

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 445-4458



July 26, 1979

ALL-COUNTY LETTER NO. 79-46

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FY 79/80 COST OF LIVING INCREASES

REFERENCE:

AFDC BENEFITS

Attached for your information is an advance copy of the regulations reflecting the AFDC/IRAP cost-of-living increases which were filed today with the Secretary of State. These regulations reflect the new figures for maximum aid, MBSAC, and the in-kind figures, and are effective July 1, 1979.

This effective date will require that counties supplement those warrants issued since July 1, 1979. The method of supplementation will be at the county's discretion. The most administratively effective and fiscally prudent method should be employed.

For food stamp purposes, retroactive payments received by public assistance households shall be considered as nonrecurring lump-sum payments in the month received per Manual Section 63-501.11. It would also be administratively advantageous to apply the new Standard Deduction (\$70) and child care/shelter deduction (\$90 maximum) when adjusting the individual case file with the AFDC cost-of-living increase if such deductions have not already been made.

SSI/SSP BENEFITS

SSI/SSP recipients received an interim cost-of-living adjustment on July 1, 1979. Revised SSI/SSP benefit levels have now been established and will also be effective July 1, 1979. The final benefit levels will be reflected in ongoing SSI/SSP checks as soon as administratively possible, hopefully by October 1, 1979. Increases in benefits over those paid in the interim months will be made retroactively.

Division 46 of the EAS Manual is being amended to reflect the SSI/SSP benefit levels effective July 1, 1979. Copies of the revised regulations will be mailed to all counties as soon as they are filed.

The following chart details the SSI/SSP benefit levels for FY 1979-80:

	<u>Interim Benefit Levels</u>	<u>Final Benefit Levels</u>
<u>Aged or Disabled Individual</u>		
Own Household	\$329.00	\$356.00
Own Household without Cooking Facilities	364.00	394.00
Household of Another	259.60	286.60
Disabled Minor Living with Parent, Relative or Guardian	270.00	282.00
<u>Blind Individual</u>		
Own Household	\$370.00	\$399.00
Household of Another	300.60	329.60
<u>Aged/Disabled Couple</u>		
Own Household	\$614.00	\$660.00
Own Household without Cooking Facilities	685.00	736.00
Household of Another	509.90	555.90
<u>Blind/Aged or Blind/Disabled Couple</u>		
Own Household	\$687.00	\$733.00
Household of Another	582.90	628.90
<u>Blind Couple</u>		
Own Household	\$728.00	\$776.00
Household of Another	623.90	671.90
<u>Non-Medical Out-of-Home Care</u>		
Individual	\$379.00	\$402.00
Couple	758.00	804.00

The following chart details the components of the Non-Medical Out-of-Home Care benefit level:

	<u>Interim Benefit Levels</u>		<u>Final Benefit Levels</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
For Board and Room	\$162.00	\$162.00	\$172.00	\$172.00
For care and Supervision	139.00	173.00	148.00	183.00
For Personal and Incidental Needs of the Recipient	78.00	44.00	82.00	47.00
Total Allowance	\$379.00	\$379.00	\$402.00	\$402.00

Aid to the Potentially Self-Supporting Blind (APSB)

As provided by W & I Code Section 13100 (a) and (b), APSB recipients are entitled to the same benefits as established for blind individuals and couples receiving assistance under the Supplemental Security Income/State Supplementary Program (SSI/SSP), plus any cost-of-living adjustments received by blind recipients. Division 47 of the EAS Manual is being amended to reflect the new APSB benefit levels effective July 1, 1979. Copies of the regulations will be mailed to all counties as soon as they are filed.

In accordance with these provisions, the benefit levels in the APSB Program commencing with the month of July 1979, are as follows:

- All Living Arrangements Except Non-Medical Board and Care

Individuals	\$399.00
Couple (both APSB recipients)	776.00

- Residents of Non-Medical Board and Care

Individuals	\$402.00
Couple (both APSB recipients)	804.00

Counties are to use the Notice of Action Form ABCD 239.25 to inform recipients of the revised APSB benefit levels. Line out references to the EVH Program.

IN-HOME SUPPORTIVE SERVICES

Pursuant to Sections 12303.5, 12303.7, and 12304 of the Welfare and Institutions Code (W & I Code), the maximum allowance grants to recipients of In-Home Supportive Services (IHSS) were increased effective July 1, 1979. Accordingly, the total cost of In-Home Supportive Services shall not exceed \$460 per month for nonseverely impaired recipients and \$664 per month for severely impaired recipients. The increased benefit ceilings will remain in effect through June 30, 1980. The In-Home Supportive Services (IHSS) restaurant meals allowance increased to \$38 for an individual and \$76 for a couple effective July 1, 1979.

Effective July 1, 1979, the following changes should be made to the allowances and exclusions shown on forms SOC 294 A (IHSS Income Eligibility - Adult) and SOC 294 C (IHSS Income Eligibility - Child):

1) SOC 294 A

- Change allowances in column B, row 2a to \$104.10.
- Change amounts in column B, row 6 to \$104.10.
- Change allowance in column B, row 19 to \$104.10.

2) SOC 294 C

- Change allowances in Column A, row 2a to \$104.10.
- Change allowances in column A, row 6b to (1) \$416.40 and (2) \$624.60.
- Change allowances in column A, rows 7b and 8i to (1) \$208.20 and (2) \$312.30.

These changes are effective for the period July 1, 1979 through June 30, 1980. Updated forms will be made available as soon as possible.

IRAP

IRAP benefits are the same as AFDC.

Sincerely,



MARION J. WOODS
Director

Atch.

cc: CWDA

FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

RECEIVED FOR FILING

JUL 25 1979

Office of Administrative Hearings

ENDORSED

APPROVED FOR FILING

(Gov. Code 11380.2)

JUL 25 1979

Office of Administrative Hearings

Copy below is hereby certified to be a true and correct copy of regulations adopted, or amended, or an order of repeal by:

Department of Social Services
(Agency)

Date of adoption, amendment, or repeal:

July 24, 1979

By:

Nathan J. HordeDirector

(Title)

ENDORSED FILED

JUL 25 3 54 PM 1979

MAILED JUL 25 1979

SECRET

DO NOT WRITE IN THIS SPACE

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The attached regulations which are being adopted, amended or repealed are contained in Title _____ of the California Administrative Code.

(Optional): Division, Part, Chapter, etc., affected by this order: _____

(Check as applicable):

TYPE OF ORDER:

- ☒ Emergency
☐ Certificate of Compliance
☐ Certificate of Non-Compliance
☐ Regular
☐ Procedural and Organizational

(Check One):

EFFECTIVE DATE:

- ☒ On filing with Secretary of State
☐ On _____ (designated effective date)
☐ On _____ as specified by Statutes
☐ On 30th day after filing

(Check all):

CHECKLIST OF MANDATORY REQUIREMENTS

- ☒ Eight copies of order or Certificate attached.
☒ Original signature on at least one copy.
☒ Regulation Summary (Form 690 or equivalent) attached (1 copy).
☐ Publication date (in Notice Register) of notice for attached order or Certificate of Compliance is _____.
☒ Authority and reference citation placed beneath each section in attached order.

(Check one):

REIMBURSABLE COSTS:

- ☒ These are "no cost" regulations under Revenue and Taxation Code Section 2231, and State Administrative Manual Section 6052.1.
☐ These are "disclaimable cost" regulations under Revenue and Taxation Code Section 2231. A clarifying disclaimer statement is attached, pursuant to State Administrative Manual Section 6052.2.
☐ These are "cost" regulations under Revenue and Taxation Code Section 2231. This agency has followed the provisions of State Administrative Manual Section 6052.3.

(Check one):

BUILDING STANDARDS

- ☒ These regulations contain no building standards under Health and Safety Code Sections 18900-18915.
☐ These regulations do contain building standards under Health and Safety Code Sections 18900-18915. The date of approval by the Building Standards Commission is _____

(Check one if attached are Conflict of Interest Regulations)

CONFLICT OF INTEREST

The attached Conflict of Interest Regulations contain the FPPC approval stamp and:

- ☐ Are to be published in full in the Administrative Code.
☐ Are to be codified by appropriate reference in the Administrative Code, and include a statement as to where the full text may be obtained.

(Check if emergency Campaign Disclosure Regulations)

CAMPAIGN DISCLOSURES

- ☐ These are emergency regulations pertaining to campaign disclosure law and were adopted by unanimous vote of all board or commission members present at the regulation adoption proceeding.

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THIS SIDE FOR USE WITH EMERGENCIES ONLY

This agency certifies the attached orders are necessary for the immediate preservation of the public peace, health and safety or general welfare. The specific facts constituting the need for immediate action are: attach continuation sheet, if necessary)

(Check if applicable:)

These emergency regulations are a readoption of a previous emergency order which has not yet been certified; or it is substantially equivalent to a previous emergency order which has not yet been certified. Approval of the Governor was obtained on:

The following facts constitute the emergency:

1. Welfare and Institutions Code, Section 11453, as amended by Chapter 343 of the Statutes of 1976, requires that Aid to Families with Dependent Children (AFDC) grant levels and the Minimum Basic Standard of Adequate Care (MBSAC) level be adjusted effective July 1, 1979, in accordance with the cost-of-living formula in Section 11453.
2. Since the effective AFDC and MBSAC levels were determined too late for the state to revise its regulations mandating AFDC and MBSAC levels effective July 1, 1979, on a non-emergency basis, the attached regulations must be filed on an emergency basis.
3. Since without this increase in grant levels recipients will not be able to maintain their present purchasing power these proposed regulations are necessary for the immediate preservation of the public health and general welfare.

The blanket citation of authority and reference for this emergency action is:

Authority: Section 10553 and 10554 Welfare and Institutions Code.

Reference: Sections 11450, 11452, 11453 Welfare and Institutions Code.

The name and phone number of the agency officer to whom inquiries about the emergency order may be directed are:

NAME Louis Lee

Phone (916) 445-0313

(Complete one:)

(Complete one:)

These regulations involve no costs or savings to local, state or federal government under Government Code Section 11421.

xx These regulations do involve costs or savings to local, state or federal government under Government Code Section 11421. The estimated costs of savings to local, state or federal government are:

xx To fulfill Government Code Section 11421, attached is an informational digest, providing a clear and concise summary of existing law and regulations, if any, related directly to the proposed action and the effect of the proposed action.

Section 11421, express emergency and...

CONTINUATION SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE SECRETARY OF STATE
(Pursuant to Government Code Section 11380.1)

Informative Digest

Section 11453 of the Welfare and Institutions Code as amended by Chapter 348 of the Statutes of 1976 requires that, for Aid to Families with Dependent Children (AFDC), the Maximum Aid Payment (MAP) and Minimum Basic Standard for Adequate Care (MBSAC) be adjusted annually. Current regulations do not reflect the cost-of-living increase determined in accordance with Section 11453. The proposed regulations reflect the cost-of-living increases effective July 1, 1979, as applied to the MBSAC in Sections 44-207.212 and 44-212.2; the MAP in Sections 44-315.411; and related computation examples in Sections 44-133.313 and 44-353.241. In addition, the values for in-kind income contained in the current regulations are amended by the proposed regulations to reflect the same cost-of-living increases as applied to Section 44-115.8.

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CONTINUATION SHEET
**FOR FILING ADMINISTRATIVE REGULATIONS
 WITH THE SECRETARY OF STATE**
 (Pursuant to Government Code Section 11380.1)

Amend Sections 44-115.81, 44-115.83, 44-133.313, 44-207.212, 44-212.2, 44-315.411, and 44-353.241 to read:

44-115 **EVALUATING OF INCOME IN KIND (Continued)**

44-115

.8 In-Kind Income Values

.81 The following shall be considered as the in-kind income value of certain items of need for an FBU unless a lower value is established pursuant to .82 below; the lesser verified value shall then be used.

.811 Housing

- a. one-person FBU — \$90/per month
- b. two-person FBU — \$121/per month
- c. three-person FBU — \$132/per month
- d. four-person or larger FBU — \$140/per month

.812 Utilities (including telephone)

- a. one-person FBU — \$20/per month
- b. two-person FBU — \$21/per month
- c. three-person FBU — \$23/per month
- d. four-person or larger FBU — \$24/per month

.813 Food

- a. one-person FBU — \$50/per month
- b. two-person FBU — \$ 108/per month
- c. three-person FBU — \$137/per month
- d. four-person FBU — \$169/per month
- e. five-person FBU — \$204/per month
- f. six-person FBU — \$237/per month
- g. seven-person FBU — \$265/per month
- h. eight-person FBU — \$290/per month
- i. nine-person FBU — \$317/per month
- j. ten-person or larger FBU — \$343/per month

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44-115 EVALUATION OF INCOME IN KIND (Continued)

44-115

.814 Clothing

- a. one-person FBU — \$16 per month
- b. two-person FBU — \$30 per month
- c. three-person FBU — \$45 per month
- d. four-person FBU — \$60 per month
- e. five-person FBU — \$74 per month
- f. six-person FBU — \$89 per month
- g. seven-person FBU — \$104 per month
- h. eight-person FBU — \$117 per month
- i. nine-person FBU — \$134 per month
- j. ten-person or larger FBU — \$147 per month

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- .83 If an applicant or recipient presents satisfactory evidence of the value of a need item shared with persons who are not members of the FBU, the in-kind value attributable to the FBU shall be the lesser of:

- (1) their prorata share of the net market value or cost of the item, or
- (2) the value listed in Section 44-115.81 for the FBU.

(Thus, if an FBU of three shares free housing with another person, making a household of four, and the applicant or recipient presents satisfactory evidence that the net market value of the housing is \$120, the in-kind income value of the housing to the FBU would be \$90. If the net market value of the housing is \$200, in this example, then the FBU's prorata share of this amount would be \$150 —however, the figure of \$132 from the tables in .81 would be used as the value of the housing because the tables represent the maximum in-kind income value that may be applied.)

CONTINUATION SHEET
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 (Pursuant to Government Code Section 11380.1)

44-133 TREATMENT OF INCOME — AFDC (Continued)**44-133**

.313 Subtract the figure determined in .312 from income determined in .311 above. The remaining amount is income to the FBU.

Example: A parent with earned income is excluded from the FBU which formerly consisted of the parent and three children. Monthly gross earned income is \$350. Involuntary deduction and work-related expenses amount to \$150.

Gross Income	\$350
Deductions, Work-Related Expenses	<u>- 150</u>
Net Income	\$200
MAP for 4	\$487
MAP for 3	<u>- 410</u>
MAP Differential	\$ 77
Verified Special Needs	<u>+ 2</u>
	\$ 79
Net Income	\$200
MAP Differential + Verified Special Needs	<u>- 79</u>
Income to FBU	\$121
MAP for 3	\$410
Income to FBU	<u>- 121</u>
Grant	\$289

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44-207 FINANCIAL ELIGIBILITY**44-207**

.212 The amount of the MBSAC is as follows:

Size of FBU	Minimum Basic Standard of Adequate Care
1	\$204
2	342
3	416
4	511
5	590
6	665
7	732
8	808
9	885
10	962

plus \$8 for each additional needy person.

CONTINUATION SHEET
**FOR FILING ADMINISTRATIVE REGULATIONS
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 (Pursuant to Government Code Section 11380.1)

44-212 MINIMUM BASIC STANDARDS OF ADEQUATE CARE**44-212**

- .2 The Minimum Basic Standard of Adequate Care set forth in W&I Code, Section 11452, and previously distributed to the counties for each size Family Budget Unit (see Sections 44-213.3 and .4 for composition of the Family Budget Unit) is as follows:

Size of FBU (Per Section 44-213.3 and .4)	Minimum Basic Standard of Adequate Care
1	\$ 204
2	342
3	416
4	511
5	590
6	665
7	732
8	808
9	885
10	962

plus \$8 for each additional needy person.

44-213 MEDICAL NEEDS – GENERAL**44-213**

The county shall explore actual and potential medical needs of each recipient and assist in arranging for necessary health care from the appropriate sources.

Regardless of his immediate need, every recipient of a cash grant shall be certified for basic and extended health care under the Medi-Cal program. The specific scope of basic and extended health care available to public assistance recipients and procedures applicable in authorizing vendor payments for such care are set forth in Medical Assistance Regulations. A "recipient" as used herein, includes an eligible person for whom, in the month the medical care is received:

- .1 A cash grant payment is made; or
- .2 The authorized grant is reduced to zero to adjust for an overpayment (see Section 44-335.221a); or
- .3 Aid is discontinued for a family in which the parent is employed part-time but is no longer financially eligible.

44-315 AMOUNT OF AID (Continued)**44-315**

- .411 Based on the size of the FBU (see Section 44-213.3) find the maximum aid in the following table:

Size of FBU	Maximum Aid
1	\$201
2	331
3	410
4	487
5	556
6	625
7	686
8	747
9	807
10 or more	868

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CONTINUATION SHEET
**FOR FILING ADMINISTRATIVE REGULATIONS
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44-353 WILLFUL OVERPAYMENTS (Continued)**44-353****.241 Grant Adjustment****(a) Period**

The adjustment period is 12 months following the month of discovery. If the recipient files a request for a state hearing within the one year filing period, the overpayment adjustment is suspended. If the overpayment adjustment has been suspended due to a request for a state hearing, the adjustment period following the state hearing decision sustaining the proposed adjustment shall be 12 months less the number of months the county had to adjust the overpayment prior to its suspension. The adjustment period following the state hearing decision shall begin the first of the month following the date the county receives the decision.

Example:

The county discovers the overpayment in April. The overpayment adjustment period is from May through April. The county begins adjustment of the grant effective July 1. A request for state hearing is made in November. The county suspends adjustment effective December 1.

A decision denying the claim is received in January. The county may adjust for a total of five (5) months following the date the county receives the decision. (12 months minus 7 months (i.e., May through November).)

(b) If the overpayment is to be recovered by the grant adjustment method, the following limitations apply:

- (1) The adjustment shall not cause the grant amount plus net nonexempt income to fall below the needs of the children unless there are available resources.

For the purposes of this section, the needs of the children are defined as the Minimum Basic Standard of Adequate Care (MBSAC) (44-212.2).

- (2) If there are available resources, the grant may be further reduced in the amount of the available resources.

Available resources are those assets that can reasonably be converted to cash during the adjustment period. These are defined to include:

(aa) Exempt income of parents and members of the FBU.

(bb) The property items included in the personal property maximums set forth in Section 42-207.6, in addition to the value of any exempt automobile(s). These items shall be considered only once during the adjustment period.

For example:

Mr. Smith has been overpaid \$1500. He has one exempt automobile with a net value of \$300 and one insurance policy with a cash surrender value of \$200. The \$500 of personal property can only be used once during the adjustment period.

(3) Example #1

Overpayment is \$1,000. FBU is 5 (2 parents and 3 children). Resources are \$40 exempt income per month. Net nonexempt income is \$21. There are no other resources.

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 (Pursuant to Government Code Section 11380.1)

44-353 WILLFUL OVERPAYMENTS (Continued)**44-353**

.241 Continued

Maximum aid for 5 =	\$ 556
MBSAC for 3 =	416
Amount grant can be reduced per 44-353.241(b)	140
Amount grant can be reduced in the amount of resources	+ 40
Total	180

Grant will appear as follows:

FBU = 5 =	\$ 556
Net nonexempt income	-21
Eligible grant	535
Overpayment adjustment	-180
Adjusted grant	355

Example #2

In cases where there is a large FBU, the MBSAC for the children may exceed the MAP for the family. This will result in a negative number. Computation will be done as follows:

Overpayment is \$500. FBU is one parent and nine children. Resources are \$25 exempt income and net nonexempt income is \$21 per month.

MAP for 10	\$ 868
MBSAC for 9	- 885
Amount grant can be reduced in the amount per 44-353.241(b)	- 7
Amount grant can be reduced in the amount of resources	+ 25
	\$ 8

Grant will appear as follows:

FBU 10	\$ 868
Net nonexempt income	- 21
Eligible grant	847
Overpayment adjustment	- 8
Adjusted grant	\$ 839

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Authority: Sections 10553 and 10554 of the Welfare and Institutions Code.

Reference: Sections 11450, 11452, 11453 Welfare and Institutions Code.

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These regulations contain no state mandated local costs which require reimbursement under Section 2231 of the Revenue and Taxation Code because these regulations implement a mandate previously enacted by statute (Chapter 578, Statutes of 1971).

Cost estimate:

	Normal Sharing	Assuming Enactment of AB 8
Total	\$299,066,500	\$299,066,500
Federal	147,361,000	147,361,000
State	102,401,200 ^{1/}	135,321,300
County	49,304,300	16,384,200

^{1/} This represents an increase of \$4,881,600 in General Fund (buy-out excluded) over the 14.5 percent amount in the Budget Act.

Estimated Savings from In-kind income value adjustments:

	Total	Federal	State	County
Total FG&U	\$2,556,000	\$1,275,000	\$863,300	\$417,700
FG	2,531,600	1,265,100	853,300	413,200
U	24,400	9,900	10,000	4,500

Approved:

Marion J. Woods

 MARION J. WOODS, Director
 Department of Social Services

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