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: LOCAL COMMISSIONERS MEMORANDUM :
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OTDA-4037EL (Rev. 11/98)

Transmittal No: 99 LCM-20

Date: August 27, 1999

Division: Temporary Assistance

TO: Local District Commissioners

SUBJECT: Non-Cash Safety Net Assistance (SNA) Restriction Hierarchy and Available Restriction and Payment Options

ATTACHMENTS: None

I. Introduction

The purpose of this release is to remind district staff of the information regarding payment options and restriction hierarchy for non-cash SNA that was presented during the regional and district specific training sessions on welfare reform. These options and corresponding procedures will be of particular interest to districts when reviewing their October 1999 recertification lists that will include recipients nearing the end of their lifetime cash SNA limit.

The Welfare Reform Act of 1997 established the Safety Net Assistance (SNA) program (see 97 ADM-21, Safety Net Assistance Program (Welfare Reform Act of 1997)). This program is designed to provide assistance to individuals and families who are ineligible for Family Assistance (FA), or other federal temporary assistance, including Refugee Cash Assistance (RCA). SNA has two components. There is a cash assistance component (Case Type 16) and a non-cash component (Case Type 12 and Case Type 17). SNA took effect on January 1, 1998. Beginning on that date, persons determined unable to work due to the abuse of drugs/alcohol were categorized into either Case Type 12-federally participating Safety Net Non-Cash Assistance, or into Case Type 17-non-federally participating Safety Net Non-Cash Assistance.

Beginning December 1, 1999, the non-cash component of SNA (Case Type 17) becomes effective for persons who have received cash SNA or the former Home Relief (HR) program for twenty-four months in their lifetime since August 4, 1997. Persons who are exempt from work requirements or are HIV positive, and are not determined unable to work due to the abuse of drugs/alcohol, are exempt from the twenty-four month lifetime limit on cash SNA.

Non-cash SNA mandates districts to use a specific hierarchy of restriction. This specific order of restriction is not mandated for persons receiving FA when the grant is restricted for mismanagement, or for cash SNA recipients when the grant is restricted for mismanagement or for administrative ease. The mandated hierarchy and restriction options are outlined in steps 1 through 4 below.

II. Restriction Hierarchy and Available Payment Options

Districts are encouraged to review their current policy and make a determination on how restrictions for non-cash SNA cases are and will be processed. Districts may choose one or more of these payment options to be used district wide, or on a case by case basis. The restriction hierarchy is only mandated for non-cash SNA cases.

1. Shelter Restriction and Payment Options

Districts must first make a restricted payment up to the maximum shelter standard. The district may make a payment in excess of the maximum if the recipient requests and the budget deficit allows. The shelter option that is chosen by the recipient and allowed under district procedures will impact the amount the district will restrict for utilities (including heat).

Districts have three options available to them to satisfy the mandated shelter restriction hierarchy for non-cash SNA. A district may choose to utilize one, two or all three shelter options when restricting shelter amounts and authorizing mandated restricted shelter payments for non-cash SNA cases. It is strongly recommended that districts changing their shelter restriction and subsequent utility (including heat) restriction policies communicate these changes to their respective shelter and energy vendors.

a. Districts may restrict the agency maximum shelter allowance only. The local district enters an "X" in the ABEL budget shelter restriction field, and the shelter cost, up to the agency maximum, will be restricted prior to further restrictions.

b. Districts may restrict the entire actual shelter cost (if the recipient requests that the excess amount be paid). The district enters a "P" in the ABEL budget shelter restriction field, a shelter cost, up to the actual amount, will be restricted prior to other restrictions. This shelter restriction code is only allowed with case types 12 and 17.

c. Districts may restrict the excess shelter costs that exceed the agency maximum shelter allowance (if the recipient requests that an excess amount be paid) after all other restrictions are satisfied. The district enters an "S" in the ABEL budget shelter restriction field and any remaining deficit will be applied to the shelter cost, up to the actual amount. This shelter restriction code is only allowed with case types 12 and 17.

2. Utilities (including heat) Restrictions and Payment Options

Districts must make a restricted payment on behalf of non-cash SNA recipients who pay separately for utilities (including heat). The shelter restriction option chosen will impact the amount of the restricted amount for utilities (including heat) that the district will make. However, the amount of the payment for utilities (including heat) that a district will authorize is not subject to the requirement that there be a sufficient deficit remaining in the budget after the shelter payment is made.

a. The amount restricted from the grant for **domestic energy costs** (energy required to supply lights, cooking and hot water) must not exceed the average monthly billing amount of the recipient's domestic energy costs. For a domestic energy only account, the district may pay the amount restricted or the entire bill without the consent of the recipient.

b. The amount restricted from the grant for **fuel for heating** (electricity, natural gas, oil, propane, etc.) must not exceed the fuel for heating allowance (heating allowance). If the bill represents a **heating only** account, the district must pay an amount equal to the restricted amount and must obtain the recipient's consent prior to paying an amount that exceeds the fuel for heating allowance.

c. If the domestic and heating costs are combined and billed by a single provider, the district may pay the restricted amount or the entire **combined bill** without obtaining the recipient's consent.

d. the amount restricted from the grant for expenses **classified as a utility** (water) must not exceed the actual expense.

3. Personal Needs Allowance

Districts must provide each household with a cash personal needs allowance, if there is sufficient money in the grant, equal to twenty percent (20%) of the sum of the basic allowance, statewide home energy allowance (HEA) and the statewide supplemental home energy allowance (SHEA) for the appropriate household size. This provision is contingent on the availability of an Electronic Benefit Transfer (EBT) system. ABEL will do this calculation once an EBT system is implemented. Until that time, districts must provide any remaining deficit, after shelter and utilities (including heat) are restricted, to the recipient as cash.

4. Other Assistance

Districts must provide any remaining deficit after the personal needs allowance calculation on a non-cash basis, provided that an EBT system is operating in the district. ABEL will do this calculation once an EBT system is implemented. Until that time, any remaining deficit, after shelter, utilities (including heat) are restricted, is provided to the recipient in cash.

III. Examples**Single Energy Provider**

Recipients (household of two) of non-cash SNA with rent of \$500 per month and electric heat with all domestic and heating energy supplied by a single energy provider. The average monthly domestic energy cost is \$50. The TA Needs are as follows:

Basic Allowance	\$179.00
HEA and SHEA	39.50
Shelter W/O Heat	313.00
Heating Allowance	90.00
Total Needs	\$621.00 (rounded)

"X" in the shelter restriction field

There is a remaining deficit of \$308 after the maximum shelter allowance of \$313 is restricted. The monthly heating allowance is \$90 and average monthly domestic energy cost is \$50. After restricting these amounts in the appropriate ABEL input fields, ABEL displays amount of \$50 (UTIL/RES field) for domestic energy and \$90 for heating (RESTRICTED field). The district may pay \$140 monthly or the entire actual combined energy bill. The remaining amount of \$168 will be provided to the recipient in the form of cash until an EBT system is available.

"P" in the shelter restriction field

If the recipient requests and the deficit allows, and the entire actual shelter cost (\$500) is restricted, the remaining deficit is \$121. ABEL displays restricted amounts of \$50 (UTIL/RES field) for domestic energy and \$71 for heating (RESTRICTED field). The district may pay \$121 monthly or the entire combined energy bill for the recipient.

"S" in the shelter restriction field

If the recipient requests and the deficit allows, and the district restricts the excess shelter costs that exceed the agency maximum shelter allowance after all other restrictions are satisfied (\$481 shelter restriction), the remaining deficit is \$140. ABEL displays restricted amounts of \$50 (UTIL/RES field) for domestic energy and \$90 for heating (RESTRICTED field). The district may pay \$140 monthly or the entire combined energy bill.

Separate energy providers

A recipient (household of one) of non-cash SNA with rent of \$350 per month, heats with fuel oil and pays separately for domestic energy costs. The average monthly domestic energy cost is \$40. The TA Needs are as follows:

Basic Allowance	\$112.00
HEA and SHEA	25.10
Shelter W/O Heat	155.00
Heating Allowance	69.00
Total Needs	\$361.00 (rounded)

"X" in the shelter restriction field

There is a remaining deficit of \$206 after the maximum shelter allowance restriction of \$155. The monthly heating allowance of \$69 and average monthly domestic energy cost is \$40. After restricting these amounts in the appropriate ABEL input fields, ABEL displays restricted amounts of \$40 (UTIL/RES field) for domestic energy and \$69 for heating (RESTRICTED field). The district may pay \$40 monthly or the entire domestic energy bill. However, the district can only pay \$69 monthly to the fuel oil dealer, unless the non-cash SNA recipient provides written permission allowing the district to pay the entire delivery bill. The remaining deficit of \$87 will be provided to the recipient in the form of cash until an EBT system is in place.

"P" in the shelter restriction field

If the recipient requests and the deficit allows, and the entire actual shelter cost (\$350) is restricted, the remaining deficit is \$11. ABEL displays restricted amounts of \$11 (UTIL/RES field) for domestic energy and \$0 for heating (RESTRICTED field). The district may pay \$11 monthly or the entire actual domestic energy. However, the district can only pay \$0 to the fuel oil dealer, unless the non-cash SNA recipient provides written permission allowing the district to pay the entire delivery bill. With written permission the district may pay the actual cost of delivery.

"S" in the shelter restriction field

If the recipient requests and the deficit allows, and the district restricts the excess shelter costs that exceed the agency maximum shelter allowance after all other restrictions are satisfied (\$242 shelter restriction), the remaining deficit is \$119. ABEL displays restricted amounts of \$40 (UTIL/RES field) for domestic energy and \$69 for heating (RESTRICTED field). The district may pay \$40 monthly or the entire actual domestic energy bill. However, without written permission, the district can only pay \$69 monthly to the fuel oil dealer. With written permission from the recipient, the district may pay the actual cost of delivery.

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If you have questions regarding this release or require further technical support on this issue, please contact your Regional Team representatives for further information.

A handwritten signature in cursive script, appearing to read "Patricia A. Stevens", written over a horizontal line.

Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance