

Operations Memorandum - Employment & Training OPS120501

May 4, 2012

SUBJECT: Changes Related to Special Allowances for Supportive Services (SPAL)
TO: Executive Directors
FROM: Richard Wallace, Acting Director, Bureau of Operations

Purpose

To inform CAOs that a rulemaking related to SPALs was published on 04/12/2012. The regulation and this Operations Memorandum are being implemented **effective May 7, 2012**.

Background

DPW offers SPALs to individuals who receive Cash Assistance who are participating in approved work or work-related activities and to individuals who receive SNAP benefits who are participating in approved work-related activities. Regulatory changes were implemented 7/1/2011 in which SPALs were placed into six categories and annual and lifetime limits were established. Due to budgetary constraints and to comply with a legislative mandate, the Department is required to further reduce costs, including reduction and elimination of SPALs, by up to 25%, in program year (PY) 2011-012.

Discussion

DPW continues to offer SPALS to individuals participating in approved work or work-related activities. Supportive services will be considered if they are required by the individual to participate in the approved work or work-related activity. The CAO may issue payment for the least costly, most practical service or item which is available. An approved-work-or-work-related activity means that it has been agreed upon and listed on the AMR or EDP prior to enrollment into the activity.

The CAO must consider the location and hours of the scheduled employment and training, the location of the participant's residence in relation to the provider of the service or item and child care when determining eligibility for a SPAL.

Summary of SPAL Changes Due to Regulation

- Public and Private Transportation are combined into one category identified as Transportation.
- The annual limit for the Transportation category is now \$1,500. The coding associated with the transportation subcategories has been reduced. Reason Codes 269/869-subway, 271/871-commuter rails, and 273/873-paratransit, which were under-utilized, are being deleted. When these types of transportation are used the SPAL should be issued under Reason Code 268-bus and a narrative explanation completed. All other

types of SPALs within the transportation category remain unchanged. ([Attachment 1- Desk Guide](#))

- Motor Vehicle Insurance is eliminated.
- The lifetime limit for Work, Education and Training category of assistance is reduced to \$1,000.
- The types of SPALs which are not permitted for SNAP only participants that were introduced in [OPS110504](#) are incorporated into the regulation.
- SNAP only individuals whose education or training-related expenses are being met prior to agreeing on an EDP to participate in the SNAP E&T component are not eligible to receive special allowances to support the education or training. The activity should not be approved on the EDP or entered into Client Information System (CIS) or Phase IV-B (e-CIS). The individual will not be eligible for SPALs, including but not limited to, childcare, dependent care costs, transportation other training or education related expenses such as uniforms or other equipment, and books or training manuals.
- In an effort to further clarify verification requirements, the regulation requires that a SPAL will not be issued if the service or item was already paid for or obtained unless required under Federal law.

EXAMPLE 1: Bob had his vehicle repaired and then asks the CAO to help him cover the costs with a SPAL. The service (vehicle repair) was already obtained, so Bob is ineligible for the SPAL. To be eligible for the SPAL, Bob must provide the CAO with an estimate of costs prior to having the repairs completed on this vehicle.

EXAMPLE 2: Sally attends a training program which requires students to use a training manual and wear a lab coat. These items are provided to the students on the first day of training with the understanding they will be paid by mid-term. Sally asks the CAO to help her pay these costs at the mid-term payment due date. Sally is ineligible for a SPAL since the items were already obtained.

Note: The need to obtain proper verification is essential when making a determination of eligibility for a SPAL. In addition, proper verification is required when determining if there is an overpayment or when an appeal is filed. The CAO needs to inform individuals that they are responsible to provide proper verification, such as estimates or receipts, to the CAO. Verification is intended to confirm that DPW issued payment is actually used to obtain the service or item requested.

- In addition, the individual must provide verification, such as a receipt, within the time frame specified on the AMR or EDP. The verification must document that the SPAL was actually used to obtain the service or item requested.

IMPORTANT: These changes will be implemented on 05/07/2012. The CAO will be able to issue SPALs under the old limits as long as the SPAL period of eligibility was prior to 05/07/2012 implementation. However, CAOs are reminded of the requirement to process SPALs within the timeframes outlined in CAH135.65.

If an individual has already exceeded the newly regulated annual or lifetime limit for any of these categories of SPALs, the CAO does not need to process an overpayment for the amount which exceeds these new limits. However, the CAO will not authorize additional SPALs.

Notices

Enhancements to Notices are still being made. Until Automated Notices are available, the CAO **must** continue to issue the manual eligible notices, which were introduced in OPS 110602 ([Attachment 2](#)).

New annual and lifetime limits require changes to the text on the SPAL automated notices. Until enhancements can be made to the existing SPAL ineligible notices, manual ineligible SPAL notices **must** also be used. ([Attachment 3](#))

SPAL Tracking Screens

SPAL tracking screens were developed to provide CAOs the ability to review and monitor clients' SPAL usage related to annual and lifetime limits. The information from the SPAL tracking screen, CQSPTL provides the amounts issued for entry on SPAL notices. SPAL changes must be implemented quickly; however SPAL Tracking Screen changes will not be updated in time for the 05/07/12 implementation. You will continue to see (1) Transportation SPALs listed in two groups, (2) the eliminated reason codes and (3) the old annual and lifetime limits. CAOs should compare what has already been issued to the new annual/lifetime limits. If the total issued is less than the new limit, the individual is eligible for the remainder. If the total issued exceeds the new limits, deny the SPAL. However, system edits will not allow entry of eliminated codes or a SPAL amount that exceeds the new limits. You will be notified via a Daily Status when the CQSPTL screen changes are updated.

CAOs should review the CQSPTL screen before authorizing a SPAL to ensure that there are sufficient funds remaining with consideration of the new annual and lifetime limits. Also, SPALS with annual limits indicated on the CQSPTL screen will reset to \$0 effective 7/1/12 to begin a new fiscal year.

Next Steps

1. Share this information with appropriate staff. Direct questions to the BETP Policy Unit at 717-787-1302.
2. Retain this Operations Memorandum until the information is incorporated into the CAH 135 and SNAP 535 Handbooks.