



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

December 30, 2016

ALL COUNTY LETTER (ACL) NO. 16-120

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CALWORKS PROGRAM SPECIALISTS
 ALL CONSORTIUM PROJECT MANAGERS
 ALL COUNTY INCOME AND ELIGIBILITY VERIFICATION SYSTEMS COORDINATORS
 ALL COUNTY CALFRESH SPECIALISTS
 ALL COUNTY REFUGEE COORDINATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CaIWORKs) PROGRAM: ASSEMBLY BILL (AB) 2062 CHANGES TO OVERPAYMENT ESTABLISHMENT BASED ON INCOME OR HOUSEHOLD COMPOSITION REPORTING

REFERENCES: [AB 2062](#) (CHAPTER 795, STATUTES OF 2016); WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS [11004](#), [11004.1](#), [11265.3](#), [11265.47](#), [11486.5](#); MANUAL OF POLICIES AND PROCEDURES (MPP) SECTIONS [22-001](#), [22-071](#), [22-072](#), [44-350.15](#).

The purpose of this ACL is to provide instructions for the implementation of AB 2062. Effective January 1, 2017, this bill prohibits County Welfare Departments (CWDs) from assessing an overpayment the month following a change in income over the Income Reporting Threshold (IRT) for a CaIWORKs recipient, or following a change in income over IRT or household composition for a CaIWORKs Assistance Unit (AU) that does not include an eligible adult, if the recipient has reported the change and county was unable, before the first of the month following the change, to provide 10 days' notice of the termination or reduction in benefits.

Background

According to MPP Section 44-350.15, an overpayment is any amount of any aid payment an AU received to which it was not eligible. The amount of the overpayment shall be the difference between the grant amount the AU actually received and the amount it would have received if no CWD error occurred and if the recipient had timely, completely, and accurately reported as required under the WIC Section 11265.3.

The WIC Section 11265.3(b)(1) states that a recipient that is subject to semi-annual reporting (SAR) rules shall report to the CWD, orally or in writing, within 10 days, when the monthly household income exceeds the IRT established by the CDSS. Similarly, AUs that are child only cases and subject to annual reporting (AR/CO) rules must report, orally or in writing, within 10 days, when (1) The monthly household income exceeds IRT, and (2) any changes in household composition, in accordance with the WIC Section 11265.47(c)(1)-(2).

Before the passage of AB 2062, if a recipient reported any of the required changes under the SAR and AR/CO WIC Sections described immediately above, and the CWD was unable to provide 10-day notice of the resulting termination or reduction of aid, the recipient would incur an overpayment for the following month.

To illustrate the previous policy, below is an example of how overpayments were established for lack of a 10-day notice before passage of AB 2062.

A recipient timely reports to her worker on November 23 that the AU's income now exceeds the IRT under WIC Section 11265.3(c)(1). The same day, the CWD mailed a 10-day notice informing the AU that its cash aid will end as a result of the report, effective the last day in November. Since the decrease could not be effected until after December 1, the AU's cash aid was unchanged from that in November and an overpayment was established in December for the amount of the grant.

How AB 2062 will affect certain cases due to lack of 10-day notice

AB 2062 prohibits the establishment of an overpayment for the month following changes in the AU. Exactly how AB 2062 affects the case depends on if there is change in income over the IRT for a CalWORKs recipient, or following a change in income over IRT or household composition for a CalWORKs AU that does not include an eligible adult. In both cases, however, when an AU's reporting falls within AB 2062 criteria, CWDs shall send the appropriate NOA for the month following the month the OP would normally take effect. Examples of how AB 2062 effects both types of cases is illustrated below.

The first example below describes AB 2062's impact when the case includes an adult or adults and the AU is subject to SAR. The AU timely reports that it is over the IRT, but

the CWD cannot send a 10-day notice of the termination or reduction in cash aid. Since the CWD was unable to notify the AU of the termination or reduction of cash aid in the month it occurred, it cannot establish an overpayment based on that change in the following month.

A SAR recipient in an AU of three timely reports that it is over the IRT on January 24 and the income is expected to continue. On the day of the report, the CWD issues the 10-day notice regarding the termination of cash aid effective the last day of February. Although the resulting decrease in cash aid was not in effect by February 1, the CWD shall not terminate aid in February based on January's changes because the CWD did not have sufficient time to issue the 10-day notice.

The next example is a case that is AR/CO and does not include an eligible adult and where a report was made timely on behalf of the AU that it is over the IRT or where there has been a change in household composition that will negatively impact the future month's grant, and the CWD cannot send 10-day notice of the termination or reduction in cash aid. Since the CWD was unable to notify the AU of the termination or reduction of cash aid, it cannot establish an overpayment based on the changes in the following month.

On February 21, the timed out adult in an AR/CO case timely reports on behalf of a child only AU of two that one of the children has moved in with his other parent. The next day the CWD mails the 10-day notice regarding the reduction in cash aid for April 1. Although the resulting decrease in cash aid does not effect the March grant due to insufficient time to issue the 10-day notice, the CWD shall notify the client of the pending change to take place in April based on February's changes in household composition.

The last example illustrates the consequence when a client fails to report a change in income over IRT within the mandated 10-day period.

A client reports on March 22 that in February the AU was over IRT. Since the client failed to meet the 10-day reporting requirement under the WIC Section 11265.3, an OP will be assessed for March. Further, if the CWD acts to reduce the cash grant, but cannot give timely notice on the action, aid received in April will also be an OP.

If CWDs have questions regarding this ACL, please contact the CalWORKs Eligibility Bureau at (916) 654-1322.

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<http://www.dss.cahwnet.gov/lettersnotices/default.htm>.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division