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ERRATA

ALL COUNTY LETTER 12-25E

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 CALFRESH PROGRAM SPECIALISTS
ALL CalWORKs PROGRAM SPECIALISTS
ALL CONSORTIUM PROJECT MANAGERS
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: CORRECTION TO ALL COUNTY LETTER (ACL) 12-25,
IMPLEMENTATION OF THE SEMI-ANNUAL REPORTING
(SAR) SYSTEM IN THE CALIFORNIA WORK
OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CalWORKs) AND CALFRESH PROGRAMS

REFERENCE: ACL 12-25, ACL 13-17, ACL 12-06, All County Information
Notice (ACIN) I-58-13

The purpose of this erratum to All County Letter (ACL) 12-25, is to provide revised language and clarification regarding Semi-Annual Reporting (SAR) in CalFresh. At the time ACL 12-25 was issued (May 17, 2012), the California Department of Social Services (CDSS) had submitted several waiver requests to the United States Department of Agriculture, Food and Nutrition Service (FNS) in compliance with Assembly Bill 6 (Chapter 501, Statutes of 2011). These waiver requests were submitted with the goal of maximizing consistency between CalFresh and the California Work Opportunity and Responsibility to Kids (CalWORKs) program. As stated in ACL 13-17, dated March 22, 2013, FNS denied most of the requested waivers.

The major changes cited in these errata concern changes of address, clarification of the concept of Verified Upon Receipt (VUR), changes in household composition, the budgeting of income and deductions, and whether or not CalFresh is required to act if a change is reported for another program.

The section in ACL 12-25 regarding case actions resulting from voluntary reports of changes in household composition states that CalFresh will not take any action unless the change results in an increase in benefits. However, as stated in ACL 13-17 and

ACIN I-58-13, in certain circumstances the County Welfare Department (CWD) must act even if the result is a decrease or termination of benefits.

In ACL 12-25, there are numerous references to the budgeting and anticipation of income and deductions over the 'SAR payment period'. As stated in ACL 13-17, FNS regulations mandate that income and deductions must be projected for the entire certification period and re-evaluated with the receipt of the SAR 7 for the remainder of the certification period.

The following errata lists both the original language included in ACL 12-25 and corrected language for the impacted sections, and should be read in conjunction with ACL 12-25. Deletions are marked in ~~strikethrough~~ and additions in **bold**. The changes are as follows:

1. On Page three, the open bullets under the second bullet state:
 - For the CalFresh program, all recipients will be required to report any change in income that is likely to render them ineligible for CalFresh benefits (130 percent of the FPL), ~~and to report address changes, mid-period.~~
 - Certain non-assistance CalFresh (NACF) recipients will also be required to report changes in work hours that could affect eligibility.
 - For the CalWORKs program, all recipients will be required to report any change in income that is likely to render them ineligible for CalFresh benefits (130 percent of the FPL), and to report address changes, mid-period.

The revised language reads:

- For the CalFresh program, all recipients will be required to report any change in income mid-period that is likely to render them ineligible for CalFresh benefits (130 percent of the FPL).
- Certain non-assistance CalFresh (NACF) recipients will also be required to report changes in work hours that could affect eligibility.
- For the CalWORKs program, all recipients will be required to report any change in income that is likely to render them ineligible for CalFresh benefits (130 percent of the FPL), and to report address changes, mid-period.

Note: Language about mandatory reports of address changes appears again on page 3, 36, and 44. Changes of address are not mandatory mid-period reports for CalFresh households.

2. On Page three and continuing onto page four, the last bullet states:

- Benefits will be “frozen” for the six months of the semi-annual period, except under specified circumstances. Circumstances under which benefits may be adjusted during the period include ~~(some of these are contingent upon federal waiver approval in CalFresh)~~:
 - Increases based on recipient mid-period reports, including reports of decreased income;
 - Decreases or discontinuances based on mandatory recipient mid-period reports, including reports of income over the IRT;
 - Decreases or discontinuances based on county-initiated, mid-period actions, as described in this ACL and Attachments; or
 - Discontinuances at the individual or household’s request.

The revised language reads:

- Benefits will be “frozen” for the six months of the semi-annual period, except under specified circumstances. Circumstances under which benefits may be adjusted during the period include:
 - Increases based on recipient mid-period reports, including reports of decreased income;
 - Decreases or discontinuances based on mandatory recipient mid-period reports, including reports of income over the IRT;
 - Decreases or discontinuances based on county-initiated, mid-period actions, as described in this ACL and Attachments; or
 - Discontinuances at the individual or household’s request.
 - **For CalFresh, if a report is considered Verified Upon Receipt (see ACL 13-17 and ACIN I-58-13).**

3. On Page nine, the first bullet under ‘Recipients will have limited mandatory reporting requirements during the period between eligibility report:’ reads:

For the CalFresh Program, all ~~recipients~~ except change reporters and households with no gross income test (households with an elderly or disabled member) will be required to report any change in income that is likely to render them ineligible for CalFresh benefits (130 percent of the Federal Poverty Level [FPL]), ~~and to report address changes mid-period. (Reports of address changes contingent upon federal waiver approval.)~~

The revised language reads:

For the CalFresh Program, all **households** except **those which are** change reporters, and households with no gross income test (households with an elderly or disabled member) will be required to report any change in income that is likely to render them ineligible for CalFresh benefits (130 percent of the Federal Poverty Level [FPL]).

4. On Page ten, the first sentence reads:

Circumstances under which benefits may be adjusted during the six-month period are limited to:

- Increases based on a recipient mid-period report;
- ***Decreases or discontinuances based on a mandatory recipient mid-period report, including a report of income over the IRT;***
- Decreases or discontinuances based on a county-initiated, mid-period action, as described in this attachment; or
- Discontinuances at the individual or household's request.

The revised language reads:

Circumstances under which benefits may be adjusted during the six-month period are limited to:

- Increases based on a recipient mid-period report;
- *Decreases or discontinuances based on a mandatory recipient mid-period report, including a report of income over the IRT;*
- Decreases or discontinuances based on a county-initiated, mid-period action, as described in this attachment;
- Discontinuances at the individual or household's request; or
- **Reports considered Verified Upon Receipt for CalFresh (see ACL 13-17 and ACIN I-58-13 for further guidance).**

5. Example 1 on Page twelve reads:

Example 1: An AU/household submits a timely SAR 7 on June 8 (the Submit Month) that includes information about May (the Data Month) and all reasonably anticipated changes for the upcoming SAR Payment Period. On June 15, Mom calls the county and reports that her June income has increased and is higher than she anticipated on her SAR 7 and she anticipates that this income will continue at this amount for the rest of the semi-annual period. The income is not over IRT. Because this information was not known to Mom in the Data Month, the report of increased income will be considered a

voluntary mid-period report and will not be acted on unless it results in an increase to her benefits.

The revised language reads:

Example 1: An AU/household submits a timely SAR 7 on June 8 (the Submit Month) that includes information about May (the Data Month) and all reasonably anticipated changes for the upcoming SAR Payment Period. On June 15, Mom calls the county and reports that her June income has increased and is higher than she anticipated on her SAR 7 and she anticipates that this income will continue at this amount for the rest of the semi-annual period. The income is not over IRT. Because this information was not known to Mom in the Data Month, the report of increased income will be considered a voluntary mid-period report and will not be acted on unless it results in an increase to her benefits **or if the report is considered verified upon receipt.**

6. On Page sixteen, the last sentence in the fourth paragraph states:

The 10-day noticing requirements do not apply to increases in benefits.

The revised language reads:

The 10-day noticing requirements do not apply to increases in benefits, **however an adequate notice must be sent notifying the household of the increase in benefits.**

7. On Page nineteen and continuing onto page twenty, the last sentence of the last paragraph states:

Because the RD/RC will be used to determine the next SAR Payment Period's benefits amounts, CWDs must schedule the RD/RC early enough in the month to be able to establish the next SAR Payment Period's benefits, keeping the 10-day noticing requirements in mind.

The revised language reads:

Because the RD/RC will be used to determine the next SAR Payment Period's benefits amounts, CWDs must schedule the RD/RC early enough in the month to be able to establish the next SAR Payment Period's benefits, keeping the 10-day noticing requirements in mind **for CalWORKs. For CalFresh, a 10-day notice is only required for adverse actions during the certification period. At recertification, an approval or denial notice is required.**

8. On Page twenty, the last sentence of the second paragraph states:

Based on the information provided on the SAR 7 or RD/RC forms, the CWD will determine continuing eligibility as it relates to all eligibility factors, including, but not limited to: income, property (CalWORKs only), deprivation (CalWORKs only), and household composition using prospective budgeting rules as described in this section.

The revised language reads:

Based on the information provided on the SAR 7 or RD/RC forms, the CWD will determine continuing eligibility as it relates to all eligibility factors, including, but not limited to: income, property (for CalWORKs **cases and CalFresh cases not conferred Modified Categorical Eligibility (MCE)**), deprivation (CalWORKs only), and household composition using prospective budgeting rules as described in this section.

9. On Page twenty-one, the last sentence of the first example states:

(The property would have no effect on CalFresh eligibility.)

The revised language reads:

(The property would **only affect those CalFresh households that have not been conferred Modified Categorical Eligibility status.**)

10. On Page twenty-one, the heading states:

Property Eligibility (CalWORKs Only)

The revised language reads:

Property Eligibility (CalWORKs **cases and non-MCE CalFresh cases**)

11. On Page twenty-two, the last two sentences of the fourth paragraph states:

A voluntary report of a change in household composition that would result in ineligibility of the household or a decrease in benefits cannot be acted on until the SAR 7 or RD/RC forms have been submitted and processed, unless the recipient requests a discontinuance of benefits ~~(contingent upon federal waiver approval for CalFresh)~~. (See "Voluntary Recipient Request for Discontinuance" section on page 65 for the exception to this rule.)

The revised language reads:

For CalWORKs, a voluntary report of a change in household composition that would result in ineligibility of the household or a decrease in benefits cannot be acted on until the SAR 7 or RD/RC forms have been submitted and processed, unless the recipient requests a discontinuance of benefits. **For CalFresh, a voluntary report of a household composition change is considered Verified Upon Receipt and must be acted on (see ACL 13-17 and ACIN I-58-13 for further guidance).** (See “Voluntary Recipient Request for Discontinuance” section on page 65 for the exception to this rule.)

12. On Page twenty-five, the third paragraph states:

It is critical that CWD staff thoroughly document how income was projected in determining benefit calculations. Case narratives and other documentation will be particularly critical when documenting any changes in income, including, but not limited to: new income, income that is ending, income that is expected to change, income that fluctuates (including anomalies such as overtime or missed work), and income that is so unstable that the recipient cannot make a reasonable estimate of what income to expect in future months. If the CWD has no conflicting information, the income and anticipated changes reported on the SAR 7 or RD/RC forms should be used to determine benefits for the upcoming SAR period. The fact that an AU/household received income in the past and now reports that the income has stopped does not mean there is a conflict. ~~Absent other information known to the county, the SAR 7 or RD/RC information should be accepted, as these forms are signed under penalty of perjury and may be treated as an affidavit.~~ For CalFresh Quality Control purposes, reviewers will rely heavily on case documentation when reviewing case files to determine if benefits have been issued in the correct amounts.

The revised language reads:

It is critical that CWD staff thoroughly document how income was projected in determining benefit calculations. Case narratives and other documentation will be particularly critical when documenting any changes in income, including, but not limited to: new income, income that is ending, income that is expected to change, income that fluctuates (including anomalies such as overtime or missed work), and income that is so unstable that the recipient cannot make a reasonable estimate of what income to expect in future months. If the CWD has no conflicting information, the income and anticipated changes reported on the SAR 7 or RD/RC forms should be used to determine benefits for the upcoming SAR period. The fact that an AU/household received income in the past and now

reports that the income has stopped does not mean there is a conflict. For CalFresh Quality Control purposes, reviewers will rely heavily on case documentation when reviewing case files to determine if benefits have been issued in the correct amounts.

13. On Page thirty-four, the last paragraph continuing on to page thirty-five states:

Shelter costs will be determined at application and recertification and shall remain fixed at the determined amount unless the household reports a change. Refer to page 52 for additional instruction on CWD Action on Voluntary Mid-Period Recipient Reports—Increased Shelter Costs. ~~As stated on page 9, CalFresh households are required to report mid-period changes of address, but the accompanying shelter cost changes are considered voluntary and only used in an increase in benefits (contingent upon federal waiver approval).~~

The revised language reads:

Shelter costs will be determined at application and recertification and shall remain fixed at the determined amount unless the household reports a change. Refer to page 52 for additional instruction on CWD Action on Voluntary Mid-Period Recipient Reports—Increased Shelter Costs. **CalFresh households are not required to report mid-period changes of address, however if they report the change, the CWD must act on the change whether it causes an increase or decrease in benefits. The CWD may verify the change, or only verify if the change is questionable. If the CWD requests verification of the address change and resulting shelter costs and the household does not respond, the budget will be computed without a shelter cost deduction. Once the verification is provided (or if the change is verified at the time of the report or is not questionable), the benefit will be increased effective no later than the first allotment issued 10 days after the date the change was verified.**

Example: Verification is received on May 15th; the allotment for June would be increased. If it was received after the 20th, the allotment for July would be increased. If the shelter costs result in a decrease, the decrease would be effective the month after a 10-day notice is issued.

14. On Page thirty-five, the heading reads:

Fluctuating Medical, Dependent Care, and Child Support Expenses (CalFresh Only)

The revised language reads:

Fluctuating Medical and Dependent Care Expenses (CalFresh Only)

15. On Page thirty-six, the fourth paragraph states:

CalFresh Only: Both PACF and NACF recipients must report the following changes during the semi-annual period:

- ~~Address changes (contingent upon federal waiver approval).~~
- The amount likely to render the recipient ineligible for CalFresh benefits (i.e., 130 percent of the FPL) for those households subject to the IRT.

The revised language reads:

CalFresh Only: Both PACF and NACF recipients must report the following change during the semi-annual period:

- The amount likely to render the recipient ineligible for CalFresh benefits (i.e., 130 percent of the FPL) for those households subject to the IRT.

16. On Page forty-one, the last paragraph states:

If a recipient reports receipt of income that exceeds the IRT, the CWD must determine if income will continue at that level. If the income is only expected to last for one month and will not continue at that level, the CWD shall not take action to discontinue or decrease benefits. Furthermore, if an AU/household makes a mid-period report of increased income that is not over the IRT, that report shall be treated as voluntary, and shall not result in any decrease in benefits.

The revised language reads:

If a recipient reports receipt of income that exceeds the IRT, the CWD must determine if income will continue at that level. If the income is only expected to last for one month and will not continue at that level, the CWD shall not take action to discontinue or decrease benefits. Furthermore, if an AU/household makes a mid-period report of increased income that is not over the IRT, that report shall be treated as voluntary, and shall not result in any decrease in benefits. **For CalFresh, if the report of income is considered Verified Upon Receipt, the CWD must act on the change.**

17. On Page forty-four, the third paragraph states:

CalFresh: CalFresh recipients are not required to report a change in drug or fleeing felon status or probation/parole violations mid-period. If an individual in a NACF household had a change in drug or fleeing felon status or probation/parole violations during the semi-annual period, it would be reported ~~on the next SAR 7 or~~ recertification and the CWD would discontinue the individual ~~at the end of the report month after 10-day notice can be provided.~~ However, for PACF households, if a change in drug or fleeing felon status or a parole/probation violation is reported and confirmed for the CalWORKs case, CWDs will be required to act on the reported information in the CalFresh case. The CWD must discontinue the individual from CalFresh at the same time as the CalWORKs action, at the end of the month after 10-day notice can be provided.

The revised language reads:

CalFresh: CalFresh recipients are not required to report a change in drug or fleeing felon status or probation/parole violations mid-period. If an individual in a NACF household had a change in drug or fleeing felon status or probation/parole violations during the semi-annual period, it would be reported **at** the next recertification and the CWD would discontinue the individual. However, for PACF households, if a change in drug or fleeing felon status or a parole/probation violation is reported and confirmed for the CalWORKs case, CWDs will be required to act on the reported information in the CalFresh case. The CWD must discontinue the individual from CalFresh at the same time as the CalWORKs action, at the end of the month after 10-day notice can be provided.

18. On Page forty-four, the fifth paragraph under 'Report of Change in Address' states:

Recipients are required to report changes in AU/household residence address to the CWD within 10 days ~~(contingent upon federal waiver approval for the CalFresh program).~~ This reporting requirement is necessary in order to provide CWDs with the most up-to-date address so that recipients can receive benefits and NOAs in a timely manner. See ACL 10-01 for more information about what actions may be taken when an AU does not report an address change.

The revised language reads:

For CalWORKs, recipients are required to report changes in AU residence address to the CWD within 10 days. This reporting requirement is necessary in order to provide CWDs with the most up-to-date address so that recipients can receive benefits and NOAs in a timely manner. See ACL 10-01 for more information about what actions may be taken when an AU does not report an address change. **For CalFresh, reporting an address change is not mandatory mid-period requirement.**

19. On Page forty-five, the third paragraph states:

CalFresh: A household must be living in the county in which it files an application for participation (see MPP Section 63-401). Additionally, if the CWD determines that the household is no longer or will not be residing in the state, a timely notice shall be provided to the household prior to terminating benefits within the certification period (MPP Section 63-504.261), except as specified in MPP Sections 63-504.264, .266, and .267. ~~'An OI may be established if the recipient was residing out of state and continued to receive benefits from California. If a hearing officer determines there is an OI claim, the household must be re-notified of the claim, and delinquency is based upon the due date of the subsequent notice and not the initial pre-hearing demand letter sent to the household.'~~

The revised language reads:

CalFresh: A household must be living in the county in which it files an application for participation (see MPP Section 63-401). Additionally, if the household voluntarily reports an address change to a residence out of state, a timely notice shall be provided to the household prior to terminating benefits within the certification period (MPP Section 63-504.261), except as specified in MPP Sections 63-504.264, .266, and .267. **Households are only required to report a mid-certification period address change on the periodic report (SAR 7). An OI claim would not be established unless the household did not identify their new address on the SAR 7 or if the household received benefits from both California and another state.**

20. On Page forty-eight, the first paragraph states:

For both programs, recipients may voluntarily report changes in income and circumstances ~~that may increase benefits~~ any time during the semi-annual period. These reports may be made in writing, online, verbally, or in person to the CWD. The CWD will only take mid-period action on those voluntary reports that result in an increase to benefits ~~(contingent upon federal waiver approval for~~

~~the CalFresh program~~). Examples of changes that when reported, might increase benefits include, but are not limited to the following:

The revised language reads:

For both programs, recipients may voluntarily report changes in income and circumstances any time during the semi-annual period. These reports may be made in writing, online, verbally, or in person to the CWD. The CWD will only take mid-period action on those voluntary reports that result in an increase to benefits **unless the report is considered Verified Upon Receipt for CalFresh (see ACL 13-17 and ACIN I-58-13). For mandatory reports to another public assistance program that are not acted upon, CalFresh will not act on the change.** Examples of changes that when reported, might increase benefits include, but are not limited to the following:

21. On Page forty-eight, the end of the last paragraph states:

For changes regarding income and household composition, the budget computation must be complete on these notices so that recipients can see how the counties determined that the change would not result in an increase to their benefits. The budget computation does not need to be included on a “no-change NOA” regarding a report of property or deprivation, because these are changes that would affect the AU’s eligibility, not their grant amount.

The revised language reads:

For CalWORKs only, regarding changes in income and household composition, the budget computation must be complete on these notices so that recipients can see how the counties determined that the change would not result in an increase to their benefits. The budget computation does not need to be included on a “no-change NOA” regarding a report of property or deprivation, because these are changes that would affect the AU’s eligibility, not their grant amount. **CalFresh does not require a budget to be included in the ‘No Change NOA’.**

22. On Page forty-nine, the first three sentences of the fourth paragraph states:

When a recipient voluntarily reports a change in income, the CWD shall act on the report only if it increases benefits ~~(contingent upon federal waiver approval for the CalFresh program)~~. (All mid-period reports of income, except for income over IRT, are considered voluntary reports.) The CWD must request verification of the change in income immediately in writing and shall not act to increase benefits until required verification is received.

The revised language reads:

When a recipient voluntarily reports a change in income, the CWD shall act on the report only if it increases **benefits unless the report is considered Verified Upon Receipt for CalFresh (see ACL 13-17 and ACIN I-58-13)**. (All mid-period reports of income, except for income over IRT, are considered voluntary reports.) The CWD must request verification of the change in income immediately in writing and shall not act to increase benefits until required verification is received.

23. On Page fifty, the first paragraph states:

Acceptable verification includes (but is not limited to): paycheck and benefits stubs (i.e., unemployment or disability benefits stubs), or a letter from the employer. If the recipient provides such verification, the CWD should accept the verification unless there is a documented reason to doubt its validity. If verification is not accepted, the reason must be documented in the case file. If the recipient is attempting to obtain the verification, but is having trouble, the CWD must offer to help. With the recipient's written permission, the CWD may contact the employer to verify the recipient's statement. If verification does not exist or is not available, an affidavit or sworn statement is acceptable verification of earnings in both CalWORKs and CalFresh. ~~The CWD shall accept the SAR 7 as an affidavit since it is signed under penalty of perjury, if it contains the necessary information.~~ Otherwise, the CWD shall inform the individual in writing what information must be listed on the affidavit and provide 10 days to submit it. Collateral contacts may also be used for CalFresh households.

The revised language reads:

Acceptable verification includes (but is not limited to): paycheck and benefits stubs (i.e., unemployment or disability benefits stubs), or a letter from the employer. If the recipient provides such verification, the CWD should accept the verification unless there is a documented reason to doubt its validity. If verification is not accepted, the reason must be documented in the case file. If the recipient is attempting to obtain the verification, but is having trouble, the CWD must offer to help. With the recipient's written permission, the CWD may contact the employer to verify the recipient's statement.

If verification does not exist or is not available, an affidavit or sworn statement is acceptable verification of earnings in both CalWORKs and CalFresh. Otherwise, the CWD shall inform the individual in writing what information must be listed on the affidavit and provide 10 days to submit it. Collateral contacts may also be used for CalFresh households.

24. On Page seventy-one, the second to last paragraph states:

All third party information that is received by or known to the county must be acted upon in accordance with SAR rules. If a change is required to be reported by the recipient under SAR rules, the CWD must take action to verify the information and take action based on the information once it has been verified. If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the CWD may use the third party information as ancillary information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the county. If the information on the SAR 7 or RD/RC forms is not consistent with what has already been reported or is being reported through a third party, the CWD must seek to resolve the discrepancy. If the CWD cannot resolve the discrepancy, the SAR 7 or RD/RC forms may be considered incomplete.

The revised language reads:

All third party information that is received by or known to the county must be acted upon in accordance with SAR rules. If a change is required to be reported by the recipient under SAR rules, the CWD must take action to verify the information and take action based on the information once it has been verified. If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the CWD may use the third party information as ancillary information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the county. **For CalFresh, if a change that was not required to be reported is considered Verified Upon Receipt, the CWD must act on the change.** If the information on the SAR 7 or RD/RC forms is not consistent with what has already been reported or is being reported through a third party, the CWD must seek to resolve the discrepancy. If the CWD cannot resolve the discrepancy, the SAR 7 or RD/RC forms may be considered incomplete.

25. On Page fifty-two, the heading under the first paragraph states:

b. Increases in CalFresh Expenses

The revised language reads:

b. Changes in CalFresh Expenses

26. On Page fifty-two, the last paragraph states:

Shelter costs will be determined at application and at recertification and shall remain at the same fixed amount during the certification period unless a recipient reports a change. A mid-period report of increased shelter costs is a voluntary mid-period report. CWDs must calculate whether the change in shelter costs would result in an increase in benefits, and if so, provide a supplemental payment if applicable and recalculate the benefits for the remaining months in the semi-annual period. The new shelter deduction amount is a fixed deduction that will remain the same until another change is reported or until the next recertification occurs. If the shelter increase results in increased benefits, the increase need not be reported on the next SAR 7 or RC forms submitted, as the CWD would have already acted on the change. If the shelter cost would result in a decrease in benefits, the CWD must notify the recipient that benefits will not change (via a “no change NOA”). The recipient is not required to re-report the change on the next SAR 7 or RC forms submitted unless the shelter costs are questionable because it has already been verified. If the county requires additional verification, they shall issue a written request for verification.

The revised language reads:

Shelter costs will be determined at application and at recertification and shall remain at the same fixed amount during the certification period unless a recipient reports a change. A mid-period report of increased shelter costs is a voluntary mid-period report. CWDs must calculate whether the change in shelter costs would result in an increase in benefits, and if so, provide a supplemental payment if applicable and recalculate the benefits for the remaining months in the semi-annual period. The new shelter deduction amount is a fixed deduction that will remain the same until another change is reported or until the next recertification occurs.

If the shelter increase results in increased benefits, the increase need not be reported on the next SAR 7 or RC forms submitted, as the CWD would have already acted on the change. If the shelter cost would result in a decrease in benefits, the CWD must notify the recipient that benefits will not change (via a “no change NOA”). The recipient is not required to re-report the change on the next SAR 7 or RC forms submitted unless the shelter costs are questionable because it has already been verified.

If the county requires additional verification, they shall issue a written request for verification. **For CalFresh, changes in shelter costs must be verified within 10 days of the report or the CWD; if unverified, the CWD must notify the household their allotment with be recalculated without the deduction.**

27. Page fifty-five, under 'Changes in Household Composition' and continuing on to Page fifty-six states:

For both CalWORKs and CalFresh, recipients may voluntarily report changes in AU/household composition at any time during the semi-annual period. During the semi-annual period, the CWD will only act on those changes that result in an increase to the household's benefits (~~contingent upon federal waiver approval for the CalFresh program~~). If the change results in increased benefits, the CWD shall take action to add the person effective the first of the month following the month in which the change was reported, after all verification has been provided. If it does not result in an increase, the CWD shall not take action to change the AU/household's benefits mid-period.

NOTE: When re-adding an individual to the AU who is in the home, but not aided (i.e., drug/fleeing felon, sanctioned) they can be added based on the SAR 7 or RD/RC report if there is enough documentation in the case file to determine continuing eligibility for the AU. When adding a new person to the AU who is not a current or former member of the AU, a completed CW 8 or CW 8A and all required verifications must be provided to add the new person.

If the change is reported, but not verified, the CWD shall send a request for verification notice asking for the required verification within 10 days. This notice shall advise the recipient that a delay in verification may result in a delay in increased benefits. If verification is not received within the 10 days specified in the notice, the CWD shall send a "no-change NOA" to the AU/household reminding them to report and provide the needed verification regarding the new household member on the next SAR 7 or RD/RC forms. If the AU/household brings in the verification more than 10 days after the voluntary report, the date the verification is provided is considered the new report date. Other than denying the request to add the new person, no negative action may be taken if verification is not provided, since mid-period reports of household composition changes are voluntary.

Following is a detailed description of steps that CWDs will be required to take when a new person is reported in the home.

- The CWD shall review eligibility for the new person in accordance with CalWORKs and ~~CalFresh~~ regulations as an initial step to determine if the new household member is required to be included as part of the AU/household under the mandatory AU/household composition regulations.

- If the new household member should be mandatorily included in the AU, ~~for CalWORKs~~, the CWD must determine if deprivation would continue.
- If deprivation would cease as a result of the new AU member, the CWD would not take action mid-period. (Refer to the section titled “New Household Member Results in Ineligibility Due to Other Eligibility Factors” on page 63 for appropriate action in this situation.)
- If the new household member should be mandatorily included in the AU/household, and the AU/household meets all non-financial eligibility criteria, the CWD must determine if the person has income that would be considered in the benefit calculation.
- The CWD shall run a test benefit calculation to determine if adding the person and his or her income would result in an increase or decrease to the household’s benefits.
- When running the test benefit calculation to determine if benefits would increase or decrease, add the new person’s income for the months in which the person would be included in the AU/household to the AU/household’s current income.
- When actually taking action to add the new person into the AU/household, if the person has income that will be used to determine benefit levels, the CWD will include the new person’s income along with the AU/household’s income to recalculate benefits for the current and remaining months of the current semi-annual period.
- If adding the new person and his or her income would increase benefit amounts, the CWD shall add the new person and his or her income to the AU/household effective the first of the month following the month when the new member was reported. If benefits will decrease, the CWD shall send a “no-change NOA” and add the person and his or her income effective the first month of the next semi-annual period.

The revised language reads:

For both CalWORKs and CalFresh, recipients may voluntarily report changes in AU/household composition at any time during the semi-annual period. During the semi-annual period, the CWD will only act on those changes that result in an increase to the household’s benefits. **However, for CalFresh, this change is considered VUR and the CWD must follow the procedure as outlined in ACIN I-58-13 and ACL 13-17.** If the change results in increased benefits, the CWD shall take action to add the person effective the first of the month following the month in which the change was reported, after all verification has been provided. If it does not result in an increase, the CWD shall not take action to change the AU’s benefits mid-period.

NOTE: When re-adding an individual to the AU who is in the home, but not aided (i.e., drug/fleeing felon, sanctioned), they can be added based on the SAR 7 or RD/RC report if there is enough documentation in the case file to determine continuing eligibility for the AU. When adding a new person to the AU who is not a current or former member of the AU, a completed CW 8 or CW 8A and all required verifications must be provided to add the new person.

If the change is reported, but not verified, the CWD shall send a request for verification notice asking for the required verification within 10 days. This notice shall advise the recipient that a delay in verification may result in a delay in increased benefits. For CalWORKs, if verification is not received within the 10 days specified in the notice, the CWD shall send a “no-change NOA” to the AU reminding them to report and provide the needed verification regarding the new member on the next SAR 7 or RD/RC forms. If the AU/household brings in the verification more than 10 days after the voluntary report, the date the verification is provided is considered the new report date. For CalWORKs, other than denying the request to add the new person, no negative action may be taken if verification is not provided, since mid-period reports of household composition changes are voluntary.

For CalWORKs, the following is a detailed description of steps that CWDs will be required to take when a new person is reported in the home: (A description of the procedures for CalFresh is listed in ACL 13-17, and ACIN I-58-13.)

- The CWD shall review eligibility for the new person in accordance with CalWORKs regulations as an initial step to determine if the new member is required to be included as part of the AU under the mandatory AU composition regulations.
- If the new household member should be mandatorily included in the AU, the CWD must determine if deprivation would continue.
- If deprivation would cease as a result of the new AU member, the CWD would not take action mid-period. (Refer to the section titled “New Household Member Results in Ineligibility Due to Other Eligibility Factors” on page 63 for appropriate action in this situation.)
- If the new member should be mandatorily included in the AU, and the AU meets all non-financial eligibility criteria, the CWD must determine if the person has income that would be considered in the benefit calculation.
- The CWD shall run a test benefit calculation to determine if adding the person and his or her income would result in an increase or decrease in benefits.

- When running the test benefit calculation to determine if benefits would increase or decrease, add the new person's income for the months in which the person would be included in the AU to the AU current income.
- When actually taking action to add the new person into the AU, if the person has income that will be used to determine benefit levels, the CWD will include the new person's income along with the AU's income to recalculate benefits for the current and remaining months of the current semi-annual period.
- If adding the new person and his or her income would increase benefit amounts, the CWD shall add the new person and his or her income to the AU effective the first of the month following the month when the new member was reported. If benefits will decrease, the CWD shall send a "no-change NOA" and add the person and his or her income effective the first month of the next semi-annual period.

28. On Page fifty-six, and continuing onto page fifty-seven the example states:

Example: AU/~~household~~ of three (Mom and two kids) is in the January through June semi-annual period with no income. In February, Mom voluntarily reports that Dad has moved into the home and has income. The county determines that adding Dad to the AU/~~household~~ would result in a decrease to the benefit amount, so a "no-change NOA" is sent to the AU/~~household~~ reminding them to report Dad and his income on their next SAR 7. However, when Mom submits her May SAR 7 in June, there is no mention of Dad or his income. The county calls Mom to resolve the discrepancy and she explains that Dad left the home in April. Benefits for the upcoming SAR payment period of July through December will continue to be calculated based on an AU/~~household~~ of three with no income. Dad's three months in the home will not have an effect on the benefit level for this AU/~~household~~.

The revised language reads:

Example (CalWORKs only): AU of three (Mom and two kids) is in the January through June semi-annual period with no income. In February, Mom voluntarily reports that Dad has moved into the home and has income. The county determines that adding Dad to the AU would result in a decrease to the benefit amount, so a "no-change NOA" is sent to the AU reminding them to report Dad and his income on their next SAR 7. However, when Mom submits her May SAR 7 in June, there is no mention of Dad or his income. The county calls Mom to resolve the discrepancy and she explains that Dad left the home in April. Benefits for the upcoming SAR payment period of July through December will continue to be calculated based on an AU of three with no

income. Dad's three months in the home will not have an effect on the benefit level for this AU.

29. On Page sixty, the last paragraph and continuing onto the next page states:

For CalWORKs, CalFresh, and Medi-Cal:

- If the person moving into the home has income that, once considered, would result in a decrease to the AU/~~household~~'s benefits, the county shall not take action to decrease benefits mid-period. The CWD shall send a "no-change NOA" with a budget to the ~~household~~ informing them that the voluntary report of the new ~~household~~ member did not increase benefits. If the required documentation to add a person has been provided, it does not need to be provided again; however, the new ~~household~~ member's income from the Data Month must be reported on the next SAR 7 or RD/RC forms, and required verification provided.

The revised language reads:

For CalWORKs, and Medi-Cal:

- If the person moving into the home has income that, once considered, would result in a decrease to the AU's benefits, the county shall not take action to decrease benefits mid-period. The CWD shall send a "no-change NOA" with a budget to the AU informing them that the voluntary report of the new **AU** member did not increase benefits. If the required documentation to add a person has been provided, it does not need to be provided again; however, the new **AU** member's income from the Data Month must be reported on the next SAR 7 or RD/RC forms, and required verification provided.

30. On Page sixty-two, under the last heading and continuing onto page sixty-three states:

New Household Member Results in Financial Ineligibility

- For ~~both the CalWORKs and CalFresh programs~~, if the person moving into the home has income that, once considered, would result in the AU/~~household~~ being financially ineligible for cash aid and CalFresh, the county shall not take any action to change the AU/~~household~~'s benefits in the current semi-annual period.
- Once the CWD determines that benefits will not increase, the CWD shall send a "no-change NOA" with a budget to the AU/~~household~~

informing them that the voluntary report of the new household member did not increase benefits. However, the NOA will remind the recipient that if the needed verification was not already provided, the new household member, if still present in the household during the SAR Data Month, must be reported on the SAR 7 or RD/RC forms, along with the income that he or she brings to the AU/household, and any required verification.

- If information presented on the SAR 7 or RD/RC forms remains consistent with the original voluntary report of the new household member, benefits for the AU/household must be discontinued at the end of the semi-annual period due to financial ineligibility.
- If information presented on the SAR 7 or RD/RC forms is not consistent with the original voluntary report, the CWD must follow-up with the AU/household to determine what the current circumstances are. If the discrepancy cannot be resolved, the CWD would then determine the SAR 7 or RD/RC forms to be incomplete.
- After receiving the SAR 7 or RD/RC forms with the report of the new AU/household member, the CWD must also send a notice to the AU/household denying cash aid, CalFresh, and Medi-Cal for the new person.

Medi-Cal NOTE: The new person would not be entitled to receive cash-linked Medi-Cal, because he or she was never eligible for cash aid; however, the CWD must process the individual for a Medi-Cal only eligibility determination. (See ACIN I-32-01 and ACWDL 01-36.)

Example: A mother and child are receiving CalWORKs and CalFresh in the semi-annual period of January through June. Mom voluntarily reports in February that the child's father moved into the home in February. Dad's income would make the family ineligible for CalWORKs and CalFresh. The CWD would take no action concerning eligibility or benefit amount for the existing AU/household in the current semi-annual period. Any action to terminate benefits as a result of Dad's income must be "held over" until review of information reported on the June SAR 7 or RD/RC forms. The CWD should send a "no-change NOA" with a budget to the AU/household stating that there is no change to the grant/allotment amount due to the voluntary report of the father in the home and reminding them to report his presence on the next semi-annual report. This NOA should also explain that because Dad is not CalWORKs eligible, he is being evaluated for Medi-Cal only. After submitting their semi-annual report in June, the entire

~~AU/household would be discontinued from CalWORKs and CalFresh at the end of the SAR Payment Period (June 30), and the discontinued members reviewed for eligibility for Medi-Cal only. Transitional CalFresh would be established beginning on July 1 for five months.~~

NOTE: An AU is not mandatorily required to report mid-period when a new AU/household member has income in excess of the IRT if that person was not included in the current AU or Family MAP for the current SAR Payment Period. Even if the AU/household inadvertently makes a voluntary report to add the new person and his/her income exceeds the IRT for the current AU, the CWD shall not decrease the grant amount or discontinue the AU/household mid-period based on this income, since the income that rendered the family over the IRT was based on the new person and a voluntary report.

The revised language reads:

New Assistance Unit Member Results in Financial Ineligibility

- For CalWORKs, if the person moving into the home has income that, once considered, would result in the AU being financially ineligible for cash aid, the county shall not take any action to change the AU's benefits in the current semi-annual period.
- Once the CWD determines that benefits will not increase, the CWD shall send a "no-change NOA" with a budget to the AU informing them that the voluntary report of the new member did not increase benefits. However, the NOA will remind the recipient that if the needed verification was not already provided, the new member, if still present in the AU during the SAR Data Month, must be reported on the SAR 7 or RD/RC forms, along with the income that he or she brings to the AU, and any required verification.
- If information presented on the SAR 7 or RD/RC forms remains consistent with the original voluntary report of the new member, benefits for the AU must be discontinued at the end of the semi-annual period due to financial ineligibility.
- If information presented on the SAR 7 or RD/RC forms is not consistent with the original voluntary report, the CWD must follow-up with the AU to determine what the current circumstances are. If the discrepancy cannot be resolved, the CWD would then determine the SAR 7 or RD/RC forms to be incomplete.
- After receiving the SAR 7 or RD/RC forms with the report of the new AU member, the CWD must also send a notice to the AU denying cash aid, CalFresh, and Medi-Cal for the new person.

Medi-Cal NOTE: The new person would not be entitled to receive cash-linked Medi-Cal, because he or she was never eligible for cash aid; however, the CWD must process the individual for a Medi-Cal only eligibility determination. (See ACIN I-32-01 and **All County Welfare Directors Letter (ACWDL) 01-36.**)

Example: A mother and child are receiving CalWORKs in the semi-annual period of January through June. Mom voluntarily reports in February that the child's father moved into the home in February. Dad's income would make the family ineligible for CalWORKs. The CWD would take no action concerning eligibility or benefit amount for the existing AU in the current semi-annual period. Any action to terminate benefits as a result of Dad's income must be "held over" until review of information reported on the June SAR 7 or RD/RC forms. The CWD should send a "no-change NOA" with a budget to the AU stating that there is no change to the grant amount due to the voluntary report of the father in the home and reminding them to report his presence on the next semi-annual report. This NOA should also explain that because Dad is not CalWORKs eligible, he is being evaluated for Medi-Cal only. After submitting their semi-annual report in June, the entire AU would be discontinued from CalWORKs at the end of the SAR Payment Period (June 30), and the discontinued members reviewed for eligibility for Medi-Cal only.

NOTE: An AU is not mandatorily required to report mid-period when a new AU member has income in excess of the IRT if that person was not included in the current AU or Family MAP for the current SAR Payment Period. Even if the AU inadvertently makes a voluntary report to add the new person and his/her income exceeds the IRT for the current AU, the CWD shall not decrease the grant amount or discontinue the AU mid-period based on this income, since the income that rendered the family over the IRT was based on the new person and a voluntary report.

31. On Page sixty-five, the last paragraph and continuing onto page sixty-six states:

CWDs shall not assume that a voluntary mid-period report of someone leaving the home equates to a voluntary request for discontinuance of that ~~household~~ member. The CWD must determine whether the voluntary mid-period report of someone leaving the home is truly a request for discontinuance for that ~~household~~ member, since the AU/~~household~~ is not required to report this change in household composition mid-period. The CWD shall ask the AU/household if they are requesting that the member be discontinued and shall inform the AU/household if the discontinuance will result in decreased benefits to the

remaining AU/household members. The law provides for an individual to request his or her own benefits to be discontinued so that the individual can ensure that his or her CalWORKs time clock is stopped as a non-recipient of cash aid. As indicated above, if the individual provides a written request for discontinuance, the CWD is not required to provide a 10-day notice that decreases benefits to the remaining AU/household members. The person requesting discontinuance must either be out of the home or an optional AU member who no longer wishes to receive cash aid.

If the remaining AU/household decides not to voluntarily report that a household member has left the home mid-period, but the individual who has left the home requests discontinuance, that individual's request for discontinuance shall take precedence over the AU/household's decision to not voluntarily report the change in household composition. Benefits to the remaining AU/household members shall be reduced mid-period (as described earlier in this section) to reflect the individual's discontinuance and to ensure that his or her time clock does not continue to run.

If the CWD is notified mid-period that a recipient has died, the CWD shall treat this information as a voluntary recipient request for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely (10-day) and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue benefits for the deceased individual at the end of the month with only adequate notice. This is the case even if the deceased individual was the only aided member of the AU/household.

NOTE: Because there are no requirements to report household composition changes mid-period, if the AU/household does not report that an AU member dies until the next SAR 7 or RD/RC, an OP/OI would not be assessed, and no fraud referral shall be made.

The revised language reads:

CalWORKs only: CWDs shall not assume that a voluntary mid-period report of someone leaving the home equates to a voluntary request for discontinuance of that member. The CWD must determine whether the voluntary mid-period report of someone leaving the home is truly a request for discontinuance for that **AU** member, since the AU is not required to report this change in household composition mid-period. The CWD shall ask the AU if they are requesting that the member be discontinued and shall inform the AU if the discontinuance will result in decreased benefits to the remaining AU

members. The law provides for an individual to request his or her own benefits to be discontinued so that the individual can ensure that his or her CalWORKs time clock is stopped as a non-recipient of cash aid. As indicated above, if the individual provides a written request for discontinuance, the CWD is not required to provide a 10-day notice that decreases benefits to the remaining AU members. The person requesting discontinuance must either be out of the home or an optional AU member who no longer wishes to receive cash aid.

If the remaining AU decides not to voluntarily report that a member has left the home mid-period, but the individual who has left the home requests discontinuance, that individual's request for discontinuance shall take precedence over the AU's decision to not voluntarily report the change in household composition. Benefits to the remaining AU members shall be reduced mid-period (as described earlier in this section) to reflect the individual's discontinuance and to ensure that his or her time clock does not continue to run.

If the CWD is notified mid-period that a recipient has died, the CWD shall treat this information as a voluntary recipient request for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely (10-day) and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue benefits for the deceased individual at the end of the month with only adequate notice. This is the case even if the deceased individual was the only aided member of the AU.

NOTE: Because there are no requirements to report household composition changes mid-period, if the AU does not report that an AU member dies until the next SAR 7 or RD/RC, an OP/OI would not be assessed, and no fraud referral shall be made.

32. On Page seventy-one the fifth paragraph states:

All third party information that is received by or known to the county must be acted upon in accordance with SAR rules. If a change is required to be reported by the recipient under SAR rules, the CWD must take action to verify the information and take action based on the information once it has been verified. If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the CWD may use the third party information as ancillary information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the county. If the information on the SAR 7 or RD/RC forms is not consistent with

what has already been reported or is being reported through a third party, the CWD must seek to resolve the discrepancy. If the CWD cannot resolve the discrepancy, the SAR 7 or RD/RC forms may be considered incomplete.

The revised language reads:

All third party information that is received by or known to the county must be acted upon in accordance with SAR rules. If a change is required to be reported by the recipient under SAR rules, the CWD must take action to verify the information and take action based on the information once it has been verified. If a change is not required to be reported, such as a change of income not over IRT that occurs mid-period, the CWD may use the third party information as ancillary information to ensure that the next semi-annual report submitted by the recipient is consistent with other information known to the county, **unless the change is considered Verified Upon Receipt for CalFresh (see ACL 13-17 and ACIN I-58-13)**. If the information on the SAR 7 or RD/RC forms is not consistent with what has already been reported or is being reported through a third party, the CWD must seek to resolve the discrepancy. If the CWD cannot resolve the discrepancy, the SAR 7 or RD/RC forms may be considered incomplete.

33. On Page seventy-three, the last paragraph, and continuing on to page seventy-four states:

When multiple changes are voluntarily reported mid-period, the CWD must first determine if the changes are independent of each other or if they are different events that are part of one change. If the two events are separate changes, the CWD must evaluate each change independently of the other and only act on those changes that result in an increase. The CWD shall not determine the net result of two changes, even if the net result is an increase; each change must only be acted on if that change, by itself, would result in a mid-period increase in benefits. If the two events are part of one change, then the CWD must treat this voluntary report as one change and determine if acting on this change would result in an increase to the grant amount. In cases where one change would increase the grant and the other would decrease the grant, the CWD must act on the change that increases the grant and send a “no-change NOA” (with a budget, as appropriate) to the AU/household about the other change reminding them, if the change has not been verified, to report that change on their next semi-annual report and provide necessary verification.

The revised language reads:

When multiple changes are voluntarily reported mid-period, the CWD must first determine if the changes are independent of each other or if they are different events that are part of one change. If the two events are separate changes, the CWD must evaluate each change independently of the other and only act on those changes that result in an increase. The CWD shall not determine the net result of two changes, even if the net result is an increase; each change must only be acted on if that change, by itself, would result in a mid-period increase in benefits. If the two events are part of one change, then the CWD must treat this voluntary report as one change and determine if acting on this change would result in an increase to the grant amount. In cases where one change would increase the grant and the other would decrease the grant, the CWD must act on the change that increases the grant and send a “no-change NOA” (with a budget, as appropriate) to the AU/household about the other change reminding them, if the change has not been verified, to report that change on their next semi-annual report and provide necessary verification. **For CalFresh, if the voluntary reports are considered Verified Upon Receipt then those change must be acted on by the county.**

34. On Page seventy-four, Example 1 states:

Example 1: The AU/household is in the January through June semi-annual period. On January 15, the AU/household reports that Dad moved back into the home and has a part-time job. In reviewing whether the AU/household would be entitled to an increase as a result of new household member, the CWD determines that earnings from Dad’s job would result in a decrease to the AU/household’s benefits. The CWD is unable to add Dad to the AU/household the first of February because SAR rules do not allow for benefits to be decreased as a result of a voluntarily reported mid-period change.

On February 17, the AU/household reports that Mom violated conditions of her parole. The CWD must take action to remove Mom from the AU/household effective February 28, because she is ineligible. The CWD decreases benefits to the remaining AU/household members effective March 1. When decreasing March benefits, the CWD may not take action to add Dad and his earned income at the same time as discontinuing Mom, as these are two different changes and they must be treated separately and sequentially. The CWD may only take action to decrease the grant based on Dad and his income at the beginning of the next SAR Payment Period when the AU/household has submitted the SAR 7

or RD/RC forms for May, reporting that Dad is still in the home and still has income.

The revised language reads:

Example 1: The AU/household is in the January through June semi-annual period. On January 15, the AU/household reports that Dad moved back into the home and has a part-time job. In reviewing whether the AU/household would be entitled to an increase as a result of new household member, the CWD determines that earnings from Dad's job would **actually** result in a decrease to the AU/household's benefits. The CWD is unable to add Dad to the AU/household the first of February because SAR rules do not allow for benefits to be decreased as a result of a voluntarily reported mid-period change. **Note: For CalFresh, if the report of Dad's income is considered VUR, the CWD must act on the change.**

On February 17, the AU/household reports that Mom violated conditions of her parole. The CWD must take action to remove Mom from the AU/household effective February 28, because she is ineligible. The CWD decreases benefits to the remaining AU/household members effective March 1. When decreasing March benefits, the CWD may not take action to add Dad and his earned income at the same time as discontinuing Mom, as these are two different changes and they must be treated separately and sequentially. The CWD may only take action to decrease the grant based on Dad and his income at the beginning of the next SAR Payment Period when the AU/household has submitted the SAR 7 or RD/RC forms for May, reporting that Dad is still in the home and still has income.

35. On Page seventy-four, Example 2 states:

Example 2: January through June semi-annual period. Dad moves into the home February 4 without income. The AU/household voluntarily reports Dad in the home that day. The add-on application is still pending as of February 20 (within the 30-day processing time). The AU/household reports that Dad began getting income on February 10. Since the request for add-on has not been finalized or approved, the CWD must use Dad's income and treat it as part of the voluntary report to add him. If his income and adding him would result in decreased benefits to the AU, the CWD should not act to add him to the AU until the first of the next SAR Payment Period. If adding Dad and his income would result in financial ineligibility, the CWD cannot add him to the AU, but must discontinue the AU/household at the end of the current semi-annual period, after the AU reports his income on the SAR 7 or RD/RC forms for May, submitted in

June. If Dad had already been added to the AU before he began getting income, then the report of his income would have been a separate voluntary report and would not have been acted on until the next SAR Payment Period.

The revised language reads:

Example 2: January through June semi-annual period. Dad moves into the home February 4 without income. The AU/household voluntarily reports Dad in the home that day. The add-on application is still pending as of February 20 (within the 30-day processing time). The AU/household reports that Dad began getting income on February 10. **Per ACL 13-17 and ACIN I-58-13, this report is considered VUR for CalFresh and the CWD must act. For CalWORKs,** since the request for add-on has not been finalized or approved, the CWD must use Dad's income and treat it as part of the voluntary report to add him. If his income and adding him would result in decreased benefits to the AU, the CWD should not act to add him to the AU until the first of the next SAR Payment Period.

If adding Dad and his income would result in financial ineligibility, the CWD cannot add him to the AU, but must discontinue the AU at the end of the current semi-annual period, after the AU reports his income on the SAR 7 or RD/RC forms for May, submitted in June. If Dad had already been added to the AU before he began getting income, then the report of his income would have been a separate voluntary report and would not have been acted on until the next SAR Payment Period.

36. On Page seventy-four and continuing onto page seventy-five, Example 2 states:

Example 3: Dad moves into the home and has income. Mom has a decrease in earnings. Mom reports both changes on the same day. The CWD must not evaluate the net result of the two changes, even if the net result would be an increase to the grant because adding Dad and his income would reduce the level of increased benefits Mom would have gotten based solely on her decreased income. Instead, the CWD must determine what the sequence of events was and act on each change separately and according to the sequence in which they occurred. The CWD should not act to add Dad to the AU if his income would result in decreased benefits for the AU. The CWD should act to increase the grant due to Mom's decreased income. If adding Dad would result in a decrease in aid, he should not be added to the AU/household until the next SAR period, after the AU/household reports him being in the home on the next SAR 7 or RD/RC forms.

The revised language reads:

Example 3: Dad moves into the home and has income. Mom has a decrease in earnings. Mom reports both changes on the same day. **For CalFresh, the CWD must act if these changes are considered VUR. For CalWORKs, the CWD** must not evaluate the net result of the two changes, even if the net result would be an increase to the grant because adding Dad and his income would reduce the level of increased benefits Mom would have gotten based solely on her decreased income. Instead, the CWD must determine what the sequence of events was and act on each change separately and according to the sequence in which they occurred. The CWD should not act to add Dad to the AU if his income would result in decreased benefits for the AU. The CWD should act to increase the grant due to Mom's decreased income. If adding Dad would result in a decrease in aid, he should not be added to the AU until the next SAR period, after the AU reports him being in the home on the next SAR 7 or RD/RC forms.

37. On Page seventy-five, Example 4 states:

Example 4 (CalFresh only): The child care expense for a CalFresh household decreases from \$200 to \$175. At the same time, Mom's income also decreases. The CWD would not evaluate the net result of the two changes. The CWD must act to increase CalFresh benefits based on Mom's decreased income; however, the CWD cannot act to decrease benefits resulting from the decrease in child care expenses because that would result in decreased benefits. No action to decrease benefits should be taken based on the decrease in child care expenses because this is not a mandatory mid-period report.

The revised language reads:

Example 4 (CalFresh only): The child care expense for a CalFresh household decreases from \$200 to \$175. At the same time, Mom's income also decreases. The CWD would not evaluate the net result of the two changes. The CWD must act to increase CalFresh benefits based on Mom's decreased income; however, the CWD cannot act to decrease benefits resulting from the decrease in child care expenses because that would result in decreased benefits. No action to decrease benefits should be taken based on the decrease in child care expenses because this is not a mandatory mid-period report. **However, if the report of the change in Mom's income is considered VUR for CalFresh, the CWD must act on the change.**

38. On Page seventy-five, Example 5 states:

Example 5: An AU/household voluntarily reports an increase in income that is under the IRT. The CWD does not act to change benefits based on the reported change, because it would result in decreased benefits. Later in the same semi-annual period, the AU makes a mandatory report of another AU/household member being convicted of a drug felony. When the AU/household reports the drug felony conviction, the benefits must be decreased to reflect the removal of that individual from the AU/household, without reconsideration of the previous voluntary report of increased income. The CWD would not act on the increased income until the following semi-annual period.

The revised language reads:

Example 5: An AU/household voluntarily reports an increase in income that is under the IRT. The CWD does not act to change benefits based on the reported change, because it would result in decreased benefits. Later in the same semi-annual period, the AU makes a mandatory report of another AU/household member being convicted of a drug felony. When the AU/household reports the drug felony conviction, the benefits must be decreased to reflect the removal of that individual from the AU/household, without reconsideration of the previous voluntary report of increased income. The CWD would not act on the increased income until the following semi-annual period. **For CalFresh, if the report of an increase in income is VUR, the CWD must act on the change.**

39. On Page eighty-six, the last sentence of the second to last paragraph states:

If a new household member is reported after the date of application but before aid has been granted, the ~~BDA for the new household member will be the date they were reported in the home.~~

The revised language reads:

If a new household member is reported after the date of application but before aid has been granted, the **new household member is included in the household effective the date of the household's application. The exception is in circumstances in which the new household member comes into the home in the month following the month of application. In that case, the new household member is added effective the first of the month following the month of application. If the report of the new household**

member occurs subsequent to the application being approved, the new household member would be added the first of the following month.

40. On Page eighty-six, the last paragraph states:

When adding new people to current cases, the BDA for the new AU member will depend on when they are reported in the home. If they are reported on the SAR 7, they will be added to the case effective the first of the following SAR Payment Period. If they are reported mid-period, their BDA will be the first of the month after they are reported in the home if it results in an increase to the grant amount, or the beginning of the following SAR Payment Period, if adding them would result in a decrease to the grant amount. Once a sanction is cured, an individual's beginning date for the restoration of aid is the first day of the month following the date the individual contacted the county to indicate his or her desire to cure their sanction.

The revised language reads:

When adding new people to current cases, the BDA for the new AU member will depend on when they are reported in the home. If they are reported on the SAR 7, they will be added to the case effective the first of the following SAR Payment Period. If they are reported mid-period, **for CalWORKs**, their BDA will be the first of the month after they are reported in the home if it results in an increase to the grant amount, or the beginning of the following SAR Payment Period, if adding them would result in a decrease to the grant amount. **For CalFresh, per ACL 13-17 and ACIN I-58-13, a report from the household about a new member is considered VUR and the CWD must be act on the change.** Once a sanction is cured, an individual's beginning date for the restoration of aid is the first day of the month following the date the individual contacted the county to indicate his or her desire to cure their sanction.

41. On Page eighty-seven, in the example on the bottom of the page and continuing on to page eighty-eight read:

A family of three in Region 1 applies for CalWORKs and CalFresh on July 25. Mom has just been laid off and received her last paycheck on July 20. Her total earnings for July are \$2,000. Each child also receives \$200 from absent Dad's disability. The current income puts the family over the applicant income test for CalWORKs and CalFresh, but it appears they would be eligible beginning in August. The application is put on hold and re-evaluated with a beginning date of

aid of August 1. ~~The AU/household's first SAR cycle will be August through January and their first RD/RC will be due in July.~~

The revised language reads:

A family of three in Region 1 applies for CalWORKs and CalFresh on July 25. Mom has just been laid off and received her last paycheck on July 20. Her total earnings for July are \$2,000. Each child also receives \$200 from absent Dad's disability. The current income puts the family over the applicant income test for CalWORKs and CalFresh, but it appears they would be eligible beginning in August. **The AU/household is denied benefits for the month of July and is approved for the second month forward using the same application for benefits.**

If you have any questions regarding this letter, please contact your CalFresh county consultant or call the CalFresh Policy Bureau at (916) 654-1896.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division