STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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

October 7, 1993

ALL-COUNTY LETTER NO. 93-78

Reason for this Transmittal
[ ] State Law Change
[X] Federal Law or Regulation Change
[ ] Court Order
[ ] Clarification Requested by One or More Counties
[X] Initiated by CDSS

TO: COUNTY WELFARE DIRECTORS
ALL COUNTY TCC COORDINATORS

SUBJECT: QUESTIONS AND ANSWERS ABOUT ELIGIBILITY FOR TRANSITIONAL CHILD CARE

REFERENCE: Manual of Policies and Procedures (MPP) Section 47-120

This is to provide clarification of issues regarding eligibility for the Transitional Child Care (TCC) program. The primary focus is on determining TCC eligibility when there are multiple factors contributing to the family's loss of Aid to Families with Dependent Children (AFDC). The attached questions and answers were provided to us from the Administration for Families and Children in Child Care Action Transmittal No. CC-ACF-AT-93-1.

If you have any questions regarding this letter, please contact Ms. Jan DeSilva of the Child Care Section at (916) 654-1768.

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Attachment

QUESTIONS AND ANSWERS REGARDING ELIGIBILITY FOR THE TRANSITIONAL CHILD CARE (TCC) PROGRAM

1. Q. Is a family eligible for TCC if they had an increase in unearned income as well as an increase in hours or earnings from employment?

   A. When a family becomes ineligible for AFDC due to increased hours or earnings from employment, or from the loss of time limited income disregards, they may still be eligible for TCC even though other factors may have also caused them to lose AFDC.

   [Note: For all examples in this All County Letter, assume that the family has received AFDC in three of the last six months.]

   Example 1: An AFDC-UP family's principle wage earner begins working a longer shift which results in more hours of employment. At the same time, they begin renting their basement for $100 a week. The family loses AFDC and is eligible for TCC. Reason: Increased hours of employment alone are sufficient to cause AFDC ineligibility. That another reason can also be considered to be sufficient to cause AFDC ineligibility does not preclude eligibility for TCC.

   Example 2: A caretaker relative becomes employed and reports countable earned income of $400. At the same time, she reports that the family is now receiving $100 a month in child support. The family loses AFDC and is eligible for TCC. Reason: The increase in earnings alone is sufficient to cause AFDC ineligibility.

2. Q. Is a family eligible for TCC if increased earnings were not sufficient to cause AFDC ineligibility, but were sufficient to "contribute" to ineligibility?

   A. Sometimes the loss of AFDC is the result of multiple changes in a family's income which occur simultaneously. For example, the caretaker relative becomes employed and also begins to receive child support in the same month. When multiple income changes occur, a determination must be made as to whether an increase in earnings "contributed" to AFDC ineligibility.

   TCC eligibility exists where but for the increased earnings, AFDC eligibility would not have occurred. An increase in earnings contributes to AFDC ineligibility when the increase in earnings alone is not sufficient to cause AFDC ineligibility, and no other single change, when considered alone, is sufficient to cause AFDC ineligibility. If another reason alone is sufficient to cause AFDC ineligibility and increased earnings is not sufficient to cause ineligibility, the family would not be eligible for TCC.

Example 3: A family's child support increases from $75 to $110 a month. At the same time the caretaker relative receives a raise that increases her countable earnings from $275 to $350 a month. The combination of child support and earnings make the family ineligible for AFDC and eligible for TCC. Reason: Neither the income change nor the child support alone is sufficient to cause AFDC ineligibility. The combination of income and child support, however, is sufficient to cause AFDC ineligibility. The increase in earnings "contributed" to AFDC ineligibility.

Example 4: A mother receives a raise at her part-time job. Her countable earnings increase to $275 per month. At the same time, her child support payments of $500 per month begin. She loses AFDC and is not eligible for TCC. Reason: The amount of the earnings is not sufficient alone to cause loss of AFDC, but the amount of child support is. The earnings do not contribute to loss of AFDC in this case.

3. Q. Are there some changes that look like earnings "increases" which cause a family to become ineligible for AFDC that will not result in eligibility for TCC?

   A. There are some changes that may appear to meet the requirements for TCC eligibility, but they do not.

   Example 5: A child in a family with no other income except earnings leaves the household. As a result, the AFDC standard for the family is reduced, and the earnings (which have not changed) make the family ineligible for AFDC. Although the family is ineligible for AFDC due to earned income, they are not eligible for TCC. Reason: The earnings did not increase, but rather, more of the earnings are now counted in determining AFDC eligibility because there are fewer people in the assistance unit.

   Example 6: An employed caretaker relative reports that she no longer has child care expenses because free child care is available. Without receiving the child care disregard, her countable earned income makes the family ineligible for AFDC. However, the family is not eligible for TCC. Reason: Again, the earnings did not increase, only the amount of the earnings counted in determining AFDC eligibility increased.

4. Q. If a family met the eligibility requirements of Manual of Policies and Procedures (MPP) Section 47-120, but was terminated from AFDC due to failure to submit a monthly income report, would they be eligible for TCC?

A. Loss of AFDC due to failure to report (or report timely) does not preclude eligibility for TCC. If at any time during the TCC eligibility period a family applies for TCC, and can verify that at the time of AFDC termination they would also have been ineligible for AFDC due to increased hours or income from employment or from the loss of time limited disregards, they may be eligible for TCC. Even though the AFDC case has been closed, the county should redetermine the reason(s) for AFDC ineligibility when a TCC application is received from a family who was originally terminated from AFDC due to failure to submit a monthly report.

Example 7: The caretaker relative in a family with no income becomes employed. She knows that her monthly wages will make her ineligible for continued AFDC so she does not return the required monthly report. Although the county closes the case for failure to report, the family may be eligible for TCC. Reason: The county may determine that the increase in earnings alone would be sufficient to close the case. Increased earnings are one of the eligibility factors found in MPP Section 47-120 which establishes TCC eligibility.

Example 8: A caretaker relative has been earning $350 monthly. Because she is only receiving a small AFDC benefit, she decides not to return her monthly report. The county terminates her AFDC for failure to report. The family is not eligible for TCC. Reason: There was no increase in earnings or hours of employment or loss of the earned income disregards.