



Argeo Paul Cellucci
Governor

Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance
600 Washington Street • Boston MA 02111

William D. O'Leary
Secretary

Claire McIntire
Commissioner

Field Operations Memo 97-60
October 1, 1997

To: Local Office Staff

From: Joyce Sampson, Assistant Commissioner for Field Operations

Re: Food Stamp Program - 10/1/97 Cost-of-Living Increases

Overview

State Letter 1130 issues policy revisions implementing the following cost-of-living changes in the Food Stamp Program, effective 10/1/97:

- **Standard Utility Allowances -**
 - The heating standard utility allowance has increased from \$321 to **\$330**.
 - The nonheating standard utility allowance has increased from \$194 to **\$199**.
 - The telephone standard utility allowance has increased from \$23 to **\$24**.

- **Maximum Food Stamp Benefit -** The maximum food stamp benefit levels for all household sizes have increased.

- **Income Eligibility Standards -** The Gross, Net, and 165 percent Income Eligibility Standards have increased.

Note: The Standard Deduction (\$134) and Shelter Deduction (\$250) remain at their current levels.

Automatic Update of Active Food Stamp Cases

Date of Automatic Update

All active food stamp cases on the Recipient Masterfile as of the close of business on 9/24/97 will be automatically reviewed, recalculated, and updated for October issuances.

Report of Updated Cases

A report titled, "**FSP-10/97 COLA Updated Cases**," will:

- be sent to local offices during the week of 9/29/97;
- list all cases that were automatically updated;
- list the household's old and new food stamp benefit amounts (as adjusted by the system); and
- list the amount added to the 10/1/97 food stamp benefit issuance (benefits owed from 10/1/97 to the 10/97 cyclical start date).

No action by local office staff is necessary.

Note: Utility code 5 cases with a pre-COLA utility amount of \$160 (½ of heating SUA) or \$97 (½ of nonheating SUA) will be automatically updated to \$165 or \$99, respectively.

Recipient Notice

All households listed on the "**FSP-10/97, COLA Updated Cases**" report will be sent the following notices:

- an English/Spanish notice (see Attachment A);
 - a multilingual notice that states, "Important! Please have this notice translated immediately."; and
 - a name and address card that gives their old and new food stamp benefit amounts and the additional amount owed them (from 10/1/97 to the 10/97 cyclical start date).
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**Closed FS
Cases**

Food stamp cases that are owed additional benefits for the 10/97 COLA and are closed in October 1997 will be issued benefits in October 1997. These closed cases will:

- have food stamp benefits dated and issued in mid-October;
- appear on the FSP-026 Issuance Register with a V-18 code;
- be listed on a printout titled, *FSP-10/97 COLA Closed Cases*. (This printout will be sent to local offices in mid-October); and
- be sent the same notification cards as active cases.

**When to
Use Old
Standards**

Cases that are key-entered by the close of business on 9/24/97 will have benefits calculated using the issuance standards and calculation method in place *before* the October 1, 1997 policy change.

**When to
Use New
Standards**

Cases key-entered on 9/25/97 and after will have benefits calculated using the 10/1/97 revised issuance standards.

Instructions for Cases Requiring Manual Review/Update

**Manual
Review
Printout**

Cases that require manual review and/or update will appear on a report titled, *FSP-10/97 COLA Cases Requiring Review*, that will:

- be produced and sent to local offices during the week of 9/29/97;
 - list cases:
 - * not updated by PACES due to either missing or inaccurate information, and
 - * updated by PACES but whose utility code in block 56 is 5 and is not ½ of the heating, non-heating or phone SUA; and
 - identify by error code why a case could not be automatically reviewed and/or updated.
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Error Codes

The following error codes *may* appear on the report titled, *FSP-10/97 COLA Cases Requiring Review Report*. In these situations, check for accuracy of information on file and, if necessary, complete a PACES TD and/or PACES worksheet. Determine and issue retroactive benefits (i.e., prorated benefits), if eligible.

Code Explanation:

- 3 Household exceeds maximum allowable gross or net income standards or household size is greater than 17.
- 5 Household's SUA is prorated or household is sharing actual utility expenses.
- 6 PACES-calculated benefit does not equal the benefit amount on the Recipient Masterfile.
- 9 Cases in an active status but at zero benefits.

**Manual
Review of
Cases**

To restore benefits to food stamp cases which were not included in the 10/97 automatic update, workers must:

- Review each case to correct any errors (PACES will recalculate the food stamp benefits and increase the household's food stamp benefits on the *next* available start cycle using the 10/97 COLA standards) or resolve any SUA proration or shared actual utility issues; and
 - Manually determine and issue benefits owed to the household back to October 1, 1997 using the method provided on the following page.
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Prorating

When food stamp benefits are owed to a household back to October 1, 1997 as a result of COLA, the prorated amount is calculated as follows:

- Take the difference between the 9/97 (old) and 10/97 (new) monthly food stamp benefit amount and multiply by 12;
- Divide the product by 365;
- Multiply by the number of days from October 1 through the day *before* the October cyclical start date for each case; and
- Drop all cents from the sum of the calculation above. *This amount represents the prorated portion owed from 10/1/97 to the 10/97 cyclical start date.*

Issuing Lost Benefits

To manually determine the total amount owed to the household, add to the prorated amount the difference between the old and new monthly amount for each full month owed before the next date the increase is affected.

Issue benefits owed to the household using blocks 60 and 61 on the PID.

Questions

If you have any questions, please have your Hotline designee call the Policy Hotline at (617) 348-8478.



Notice of Food Stamp Benefit Cost of Living Adjustment
Massachusetts Department of Transitional Assistance

Food stamp benefits are changing as of October 1, 1997 due to an adjustment in the cost of living. For most households, benefits will be increased.

The enclosed card shows both your old and new monthly benefit amounts as well as any additional benefits owed to you for the period between 10/1/97 and the date of your October 1997 benefits. You do not need to do anything to receive these benefits.

If you are presently receiving food stamp benefits, your new monthly benefit plus any additional benefits owed will be included in your October 1997 benefits. If you are not receiving food stamp benefits, your food stamp benefits will be issued to you in October 1997 for the amount owed. Food stamp benefits Manual Citation: 106 CMR 366.130.

If you have any questions about your new food stamp benefits amount, call your local office at the number listed on the enclosed name and address card.

It is your right to request a fair hearing at any time if you disagree with the amount of food stamp benefits you receive. To request a fair hearing, you must sign and date the enclosed card which has your name and address on it and mail it to: Department of Transitional Assistance, Division of Fair Hearings, P.O. Box 167, Boston, MA 02112.