Although the family failed to pass the U-Parent earned income test, Mom still has deprivation because her separate child has an absent parent; however, Dad and the mutual child have no deprivation. Dad may not be an essential person because he is not married. Mom and her separate child should be reevaluated for Section 1931(b) as recipients for income purposes. Dad and the mutual child are ineligible members of the MFBU. Assume Mom and her separate child are eligible for Section 1931(b). Dad is ineligible because he has no linkage. He and the mutual child are eligible for TMC because they were terminated from Section 1931(b) due to increased hours of employment (loss of deprivation). If Mom and her child become ineligible for Section 1931(b) for increased earnings, they will be eligible for TMC.

Note: To be eligible for Section 1931(b), a parent must have at least one deprived child in some zero SOC program.

Other Information

We are enclosing a new Sneede chart based on 100 Percent of the FPL and updated draft of the regulations that amend Section 50215. Please disregard the previous draft regulations which were contained in ACWDL 99-54.

Other updated Sneede forms will be sent in a separate ACWDL. The current Sneede forms are not yet available in the warehouse.

SECTION 2: CHANGES IN THE SECTION 1931(b) INCOME ELIGIBILITY DETERMINATION FOR APPLICANTS AND RECIPIENTS

This section of this ACWDL provides directions for determining Section 1931(b) income eligibility pursuant to changes made in the Section 1931(b) program by recently enacted Senate Bill 708 (SB 708). The Department is implementing SB 708 by means of an increase in the income limit for applicants and certain recipients. This section finalizes the instructions provided in ACWDL 99-54.

Applicant (Non-Sneede) Income Eligibility Computations: Beginning March 1, 2000, the Section 1931(b) income limit applicable to applicants in Medi-Cal Family Budget Units (MFBUs) will be raised to (100 percent of) the federal poverty level (FPL). Applicants are eligible if their net nonexempt income is at or below the FPL. No other changes are

required in the income eligibility determination for Section 1931(b) applicants. There is no change in the method for determining net nonexempt income for applicants. A copy of the "1999 Federal Poverty Level Chart" showing the FPLs for family sizes up through 10 is enclosed. The FPLs are changed in April of each year.

Recipient (Non-Sneede) Income Eligibility Computations: Beginning March 1, 2000, recipients of the Section 1931(b) program (individuals who have passed the Section 1931(b) income eligibility requirements) will be income eligible for the Section 1931(b) program if they can meet the requirements of either of the two alternative Section 1931(b) income tests described below:

> Alternative A: Under this Alternative, counties will use the current Section 1931(b) income computation procedures without any changes. Counties will deduct from the recipient's gross income the Section 1931(b) income exclusions applicable to recipients, including the $240 and ½ deduction, and then compare the resulting net nonexempt income to the current Section 1931(b) income limit (equal to the CalWORKs Region 1 MBSAC for exempt persons). Under Alternative A, recipients are eligible if their net nonexempt income is less than the MBSAC.
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> Alternative B: Under this Alternative, counties will deduct from the recipient's gross income the current Section 1931(b) income exclusions applicable to applicants. This means the recipients get the $90 work expense deduction, but not the $240 and ½ deduction. Under Alternative B, the applicable Section 1931(b) income limit is the FPL and recipients are eligible if their net nonexempt income is at or below the FPL.

Changes in the Section 1931(b) Applicant Budget Form: Two changes to the Section 1931(b) Applicant Budget Form are required. Beginning March 1, counties will enter the FPL appropriate for the family size as the income limit on line 13 of the form in place of the Section 1931(b) MBSAC-based income limit that is currently entered. The other change is that this form will also be used as part of the process for determining the income eligibility of Section 1931(b) recipients as described below. To reflect this, the form has been re-titled as the Section 1931(b) Applicant and Recipient Form. A camera-ready copy of this form is enclosed. This form is not yet available in the warehouse.