

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
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January 19, 1982

ALL-COUNTY LETTER NO. 82-04

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FEDERAL OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (PART I)
REGULATIONS - IMPACT ON THE AFDC-FC PROGRAM

REFERENCE:

The purpose of this letter is to describe the impact on AFDC-Foster Care (FC) of the AFDC regulations filed and effective November 10, 1981 which implement Part I of the Federal Omnibus Budget Reconciliation Act of 1981.

All of the revised AFDC regulations apply to the determination of linkage to federal AFDC-FG/U, for purposes of claiming federal financial participation in AFDC-FC payments. Most of the provisions of Part I apply for determination of AFDC-FC eligibility, with the notable exceptions of the income limit for eligibility (150%), monthly reporting, and retrospective budgeting. See the following sections for details.

I. Federal AFDC-FG/U Linkage Determination

For children who were in receipt of federal AFDC-FG/U in the month the petition, which led to removal and placement, was filed, the regulations used to determine their eligibility will be those in effect according to information provided to you with regard to the AFDC-FG/U program in light of the litigation pending against the Department with regard to notifying recipients of implementation of the new regulations.

For children who were not actually in receipt of federal AFDC-FG/U in the month of the petition, use the regulations in effect on the first of the month in which the petition was filed to determine whether federal AFDC-FG/U would have existed in or for that month. Please note that the pending suits regarding notice of the regulations changes do not alter the effective date of the new AFDC regulations.

II. Determination of AFDC-FC Eligibility

A. Application of Specific Provisions to the AFDC-FC Program

1. Income Limit for Eligibility (150%) (Section 44-207)

This provision does not apply for determining initial or ongoing eligibility of a child in foster care. (Note: For determination of linkage to federal AFDC-FG/U, the available gross income shall be compared to 150% of the family's MBSAC).

2. Earned Income Disregards (Sections 44-111.23 and 44-113.2)

All earned income disregard regulations contained in the regulations filed and effective November 10, 1981, including the four-month limitation of the \$30 plus one-third disregard, shall apply to the earned income of a child in foster care.

3. Assume Receipt of EIC (Section 44-101.32 and .527)

If a child in foster care is eligible to receive an EIC, it shall be deemed available.

4. Resources (Sections 42-211.22 and 42-214.2(k))

New regulations regarding resources, including repeal of the provision to exempt reasonable accumulation of exempt earnings, shall apply to children in foster care.

5. Unemployed Parent as the Principal Earner (Section 41-440.41)

This new definition of the unemployed parent will affect determination of linkage to the federal AFDC-FG/U program.

6. Retrospective Budgeting (Sections 44-315.614 and 44-316)

Neither the provision regarding supplemental payments nor prior-month budgeting in the third month of aid apply to AFDC-FC. Budgeting shall continue to be current-month based, with payment in arrears.

7. Monthly Reporting

This provision is not applicable to AFDC-FC.

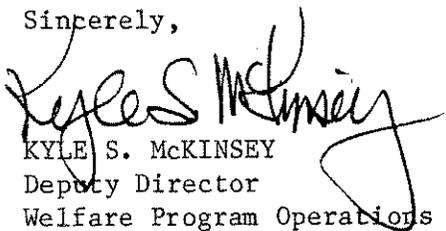
B. Timeframes

1. In general, the new regulations shall be applied to new AFDC-FC cases as follows:

- a. Applications dated prior to November 10, 1981 (the effective date of the new regulations), when authorizing action is taken in November 1981: eligibility determination and aid payment computation for November will be made in accordance with regulations effective at time of application.
 - b. Applications dated prior to November 10, 1981, when authorizing action is taken in December 1981: eligibility determination and aid payment computation for December will be made in accordance with the new regulations.
 - c. Applications dated November 10, 1981, or after, regardless of the date of authorizing action: eligibility determination and aid payment computation will be made in accordance with the new regulations.
2. Implementation of the new regulations in continuing AFDC-FC cases will follow instructions provided for the AFDC-FG/U program, in light of the litigation pending against the Department regarding notifying recipients about these changes.

Legislation is required before Part II of the federal program changes can be implemented. We will continue to keep you informed of any further developments and AFDC-FC impact. Please direct any questions regarding the regulations changes to your AFDC Program Management Consultant, at (916) 445-4458.

Sincerely,



KYLE S. MCKINSEY
Deputy Director
Welfare Program Operations Division

cc: CWDA