

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 26, 1987

ALL COUNTY LETTER NO. 87-76

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF THE FEDERAL LEAST COSTLY REGULATIONS  
(AFDC, RCA, ECA, AND RDP)

REFERENCE:

On June 1, 1987, final AFDC regulations (ORD No. 0986-43) will take effect implementing the provisions of the Final Federal Least Costly Regulations published March 18, 1986 in the Federal Register. The two significant changes in this regulation package are:

1. Deletion of the \$60 income exemption for casual income and income from an inconsequential resource. Now, only the first \$30 of cash income from small gifts received by each member of the assistance unit during any calendar quarter is exempt as income:
2. Income shall no longer be allocated to meet the needs of any person who is required to be included in the filing unit and has been sanctioned or who has failed to cooperate in meeting a condition of eligibility.

\$30 INCOME EXEMPTION FOR SMALL CASH GIFTS (MPP 44-111.44)

Currently, the first \$60 per quarter of income identified as casual income and income from an inconsequential resource is exempt from consideration as income. This exemption has been deleted from the regulation. The new regulations also delete the reference to inconsequential income from MPP 44-115.61 (Evaluation of Income In Kind).

The new regulations specifically exempt only the first \$30 of cash income from small, nonrecurring gifts (such as gifts for birthdays, Christmas and graduation) which is received by each member of the assistance unit during any calendar quarter. The new regulations define a calendar quarter as three consecutive calendar months. The calendar quarters commence with January, April, July and October.

A cash gift which is intended for one person in the assistance unit will be treated as that person's gift. A cash gift to the entire assistance unit will be divided equally between the members of the assistance unit. If the gift is received by one member of the assistance unit, but the evidence clearly indicates it was intended for the entire assistance unit, the cash gift will be divided equally between the assistance unit members. However, if the evidence indicates the cash gift is intended to be divided unequally between the members of the assistance unit, the cash gift will be divided in accordance with the evidence.

ALLOCATION OF INCOME TO MEET THE NEEDS OF EXCLUDED PERSONS

Currently the regulations allow income to be allocated to meet the needs of certain persons excluded from the assistance unit, even when these persons are excluded because they have been sanctioned or have failed to cooperate in meeting a condition of eligibility. The new regulations will no longer allow income to be allocated to meet the needs of persons who are excluded from the assistance unit for these reasons.

With the new regulations, a sanction or failure to cooperate in meeting a condition of eligibility includes, but is not limited to:

- 1) Failing to register for EDD JS or refusing, without good cause, to participate in WIN DEMO, EDD JS or GAIN;
- 2) Refusing to furnish or cooperate in securing a Social Security number for himself/herself;
- 3) Refusing to assign rights to child and spousal support payments;
- 4) Refusing to cooperate in the identification and location of an absent parent, establishment of paternity, and enforcement of child support obligation, without a showing of good cause;
- 5) Refusing to take actions necessary to obtain unconditionally available income.


Income received on or after June 1, 1987 must be treated in accordance with the new rules. When computing the income of an excluded person in accordance with MPP 44-133.3, the income will not be allocated to meet the needs of the person excluded due to sanction or failure to cooperate in meeting a condition of eligibility (i.e., deemed income computations will not include the MAP differential for that person). Also, this person's income shall be allocated to the assistance unit without application of earned income disregards. (MPP 44-133.32)

Also, the needs of persons excluded from the assistance unit under these circumstances will not be included in either the stepparent or senior parent computations (MPP 44-133.6 and 44-133.7).

Attached is a copy of the new regulations.

Notice of Action message language applicable to the new regulations is currently being developed and will be forthcoming.

If you have any questions regarding this letter, please contact Jim Mullany of the AFDC and Food Stamp Policy Implementation Bureau at (916) 324-2661 or ATSS 454-2661.

  
ROBERT A. MOREL  
Deputy Director

cc: CWDA

Attachments