

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



October 23, 1997

ALL COUNTY LETTER 97-67

TO: ALL COUNTY WELFARE DIRECTORS

**REASON FOR THIS TRANSMITTAL**

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

SUBJECT: ELIMINATION OF THE LATE MONTHLY REPORTING PENALTIES - CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

REFERENCE: ASSEMBLY BILL (AB) 1542, CHAPTER 270, STATUTES OF 1997

The purpose of this letter is to provide counties with instructions regarding the elimination of the penalties for failure to submit a timely report of earnings. As previously instructed in All County Letter (ACL) 97-59, the new grant structure for the CalWORKs Program will be implemented effective January 1, 1998 for both recipients and applicants of CalWORKs. For recipients, this means that income from the November 1997 budget month will be used to compute the January 1998 grant amount, incorporating the new income disregards.

Although the Department retains the authority to establish consequences for late monthly reporting, state and federal law no longer provide the authority to disallow the work disregards as the penalty for recipients who fail to timely submit their Monthly Eligibility Reports (CA 7s). Therefore, in December 1997, when counties are computing recipients' grants for January 1998, if a CA 7 for the report month of November 1997 is submitted late and without good cause, the penalties established in Manual of Policies and Procedures Section 44-113.218 are not to be applied. In other words, all Assistance Units with earned income will receive the appropriate disregards of \$225 and 50% in accordance with the instructions contained in ACL 97-59 regardless of when the CA 7 is submitted. In addition, any overpayments established for grants paid in January 1998 and later as a result of a failure to report earned income will not be computed using the loss of earned income disregards as a penalty.

With the exception of the above, all other CA 7 monthly reporting requirements remain intact.

If you have any questions, please contact Henry Puga of my staff at (916) 654-1068 or CALNET 464-1068.

Sincerely,

BRUCE WAGSTAFF  
 Deputy Director  
 Welfare to Work Division