

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814  
(916) 322-5330



September 17, 1984

ALL-COUNTY INFORMATION NOTICE I-85-84

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AFDC PROVISIONS OF THE FEDERAL DEFICIT REDUCTION ACT OF 1984 (DEFRA)

REFERENCE: ACIN I-67-84

This notice is to inform you of our plans for implementing the Aid to Families with Dependent Children (AFDC) provisions of the recent federal Deficit Reduction Act (DEFRA). We will provide specific information as quickly as possible on the impact of DEFRA on the Foster Care Program, the Refugee Cash Assistance Program, the Entrant Cash Assistance Program, and the Refugee Demonstration Project.

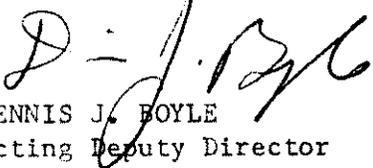
Attachment I contains a summary of the major provisions of DEFRA and our planned implementation schedule. Attachment II is a table of values for use in implementing the 185% gross income limit provision.

On August 31, at the close of the State legislative session, AB 1557 (Bates) was passed. This provides the necessary state legislation to implement major provisions of DEFRA. We received Federal regulations on September 10. We are preparing emergency state regulations which are necessary to implement a number of the DEFRA changes effective October 1.

Implementation effective October 1 means that October eligibility determinations and grants must reflect the new provisions. For continuing cases, this will mean applying August income and circumstances as reported in the CA 7 Monthly Eligibility Report received by the county during September. We recognize many counties will have to implement these provisions retroactively. Therefore, we urge you to flag cases likely to be affected so you will have the least amount of difficulty in making the changes.

We are making every effort to provide you with the regulations, notices of action and detailed implementation instructions as quickly as we can. You can anticipate receiving most of this information within one to two weeks, barring any unforeseen problems.

Thank you for your cooperation during these last few weeks in limiting your telephone calls to the AFDC Policy Implementation Bureau. They will now return to normal telephone service. If you have any questions on this notice, you may call them at (916) 322-5330 or ATSS 8-492-5330.



DENNIS J. BOYLE  
Acting Deputy Director

Attachments

cc: CWDA

- o The ineligibility period will apply for three years after the alien's entry into the United States.
- o Applies to current recipients and applicants.

#### 4. Standard Filing Unit

- o The assistance unit must include the parents and all otherwise eligible minor siblings living with a dependent child (except for SSI recipients, stepbrothers and stepsisters and some aliens).
- o The separate income and resources of the minor siblings will be used in the family's eligibility and grant determination.
- o The income of unaided senior parents will be counted as income to the minor parent living in the home to the same extent as stepparent income is counted. This will replace the current senior parent neediness determination and counting of in-kind income in these cases.

#### Notices of Action

Notice of Action messages are being prepared in conjunction with the regulations as necessary. Every effort will be made to allow the release of these notices concurrent with regulations.

#### Other

##### 1. Mandatory Deductions

- o Counties were notified by ACL 84-92 about discontinuing the deduction of mandatory deductions from gross earned income for financial eligibility and grant determinations. For clarification, this provision also applies to the stepparent and excluded parent computations.

##### 2. Fugitive Felons

- o Regulations in process to implement SB 480 will be expanded to allow release of confidential information on fugitive felons to law enforcement officers under conditions specified in federal law.

## SUMMARY OF DEFRA IMPLEMENTATION PLANS

Emergency Provisions Effective October 1, 1984

1. Standard Work Expense Disregard
  - o The \$75 standard work expense disregard is extended to part-time workers.
  - o This disregard applies to applicants and recipients (including excluded parents and spouses of eligible children), but does not extend to step-parents who are not in the assistance unit.
2. \$30 Disregard
  - o The \$30 disregard is allowed for eight consecutive months following the end of the fourth consecutive month of the \$30 and 1/3 disregard.
  - o Specific restrictions will apply to the allowance of the \$30 disregard.
  - o Only continuing cases receiving a \$30 and 1/3 allowance in or after October 1984 will be eligible for the additional \$30 disregard.
3. \$185 gross income limit for eligibility
  - o The gross income limit is increased from 150% to 185% of the MBSAC. The new 185% table is attached.
4. Student Earnings Disregard
  - o Earnings of a full-time student will be disregarded from gross income for the 185% limit for up to six months in a calendar year.
  - o This provision is consistent with current regulations which disregard the JTPA earned income of children.
5. Earned Income Credit (EIC)
  - o EIC is counted as income only when actually received. It cannot be assumed.
6. \$50 Child Support Disregard
  - o The first \$50 of child support received directly by the assistance unit is disregarded as income and resources for both eligibility and grant computation (for those cases which received child support directly in August, the \$50 would be disregarded in determining their October payment).
  - o The first \$50 of current child support received by the county in or after October 1984 is disregarded as income and resources for both eligibility and grant determination. A maximum of \$50 per assistance unit is disregarded each month.

- o The \$50 disregarded in the above situations will be counted as income in the Food Stamp Program.
- o A federal change in policy occurred last week which now requires that County Welfare Departments assume responsibility for distributing \$50 of current child support collections to AFDC recipients (rather than the Family Support Agencies (IV-D)). Because the change in policy is recent, the implementation regulations for issuance of the \$50 payment have been delayed. However, when distributed, those regulations will be retroactive to October child support payments collected by Family Support Agencies (IV-D).

#### 7. Burial Plots and Funeral Arrangements

- o One burial plot per aided family member is excluded from consideration as property.
- o Bona fide funeral agreements with a maximum equity value of \$1,500 per AFDC family member will be excluded from consideration as property. Irrevocable funeral agreements will be totally exempt from consideration.

#### Emergency Provisions Effective After October 1, 1984

The following provisions will be effective as soon as federal regulations can be analyzed, policy issues can be decided, and regulations drafted. These regulations will be processed on an emergency basis, but are planned to be implemented prospectively.

##### 1. Real Property Exclusion

- o Excludes as a resource for six months real property that the family is making a good faith effort to sell.
- o AFDC paid during this period is considered an overpayment and will be recouped from the sale. The family will be required to grant the county a lien upon the real property as security for the aid.

##### 2. Protective Payments

- o If, after all reasonable efforts, the county is unable to find a suitable protective payee, the county will be allowed to make payments to the parent who is ineligible due to failure to meet work incentive program or child support program requirements.
- o The parent will still not be eligible for aid.

##### 3. Sponsored Aliens

- o Aliens sponsored by an agency or organization will be ineligible for benefits if the agency is in existence and has the financial ability to meet the alien's needs.

## MINIMUM BASIC STANDARD OF ADEQUATE CARE

Size of FBU	185% of Minimum Basic Standard of Adequate Care
1	\$ 503
2	829
3	1,027
4	1,221
5	1,393
6	1,567
7	1,719
8	1,874
9	2,031
10	2,207