

DEPARTMENT OF SOCIAL SERVICES
(916) 322-5330



December 15, 1983

ALL-COUNTY INFORMATION NOTICE 1-134-83

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: MONTHLY REPORTING/RETROSPECTIVE BUDGETING CHANGES IN AFDC AND RCA/ECA

REFERENCE:

This letter is intended to outline and explain the major budgeting issues addressed in the Aid to Families with Dependent Children (AFDC) monthly reporting/retrospective budgeting (MRRB) regulations. The regulations are being reviewed by the Office of Administrative Law and we expect them to be filed shortly to be effective on January 1, 1984.

VERIFICATION OF SELF-EMPLOYMENT (MPP 44-113.212(b))

This regulation change was effective October 1, 1983. The counties are required to verify the self-employment expenses allowed in computing net nonexempt income.

SUSPENSION OF AID IN PAYMENT MONTH (MPP 44-207.222 and 44-207.33)

For purposes of determining eligibility, estimated income in the third and subsequent months of aid shall not include the anticipated receipt of an extra periodic paycheck. As a result of applying these regulations cases will be suspended in the payment month rather than terminated for receipt of a fifth weekly or third biweekly paycheck.

PROSPECTIVE AND RETROSPECTIVE BUDGETING (MPP 44-313.1 and 44-313.2)

The budgeting sections have been rewritten and renumbered for clarity, specificity and better organization. The terms "prospective" and "retrospective" budgeting have replaced "concurrent" and "prior month" and "assistance unit" has replaced "family budget unit (FBU)".

BREAK IN AID (MPP 44-313.122 and 44-313.223)

Retrospective budgeting shall be used when computing the grant when a case is restored following a break in aid of less than one calendar month. Prospective budgeting is only used when the break in aid is one calendar month or more.

INCOME OF A CONTINUOUS NATURE (MPP 44-313.3)

The proposed change to this regulation (included in advance copies of regulations which were transmitted to the counties) was not approved by the Office of Administrative Law. Therefore, the current regulation remains in force and has been renumbered from Sections 44-315.614 to 414-313.3. The corresponding requirement in the Food Stamp Program is different than AFDC and future coordination is planned. Counties will be kept aware of any new developments.

BUDGETING THE INCOME OF INDIVIDUALS ADDED TO OR DELETED FROM AN EXISTING ASSISTANCE UNIT (MPP 44-313.4)

A person with income coming into an existing assistance unit will have his/her income budgeted prospectively for the first two months of aid. For the third and subsequent months of aid, the added person is budgeted retrospectively with the remainder of the assistance unit. Likewise, when a person with income leaves an assistance unit, the income received by that person is not budgeted to the payment month when the person's needs are not considered for eligibility. See Attachment A for examples and explanations.

SUSPENSION (MPP 44-315.6)

The proposed amendment to this regulation has been withdrawn because the Department of Social Services' (DSS) request for a waiver of the federal rule requiring a return to prospective budgeting following the month of suspense if there has been a significant change in circumstances has not yet been granted. When the waiver is granted, the proposed change will be adopted in a future regulations package.

The issues regarding monthly reporting, timely notice and delayed aid payment segments of the AFDC MRRB changes will be addressed in another All-County Information Notice to be transmitted in the near future.

If you have any questions or concerns, please contact Doris Keller at (916) 322-5330.


KYLE S. MCKINSEY
Deputy Director

Attachments

cc: CWDA

Circumstance #1

Month A	Month B	Month C	Month D
Continuing case. Assistance unit of 3.	Father with income comes into the home. Assistance unit of 4.	Assistance unit of 4.	Assistance unit of 4.
Retrospective budgeting for 3.	Retrospectively budget original 3 members. Prospectively budget father at MAP differential and prorate his portion of the grant.	Budgeting the same as last month.	Retrospectively budget assistance unit of 4.

Prospective budgeting to be used in Month B is defined in 44-313.41. The father is aided at MAP differential because he is joining an assistance unit, not forming one of his own. His portion of the grant is prorated in conformity with the beginning date of aid rules.

Circumstance #2

Month A	Month B	Month C	Month D	Month E	Month F
Continuing case. Assistance unit of 4.	Father with income leaves the home during the month.	Assistance unit of 3.	Assistance unit of 3.	Father with income returns to the home during the month.	Father remains in the home Assistance unit of 4.
Retrospective budgeting assistance unit of 4	Retrospectively budget an assistance unit of 4.	Retrospectively budget the original 3 members without the father's income.	Budgeting the same as last month.	Budgeting method used is the same as circumstance #1 starting with Month B.	

The budgeting method to be used in Month C is addressed in 44-313.42. When the father returns to the home in Month E, the budgeting method to be used is the same as in Circumstance #1 and is addressed in MPP 44-313.41.

Circumstance #3

Continuing case. Assistance unit of 4.

Father with income leaves the home on the 15th of the month, county is notified on the 16th.

Father with income returns to the home on the 5th, county is notified on the 6th.

Father remains in the home. 

Month A

Month B

Month C

Month D

Retrospective budgeting assistance unit of 4.

Retrospectively budget an assistance unit of 4. After notification the county moves to discontinue father.

Retrospectively budget an assistance unit of 3 without the father's income from Month A. After notification add father and his income from Month A and prorate.

Retrospectively budget an assistance unit of 4.

The budgeting method to be used in Month C is covered in MPP 44-313.411, a continuation of retrospective budgeting for the individual returning to the home following a break in aid of less than one calendar month.

Circumstance #4

2 continuing cases - Adults are married and living apart. Mom and child in one assistance unit/ Dad and child in one assistance unit.

The two assistance units move together to form one assistance unit of 4 (married parents with two common children.) Moved in mid-month.

Month A

Month B

Month C

Retrospective budgeting for 2 assistance units of 2 each.

Retrospective budgeting for 2 assistance units of two each. County moves to recompute budget for assistance unit of 4 next month.

Continue retrospective budgeting, now for an assistance unit of 4.

Retrospective budgeting continues for the new assistance unit (44-313.2) as neither of the original assistance units experienced a break in aid of one calendar month or more (44-313.41).