

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 322-5387



APL
~~March~~ 2, 1981

ALL-COUNTY INFORMATION NOTICE I- 42-81

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF 25 DAY RETROSPECTIVE BUDGETING SYSTEM IN AFDC

REFERENCE:

The Governor's Budget for Fiscal Year 1981-82 requires that the AFDC budgeting system be modified so that the first payment for a month will be made within 25 days of the end of the budget month. Some accompanying changes to the monthly reporting system and notice requirements are also being made in order to implement federal regulations and to make the change to the budget system more workable. A summary and illustrations of these changes are included as Attachment A. The effective date for counties to issue the first payments under the 25 day retrospective budgeting system will be September 1, 1981. The implementation plan is included as Attachment B.

Proposed regulations have been scheduled for public hearing on May 18, 1981. You may expect a copy of the public hearing agenda by mid-April.

During the period between your receipt of the public hearing agenda and the public hearing we will be refining the regulations, assessing the need for and timing of county training, developing revisions to the CA 7, developing the reminder notice, and developing a system for recipient informing. A special meeting has been set for April 14, 1981 in which state staff and the CWDA Family Eligibility and Grant Committee will participate in an in-depth review of the regulations. Further considerations and discussion will take place the following day at the regularly scheduled committee meeting.

It is our intention to submit the regulations for approval to the Office of Administrative Law as soon after the public hearing as possible. At that time you will be provided a copy of the regulations which we expect to have filed by June 30, 1981.

We are aware that many counties may have to begin systems modification and the development of procedural instructions beginning the first of June.

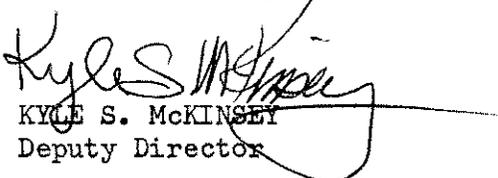
Because of the new budgeting and reporting system, the planned implementation date of July 1, 1981 for the revised CA 7 has been delayed. In order to make the CA 7 compatible to the new reporting system, several changes are being made. It is expected that a camera ready copy of the CA 7 will be available by late May 1981. We suggest that counties which print their own forms, who want a camera ready copy, submit a request early to:

AFDC Forms Coordinator
AFDC Program Systems Bureau
744 P Street, M.S. 16-31
Sacramento, CA 95814

Since the new budgeting system will not require supplemental payments, counties should limit the printing and ordering of the CA 40 (AFDC Supplemental Payments) to what they expect to use through August 1981.

An All County Information Notice transmitting the revised CA 7 and other information pertinent to the new system will be made available soon. We will keep you informed of the key tasks necessary to implement the revised budgeting system.

You may direct any questions concerning this to your AFDC Management Consultant at (916) 445-4458.


KYLE S. MCKINSEY
Deputy Director

Attachments

cc: CWDA

PROPOSED CHANGES TO AFDC BUDGETING,
MONTHLY REPORTING AND NOTICE REQUIREMENTS

A. Budgeting System

1. The budget month for the third and subsequent months of ongoing assistance will run from the eighth of the second month prior to the payment month through the seventh of the month prior to the payment month.
2. For the conversion month, any case in which the payment is to be computed using retrospective budgeting (as opposed to prospective), income received between the first and the seventh of the second prior month will be excluded. The income received between the eighth of the second prior month and the seventh of the first prior month will be used to compute the payment for the month of conversion.
3. Supplemental payments will be eliminated.

B. Monthly Reporting

1. Proposed revisions will explain in detail how the monthly reporting system works in conjunction with the budgeting system.
2. Completeness of a CA 7 will be defined.
3. Recipient deadlines for submitting a complete CA 7, and the consequences of not meeting those deadlines will be specified.
 - a. If a complete CA 7 is received timely (by the 12th), payment, and/or notice of action, must be sent by the 1st of the payment month.
 - b. If a complete CA 7 is not received timely, a reminder notice will be sent 10 or more days before the end of the report month specifying the final deadline for receipt of a complete CA 7 (the 1st of the payment month) and a possible payment delay (as late as the 11th of the payment month).
 - c. Adequate (but not timely) notice will be required to reduce or terminate aid effective the 1st of the payment month, if the negative action results from information on the CA 7 or from nonreceipt of a complete CA 7 by the final deadline. Unless a complete CA 7 is received timely (by the 12th), this notice may be issued as late as the 11th (on or before the payment or in lieu thereof).

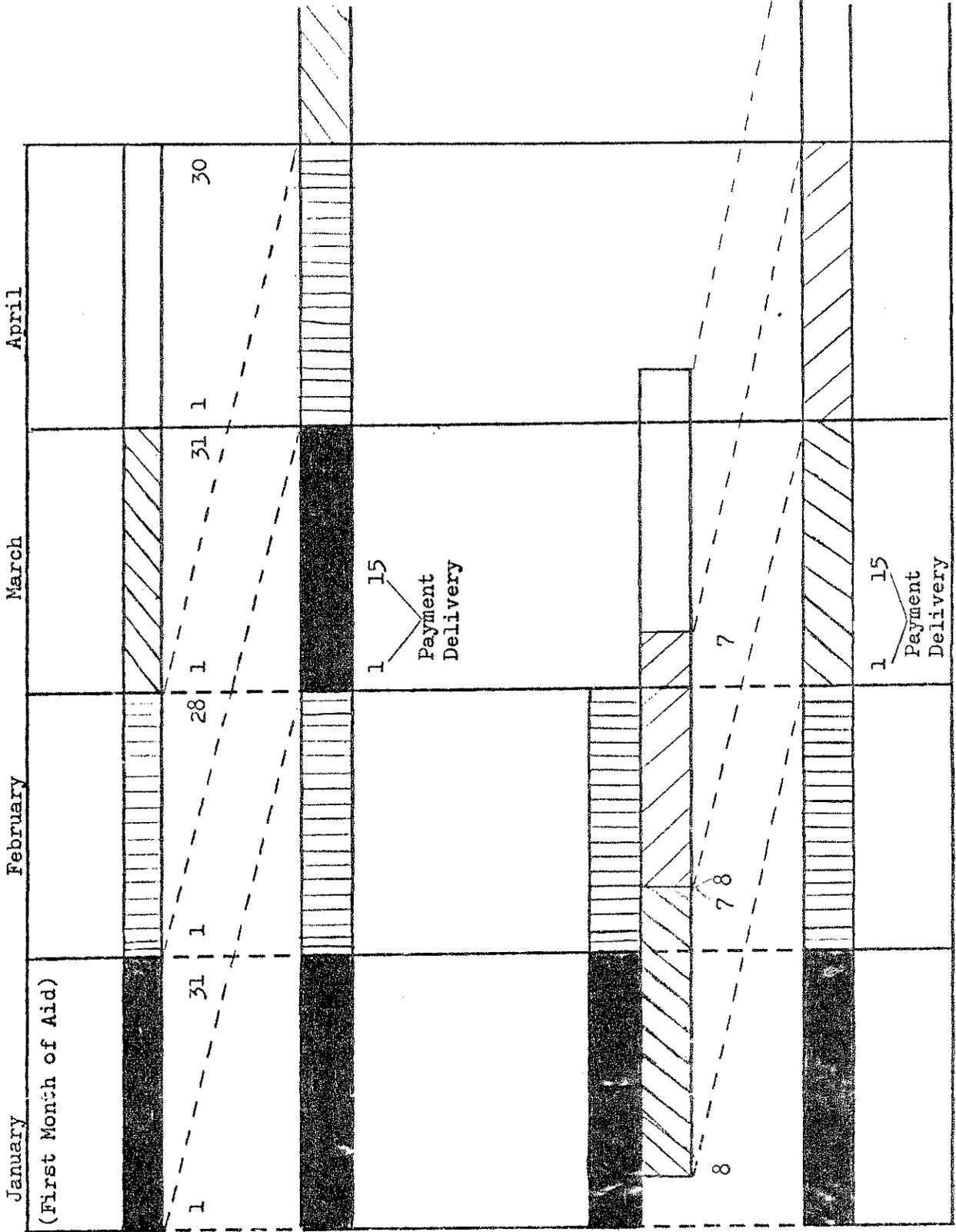
- d. When the final deadline is missed and the recipient requests a restoration he/she must cooperate in the determination of eligibility and/or grant amounts, including completion of missing CA 7's and providing information regarding past income/circumstances affecting current eligibility and/or grant amount.

C. Exceptions to Timely Notice

1. Proposed revisions will add three situations to the list of exceptions to timely notice requirements. They are: negative actions based on CA 7 information, negative actions after a reminder notice is sent, and granting of aid for one month or less.

COMPARISON OF CURRENT AND PROPOSED BUDGETING SYSTEM
 ASSUMING A BEGINNING DATE OF AID OF JANUARY 1

Current System



Budget Periods

Payment Periods

Proposed System

Budget Periods

Payment Periods

CONVERSION

	2nd Prior Month	1st Prior Month	Conversion	
JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER
Current System	*			
				
1 30	8	7 8	7	
		Current System		
	* Disregard income received between 1st and 7th			
			15	15

EXAMPLES OF MONTHLY REPORTING/NOTICE ACTIONS

Complete CA 7 Received By the 12th

			1	2	3	4
	5	6	7	8	9	10
APRIL	12	13	14	15	16	17
	19	20	21	22	23	24
	26	27	28	29	30	
					1	2
	3	4	5	6	7	8
MAY	10	11	12	13	14	15
	17	18	19	20	21	22
	24	25	26	27	28	29
	31					
		1	2	3	4	5
JUNE	7	8	9	10	11	12
	14	15	16	17	18	19
	21	22	23	24	25	26
	28	29	30			

Budget Month: April 8 - May 7

CA 7 Must Be Received: No Earlier Than May 8
No Later Than May 12

Payment Month: June

Payment Dates: June 1 and June 15

Incomplete CA 7 Received By the 12th

			1	2	3	4
	5	6	7	8	9	10
APRIL	12	13	14	15	16	17
	19	20	21	22	23	24
	26	27	28	29	30	
					1	2
	3	4	5	6	7	8
MAY	10	11	12	13	14	15
	17	18	19	20	21	22
	24	25	26	27	28	29
	31					
		1	2	3	4	5
JUNE	7	8	9	10	11	12
	14	15	16	17	18	19
	21	22	23	24	25	26
	28	29	30			

Incomplete CA 7 Received May 11

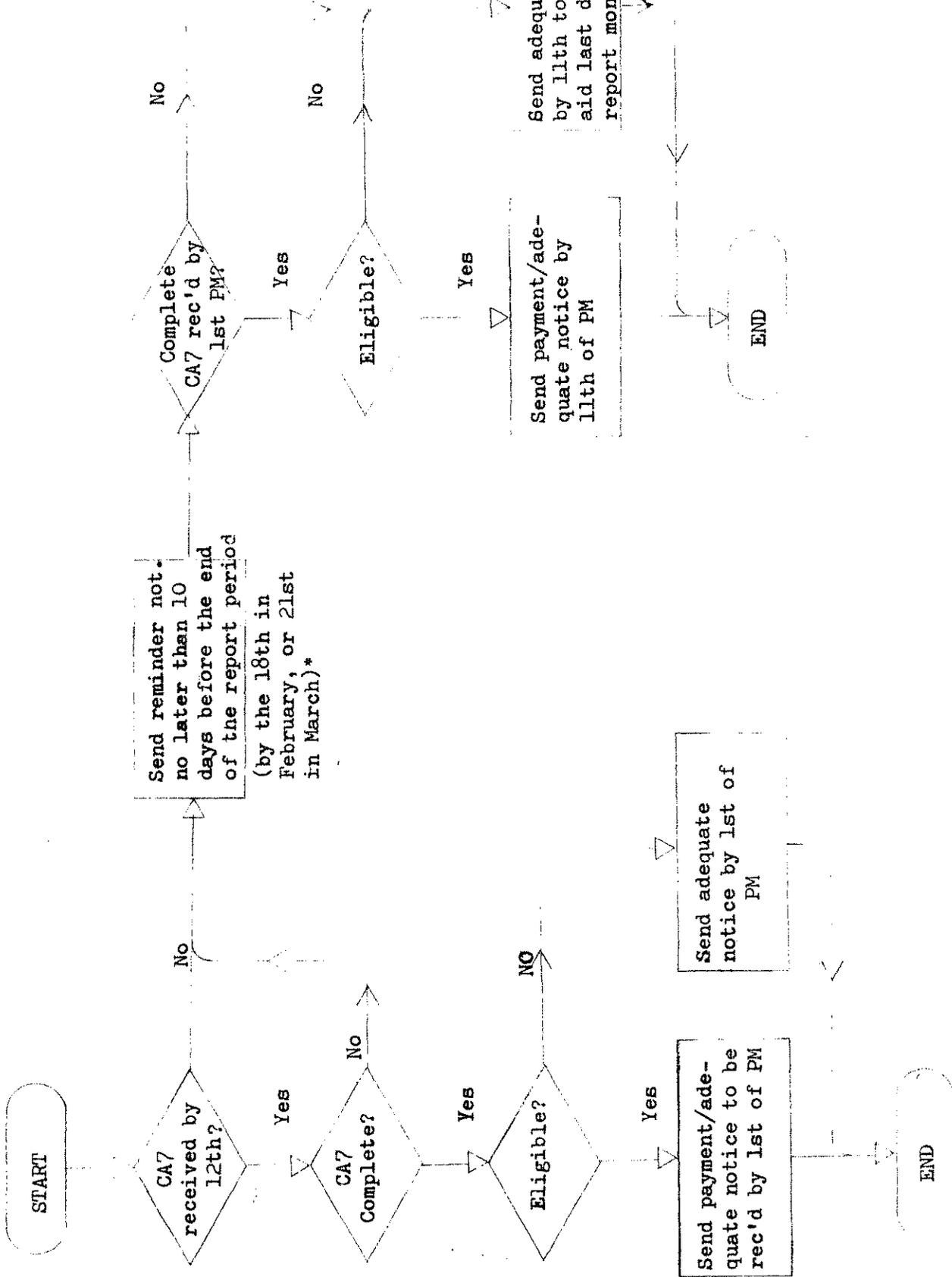
County Sends Reminder Notice May 13 (must be sent by May 21)

Complete CA 7 Received May 27

Payment Dates: June 11 and June 15

(Assuming County opts to delay 1st payment to June 1 payment could have been delivered any time between June 1 - 11).

PROPOSED MONTHLY REPORTING SYSTEM



PM = Payment Month
 * If the county receives a complete CA 7 after the 12th but before issuing the reminder notice, the county may PROCESS the CA 7 as if it had been received timely or issue the reminder notice to delay payment.

				1	2	3	4
APRIL	5	6	7	8	9	10	11
	12	13	14	15	16	17	18
	19	20	21	22	23	24	25
	26	27	28	29	30		
						1	2
MAY	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
	31						
		1	2	3	4	5	6
JUNE	7	8	9	10	11	12	13
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28	29	30				

Complete CA 7 Not Received by the 12th

County Sends Reminder Notice May 15 (must be sent by May 21)

Complete CA 7 Received May 26

*Payment Dates: June 11 and June 15
(Assuming county opts to delay 1st payment to June 11)

*If the CA 7 requires a grant reduction or termination, adequate notice must be mailed on or before the payment date, but no later than June 11.

No CA 7 Received

				1	2	3	4
APRIL	5	6	7	8	9	10	11
	12	13	14	15	16	17	18
	19	20	21	22	23	24	25
	26	27	28	29	30		
						1	2
MAY	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
	31						
		1	2	3	4	5	6
JUNE	7	8	9	10	11	12	13
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28	29	30				

County Sends Reminder Notice May 15
(Must be sent by May 21)

No CA 7 Received by June 1
County Sends Adequate Notice June 5 Discontinuing Effective May 31 (notice must be mailed by June 11)

TIMEFRAME OUTLINE FOR IMPLEMENTATION OF 25-DAY RETROSPECTIVE BUDGETING

A. Regulations Development

- | | |
|--|---|
| 1. Draft Language and Finalize Regulations Request | Completed |
| 2. Prepare Legal Notice and Regulations Package for Public Hearing | Completed |
| 3. Secure County and Departmental Input. Make appropriate revisions to working copy of regulations | 3/30 - 5/15 |
| 4. Public Hearing | 5/18 |
| 5. Debriefing and Testimony Review | 5/18 - 5/22 |
| 6. Transmit to OAL | 5/27 |
| 7. OAL Files Regulations | 6/26 |
| 8. Effective Date | 8/1 - Monthly Reporting
9/1 - Elimination of Supplemental Payments |

B. Forms Development and Recipient Informing

5/1 - 8/1

C. Statewide Training

6/5 - 6/26

D. Fiscal Revisions

5/1 - 8/1

E. County Systems Modification

6/1 - 9/1