

## DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814



January 9, 1975

ALL-COUNTY LETTER NO. 75-14

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: EXEMPTION OF PAYMENTS UNDER VISTA AND CETA

REFERENCE: Public Law 93-113 and Public Law 93-203

This letter is to clarify AFDC policy regarding treatment of income from Volunteers in Service to America (VISTA) and incentive payments received by participants under the Comprehensive Employment and Training Act (CETA).

1. Income received from the VISTA program by its participants is exempt from consideration as income in the AFDC program.
2. On July 1, 1974, the Manpower Development and Training Act (MDTA) was superseded by CETA. As of that date no new MDTA contracts will be approved, however, existing MDTA contracts will be carried to completion. Public Law 93-203 permits various prime sponsors, manpower agencies, to contract with public and private agencies to provide job opportunities.

The \$30 per week incentive allowance paid to welfare recipients under Title I is exempt from consideration in determining AFDC grant amounts. This exemption was effective July 1, 1974. The Department of Benefit Payments is issuing revised EAS Manual regulations to cover CETA wages and the \$30 incentive payment. These regulations are to be considered in conjunction with this letter.

Participants under Title II and participants employed in the private sector and receiving wages under Title I are considered to be employed. Deprivation ceases when the AFDC-Unemployed (U) father becomes an employed participant and participation is at least 100 hours per month, unless his particular CETA contract has a time-limited training component written into it. If there is such a contractual, time-limited training element, deprivation continues until the training is completed. The recipient-participant who is enrolled in a training component should receive a notice to this effect from Employment Development Department (EDD).

# OBSOLETE

Superseded by ACL # 77-15Issued 3-17-77

The wages of all Title II AFDC-CETA participants, including AFDC-U fathers who are in time-limited training and recipients employed in the private sector and receiving wages under Title I, are subject to EAS 44-111.23 and 44-113.23.

In order to determine whether an AFDC-CETA participant is involved in Title I or Title II it is first essential to know whether the participant is receiving an incentive allowance of \$30 per week or actual wages. AFDC recipients receiving the \$30 weekly incentive and not wages are participating under Title I. If there is some question as to whether an AFDC-CETA participant is inappropriately receiving wages under Title I, the SAU should be able to clarify this by referring to the CETA contract which applies to the affected individual.

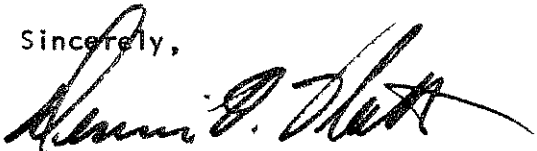
To this date, the Department of Health, Education and Welfare (HEW) has not clearly indicated the treatment, for AFDC grant computation purposes, of the additional training allowances permitted in Section 95.34 of Title 29, Code of Federal Regulations (CFR), Subpart C - Program Operations. This income does not fall under any current EAS Manual Section. We are in the process of writing regulations to cover it and cannot complete the process until we have some kind of clarification from HEW, as to the treatment of additional expense allowances.

It appears that child care will continue to be provided under the Work Incentive Program (WIN) suspense to training. We will be advising you of the treatment of any other allowances as soon as we are informed of it.

CETA employment wages for public services employees under Title II, are treated as earned income and subject to EAS 44-111.23 and 44-113.23.

If you have any questions regarding the content of this letter, please contact the AFDC Program Operations Bureau at (916) 445-4458.

Sincerely,



DENNIS O. FLATT  
Deputy Director

cc: CWDA

1110330