interface Report will be modified.

- ◆ ***NPA Food Stamp Interface Report - Monthly Summary.*** The NPA worker will be notified of a corresponding cash case sanction through the NPA Food Stamp Interface Report - Monthly Summary. An F4 transaction in combination with one of the sanction action reasons (See Page 2) will produce a "Client Sanctioned" message. The NPA worker must determine the appropriate Type "FS" income amount attributable to the Category 9 case and enter the amount as Type "FS" income in Block 20-C on the PACES worksheet.

Beginning in December 1996, *three* new reports will be distributed on a monthly basis.

- ◆ ***Category 9 Cases with Type "FS" Income on File - No Sanctioned Member in Corresponding Cash Case.*** This report will notify the NPA worker that there is "FS" income on the Category 9 case but **no** member of the corresponding cash case is currently sanctioned. The worker must remove the "FS" income since the sanction has been cured or the reason for the sanction no longer exists.
 - ◆ ***PA/FS Cases with Type "FS" Income on File - No Sanctioned Member.*** This report will notify the PA worker that there is "FS" income on file but **no** member of the assistance unit is currently sanctioned. The worker must remove the "FS" income since the sanction has been cured or the reason for the sanction no longer exists.
 - ◆ ***Cash Case Closed Due to Sanction - FS Case Devered to Category 9.*** This report will notify the NPA worker that a case devered as a result of a cash case closing. The NPA worker must determine the appropriate Type "FS" income amount attributable to the Category 9 case and enter the amount as Type "FS" income in Block 20-C on the PACES worksheet.
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**Future
Enhancements**

In Phase II, the determination of the countable sanction amount for food stamp purposes will be automated.

PRISM II will contain an alert to notify the NPA worker that a corresponding cash case has been sanctioned.

**Situations In
Which this Rule
Does Not Apply**

Not all penalties from other assistance programs affect food stamp benefits. The following are situations in which this new rule does *not* apply:

- ◆ When the cash grant decrease for failure to comply with the other program occurred *before* the October 21, 1996, effective date of these new regulations.
- ◆ When the failure to comply with the other program occurs at *initial* application or when a new member is determined ineligible. *For example*, a child is excluded from TAFDC under the family cap rule or a teen parent applicant joins his or her parent's household but refuses to comply with school attendance requirements
- ◆ When the cash assistance amount is *not decreased* as a result of a second or subsequent failure to comply. *For example*, a recipient who is sanctioned for failure to immunize his or her children also fails to meet his or her work requirement.
- ◆ When a case is *simultaneously sanctioned for the same offense* in both the other program and the Food Stamp Program.

Note: In this instance the individual program sanctions will apply.

- ◆ When the agency administering the other program *will not cooperate* in providing necessary information.

Questions

Policy questions should be referred to the Policy Hotline at (617) 348-8478. Systems questions should be referred to the Systems Customer Support Services at (617) 348-5290.
