

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



October 3, 2006

ALL COUNTY LETTER 06-45

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CALWORKS PROGRAM SPECIALISTS
 ALL WELFARE TO WORK COORDINATORS
 ALL FOOD STAMPS SPECIALISTS
 ALL REFUGEE COORDINATORS
 ALL CHILD CARE COORDINATORS
 ALL CONSORTIA PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO
 KIDS(CalWORKs) CHANGE IN FUNDING OF THE SEPARATE STATE
 PROGRAM (SSP) FOR TWO-PARENT FAMILIES

REFERENCE: All County Letter 99-54; 02-66

This letter provides county welfare departments (CWDs) with instructions and guidelines necessary as a result of the funding changes made to the current SSP for two-parent families in the CalWORKs program. Effective **October 1, 2006**, commingled federal Temporary Assistance for Needy Families (TANF) and state funding will be used for the Two-Parent Program. This letter provides instructions regarding the program eligibility requirements, the aid code definitions, fiscal claiming, data collection and data reporting procedures and forms related to the Two-Parent Program.

BACKGROUND

California established the SSP for Two-Parent families in 1999, funded with State General Fund maintenance of effort (MOE) dollars, to allow the State and counties to focus on creative strategies and service delivery models to ensure these families were appropriately served by the CalWORKs program. It was especially important to focus on this population in light of the high federal TANF work participation rate (WPR) requirement for Two-Parent families of 90 percent that went into effect at that time and the associated federal fiscal penalties that are applied to states that do not meet this rate.

REASON FOR THIS TRANSMITTAL

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

The federal government has not applied a WPR requirement to California's Two-Parent families since 1999 because these families have been in a SSP.

However, under the TANF reauthorization provisions that were established in the federal Deficit Reduction Act of 2005, SSPs funded with State MOE dollars will be subject to WPR requirements effective October 1, 2006. This means that California will receive a federal fiscal penalty in 2008 if Two-Parent families do not meet the 90 percent WPR during federal fiscal year (FFY) 2007.

Although the State has not been subject to the 90 percent Two-Parent WPR requirement the State does calculate the rate that is actually achieved each year. The achieved rate has fluctuated between FFY 1999 and 2005. In FFY 1999, which is the last year California published a WPR for Two-Parent families, the State achieved a WPR of 54.3 percent for Two-Parent families. The preliminary WPR for Two-Parent families in FFY 2005 is 33.6 percent, far below the 90 percent WPR requirement. Therefore, it is imperative that counties make every effort to fully engage these families in welfare-to-work activities for the required number of hours.

CALWORKS ELIGIBILITY FOR TWO-PARENT FAMILIES

There will be no change to the income, resources or any other criteria used to determine CalWORKs eligibility for Two-Parent families in the TANF commingled funded CalWORKS program. All applicants must continue to meet the deprivation requirements as provided for in the CalWORKs regulations. The aid code selected for an assistance unit (AU) will be related primarily to family structure and immigration/citizenship status. Families in the TANF commingled funded program will remain eligible for Medi-Cal and Food Stamps.

TWO-PARENT FAMILIES IN AID CODE 35 AND OTHER TWO PARENT AID CODES

Aid code 35 has been redefined to specify the new funding source. The aid code 35 will now claim these two-parent families as federal commingled funded cases. A two-parent family in aid code 35 is an AU that includes two aided individuals who are non-disabled natural or adoptive parents of the same aided or SSI/SSP minor child (living in the home), unless both parents are aided minors and neither parent is the head-of household.

For purposes of this aid code, the disability determination of a parent is based on the definition of incapacity in Manual of Policies and Procedures (MPP) Section 41-430.

A minor parent is not considered a Head-of Household when aided as a child.

The other Two-Parent codes have not been changed. Aid code 3Y, the diversion aid code used for tracking state only payments, is not subject to the 60 month time limit. The case is also not subject to the federal work participation requirements and will continue to be claimed as a state only program. Aid codes 3M and 3U will continue to be claimed as state only cases because federal law continues to deny federal cash aid to legal immigrants who have entered the country on or after August 22, 1996. State law requires that the individual be aided.

Sanctions/Safety Net: To ease case management and to ensure accuracy of Two-Parent reporting, parent(s) in Two-Parent households who are sanctioned for failure to comply with CalWORKs work requirements will remain coded as a two-parent AU and will NOT be transferred at anytime to either the Zero Parent AU or the All (Other) Families AU caseload.

In addition, Two-Parent families in which only one adult reaches the time limit should not be considered a Safety Net case and should continue to be coded under aid code 35 (or 3M or 3U if the case includes legal Non-Citizens.) Please refer to ACL 02-66 for detailed instructions regarding Safety Net cases.

WELFARE-TO-WORK SERVICES FOR RECIPIENTS

Welfare-to-Work Activities and Supportive Services

Counties are reminded that CalWORKs welfare-to-work requirements still apply to individuals in Two-Parent families. Individuals aided under the TANF commingled funded program will remain subject to CalWORKs regulations contained in MPP 42-700. Individuals participating in welfare-to-work activities, including mental health counseling, substance abuse treatment, and domestic violence services, will continue to receive necessary supportive services, e.g., transportation, ancillary expense and child care services.

Child Care

Changes in funding of the Two-Parent Program will have no programmatic impacts on the Child Care program. Current Two-Parent families receiving Child Care assistance will continue to receive the same level of child care benefits. Counties will continue to use the Child Care Monthly Report – Two-Parent Families (CW 115A) forms and instructions, to claim child care expenditures, however, minor changes will be made. References to the “Separate State Program” on the CW 115A will be deleted. The revised form is available online at the Research and Data Reports web site located at <http://www.dss.cahwnet.gov/research/>. Any necessary claiming instruction changes will be provided to counties in a forthcoming County Fiscal Letter.

FEDERAL TIME CLOCK

Because of the move to federal and state commingled funding, the federal 60-month time clock will start or restart for Two-Parent family cases. The starting or restarting of the federal time clock will be a seamless change to affected recipients. Further, TANF and CalWORKs time limit exemptions will not be affected.

When counties receive out-of-state inquiries requesting time on aid information for former CalWORKs recipients, the counties will be required to report the type of cash aid a recipient received in California, specifically if the aid was TANF funded. According to MPP Section 40-107(5)(B), "Months of assistance provided by TANF funds shall be reported to the other state." Assistance provided by the California state-only programs, such as the previous Two-Parent program, are not subject to the federal TANF 60-month limit, and therefore only time accumulated on the federal 60-month time clock is relevant to out-of-state inquiries. The separate state-only time should not be counted against a recipient's federal time clock when they're applying for aid in another state. However, for two-parent families, time after October 1, 2006 will count toward the federal 60-month time clock.

Effective October 1, 2006, WDTIP will be updated to count the months after October 1, 2006 in aid code 35 towards the TANF 60-month clock. Counties will follow existing processes to update the WDTIP time clock. Specifically, counties will continue to send aid code 35 with other corresponding information to their respective consortia eligibility systems. This information will be sent via nightly batch runs to WDTIP.

To sync up with WDTIP, the consortia will need to make the corresponding changes to their time-on-aid systems. These changes are necessary for aid code 35 to count on the TANF 60-month clock. If the changes are done after the effective date of October 1, 2006, the consortia will need to make the change retroactively.

FISCAL CLAIMING

Beginning with the October 2006 claiming month, CalWORKs two-parent families will be TANF funded, federally claimable and will no longer be a SSP. Aid code 35 will be redefined to modify the description of the funding source.

All two-parent family expenditures (cash grants, administrative costs, and supportive services) will be paid with federal rather than state funds effective October 1, 2006 with the exception of child care and substance abuse/mental health *medical* treatment. Federal Funding is not available for child care expenditures for two-parent families unless the family works a minimum of 55 hours per week and substance abuse or mental health treatment services that are medical in nature are not eligible for TANF funding. Therefore, these expenditures will continue to be paid with State General Funds.

Counties submitting assistance claims for the CalWORKs Two-Parent program should continue to use aid code 35 on the CA 800S NONFED claim form – “Summary Report of Assistance Expenditures California Work Opportunity and Responsibility to Kids (CalWORKs) Assistance, CalWORKs Diversion, and KinGAP Nonfederal”. CDSS will manually shift a fixed monthly amount of the Two-Parent families aid code 35 expenditures and fund it with Federal TANF funds starting with the October 2006 advance payment.

Once counties and CDSS have made the necessary system changes a forthcoming County Fiscal Letter will provide updated claiming instructions.

FEDERAL DATA REPORTING

For federal data reporting purposes, a separate SSP sample is no longer required due to the elimination of the Two-Parent SSP program. The two-parent cases will now be included in the TANF sample. The federal Administration for Children and Families will use the modified sample to calculate a Two-Parent work participation rate as well as an All Family rate.

DATA COLLECTION AND REPORTING

The CDSS will continue to separately collect data on two-parent families despite the removal of these families from SSP. The Department will make minor revisions to the CW Welfare to Work Monthly Activity Report Two-Parent Families (WTW 25A) form to eliminate the reference to the Separate State Program as soon as possible to accommodate the changes described in this letter.

Downloadable and fillable Excel versions of the WTW 25 A form are available on the CDSS, Data Systems and Survey Design Bureau (DSSDB) web site at <http://www.dss.cahwnet.gov/dssdb/>. Adobe Acrobat (PDF) copies of the form and instructions are available on the CDSS, Research and Data Reports web site located at: <http://www.dss.cahwnet.gov/research/>.

The report continues to be due on the 20th calendar day after the report month. Therefore, the first revised report (October 2006 report month) is due on or before November 20, 2006.

If you have questions or need additional information regarding the information in this letter about Welfare to Work, please contact your Employment Bureau county consultant at (916) 654-2137. If you have any questions about an eligibility issue or time limits, please call your CalWORKs county consultant at (916) 654-1322.

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If you have any questions about WDTIP, please call Lori Christensen at (916) 657-2361. For questions about data reporting and/or instructions call your data reports contact at (916) 651-8269. For questions about federal data reporting, please contact Lee Macias of the Federal Data Reporting and Analysis Bureau at (916) 657-3399.

Sincerely,

Original Document Signed
By
CHARR LEE METSKER
Deputy Director
Welfare to Work Division

c: CWDA
CSAC