

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 2, 1998

ALL COUNTY LETTER NO. 98-48

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM MANAGERS

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: IMPLEMENTATION OF FOUR REGULATIONS PACKAGES IN THE CALIFORNIA WORK OPPORTUNITIES AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM

REFERENCE: AB 1542, CHAPTER 270, STATUTES OF 1997
 AB 1260, CHAPTER 284, STATUTES OF 1997
 ALL COUNTY LETTER (ACL) 97-66
 ALL COUNTY LETTER 97-59

The purpose of this letter is to provide counties with four emergency regulations packages relating to implementation of the CalWORKs program. The four regulations packages are as follows:

- Restricted Accounts
- Elimination of Late Monthly Reporting Penalties
- Overpayment Recoupment
- Voucher/Vendor Payments

The regulations are provided in Attachments 1 through 4. These regulations have been approved by the Office of Administrative Law and are effective July 1, 1998.

RESTRICTED ACCOUNTS REGULATIONS PACKAGE

This regulations package implements a revision to Section 11155.2 of the Welfare and Institutions Code. This revision was transmitted to counties via ACL 97-66 dated October 29, 1997.

SUMMARY OF CHANGES

Under the new regulation, funds withdrawn from a restricted account may be used to defray educational or job training expenses for the account holder or any of his/her dependents. Educational expenses are no longer limited to children. All other regulations governing restricted accounts remain in effect.

NOTICES OF ACTION/FORMS

NOA Message M89-503 was transmitted to counties via ACL 97-66 dated October 29, 1997. No further revision to this message is necessary.

CW 86, COVERSHEET AND AGREEMENT - RESTRICTED ACCOUNT

The CA 86, Coversheet and Agreement - Restricted Account, has been renumbered to CW 86. The form is updated to include CalWORKs requirements. Additional changes make it more user friendly for the recipient; e.g., some sections are reformatted, existing narrative was revised, clarifying narrative was added, and the "Example of A Period of Ineligibility" section on Page 2 of the cover sheet was streamlined. The CW 86 is a Master-Only; no state reproduced stock will be made.

Informing narrative provided in ACL 97-66 for the TEMP SL 2, Restricted Accounts, is out of date. The California Department of Social Services (CDSS) will provide a revised informing document under separate cover.

Questions pertaining to these regulations should be directed to Henry Puga of the CalWORKs Eligibility Bureau at (916) 654-1068.

ELIMINATION OF LATE REPORTING PENALTIES REGULATIONS PACKAGE

This regulations package repeals regulations relating to withholding earned income disregards when a recipient fails to submit his/her Monthly Eligibility Report (CA 7) on time. State law no longer provides authority to disallow earned income disregards as a penalty for recipients who fail to submit their CA 7's on time. These instructions were transmitted to counties via ACL 97-67 dated October 23, 1997.

SUMMARY OF CHANGES

Effective with the January 1998 payment month, late monthly reporting penalties established in Manual of Policies and Procedures Section 44-113.218 have been eliminated. All assistance units (AU's) with earned income and disability-based earned income shall have the \$225 and 50 percent disregards applied in the grant computation regardless of when the

CA 7 is submitted in accordance with instructions contained in ACL 97-59. In addition, overpayments established for grants paid in January 1998 and later as a result of failure to report earned income will not be computed using loss of earned income disregards as a penalty. All other monthly reporting requirements remain in effect.

The following is intended to provide additional clarification regarding elimination of late monthly reporting penalties:

- These rules applied beginning with the November 1997 CA 7, due by December 11, 1997, which was used to compute the grant for January 1998.
- Non-AU members, members excluded from the AU due to sanction, or members who are penalized due to noncompliance with program requirements shall have the \$225 and 50 percent disregards applied to their income when it is considered in the grant computation.
- Overpayments computed for all months prior to January 1998 due to late or unreported earnings shall be computed disallowing the earned income disregards in accordance with regulations which were in effect at that time.

NOTICES OF ACTION/FORMS

The NA 960X and NA 960Y have been revised due to elimination of the late reporting penalties. Both NA forms and instructions, which are provided in Attachment 2, reference the "CW 7" rather than the CA 7. The CW 7, which is expected to be available in July of 1998, will make the CA 7 obsolete. At this time the CDSS will make available masters only of the NA 960X and NA 960Y since additional changes to the NA Back are anticipated in the next three to four months.

Questions pertaining to these regulations should be directed to Cora Myers of the CalWORKs Eligibility Bureau at (916) 654-2236.

OVERPAYMENT RECOUPMENT REGULATIONS PACKAGE

This regulations package implements Section 11004 of the Welfare and Institutions Code which limits the amount a county may reduce a grant for purposes of recouping an overpayment. These instructions were transmitted to counties via ACL 97-66 dated October 29, 1997.

SUMMARY OF CHANGES

Effective with the January 1998 payment month, overpayments in the CalWORKs program shall be recouped at the rate of five percent of the maximum aid payment (MAP) for the AU when the overpayment is caused by agency error. The rate is ten percent of MAP for the AU when the overpayment is caused by any other reason. The income and resources of the AU are no longer considered when determining the correct amount for grant adjustment. The law allows for overpayment adjustments in excess of these rates, but only at the recipient's request.

NOTICES OF ACTION/FORMS

Notice of Action messages for overpayments were transmitted to counties via ACL 97-66 dated October 29, 1997. No further revisions to these messages are necessary.

Questions pertaining to these regulations should be directed to Henry Puga of the CalWORKs Eligibility Bureau at (916) 654-1068.

VOUCHER/VENDOR PAYMENTS REGULATIONS PACKAGE

This regulations package implements Sections 11450.13, 11453.2, 11251.3, and 17012.5 of the Welfare and Institutions Code which require counties to issue vouchers or vendor payments in certain situations and makes them optional in others. These instructions were transmitted to counties via ACLs 97-65 and 97-66 both dated October 29, 1997.

SUMMARY OF CHANGES

- AB 1542 requires the issuance of mandatory vouchers or vendor payments for at least rent and utility payments to any AU in which any parent or caretaker relative is sanctioned for a period of time known in advance to be at least three consecutive months (e.g. when a recipient is sanctioned for the second or third time for not complying with CalWORKs work requirements). The law does not apply to sanctions imposed on a month to month basis. The voucher/vendor payments shall continue until the parent/caretaker relative is no longer subject to sanction.
- AB 1260 mandates voucher or vendor payments for at least rent and utilities on behalf of any AU in which an adult is ineligible due to a drug related felony conviction.
- AB 1542 gives counties the option of providing aid in the form of vouchers or vendor payments to the remaining AU members when one person has been removed from the AU upon reaching the 60-month limit.

Questions pertaining to these regulations should be directed to Henry Puga of the CalWORKs Eligibility Bureau at (916) 654-1068.

NOTICES OF ACTION/FORMS

Informing narrative provided in ACL 97-66 for the TEMP SL 3, Voucher/Vendor Payments, is out of date. The CDSS will provide a revised informing document under separate cover. Revised Notice of Action messages pertaining to the voucher/vendor payments regulations are provided in Attachment 4.

CAMERA READY COPIES AND TRANSLATIONS

Counties should call the Forms Management Bureau at (916) 657-1907 or CALNET 437-1907 for camera-ready copies of any form, NA form, NOA message or suggested informing language in any language. However, counties that have provided the Language Services Bureau with a county contact and the specific languages (Spanish, Chinese, Cambodian, Vietnamese, and Russian) will automatically be sent those languages as soon as the document (form/NAform/NOA message/informing notice) is translated.

Sincerely,
***Original Document Signed by
Bruce Wagstaff on July 2, 1998***
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachments