STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

August 31, 1990

ALL COUNTY LETTER NO. 90-82

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AFDC COST-OF-LIVING ADJUSTMENT

This is to inform you that there is no cost-of-living adjustment (COLA) for AFDC FG/U recipients for fiscal year 1990/91. You were previously informed through an EMC2 (electronic mail) message, sent on July 12, 1990, that the Legislature suspended the requirement to grant a COLA until August 1, 1990. The Welfare & Institutions (W&I) Code Section 11453 was amended by Assembly Bill 3573 (Chapter 456 of 1990) to eliminate the COLA for AFDC in the 1990-91 fiscal year and further specified that calculations for a 1990-91 COLA shall not be included in the 1991-92 fiscal year or any year thereafter. The AFDC payment standards which were sent to you last year in All County Information Notice No. I-40-89, dated June 15, 1989, will remain in effect during the 1990/91 fiscal year. Accordingly, there is no change to the Food Stamp allotments.

Statutory language was also added to the Government Code and W & I Code to establish a new COLA "trigger mechanism". AB 2348 (Chapter 458 of 1990) and SB 1783 (Chapter 455 of 1990) establish a new process for the State Department of Finance and State Commission on Finance in May of each year to reduce or eliminate the AFDC and other specified program COLAs for the ensuing fiscal year if estimated State General Fund revenue is less than State General Fund workload budget.

If you have questions concerning the AFDC payment standards, please contact Judy Moore of the AFDC and Food Stamp Policy Implementation Bureau at (916) 324-2017 or ATSS 454-2017.

ROBERT A. HOREL
Deputy Director

cc: CWDA