

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 2, 1992

December 3, 1992

ALL-COUNTY LETTER NO. 92-107

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

The federal Department of Health and Human Services has required the Department of Social Services to provide counties with guidelines for estimating income for purposes of prospective budgeting during the first two months of aid. This letter provides these guidelines. The guidelines are intended to assist counties in interpreting EAS Section 44-313.1 and thereby help insure accuracy in those cases where prospective budgeting is used.

In accordance with Section 44-313.1, income should be estimated only if the assistance unit and the worker are reasonably certain that income will be received in the month of application and in the following month. Eligibility workers should obtain as much information as possible the concerning amount and type of income likely to be received during the first two months of aid. The best sources of this information are the applicant, his/her employer, recent pay stubs, and award letters. The following are guidelines that can be used in making estimates in a variety of circumstances:

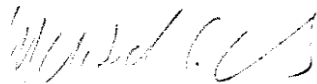
- o If income is received on a regular basis and if no changes are anticipated, the amount received in the month prior to the month of application can be budgeted in the month of application. But, if the applicant has evidence that his/her income will be different during either of the first two months of aid, the worker should compute an estimate based on the new evidence.
- o Similarly, if income is sporadic or irregular, the worker may total all income received in the three months prior to the month of application or any other specific time period for which earnings information is available and divide that amount by the number of months involved provided there is no evidence that this amount is inappropriate. If this estimate is clearly inappropriate because of a change in the applicant's circumstances, the worker should compute an estimate taking into account the changed circumstances. For example, if an applicant can document earnings for several months but the work (s)he does is seasonal and the season is now over, it would not be responsible to average earnings over those months.

- o Finally, if the applicant is unemployed but will start a new job in the month of application, the worker should obtain a release of information from the applicant and attempt to contact the employer to verify hours of work and wage rate.

The intent of Section 44-313.1 is that estimates of income used for purposes of prospective budgeting be reasonable. As such, counties must take into consideration all relevant information available in each case and then use one of the above approaches or some reasonable substitute.

If you have any questions, please call Dennis Ragasa of the Policy Implementation Bureau at (916) 654-1063.

Sincerely,



MICHAEL C. GENEST  
Deputy Director  
Welfare Programs Division