

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

December 18, 1995

ALL COUNTY LETTER NO. 95-78

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS



SUBJECT: TREATMENT OF ROOM AND BOARD INCOME AND CHILD CARE DISREGARD IN AFDC

REFERENCES: WELFARE AND INSTITUTIONS CODE SECTIONS 10790 and 10791; AMEND MPP 44-101.52 and MPP 44-113; and REPEAL MPP 44-113.4

The purpose of this letter is to provide County Welfare Departments (CWDs) with information regarding the attached emergency regulations which will become effective March 1, 1996. The regulations involve policy changes in two areas: 1) treatment of income from room and board, or room rental; and, 2) allowable child care disregard for employed recipients.

The revision regarding treatment of room and board income brings the regulations into compliance with federal law. The current regulations treat this income differently than other types of income by exempting 90% of the gross amount earned. The proposed regulations provide that all income from room and board, or room rental be considered self-employment income. The actual payment received, minus allowable business expenses, is counted as earned income to the Assistance Unit.

The revised regulations also simplify the child care disregard allowance to a \$175 limit per child or incapacitated adult and a \$200 limit for a child under age two. The current one dollar (\$1.00) difference for less than 100 hours and 13 days is eliminated. This AFDC regulation, as amended, is consistent with similar provisions in the Food Stamp Program.

Also, the Work Incentive (WIN) Demonstration and the Career Opportunities Development (COD) Programs no longer exist and references have been deleted where related to this package.

If you have any questions or need further information on implementation of these regulations, please contact Ms. Anna Chambers at (916) 654-1077 (CALNET 464-1077).

Sincerely,

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachment