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FYI

TAFDC COLA

The State FY2001 Budget which the Legislature has passed and the Governor has signed, contains language for a 10 percent cost of living increase for all TAFDC recipients effective July 1, 2000. In addition, the current EA Shelter Standard will be used to determine eligibility for all EA services. Regulations, systems work and procedures are currently being finalized to implement these changes. It is anticipated that the changes will take place during August, retroactive to July 1, 2000. You will be notified prior to any changes occurring.

All active and closed TAFDC cases closed on or after July 1, 2000 will have their retroactive TAFDC payments calculated automatically by Systems. In most instances, the system will also automatically recalculate food stamp benefits. All TAFDC cases denied for income-related reasons on or after July 1, 2000 until the date of implementation of the COLA will need to be reviewed by TAO Staff. Lists of these denied cases will be provided to TAOs. Therefore, TAO Staff are reminded that ALL TAFDC applications must be established on PACES in an "03" status as soon as the application is taken to track denied applications. TAO staff will also receive lists of certain food stamp cases where action will need to be taken to

manually adjust food stamp benefits for September due to the new TAFDC amounts.

Additionally, TAO Staff are asked to keep a log of all EA applications, except temporary emergency shelter applications, denied for financial reasons on or after July 1. These cases will need to be reviewed for eligibility under the new standards.

There is no increase in the EAEDC PNA.

FYI

Educational Assistance Income for Cash and Food Stamp Benefits

Educational assistance income (scholarships, loans, grants, etc.) after exclusions must be averaged over the period which it covers. **However, educational assistance income is not counted until it is actually available to the student (received or credited on account).** A Quality Control error will result if educational assistance income is counted before it is available to the student.

Example:

A student is granted \$1000 from a non-Title IV source for housing which is determined to be countable for cash and/or food stamp purposes. The EDUC-1 indicates that this grant covers the period of September 2000 through December 2000. The grant must be averaged over the four months it is intended to cover: $\$1000/4 = \250 . On October 13, 2000, the student notifies you that she received payment. Begin adverse action to deduct the \$250 monthly countable average. The \$250 countable monthly average affects cash and food stamp benefits beginning in November 2000 and continues through December 2000. The \$250 countable average is disregarded for the months of September and October.

September	\$250	Disregarded
October	\$250	Disregarded
November	\$250	Countable
December	\$250	Countable

The student must notify you within 10 days of receipt of educational assistance income.