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

January 10, 1997

ALL-COUNTY LETTER NO. 97-02

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

TO: COUNTY WELFARE DIRECTORS
COUNTY TCC COORDINATORS

SUBJECT: CHANGES TO THE TRANSITIONAL CHILD CARE (TCC) PROGRAM

This letter transmits changes to the Transitional Child Care (TCC) program. These changes are a result of passage of Senate Bill (SB) 1780 (Chapter 206, Statutes of 1996) which amended the Welfare and Institutions Code to extend the eligibility period for TCC from 12 months to 24 months for most families. Families who are discontinued from AFDC because they no longer meet the deprivation requirement or they have increased assets or increased earnings as a result of marriage or the reuniting of separated spouses are not affected by the change. The eligibility period for these families, commonly referred to as wedfare families, remains 12 months. Families affected by the change in state law are those who are discontinued from AFDC due to: 1) increased hours of employment; 2) increased earnings from employment; 3) loss of earned income disregards due to time limitations; or 4) failure to submit the monthly income report, if the family is able to prove they also met one of the other conditions. Families who meet the above criteria will now be eligible for up to 24 months of TCC program benefits.

SB 1780 contained language requiring the Director of the California Department of Social Services to seek a waiver by October 1, 1996, for federal financial participation in the implementation of the TCC eligibility period extension. However, effective October 1, 1996, the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was enacted. The PRWORA repealed all Title IV-A child care programs, including TCC, and incorporated funding for the former Title IV-A programs into the Child Care and Development Block Grant. This action made the request for a federal waiver unnecessary.

Because of the timing of the passage of the PRWORA and budgetary actions necessary to transfer funds from the California Department of Education to CDSS for welfare-related child care programs, the state regulations to implement the TCC program eligibility period extension have not yet been completed. The regulations, along with revised forms and Notices of Action (NOAs) for use in the TCC program, are being developed on an expedited basis. It is

anticipated that emergency regulations will be effective March 1, 1997.

In order to be in compliance with state law during the interim period prior to the regulations effective date, counties are instructed to take the following actions to implement the extension of the TCC eligibility period effective October 1, 1996.

Review TCC cases currently open which reach the end of the 12-month eligibility period:

- Determine whether the family was a wedfare family.
- If not, extend the family's TCC eligibility period.

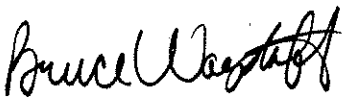
Review TCC cases that were discontinued since October 1, 1996 due to expiration of the 12-month eligibility period:

- Determine whether the family was a wedfare family.
- If not, notify the family that they are eligible for up to an additional 12 months of TCC benefits.
- Restore the TCC case to active status.

The policy regarding the determination of the family fee which has been proposed in the attached draft regulations will not require a change in existing county procedures. The county will continue to use the family's first three months of income information to determine the fee which will be in effect for the seventh through twenty-fourth months of the eligibility period.

In the revised regulations, the Family Fee Schedule currently used by counties to determine the amount of the family fee will be removed from the handbook and revised. The revised Family Fee Schedule, along with instructions for its use, will be distributed to counties with the final regulations and revised TCC forms and NOAs in an All-County Letter. In the interim, counties are instructed to continue using the Family Fee Schedule found in the existing handbook at MPP 47-130.42.

A draft copy of the proposed regulations is enclosed for your review. If you have any comments, please fax them to Brad Elftmann of the Child Care Unit at (916) 654-1516 or call him with your comments or questions at (916) 654-1414 as soon as possible.



BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Enclosure

Amend Handbook Section 47-101 to read:

47-101 INTRODUCTION TO TRANSITIONAL CHILD CARE

******Handbook Begins******

Transitional Child Care (TCC) was mandated by the Family Support Act of 1988. It provides funding for child care to former AFDC recipients, when certain eligibility criteria are met, for up to ~~12~~ 24 months ~~when certain eligibility criteria are met~~ depending on the reason for discontinuance from AFDC.

The Legislature finds and declares that transitional child care is crucial for working families who are undergoing the difficult transition from Aid to Families with Dependent Children to independence. The cost of child care is known to be one of the most formidable barriers to permanent independence for low-income families with young children. Without adequate child care, many low-income families will be unable to remain independent even after finding employment. Therefore, it is in the state's financial best interest to increase the probability that all families entitled to this benefit receive it and that disruptions of child care aid be minimized.

The coordination of GAIN child care services and transitional child care is of paramount importance. For GAIN participants who become immediately eligible for transitional child care services upon employment, coordination of the child care services is necessary to ensure continuity of care throughout the transition period. Continuity of care is important both to enable the parents to maintain their employment and to contribute to a stable environment for their children. It is more efficient to use existing GAIN systems and procedures, where allowed under federal law, to administer the transitional child care program. Requiring counties to build on their GAIN child care programs in administering the transitional child care program will minimize the need for families and service providers to learn new rules and procedures that often interfere with making services truly accessible to families and smoothly delivering those services.

******Handbook Ends******

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, 11500(a) and (c), 11501.1, 11501.5, and 11511(a), Welfare and Institutions Code; and 45 CFR Part 256.

Amend Section 47-102e.(1) to read:

47-102 DEFINITIONS

The following definitions pertain only to Chapter 47-100. The definitions shall be used in conjunction with the balance of the Traditional Child Care program regulations and do not stand alone.

a. through d.		(continued)
e.	(1)	"Eligibility Period" means the period of 12 or 24 consecutive calendar months for which TCC payments may be received beginning with the first day of the first calendar month of ineligibility for federal AFDC.
e.	(2)	(continued)
f. through z.		(continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, 11501.1, 11501.5, and 11511(a), Welfare and Institutions Code; 45 CFR Parts 255 and 256.

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Amend Handbook Section 47-105.121 to read:

47-105 APPLICANT RESPONSIBILITIES

.1 Time and Place of Request for TCC Program Benefits

.11 The applicant shall submit a request for TCC program benefits in the county of residence.

.12 When the date of receipt of the request for TCC program benefits is later than the last day of the eligibility period, the request shall be denied.

******Handbook Begins******

.121 Example: The family becomes ineligible for AFDC as a result of increased earnings from employment on May 1, 1990. The eligibility period begins on that date and ends on the last day of April ~~1991~~ 1992. The applicant must request TCC program benefits no later than April 30, ~~1991~~ 1992.

******Handbook Ends******

.13 (continued)

.2 through .8 (continued)

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10603, 11102, 11209, 11500(d)(2), 11501.1(a), 11503, 11505, 11507, and 11511(a), Welfare and Institutions Code; 45 CFR 255.4(h), (i), and (j); 45 CFR 256.1(a)(4) and (b); 45 CFR 256.2(a), (b)(2), (b)(3), and (c); and 45 CFR 256.3(a) and (b); and 45 CFR 256.4(b).

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Amend Section 47-110.1 to read:

47-110 COUNTY RESPONSIBILITIES

.1 General

.12 (continued)

.13 The county shall provide the supportive services as specified in Welfare and Institutions Code Section 11501.

******Handbook Begins******

.131 Welfare and Institutions Code Section 11501 states in part:

Transitional Child Care services shall include the same services as those child care supportive services provided under subdivision (g) and paragraphs (1), (2) and (5) of subdivision (h) of Section ~~11320.3~~ 11323.8, except for those portions which are specifically prohibited by federal law or regulations.

(b) To the extent permissible under federal law and regulations, transitional child care supportive services provided pursuant to subdivision (g) and paragraphs (1), (2) and (5) of subdivision (h) of Section ~~11320.3~~ 11323.8 shall be provided by the county in the same manner as they are provided to families in the county GAIN program. The county may contract out with public and private child care programs to provide any or all of the services.

.132 Welfare and Institutions Code Section ~~11320.3~~ 11323.8 states in part:

(g) Each county welfare department shall be encouraged to contract with existing service providers for any or all child care services arrangements. If the county welfare department elects to contract with any child care provider which is also under contract with the State Department of Education, those contracts shall be consistent with, and shall not supersede, all of the following:

(1) through (5) (continued)

******Handbook Ends******

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

References: Sections 10613, 11209, ~~11320.3,~~ 11500(b), (c), and (d), 11501(a) and (b), 11503, 11504, and 11511(a), Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 255.1; 45 CFR 255.3(a)(3); 45 CFR 255.4(i)(1) and (2); and 45 CFR 256.1, .2, and .4.

Amend Section 47-125.1 to read:

47-125 ELIGIBILITY PERIOD

.1 The eligibility period:

.11 Begins on the first day of the first month the family is ineligible for federal AFDC; and

.12 Continues for ~~12 consecutive calendar months.~~ a period of:

.121 Twelve (12) consecutive calendar months for those families who become ineligible for federal AFDC as a result of marriage or because separated spouses reunite and the family:

(a) No longer meets the deprivation requirement specified in Section 41-401.14; or

(b) Has increased assets specified in Sections 42-207.1, .2 and/or 42-213.2(z); or

(c) Has increased income over the 185% gross income test specified in Section 44-207.2.

.122 Twenty-four (24) consecutive calendar months for those families who become ineligible for federal AFDC as a result of:

(a) Increased hours of employment; or

(b) Increased income from employment; or

(c) Loss of earned income disregards due to time limitations; or

(d) Failure to submit the monthly income report, if the family is able to prove they also met one of the conditions as specified in this subsection.

******Handbook Begins******

.123 Example: A family becomes ineligible for AFDC due to increased assets as a result of marriage effective October 1. The family's eligibility period is from October 1 through September 30 of the following year.

~~.121~~.124 Example: A family member finds employment on September 15, Year 1. The family is ineligible for AFDC effective October 1, Year 1. The family's eligibility period is from October 1, Year 1 through September 30, Year 3.

~~.122~~.125 Example: Same situation as above. The family member works from October 1, Year 1 through March 30, Year 2, ~~of the following year~~ at which time the employed family member is

laid off. The family returns to AFDC in April, Year 2, but is discontinued effective May 31, Year 2, because the family member returns to the former position on June 1, Year 2. The family meets all eligibility requirements and receives TCC program benefits from June 1, Year 2 through September 30, Year 3, which is the balance of its original eligibility period. The family does not receive TCC program benefits in April or May of Year 2, since the TCC child was receiving AFDC. The family does not qualify for a new eligibility period because they did not receive AFDC in three of the last six months.

******Handbook Ends******

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, ~~11501(a)~~, 11501.1(a), 11501.5(a), and 11511(a), Welfare and Institutions Code; and 45 CFR 256.2(c) and (e)(2).

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Repeal Sections 47-130.42 and .5:

47-130 FAMILY FEE DETERMINATION

.4 The county shall use the current State Department of Education (SDE) Family Fee Schedule modified by the State Department of Social Services (SDSS) for the TCC program in accordance with Welfare and Institutions Code Section 11506(b) and is hereby incorporated by reference.

.41 (continued)

.411 through .413 (continued)

******Handbook Begins******

~~.42~~ ~~Family Fee Schedule~~

Repeal Table

~~.5~~ ~~Instructions for using the Family Fee Schedule~~

~~.51~~ ~~Select from columns 1 through 12 the column appropriate for family size.~~

~~.52~~ ~~Find the monthly TCC family income in that column by:~~

~~.521~~ ~~Locating the upper and lower figures into which the TCC family income falls; and~~

~~.522~~ ~~Using the figure which is the lower amount.~~

~~.53~~ ~~A family fee is assessed which corresponds with the Monthly Fee in the left-hand margin.~~

~~.531~~ ~~Example: A family of four persons has gross monthly earnings of $1689. Find the family size under column 4. In this case, $1689 is between $1643 and $1700. The family fee which corresponds with $1643 is used. The monthly family fee is $42.~~

******Handbook Ends******

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Renumber Section 47-130.6 to read:

~~.6~~.5 Family Fee Requirement

~~.61~~.51 A minimum family fee equal to the lowest Monthly Fee on the Family Fee Schedule shall be paid by a TCC family whose income is less than the lowest income for their family size.

~~.62~~.52 A maximum family fee equal to the highest Monthly Fee on the Family Fee Schedule shall be paid by a TCC family whose income is higher than the highest income for their family size.

~~.63~~.53 The family shall pay the monthly family fee that has been assessed.

~~.631~~.531 The family shall pay its family fee to one provider it chooses and the family shall inform the county of this choice when:

(a) The county issues the TCC payment directly to the provider; and

(b) The family uses more than one provider; and

(c) The family is required to pay its family fee to the provider.

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Amend and renumber Section 47-130.7 to read:

47-130 FAMILY FEE DETERMINATION

~~.7~~.6 Family Fee

~~.71~~.61 When a family, whose TCC program eligibility period is 12 months, requests TCC program benefits within the first three months of its eligibility period:

~~.711~~.611 The family fee in effect for the first six months of the eligibility period shall be based on TCC family size and income information submitted with the request for TCC program benefits.

~~.712~~.612 The family fee in effect during the second six months of the eligibility period, unless the family requests a family fee for the recomputation, shall be based on income as specified in Section 47-130.331.

~~.72~~.62 When a family, whose TCC program eligibility period is 12 months, requests TCC program benefits in the fourth through twelfth month of its eligibility period the family fee shall be:

~~.721~~.621 Based on TCC family size and income information submitted with the request for TCC program benefits and

~~.722~~.622 In effect for the entire eligibility period.

.63 When a family, whose TCC program eligibility period is 24 months, requests TCC program benefits within the first three months of its eligibility period:

.631 The family fee in effect for the first six months of the eligibility period shall be based on TCC family size and income information submitted with the request for TCC program benefits.

.632 The family fee in effect during the second, third and final six-month periods of the 24-month eligibility period, unless the family requests a family fee recomputation, shall be based on income as specified in Section 47-130.331.

.64 When a family, whose TCC program eligibility period is 24 months, requests TCC program benefits in the fourth through twenty-fourth month of its eligibility period the family fee shall be:

.641 Based on income information submitted with the request for TCC program benefits and

.642 In effect through the entire eligibility period.

Renumber Sections 47-130.8 and .9 to read:

47-130 FAMILY FEE DETERMINATION

~~.8~~.7 Recomputation of Family Fee

~~.81~~.71 The family fee shall be recomputed upon the request of the family.

~~.82~~.72 The TCC family shall be permitted to request a family fee recomputation at any time during the eligibility period.

~~.821~~.721 A family fee change request by the TCC family becomes effective the first of the month following receipt by the county of the family size and the income information as specified in Section 47-130.332.

~~.83~~.73 The family fee shall be unchanged during the interval between recomputations.

~~.9~~.8 The county shall verify the information upon which the family fee determination is based.

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, ~~11320.3(f), 11501(a) and (c),~~ 11501.1(a) and (c), 11501.5(a), 11506, 11507, 11509, and 11511(a), Welfare and Institutions Code; 45 CFR 256.0; 45 CFR 256.2(a); and 45 CFR 256.3(a), (b), and (d).

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Amend Section 47-155.1 to read:

47-155 PAYMENT DETERMINATION

.1 A TCC payment shall be based upon the costs of child care provided during the TCC eligibility period.

.11 (continued)

******Handbook Begins******

.12 The following are examples of determining what period of time upon which a TCC payment is based.

.121 (continued)

.122 Example: The TCC family was employed and using child care prior to AFDC discontinuance resulting from increased earnings from employment. The family pays for child care on a monthly basis after the child care is given. The family requests TCC program benefits and is determined eligible. The eligibility period is from November, Year 1 through October, Year ~~2~~ 3. Three months of child care for which the family pays are:

Date Paid	For Care Provided
November 1, Year 1	October 1-31, Year 1
November 1, Year ~~2~~ 3	October 1-31, Year ~~2~~ 3
December 1, Year ~~2~~ 3	November 1-30, Year ~~2~~ 3

(a) The payment made by the TCC family on November 1, Year 1 is not eligible for TCC reimbursement since the child care that this payment is for was not provided during the eligibility period.

(b) The payment made by the family on November 1, Year ~~2~~ 3 is eligible for TCC reimbursement. This payment is for October, Year ~~2~~ 3, which occurs during the eligibility period. This payment meets the condition of a cost paid in a calendar month for child care provided during the eligibility period.

(c) The payment made by the family on December 1, Year ~~2~~ 3 is not eligible for TCC reimbursement, since the costs are not for child care provided during the eligibility period.

.123 Example: The eligibility period is from January, Year 1 through December, Year ~~1~~ 2. The county makes payment directly to the provider. The family and provider submit a request for payment for child care given in December, Year ~~1~~ 2. The payment request is received in January, Year ~~2~~ 3. The payment request is

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eligible for TCC payment because it is based on costs incurred during the eligibility period.

******Handbook Ends******

Authority Cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11017, 11209, ~~11501(c),~~ 11501.1(c), 11508, 11509, 11510, and 11511(a) Welfare and Institutions Code; 45 CFR 255.4(a) and (a)(2)(iii); 45 CFR 255.4(i)(3); 45 CFR 256.3(a); and 45 CFR 256.4(b).

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