

12-22-04

Subject: Income Excluded by Federal Law—Disaster Relief Employment Funded Under National Emergency Grants

To: All Regional Directors
Food Stamp Program

We received a question as to how to treat disaster relief employment income received from a National Emergency Grant. National Emergency Grants are part of the Workforce Investment Act (WIA, Public Law 105-220). Section 181(a)(2) of the Workforce Investment Act states that allowances, earnings, and payments to individuals participating in programs under Title I of WIA must not be considered as income for purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).

One of the reasons for national emergency grants is to provide assistance to an area within a State that has suffered an emergency or a major disaster as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Funds may be expended through public and private organizations, and may be used for temporary job creation in areas declared eligible for public assistance by FEMA, subject to the limitations of WIA section 173(d) (see 20 CFR 671.170).

Funds are used to provide disaster relief employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area. Individuals are eligible to be offered disaster relief employment if the individual is a dislocated worker, is a long-term unemployed individual, or is temporarily or permanently laid off as a consequence of the disaster. No individual can be employed for more than 6 months related to a single natural disaster.

State agencies should be able to verify whether the source of the income is from a National Emergency Grant under WIA through the State labor department. The source of the income should be verified if the client suffered a job loss or was unemployed due to a recent disaster, if the employment is deemed temporary (less than six months), and if the type of work is disaster-related.

The contents of this guidance document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

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Additional information about National Emergency Grants can be found under section 173 of WIA and the exclusion of income is also codified in 20 CFR 667.272(c). This income exclusion will be added to our updated list of excluded income and resources. If you have any questions, please contact your Regional representative in Certification Policy Branch.

/s/

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