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September 30, 1998

TO: All County Welfare Directors
All County Administrators
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Directors

Letter No.: 98-43

NEW SECTION 1931(b) MANDATORY COVERAGE GROUP

PURPOSE OF LETTER

The purpose of this letter is:

- to provide procedures to implement Section 1931(b);
- to specify with respect to cases being held in aid code 38 that:
    - redetermination packages for aid code 38 cases are to be sent immediately, but no later than December 1, 1998;
    - cases which do not return their redetermination packages are to be discontinued as provided under usual Edwards procedures; and
    - case reviews of aid code 38 cases which return their redetermination packages are to be completed by April 30, 1999; and
- to allow counties until December 31, 1999 to complete case reviews of their Medically Needy, Medically Indigent, and Percent program cases with infants and children for Section 1931(b) eligibility.

FISCAL YEAR 1998-99 ALLOCATIONS

The Department advised counties in Medi-Cal County Administrative Cost Letter 98-9/98-9(I) (dated September 21, 1998) which was sent to County Welfare Directors and County Fiscal Officers that procedural funds for implementing the Section 1931(b) program have been advanced to counties.

BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public Law 104-193) establishes a new mandatory coverage group at Section 1931(b) of the Social Security Act. Section 1931(b) requires that Medi-Cal be provided to low-income families, who meet the provisions of the July 16, 1996, Aid to Families with Dependent Children (AFDC) State plan requirements for income, resources and deprivation, (subject to modification at State option) with the exception that PRWORA has modified the requirements for establishing deprivation based on unemployment. Under PRWORA, the only requirement for deprivation due to unemployment is that the principal wage earner (PWE) works less than 100-hours per month as explained in All County Welfare Directors Letter (ACWDL) Numbers 97-17 and 97-37.

Section 161 of AB 1542 (Chapter 270, Statutes of 1996) established the California Work Opportunity and Responsibility to Kids (CalWORKs) program and provided that it was to be implemented January 1, 1998. This law also provided that to the extent federal financial participation is available, the Department of Health Services shall extend eligibility for health care services under Medi-Cal to all recipients of aid under CalWORKs.

For purposes of establishing requirements for the Section 1931(b) group, the July 16, 1996, AFDC provisions have been modified as of January 1, 1998, to the extent possible as permitted by PRWORA, in order to align the Section 1931(b) program with CalWORKs. For purposes of this letter, these modified July 16, 1996, AFDC rules will be referred to as the Section 1931(b) rules.

- Families and children who receive CalWORKs will automatically receive their Medi-Cal under the Section 1931(b) program. (This component of the Section 1931(b) program may be referred to as cash-based Section 1931(b).)

- Families and children who are <u>not</u> receiving CalWORKs may be eligible for Medi-Cal under the Section 1931(b) program. (This component of the Section 1931(b) program may be referred to as Section 1931(b)-Only.)

- Families may choose to separately apply for the Section 1931(b) program because they do not wish to be CalWORKs recipients, or because they are not eligible for CalWORKs.

- A family may not be eligible for CalWORKs but may still be eligible for the Section 1931(b) program due to certain less restrictive AFDC rules no longer applicable to CalWORKs, but which continue to apply to the Section 1931(b) program. For example, families who have too much income to qualify for CalWORKs, but who have deductible child care costs, may qualify for the Section 1931(b) program.

- Families not eligible for CalWORKs because the time limit on their CalWORKs eligibility has expired may qualify for the Section 1931(b) program.

- Families with members whose income is counted by CalWORKs that would not have been counted by the former AFDC program may qualify for the Section 1931(b) program. Otherwise eligible aliens who do not have satisfactory immigration status may receive benefits under this program; however, these benefits are restricted to emergency and pregnancy-related services.

NOTE: While there appear to be two Section 1931(b) programs (cash-based Section 1931(b) and Section 1931(b)-Only), there is really only one Section 1931(b) program with two components.

SECTION 1931(b)-ONLY ELIGIBILITY REQUIREMENTS

Persons applying separately for the Section 1931(b)-Only program must first meet residency, age, deprivation, and family requirements. After these non-financial requirements have been met, persons must meet the income and property financial requirements.

♦ AGE

Under Section 1931(b), children are only covered up to their eighteenth birthday except that children up to age 19 may be covered if they are attending school as discussed in the next sentence. As in the former AFDC program, a child 18 years of age is eligible only if he/she is enrolled as a full-time student (as defined by the school) in high school, or if he/she has not completed high school, is in a vocational or technical training program which cannot result in a college degree, provided he/she can reasonably be expected to complete either program before reaching age 19.

♦ DEPRIVATION

The deprivation rules for the Section 1931(b) program are the same as those for the medically needy (MN) program EXCEPT for the 100 hour rule described below. Neither the MN program nor the Section 1931(b) program requires that the principal wage earner (PWE) have a prior connection to the labor force.

100-Hour Rule: The 100-our rule does **not** apply to a Section 1931(b) PWE beneficiary being re-evaluated for Section 1931(b). During the phase-in look-back period to January 1, 1998, the 100-hour rule does not apply to a PWE who in the month the 100 hours of employment occurs is or should have been a beneficiary in the Section 1931(b) program.

The 100-hour rule requirement that the unemployed parent PWE work less than 100 hours in a month for unemployment to exist applies to applicants for Section 1931(b) and to applicants and beneficiaries applying for or receiving coverage under the AFDC-MN program.

- MFBU COMPOSITION

The (Medi-Cal Family Budget Unit) MFBU, including unborns, for Section 1931(b) shall be the basic unit of persons considered in determining an individual's or family's eligibility and share of cost. Note: Sneede is applicable to the Section 1931(b) determination.

For purposes of the Section 1931(b) program, individuals will be treated as public assistance (PA) or other PA. A family (or an individual, if Sneede applies) must pass both the property and income tests specified below in order to meet the financial eligibility requirements of Section 1931(b).

- INCOME

A family's countable income must be less than the Section 1931(b) income limit for that size family in order for the family to be income eligible for the Section 1931(b) program. A family cannot become eligible for Section 1931(b) by meeting their share of cost since Section 1931(b) has no share of cost process. A family's countable income is determined by subtracting certain income exclusions from the family's gross income.

To meet federal and state law requirements, the Section 1931(b) program must provide income eligibility for a family or individual who would meet either the income eligibility criteria of the CalWORKs program or the former AFDC program. While most of the income rules for the CalWORKs program are unchanged from those of the former AFDC program, there are instances where CalWORKs rules have changed or are dissimilar to a corresponding AFDC rule. In these instances, the Section 1931(b) program adopts the more liberal of the two corresponding rules. Except for these changes, the computation of net nonexempt income for the Section 1931(b) program is very similar to AFDC and the Medi-Cal AFDC-MN program computations of net nonexempt income. See Enclosure 1 for detailed procedures.

♦ PROPERTY

PRWORA requires that the property methodologies of the Section 1931(b) program be no more restrictive than the rules of the former AFDC program as in effect July 16, 1996. State law requires that the Section 1931(b) regulations be expanded to ensure that all CalWORKs recipients are eligible for Medi-Cal under Section 1931(b). The CalWORKs program is using the Food Stamps property rules for personal property, motor vehicles and property limits, but is using the rules of the former AFDC program for real property. Generally, personal property shall be determined, defined, counted, and valued in accordance with the Food Stamps rules while real property shall be determined, defined, counted and valued in accordance with the July 16, 1996 AFDC rules.

The property limits are based on those in CalWORKs, i.e., the Food Stamps limits since they are higher than the limit in the July 16, 1996 AFDC program. The property limit is $3,000 for MFBUs of one. For all other family sizes, the Medically Needy resource limits are used. See Enclosure 2 for detailed procedures.

Note: A family which is not eligible for the Section 1931(b) program only because it had excess income or property should be evaluated for eligibility for the MN program which, for some families, the applicable financial eligibility requirements are less restrictive.

AID CODES FOR THE SECTION 1931(b) PROGRAM

CalWORKs looks at the entire family's income and resources in terms of evaluating a child's continued eligibility for CalWORKs. If a child is eligible for CalWORKs and cash-based Section 1931(b), but the parents are not aided for a non-financial reason such as time limits, then the parents still meet the Section 1931(b) requirements which do not impose time-limit requirements. This means the parents can be put into Section 1931(b)-Only (Aid Code 3N as described below) without a separate Medi-Cal-Only determination. Counties may find it easier to allow CalWORKs workers to put parents into Section 1931(b)-Only without a separate Medi-Cal determination or a separate Medi-Cal case.

Individuals who are determined eligible for CalWORKs and who are then concurrently eligible for Section 1931(b) will continue to be identified under the following aid codes:

- 30 and 3R (CalWORKs-Family Group (FG)) formerly AFDC-FG
- 35 and 3P (CalWORKs-Unemployed Parent (U)) formerly AFDC-U
- 3L (CalWORKs Legal Immigrant-FG) (State Only)
- 3M (CalWORKs Legal Immigrant-U) (State Only)
- 3E (CalWORKs-Legal Immigrant-FG (Mixed Cases)
- 3U (CalWORKs Legal Immigrant-U (Mixed Cases)

Aid Code 3N: (1931(b)-Only). Individuals who are not CalWORKs recipients but who meet the Section 1931(b) requirements will be identified on Medi-Cal Eligibility Data System (MEDS) under the new Aid Code **3N** which will provide full-scope benefits with no share of cost (SOC).

Aid Code 3V: (1931(b)-Only - Restricted). Not Qualified Aliens who are not CalWORKs recipients but who meet the Section 1931(b) requirements will be identified on MEDS under the new Aid Code **3V** which will provide benefits restricted to pregnancy-only and emergency services with no SOC.

Aid Code 38: (Edwards) and/or Aid Code 3C: (Temporarily used in lieu of Aid Code 38). Medi-Cal with no SOC must continue uninterrupted until a Medi-Cal determination is made for all individuals who are determined ineligible for CalWORKs and then discontinued. Counties will either need to make a timely Medi-Cal determination of eligibility under another Medi-Cal program or place these former recipients into Aid Code 38/3C and follow the procedures currently in place for this aid code.

Aid Code 58: (Not Qualified Aliens). This aid code identifies those beneficiaries who are eligible for restricted scope benefits with or without a SOC. Until aid code 3V, discussed above, is operational, those eligible for Section 1931(b) who should be placed in aid code 3V shall be placed in aid code 58. Eligible aliens in this aid code will receive benefits until eligibility for any other Medi-Cal program can be determined.

EVALUATION FOR MEDI-CAL PROGRAMS INCLUDING EDWARDS (Aid Code 38)

Effective January 1, 1998, families or members of families whose eligibility ends under CalWORKs/cash-based Section 1931(b) or TMC must be reevaluated to determine whether they continue to be eligible for Section 1931(b)-Only coverage. If they are not, they are then to be reevaluated for other Medi-Cal programs, such as the AFDC-MN program. If the county cannot make this determination in a timely manner, the family must be placed into Aid Code 38 (Edwards) or Aid Code 3C. Counties shall evaluate the family for other Medi-Cal-Only programs if eligibility ends under the Section 1931(b)-Only component.

SNEEDE REQUIREMENTS

The requirements of the Sneede lawsuit apply to the Section 1931(b) determination. That is, there is a mandatory exception to using the modified July 16, 1996 AFDC methodology. This exception relates to the Medi-Cal Sneede lawsuit which limits financial responsibility to a spouse for a spouse or a parent for a child. Such prohibitions did not exist in the AFDC program, but the Health Care Financing Administration indicated that Sneede must apply to the Section 1931(b) program as it does for all other Medi-Cal programs.

This means that if a family is determined ineligible for Section 1931(b) rules because of excess property or failure to meet the MBSAC income test, Sneede provisions apply if there is a Sneede class member.

Generally, the same Sneede methodology used in the regular Medi-Cal program is followed under Section 1931(b) except for the following:

- Income exceptions: Under regular Sneede, deductions for the aged, blind, and disabled are applicable. These deductions are not permitted in the Section 1931(b) Sneede determination. Under regular Sneede, the SOC is based on the Maintenance Need Income Level (MNIL) (or prorated amount), and a parental needs amount of $600 (which relates to the MNIL for one) is allowed for the parent before the parent allocates to others for whom that parent is responsible. Under Section 1931(b) Sneede, income eligibility is based on the MBSAC (or its prorated amount) and the parent is allowed a $370 parental needs deduction from January 1, 1998 to June 30, 1998 (which relates to the MBSAC for one as specified in the AFDC Title IV-A State Plan in effect on July 16, 1996) (or a $381 parental needs deduction from July 1, 1998) before allocating to others.

  NOTE: THE $240 DEDUCTION AS DESCRIBED IN THE INCOME ATTACHMENT IS NOT APPLIED TO APPLICANTS. THE "½" EARNED INCOME DEDUCTION IS NOT APPLIED TO APPLICANTS EITHER.

- Property exception: Under regular Sneede, property eligibility is based on the property limits under the regular Medi-Cal program (or a prorated amount). These property limits increase according to family size. Because Sneede does not apply to MFBUs with only one person, the property limits under Section 1931(b) Sneede are the same as under regular Sneede.

The following forms are being developed to assist counties in the Section 1931(b) Sneede determinations:

1. Attachment 3.1 - "1931(b) Determinations Sneede v. Kizer Prorated MBSAC and Property Levels - July 1, 1998"

   This form contains the prorated amounts of income and property for use in determining certain mini budget units' prorated income and property amounts from January 1, 1998 to June 30, 1998.

2. Attachment 3.2 - "1931(b) Determinations Sneede v. Kizer Prorated MBSAC and Property Levels - January 1, 1998 - June 30, 1998"

   This form contains the prorated amounts of income and property for use in determining certain mini budget units' prorated income and property amounts from July 1, 1998.

3. Attachment 3.3 - "Section 1931(b) Sneede v. Kizer Net Nonexempt Income Determination and Mini Budget Unit (MBU) Determination"

4. Attachment 3.4 - "Section 1931(b) Sneede v. Kizer Property Worksheet"

TRANSITIONAL MEDI-CAL (TMC) PROGRAM

PRWORA provides that recipients of the Section 1931(b) program (in California the cash-based Section 1931(b) or Section 1931(b)-Only components) who are discontinued for certain reasons are eligible for the TMC program. To be eligible for the TMC program the individual must: (1) have been eligible for the Section 1931(b) program in three of the six months preceding the month in which cash-based CalWORKs eligibility is lost, and (2) have lost their Section 1931(b) program eligibility for employment related reasons. The employment related reasons that apply to the Section 1931(b) program in California are increased earnings. While PRWORA includes loss of a time-limited earned income disregard or hours of employment as employment related reasons, there are no time-limited earned income disregards that apply to California's Section 1931(b) program, nor does the 100-hour rule apply to Section 1931(b) recipients.

Some of the eligibility criteria for the Section 1931(b) program are less restrictive than the CalWORKs criteria (for example the Dependent Care Deduction applies to the Section 1931(b) program but not to CalWORKs); therefore, persons discontinued from CalWORKs for employment related reasons may continue to be eligible for the Section 1931(b)-Only component and so would not be eligible for TMC.

The following three examples illustrate situations in which the family may or may not be eligible for TMC coverage:

Example 1. A family received CalWORKs and automatic cash-based Section 1931(b) for 18 months. The parents were terminated because the time limit to receive aid expired, but the children continued on CalWORKs and cash-based Section 1931(b). The parents were determined eligible for Section 1931(b)-Only (Aid Code 3N). In the next month, because the PWE's earnings increased, the family was terminated from cash-based Section 1931(b)/Section 1931(b)-Only. Because the family was eligible for Section 1931(b) in three of the last six months, the family is entitled to TMC.

Example 2. A family is receiving CalWORKs/cash-based, Section 1931(b). The PWE just started working over 100 hours. Because the PWE is a Section 1931(b) beneficiary, he would not be subject to the 100-hour rule as explained in the above section on Deprivation. However, assume the increase in earnings makes the family ineligible for CalWORKs. The county evaluates the family for Section 1931(b)-Only. Assume the family's income does not exceed the Section 1931(b)-Only limits. This family is on Section 1931(b)-Only and does not need TMC.

Example 3. A family was receiving Medi-Cal-Only (AFDC-MN) with no SOC after January 1, 1998, but before the Section 1931(b) program was implemented. The PWE's employer increased his/her job duties to over 100-hours and earnings increased. The family is no longer eligible for AFDC-MN because the child(ren) is no longer considered deprived. The county determines during the retroactive Section 1931(b) case reviews that the family would have been eligible under Section 1931(b) in the three months before the 100-hour rule was exceeded under the MN program, and <u>before</u> current earnings increased and exceeded the Section 1931(b) income limits. The family, therefore, is now eligible for TMC beginning in the month AFDC-MN eligibility stopped.

If TMC is appropriate, TMC begins in the month immediately following the last month of Section 1931(b) eligibility. Counties should deduct any months in which the family received zero SOC under Edwards or any other zero SOC aid code from the 12-month TMC limit.

FOUR-MONTH CONTINUING (Aid Code 54)

Four-month Continuing Medi-Cal will apply to Section 1931(b)-Only recipients as well as CalWORKs cash-based 1931(b) recipients if they are terminated due to the collection or increased collection of child or spousal support payments (see Section 50243, Title 22, California Code of Regulations).

New approval notices of action have been developed for Four-month Continuing and TMC which incorporate Section 1931(b) language. Camera-ready copies will be sent in a different ACWDL. Counties may continue to use the same Medi-Cal denial or discontinuance notice (MC 239 TMC-2) for those families discontinued from TMC.

FORMS

Camera-ready copies of forms such as those for Sneede or the Vehicle Determination Worksheet will be sent in a subsequent ACWDL.

IMPLEMENTATION

New Applications: All new Medi-Cal applications for families and children are to be evaluated for the Section 1931(b) program beginning no later than January 1, 1999. As counties handle these cases, they are to be evaluated for current and future Section 1931(b) eligibility.

Ongoing Cases: Because CalWORKs was effective January 1, 1998, the new Section 1931(b) provisions also went into effect on January 1, 1998. For this reason, retroactive eligibility for all AFDC-MN, MI children, federal poverty level cases with infants and children and Aid Code 38 (Edwards) or Aid Code 3C cases with or without a SOC must be evaluated back to January 1, 1998. This is important in the event eligibility for Transitional Medi-Cal needs to be established.

Counties shall complete their evaluation of Aid Code 38/3C cases for Section 1931(b) eligibility by April 30, 1999. Counties shall complete their evaluation of all other cases for Section 1931(b) within one year, i.e., no later than December 31, 1999.

Those MFBUs which had a SOC in a retroactive month but have no SOC for that month after the Section 1931(b) evaluation are entitled to:

1. Having future SOC amounts adjusted; or
2. Seeking reimbursement from the provider.

Please follow procedures outlined in Medi-Cal Procedures Manual Section 12-C (Processing Cases When a SOC Has Been Reduced Retroactively).

NOTICES OF ACTION

If a family is determined eligible for the Section 1931(b) program, counties may use the same approval notice used for approval of Medically Needy zero SOC Medi-Cal.

STATE ASSISTANCE

If you have any questions, please call Sharyl Shanen-Raya at (916) 657-2942 for property issues, Dave Rappolee at (916) 657- 0163 for income-related issues, and Marge Buzdas at (916) 657-0726 or Erin Campi at (916) 657-5769 regarding deprivation or the MFBU.

Sincerely,

ORIGINAL SIGNED BY

Angeline Mrva, Chief
Medi-Cal Eligibility Branch

Enclosures

ATTACHMENT 1
SECTION 1931(b) INCOME ELIGIBILITY
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ATTACHMENT 1 TO ACWDL TITLED "NEW SECTION 1931(b) MANDATORY COVERAGE GROUP"

SECTION 1931(b) INCOME ELIGIBILITY

SECTION I: INTRODUCTION

When Congress passed legislation replacing the former AFDC program with the new TANF program, Congress also established the Section 1931(b) program to continue no-SOC medical assistance under state Medicaid programs (Medi-Cal in California) for families who would have been eligible for cash assistance under the former AFDC program. By so doing, Congress provided continuity of medical care for needy families and ensured that the broad flexibility granted to states to design their TANF program to address the needs of their states' needy families would not affect such families' eligibility for Medicaid. To the federal continuity-of-medical-care for AFDC "look-alikes" mandate for the Section 1931(b) program, California added a mandate of its own: that (to the extent permitted by federal law) the Section 1931(b) no-SOC program cover persons qualifying for the State's TANF program, CalWORKs.

To effect both federal and state mandates, the income eligibility rules of the Section 1931(b) program cannot be more restrictive than the least restrictive corresponding AFDC or CalWORKs rule. While most of the income rules for the CalWORKs program are unchanged from the former AFDC program, where CalWORKs rules have changed or are dissimilar to a corresponding AFDC rule, the Medi-Cal Section 1931(b) program has used its authority under federal law to adopt the more liberal of the two corresponding rules. For example, CalWORKs no longer allows a deduction for child care. The Section 1931(b) program retains the former AFDC program child care deduction. CalWORKs has adopted a "$225 & 1/2 deduction" for certain kinds of recipients' income that frequently, but not always, provides a larger income exclusion than the old AFDC $90 work expense deduction and $30 and 1/3 deduction which it replaces. The corresponding Section 1931(b) income exclusion is designed to ensure that the most advantageous of the two exclusions is provided to the family.

SECTION II: DEFINITIONS AND EXPLANATIONS

Applicant: A person/family which has submitted an application for Medi-Cal and who was not on the Section 1931(b) program, separately or as a CalWORKs recipient, in any of the four months previous to the month of application.

Case: For purposes of this Attachment, references to the Medi-Cal case are meant to include the individuals in the case. For example, a statement in this Attachment that "a determination of the AFDC-MN case's eligibility for Section 1931(b) in the month is necessary" may also mean that a Section 1931(b) income eligibility determination for each individual in the case is necessary. For example, some of the members of a MFBU which cannot qualify for the Section 1931(b) program without the application of the Sneede deeming rules, may qualify for the Section 1931(b) program after a Sneede evaluation is performed, while other members of the MFBU will not and must be evaluated for eligibility for the AFDC-MN program.

Disability-Based Income (DI): Certain kinds of unearned income are considered to be disability based income, and will receive special treatment under the Section 1931(b) program. For the Section 1931(b) program, the two types of unearned income which will be treated as disability-based income are:

1) Disability insurance payments from the Social Security Administration, and

2) Private disability benefits. Private disability benefits are benefits paid to a covered disabled individual by his/her insurer under a disability insurance plan which the individual purchased through premiums.

Two other kinds of disability-based income, Temporary Workers Compensation (TWC) and State Disability Insurance payments (SDI), will be treated as earned, not disability-based, income for purposes of determining income eligibility for the Section 1931(b) program.

Note: The special treatment afforded to disability-based income is the application of a "$240" deduction which is traditionally applied to earned income. See Section V of this Attachment for more details.

Note: The term disability-based income and disability income will be used interchangeably in this ACWDL.

Recipient: A recipient is a person/family who has been determined eligible for the Section 1931(b) program or CalWORKs program in one (or more) of the 4 months preceding their application for Medi-Cal. If a new person is added to a recipient case, he/she will be treated as a recipient for purposes of evaluating his/her income.

Note: Recipients' income is subject to the "$240 and ½" deduction. This deduction is not applicable to applicants.

The Family Income Deduction (FID): This income deduction is defined as the amount which must be added to the Section 1931(b) income standard in order for it to equal the CalWORKs MBSAC for Region 1, exempt persons. The sum of the Section 1931(b) income standard and the FID is called the Section 1931(b) Income Limit. Adopting this limit for the Section 1931(b) program ensures that all persons eligible for CalWORKs will qualify for the Section 1931(b) program. (The Section 1931(b) program income standards and income limits are listed in Table 1 and Table 2 in Appendix A.)

Note: Counties do not apply the FID as a separate income deduction. The FID is incorporated into the Section 1931(b) Income Limit.

SECTION III: SECTION 1931(b) INCOME EXEMPTIONS AND DEDUCTIONS

A family is income eligible for Medi-Cal under the Section 1931(b) program if its net non-exempt income is under (less than) the Section 1931(b) Income Limit for that size of family. The Section 1931(b) Income Limits are provided in the last column of Table 1 and Table 2 in Appendix A of this Attachment. Net non-exempt income is computed by subtracting from the family's adjusted gross income all the applicable income exemptions and deductions of the Section 1931(b) program.

SECTION IV: COMPUTING NET NON-EXEMPT INCOME AND DETERMINING INCOME ELIGIBILITY

Essentially, the process of determining the net non-exempt income of the MFBU for purposes of determining the MFBU's income eligibility for the Section 1931(b) program is the same as that used in determining net non-exempt income of the MFBU under the Medi-Cal medically needy program, except that several of the income disregards of the Section 1931(b) program are different.

When subtracting an income disregard from income which is less than the amount of the disregard, there is a "zero" remainder of that income. Income disregards applied to income never result in a negative amount of that income. See the budgeting examples in Exhibit C to this Attachment.

Until further notice, the process enumerated in the steps, below, will be used by counties to compute net nonexempt income for purposes of determining the MFBU's eligibility for the Section 1931(b) program. The steps for computing net non-exempt income of applicants and the steps for computing net non-exempt income of recipients correspond to the Section 1931(b) budget sheet. A draft of this form is in Exhibit A to this Attachment.

The net non-exempt income of the example families in Section V below have been computed using the draft Section 1931(b) Program Budget Sheets in Exhibit C of this

Attachment. Counties may find it helpful to inspect the example net nonexempt income computations in Exhibit C as they read the steps for computing net nonexempt in Part A and Part B, below. The steps described below for computing net nonexempt income follow the draft Section 1931(b) Program Budget Sheets computations.

Part A. Computing Applicants' Net Non-Exempt Income and Determining Income Eligibility

1. Determine the gross **unearned** income for all members of the MFBU. Gross unearned income is all income belonging to the MFBU which is not earned income.

2. Subtract applicable unearned income exemptions from the MFBU's gross **unearned** income. The result is the non-exempt **unearned** income of the MFBU. (This amount is entered on line 2 of the Sec. 1931(b) Applicant Program Budget Sheet. See Exhibit A for a draft of this budget sheet.)

3. Subtract applicable income deductions (such as the "Educational Expense Deduction and the $50 deduction for family support received) from the non-exempt **unearned** income. The result is the remaining non-exempt **unearned** income of the MFBU. (This amount is entered on line 5 of the Sec. 1931(b) Applicant Program Budget Sheet.)

4. Determine the gross **earned** income of all members of the MFBU (including all forms of earnings belonging to any member of the MFBU). Subtract applicable business expenses from self-employment income; subtract applicable property expenses from property income; and subtract JTPA payments to a child. The result is the adjusted gross **earned** income of the MFBU.

5. Subtract amounts corresponding to any of the applicable earned income exemptions from the adjusted gross **earned** income computed in step #4. The result is the person's non-exempt **earned** income. (These amounts are entered on line 6 of the Sec. 1931(b) Applicant Program Budget Sheet.)

   Note: Temporary workers compensation payments (TWC) and state disability insurance payments (SDI) are earned income[1] for purposes of computing non-exempt and net non-exempt earned income for the Section 1931(b) program.

[1] Although CalWORKs has defined TWC and SDI as disability-based, unearned income, TWC and SDI were earned income under the AFDC program as a result of a court order. Section 1931(b) program will continue to treat TWC and SDI as earned income, not as disability based income. Treatment of TWC and SDI as earned income may result in a more "liberal" treatment than would result if TWC and SDI were categorized, as they are in the new CalWORKs program, as unearned, disability-based income, because certain earned income exemptions and deductions may apply.

6. Apply the $90 deduction for work expenses to the non-exempt **earned** income of each MFBU member in an applicant case.

   Note: this deduction is not applicable to the earned income of recipients because their earned income is subject to the larger percentage deduction.

7. Subtract any qualifying dependent care expenses from the MFBU's remaining non-exempt **earned** income. (The result is entered on line 11 of the Sec. 1931(b) Applicant Program Budget Sheet.)

8. Total the MFBU's **unearned** income from step #3, and the MFBU's **earned** income earned income from step #7. Subtract qualifying spousal or child support payments from this total. Round down to the next nearest dollar. The result is the **net non-exempt income** of the MFBU. (This amount is entered on line 14 of the Sec. 1931(b) Applicant Program Budget Sheet.)

9. Compare the net non-exempt income from step #8 with the Section 1931(b) Income Limits corresponding to the number of individuals in the MFBU. These income limits are provided in Table 1 and Table 2 in Appendix A to this Attachment. If the MFBU's net non-exempt income is less than the Section 1931(b) income limit, the MFBU is eligible for the Section 1931(b) program.

10. If the MFBU is found to be ineligible under step #9, and one or more children in the MFBU receive income, or the parents are unmarried, eligibility for Section 1931(b) must be re-determined by applying the Sneede/Gamma rules. (See the Section in this ACWDL with the subheading "Sneede Requirements" for a discussion of Sneede requirements). Any of the Sneede mini-budget units of the MFBU not eligible for Section 1931, must also have its eligibility for Medi-Cal evaluated under the medically needy, and, if appropriate, the Medi-Cal percentage programs.

Part B. Computing Recipients' Net Non-Exempt Income and Determining Income Eligibility

1. Determine the gross **unearned** income for all members of the MFBU. Gross unearned income is all income belonging to the MFBU which is not earned income. Separate gross unearned income into two subcategories: gross **disability-based** income (DI) (for the definition of disability-based income, see Section II of this Attachment) and gross **other unearned** income. For purposes of the numbered paragraphs below, the term unearned income will henceforth refer to unearned income from which disability-based income has been excluded.

Note: Disability-based income is subject to a special deduction that other types of unearned income do not qualify for. See Section V, below, for details.

2. Subtract applicable unearned income exemptions from the MFBU's gross **unearned** income. The result is the non-exempt **unearned** income of the MFBU. (This amount is entered in line #2 of the Sec. 1931(b) Recipient Program Budget Sheet. See Exhibit A for a draft of this budget sheet.)

3. Subtract applicable income deductions (such as the "Educational Expense Deduction and the $50 deduction for family support received) from the non-exempt **unearned** income. The result is the remaining non-exempt **unearned** income of the MFBU. (This amount is entered on line 5 of the Sec. 1931(b) Recipient Program Budget Sheet.)

4. Subtract applicable income exemptions from the gross **disability-based** income (DI) income. If an exemption (for example the board and care exemption described in Section 50515(a)(3) of Title 22 of the California Code of Regulations) is applicable to both unearned income and disability-based income, first apply the exemption to the unearned income, and then apply any unused portion of the exemption to disability-based income. The result is the non-exempt **disability-based** income of the MFBU. (This amount is entered on line #7 of the Sec. 1931(b) Recipient Program Budget Sheet.)

5. Subtract a $240 deduction from the non-exempt **disability-based** income according to the instructions in Section V, below, of this Attachment. (This amount is entered on line #9 of the Sec. 1931(b) Recipient Program Budget Sheet.)

6. Determine the gross **earned** income of all members of the MFBU (including all forms of earnings belonging to any member of the MFBU). Subtract applicable business expenses from self-employment income; subtract applicable property expenses from property income; and subtract JTPA payments to a child. The result is the adjusted gross **earned** income of the MFBU.

7. Subtract amounts corresponding to any of the applicable earned income exemptions from the adjusted gross **earned** income computed in step #6. The result is the person's non-exempt **earned** income. (This amount is entered this amount on line #10 of the Section 1931(b) Recipient Program Budget Sheet.)

Note: Temporary workers compensation payments (TWC) and state disability insurance payments (SDI) are earned income[2] for purposes of computing non-exempt and net non-exempt earned income for the Section 1931(b) program.

8. Subtract the "unused" fixed deductions that are part of the "$240 and ½ deduction" from the recipient MFBU's non-exempt **earned** income according to the instructions provided in Section V, below, of this Supplement. (This amount is entered on line 13 of the Section 1931(b) Recipient Program Budget Sheet.)

9. Reduce the non-exempt **earned** income from step #8 by 50 percent according to the instructions in Section V, below, of this Supplement.

10. Subtract the dependent care deduction, if applicable, from the remaining non-exempt **earned** income of the MFBU. (The result is entered on line 16 of the Section 1931(b) Recipient Program Budget Sheet.)

11. Add the:
    - Remaining non-exempt unearned income from line 3;
    - Remaining disability based income from line 5; and the
    - Remaining non-exempt earned income from line 10;

    and then subtract from this total any qualifying spousal or child support payments. Round down to the next nearest dollar. The result is the total **net non-exempt income** of the MFBU. (This amount is entered on line 19 of the Section 1931(b) Recipient Program Budget Sheet.)

12. Compare the net non-exempt income from step #11 with the Section 1931(b) Income Limits corresponding to the number of individuals in the MFBU. These income limits are provided in Table 1 and Table 2 in Appendix A to this Attachment. If the MFBU's net non-exempt income is less than the Section 1931(b) income limit, the MFBU is eligible for the Section 1931(b) program.

13. If the MFBU's is found to be ineligible under step #12, and one or more children in the MFBU receive income, or the parents are unmarried, eligibility for Section 1931(b) must be re-determined by applying the Sneede/Gamma rules. (See the Section in this ACWDL with the subheading "Sneede Requirements" for a discussion of Sneede requirements). Any of the Sneede mini-budget units of the MFBU not eligible for Section 1931, must also have its eligibility for Medi-Cal

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[2]Although CalWORKs has defined TWC and SDI as disability-based, unearned income, TWC and SDI were earned income under the AFDC program as a result of a court order. Section 1931(b) program will continue to treat TWC and SDI as earned income, not as disability based income. Treatment of TWC and SDI as earned income may result in a more "liberal" treatment than would result if TWC and SDI were categorized, as they are in the new CalWORKs program, as unearned, disability-based income, because certain earned income exemptions and deductions may apply.

evaluated under the medically needy, and, if appropriate, the Medi-Cal percentage programs.

SECTION V: THE NEW DEDUCTION FOR THE EARNED AND "DISABILITY BASED" INCOME OF RECIPIENTS

The Section 1931(b) program is adopting a deduction that is applicable to the earned income and disability-based income of recipients. The deduction does not apply to applicants. The deduction is made up of two parts: a fixed amount of either $240 or $120 (see below), and a percentage amount of 50 percent. The deduction is called the "percentage" deduction.

If this deduction exceeds the amount of earned or disability income to which it applies, the amount of earned or disability income remaining after the deduction is "0". Never use a negative amount of income when determining the net nonexempt income of a MFBU. Deductions which apply to a specific kind of income cannot be used to offset other kinds of income. For example, suppose in a MFBU the mother earns $100 per month while the father receives $400 in Unemployment Insurance Benefits (UIB). The mother's earned income of $100 is subject to the $240 deduction described above. Only $100 of the $240 deduction can be used because the unused portion of the $240 cannot be applied to the father's UIB.

<u>Applying the Percentage Deduction To MFBUs With No More Than Two Persons With Earnings</u>:

1) Total the MFBU's non-exempt disability-based income and subtract the $240 deduction;

2) Total the MFBU's non-exempt earned income and subtract the unused portion of the $240 deduction (if any);

3) Decrease the remaining earned income by 50%.

<u>Applying the Percentage Deduction To MFBUs With Three Or More Persons With Earnings</u>:

1) Total the MFBU's non-exempt disability-based income and subtract the $240 deduction.

2) Total the non-exempt earned income of the two persons with the highest earned income and subtract the unused portion of the $240 deduction.

3) Subtract $120 from the non-exempt earned income of the person with the third highest earned income, then subtract $120 from the non-exempt earned income of the person with the fourth highest earned income, and so on. The $120 deduction does not apply to the income of the two persons in the MFBU with the highest earned income. The $120 deduction does not apply to disability income.

4) Total the remaining earned income of all persons in the MFBU and decrease it by 50%.

The examples below illustrate the application of the "$240 and ½" deduction in the determination of the net non-exempt income for recipient families:

1. Married parents with 2 mutual children; the mother earns $1200/month; no other income to family. Subtract $240 from mother's earnings of $1200/month, resulting in a $960 earned income remainder from this step. Reduce the $960 by 50% (i.e. divide $960 by 2). The result is a $480 earned income remainder. This is the total net non-exempt income of the MFBU. (The family has no disability-based income or unearned income.) See Exhibit C, Example 1.

   Note: This family would be eligible for the Section 1931(b) program because their net nonexempt income of $480 is less than the Section 1931(b) Program Income Limit of $920 for a family of four.

2. Married parents with 2 mutual children; mother earns $ 800/month and the father receives $180/month in Social Security Disability. No other income to the family. Subtract $240 from the father's disability income of $180, resulting in a $0 disability income remainder to the MFBU. Subtract the $60 unused portion of the $240 deduction from the mother's $800 in earnings, resulting in a $740 earned income remainder to the MFBU. Reduce this earned income remainder by 50% (i.e divide by 2), resulting in a $370 earned income remainder to the MFBU. This is the total net non-exempt income of the MFBU. (The family has no unearned income and a $0 disability income remainder.) See Exhibit C, Example 2.

   Note: This family would be eligible for the Section 1931(b) program because their net nonexempt income of $370 is less than the Section 1931(b) Program Income Limit of $920 for a family of four.

3. Married parents with 2 mutual children; mother earns $800/month and the father receives $600 per month in Social Security Disability. No other income to the family. Subtract $240 from the fathers disability income, resulting in a $360 disability income remainder for the MFBU. There is no unused portion of the $240 deduction to apply against the mothers earned income. Reduce the

mother's $800 earned income by 50% (i.e. divide by 2), resulting in a $400 earned income remainder for the MFBU. Add the $360 disability income remainder and the $400 earned income remainder. The resulting $760 sum is the net non-exempt income of the MFBU. See Exhibit C, Example 3.

Note: This family would be eligible for the Section 1931(b) program because their net nonexempt income of $760 is less than the Section 1931(b) Program Income Limit of $920 for a family of four.

4. Married parents with 2 mutual children; mother earns $800/month and the father receives $200/month in Social Security disability income. Child #1 (who is not in school) has earnings of $300/month. Child #2 receives $400/month in Social Security Disability. Add the father's $200 and child's $400 disability income amounts together, resulting in $600 of disability income. Subtract the $240 deduction from the MFBU's $600 disability income, resulting in a $360 disability income remainder for the MFBU. Add the mother's $800 and child #1's $300 earned income amounts together, resulting in $1100 of earned income.** Reduce the MFBU's $1100 of earned income by 50% (i.e. divide by 2), resulting in a $550 earned income remainder for the MFBU. Adding the $360 disability income remainder and the $550 earned income remainder results in $910 of net non-exempt income for the MFBU. See Exhibit C, Example 4.

   **Note: There is no unused portion of the $240 deduction to apply against the MFBU's earnings (mother's $800 and child #1"s $300) so these earnings are subject only to the 50% deduction.

   Note: This family would be eligible for the Section 1931(b) program because their net nonexempt income of $910 is less than the Section 1931(b) Program Income Limit of $920 for a family of four.

5. Married parents with 2 mutual children; mother earns $800/month and the father earns $200/month. Child #1 (who is not in school) has earnings of $300/month. Child #2 receives $100/month in Social Security Disability. The total disability income of the MFBU consists of child #2's $100 disability income. Subtract $240 from this $100 in disability income, resulting in a $0 disability income remainder for the MFBU. There is a $140 unused portion of the $240 deduction remaining. Add the two highest earnings in the MFBU, mother's $800 & child #1's $300, for a total of $1100 of earned income. Subtract the $140 from this $1100, resulting in a $960 earned income remainder for the two family members with the highest earnings. Subtract $120 from the MFBU's 3rd highest earnings, father's $200 earned income, resulting in a $80 earned income remainder for him. Add the $960 and $80 earned income remainders and reduce the resulting $1040 earned income by 50% (i.e divide by two), resulting.

in a $520 earned income remainder for the MFBU. This is the total net non-exempt income for the MFBU. (The MFBU had no unearned income and had no remaining disability income after the $240 deduction was applied to it.) See Exhibit C, Example 5.

Note: This family would be eligible for the Section 1931(b) program because their net nonexempt income of $520 is less than the Section 1931(b) Program Income Limit of $920 for a family of four.

SECTION VI: DEPENDENT CARE DEDUCTION AND COURT ORDERED CHILD/SPOUSAL SUPPORT

Sections 50553.5, the "Dependent Care Deduction", and Section 50554, the "Court Ordered Alimony/Child Support" Deduction, of Title 22 of the CCR (Medi-Cal Eligibility Manual) are applicable to income eligibility determinations for the Section 1931(b) Program. The Dependent Care Deduction is applied to earned income only.
The Court Ordered Child/Spousal Support Payment Deduction applies to all categories of income: earned, unearned and disability-based income.

The dependent care deduction is subtracted from the MFBU's earned income that remains after the $240 and ½ deduction has been applied. After the subtraction of the dependent care deduction, add the earned income remainder of the MFBU to the MFBU's previously computed disability and unearned income remainders and then subtract, if applicable, the court ordered child/spousal support deduction. The income remainder of the MFBU after this step will be the net non-exempt income of the MFBU. (See Example 5 in Exhibit C.)

SECTION VII: THE HEALTH INSURANCE PREMIUM DEDUCTION

Neither the former AFDC program, nor the CalWORKs program provides for a deduction for Health Insurance Premium payments. Accordingly, the Section 1931(b) program provides for no deduction for health insurance premium payments.

SECTION VIII: SELF-EMPLOYMENT INCOME EXCLUSION

For purposes of determining income eligibility under the Section 1931(b) program, allow a MFBU with one or more self-employed persons the choice of one of two income exclusion methods to be applied to the MFBU's self-employment income: Method 1) a deduction of each self-employed person's actual allowable business expenses from their self-employment income, or Method 2) a deduction of 40% from the MFBU's total self-employment income (in lieu of the actual business expense deductions.) The method chosen applies to the entire MFBU. The two alternative methods cannot be simultaneously applied to the same MFBU, even though the MFBU has two or more persons with self-employment income. Once a method is chosen, it cannot be changed until the next redetermination or passage of 6 months, whichever occurs first.

Counties are NOT required to provide advice as to which election is the more beneficial. Counties will obtain the beneficiaries choice of methods in writing. If a beneficiary fails to submit his/her choice in writing after being requested to do so, the county will apply the business deduction method of allowing actual business expenses. The beneficiary will have the opportunity to change the method at the next redetermination or passage of 6 months, whichever occurs first.

Except as modified by this section, Section 50505 on "Net Profit from Self-Employment Income" of Title 22 of the CCR (Medi-Cal Eligibility Manual) continues to be applicable. If the beneficiary chooses the deduction for actual business expenses, these expenses must be verified per current Medi-Cal procedures. If the beneficiary chooses the flat 40% deduction, no verification of business expenses is necessary.

SECTION IX: LUMP SUM INCOME

At this point in time, lump sum income is counted as income in the month received and there is no period of ineligibility associated with its receipt.

Note: The rules of the Medi-Cal medically needy program apply to lump sum payments. Nonrecurring social insurance payments, when paid as a "lump sum," are considered to be property in the month of receipt. Such payments are not income. See Sections 50455 and 50507 of Title 22 of the California Code of Regulations.

SECTION X: IN-KIND INCOME

For purposes of determining Section 1931(b) income eligibility, the provision of in-kind income (IKI) from an individual to one or more members of the MFBU will be determined pursuant to the draft Section 50509 (Medi-Cal regulations) provided in Exhibit B to this ACWDL attachment.

Note: The in-kind income values (for housing, utilities, food, and clothing) are the federally approved AFDC State Plan values for in-kind income. These values are published in Table 1 in Appendix B to this Attachment.

When assessing IKI, 22 CCR Section 50511 also applies, with the following modifications: 1) ignore all references in Section 50511 to the in-kind levels for the medically needy program, and 2) subsections (b) and (d) of section 50511 are not applicable.

SECTION XI: OTHER SECTION 1931(b) INCOME EXCLUSIONS

CalWORKs Diversion Payments: CalWORKs "diversion" payments are exempt for purposes of determining Section 1931(b) income eligibility.

SECTION XII: SPECIAL NEEDS DEDUCTION

Any payment from the CalWORKs program to meet the "special needs" of a person or family will be excluded from income.

SECTION XIII: FORMS

A new budgeting form is being prepared. Counties will be notified when it is available at the warehouse. A draft of the form is provided as Exhibit A.

SECTION XIV: TREATMENT OF PENSIONS

For unearned income from pensions and similar sources, mandatory, involuntary expenses which must be incurred to receive such income are allowed as a deduction. Mandatory taxes on such income are deductible. A mandatory tax is an individual's tax liability after all the tax exemptions and deductions to which he/she is legally entitled to have been taken. The monthly deduction allowable for an individual is his/her mandatory year-end tax liability pertaining to the receipt of the pension or similar income prorated on a monthly basis. Monthly withholding on such income which exceeds this prorated amount is not deductible.

SECTION XV: OTHER APPLICABLE REGULATIONS AND RULES

In addition to the rules discussed in this ACWDL, draft income regulations applicable to the Section 1931(b) program are provided in Exhibit B. Many of these draft regulations are modifications of regulations currently applicable to the medically needy program, and are proposed for adoption for the medically needy program as well as the Section 1931(b) program. Until counties are notified otherwise, the draft regulations in Exhibit B are applicable only to the Section 1931(b) program, NOT to the medically needy program.

Except as provided in this ACWDL, or in Exhibit B, when determining net non-exempt income for the Section 1931(b) program, apply the income exclusions[3] provided for in

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[3]The term "income exclusions" refers to all the kinds of income which may be subtracted from gross income when determining net non-exempt income. The two major subcategories of income exclusions are income exemptions and income deductions. Income exemptions are subtracted from gross income when determining non-exempt income. After non-exempt income has been determined, income deductions are subtracted to determine net non-exempt income.

Sections 50501 through 50555 of Title 22 of the California Code of Regulations (Medi-Cal Eligibility Manual) which are applicable to AFDC-MN/MI medically needy persons. Income exclusions applicable to only ABD-MN are not applicable to the Section 1931(b) program eligibility determinations.

The deduction for the AFDC-MN program, set forth in Section 50555.1, for beneficiaries whose income was used to determine a family member's cash grant from a public assistance program, does not apply to the income eligibility determination for the Section 1931(b) program. The Section 1931(b) program follows AFDC and CalWORKs rules and neither the former AFDC program nor the CalWORKs program have allowed a deduction for an individual's income which was counted by the SSI program to reduce the grant for a family member. There is no Section 1931(b) income exclusion applicable to the income of an individual applying for "Medi-Cal only" for his/her income arising from the fact that that income was used to determine, and resulted in a reduction of, the CalWORKs or other public assistance program cash grant to that individual's family member.

The medically needy regulations in Sections 50501 through 50555 which are superseded by the draft regulations in Exhibit B are Sections: 50508, 50509, 50523.5, 50527, 50533, 50539, and 50543 . Exhibit B also provides draft regulations for which there are no current corresponding medically needy regulations. There draft regulations are Sections: 50527.1, 50527.5, 50535.2, 50536.1, 50536.2, 50536.3, 50538.3, and 50538.4.

SECTION XVI: SECTION 1931(b) PROGRAM RULES SUBJECT TO CHANGE

As DHS becomes aware of any differences between the income regulations applicable to the AFDC MN/MI medically needy and the regulations in place for the AFDC program, DHS will modify the Section 1931(b) income rules accordingly.

APPENDIX A

TABLE 1: SECTION 1931(b) INCOME LIMITS EFFECTIVE JULY 1, 1998

Family Size	Section 1931(b) Income Standard	Family Income Deduction	Effective Section 1931 Income Limit**
1	$ 358	$23	$381
2	$ 588	$36	$624
3	$ 730	$45	$775
4	$ 866	$54	$920
5	$ 988	$61	$1,049
6	$ 1,111	$69	$1,180
7	$ 1,220	$76	$1,296
8	$ 1,329	$83	$1,412
9	$ 1,441	$90	$1,531
10	$ 1,565*	$97	$1,662*

*Add $14 dollars for each additional needy person over 10.

** The figures in this column will used for purposes of determining Section 1931(b) income eligibility. If the family's net non-exempt income is less than the amount in this column appropriate for that size family, the family is eligible for the Section 1931(b) program.

APPENDIX A

TABLE 2: SECTION 1931(b) INCOME LIMITS EFFECTIVE JANUARY 1, 1998 THROUGH JUNE 30, 1998

Family Size	Section 1931(b) Income Standard	Family Income Deduction	Effective Section 1931 Income Limit**
1	$ 358	$12	$370
2	$ 588	$19	$607
3	$ 730	$24	$754
4	$ 866	$29	$895
5	$ 988	$32	$1,020
6	$ 1,111	$36	$1,147
7	$ 1,220	$40	$1,260
8	$ 1,329	$44	$1,373
9	$ 1,441	$48	$1,489
10	$ 1,565*	$51	1,616*

*Add $14 dollars for each additional needy person over 10.

** The figures in this column will used for purposes of determining Section 1931(b) income eligibility. If the family's net non-exempt income is less than the amount in this column appropriate for that size family, the family is eligible for the Section 1931(b) program.

APPENDIX B

TABLE 1: SECTION 1931(b) IN-KIND INCOME LEVELS

Family Size	Housing	Utilities	Food	Clothing
1	161	34	90	27
2	217	39	191	52
3	237	42	244	79
4	248	44	301	105
5	248	44	363	133
6	248	44	422	157
7	248	44	470	187
8	248	44	515	209
9	248	44	565	239
10	248	44	612	261

EXHIBIT A

Sec. 1931 Draft Monthly Budget Forms

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EXHIBIT A – DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name:	Name:	Name:	Name:
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ ________ +	$ ________ +	$ ________ +	$ ________
2	**Total non-exempt unearned income of MFBU**	=$ ________			
3	☐ Educational Expense Deduction	- $ ________			
4	☐ $50 Support Received Deduction	- $ ________			
5	**Remaining non-exempt unearned income**	= $ ________			
6	**Non-exempt earned income**	$ ________	$ ________	$ ________	$ ________
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ ________	=$ ________	=$ ________	=$ ________

EXHIBIT A -- DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $__________			
10	☐ Dependent Care Deduction	- $__________			
11	**Remaining Non-exempt earned Income**	= $__________			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ __________			
13	☐ Child/Spousal Support Pymts	- $ __________			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ ________			
15	Sec. 1931 income limit for family	$ ____________			
	If income from line 14 is less than limit from line 15, family is income eligible	☐ Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

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EXHIBIT A -- DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name					County District	County Use				
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction					Effective Elig. Date for this budget: Mo. Yr.					
State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name:	Name:	Name:	Name:
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	$ ______ +	$ ______ +	$ ______ +	$ ______
2	**Total non-exempt unearned income of MFBU**	=$ ______			
3	☐ Educational Expense Deduction	- $ ______			
4	☐ $50 Support Received Deduction	- $ ______			
5	**Remaining non-exempt unearned income**	= $ ______			
6	**Non-exempt disability-based income**	$ ______ +	$ ______ +	$ ______ +	$ ______
7	**Total non-exempt disability-based income of MFBU** (total of amounts in each column in line 6)	= $ ______			
8	$240 deduction	- $240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= $ ______			

EXHIBIT A -- DRAFT

SEC. 1931 PROGRAM WORKSHEET: APPLYING THE $240 & ½ DEDUCTION TO **RECIPIENT** FAMILIES WITH 3 OR MORE PERSONS WITH EARNINGS

	NAME:				
1	**Family's Non-exempt earned income** (list earnings from highest to lowest)	$_______	$_______	$_______	$_______
2	**Non-exempt earned income of two highest earners**	$ _______			
3	Unused $240 deduction (line 8 - line 7 from Recipient Budget Sheet [MC176M 1931 RECIP}; if result is 0 or less, enter 0)	- $ _______			
4	**Remaining Non-exempt earned income of two highest earners** (if deduction exceeds earned income, enter "0.")	= $ _______			
5	**Non-exempt earned income of 3rd highest earner**	$ _______			
6	$120 deduction	- $120			
7	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ _______			
8	**Non-exempt earned income of 4th highest earner**	$ _______			
9	$120 deduction	-$120			
10	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ _______			
11	**Other remainder Non-exempt earned income** (If 5 or more persons with earnings, enter Total of their remainder earned income after subtracting $120 from earnings of each.) (If deduction exceeds earned income, enter "0.")	= $ _______			
12	**Non-exempt earned income Subtotal** (total of all remainder earned income: add lines 4, 7, 10 & 11 this worksheet); enter amount on Section 1931 Program Budget Sheet (line 12)	= $ _______			

EXHIBIT B

Section 1931 Draft Regulations

SECTION 1931 DRAFT REGULATION INDEX

Section	Title
50508	Net Income from Property
50509	Income In-Kind
50523.5	Calif Franchise Tax Board
50527	Social Service
50527.5	DSS Advisory Group Members
50533	Exempt Loans, Grants, Scholarships
50535.2	Energy Assistance
50536.1	Japanese Reparation
50536.2	Agent Orange
50536.3	Radiation Exposure
50538.3	Independent Living Programs
50539	JTPA
50543	Student Exemption

50508. Net Income From Property.

(a) Net income from the person's property shall be considered in determining the person's share of cost and shall be computed as follows:

(1) If the income is from the rental of real property, subtract the following expenses, as limited by (b) from the gross income:

(A) Taxes and assessments.

(B) Interest on encumbrance payments. The principal portion of the payments shall not be deducted.

(C) Insurance.

(D) Utilities.

(E) Upkeep and repairs. The amount of this item shall be the greater of the following:

1. The actual amount expended for upkeep and repairs during the month.

2. Fifteen percent of the gross monthly rental plus $4.17 per month.

(2) In determining whether utilization requirements are met in accordance with Section 50416(a)(1) only the amount specified in (a)(1)(E)1. shall be deducted rather than the amount specified in (a)(1)(E)2.

~~(3) If the income is from the rental of rooms or the provision of board and room or board and care which does not require a business license, the net income shall be 10 percent of the gross amount received.~~

~~(4) If the income is from the provision of board and room or board and care which requires a business license or from self-employment, the net income is the net profit from self-employment as determined in accordance with Section 50505.~~

~~(5)~~ (3) If the income is from a deed of trust or a mortgage, the net income is the amount specified in Section 50441(c).

~~(6)~~ (4) If the income is from property in which the person holds a life estate, the net income is the ~~amount actually received~~ gross revenue from the property.

~~(7)~~ (5) If the income is from personal property, the net income is the ~~amount actually received~~ gross revenue from the property.

(b) If the income is (i) from the rental of rooms in a house or other dwelling, or (ii) from the rental of 2 or less attached or unattached dwelling units, either of which are ~~of unit(s) of a multiple unit dwelling~~ ~~or other dwellings~~ on property that is exempt as the person's principal residence, and the ~~applicant or beneficiary~~ person is living in a portion of the property, the expenses specified in (a) which are common to the property as a whole shall be prorated as follows:

(1) Determine the number of rooms in the building. If there is more than one building, determine the number of rooms in all of the buildings together. For the purpose of this section, rooms include any room other than the following:

(A) Bathroom.

(B) Hallway.

(C) Closet.

(D) Unfinished basement, loft or attic.

(2) Determine the number of rooms which are producing the rental income.

(3) Based upon the number of rooms, determine the percentage of the property which is producing the rental income.

(4) Apply the percentage determined in accordance with (3) to the expenses specified in (a) which are common to the property as a whole. This is the amount which shall be subtracted from the gross income.

(c) If the income is from the rental of 3 or more unit(s) of a multiple unit dwelling, such as an apartment complex, that is exempt because the person is residing in one of the units as his/her principal residence, only those expenses specified in (a) which are common to the property as a whole and which arise from that portion of the multiple unit dwelling which is not exempt as the person's principal residence, shall be allowed for purposes of determining net income from property. The allowable expenses will be computed by multiplying expenses common to the property as a whole by the ratio produced by dividing the number of non-exempt dwelling units in the complex by the number of total units in the complex.

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50509. Income in Kind.

(a) Income in kind is any support or maintenance received in kind from a person other than a responsible relative for:

(1) Housing.

(2) Utilities.

(3) Food.

(4) Clothing.

(b) Income in kind shall be considered as income only if the entire item of need is provided.

(c) Any income in kind, whether a full or partial item of need, provided and funded on the basis of need, by a private, nonprofit organization, as part of a program of general applicability for needy persons adminstered by such organization, shall neither be counted as income under this Chapter, nor as income in-kind under this section. Assistance provided by Voluntary Resettlement agencies (VOLAG) as part of their resettlement reponsibilities is considered in-kind income if the assistance is provided in-kind.

~~(c)~~ (d) The value of free board and lodging received during a temporary absence from the home shall be considered as follows:

(1) If the absence is for one month or less, the income in kind value shall not be considered income.

(2) If the absence is for more than one month, the income in kind value shall be considered income to the extent that it exceeds the actual costs of maintaining the home to which the beneficiary will return.

~~(d)~~ (e) Income in kind which is received as earned income shall be subject to earned income exemptions and deductions.

~~(e)~~ (f) Income in kind which is received as unearned income shall be subject to unearned income exemptions and deductions.

~~(f)~~ (g) Income in kind from a parent shall not be considered in determining the eligibility of a child when any of the following conditions exist:

(1) *The child's application is being processed for minor consent services in* accordance with Section 50147.1(a)(3)(D).

(2) The child is an unmarried minor parent and the share of cost is being determined for the MFBU that includes the child's children.

(3) The child is an unborn, except that if the mother is receiving income in kind, there is income in kind to the unborn.

(taxretrn.s)

<u>Section 50523.5. California Franchise Tax Board Payments.</u>

<u>(a) The following payments or funds received from the California Franchise Tax Board shall be exempt:</u>
<u>(1) Renters Credits payments;</u>
<u>(2) payments under the Senior Citizens Homeowners and Renters Property Assistance Program (for persons who are blind, disabled, or 62 years of age or older);</u>
<u>(3) payments under the Senior Citizens Tax Postponement Program (for persons who are 62 years of age or older).</u>

Note: Authority cited: Section 10725 and 14125.5, Welfare and Institutions Code; Reference: Section 11008.4, Welfare and Institutions Code.

50527. Social Services.

(a) Payments received for social services provided in accordance with Title XX of the Social Security Act shall be exempt to the extent actually utilized for the purpose which qualifies the payment for exemption, whether provided in kind or as a direct payment to the individual for purchase of designated services. Such services include, but are not limited to:

(1) In-Home Supportive Services.

(2) Child care.

(3) Training and rehabilitation services, including payment for training expenses.

(b) Payments for social services not exempt under subsection (a) are exempt under this subsection to the extent actually utilized for the purpose which qualifies the payment for exemption, if they are paid for social services recognized by the Medi-Cal Program and if such payments address a recognized, verified substantial need of the individual. The exemption does not apply to any portion of such payment which, when added to the person's other income, is in excess of the need standard used by the payor in determing the payment. Payments for services recognized by the Medi-Cal Program, in addition to the payments for social service made under Title XX of the Social Security Act, include:

(1) social service payments made under Title IV-B and Title V of the Social Security Act, and

(2) social service payments made under the Rehabilitation Act of 1973;

(3) rent supplements paid under the Federal Houseing Act of 1965.

(c) Payments for educational, training, or income maintenance purposes are not social services for purposes of this section. Payments to provide subsistence needs or social amenities are not social services for purposes of this section.

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Section 50527.5 DSS Advisory Group Member Payments

(a) Payments made to an AFDC-MN or MI person to cover out-of-pocket expenses of such a person who is serving on an advisory group set up by the Department of Social Services (DSS) or the Health and Welfare Agency are exempt.

(energyass.tnc)

DRAFT

Section 50535.2 Energy Assistance Payments

(a) The following shall be exempt:

(1) Payments received by eligible households under the Energy Crisis Assistance Program; and

(2) Home energy assistance payments or allowances paid under authority of 42 USC § 8624(f), pertaining to the federal Low-Income Home Energy Assistance Program.

Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.
Reference cited: 45 CFR 233.20(a)(4)(ii)(I), 42 USC § 8624(f), and the Low Income Home Energy Assistance Act of 1981.

(stdloans)

50533. Exempt Loans, Grants, Scholarships and Fellowships.

(a) The following loans, grants, scholarships and fellowships are exempt to the extent they are used for their intended purpose:

(1) Loans made under Title III of the Federal Economic Opportunity Act, Special Program to Combat Poverty in Rural Areas~~.~~;

(2) Loans or grants made under Title IV of the Higher Education Act;

~~(2)~~ (3) Loans or grants to an undergraduate student for educational purposes made or insured by the Federal Commissioner of Education~~.~~; ~~These include, but are not limited to:~~

~~(A) Supplemental Education Opportunity Grant.~~

~~(B) National Direct Student loans.~~

~~(C) College Work Study.~~

~~(D) Basic Educational Opportunity grants.~~

~~(E) Federal insured student loans.~~

(4) Loans or grants made under the Bureau of Indian Affairs student assistance program;

(5) Educational loans or grants to undergraduate students when it is verified that they are awarded on the basis of the student's need~~.~~; ~~These include, but are not limited to:~~

~~(A) Extended Opportunity Program loans and grants.~~

~~(B) Bureau of Indian Affairs loans and grants.~~

~~(C) California State scholarships (Cal Grant A)~~

~~(D) College Opportunity grants (Cal Grant B)~~

~~(E) Occupational, Educational Training grants (Cal Grant C).~~

(6) Funds for readers, or educational scholarships, which are all of the following:

(A) Provided to an aged, blind or disabled person enrolled in a California public school or institution of higher learning.

(B) Awarded by an educational institutional.

(C) Not available to meet basic needs~~.~~;

(7) Other loans, grants, scholarships or fellowships, or portions thereof, to undergraduate or graduate students, if the following conditions are met:

(A) The loan, grant, scholarship or fellowship document specifically limits the use of the funds for purposes other than current living costs.

(B) The loan, grant, scholarship or fellowship would not be available if used for any purpose other than the one specified.

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50538.3 Independent Living Program Payments

Payments earned by a person 16 years of age or older due to participation in the Independent Living Program (ILP) are exempt when received as part of the ILP written transitional independent living plan.

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Section 50536.3 Radiation Exposure Payments

Payments made under section 6(h)(2) of Public Law 101-426, the Radiation Exposure Compensation Act, to persons with injuries or impairments arising from their exposure to radiation are exempt.

50536.2 **Agent Orange Payments**

The following are exempted from income: payments made on or after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.), Public Law 101-201, and section 10405 of Public Law 101-239.

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Section 50536.1 Federal Payments To Persons of Japanese Ancestry

(a) Payments made by the United States government under Public Law 100-383 to citizens or permanent resident aliens of the United States with Japanese ancestry are exempt.

50539. Job Training Partnership Act (JTPA) Payments.

(a) All earnings of a ~~child~~ person 18 years of age or younger which are derived from participation in JTPA programs shall be exempt for up to six months per calendar year. Other JTPA payments made to a ~~child~~ such a person shall be exempt at all times.

(b) Payments, other than earnings, to ~~an adult~~ a person 19 years of age or older which are derived from participation in JTPA programs shall be exempt to the extent that the payment reimbursements do not exceed ~~the adult's~~ that person's actual training expenses.

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50543. Student Exemption.

(a) All earned income, including earnings from JTPA after the six months' exemption pursuant to Section 50539 has expired, of an AFDC MN or MI ~~child~~ person shall be exempt if the ~~child~~ person is not more than 19 years old and is either of the following:

(1) A full-time student.

(2) A part-time student with a school schedule that is equal to at least one-half of a full-time curriculum, and the child is not employed full-time.

(b) For purposes of this exemption the following definitions apply:

(1) School attendance means enrollment and attendance in a school, college, university or in a course of vocational or technical training designed to fit the child for gainful employment and includes participation in the Job Corps program under the Economic Opportunity Act.

(2) Full-time student means a student who has a school schedule equal to a full-time curriculum, as defined by the school attended.

(3) Part-time employment means employment for less than 173 hours per month.

(c) The student exemption shall also apply to full or part-time earnings between school terms or during vacation periods, if the child plans to continue school attendance during the next term or when the vacation period ends.

EXHIBIT C

Budget Examples

Example #1: Married parents with 2 mutual children: mother earns $1200/mth no other income to family.

EXHIBIT A – DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 0			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 0			
6	**Non-exempt earned income**	$ 1200	$ 0	$ 0	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ 1110	=$ 0	=$ 0	=$ 0

EXHIBIT A -- DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 1110			
10	☐ Dependent Care Deduction	- $ 0			
11	**Remaining Non-exempt earned Income**	= $ 1110			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 1110			
13	☐ Child/Spousal Support Pymts	- $ 0			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 1110			
15	Sec. 1931 income limit for family	$ 920			
	If income from line 14 is less than limit from line 15, family is income eligible	Eligible	☒ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first: Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551
Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

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EXHIBIT A -- DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	\$ 0 +	\$ 0 +	\$ 0 +	\$ 0
2	**Total non-exempt unearned income of MFBU**	=\$ 0			
3	☐ Educational Expense Deduction	- \$ 0			
4	☐ \$50 Support Received Deduction	- \$ 0			
5	**Remaining non-exempt unearned income**	= \$ 0			
6	**Non-exempt disability-based income**	\$ 0 +	\$ 0 +	\$ 0 +	\$ 0
7	**Total non-exempt disability-based income of MFBU** (total of amounts in each column in line 6)	= \$ 0			
8	\$240 deduction	- \$240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= \$ 0			

EXHIBIT A -- DRAFT

10	**Non-exempt earned income** (if 3 or more persons with earnings, skip lines 10 thru 12 and proceed to worksheet for 3+ earners)	$ 1200 +	$ 0		
11	**Total non-exempt earned income of MFBU** (total of amounts in each column of line 10)	= $ 1200			
12	☐ Unused $240 deduction (line 8 - line 7; if result is 0 or less, enter 0)	- $ 240			
13	**Remaining non-exempt earned income** (or from line 12 worksheet); if deduction exceeds earned income, enter "0."	= $ 960			
14	50% deduction (divide amount in line 13 by 2)	= $ 480			
15	☐ Dependent Care Deduction	- $ 0			
16	**Remaining Non-exempt earned income**	= $ 480			
17	**Total Remaining Non-exempt unearned income, Non-exempt disability-based income & Non-exempt earned income**(total of columns from lines 5, 9, & 16)	$ 480			
18	☐ Child/Spousal Support Pymts Dedct'n	- $ 0			
19	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 480			
20	Sec. 1931 income limit for family	$ 920			
	If income from line 19 is less than limit from line 20, family is income eligible	☒ Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

Example 2: Married parents with 2 mutual children: mother earns $800/mth & father receives $180/mth in disability-based income. No other income to family.

EXHIBIT A – DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 180 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 180			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 180			
6	**Non-exempt earned income**	$ 800	$ 0	$ 0	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ 710	=$ 0	=$ 0	=$ 0

EXHIBIT A – DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 710			
10	☐ Dependent Care Deduction	- $ 0			
11	**Remaining Non-exempt earned Income**	= $ 710			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 890			
13	☐ Child/Spousal Support Pymts	- $ 0			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 890			
15	Sec. 1931 income limit for family	$ 920			
	If income from line 14 is less than limit from line 15, family is income eligible	☒ Eligible ☐ Not Eligible			

Note: If any of the following disregards apply, complete the MC 176W, Part VI first: Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551
Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

Example 3: Married parents with 2 mutual children: mother earns $800/mth, father receives $600/mth in disability-based income; no other income to family.

EXHIBIT A – DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐ Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 600 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 600			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 600			
6	**Non-exempt earned income**	$ 800	$ 0	$ 0	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ 710	=$ 0	=$ 0	=$ 0

EXHIBIT A – DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 710			
10	☐ Dependent Care Deduction	- $ 0			
11	**Remaining Non-exempt earned Income**	= $ 710			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 1310			
13	☐ Child/Spousal Support Pymts	- $ 0			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 1310			
15	Sec. 1931 income limit for family	$ 920			
	If income from line 14 is less than limit from line 15, family is income eligible	☐ Eligible	☒ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first: Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551
Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

EXHIBIT A -- DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 0			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 0			
6	**Non-exempt disability-based income**	$ 0 +	$ 600 +	$ 0 +	$ 0
7	**Total non-exempt disability-based income of MFBU** (total of amounts in each column in line 6)	= $ 600			
8	$240 deduction	- $240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= $ 360			

EXHIBIT A -- DRAFT

10	**Non-exempt earned income** (if 3 or more persons with earnings, skip lines 10 thru 12 and proceed to worksheet for 3+ earners)	$ 800 +	$ 0		
11	**Total non-exempt earned income of MFBU** (total of amounts in each column of line 10)	= $ 800			
12	☐ Unused $240 deduction (line 8 - line 7; if result is 0 or less, enter 0)	- $ 0			
13	**Remaining non-exempt earned income** (or from line 12 worksheet); if deduction exceeds earned income, enter "0."	= $ 800			
14	50% deduction (divide amount in line 13 by 2)	= $ 400			
15	☐ Dependent Care Deduction	- $ 0			
16	**Remaining Non-exempt earned income**	= $ 400			
17	**Total Remaining Non-exempt unearned income, Non-exempt disability-based income & Non-exempt earned income**(total of columns from lines 5, 9, & 16)	$ 760			
18	☐ Child/Spousal Support Pymts Dedct'n	- $ 0			
19	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 760			
20	Sec. 1931 income limit for family	$ 920			
	If income from line 19 is less than limit from line 20, family is income eligible	☒ Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

Example 4: Married parents with 2 mutual children: mother earns $800/mth, father receives $200/mth in disability-based income, child #1 earns $300/mth, & child #2 receives $400/mth in disability-based income.

EXHIBIT A – DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐ Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 200 +	$ 0 +	$ 400
2	**Total non-exempt unearned income of MFBU**	=$ 600			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 600			
6	**Non-exempt earned income**	$ 800	$ 0	$ 300	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ 710	=$ 0	=$ 210	=$ 0

EXHIBIT A -- DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 920			
10	□ Dependent Care Deduction	- $ 0			
11	**Remaining Non-exempt earned Income**	= $ 920			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 1520			
13	□ Child/Spousal Support Pymts	- $ 0			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 1520			
15	Sec. 1931 income limit for family	$ 920			
	If income from line 14 is less than limit from line 15, family is income eligible	□ Eligible	☒ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

EXHIBIT A -- DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐ Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 0			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 0			
6	**Non-exempt disability-based income**	$ 0 +	$ 200 +	$ 0 +	$ 400
7	**Total non-exempt disability-based income of MFBU** (total of amounts in each column in line 6)	= $ 600			
8	$240 deduction	- $240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= $ 360			

EXHIBIT A -- DRAFT

10	**Non-exempt earned income** (if 3 or more persons with earnings, skip lines 10 thru 12 and proceed to worksheet for 3+ earners)	$ 800 +	$ 300		
11	**Total non-exempt earned income of MFBU** (total of amounts in each column of line 10)	= $ 1100			
12	☐ Unused $240 deduction (line 8 - line 7; if result is 0 or less, enter 0)	- $ 0			
13	**Remaining non-exempt earned income** (or from line 12 worksheet); if deduction exceeds earned income, enter "0."	= $ 1100			
14	50% deduction (divide amount in line 13 by 2)	= $ 550			
15	☐ Dependent Care Deduction	- $ 0			
16	**Remaining Non-exempt earned income**	= $ 550			
17	**Total Remaining Non-exempt unearned income, Non-exempt disability-based income & Non-exempt earned income**(total of columns from lines 5, 9, & 16)	$ 910			
18	☐ Child/Spousal Support Pymts Dedct'n	- $ 0			
19	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 910			
20	Sec. 1931 income limit for family	$ 920			
	If income from line 19 is less than limit from line 20, family is income eligible	X Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

Example 5: Married parents with 2 mutual children: mother earns $800/mth, father earns $200/mth, child #1 earns $300mth, & child #2 receives $100/mth in disability-b income.

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EXHIBIT A -- DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 100
2	**Total non-exempt unearned income of MFBU**	=$ 100			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 100			
6	**Non-exempt earned income**	$ 800	$ 200	$ 300	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (*enter 0 if negative amount*)	=$ 710	=$ 110	=$ 210	=$ 0

EXHIBIT A -- DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 1030
10	□ Dependent Care Deduction	- $ 0
11	**Remaining Non-exempt earned Income**	= $ 1030
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 1130
13	□ Child/Spousal Support Pymts	- $ 0
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 1130
15	Sec. 1931 income limit for family	$ 920
	If income from line 14 is less than limit from line 15, family is income eligible	□ Eligible ☒ Not Eligible

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

Example 5: Married parents with 2 mutual children: mother earns $800/mth, father earns $200/mth, child #1 earns $300/mth, & child #2 receives $100/mth in disability-based income.

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EXHIBIT A – DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name: Mother	Name: Father	Name: Child#1	Name: Child#2
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 0			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 0			
6	**Non-exempt disability-based income**	$ 0 +	$ 0 +	$ 0 +	$ 100
7	**Total non-exempt disability-based income of MFBU** (total of *amounts in each column in line 6*)	= $ 100			
8	$240 deduction	- $240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= $ 0			

EXHIBIT A -- DRAFT

10	**Non-exempt earned income** (if 3 or more persons with earnings, skip lines 10 thru 12 and proceed to worksheet for 3+ earners)	(go to worksheet) $ ____ +	$ ____		
11	**Total non-exempt earned income of MFBU** (total of amounts in each column of line 10)	= $ N/A			
12	☐ Unused $240 deduction (line 8 - line 7; if result is 0 or less, enter 0)	- $ N/A			
13	**Remaining non-exempt earned income** (or from line 12 worksheet); if deduction exceeds earned income, enter "0."	= $ 1040			
14	50% deduction (divide amount in line 13 by 2)	= $ 520			
15	☐ Dependent Care Deduction	- $ 0			
16	**Remaining Non-exempt earned income**	= $ 520			
17	**Total Remaining Non-exempt unearned income, Non-exempt disability-based income & Non-exempt earned income**(total of columns from lines 5, 9, & 16)	$ 520			
18	☐ Child/Spousal Support Pymts Dedct'n	- $ 0			
19	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 520			
20	Sec. 1931 income limit for family	$ 920			
	If income from line 19 is less than limit from line 20, family is income eligible	☒ Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

EXHIBIT A -- DRAFT

Sec. 1931 Program Worksheet: Applying The $240 & ½ Deduction To Families With 3 Or More Persons With Earnings

	NAME:	Mother	Father	Child # 1	Child # 2
1	**Family's Non-exempt earned income** (list earnings from highest to lowest)	$ 800	$ 200	$ 300	$ 0
2	**Non-exempt earned income of two highest earners**	$ 1100 (Mother + Child # 1)			
3	Unused $240 deduction (line 7 - line 6; if result is 0 or less, enter 0)	- $ 140			
4	**Remaining Non-exempt earned income of two highest earners** (if deduction exceeds earned income, enter "0.")	= $ 960			
5	**Non-exempt earned income of 3rd highest earner**	$ 200 (father)			
6	$120 deduction	- $120			
7	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ 80			
8	**Non-exempt earned income of 4th highest earner**	$ 0			
9	$120 deduction	-$120			
10	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ 0			
11	**Other remainder Non-exempt earned income** (If 5 or more persons with earnings, enter Total of their remainder EI after subtracting $120 from earnings of each.) (if deduction exceeds earned income, enter "0.")	= $ 0			
12	**Non-exempt earned income Subtotal** (total of all remainder EI this worksheet, lines 4, 7, 10 & 11); enter amount on Section 1931 Program Budget Sheet (line 12)	= $ 1040			

Example 6: Married parents with 2 mutual children: mother earns $800 mth, father earns $200 mth, child #1 earns $300 mth, & child #2 receives $100/mth in disability based income. Child #2, aged 6 is in day care facility which charges $300 mth; Mother pays $150 month in alimony to ex-husband, pursuant to a court order.

EXHIBIT A -- DRAFT

SEC. 1931 **APPLICANT** PROGRAM BUDGET SHEET FOR DETERMINING **APPLICANT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐ Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	APPLICANTS/NEW CASES	Name: Mother	Name: Father	Name: Child #1	Name: Child #2
1	Non-exempt unearned income (include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 100
2	**Total non-exempt unearned income of MFBU**	=$ 100			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 100			
6	**Non-exempt earned income**	$ 800	$ 200	$ 300	$ 0
7	$90 Work Expense Deduction	- $90	- $90	- $90	- $90
8	Remaining non-exempt earned income of each family member (enter 0 if negative amount)	=$ 710	=$ 110	=$ 210	=$ 0

EXHIBIT A -- DRAFT

9	Subtotal of family's remaining non-exempt earned income (add columns in row 8)	= $ 1030			
10	◻ Dependent Care Deduction	- $ 175			
11	**Remaining Non-exempt earned Income**	= $ 855			
12	**Total Remaining Income: Non-exempt unearned income & Non-exempt earned income** (lines 5+11)	$ 955			
13	◻ Child/Spousal Support Pymts	- $ 150			
14	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 805			
15	Sec. 1931 income limit for family	$ 920			
	If income from line 14 is less than limit from line 15, family is income eligible	☒ Eligible ◻ Not Eligible			

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

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EXHIBIT A -- DRAFT

SEC. 1931 **RECIPIENT** PROGRAM BUDGET SHEET FOR DETERMINING **RECIPIENT** NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY

Case Name	County District	County Use
☐ New App. ☐ Redetermination ☐ Change ☐ Retro Elig. ☐Correction	Effective Elig. Date for this budget: Mo. Yr.	

State Number					Name	Birth Date	Sex	SSN & Hlth Ins Claim No. Or RR No.	Other Coverage
Co.	Aid	7 digit serial no.	MFBU	Pers. No.					
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	
								(1) .... (2)	

	RECIPIENTS/CONTINUING CASES	Name: Mother	Name: Father	Name: Child#1	Name: Child#2
1	Non-exempt unearned income (do not include non-exempt disability-based income here)	$ 0 +	$ 0 +	$ 0 +	$ 0
2	**Total non-exempt unearned income of MFBU**	=$ 0			
3	☐ Educational Expense Deduction	- $ 0			
4	☐ $50 Support Received Deduction	- $ 0			
5	**Remaining non-exempt unearned income**	= $ 0			
6	**Non-exempt disability-based income**	$ 0 +	$ 0 +	$ 0 +	$ 100
7	**Total non-exempt disability-based income of MFBU** (total of amounts in each column in line 6)	= $ 100			
8	$240 deduction	- $240			
9	**Remaining Non-exempt disability-based income** (if deduction exceeds disability based income, enter "0".)	= $ 0			

EXHIBIT A – DRAFT

10	**Non-exempt earned income** (if 3 or more persons with earnings, skip lines 10 thru 12 and proceed to worksheet for 3+ earners)	(go to work $ ______ +	sheet) $ ______		
11	**Total non-exempt earned income of MFBU** (total of amounts in each column of line 10)	= $ N/A			
12	☐ Unused $240 deduction (line 8 - line 7; if result is 0 or less, enter 0)	- $ N/A			
13	**Remaining non-exempt earned income** (or from line 12 worksheet); if deduction exceeds earned income, enter "0."	= $ 1040			
14	50% deduction (divide amount in line 13 by 2)	= $ 520			
15	☐ Dependent Care Deduction	- $ 175			
16	**Remaining Non-exempt earned income**	= $ 345			
17	**Total Remaining Non-exempt unearned income, Non-exempt disability-based income & Non-exempt earned income**(total of columns from lines 5, 9, & 16)	$ 345			
18	☐ Child/Spousal Support Pymts Dedct'n	- $ 150			
19	**Total MFBU Net-nonexempt Income** (rounded down to the nearest dollar)	= $ 195			
20	Sec. 1931 income limit for family	$ 920			
	If income from line 19 is less than limit from line 20, family is income eligible	☒ Eligible	☐ Not Eligible		

Note: If any of the following disregards apply, complete the MC 176W, Part VI first:
Educational Expenses: Sec. 50547, Absent Parent Support: Sec. 50541, Part Student Deduction: Sec. 50551

Exempt Income

Eligibility Worker Signature	Worker Number	Computation Date	County Use

EXHIBIT A -- DRAFT

SEC. 1931 PROGRAM WORKSHEET: APPLYING THE $240 & ½ DEDUCTION TO **RECIPIENT** FAMILIES WITH 3 OR MORE PERSONS WITH EARNINGS

	NAME:	Mother	Father	Child #1	Child #2
1	**Family's Non-exempt earned income** (list earnings from highest to lowest)	$ 806	$ 200	$ 300	$ 0
2	**Non-exempt earned income of two highest earners**	$ 1100			
3	Unused $240 deduction (line 8 - line 7 from Recipient Budget Sheet [MC176M 1931 RECIP}; *if result is 0 or less, enter 0)*	- $ 140			
4	**Remaining Non-exempt earned income of two highest earners** (if deduction exceeds earned income, enter "0.")	= $ 960			
5	**Non-exempt earned income of 3rd highest earner**	$ 200			
6	$120 deduction	- $120			
7	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ 80			
8	**Non-exempt earned income of 4th highest earner**	$ 0			
9	$120 deduction	-$120			
10	**His/her remaining Non-exempt earned income** (if deduction exceeds earned income, enter "0.")	= $ 0			
11	**Other remainder Non-exempt earned income** (If 5 or more persons with earnings, enter Total of their remainder earned income after subtracting $120 from earnings of each.) (If deduction exceeds earned income, enter "0.")	= $ 0			
12	**Non-exempt earned income Subtotal** (total of all remainder earned income: add lines 4, 7, 10 & 11 this worksheet); enter amount on Section 1931 Program Budget Sheet (line 12)	= $ 1040			

IMPLEMENTATION OF PROPERTY PROVISIONS FOR THE SECTION 1931(b) GROUP

NOTE: See Attachment 2.1 for the proposed property regulations of the Section 1931(b) program. These regulations are the result of federal law which requires that the property methodologies be no more restrictive than the rules of the former Aid to Families with Dependent Children (AFDC) program in effect on July 16, 1996 and State law which requires that the regulations for Section 1931(b) Medi-Cal be expanded to ensure that all CalWORKs recipients are eligible for Medi-Cal under Section 1931(b). The CalWORKs program has elected to follow the Food Stamp (FS) program rules for personal property, motor vehicles and property limits. Therefore, many of the personal property rules for the Section 1931(b) program actually originate with the FS program. Citations of the originating regulations have been included for historical reference only.

Generally, ***personal property*** shall be determined, defined, counted, and valued in accordance with the FS rules. All countable personal property, with the exception of motor vehicles, shall be valued at net market value (fair market value minus encumbrances). In order to ensure that the Section 1931(b) program remains no more restrictive than the CalWORKs program, some of the determinations of what to exempt, the methodologies for determining fair market value and the determination of how much to include in the property reserve have been simplified or eliminated.

Generally, ***real property*** shall be determined, defined, counted and valued in accordance with the July 16, 1996 AFDC rules.

Property limits for the Section 1931(b) program

Families shall be allowed to retain amounts of countable property up to the limits allowed for recipients of the Medi-Cal program except that for a family size of one the property limit shall be $3,000 rather than $2,000. That is, for MFBUs of two the property limit will be $3,000 and increase from there depending upon family size in amounts equal to that of the Medi-Cal Medically Needy program. In determining and redetermining eligibility under the Section 1931(b) program, counties shall complete and retain the form "Property Reserve Work Sheet - Section 1931(b) Program" [MC 176 P (/98)] in the case record.

The following list includes the overall rules that shall apply to the Section 1931(b) program as well as some highlights of the more major exemptions:

Sneede v. Kizer Federal law limiting financial responsibility to parent for child and spouse for spouse, in accordance with the provisions of Sneede v. Kizer, shall continue to apply when determining property eligibility of families under

Section 1931(b).

Ownership In accordance with Title 22, California Code of Regulations (CCR), Article 9, only separate and community property shares owned by members of the MFBU shall be included in the property reserve of the MFBU .

Stepparent Property The separate and community property share of real and personal property owned by a stepparent who is not an applicant or beneficiary shall be exempt in accordance with the EAS Manual, Sections 42-213.11e and 42-213.2p.

Property and an SSI Recipient Counties shall exempt the total value of all real or personal property ***held separately by an MFBU member, or jointly with an SSI recipient*** (regardless of community property rules) which is considered in determining the eligibility of the SSI recipient in accordance with the EAS Manual Sections 42-213.11i and 42-213.2t.

Availability Only property that the owner has the legal right, power, and authority to liquidate shall be included in the property reserve. Only real property may be considered unavailable once the individual begins a bona fide and good faith effort to sell in accordance with EAS Manual Sections 42-213.121, 42-213.123 and 42-213.125. EAS Manual Section 42-213.122 shall not apply as there is no "conditional" eligibility under the federal Medicaid law. Please note that the property listed for sale is considered unavailable only for a one period per parcel of no more than nine months after which the MFBU will be ineligible if the combined value of real and personal property continues to exceed the property limits for the Section 1931(b) program.

Eligibility If the property reserve is at or below the property limit for the Section 1931(b) program at some time during the month, then there is eligibility for Medi-Cal for the entire month.

Principe v. Belshe The provisions of Principe v. Belshe contained in ACWDL 97-41 regarding retroactive spenddown of excess property on unpaid medical bills shall apply.

Exempt Home Generally, the home shall be exempt in accordance with the EAS Manual, Section 42-213.3. However, when the applicant/beneficiary has entered into a marital separation, counties shall also evaluate the home under the EAS Manual, Section 42-213.4. (NOTE: The home may be legally unavailable because the courts entered an order that neither spouse may liquidate any of the couple's property. Under those circumstances the property may not be countable during or after the 3-month period until the courts have determined ownership.)

Value of The value of real property to be included in the property reserve shall be in

Real Property

accordance with the July 16, 1996 AFDC rules. The home shall be exempt in accordance with the EAS Manual, Section 42-213.3. Real property in the process of being liquidated shall be considered unavailable in accordance with EAS Manual, Sections 42-213.121, 42-213.123 and 42-213.125.

Value of Personal Property

The value of personal property to be included in the property reserve shall be in accordance with the Food Stamps program. That is the net market value (fair market value minus encumbrances).

Please note: where a method of determining the fair market value is not specified, or where there is a choice of methodologies, the counties shall select the method which results in the lowest amount to be included in the property reserve.

Property of Insignificant Value

Property, other than financial instruments or vehicles, shall be exempt if it is of insignificant value. Property is of insignificant value when if sold or otherwise disposed of it would be unlikely to produce "any significant amount of funds" or "significant return" for the support of the household.

- "Any significant amount of funds" shall be funds amounting to one-half or more of the applicable property limit.

- "Significant return" shall be any return, after estimated costs of sale or disposition, and taking into account the ownership interest of the household, that is estimated to be one-half or more of the applicable property limit.

Trusts

Trusts shall be treated in accordance with the EAS Manual, Sections 42-201.1, 42-211.12e., 42-211.256 (except that there shall be no requirement to petition the courts regarding the trust) and 42-213.11a.

Restricted Accounts

Counties shall consider restricted accounts in accordance with the rules of the CalWORKs program and Welfare and Institutions (W&I) Code, Section 11152.2 (see Attachment 2.4).

Motor Vehicles

In determining and redetermining eligibility under the Section 1931(b) program and treating vehicles in accordance with this subsection, counties shall complete the form "Vehicle Determination Work Sheet For 1931(b) Group" [MC 197 P-V (1/98) 1931(b) Group] and retain it in the case record. FS rules allow **total exemptions for all motor vehicles** which are used:

1. As a home (only one per **household** may be excluded for this purpose),

2. On the job, self-support, or self-employment, or for producing income, even if only on a seasonal basis,
3. To transport a physically disabled individual living in the home,
4. To get the household's primary fuel or water, etc.

In determining the value of all other motor vehicles counties shall determine the equity and/or excess **fair market** values. For Medi-Cal under the Section 1931(b) rules, counties must determine:

1. The equity **and** fair market value in excess of $4650 for **all** nonexempt motor vehicles and
2. Determine which amount is **less** for each nonexempt motor vehicle.
3. Include the **lesser** amount in the property reserve, **except**
4. Deduct $1,500 from the equity value of the nonexempt motor vehicle with the **highest equity value** included in the property reserve.

Loans Counties shall exempt loans in accordance with the EAS Manual, Section 42-213 when there is a written agreement signed and dated by the lender and applicant/recipient as parties to the agreement that clearly specifies that repayment is required and a repayment plan which requires payments on a regular basis of specified amounts until the loan is repaid.

Life Insurance In accordance with the FS Manual, Section 63-501.3(b) the cash value of life insurance policies shall be exempt.

Burial funds and burial space items shall continue to be exempt in accordance with the EAS Manual, Section 43-213. The same as in the Medi-Cal Medically Needy program.

Business Property If an individual was self-employed or working but currently is not, then the EAS Manual, Section 42-213.2u may apply. FS Manual, Section 63.501(e)(3) shall apply in the case of a formerly self-employed farmer. Property essential to employment or self-employment shall be exempt in accordance with the FS Manual, Section 63.501(e). So that the Section 1931(b) program remains no more restrictive than CalWORKs, counties shall accept the statement of the applicant/beneficiary as to whether the property, including financial reserves, are essential to the employment or self-employment of the individual and are necessary to produce either current or future income.

Income Producing Property Personal property (not real property) which produces **any** income shall be exempt under FS Manual, Section 63-501.3(d). To ensure that the Section 1931(b) program remains no more restrictive than CalWORKs, counties shall not base this exemption upon the amount of income produced by the property.

Pension Funds or Plans and Some KEOGHs In accordance with the FS Manual, Section 63-501(b) the cash value of pension funds or plans and inaccessible KEOGHs which involve a contractual relationship with individuals who are not MFBU members shall be exempt.

Independent Living Program Cash savings and interest accumulated pursuant to the Independent Living Program shall continue to be exempt in accordance with the EAS Manual, Section 42-213.2aa.

Lump Sum SSI/SSP Lump sum retroactive SSI/SSP payments shall be exempt for an unlimited period of time in accordance with the EAS Manual, Section 42-213.2t(3).

Retroactive Corrective Aid shall be exempt in accordance with the EAS Manual, Section 42-213h.

Nonrecurring Lump Sum Social Insurance Payments shall continue to be considered property in the month of receipt and/or exempt as described under Title 22, California Code of Regulations, Section 50455.

Other exempt payments or property under other federal laws shall be exempt if exempt under any of the three programs: Medi-Cal, AFDC on July 16, 1996 or the Food Stamp program.

Transfers **Medi-Cal transfer of property rules supersede any transfer of property rules of the CalWORKs program regardless of how CalWORKs handles such transfers.** Transfers of property by **institutionalized individuals** shall be considered in accordance with Department of Health Services' All County Welfare Directors Letters (ACWDLs) 90-01, 97-05 and 97-08. Where a transfer of property by a CalWORKs applicant or recipient has occurred anytime during or after the 30 months immediately preceding the date of application as an institutionalized individual or the date he or she became an institutionalized individual, **a separate Medi-Cal determination must be made.** Counties shall complete and retain the form "Period of Ineligibility For Nursing Facility Level of Care" [MC 176 PI (9/97) in the case record should the transfer be determined to be a disqualifying transfer. The institutionalized individual may be eligible only for restricted Medi-Cal benefits when there has been a disqualifying transfer and a period of ineligibility is imposed.

The following is a list of the regulations contained in Title 22, California Code of Regulations, that do NOT apply to eligibility determinations under the Section 1931(b) program. All County Welfare Directors Letters which relate to the following Sections also do not apply to the Section 1931(b) program.

50412 50413 50416 50417 50418 50420(a)	50420.5 50421 50421.5 50423 50425 50426	50427 50428 50441 50453 50453.3 50454.5	50456 50457 50461 50463 50465 50467	50469 50471 50473 50475 50483	50485 50489 50489.1 50489.5 50489.9

The following is a list of regulations contained in Title 22, California Code of Regulations, that DO apply to eligibility determinations under the Section 1931(b) program as amended by All County Welfare Directors Letters.

50401 50402 50403 50404 50405 50406	50407 50408 50409 50410 50411 50414	50415 50419 50420 (b-d) 50442 50443 50445 50446	50448 50448.5 50449 50451 50453.7 50454	50455 50476 50477 50479 50481 50487

Section 1931(b) Program DRAFT Regulations

50491. Treatment of Property Under the Section 1931(b) Program. The property of MFBU members applying for Medi-Cal under the Section 1931(b) program shall be treated in accordance with Article 9 as amended, with the following exceptions.

(a) Whenever determining or redetermining the eligibility of an MFBU under the Section 1931(b) program, counties shall complete the form "Property Reserve Work Sheet - Section 1931(b) Program" [MC 176 P (/98) Back] and retain a copy in the case record.

(b) The following sections of Article 9 shall not apply.

50402	50420(a)	50426	50454.5	50467	50485
50412	50420.5	50427	50456	50469	50489
50413	50421	50428	50457	50471	50489.1
50416	50421.5	50441	50461	50473	50489.5
50417	50423	50453	50463	50475	50489.9
50418	50425	50453.3	50465	50483	

(c) Notes, mortgages, deeds of trust, installment contracts and agreements (even where real property is held as security until the purchase price has been paid) shall be considered personal property. The portion of the payments which represent interest shall be considered to be income in the month of receipt and the portion of the payments which represent principal shall be considered property.

(d) The separate and community property share of real or personal property owned by a stepparent who is not an applicant or beneficiary shall be exempt.

(e) The exclusive personal property of a child who does not receive Medi-Cal under the Section 1931 program shall be exempt when determining eligibility for the MFBU under the Section 1931 program.

(f) The total value of all real or personal property in which an MFBU member has an ownership interest, (property which is either owned separately by the MFBU member or jointly with the SSI/SSP recipient), and which is considered in determining the eligibility of the SSI/SSP recipient shall be exempt.

(g) Real and personal property, including property held in trust, transferred to a trust, and income produced and retained by the trust, is considered to be available if a member of the MFBU has the legal right, power and authority to liquidate the property and to use the proceeds. Available property, unless otherwise exempt, shall be valued in accordance with this section and shall be included in the property reserve. Property which is not available shall not be included in the property reserve.

(1) Property, other than real property, owned jointly with someone outside of the MFBU shall be considered available in its entirety to the owner in the MFBU, unless it can be demonstrated that such property is inaccessible to the owner in the MFBU or that the source and amount of funds invested in the property or the facts around the inheritance, if it was acquired in this way, must be determined in order to arrive at the share which the applicant/beneficiary and/or his/her spouse actually owns. If the owner in the MFBU can demonstrate that he/she actually owns or has access to only a portion of the property, only the value of that portion of the property shall be included in the property reserve. The property shall be considered totally inaccessible to the owner in the MFBU if the property cannot practically be subdivided and the owner's access to the value of the property is dependent on the agreement of a joint owner who refuses to comply. Property cannot be practically subdivided if the financial value of the proportionate share would be significantly reduced by sale of only the subdivision.

(2) Personal property of a woman who is temporarily residing in a shelter for battered women and children shall be considered unavailable if:

(A) the property is jointly owned by the resident and member(s) of the former household from which the resident fled, and

(B) the resident's access to such property requires the consent of both the resident and the member(s) of the former household.

(3) Real property, not otherwise exempt, that the owner is making a good faith effort to sell shall be considered unavailable and shall not be included in the property reserve for one period per parcel of no more than nine consecutive months. If the owner elects not to sell the property at any time prior to the expiration of the nine months, the property shall no longer be considered unavailable and the net market value shall be included in the property reserve.

(A) For purposes of subsection (2) above, a good faith effort is made when, at a minimum, either:

(I) The owner lists the property for sale with a licensed real estate broker at the property's approximate fair market value and is willing to negotiate the terms of the sale with potential buyers, or

(II) The owner makes an individual effort to sell the property by doing all of the following:

(i) Advertising once a week in at least one publication of general circulation that the property is for sale.

(ii) Placing a sign on the property indicating that the property is for sale. Whenever possible, the sign shall be visible from the street.

(iii) Offering the property for sale at its approximate fair market value.

(iv) Is willing to negotiate the terms of the sale with potential buyers and respond to all reasonable inquiries about the property.

(B) For purposes of subsection (2) the fair market value of the property shall be the applicant's/beneficiary's choice of:

(I) The assessed value of the property or

(II) A valuation of the market value of the property obtained by the owner from a licensed real estate broker.

(III) In exceptional circumstances, such as when the property is located in a remote area and it is impossible or impractical to obtain a valuation, and the owner believes that the assessed value is too high or too low, the county and the owner may agree on the market value based upon other available information.

(C) The county shall inform the applicant/beneficiary at the time the property becomes unavailable that it is time-limited; and, at the end of nine months the net market value of the property shall be included in the property reserve.

(4) Personal property other than financial instruments or vehicles, which if sold or otherwise disposed of would be unlikely to produce, after the costs of sale, "any significant amount of funds" or "significant return" for the support of the MFBU, shall be considered unavailable.

(A) "Any significant amount of funds" shall be funds amounting to one-half or more of the applicable property limit for the MFBU.

(B) "Significant return" shall be any return, after estimated costs of sale or disposition, and taking into account the ownership interest of the household, that is estimated to be one-half or more of the applicable property limit for the MFBU.

(h) The property reserve shall be equal to or less than $3,000 if the MFBU includes one or two individuals, or, for other MFBU sizes, shall be equal to or less than the amounts listed in Section 50420 at sometime during the month for which Medi-Cal is requested.

(i) A home, regardless of its value, occupied by the assistance unit shall be exempt.

(1) Any house, mobile home, camper, trailer, houseboat or any other dwelling whether assessed as real or personal property by the county assessor is exempt if such an item of property is occupied by the MFBU as a home (place of residence). Property shall continue to be considered the home during temporary absence for reasons such as illness, seasonal employment, visits, extreme climatic conditions, etc., provided the recipient plans to, and it appears will be able to, return to the home when such circumstances no longer exists.

(2) The exempt home may be the unit of a multiple-dwelling unit that is occupied by the MFBU as a home. A home and a separate unit adjacent to the home shall be treated as a multiple dwelling unit.

(A) The unit(s) of the multiple dwelling that is (are) not occupied by the MFBU shall be treated as property and the value must be included in the property reserve.

(I) If the owner is making a good faith effort to sell the unit(s) that is (are) not occupied as a home as described in subsection (h)(3) above, then the unit(s) shall be considered unavailable for a period of time under the conditions specified in subsection (h)(3) above.

(II) If the unit(s) that is (are) ~~not~~ occupied as a home cannot be sold separately, the unit(s) shall be considered unavailable.

(3) The home which was the usual home of an owner who has entered into marital separation shall be treated as follows:

(A) The usual home shall be exempt in determining an applicant's eligibility for Medi-Cal during the month of application and for three consecutive months following the month of application.

(B) The usual home shall be exempt in determining a beneficiary's eligibility for Medi-Cal during the month of separation and for three consecutive months following the month in which the separation occurs.

(C) The applicant/beneficiary shall be informed when the exemption is granted that it is time-limited and that at the expiration of the three month period, the status of the home will be reconsidered and the net market value may be included in the property reserve.

(D) The status of the home shall be reconsidered at the end of the three month period to determine if it is exempt in accordance with subsection (e) or unavailable in accordance with subsection (h) above. If the home is no longer exempt or unavailable, the net market value shall be included in the property reserve.

(j) The net market value of real property, other than the exempt home or real property which is considered to be unavailable, shall be included in the property reserve. The net market value shall be determined by subtracting any encumbrances against the real property from its market value.

(1) The market value of real property shall be the value established at the most recent appraisal of market value from the county assessor, recorder or tax collector.

(2) Encumbrances on real property include: mortgages, notes, deeds of trust, delinquent tax liens, court orders relating to judgements and mechanics liens, and assessments. Encumbrances may be written or oral.

(A) Evidence of written encumbrances shall be the documents which support the encumbrance.

(B) Evidence of unwritten encumbrances shall be the sworn statements of all parties, under penalty of perjury, to the following: initial and maturity date, extent of encumbrances, and value received.

(k) The net market value of nonexempt personal property [other than motor vehicles treated in accordance with subsection (l) below] shall be determined accordance with this subsection and included in the property reserve. The net market value is determined by subtracting any encumbrances against the property, penalties for early withdrawal or costs of sale (which are deducted before the proceeds are distributed to the seller of the property) from the market value.

(1) The market value of financial instruments or funds shall be the lowest face value, lowest balance (after subtracting any income which may have been deposited) or fair market value of the property during the month [as modified by subsection (k)

(2) - (k)(4) below]. Fair market value of other personal property shall be established by any method; however, if the applicant/beneficiary disagrees with the fair market value established by the county, the applicant/beneficiary may provide another method. The county shall use the method which results in the lowest fair market value.

(2) The market value of IRAs, and available KEOGHs shall be the total fund value. Available KEOGHs are those which are established solely between MFBU members.

(3) The market value of bonds shall be the total bond value. If interest is being accrued, recorded and is available to the owner without having to liquidate the bond, then the interest accrued and recorded in the month shall be subtracted from the total bond value.

(4) The market value of stocks or mutual funds shall be the lowest price per share during the month or total fund value. If interest or dividends are accrued, recorded and are available to the owner without having to liquidate the stock or mutual fund, then the interest or dividends shall be subtracted from the lowest price per share or total fund value.

(l) Motor vehicles, including automobiles, vans, trucks, boats, mobile homes, motor homes, campers, trailers, snowmobiles, jet skis, motorcycles, and tractors, shall be treated in accordance with the following, unless the item is exempt as a home. Whenever determining or redetermining eligibility of an MFBU and treating vehicles under this subsection, counties shall complete the form "Vehicle Determination Work Sheet for 1931 Group" [MC 196 P-V (1/98) 1931 Group] and retain it in the case record.

(1) The entire value of any licensed vehicle (or an unlicensed vehicle owned by a tribal member of an Indian reservation which does not require vehicles of tribal members to be licensed) shall be exempt if the vehicle meets any of the following conditions.

(A) The vehicle is for the purpose of producing income over 50 percent of the time the vehicle is in use, such as, but not limited to, a taxi, moving truck or fishing boat.

(B) The vehicle annually produces income, even if used only on a seasonal basis.

(C) The vehicle is necessary for long-distance travel, other than daily commuting, that is essential to the employment of an MFBU member; for example, the vehicle of a traveling sales person or a migrant farm worker moving from job to job.

(D) The exemptions in subsections (A) through (C) above, shall apply when the vehicle is not is use because of temporary unemployment.

(E) The vehicle was previously used by a self-employed MFBU member for farming but is no longer used over 50 percent of the time in farming because the MFBU member has terminated his/her self-employment. This exemption shall be limited to no more than one year from the date self-employment terminated.

(F) The vehicle is used as the home and, therefore, exempt under subsection (j) above.

(G) The vehicle is necessary to transport a disabled individual living in the home (as long as the home is not a boarding house or other licensed residence or facility, unless the disabled individual is the applicant/beneficiary or an ineligible member of the MFBU) regardless of the purpose of such transportation.

(I) If the disability of the individual is not evident to the eligibility worker, verification shall be required.

(II) If verification is required, the individual shall be required to provide a statement from a physician certifying that the individual is disabled. The disability may be temporary or permanent.

(III) There shall be a limit of one vehicle per disabled individual living in the home.

(IV) The vehicle need not have special equipment or be used primarily by or for the transportation of the disabled individual. However, a vehicle shall be considered necessary for the transportation of the disabled individual if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle that makes it possible to transport the disabled person.

(H) The vehicle is used to carry fuel for heating or water for home use, when such transported fuel or water is the primary source of fuel or water for the MFBU.

(2) All nonexempt licensed and unlicensed vehicles shall individually be evaluated

for estimated fair market value.

(A) The estimated fair market value of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.

(B) The estimated fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies, customarily referred to as "blue books". The county shall insure that the blue book used to determine the value of vehicles has been updated with the last six months.

(I) The county shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the county shall assign the listed value which is comparable to the wholesale value.

(II) The county shall not increase the basic value of a vehicle by the value of low mileage or other factors such as optional equipment or special equipment for the handicapped.

(III) If a new vehicle is not yet listed in the blue book, the county shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.

(IV) To determine the most appropriate value of a vehicle, the county shall obtain from the owner or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the county shall use the lowest blue book value listed to the extent that the vehicle has been identified.

(C) If a vehicle is no longer listed in the blue book, the owner's estimate of the value of the vehicle shall be accepted, unless the county has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the owner shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold.

(D) If the vehicle is in less than average condition, due to body damage or inoperability and the owner alleges that the blue book value does not apply to its vehicle, he/she shall be given the opportunity to obtain verification of the true value from a reliable source.

(E) Verification of the value of licensed antique, custom made, or classic vehicles shall be required if the county is unable to make an accurate appraisal.

(3) Counties shall individually determine the excess fair market value of nonexempt licensed vehicles by subtracting $4650 from the estimated fair market value determined in subsection (2) above.

(4) All nonexempt licensed or unlicensed vehicles shall individually be evaluated for equity value. Equity value shall be determined by subtracting any encumbrance against the vehicle from the estimated fair market value determined in subsection (2) above.

(5) Counties shall select the lesser of the excess fair market value determined in subsection (3) above or the equity value determined in subsection (4) above for each vehicle and include the amount determined to be the least in the property reserve, except as modified by subsection 6 below.

(6) Of the vehicles with equity values determined to be the least amount in subsection (5) above, the county shall subtract $1500 from the one vehicle with the greatest equity value and include that amount in the property reserve.

(m) The following items of personal property shall be exempt.

(1) Personal items and household goods to furnish and equip a home, including but not limited to cameras, camcorders, tools and power tools, musical instruments, recreational equipment, cellphones, bicycles, computers, televisions, stereos, hobby items and collections shall be exempt.

(2) Personal property, to the extent that it is directly related to the maintenance or use of a vehicle exempt under subsections (m) (1) (A), (B) or (D) above, shall be exempt.

(3) Stock in a water company not appurtenant to the land in the amount necessary for agricultural purposes shall be exempt.

(4) Loans shall be exempt when there is a written agreement signed and dated by the lender and the MFBU member as parties to the agreement that clearly specifies:

(A) the obligation of the MFBU member to repay the loan; and

(B) a repayment plan which provides for installments of specified amounts that continue on a regular basis until the loan is fully repaid.

(5) The cash surrender value of life insurance policies shall be exempt.

(6) The cash value of KEOGH plans which involve a contractual relationship with individuals who are not MFBU members, pension plans or pension funds shall be exempt.

(7) Real and personal property purchased with funds received under Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or property. This exclusion does not extend to income or profits from such property.

(8) Personal property (except cash, nonbusiness financial institution accounts and other nonbusiness financial instruments where cash is available upon demand) which annually produces any income shall be exempt, even if only used on a seasonal basis. If funds contained in business accounts are commingled with personal funds or used for personal expenses, this exemption shall not apply. The full value of deeds of trust, promissory notes, mortgages, installment contracts or agreements shall be exempt if interest income is being produced.

(9) Personal property which is essential to the employment or self-employment of a MFBU member shall be exempt.

(A) Property may be, but is not limited to, tools of a tradesman or equipment of a farmer.

(B) Property of a business, such as funds in a checking or savings account, whether maintained exclusively for business purposes or commingled with nonexempt funds, shall be exempt.

(C) Counties shall accept the statement of the applicant/beneficiary whether the property, including financial reserves, are essential to the employment or self-employment of the individual and are necessary to produce either current or future income.

(I) If an allegation is made that some or all of the funds contained in a personal account are those of the business of a self-employed MFBU member, then verification must be provided to demonstrate that some or all of the funds in the account are receipts of the business and verification must be provided that business expenses have been paid out of that account as well.

(C) When an MFBU member ceases to be self-employed in farming, property which was essential to this self-employment will continue to be exempt for a period of one year from the date of termination.

(10) Tools of trade, equipment and materials including stocks and inventories which will assist the MFBU member to implement and continue his/her approved plan of employment.

(A) The county shall determine if the items will assist the individual in his/her approved plan of employment.

(B) An approved plan of employment shall be the county's determination that:

(I) The MFBU member has training, education, or background in the chosen occupation; and

(II) There are no insurmountable physical barriers which render the individual incapable of returning to his/her chosen occupation.

(11) Any cash savings and interest accumulated pursuant to the Independent Living Program (ILP) written transitional independent living plan and retained by a child who is 16 years of age or older and is participating in the ILP. There is no limit to the amount that may be retained under this subsection.

(12) A Native American's interest in land held in trust by the United States Government is exempt.

(n) In addition to those payments that are exempt under Article 9 as amended, the following payments shall also be considered exempt.

(1) The amount of retroactive corrective aid is exempt for only the month of receipt and the following calendar month.

(2) Lump-sum retroactive SSI/SSP payments shall be exempt.

(3) Any federal, state or local Earned Income Tax Credit (EITC) payment received by any MFBU member shall be exempt for 12 months, provided an MFBU member was participating in the Section 1931(b) program at the time of receipt of the EITC and provided the MFBU member participates continuously during that 12-month period. Continuous participation includes breaks in participation of one

month or less due to administrative reasons, such as delayed recertifications or missing or late status reports.

(A) If the pay stub does not indicate an EITC advance payment was received, no further verification is required.

(B) If the amount of the EITC advance payment is not clear from viewing the paystub, the county shall obtain clarification from the individual and contact the employer if necessary to obtain the amount.

(4) Income of students and self-employed individuals which is retained beyond the month of receipt shall be considered exempt property for the period of time over which the payment has been averaged for income purposes.

(5) Relocation assistance or real property acquisition benefits paid by a public agency to an individual who has been relocated as a result of a program of area redevelopment, urban renewal, freeway construction or any other public development, involving demolition or condemnation of existing house.

(6) Payments for lost, stolen, damaged, or destroyed property shall be exempt for the month of receipt and the month following the month of receipt.

(7) Payments made under PL 100-383, Section 105(f)(2), to U.S. citizens and permanent resident aliens of Japanese ancestry who were interned during World War II or their survivors; and payments received as restitution made to Aleut residents of the Pribilof and Aleutian Islands as a result of being relocated by the United States government and for injustices suffered while under United States control during World War II shall be exempt.

(8) Disaster and emergency assistance payments pursuant to the Disaster Relief Act of 1974 [as amended by PL 100-707, Section 105(i)], provided by federal, state, or local governments or disaster assistance organizations shall be exempt.

(9) Payments received from the Agent Orange Settlement Fund or any other fund established to settle liability claims by veterans or survivors of deceased veterans concerning Agent Orange under the Agent Orange Compensation Act of 1989 (PL 101-201, PL 101-239, and PL 101-329, Section 10405).

(10) Payments received under the Radiation Exposure Compensation Act shall be exempt pursuant to the Radiation Exposure Compensation Act of 1990 [PL 101-426, Section 6(h)(2)].

(11) Payments to victims of Nazi persecution shall be exempt pursuant to PL 103-286,

(12) Allowances, earnings and payments to individuals in programs specified under the Job Training Partnership Act of 1982 (PL 97-300) shall be exempt, with the following exception. Earnings from the JTPA on-the-job training program shall be exempt if the JTPA participant is under 19 years of age and under parental control of an adult MFBU member [PL 97-300, Section 142(b) and PL 99-198]. Earnings from all other on-the-job training programs shall not be exempt.

(13) Payments or allowances made under any federal laws, except benefits under a state program funded under Part A of Title IV of the Social Security Act, for the purpose of energy assistance, such as the Low Income Home Energy Assistance Act (LIHEAA), or from Housing and Urban Development (HUD) or the Farmers Home Administration (FmHA) programs shall be exempt. One-time assistance payments or allowances under federal or state laws for weatherization or emergency repair or replacement of heating or cooling devices are exempt.

(14) Financial assistance provided under any of the following shall be exempt:

(A) A program funded in whole or in part under Title IV of the Higher Education Act (PL 102-325).

(B) Bureau of Indian Affairs student Assistance program (PL 102-325).

(C) Title XIII, Indian Higher Education Programs, Tribal Development Student Assistance Revolving Loan Program (Tribal Development Student Assistance Act).

(D) To the extent the financial assistance provided under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (20 U.S.C., Section 2301-2466d) is used or earmarked for future use to meet attendance costs for a student attending school on at least a half-time basis, as defined by the institution. Attendance costs are defined as tuition, fees, rental or purchase of required equipment, materials, supplies, books, transportation, dependent care and miscellaneous personal education expenses.

(15) Allowances, earnings, and payments made under Title I of the National and Community Service Act (NCSA) of 1990 shall be exempt (PL 101-610, Section 177(d)]. The NCSA includes programs under the Serve America, American Conservation and Youth Corps, and National and Community Service subtitles.

(A) Earnings of individuals, except dependent household members under 19 years of age participating in on-the-job training under Title I programs shall not be exempt, consistent with the provisions of subsection (m)(12) above.

(B) Examples of programs under Title I of the NCSA include: the Higher Education Service-Learning Program; the AmeriCorps umbrella program, including the National Civilian Community Corps and the Summer for Safety programs; and the School-to-Work Opportunities Program.

(16) Allowances paid under PL 104-204 to children of Vietnam Veterans who are born with spina bifida shall be exempt.

(17) Payments made from any fund established pursuant to the settlement in the case of Susan Walker v. Bayer Corporation (N.D. Ill.) shall be exempt.

(18) Austrian social insurance payments based, in whole or in part, on wage credits granted under Paragraphs 500-506 of the Austrian General Social Insurance Act are exempt to the extent they are kept identifiable. Austrian social insurance payments which are not based on wage credits granted under Paragraphs 500-506 are included in the property reserve in the month following the month of receipt.

(19) Court-ordered reimbursements made to Quilling v. Belshè class members shall be exempt property in the month of receipt and for three calendar following the month of receipt. The applicant/beneficiary shall provide any verification sufficient to establish that the payment or remaining funds are the result of a claim filed under Quilling v. Belshè. If verification is not available the county shall contact the Department of Alcohol and Drug Programs to verify the applicant's/beneficiary's statement that a Quilling reimbursement was made, and the date and amount of the reimbursement.

(o) In addition to the those payments that are exempt under Article 9 as amended, the following payments to Native Americans shall also be exempt. Counties shall exempt payments under whichever subsection provides the greatest advantage to the MFBU.

(1) Distributions from a Native corporation established pursuant to the Alaskan Native Claims Settlement Act paid to an MFBU, individual Native or descendent of a Native shall be exempt. Distributions include cash (including cash dividends on stock received from a Native corporation) to the extent it does not exceed $2,000 total per person per anum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.

(2) Any funds distributed on a per capita basis or held in trust for members of any Native American tribe under Public Law (PL) 92-254 or PL 94-540 shall be

exempt.

(3) Funds of Native American tribes including interest earned from, investment income derived from and initial purchases made with such funds when the funds have been:

(A) Distributed by the Secretary of the Interior on a per capita basis; or

(B) Held in trust by the Secretary of the Interior; or

(C) Individually owned trusts or restricted lands.

(4) Funds or assets of, or payments to Native American tribal members or Alaska Natives shall be excluded as property if specifically exempt by any other federal law. These exemptions include, but are not limited to:

(A) Payments received under the Alaska Native Claims Settlement Act (PL 92-203, Section 29 and PL 100-23, Section 15 or the Sac and Fox Indian claims agreement (PL 94-189, Section 8);

(B) Payments received by Indian tribal members under PL 94-114, Section 6, regarding submarginal land held in trust by the United States. The following tribes may benefit from this provision.

(I) The Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin;

(II) Blackfeet Tribe;

(III) Cherokee Nation of Oklahoma;

(IV) Cheyenne River Sioux Tribe;

(V) Crow Creek Sioux Tribe;

(VI) Lower Brule Sioux Tribe;

(VII) Devils Lake Sioux Tribe;

(VIII) Fort Belknap Indian Community;

(IX) Assiniboine and Sioux Tribes;

(X) Lac Corte Oreilles Bank of Lake Superior Chippewa Indians;

(XI) Keweenaw Bay Indian Community;

(XII) Minnesota Chippewa Tribe;

(XIII) Navajo Tribe;

(XIV) Oglala Sioux Tribe;

(XV) Rosebud Sioux Tribe;

(XVI) Shoshone-Bannock Tribe; and the

(XVII) Standing Rock Sioux Tribe.

(C) Payments received from the disposition of funds to the Grand River Bank of Ottawa Indians shall be exempt pursuant to PL 94-540.

(D) Payments received by the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalaro Reservation from the Indian Claims Commission (PL 95-433, Section 2) shall be exempt.

(E) Payments made to the Passamaquoddy Tribe, the Penobscot Nation, or the Houlton Band of Maliseet, or any Indian household or member thereof, pursuant to the Maine Indian Claims Settlement Act of 1980 shall be exempt pursuant to PL 96-420, Section 9(c).

(F) Payments of relocation assistance to members of the Navajo and Hopi Tribes shall be exempt pursuant to PL 93-531, Section 22.

(G) Funds that meet the criteria in subsection (I) below shall be exempt.

(I) The funds were appropriated to satisfy judgements of the Indian Claims Commission or Claims Court pursuant to PL 93-134, PL 97-458 and PL 98-64 which are any of the following:

(i) Distributed on a per capita basis, not exceeding $2,000, or held in trust according to an approved plan.

(ii) As of January 12, 1983, were to be distributed on a per capita basis, up to $2,000, or held in trust according to a plan approved by Congress prior to January 12, 1983.

(iii) Were distributed according to a plan approved by Congress after December 31, 1981, but prior to January 12, 1983, and any purchases made with such funds; or

(iv) Are per capita payments, not exceeding $2,000 from funds which are held in trust by the Secretary of the Interior (trust fund distribution).

(II) For purposes of subsection (G), the $2,000 limit on per capita shares applies to each payment made to each household member.

(III) Purchases made with payments described in subsection (G) which were distributed between January 1, 1982 and January 12, 1983 shall be exempt property to the extent exempt funds were used to make such purchases.

(H) Interest of individual Indians in trust or restricted lands shall be exempt property only, and any income from such interests shall be countable property in the month following the month of receipt pursuant to PL 93-134, PL 97-458 and PL 103-66, Section 13736.

(I) For purposes of subsection (H), interests include the individual's right to, or legal share of, the trust or restricted land and any resulting income.

(II) For purposes of this section, the exemption applies to each individual MFBU member who holds an interest or legal share.

(I) Assistance received under the Indian Child Welfare Act child and family service grant programs on or near reservations (PL 95-608). These programs include, but are not limited to: family assistance, day care, after school care, respite care, recreational activities, home improvement, employment of domestic relations and child welfare personnel, and education and training.

(J) Payments made to the following: Turtle Mountain Band of Chippewas, Arizona (PL 97-403); Blackfeet, Grosventre, Assiniboine tribes, Montana, and the Papago Tribe, Arizona (PL 97-408); Red Lake Band of Chippewa Indians (PL 98-123, Section 3); White Earth Band of Chippewa Indians, Minnesota, pursuant to the White Earth Reservation Land Settlement Act of 1985 (PL 99-264, Section 16); and Saginaw Chippewa Indian Tribe of Michigan [(PL 99-346, Section 6(b)(2)].

(K) Per capita and interest payments made to members of the Assiniboine Tribe of the Fort Belknap Indian Community and the Fort Peck Indian Reservation, Montana (PL 98-124, Section 5).

(L) Funds paid to heirs of deceased Native American under the Old Age Assistance Claims Settlement Act, except for per capita share exceeding $2,000 (PL 98-500, Section 8).

(M) Funds distributed per capita of held in trust for the Chippewas of Lake Superior and the Chippewas of the Mississippi [PL 99-146, Section 6(b) and PL 99-377].

(O) Funds, assets or income from the trust fund established pursuant to the Puyallup Tribe of Indians Settlement Act of 1989 [PL 101-41, Sections 10(b) and (c)].

(P) Payments made to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the independent Seminole Indians of Florida to satisfy the judgments of the Indians Claims Commission, except for per capita payments exceeding $2,000 (PL 101-277).

(Q) Payments, funds, distributions or income under the Seneca Nation Settlement Act of 1990 [PL 101-503, Section 8(b)].

(p) Exempt funds, that are otherwise exempt for a limited period of time, shall be exempt for an unlimited period of time when kept in a separate account and not commingled with other nonexempt funds.

(q) Funds which are to be apportioned over time shall be exempt property for the period of time over which they have been prorated as nonexempt income if the funds have been commingled with other nonexempt funds.

Section 1931(b) Determinations: Sneede v. Kizer

Prorated Income Standard and Property Levels

- July 1, 1998 -

Number of Children Number in MBU	One Parent		
	Income Standard	Prorated Income Standard	Property
1	381	191	1,500
2	624	416	2,100
3	775	582	2,475
4	920	736	2,760
5	1,049	875	3,000
6	1,180	1,012	3,215
7	1,296	1,134	3,413
8	1,412	1,256	3,689
9	1,531	1,378	3,870
10	1,662	1,511	3,955

Number of Children Number in MBU	Two Parent		
	Income Standard	Prorated Income Standard	Property
1	381	127	1,050
2	624	312	1,650
3	775	465	2,070
4	920	614	2,400
5	1,049	750	2,679
6	1,180	885	2,925
7	1,296	1,008	3,228
8	1,412	1,130	3,440
9	1,531	1,253	3,641
10	1,662	1,385	3,750

NOTE: **Add $14 for each additional person over 10 to determine higher Income Standards.**

Section 1931(b) Determinations: Sneede v. Kizer **Attachment 3.2**
Prorated Income Standard and Property Levels

- January 1, 1998 through June 30, 1998 -

Number of Children Number in MBU	**One Parent**		
	Income Standard	Prorated Income Standard	Property
1	370	185	1,500
2	607	405	2,100
3	754	566	2,475
4	895	716	2,760
5	1,020	850	3,000
6	1,147	984	3,215
7	1,260	1,103	3,413
8	1,373	1,221	3,689
9	1,489	1,341	3,870
10	1,616	1,470	3,955

Number of Children Number in MBU	**Two Parent**		
	Income Standard	Prorated Income Standard	Property
1	370	124	1,050
2	607	304	1,650
3	754	453	2,070
4	895	597	2,400
5	1,020	729	2,679
6	1,147	861	2,925
7	1,260	980	3,228
8	1,373	1,099	3,440
9	1,489	1,219	3,641
10	1,616	1,347	3,750

NOTE: **Add $14 for each additional person over 10 to determine higher Income Standards.**

SECTION 1931(b) SNEEDE V. KIZER NET NONEXEMPT INCOME DETERMINATION AND MINI BUDGET UNIT (MBU) DETERMINATION

Case name	County district	County use
Case number	Effective date Month Year	

INSTRUCTIONS

- * **Child/spousal support payments received:** Child support is income to the child, not to the parent or caretaker relative.

  Divide the S50 per month child/spousal support deduction by the number of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.

- ** **Unearned in-kind income:** Prorate the unearned in-kind income among the persons who receive the income. Example: Medi-Cal Family Budget Unit (MFBU) of four receives free housing. Use in-kind income for four and each person receives one-fourth of the in-kind income. Add an unborn's share of in-kind income to the pregnant woman's share. If the pregnant woman is Public Assistance (PA)/Other PA and not in the MFBU, give the unborn's share to the father of the unborn if he is in the MFBU.

NOTE: If any of the following deductions apply, complete MC 176W, part VI, before completing Sections A or B.

Educational Expenses, Section 50547 Student Deduction, Section 50551

PART 1					
ENTER NAME OF EACH MFBU MEMBER (Do not list unborns.)	Name	Name	Name	Name	Name
Person Type	☐ Parent A or ☐ Caretaker relative	☐ Parent B or ☐ Caretaker relative	☐ Child	☐ Child	☐ Child
A. NONEXEMPT DISABILITY RELATED INCOME					
1. State Disability Insurance (SDI)					
2. Private Disability Insurance Benefits					
3. Temporary Workers Compensation (TWC)					
4. Temporary Disability Indemnity (TDI)					
5. Social Security Disability Insurance (SSDI)					
6. Total (add line 1 through line 5)					
7. Subtract S240 (If entire S240 deduction is not used, enter remainder in Section C, line 17.)					
8. Countable disability-related income (enter on line 24)					
B. NONEXEMPT UNEARNED INCOME					
9. Net income from property					
10. *Net child/spousal support received					
11. **In-kind income					
12. Income available from PA or other PA (MC 175-6, line A.4)					
13. Social Security nondisability payments					
14.					
15. Total (add line 9 through line 14); enter on line 24.					

Enter computation for child/spousal support and/or earned in-kind income

C. NONEXEMPT EARNED INCOME	Name	Name	Name	Name	Name
16. Nonexempt earned income					
17. S240 or remainder from Section A, line 7 (whichever is less)					

NONEXEMPT EARNED INCOME (Continued)					
18. Remainder (line 16 minus line 17)					
19. 50 percent earned income deduction (one-half of line 18)					
20. Child care deduction					
21. Other deductions (EAS 44-113)					
22. Total net nonexempt earned income (line 18 minus lines 19, 20, and 21) (enter on line 25)					
TOTAL COUNTABLE INCOME					
23. Countable disability-related income (from line 8)					
24. Countable unearned income (from line 15)					
25. Countable earned income (from line 22)					
26. Income allocated from LTC/B&C person to family members at home (from MC 176W, Part B or from MC 175-7, line C.2)					
27. Total countable income (add lines 23, 24, 25, and 26)					
OTHER DEDUCTIONS					
28. Court-ordered child support/alimony					
29. Income to determine PA eligibility (MC 175-6, line B.3 or B.4)					
30. Other:					
31. Total deductions (add lines 28 through 30)					
32. Total net countable income (line 27 minus line 31) Enter this on MC 175-4 if no parent in MFBU. If parent in MFBU, continue.					
33. Parent's total net nonexempt income less in-kind income and income from PA/other PA, LTC, or B&C spouse (line 32 minus lines 11, 12, and 26)					
PARENTAL/SPOUSAL ALLOCATION COMPUTATION (Skip if no parent in MFBU.) P/S NEEDS ALLOCATION AMOUNT	$370	$370			
34. Parent's net countable income less P/S allocation (line 33 minus $370; if negative, enter $0)					
35. Number of persons for whom Parent A is responsible (MC175-2, Section A) DO NOT COUNT PARENT A					
36. Number of persons for whom Parent B is responsible (MC 175-2, Section B) DO NOT COUNT PARENT B					
37. Child's natural/adoptive parent—check A, B, or both (see MC 175-2)			☐ A ☐ B	☐ A ☐ B	☐ A ☐ B
38. Parent A's allocation to spouse (if any) and natural/adopted children (divide Parent A's line 34 by line 35—enter in each applicable box) Do not enter under Parent B if unmarried.					
39. Parent B's allocation to spouse (if any) and natural/adopted children (divide Parent B's line 34 by line 36—enter in each applicable box) Do not enter under Parent A if unmarried.					
40. Enter child's net countable income (from line 32)					
41. Child's total net nonexempt income (add lines 38, 39, and 40); enter on MC 175-4					
42. Parent's total net nonexempt income (the lesser of $370 or the amount on line 32, plus line 38 or line 39)					

SECTION 1931(b) MBU DETERMINATION—PROPERTY AND MINIMUM BASIC STANDARD OF CARE (MBSAC)

☐ 1931 MBSAC TEST ☐ 1931 PROPERTY DETERMINATION

INSTRUCTIONS:

1. Include unborn in the mother's mini budget unit (MBU) and property limit MBSAC level unless mother is married and only her separate children want Medi-Cal. *If pregnant woman is PA/Other PA, include the unborn in the spouse's or father's MBU.*
2. Do not include an excluded child.
3. Do not list MBU members in more than one MBU.
4. If any MBU has excess property, check to see if Medi-Cal linkage still exists for other family members.
5. Property determinations: enter the allocation for each spouse from MC 324, line 29.
6. Enter each person's net nonexempt income from line 41 or 42.

MBU NUMBER ____________

Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ *Income Ineligibility at or exceeds MBSAC—Property Eligible*—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ____________

Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ____________

Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ____________

Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ______	
Person name/number	Net Nonexempt ☐ Property ☐ Income
.	
.	
.	
.	
.	
.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ______	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ______	
Person name/number	Net Nonexempt ☐ Property ☐ Income
.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER ______	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

SECTION 1931(b)
SNEEDE V. KIZER
PROPERTY WORK SHEET

Case name	County district	County use
Case number	**Effective date** Month Year	

INSTRUCTIONS

- List all nonexempt property from MC 176P-1931.
- If property is owned by more than one person, equally divide the net market value by the number of owners unless evidence is provided to rebut the division.
- Joint bank accounts: If available to anyone in the MFBU, do not count the money in a joint account against the MFBU more than once. Equally prorate the bank account among the owners in the MFBU (subject to rebuttal).
- Stepparent property is exempt.

I. ALLOCATION FROM SPOUSE/PARENT

A. For a married couple, enter their total community property in Column II. Enter each spouse's separate property in Column III.

B. For an unmarried couple or a single parent, enter their separate property in Column III; leave Column II blank.

LIST EXEMPT PROPERTY AND NAME OF OWNER	I. LIST ONLY THE PARENT'S NONEXEMPT PROPERTY	II. COMMUNITY PROPERTY	III. SEPARATE PROPERTY Parent A	Parent B
	1. Nonexempt Other Real Property			
	2. Checking			
	3. Savings			
	4. Other			
	5. Cash			
	6. Nonexempt Vehicle			
	7. Other			
	8.			
	9.			
	10.			
	11. Subtotal Net Nonexempt Property	$	$	$
	12. Enter each spouse's share of community property (divide line 11, Column II, by 2)		$	$
	13. Parent's total net nonexempt property (add lines 11 and 12)			
	14. Number of persons for whom each parent is responsible (see totals on MC 175-2)			
	15. Allocation to each person for whom parent is responsible (divide line 13 by line 14)		(A) $ Enter on line 27.	(B) $ Enter on line 28.

ALLOCATION FROM SPOUSE TO SPOUSE (Skip if MFBU does not contain a married couple.)

16. Enter line 15A in both boxes.	$	$
17. Enter line 15B in both boxes.	$	$
18. Total (add lines 16 and 17). This is each spouse's total share of their net nonexempt property. (Enter this amount on MC 175-4 in the married couple's mini budget unit.)	$	$

NET NONEXEMPT PROPERTY FOR CHILDREN OR NONPARENT CARETAKER RELATIVE (Do not list unborns.)

Name of child or caretaker relative	1.	2.	3.	4.	5.
Child's natural/adoptive parent—see Section I (circle A or B or both)	A B	A B	A B	A B	A B
List only the child's or caretaker relative's property					
19. Checking	$	$	$	$	$
20. Savings					
21. Nonexempt vehicle					
22. Nonexempt ORP					
23. Other					
24.					
25.					
26. TOTAL					
27. Allocation from Parent A*					
28. Allocation from Parent B*					
29. Net nonexempt property (add lines 26, 27, and 28) enter on MC 175-31.2, Part 2.					

Name of child or caretaker relative (continued)	6.	7.	8.	9.	10.
Child's natural/adoptive parent—see Section I (circle A or B or both)	A B	A B	A B	A B	A B
List only the child's or caretaker relative's property					
19. Checking	$	$	$	$	$
20. Savings					
21. Nonexempt vehicle					
22. Nonexempt ORP					
23. Other					
24.					
25.					
26. TOTAL					
27. Allocation from Parent A*					
28. Allocation from Parent B*					
29. Net nonexempt property (add lines 26, 27, and 28) enter on MC 175-31.2, Part 2.					

* Enter an allocation from Section I, line 15, only if this is the child's natural/adoptive parent. Leave blank if caretaker relative household.

...ibility Worker Signature	Worker number	Date of computation

COMPLETE MC 175-4 NEXT