

## INITIAL STATEMENT OF REASONS

**Explanation of Tandem Regulation Format and Process for Review**

The authority for the Quarterly Reporting/Prospective Budgeting (QR/PB) reporting system is specified in Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statute of 2002), and AB 1402 (Chaptered 398, Statutes of 2003). This regulation package contains a tandem regulation format to allow for the operation of both Monthly Reporting/Retrospective Budgeting (MR/RB) and QR/PB during counties' staggered implementation of Quarterly Reporting (QR) in accordance with the QR/PB Director's Declaration as specified in AB 444 (Chapter 1022, Statutes of 2002). This format is necessary to maintain current monthly reporting (MR) regulations for those counties that are pending QR implementation and will remain in place until all counties have implemented the QR system.

Regulations that become obsolete once QR is implemented in a county have been labeled as (MR) and the QR regulations replacing the MR rule follow. Regulations that become operative under QR are labeled (QR). In addition, each regulation impacted by QR includes a notification that QR regulations will replace the MR regulations once QR is implemented by the county.

Since the regulations designated as MR are existing regulations that have been subject to the rulemaking process upon their original adoption and are only being renumbered, these regulations are not subject to public comment and there will not be an accompanying "Specific Purpose/Factual Basis" for those regulations unless there are amendments other than renumbering being made.

Also, many of the new QR regulations retain the primary intent and substance of the MR requirements, but have been updated to include the appropriate QR terms and references; those regulations will also not be subject to public comment since there will be no change to the purpose or intent of the regulation. The "Factual Basis" for these regulations will read as follows: "This section is necessary to ensure the continuation of current requirements that remain relevant under QR." An example of such a regulation:

Section 40-181.223

(6) Section 40-181.223(MR) shall become inoperative and Section 40-181.223(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a monthly eligibility report as long as the reunification plan remains in place.

(QR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a quarterly eligibility report as long as the reunification plan remains in place.

In certain cases, a QR provision that substantively duplicates the existing MR provision will also contain a change beyond the duplication. In such cases, the "Specific Purpose/Factual Basis" will address the additional provisions, which will be subject to public comment. Where the QR/PB-related change is directly related to a statutory requirement, additional language will be inserted to indicate the authority for the amended or adopted regulation.

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 22-071.12

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 22-071.12. This QR provision also adds a requirement that the county provide CalWORKs recipients adequate notice when their grant is not changed due to a recipient mid-quarter report.

Factual Basis:

This amendment is necessary to ensure the continuation of current MR requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). Under QR rules, when recipients submit a voluntary report, they may anticipate a grant increase. However, under certain circumstances the grant will not increase. Therefore; the recipient needs to be notified of this and given the opportunity to request a hearing.

Section 22-072.2(j)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 22-072.2(j).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002). Note: This section is currently enjoined by the injunction in Saldivar v. McMahan.

Section 22-072.2(1)(QR)

Specific Purpose:

This section is adopted to specify that timely notice is not required when the county determines there will be no change in a recipient's cash aid as a result of a recipient mid-quarter report.

Factual Basis:

This adoption is necessary to clarify that timely notice is not required when there is no change to the amount of the recipient's cash grant as the result of a recipient mid-quarter report. Because the recipient's cash grant is not changed and aid paid pending is not applicable, timely notice is not necessary; however, adequate notice is required, as specified in Section 22-071.12.

Handbook Sections 22-305.422(a)(1), (2), and (3)

Specific Purpose:

These handbook sections are amended to add QR provisions that substantively duplicate, with appropriate QR terms and references, the existing Handbook Sections 22-305.422(a)(1), (2), and (3).

Factual Basis:

These amendments are necessary to continue under QR, existing MR related handbook examples, which remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-036

Specific Purpose:

This section is adopted to establish how tandem regulations will be used, to ensure the continuation of current requirements that remain relevant under QR, and to designate when the monthly reporting (MR) regulations will become inoperative and when the quarterly reporting (QR) regulations will become operative.

Factual Basis:

This adoption is necessary to provide an explanation of when QR regulations will become effective and to comply with the provisions of AB 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statutes of 2002), and AB 1402 (Chapter 398, Statutes of 2003).

Section 40-103.5(QR)

Specific Purpose:

This section is adopted to define the Quarterly Reporting Cycle as three consecutive months.

Factual Basis:

This adoption is necessary to define new terminology used under the QR/PB system and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-103.51(QR)

Specific Purpose:

This section is adopted to define a QR Payment Quarter as the quarter for which cash aid is paid and is the three-month period immediately following the QR Submit Month.

Factual Basis:

This adoption is necessary to define new terminology used under the QR/PB system and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-103.52(QR)

Specific Purpose:

This section is adopted to define the next QR Payment Quarter as the quarter that follows the QR Submit Month.

Factual Basis:

This adoption is necessary to define new terminology used under the QR/PB system and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-103.53(QR)

Specific Purpose:

This section is adopted to define the QR Data Month as the month for which the recipient reports all information necessary to determine ongoing eligibility for CalWORKs cash aid. The QR Data Month is the second month of each QR Payment Quarter.

Factual Basis:

This adoption is necessary to define new terminology used under the QR/PB system and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-103.54(QR)

Specific Purpose:

This section is adopted to define the QR Submit Month as the month in which the QR 7 is required to be submitted to the county. The QR Submit Month is the third month of each QR Payment Quarter.

Factual Basis:

This adoption is necessary to define new terminology used under the QR/PB system and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 40-103.54(QR)

Specific Purpose:

This handbook example is adopted to illustrate how months are arranged in a QR Cycle.

Factual Basis:

This handbook example is necessary to further clarify new QR terms.

Section 40-105.14

Specific Purpose:

Section 40-105.14(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that duplicates in part, with appropriate QR references, the existing Section 40-105.14. This QR provision specifies that applicants shall report any changes that may affect eligibility for cash aid within five days, and recipients shall report any changes required to be reported during the quarter within ten days, and provides cross-references to applicant and recipient reporting requirements regulation sections.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Handbook Section 40-105.222(b)

Specific Purpose:

This handbook section is amended to add a QR provision that substantively duplicates the existing Handbook Section 40-105.222(b).

Factual Basis:

This amendment is necessary to continue under QR an existing MR handbook example that remains relevant under QR.

Section 40-107 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Section 40-107(a)(3)(MR) and Handbook Section 40-107(a)(3)(MR) (Renumbered from Section 40-107.13 and Handbook Section 40-107.13.)

Specific Purpose:

This section and handbook section are amended to provide that they become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 40-107(j)(QR)

Specific Purpose:

This section is being adopted to specify how counties are to establish QR cycles and the time frames in which counties are required to provide the QR 7 to recipients. This section also specifies that the county should align the CalWORKs annual redetermination of eligibility with the Food Stamp certification period and should also align the

redetermination/recertification with the month the QR 7 is due. This section further specifies that the county shall provide the QR 7 at the end of each QR Data Month, but no later than the first day of each QR Submit Month.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 40-107(j)(1)(QR), (2)(QR), and (3)(QR)

Specific Purpose:

These sections are being adopted to specify the county's responsibility to provide written notice to the AU regarding their individual QR cycle, when the QR 7s are due, and for which months the AU is responsible for reporting information.

Factual Basis:

This adoption is necessary for proper program administration to ensure that counties inform recipients of their individual QR cycles, the month their QR 7 is due, and for which months the AU must report information. This notice is necessary to help ensure that recipients meet QR requirements specified in Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-107(j)(3)(A)(QR) and Handbook Section 40-107(j)(3)(A)(QR)

Specific Purpose:

This section is adopted to describe how counties are to establish QR cycles based on the month of application. The handbook section illustrates how counties may choose to establish QR cycles based on the application date.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002). The handbook is necessary for clarity.

Section 40-107(j)(3)(B)(QR) and Handbook Section 40-107(j)(3)(B)(QR)

Specific Purpose:

This section is adopted to describe how counties are to establish QR cycles based on terminal digits (the last digit of an individual's case number). The handbook section illustrates how counties may choose to establish QR cycles based on terminal digits.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002). The handbook section is necessary for clarity.

Section 40-119.2

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-119.2.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 2002, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 40-125.92

Specific Purpose:

Section 40-125.92(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-125.92. This QR provision also clarifies that the applicant must provide the county with a current QR 7 if the county does not have a QR 7 for the quarter in which the applicant was discontinued to ensure the most current information is used to determine the AU's grant. The provision further specifies that AU may be assigned to the previous QR cycle or a new QR cycle based on the date of the most recent request for aid.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and for proper program administration. The amendment is also necessary to clarify that the most current information should be obtained for grant determination purposes and to establish that for restorations, the county may assign the



previous QR cycle or establish a new QR cycle. The amendment is also necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 2002, Statutes of 2002).

Section 40-125.921(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002). Under QR, aid will always be computed prospectively based on the information submitted on the QR 7 making this provision obsolete when QR is implemented.

Sections 40-125.94 and .941 (Section 40-125.941 renumbered from .94a.)

Specific Purpose:

Section 40-125.941(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. These sections are further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Sections 40-125.94 and .941. This QR provision specifies that the county shall determine if good cause exists for late QR 7 reports received after the first working day of the next QR Payment Quarter. Section 40-125.941 is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-125.942 (Renumbered from Section 40-125.94b.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-125.942. Section 40-125.942 is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-125.943 (Renumbered from Section 40-125.94c.)

Specific Purpose/Factual Basis:

Section 40-125.943 is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 40-125.95(QR)

Specific Purpose:

This section is adopted to specify that when a former recipient requests restoration of cash aid after a discontinuance due to excess property, the county shall verify that the AU did not transfer assets for less than fair market value.

Factual Basis:

This adoption is necessary for proper program administration and to ensure that the county verifies that the AU did not transfer assets for less than fair market value when it requests a restoration of cash aid after a discontinuance due to excess property.

Section 40-125.951(QR)

Specific Purpose:

This section is adopted to specify that if an AU requests restoration of cash aid before the effective date of discontinuance, the county shall verify the property spend down and if property eligible, rescind the discontinuance.

Factual Basis:

This adoption is necessary for the fair and equitable treatment of recipients and proper program administration as it ensures that when an AU requests restoration of cash aid, after a discontinuance due to excess property, the county shall verify the property spend down and rescind the discontinuance if the AU is verified to be eligible before the date of discontinuance.

Section 40-125.952(QR)

Specific Purpose:

This section is adopted to specify that if an AU requests restoration after the effective date of discontinuance, eligibility and grant amount is to be determined based on information provided at the time of the request for restoration. Beginning date of aid rules apply. The county may assign the AU to the previous QR cycle, or a new QR cycle based upon the date of restoration.

Factual Basis:

This adoption is necessary for the fair and equitable treatment of applicants and proper program administration as it ensures that when an AU reapplies for cash aid after the effective date of discontinuance, the AU's eligibility and grant amount will be redetermined based on new information provided at the time of the request for restoration.

Section 40-125.96(QR)

Specific Purpose:

This section is adopted to establish that an AU discontinued due to excess income may request restoration of cash aid if a loss or reduction of reasonably anticipated income occurs.

Factual Basis:

This adoption is necessary for the fair and equitable treatment of recipients as it ensures that an AU discontinued for excess income can request restoration of cash aid if a loss or reduction of reasonably anticipated income occurs.

Section 40-125.961(QR)

Specific Purpose:

This section is adopted to specify that if an AU requests restoration of cash aid before the effective date of discontinuance, the county shall determine income eligibility and rescind the discontinuance if the AU is found eligible.

Factual Basis:

This adoption is necessary for the fair and equitable treatment of recipients and proper program administration as it ensures that an AU can request restoration of cash aid if the AU becomes income eligible before the effective date of discontinuance and that the county shall rescind the discontinuance if the AU is determined to be eligible.

Section 40-125.962(QR)

Specific Purpose:

The section is adopted to specify that if an AU requests restoration of cash aid after the effective date of discontinuance, eligibility and grant amount shall be based on the information provided at the time of request for restoration. Beginning date of aid rules apply and the county may assign the AU to the previous QR cycle, or a new QR cycle based on the date of restoration.

Factual Basis:

This adoption is necessary for the fair and equitable treatment of recipients and proper program administration as it ensures that an AU can request restoration of cash aid if the AU becomes income eligible after the effective date of discontinuance however, the AU's eligibility and grant amount level will be redetermined based on new information provided at the time of the request for restoration.

Section 40-131.3 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Section 40-131.3(p)(MR) and Handbook Section 40-131.3(p)(MR) (Renumbered from Section 40-131.3p.)

Specific Purpose:

This section and handbook section are amended to provide that they become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 40-173.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates existing Section 40-173.1. This QR provision also requires a recipient notification when "not changing the amount of the grant," following the submittal of a recipient voluntary mid-quarter report.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that recipients receive notification that their grant has not changed based on information provided in a recipient voluntary mid-quarter report. Under QR rules, when recipients submit a voluntary report, they may anticipate a grant increase. However, under certain circumstances the grant will not increase. Therefore, the recipient needs to be notified of this and given the opportunity to request a hearing.

Section 40-173.8(QR)

Specific Purpose:

This section is being adopted to establish that the county must inform each AU in writing of their Individual Income Reporting Threshold (IRT) at least once per quarter. Additional informing is required when MAP amount changes, when the AU or family MAP size changes, when there is a change of persons who must report income, at redetermination, or upon recipient request.

Factual Basis:

This adoption is necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). This section also provides for consistency with current informing practices.

Sections 40-173.81(QR), .82(QR), and .83(QR)

Specific Purpose:

These sections are adopted to specify that the IRT informing notice must include the requirement to report gross monthly income that exceeds the IRT, the dollar amount of gross monthly income for the family MAP that exceeds the IRT, and the consequences of failing to report.

Factual Basis:

These adoptions are necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 40-181.1(a)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, and updates the existing Section 40-181.1(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 40-181.1(a)(1)(QR)

Specific Purpose:

This section is adopted to establish that under QR, certain eligibility requirements including deprivation, household composition, property, and the transfer of assets or income for less than fair market value is only determined on a quarterly basis based on the information reporting on the QR 7. This section also requires the county to compare any information received mid-quarter from the recipient with that reported on the QR 7.

Factual Basis:

This adoption is necessary to ensure proper program administration and integrity as it ensures consistency and accuracy in reporting. This adoption is also necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 40-181.1(b)(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 40-181.1(d)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR references, the existing Section 40-181.1(d). This QR provision also removes the reference to property from the regulation.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to remove the reference to property because unexpected changes in property will not affect the AU's cash aid during the QR Payment Quarter. This amendment is also necessary to comply with the Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.1(e)(1)

Specific Purpose:

Section 40-181.1(e)(1)(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.1(e)(1).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.1(e)(2)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.1(e)(2).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. The amendment is also necessary to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.1(g)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.1(g). The QR provision also changes the reporting requirement from five days to ten days.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 40-181.212(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 40-181.217(QR)

Specific Purpose:

This section is adopted to specify that if redetermination occurs outside of the QR Data Month, the county shall act mid-quarter to increase, decrease, or discontinue cash aid as appropriate.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265. QR rules prohibiting decreases in cash aid mid-quarter do not supercede the annual redetermination requirement of Welfare and Institutions Code Section 11265.

Handbook Section 40-181.217(QR)

Specific Purpose:

This handbook section is adopted to encourage the county to align the CalWORKs redetermination period with the Food Stamp Program recertification period and to align the annual redetermination with the QR Data Month.

Factual Basis:

This adoption is necessary to advise counties of recommended, although not mandatory, action that should reduce their administrative efforts.



Section 40-181.22

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.22.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and for proper program administration. This amendment is also necessary to comply with Welfare and Institutions Code 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.221 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Section 40-181.221

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.221.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.221(a) (Renumbered from Section 40-181.221a.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.221(a).

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.221(b) (Renumbered from Section 40-181.221b.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.221(b).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.221(d) (Renumbered from Section 40-181.221d.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.221(d).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.221(e) (Renumbered from Section 40-181.221e.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.221(e). This section is further amended to provide the correct name of the child support agency responsible for the collection of child support by changing the "Child Support Enforcement Unit of the District Attorney's Office" to the "Local Child Support Agency."

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as

amended by AB 444 (Chapter 1022, Statutes of 2002). This amendment is also necessary to correctly reference the appropriate agency responsible for child support collection activities.

Section 40-181.222 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 40-181.222(a) et seq. (Renumbered from Section 40-181.222a.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.222(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.223

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.223.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.23

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.23.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.231

Specific Purpose:

Section 40-181.231(MR) is amended for clarity to correct cross-references that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms references, the existing Section 40-181.231.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.231(a)

Specific Purpose:

Section 40-181.231(a)(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.231(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.24

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.24.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, Chapter 1022, Statutes of 2002.

Section 40-181.241(a)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing duplicated from Section 40-181.241(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(a)(1)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(a)(1).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(a)(2)(MR) et seq.

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Section 11265.1(e)(1), as amended by AB 444 (Chapter 1022, Statutes of 2002), which provides no exceptions to the requirement that the quarterly report be signed no earlier than the first day of the QR submit month.

Section 40-181.241(b)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(b).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(c)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(c). This QR provision also adds a requirement to specify that the QR 7 form shall be signed under penalty of perjury.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.1(d), as amended by AB 444 (Chapter 1022, Statutes of 2002) which requires that the quarterly report form is signed under penalty of perjury.

Section 40-181.241(e)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(e). This provision further specifies that income reasonably anticipated to be received during the next QR Payment Quarter shall be reported.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(f)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(f).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(g)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.241(g).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(h)

Specific Purpose:

Section 40-181.241(h)(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.241(h).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.241(i)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.241(i), and the cross-reference is corrected from Section 44-133.71 to Section 89-201.5. Section 40-181.241(i)(MR) is further amended for clarity to correct a cross-reference that was inadvertently not renumbered when the referenced section was renumbered.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 40-181.242 and .243(a)

Specific Purpose/Factual Basis:

These sections are amended for clarity to correct cross-references that are being renumbered in this filing.

Section 40-181.244

Specific Purpose:

Section 40-181.244(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.244.



Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.25

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.25.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.251

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.251.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.252

Specific Purpose:

Section 40-181.252(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.252.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and for the proper administration of the program. This amendment is also necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.252(a)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.252(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.252(f)

Specific Purpose:

Section 40-181.252(f)(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.252(f).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-181.253

Specific Purpose:

Section 40-181.253(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.253.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

## Section 40-181.26

### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 40-181.26. This QR provision also updates the cross-reference relative to child support disregard payments from Section 43-203.11 to Section 82-520.2.

### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to provide the correct cross-reference regarding child/spousal disregards payments. This amendment is also necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

## Section 40-181.312

### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.312.

### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

## Section 40-181.32

### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-181.32.

### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-188.14

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 40-188.14.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 40-190.21(QR)

Specific Purpose:

This section is adopted to require in Intercounty Transfer cases, that the second county shall establish the recipient's quarterly reporting cycle and that this cycle may differ from the first county's quarterly reporting cycle. Existing Sections 40-190.21, .22 et seq., .23, and .24 and existing Handbook Section 40-190.231 and renumbered to Sections 40-190.22, .23 et seq., .24, and .25 and Handbook Section 40-190.241.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002). The renumbering is necessary to accommodate the addition of the new Section 40-190.21(QR).

Section 41-405.11(QR)

Specific Purpose:

This section is adopted to add a QR provision that provides when deprivation ceases mid-quarter, the county shall not take mid-quarter action. Any change in deprivation shall be reported on the QR 7 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next QR Payment Quarter.

Factual Basis:

This adoption is necessary to ensure mid-quarter changes in deprivation are not acted on mid-quarter and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 41-405.2(MR) et seq.

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary because QR/PB provides for a period of readjustment by not allowing counties to terminate aid to an AU when deprivation ceases until the end of a quarter. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-209.1

Specific Purpose/Factual Basis:

This section is numbered to Section 42-209.1 to allow for the addition of a new Section 42-209.2(QR). This renumbering is necessary to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 42-209.2(QR)

Specific Purpose:

This section is adopted to differentiate nonrecurring lump sum income as property in the month of receipt and any subsequent month under Quarterly Reporting.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 42-213.11 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 42-213.11(h) (Renumbered from Section 42-213.11h.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates the existing Section 42-213.11(h). This QR provision is also amended to provide that after the initial eligibility determination, the county shall only make a determination when the county receives information on the QR 7 that there has been a change.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-213.411(QR)

Specific Purpose:

This section is adopted to add a QR provision that specifies that the county shall not act during the QR Payment Quarter if the exemption period for a home of an applicant who has entered into marital separation, ends during the quarter. The home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, and Statutes of 2002).

Section 42-213.421(QR)

Specific Purpose:

This section is adopted to add a QR provision that specifies that the county shall not act during the QR Payment Quarter if the exemption period for a home of a recipient who has entered into a marital separation ends during the quarter. The home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, and Statutes of 2002).

Section 42-221.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 42-221.1. This QR provision also eliminates the reference to income that is transferred or given away for less than fair market value and adds "including cash" as a parenthetical clarifier.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003).

This amendment is also necessary to remove the reference to income (disposed of for less than fair market value), because the type of income in question would have been nonrecurring lump sum income disposed of in the month received for the period of ineligibility to have been applicable. Welfare and Institutions Code Sections 11265.1, 11265.2, and 11265.3 require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt, and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 42-221.4

Specific Purpose:

This section is amended to provide that Section 42-221.4(MR) will become inoperative under QR. This section is further amended to add a QR provision that specifies that nonrecurring lump sum income/payments shall be treated as property and shall be subject to the period of ineligibility rules for transfer of property for less than fair market value.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 42-221.41

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 42-221.41. This QR provision specifies that income will be considered nonrecurring if all of the following apply.

Factual Basis:

This amendment is necessary to remove the reference to transfer of period of ineligibility as it relates to nonrecurring lump sum income because it is no longer applicable. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 42-221.42 et seq.

Specific Purpose:

Sections 42-221.423(MR) and .424(MR) are amended for clarity to correct cross-references that are being renumbered in this filing. This section is further amended to provide that it will become inoperative under QR.



Factual Basis:

This amendment is necessary to ensure removal of regulations relevant to how the POI for transfer of income is determined, as they will become obsolete under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Handbook Section 42-221.5(MR) et seq.

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to remove a handbook example that will become obsolete under QR.

Section 42-221.61

Specific Purpose:

This section is amended to add QR provisions that duplicate, in part, the existing Section 42-221.61. This QR provision eliminates the term "income" and specifies that when the family has transferred property which results in a period of ineligibility, the period of ineligibility begins as listed in the following subsections.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to remove a reference to a transfer of income that is not relevant under QR (see Factual Basis for Section 44-221.4) and to require counties to continue to apply and begin the period of ineligibility when a family transfers property. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003).

Section 42-221.611(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to remove a provision that will become obsolete under QR. Cash aid will not be suspended during the QR payment quarter as grants are established for the entire quarterly period. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.612

Specific Purpose:

This section is amended to add QR provisions that duplicate, in part, the existing Section 42-221.612. The QR provision replaces the phrase "is two months or more" with "has been determined."

Factual Basis:

This amendment is necessary to eliminate the reference to two months because such reference will be obsolete since there will no longer be suspense months under QR. Cash aid will not be suspended during the QR payment quarter as grants are established for the entire quarterly period. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.612(a)

Specific Purpose:

This section is amended to add QR provisions that duplicate, in part, the existing Section 42-221.612(a). The QR provision requires that when a period of ineligibility has been determined, aid shall be discontinued and the period of ineligibility shall begin the first month of the next QR Payment Quarter following the transfer and shall continue for the determined number of months of ineligibility. It further provides that any aid received by the AU during the ineligible months of the quarter is an overpayment.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and that a discontinuance resulting from a period of ineligibility will not begin until the first of the month of the next QR Payment Quarter following the transfer and shall continue for the determined number of months of ineligibility. This amendment is also necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.612(b)(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This section is necessary to remove a provision that will no longer be applicable under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.613

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 42-221.613. The QR provision deletes the term "suspend" and adopts new terminology used under QR/PB to specify that when the transfer is discovered too late to discontinue for the first month of the QR Payment Quarter, the period of ineligibility shall begin the first of the month within the QR Payment Quarter after timely and adequate notice is given and any aid received by the AU during the ineligible month(s) of the current quarter is an overpayment.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.614

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 42-221.614. This QR provision specifies that when the transfer is in the first or second month of aid, any resulting period of ineligibility shall begin the first month of the next QR Payment Quarter and shall continue for the determined number of months.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-221.7

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates the existing Section 42-221.7. This QR provision also deletes the term "income" to specify that transfer of property shall not apply to applicants.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to remove a reference to "income" that is not relevant in this context under QR (see Factual Basis for Section 44-221.4). This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003).

Section 42-302.2

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates the existing Section 42-302.2. This QR provision also deletes the reference to Reduced Income Supplemental Payments (RISP) (Section 44-400).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Sections 42-302.21(g)(1)(F) and .33

Specific Purpose/Factual Basis:

These sections are amended for clarity to correct cross-references that are being renumbered in this filing.

Section 42-406.24

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 42-406.24.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-407.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 42-407.1. This section is further amended to include recipient mid-quarter reports as part of other information known to the county which can be used to compare information for inconsistencies.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-716.851

Specific Purpose:

This section is amended to provide that Section 42-716.851(MR) will become inoperative under QR. This section is further amended to add a QR provision that provides the authority to counties to begin grant-based OJT placements mid-quarter.

Factual Basis:

This amendment is necessary to remove a provision that will no longer be applicable under QR because all grants are prospective budgeted under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-721.414(QR)

Specific Purpose:

This section is adopted to add a QR provision that specifies that, under QR, financial sanctions are county-initiated mid-quarter changes.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-721.483(QR)

Specific Purpose:

This section is adopted to specify that restoration of aid to a sanctioned individual who has corrected his/her welfare-to-work participation problem is a county-initiated mid-quarter change under QR and to clarify the beginning date for the restoration of aid.

Factual Basis:

This adoption is necessary to ensure that cash aid is restored as soon as permitted for an individual who has corrected his welfare-to-work participation problem and who is otherwise eligible. This adoption is also necessary to provide cross-references to Sections 44-316.331(c)(QR) and 44-318.13(QR) which, respectively, instruct counties that the restoration of aid to a sanctioned individual who has corrected his/her welfare-to-work participation problem is a county-initiated mid-quarter change under QR and that aid is to be restored beginning the first of the month following the date the person meets the requirement which caused the individual to be excluded from the AU, after all other eligibility conditions have been met. This adoption is also authorized under Welfare and Institutions Code Section 11265.2(d), as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-751.4(e)(4)(QR)

Specific Purpose:

This section is adopted to specify the time frames for recouping supportive services overpayments by grant adjustment.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 42-769.4

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates the existing Section 42-769.4. This QR provision deletes the reference to Reduced Income Supplement Payments which will no longer be relevant under QR.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 42-769.5(QR)

Specific Purpose:

This section is adopted to add a QR provision that requires that Cal-Learn bonuses and sanctions be considered county-initiated mid-quarter changes as described in Section 44-316.33(QR).

Factual Basis:

This adoption is necessary to avoid any delay in the payment of Cal-Learn bonuses or application of Cal-Learn sanctions and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-101 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Section 44-101(a)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-101, introductory paragraph. This section is further amended to include the evaluation of reasonably anticipated income as available income to the family.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) which require anticipated income to be considered in determining available income.

Section 44-101(b)(1)(D) (Renumbered from Section 44-101.114.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-101.114. This section is further amended to add a provision that specifies that if these funds are paid as a nonrecurring lump sum payment, they shall be treated as property.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-101(b)(2)(C) (Renumbered from Section 44-101.123.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-101.123. This section is further amended to add a provision that specifies that if these funds are paid as a nonrecurring lump sum payment, they shall be treated as property.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively



budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-101(c)(QR) et seq.

Specific Purpose:

This section is being adopted to define "reasonably anticipated income" in the QR/PB System.

Factual Basis:

The adoption of this section is necessary to define new terminology used under the QR/PB System and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-101(l) (Renumbered from Section 44-101.12.)

Specific Purpose:

This section is amended to provide that Section 44-101(l)(MR) will become inoperative under QR. This section is further amended to require that lump sum payments be considered as property in the QR/PB System.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-101(m)(QR) et seq.

Specific Purpose:

This section is being adopted to define the "income reporting threshold" in the QR/PB System.

Factual Basis:

The adoption of this section is necessary to define new terminology used under the QR/PB System and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Ch. 398, Stats. of 2003).

Section 44-102 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-102.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-102.1, introductory paragraph. This section is further amended to include reasonably anticipated income as being available to meet the needs of the AU.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to require the county to include reasonably anticipated income when determining CalWORKs eligibility and grant amounts and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-102.14 et seq. (Renumbered from Section 44-102d.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-102.14 et seq. This section is further amended to provide that reasonably anticipated monthly recurring unearned governmental benefits be considered available income to meet the needs of the AU in accordance with Section 44-315.31(QR).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to require the county to include reasonably anticipated monthly recurring unearned governmental benefits as income in accordance with Section 44-315.31(QR), when determining CalWORKs eligibility and grant amounts. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-111.2

Specific Purpose/Factual Basis:

This section is amended for clarity to correct cross-references that are being renumbered in this filing.

Section 44-111.472

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-111.472. This section is further amended to include child support reasonably anticipated to be received in the payment quarter as countable income.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to require the county to include reasonably anticipated child support payments when determining CalWORKs eligibility and grant amounts. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-113.211, .212, and .212(a)(2)

Specific Purpose:

These sections are amended to add QR provisions that substantively duplicate, with appropriate QR terms and references, the existing Sections 44-113.211, .212, and .212(a)(2). These sections are further amended to include income and self-employment expenses reasonably anticipated to be received in the QR Payment Quarter as countable income.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under QR and to require the county to include reasonably anticipated income and self-employment expenses when determining CalWORKs eligibility and grant amounts. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.213

Specific Purpose:

Section 40-105.14(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-113.213.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR.

Section 44-113.214

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-113.214. This section is further amended to require the application of the \$225 income disregard to the monthly disability-based unearned income reasonably anticipated to be received in the QR Payment Quarter.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to require that the \$225 income disregard be applied to the monthly disability-based unearned income reasonably anticipated to be received in the QR Payment Quarter. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.215

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-113.215. This section is further amended to require the application of any remainder of the \$225 disregard to the reasonably anticipated

total monthly earned income the family reasonably anticipated to be received in the QR Payment Quarter.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to specify that any remainder of the \$225 disregard shall be applied to the reasonably anticipated total monthly earned income that the family reasonably anticipates to receive in the QR Payment Quarter. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 44-113.22

Specific Purpose:

This handbook section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Handbook Section 44-113.22. This handbook section illustrates the application of income disregards to reasonably anticipated earned income.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under the QR/PB System and to provide an example as to how income disregards are applied to reasonably anticipated income.

Sections 44-113.31 and .32

Specific Purpose:

These sections are amended to add QR provisions that substantively duplicate, with appropriate QR terms, the existing Sections 44-113.31 and .32. These sections are further amended to specify that income from social security or railroad retirement benefits and income from other types of pensions are those amounts reasonably anticipated to be received during the QR Payment Quarter.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under QR and to specify that income from social security or railroad retirement benefits and income from pensions are those amounts reasonably anticipated to be received during the QR Payment Quarter. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.4 et seq. (Renumbered from Section 44-113.5 et seq.)

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-113.411 (Renumbered from Section 44-113.5(a).)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-113.5(a). This section is further amended to specify that net income from an unrelated adult male includes cash that is reasonably anticipated to be given to the AU in the QR Payment Quarter that is available to meet the needs of the AU.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that cash from an unrelated adult male that is reasonably anticipated to be given to the AU in the QR Payment Quarter is net income to the AU. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.412 (Renumbered from Section 44-113.5(b).)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-113.5(b). This section is further amended to include as net income to the AU the value of full items of need reasonably anticipated to be provided in kind by the unrelated adult male in the QR Payment Quarter.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that the value of full items of need reasonably anticipated to be provided to the AU in kind by unrelated adult male in the QR Payment Quarter be considered net income to the AU. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.42 (Renumbered from Section 44-113.51.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-113.51. This section is further amended to specify that the cash being referred to in the regulation is that which is reasonably anticipated to be given to the AU in the QR Payment Quarter.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that the type of cash being referred to in the regulation is that which is reasonably anticipated to be given to the AU in the QR Payment Quarter. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-113.5 (Renumbered from Section 44-113.7.)

Specific Purpose:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. This section is amended to add a QR provision that duplicates in part with appropriate QR terms and references, the existing Section 44-113.7. This section is further amended to specify that the child/spousal support being referred to is that which is reasonably anticipated to be paid to the AU by the absent parent during the QR Payment Quarter. This section also omits reference to child/spousal support collected by the county which is no longer passed on to the AU.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that the child/spousal support being referred to is that which is reasonably anticipated to be paid to the AU during the QR Payment Quarter. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002). Section 44-113.5 is further amended to remove the obsolete reference to treatment of child support collected by the county and paid to the AU pursuant to Section 82-520.4.

Section 44-113.6 et seq. (Renumbered from Section 44-113.8 et seq.)

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-113.61 (Renumbered from Section 44-113.81.)

Specific Purpose:

This section is amended to provide that Section 44-113.81(MR) will become inoperative under QR. This section is further amended to require that lump sum retirement contributions be treated as property in the QR/PB System.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-113.62 (Renumbered from Section 44-113.82.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-113.82. This QR provision also adds a requirement that if the interest payment retirement contributions is nonrecurring, it shall be treated as property.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.



Section 44-113.7 (Renumbered from Section 44-113.9.)

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-113.8 et seq. (Renumbered from Section 44-113.10 et seq.)

Specific Purpose:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-113.10. This QR provision also adds a requirement that if the portion of the payment that exceeds the value of the converted property is nonrecurring it shall be treated as property.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-115.11

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-115.11.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

### Section 44-115.12

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-115.12. This QR provision also includes the QR concept of reasonably anticipated receipt of free board and lodging during the QR Payment Quarter.

#### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure the consideration as income of reasonably anticipated free board and lodging. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

### Section 44-115.21

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-115.21. This QR provision also includes the QR concept of reasonably anticipated receipt of the income in kind during the QR Payment Quarter.

#### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to provide for the consideration of reasonably anticipated income in kind from a nonneedy relative. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

### Section 44-115.32

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-115.32. This QR provision also includes the QR concept of reasonably anticipated receipt of the income item in question.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 44-133.54

Specific Purpose:

These handbook examples are amended to add QR provisions that substantively duplicate, with appropriate QR terms, the existing Handbook Section 44-133.54. These QR handbook provisions also include the QR concept of reasonably anticipated receipt of the income during the QR Payment Quarter.

Factual Basis:

These amendments are necessary to ensure the continuation of current handbook material that remains relevant under QR and to provide examples of QR financial eligibility and grant computations.

Section 44-205.1 et seq. (Renumbered from Section 205.6 et seq.)

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-205.121(a) and Handbook Section 44-205.121(a) (Renumbered from Section 44-205.63a. and Handbook Section 44-205.631a.)

Specific Purpose:

This section and handbook section are amended to add a QR provision that allows for the addition of the newborn into the AU on the first of the month following the report of the birth and the grant increases due to the addition of the child and all conditions of eligibility have been met.

Factual Basis:

This section and handbook section are amended to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-205.122(a) (Renumbered from Section 44-632a.)

Specific Purpose:

This section is amended to add a QR provision that allows for the addition of the unaided father of the newborn into the AU on the first of the month following the report of the birth if the grant increases due to the addition of the unaided father and all conditions of eligibility have been met.

Factual Basis:

This section is amended to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-205.7(MR) et seq.

Specific Purpose:

This section regarding the establishment of a separate FBU when the existing FBU is in a period of ineligibility resulting from receipt of lump sum income will become inoperative under QR.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-207.21 et seq.

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 44-207.21. This QR provision includes the QR concept of reasonably anticipated receipt of income during the QR Payment Quarter. It also adds a requirement that an AU will remain financially eligible if its income does not exceed the family's MAP level for more than one month of the QR Payment Quarter.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-207.23

Specific Purpose:

This section is amended to provide that Section 44-207.23(MR) will become inoperative under QR. This section is further amended to add a QR provision that, once financial eligibility is established by the AU for the QR Payment Quarter, it will continue unless the AU's income exceeds its IRT and the family's reasonably anticipated monthly income for the remainder of the quarter exceeds the AU's MAP.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-207.24

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-207.24. This QR provision also incorporates the QR concept of reasonably anticipated income and allows for the rescinding of the discontinuance if the reasonably anticipated income that exceeded the AU's MAP will not continue.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-207.3(MR) et seq.

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to remove a provision that will no longer be applicable under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 389, Statutes of 2003) which require that income be prospectively budgeted and reasonably anticipated to be received in order to determine grant amount for a future period. Nonrecurring lump sum income, by definition, will not continue beyond the date of receipt and it cannot be reasonably anticipated to continue for purposes of QR/PB. Therefore, under QR requirements, nonrecurring lump sum income cannot affect the grant in the month in which it is received or the remaining months of the quarter. Therefore, it can only be treated as property and such treatment in CalWORKs will also be compatible with the Food Stamp Program requirements.

Section 44-211.11

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR references, the existing Section 44-211.11. This QR provision adds a cross-reference to Section 44-316.314(QR).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to provide a cross-reference for clarity. This amendment is also necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-211.2

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-211.2.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-211.63 et seq. and .641

Specific Purpose:

These sections are amended to add QR provisions that substantively duplicate, with appropriate QR terms references, the existing Sections 44-211.631, .632, .633, and .64. These QR provisions also provide that the pregnancy special need may continue through the end of the quarter in which the child is expected to be born. If the child is added to the AU following a voluntary mid-quarter report, the pregnancy special need shall be discontinued at the end of the month prior to the month the child is added.

Factual Basis:

These amendments are necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-211.642(QR)

Specific Purpose:

This section is adopted to specify that pregnancy is only verified when first reported and when the pregnancy continues beyond the originally estimated date of birth.

Factual Basis:

This adoption is necessary to provide clarity by establishing guidelines for the verification of pregnancy.

Section 44-304.511

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-304.511 which pertains to when warrants shall be available to recipients.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-304.512

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-304.512 which pertains to when warrants shall be available to recipients.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-304.52

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-304.52 which pertains to when warrants shall be available to recipients.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-305.231

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-305.231 which pertains to when warrants shall be available to recipients.

Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).



## Section 44-313 (Introductory Paragraphs)

### Specific Purpose:

This section is amended to duplicate, in part, Section 44-313 (Introductory Paragraphs) and to render the existing references to retrospective budgeting inoperative under QR. This QR provision is also amended to specify that prospective budgeting is the budgeting method used for QR and to add the QR concept of reasonably anticipated income.

### Factual Basis:

This amendment is necessary to continue current requirements that remain relevant under the QR and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

## Section 44-313.11

### Specific Purpose:

This section is amended to add a QR provision that duplicates in part with appropriate QR terms and references, the existing Section 44-313.11. This QR provision also incorporates the QR concept of reasonably anticipated income used to determine aid for the QR Payment Quarter and also specifies an exception when actual income is used in conjunction with reasonably anticipated income to determine an aid payment.

### Factual Basis:

This section is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

## Section 44-313.121

### Specific Purpose:

This section is amended to provide that Section 44-313.121(MR) will become inoperative under QR. This section is further amended to add a QR provision that requires that prospective budgeting be used to compute the grant for the QR Payment Quarter.

### Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-313.122 and .123

Specific Purpose:

These sections are amended to provide that they will become inoperative under QR.

Factual Basis:

These amendments are necessary because the sections will be obsolete under QR since all months of aid shall be computed using prospective budgeting. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-313.2(MR) et seq. and .3(MR)

Specific Purpose:

Section 44-313.221(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. These sections are further amended to provide that they will become inoperative under QR.

Factual Basis:

These amendments are necessary because the sections will be obsolete under QR since all months of aid shall be computed using prospective budgeting. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-313.41

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 44-313.41, but requires the use of prospective budgeting in all instances of adding a new person to an existing AU in accordance with Section 44-316.312(QR).

Factual Basis:

This amendment is necessary to ensure that prospective budgeting is used in all cases of adding new persons to an existing AU in accordance with Section 44-316.312(QR) and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-313.411(MR), .412(MR), and .413(MR), and Handbook Sections 44-313.412(MR), .413(MR), and .421(MR)

Specific Purpose:

Section 44-313.411(MR) and Handbook Section 44-313.413(MR) are amended for clarity to correct cross-references that are being renumbered in this filing. These sections and handbook sections are amended to provide that they will become inoperative under QR.

Factual Basis:

These amendments are necessary as these sections will become obsolete under QR because there are no provisions for retrospective budgeting. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-313.42

Specific Purpose:

This section is amended to add a QR provision that duplicates in part the existing Section 44-313.42. This section is further amended to require that the income of an individual deleted from an AU is not to be considered income to the AU except as specified in the subsections of this section.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-313.421

Specific Purpose:

This section is amended to add a QR provision that duplicates in part, the existing Section 44-313.42. The QR provision replaces the term "retrospective budget" with "prospective budget."

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002), which requires prospective budgeting as the method to compute aid.

Section 44-313.61

Specific Purpose:

This section is amended to add a QR provision that prospective budgeting shall continue to be used for those recipients who transfer from the Refugee cash assistance to a CalWORKs recipient. This section is further amended to provide that the MR provision shall become inoperative under QR.

Factual Basis:

As provided in MPP Section 69-205.11, the Refugee Cash Assistance Program uses the CalWORKs budgeting methods which require prospective budgeting under QR. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002), which requires prospective budgeting as the method to compute aid.

Section 44-313.62(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary because this section will become obsolete under QR because there are no provisions for retrospective budgeting. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-314.11

Specific Purpose:

Section 44-314.11(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-313.42, and to provide that the section which references suspense months will become inoperative under QR.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and the deletion of the reference to suspense months is necessary because it will become obsolete under QR. Cash aid will not be suspended during the QR payment quarter as grants are established for the entire quarterly period. This amendment is

also necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.31(QR)

Specific Purpose:

This section is adopted to specify that reasonably anticipated monthly income shall be used to determine cash aid for the QR Payment Quarter.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.311 et seq.

Specific Purpose:

This section is adopted to establish that income shall be considered to be reasonably anticipated if the county determines that the income has been or will be approved or authorized within the next QR Payment Quarter, or the household is reasonably certain that the income will be received within the QR Payment Quarter, and the amount of the income is known.

Factual Basis:

This section is adopted to define reasonably anticipated income and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.312

Specific Purpose:

This section is adopted to specify that the county may require the recipient to provide one or more months of the previous quarter's income when the county needs more information to determine what income is reasonably anticipated for the next QR Payment Quarter.

Factual Basis:

This adoption is necessary to allow counties to request additional information from the recipient in order to determine reasonably anticipated income for the next QR Payment Quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2(c) and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.313

Specific Purpose:

This section is adopted to establish that income which is uncertain or cannot be reasonably anticipated will not be counted when determining income eligibility and cash aid. This section also provides a reference section for the definition of reasonably anticipated income.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002), which requires counties to use reasonably anticipated income to calculate cash aid.

Section 44-315.314

Specific Purpose:

This section is adopted to require the county to determine whether the reasonably anticipated income as reported for the QR Data Month will continue or be different for one or more months of the next QR Payment Quarter.

Factual Basis:

This adoption is necessary to ensure that the county determines whether the income reported for the Data Month will continue or be different for one or more months in the next QR Payment Quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.315(QR)

Specific Purpose/Factual Basis:

This adoption is necessary to establish a category of requirements related to income that is expected to continue in the next QR Payment Quarter and used to determine a monthly income amount to be used in CalWORKs cash aid for the QR Payment Quarter.

Section 44-315.315(a)(QR)

Specific Purpose:

This section is adopted to establish that for income that is expected to continue, the county shall add weekly or bi-weekly Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor is applied.

Factual Basis:

This adoption is necessary to establish a procedure that will enable counties to arrive at an average weekly or bi-weekly amount when income is expected to continue, to which the conversion factor is applied. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.315(a)(1)(QR)

Specific Purpose:

This section is adopted to establish that if an AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that no changes in income are anticipated in the upcoming quarter compared to the Data Month income, and the county is in agreement with the AU's report, the county shall compute their income into an average weekly or bi-weekly amount as specified in Section 44-315.315(a)(QR).

Factual Basis:

This adoption is necessary to instruct the county to convert the AU's reported income into an average weekly or bi-weekly amount as specified in Section 44-315.315(a)(QR) when the AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and does not anticipate any changes in income in the upcoming quarter compared to the Data Month income reported on the QR 7, and the county is in agreement. The conversion into an average weekly or bi-weekly income amount is needed in order to apply the weekly or bi-weekly conversion factors provided in Section 44-315.315(b)(QR). This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-315.315(a)(2)(QR)

Specific Purpose:

This section is adopted to establish that if an AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and anticipates changes in income in the upcoming quarter, but the county determines in its follow-up review that the AU's reasonably anticipated income for the next QR Payment Quarter will not change from what was reported in the Data Month on the QR 7, the county shall convert the AU's income into an average weekly or bi-weekly amount as specified in Section 44-315.315(a)(QR).

Factual Basis:

This adoption is necessary to instruct the county to convert the AU's income into an average weekly or bi-weekly amount, as specified in Section 44-315.315(a)(QR), when the AU reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming quarter, but the county determines in its

follow up review that the AU's reasonably anticipated income in the next QR Payment Quarter will not change from what was reported in the Data Month on the QR 7. The conversion into an average weekly or bi-weekly income amount is needed in order to apply the weekly or bi-weekly conversion factors provided in Section 44-315.315(b)(QR). This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 44-315.315(a)(QR)

Specific Purpose/Factual Basis:

The handbook examples are adopted to illustrate when and how weekly and bi-weekly income is averaged. These adoptions are necessary for clarity.

Section 44-315.315(b)(QR)

Specific Purpose:

This section is adopted to specify that the average weekly and bi-weekly amounts shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.

Factual Basis:

This adoption is necessary to provide mathematically accurate weekly and bi-weekly conversion factors that will enable counties to convert weekly and bi-weekly payments to a monthly amount that is required for QR budgeting purposes. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002), which requires counties to reasonably anticipate income.

Section 44-315.315(c)(QR) and Handbook Section 44-315.315(c)(QR)

Specific Purpose:

This section is adopted to specify that the 4.33 and 2.167 conversion factors can be used only if the reasonably anticipated weekly and bi-weekly payments are reasonably anticipated to be paid throughout the entire QR Payment Quarter (for each week or for every other week). This section also specifies that for reasonably anticipated income that is not reasonably anticipated to be paid weekly or bi-weekly for one or more months of the QR Payment Quarter, the total reasonably anticipated monthly income amounts shall be added together and averaged over the QR Payment Quarter. A handbook example is adopted to illustrate when the conversion factor would not be applied.



Factual Basis:

This adoption is necessary for proper treatment of income as it ensures that the conversion factors are not used when income is not paid on a weekly or bi-weekly basis throughout the entire payment quarter (for each week or for every other week). This adoption is also necessary to ensure that for income that is not paid weekly or bi-weekly for one or more months of the QR Payment Quarter, the total reasonably anticipated monthly income amounts shall be added together and averaged over the QR Payment Quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002), which requires counties to reasonably anticipate income. The handbook example is necessary for clarity.

Section 44-315.315(d)(QR) and Handbook Section 44-315.315(d)(QR)

Specific Purpose:

This section is adopted to specify that for income that is received monthly or semi-monthly and is expected to continue, the county shall use the total monthly income amount reported on the QR 7 for the QR Data Month to calculate cash aid for the next QR Payment Quarter. This section is also adopted to specify that conversion factors are not used for income that is received monthly or semi-monthly. A handbook example is adopted to illustrate how monthly income is used to calculate cash aid.

Factual Basis:

This adoption is necessary for proper treatment of income as it instructs counties to use the total monthly income amount reported on the QR 7 for the Data Month to calculate cash aid for the next QR Payment Quarter when income is received monthly or semi-monthly and is expected to continue. This adoption is also necessary to require that conversion factors not be used for income that is received monthly or semi-monthly and to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) which requires counties to reasonably anticipate income. The handbook example is necessary for clarity.

Section 44-315.316(QR) and Handbook Section 44-315.316(QR)

Specific Purpose:

This section is adopted to specify that when income is reasonably anticipated to be different for one or more months of the QR Payment Quarter, the monthly income amounts shall be averaged by adding each month's total income and dividing that total by the number of months in the QR Payment Quarter. If this income is paid on a weekly or bi-weekly basis, the county shall determine the number of pay periods and their amounts reasonably anticipated to be received during each month of the QR Payment Quarter to compute the reasonably anticipated income total for each month. The handbook example is provided to illustrate how such income would be computed.

Factual Basis:

This adoption is necessary to instruct counties on how to determine the reasonably anticipated monthly income when the income is expected to be different for one or months of the QR Payment Quarter. This section is also adopted to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) which requires counties to reasonably anticipate income. The handbook example is provided for clarity.

Section 44-315.317(QR)

Specific Purpose:

This section is adopted to specify that when a recipient mid-quarter report or a county initiated action changes the amount of cash aid, the county shall determine the grant amount by adding the monthly income of the remaining months of the QR Payment Quarter then dividing by the number of months remaining the QR Payment Quarter. The reasonably anticipated monthly income shall be used to calculate cash aid for the remainder of the QR Payment Quarter.

Factual Basis:

This adoption is necessary to instruct counties on how to arrive at the reasonably anticipated income used to calculate cash aid for the remainder of the QR Payment Quarter when a recipient mid-quarter report or a county initiated action changes the amount of cash aid. This adoption is necessary to comply with Welfare and Institution Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code 11265.3 as amended by AB 1402 (Chapter 398, Statutes of 2003).

Sections 44-315.32 through .38

Specific Purpose/Factual Basis:

These sections are renumbered to allow for the addition of a new Section 44-315.31(QR).

Handbook Section 44-315.39 (Renumbered from Handbook Section 44-315.38.)

Specific Purpose:

This handbook section is amended to add QR provisions that duplicate in part, with appropriate QR terms and references, the existing Handbook Section 44-315.39. One QR example relates to when an AU has stable monthly income, a second example pertains to an AU that has fluctuating income, and a third example illustrates a computation related to mid-quarter changes to benefits.

Factual Basis:

This amendment is necessary for clarity as it provides examples of grant computations based on stable income, fluctuating income, and mid-quarter recipient reports.

Sections 44-315.5 and .721

Specific Purpose/Factual Basis:

These sections are amended for clarity to correct cross-references that are being renumbered in this filing.

Section 44-315.8 et seq.

Specific Purpose:

Section 44-315.83(MR) is amended for clarity to correct a cross-reference that is being renumbered in this filing. This section is amended to provide that it will become inoperative under QR.

Factual Basis:

These amendments are necessary because the provisions become obsolete under QR. Aid will not be suspended during the QR Payment Quarter, as grants are established for an entire quarterly period. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316 and Title

Specific Purpose/Factual Basis:

The section title is amended to reflect the addition of new requirements for county actions. This section is also renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Sections 44-316.1 and .11(MR)

Specific Purpose:

These sections are amended to provide that they will become inoperative under QR.

Factual Basis:

These amendments are necessary to remove provisions that will no longer be applicable under QR and to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.2 (Renumbered from Section 44-316.12.)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates in part, with appropriate QR terms and references, the existing Section 44-316.12 and delete language that is unnecessary or not relevant under QR.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Sections 11265.1 and .2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.22(QR)

Specific Purpose:

This section is adopted to instruct the county to use the QR 7 to determine continue eligibility.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.1 and .2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.23(QR)

Specific Purpose:

This section is adopted to instruct the counties to compare information reported on the QR 7 with any mid-quarter recipient reports received during the QR Payment Quarter.

Factual Basis:

This adoption is necessary to help ensure correct grant and eligibility determinations by requiring the counties to check that any changes that are voluntarily reported mid-quarter by recipients, which the counties is not allowed to act on until the end of the quarter, still apply.

Section 44-316.3(QR)

Specific Purpose:

This section is adopted to provide introductory language that the county shall act on specified changes that occur mid-quarter.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.31(QR)

Specific Purpose:

This section is adopted to provide that recipients may voluntarily report any changes in income or other circumstances at any time during the QR Payment Quarter and that the county shall also accept a report of decreased income on the QR 7 as a voluntary mid-quarter report. This section further specifies that the county shall take action on voluntary mid-quarter reports if it results in an increase in aid or there is a voluntary request for discontinuance of aid. Verification must be provided within ten days of a voluntary report prior to the county taking action.

Factual Basis:

This adoption is necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-316.311(QR) and .311(a)(QR)

Specific Purpose:

These sections are adopted to specify that the county must determine if an AU's cash grant will increase based on a voluntary report of a decrease in income from the amount that was reasonably anticipated.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.311(a)(1)(QR)

Specific Purpose:

This section is adopted to specify that when an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease will be recalculated for the current and remaining months of the quarter using the existing averaged income that didn't change and the recalculated averaged income (the income that decreased).

Factual Basis:

This adoption is necessary for the equitable treatment of recipient income and proper program administration as it ensures that only the decreased income from a particular source is recalculated. This section is also necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003), and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002)

Section 44-316.311(a)(2)(QR)

Specific Purpose:

This section is adopted to specify that when an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs averaged monthly income that did not change.

Factual Basis:

This adoption is necessary for the equitable treatment of recipient income and proper program administration as it ensures that only the decreased income of the individual who experienced the decrease is recalculated. This section is also necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.311(b)(QR)

Specific Purpose:

This section is adopted to instruct the county to determine a new monthly grant amount based on a recipient report of decreased income when such a decrease results in an increase in cash aid.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.311(c)(QR)

Specific Purpose:

This section is adopted to specify that the county shall use the actual income received for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income for the remaining months of the QR Payment Quarter in recalculating the cash aid for the current month and remaining month(s) of the QR Payment Quarter.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.311(d)(QR)

Specific Purpose:

This section is adopted to specify that the county shall issue a supplement within ten days of receipt of verification for the month the decrease in income was reported or occurred, whichever is later.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.311(e)(QR)

Specific Purpose:

This section is adopted to specify that the county shall increase the grant amount for the remainder of the QR Payment Quarter based on the newly calculated grant amount.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 44-316.311(e)(QR)

Specific Purpose:

This handbook section is adopted to provide an example of how the grant amount is recalculated based on a recipient mid-quarter report of a reduction in income.

Factual Basis:

This adoption is necessary for clarity as it illustrates how a grant is recalculated following a reported decrease in income.

Section 44-316.311(f)(QR)

Specific Purpose:

This section is adopted to specify that the county shall impose a sanction when a reported decrease in earnings resulted from a loss or reduction in hours of employment and the county determines that the recipient did not have good cause. This section further specifies that the county shall not wait to increase cash aid while determining if good cause exists prior to imposing a sanction.

Factual Basis:

This adoption is necessary to maintain consistency with current regulations relative to welfare to work requirements and sanctions. This adoption is also necessary to insure that the county shall not wait to increase cash aid due to the loss of income while determining if good cause exists.

Section 44-316.312(QR)

Specific Purpose:

This section is adopted to establish a category for rules relevant to adding persons to an existing AU.

Factual Basis:

This adoption is necessary to provide a section for rules relevant to adding persons to an existing AU and to comply with Welfare and Institutions Code Section 11265.2, as



amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.312(a)(QR) et seq.

Specific Purpose:

This section is adopted to require that when an AU voluntarily reports a new person in the home, the county shall determine (1) if the new person is CalWORKs eligible; (2) if the new person were added to the AU, would the AU remain eligible; and (3) if adding the new person, would it increase or decrease the grant.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.312(b)(QR)

Specific Purpose:

This section is adopted to require that in determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated averaged income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the QR Payment Quarter. This section further specifies that in making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.

Factual Basis:

This adoption is necessary to describe how the counties shall treat a new person's and the existing AU's income when determining if the new person, voluntarily reported in the home, is CalWORKs eligible. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.312(c)(QR) et seq.

Specific Purpose:

This section is adopted to require that when aid will increase due to a voluntary report of a new person, the county shall add the new person effective the first of the month following the report of change; and shall (1) include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the QR

Payment Quarter; (2) the existing AU's reasonably anticipated monthly income that was previously computed shall not be recalculated when adding a new person to the grant; (3) the new grant amount shall be based on the AU's existing averaged monthly income with the new person's calculated averaged monthly income for the months the new person would be included in the AU; (4) increase the grant amount for the month the new person is added and remaining months of the QR Payment Quarter based on the recalculation of the AU's cash aid.

Factual Basis:

This adoption is necessary to describe the process to add a new person mid-quarter to an existing AU, including how to treat the new person's and exiting AU's income. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.312(d)(QR)

Specific Purpose:

This section is adopted to require that when adding a new person results in an increase in aid, but the new person does not meet all eligibility conditions, before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-quarter.

Factual Basis:

This adoption is necessary to ensure that a new person, who would cause the AU's grant to increase, if added, but who does not meet all eligibility conditions, is not added to an existing AU mid-quarter nor is the AU discontinued mid-quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.312(e)(QR) and Handbook Section 44-316.312(e)(QR)

Specific Purpose:

This section is adopted to require that if the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next QR Payment Quarter that follows the mandatory reporting of the new person on the QR 7, after all eligibility conditions have been met and verification provided. The handbook section is adopted to illustrate this rule.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). The handbook adoption is necessary for clarity.

Section 44-316.312(f)(QR)

Specific Purpose:

This section is adopted to require that if adding a new person would render the existing AU ineligible, the county shall not take action mid-quarter to discontinue the existing AU, but shall discontinue the existing AU with timely and adequate notice at the end of the QR Payment Quarter in which the new person is reported on the QR 7.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.313(QR)

Specific Purpose:

This section is adopted to provide a section for rules relevant to mid-quarter requests for discontinuance of aid to existing AU members and to specify that anytime during the quarter a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.313(a)(QR)

Specific Purpose:

This section is adopted to specify that when a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.313(b)(QR)

Specific Purpose:

This section is adopted to specify that when a voluntary request for discontinuance is made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.313(c)(QR) et seq.

Specific Purpose:

This section is adopted to specify that when an individual requests discontinuance from an existing AU, the county shall discontinue the individual even if it results in a decrease in aid for the remaining AU members. This section further clarifies that the county shall not presume the voluntary report of a person leaving the home is a request for discontinuance and that the county shall inform the AU of the effect the discontinuance will have on the grant. Additionally, this section provides that an individual's request for discontinuance takes precedence over the AU's decision to not report mid-quarter that the person left the home.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.313(d)(QR)

Specific Purpose:

This section is adopted to establish that when an AU notifies the county mid-quarter that an AU member has died, it shall be treated as a voluntary report for mid-quarter discontinuance of cash aid for the deceased individual.

Factual Basis:

This adoption is necessary for proper program administration and integrity as it establishes a reasonable policy to not continue aiding a deceased individual when this information is voluntarily reported mid-quarter.

Section 44-316.314(QR)

Specific Purpose/Factual Basis:

This adoption is adopted to provide a section for rules relevant to mid-quarter requests for special needs.

Section 44-316.314(a)(QR)

Specific Purpose:

This section is adopted to establish that mid-quarter requests for recurring special needs, that have been verified and approved, shall begin the first of the month in which the county receives verification that substantiates that the need exists and shall remain in effect until the end of the quarter in which the special need is expected to end.

Factual Basis:

This adoption is necessary to ensure that recipients receive special needs beginning the first of the month in which the county receives verification that substantiates the need exists and to ensure that the special needs are not discontinued mid-quarter consistent with established QR policy which generally prohibits the reduction of the grant mid-quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Ch. 1022, Stats. of 2002).

Section 44-316.314(b)(QR)

Specific Purpose:

This section is adopted to establish that the county shall issue the pregnancy special need payments according to existing regulations and that pregnancy special need payments will continue until the end of the quarter in which the child is expected to be born.

Factual Basis:

This adoption is necessary to ensure that current requirements relative to the issuance of pregnancy special need payments continue under QR. This adoption is also consistent with QR requirements specified in Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.314(b)(1)(QR)

Specific Purpose:

This section is adopted to establish a requirement that pregnancy special need payments continue to the end of the next QR Payment Quarter or until the newborn is added into the AU when the new estimated date of confinement is verified to extend into the next QR Payment Quarter.

Factual Basis:

This adoption is necessary to ensure that the pregnancy special need payments are not discontinued at the end of the current QR Payment Quarter if the new estimated date of confinement has been verified to extend into the next QR Payment Quarter. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.32(QR)

Specific Purpose:

This section is adopted to require that, during the quarter, CalWORKs recipients mandatorily report certain specified changes within ten days of when the change becomes known to the AU.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). The regulation language provides that the information must be reported within ten days of when the change becomes known to the AU rather than ten days of the change. Although in most cases an AU will be aware of a change when it occurs, in some instances an AU will not be aware of a change at the time it happens and, therefore would be unable to report the change until they become aware of it.

Section 44-316.321(QR) et seq.

Specific Purpose:

This section is adopted to specify that recipients shall report changes in the following: drug felony convictions, fleeing felon status, violation of conditions of probation or parole, address changes, and income exceeding the Income Reporting Threshold (IRT).

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.322(QR)

Specific Purpose:

This section is adopted to specify that when changes are reported pursuant to Sections 44-316.321(a), (b), or (c), the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided following a recipient mid-quarter report of the change.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002)..

Section 44-316.323(QR)

Specific Purpose:

This section is adopted to specify that the county shall act on reported address changes in accordance with regulations and procedures regarding changes of residence.

Factual Basis:

This adoption is necessary to ensure that essential recipient information is provided to avoid any disruption in the payment of aid or receipt of notices due to a change of address and for proper administration of the program.

Section 44-316.324(QR)

Specific Purpose/Factual Basis:

This section title is adopted to provide a section for rules relative to the Income Reporting Threshold (IRT).

Section 44-316.324(a)(QR)

Specific Purpose:

This section is adopted to define new terminology used under the QR/PB System which defines ITR as the level of income that triggers the need for a CalWORKs AU to report a

mid-quarter change in income. It also specifies that the IRT is the greater of 130 percent of the Federal Poverty Level or the level at which an AU becomes financially ineligible.

Factual Basis:

This adoption is necessary to establish the threshold that would likely render the recipient ineligible as authorized by Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.324(b)(QR)

Specific Purpose:

This section is adopted to establish the requirement that if any member of an AU or person included in the family MAP when the AU's current grant was determined has earned income, the AU must report when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the QR Payment Quarter.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.324(b)(1)(QR)

Specific Purpose:

This section is adopted to establish the requirement that AUs with earned income only or a combination of earned and unearned income must report when the family's combined gross monthly income exceeds the AU's IRT.

Factual Basis:

This adoption is necessary to clarify which AUs shall report when their income exceeds the IRT and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.324(b)(2)(QR)

Specific Purpose:

This section is adopted to establish that AUs with no income or only unearned income, shall only report income exceeding the IRT if they begin to receive earned income that once combined with the unearned income exceeds the AU's IRT.



Factual Basis:

This adoption is necessary to clarify which AUs shall report when their income exceeds the IRT and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.324(c)(QR)

Specific Purpose:

This section is adopted to establish the requirement that the county must redetermine the AU's financial eligibility for the QR Payment Quarter when an AU reports income in excess of the IRT.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-316.324(c)(1)(QR) et seq.

Specific Purpose:

This section is adopted to establish procedures the county must follow when an AU reports income exceeding the IRT. If the county determines the income will continue, the county shall discontinue the AU at the end of the month the AU's income exceeded their MAP, with timely notice. If the AU reports their income will no longer exceed the IRT prior to the effective date of discontinuance, the county shall rescind the discontinuance. If the AU requests restoration of cash aid after the date of discontinuance, financial eligibility shall be determined in accordance with current regulations.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). This adoption is also necessary to maintain consistency with current requirements relative to restorations and rescinding discontinuances, and to establish guidelines for the county to follow when determining continuing eligibility when an AU reports income exceeding its IRT.

Section 44-316.324(d)

Specific Purpose:

This section is adopted to require that the county shall not take action to discontinue cash aid if income reported in excess of the IRT is anticipated to only exceed the IRT for one month. This section also specifies that if the recipient's report indicates there will also be a

decrease in the income previously anticipated for the QR Payment Quarter, the county shall treat this additional information as a mid-quarter report.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). This adoption will ensure that recipients continue to receive cash aid when their income spikes for just one month and is not reasonably anticipated to continue for the remainder of the quarter. This adoption will also ensure that additional information reported by the recipient which indicates a decrease in income will be treated as a mid-quarter report.

Handbook Section 44-316.324(d)(QR)

Specific Purpose/Factual Basis:

This handbook section is adopted for clarity by providing an example of the application of Section 44-316.324(d) in a case situation. An additional handbook section is adopted to provide IRT charts for Region One and Region Two and is necessary to assist the county in determining IRT levels according to family size and region. This chart will be updated on an annual basis.

Section 44-316.33(QR)

Specific Purpose:

This section is adopted to require the county to take mid-quarter action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-316.331(QR) et seq.

Specific Purpose:

This section is adopted to provide a list of the county-initiated mid-quarter actions that the county shall take on changes in eligibility and grant status.

Factual Basis:

The adoption of Sections 44-316.331(a), (b), (f), (g), (i), and (m) is necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002). The adoption of Section 44-316.331(n) is necessary to comply with existing Welfare and Institutions Code Section 11265 and Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002). The remaining Sections 44-316.331(c), (d), (e), (h), (j), (k), and (l) are established as county-initiated mid-quarter changes at the Department's discretion for purposes of good public policy to ensure program integrity, equitable treatment of recipients, and proper administration of the program under the authority of Welfare and Institutions Code Section 11265.2(d), as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-318.11 et seq.

Specific Purpose:

This section is amended to provide that Section 44-318.11(MR) will become inoperative under QR. This section is further amended to add QR provisions that establish the beginning date of aid for a mandatorily included person as the first day of the QR Payment Quarter following the reporting of the individual on the QR 7 when adding the person would result in a decrease in cash aid or the first of the month following the change being reported, if adding the person would result in an increase in cash aid.

Factual Basis:

This adoption is necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-318.12 et seq.

Specific Purpose:

This section is amended to provide that Section 44-318.12(MR) will become inoperative under QR. This section is further amended to add QR provisions that establishes the beginning date of aid for optional persons as the first of the month after aid is requested for the optional person; if adding the person results in an increase in AU cash aid or the first day of the next QR Payment Quarter after the request for aid is reported on the QR 7, if adding the person results in a decrease in AU cash aid.

Factual Basis:

This adoption is necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

### Section 44-318.13

#### Specific Purpose:

This section is amended to add a QR provision that duplicates in part existing Section 44-318.13. The QR provision establishes the beginning date of aid for sanctioned/noncooperating persons as the first of the month following the date the person meets the requirement which caused that person to be excluded from the assistance unit, after all conditions of eligibility have been met and the minimum sanction period has passed.

#### Factual Basis:

This amendment is necessary for consistency in when persons are added to the AU during the quarter and to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

### Section 44-318.14

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 44-318.14. This QR provision also establishes the first day of the month of the QR Payment Quarter following the quarter in which the individual was required to be reported on the QR 7 as the beginning date of aid for the unreported mandatorily included person, provided that the individual meets all requirements for eligibility when he/she was required to be included in the assistance unit but was not reported on the QR 7. Eligibility conditions are considered to have been met from the first day of the QR Payment Quarter following the quarter in which the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.

#### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

### Section 44-318.15

#### Specific Purpose:

This section is amended to provide that Section 44-318.15(MR) will become inoperative under QR. This section is also amended to establish a section for beginning date of aid for newborn including MFG newborns being added to an existing AU.

Factual Basis:

This adoption is necessary to establish a section for the beginning date of aid for newborns including MFG newborns being added to an existing AU.

Sections 44-318.151 and .151(a)(QR)

Specific Purpose:

These sections are adopted to add a QR provision that establishes the beginning date of aid for a newborn child as the first of the month after the birth is reported and all conditions of eligibility have been met, if adding the newborn results in an increase in the AU's cash aid.

Factual Basis:

These adoptions are necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-318.151(b)(QR)

Specific Purpose:

This section is adopted to add a QR provision that establishes the beginning date of aid for a newborn child. When adding the newborn results in a decrease in the AU's cash aid, the beginning date of aid is the first day of the next QR Payment Quarter after the change is reported on the QR 7 and all conditions of eligibility have been met.

Factual Basis:

These adoptions are necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-318.152(QR) et seq.

Specific Purpose:

This section is adopted to add a QR provision that establishes the beginning date of aid for a maximum family grant (MFG) newborn child being added to an existing AU. When the pregnant woman is not receiving a pregnancy special need payment and adding the newborn will not cause a decrease in AU's grant, the beginning date of aid for the newborn shall be the first of the month following the report of the birth. When the AU is receiving a pregnancy special needs or the grant would decrease if the newborn is added to the AU, the beginning date of aid for the newborn shall be the first day of the next QR Payment Quarter following the report of the birth on the QR 7.

Factual Basis:

These adoptions are necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-318.16 et seq.

Specific Purpose:

This section is amended to add QR provisions that establish the beginning date of aid for a father of a newborn is added, pursuant to Section 44-205.632, to an existing AU. When adding the father of the newborn results in increased cash aid to the AU, the beginning date of aid for the father shall be the first of the month after the report of the birth. When adding the father of the newborn results in a decrease in cash aid to the AU, the beginning date of aid for the father shall be the first day of the next QR Payment Quarter.

Factual Basis:

This adoption is necessary to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 44-325.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-325.1.

Factual Basis:

This adoption is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Sections 44-325.2 and .3 et seq. (Renumbered from Sections 44-325.3 and .5 et seq.)

Specific Purpose/Factual Basis:

These sections are renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures.

Section 44-327.25

Specific Purpose:

Section 44-327.25(MR) is amended for clarity to correct cross-references that are being renumbered in this filing. This section is further amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 44-327.25.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-340.133(QR)

Specific Purpose:

This section is adopted to require that if information reported on the QR 7 results in an increase of cash aid, and the county cannot increase the grant by the first day of the month of the next QR Payment Quarter, a supplement must be issued for that month, and cash aid increased for the remaining months of that quarter provided that the recipient reported the information timely.

Factual Basis:

This adoption is necessary to ensure that recipients are paid the amount of grant they are entitled to with a supplement if cash aid cannot be increased by the first day of the next QR Payment Quarter. The adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-340.14

Specific Purpose:

This section is amended to add a QR provision that duplicates in part, with appropriate QR terms, the existing Section 44-340.14. This QR provision requires that a mid-quarter supplemental payment resulting from a voluntary mid-quarter report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset under the QR/PB system.

Factual Basis:

This amendment is necessary to ensure that a mid-quarter grant adjustment based on a mid-quarter voluntary report is not considered an underpayment subject to an overpayment offset. Such adjustments are considered a revised and updated grant amount rather than an underpayment correction and shall be treated accordingly. This amendment is also necessary to comply with the Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003) and Section 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-340.32(QR) et seq.

Specific Purpose:

This section is adopted to specify that an underpayment occurs when the AU receives less cash aid than he/she was entitled to receive and would be based on regulations in effect at the time the underpayment occurred. The county shall not reconcile actual verified income against prospectively budgeted income that was used in the grant calculation as income that was reasonably anticipated at the time cash aid was calculated.

Factual Basis:

This adoption is necessary for consistent treatment of erroneous payments to recipients and to comply with the Welfare and Institutions Code Sections 11004.1(b) and (c) and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-340.33(QR)

Specific Purpose:

This section is adopted to specify that no underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated during the QR Payment Quarter and the recipient did not voluntarily report the change in circumstances or the decrease of income during the QR Payment Quarter, in accordance with Section 44-316.31(QR).

Factual Basis:

This adoption is necessary to ensure that no underpayment shall be established for a change in circumstances or a drop in income if the recipient failed to voluntarily report these changes in accordance with Section 44-316.31(QR) and to comply with Welfare and Institutions Code Sections 11004.1(c), as amended by AB 444 (Chapter 1022, Statutes of 2002) and 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).



Section 44-350.17

Specific Purpose:

This section is amended to add a QR provision that duplicates in part, with appropriate QR terms, the existing Section 44-350.17. This QR amendment also provides that a supplemental payment which was correctly computed, based on the county's determination of reasonably anticipated income, shall not be subject to an overpayment determination provided that the recipient's report, upon which the county based its determination, was complete and accurate. If there is a computational error, the supplemental payment shall be corrected.

Factual Basis:

This amendment is necessary to comply with Welfare and Institutions Code Section 11004.1, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 37 of AB 444 (Ch. 1022, Stats. of 2002).

Section 44-350.5(QR)

Specific Purpose:

This section is adopted to specify that an overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including the QR 7.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Sections 11004.1(b) and 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-350.6(QR)

Specific Purpose:

This section is adopted to specify that an overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the QR Payment Quarter and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate.

Factual Basis:

This adoption is necessary to comply with Welfare and Institutions Code Section 11004.1(b), as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 44-352.1 et seq.

Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Section 44-352.111(QR)

Specific Purpose:

This section is adopted to specify that excess property overpayments shall be assessed based on information that should have been reported on the QR 7. If an assistance unit held excess property in the QR Data Month and failed to report it on the appropriate QR 7 or if the county failed to act correctly on the QR 7, the county shall determine the overpayment based on an accurate report and/or correct county action. This section also adds a cross-reference for situations where a discontinuance due to excess property can be rescinded if the recipient spends down the excess property before the discontinuance becomes effective.

Factual Basis:

This adoption is necessary to establish overpayment provisions, regarding excess property, that are consistent with QR regulations and to comply with the Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002). The renumbering is necessary to accommodate the addition of the new Section 44-352.12.

Section 44-352.12(QR)

Specific Purpose:

This section is adopted to specify that an overpayment shall be assessed when an AU receives more cash aid than entitled to as a result of not reporting income or circumstances timely, or the county does not act correctly on a recipient report, or the county did not act timely. The county shall redetermine the cash aid the recipient should have received based on the required report and correct county action.

Factual Basis:

This adoption is necessary to establish overpayment provisions that are consistent with QR regulations and to comply with the Welfare and Institutions Code Section 11004.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-352.121(a)(1)(QR) and (2)(QR)

Specific Purpose:

These sections are adopted to specify that if a recipient fails to report income timely or the county fails to act correctly or timely on a recipient report, the county shall redetermine that cash aid the recipient would have received based on an accurate report and correct county action. If the recalculation results in an overpayment, the date that the overpayment begins is the first date that the change would have been made if timely and correct action been taken based on the complete, timely and accurate recipient report. When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

Factual Basis:

This adoption is necessary to establish overpayment provisions that are consistent with QR regulations and to comply with the Welfare and Institutions Code Sections 11004.1 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 44-352.121(a)(2)(QR)

Specific Purpose:

This handbook section is adopted to provide an example of how an overpayment is established when a recipient fails to report income information.

Factual Basis:

The adoption of this handbook section is necessary for clarity as it provides an example of how an overpayment is established when a recipient fails to report income information as specified under QR/PB rules.

Section 44-352.41(QR)

Specific Purpose:

This section is adopted to specify that under QR/PB, recoupment by grant adjustment shall only be initiated at the beginning of a QR Payment Quarter. Grant adjustment shall be discontinued mid-quarter, as appropriate, when the debt is recouped in full. A new overpayment collection may continue by grant adjustment during the QR Payment Quarter if the new collection of the overpayment does not decrease aid mid-quarter. Existing Sections 44-352.41 et seq., .42, .43, .44 et seq., and .45 through .47 are renumbered to Sections 44-352.42 et seq., .43, .44, .45 et seq., .46 through .48 to accommodate the addition of a new Section 44-352.41. Renumbered Section 44-352.46 is further amended for clarity to correct cross-references that are being renumbered in this filing.

Factual Basis:

This adoption is necessary to ensure that the application of overpayment grant adjustments is consistent and not in conflict with QR regulations and to comply with the Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 44-400, 44-401, and 44-402

Specific Purpose:

These sections related to Reduced Income Supplement Payments (RISP) are amended to provide that they will become inoperative under QR/PB. Existing sections are further amended for clarity to correct cross-references that are being renumbered in this filing.

Factual Basis:

These amendments are necessary to comply with the provisions of Section 37 of AB 444 (Chapter 1022, Statutes of 2002) which repealed the RISP provision.

Section 47-220.31(MR)

Specific Purpose:

This section is being amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary because this section will become obsolete under QR. Cash aid will not be suspended during the QR payment quarter as grants are established for the entire quarterly period. This amendment is also necessary to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Ch. 1022, Stats. of 2002).

Sections 47-320.27 and .28

Specific Purpose:

These sections are amended/adopted to specifically indicate what changes in family size, household composition, and income must be reported by the family to child care when the change occurs.

Factual Basis:

This amendment and adoption are necessary to avoid overpayments/underpayments and/or inappropriate assessment of family fees as well as limit the information required to be reported by the family when specified changes occur. Prior to the implementation of QR/PB, changes in family size, household composition, and income were most often

reported to the CalWORKs worker via the Monthly Eligibility Status Report (CW 7 or SAWS 7). Such monthly reporting provided current updated information in these areas. Under QR/PB, there is no longer a monthly reporting requirement, so families will not already be reporting this information to the counties on a monthly basis. Instead, the focus is on the need to report the changes as they occur. For this reason, the scope of the existing reporting requirement is narrowed for clarity and to more specifically reflect what changes the family is actually required to report.

#### Section 48-001.114

##### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 48-001.114. This QR provision also adds a requirement that county welfare departments maintain records when a recipient's cash aid in not changed following a recipient mid-quarter report.

##### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and comply with Welfare and Institutions Code 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

#### Section 80-301 et seq.

##### Specific Purpose/Factual Basis:

This section is renumbered to maintain the same numbering system throughout the Manual of Policies and Procedures. The introductory paragraph is amended to accurately reflect the regulations affected by these definitions.

#### Section 80-301(a)(9)

##### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 80-301(a)(9) and amended to establish that an AU consists of individuals who have been determined eligible for CalWORKs and for whom aid has been authorized.

##### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). This amendment is necessary to define that only individuals who have been determined eligible and authorized for cash aid shall be considered part of the AU.

Section 80-301(c)(5)(QR)

Specific Purpose:

This section is adopted to define mid-quarter county initiated actions.

Factual Basis:

The adoption of this section is necessary to define new terminology used under the QR/PB system and to comply with Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 80-301(m)(2)

Specific Purpose:

This section is adopted to define mandatory recipient reports. Existing Section 80-301(m)(2) is renumbered to (m)(3) to accommodate the adoption of a new Section 80-301(m)(2).

Factual Basis:

The adoption of this section is necessary to define new terminology used under QR/PB system and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 80-301(m)(4)

Specific Purpose:

This section is adopted to define the QR term " mid-quarter recipient reports" as a term used to describe certain types of reports that occur during the QR Payment Quarter outside of the QR report process.

Factual Basis:

The adoption of this section is necessary to define new terminology used under the QR/PB system and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). Existing Section 80-301(m)(3) is renumbered to (m)(5) to accommodate the adoption of new Sections 80-301(m)(2) and (4).

Section 80-301(v)(1)

Specific Purpose:

This section is adopted to define voluntary recipient reports.

Factual Basis:

The adoption of this section is necessary to define new terminology used under the QR/PB system and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 80-310(c)(7)(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to remove a definition for a form that will be obsolete under QR.

Section 80-310(c)(12)(MR)

Specific Purpose:

This section is amended to provide that it will become inoperative under QR.

Factual Basis:

This amendment is necessary to remove a definition for a form that will be obsolete under QR.

Section 80-310(c)(16)(QR)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the QR/PB regulations. This form is not printed in the CDSS' Manual of Policies and Procedures because it would be cumbersome and impractical. However, the form is readily available from CDSS. This section adopts a QR provision that describes the form CW 20 as being used to collect the information necessary to determine eligibility at the time of the annual redetermination.

Factual Basis:

This amendment is necessary for clarity by providing the general description and use of the CW 20.

Section 80-310(q)(QR) et seq.

Specific Purpose:

This section is adopted to incorporate by reference forms that are used in the QR/PB regulations. These forms are not printed in the CDSS' Manual of Policies and Procedures because it would be cumbersome and impractical. However, these forms are readily available from CDSS. This section is adopted to add QR provisions that provide general descriptions and uses of the CalWORKs form that will be used under QR. These descriptions and uses duplicate, in part, the existing provisions describing forms and their uses.

Factual Basis:

This adoption is necessary for clarity by providing the general description and use for CalWORKs forms that will be used under QR. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

Section 80-310(s)(3)(QR)

Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the QR/PB regulations. This form is not printed in the CDSS' Manual of Policies and Procedures because it would be cumbersome and impractical. However, the form is readily available from CDSS. This section is adopted to add a QR provision that provides the general description and use of QR form SAWS 2A-QR. Existing Sections 80-310(s)(3) through (6) are renumbered to Sections 80-310(s)(4) through (7) to accommodate the adoption of this new definition.

Factual Basis:

The adoption is necessary for clarity by providing the general description and use of QR form SAW 2A-QR. The adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).



### Section 80-310(t)(5)(QR)

#### Specific Purpose:

This section is adopted to incorporate by reference a form that is used in the QR/PB regulations. This form is not printed in the CDSS' Manual of Policies and Procedures because it would be cumbersome and impractical. However, the form is readily available from CDSS. This section is adopted to add a QR provision that provides the general description and use of QR form TEMP QR 1, mass informing notice sent to recipients on a monthly basis for a period of three months before and three months after implementation of QR/PB. Existing Section 80-310(t)(5) is renumbered to Section 80-310(t)(6) to accommodate the adoption of this new definition.

#### Factual Basis:

The amendment is necessary for clarity by providing the general description and use for QR form TEMP QR 1. This adoption is also necessary to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002) and Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

### Section 82-612.3

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 82-612.3 and amended to specify that an AU shall be discontinued at the end of the QR Payment Quarter if an individual required to apply for or accept unemployment insurance benefits (UIB) fails to do so, or fails to meet a condition of eligibility for UIB.

#### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institutions Code Section 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002). Under QR, an AU cannot be discontinued for failure to meet UIB requirements until the end of the QR Payment Quarter.

### Section 82-812.687(a)

#### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 82-812.687(a).

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with the Welfare and Institution Code Section 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 82-820.1

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 82-820.1 and to establish that an AU consists of individuals who have met all eligibility factors and for whom aid has been authorized.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). This amendment is necessary to define that only individuals who have been determined eligible and authorized for cash aid shall be considered part of the AU.

Section 82-820.3

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 82-820.3 and amended to define mandatorily included persons as individuals that are living in the home and eligible at the time of initial family application or at the beginning of the QR Payment Quarter following the mandatory reporting of the individual on the QR 7. A cross-reference to Section 44-318 is also provided.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003). Under QR, mandatorily included persons are required to be included in the AU at initial application or the first day of the QR Payment Quarter following the mandatory reporting of the individual on the QR 7. The cross-reference is necessary for clarity.

## Section 82-832.3(QR)

### Specific Purpose:

The section is adopted to specify that a new person who has been mandatorily reported on the QR 7 and determined eligible based on the QR 7 information, shall be treated as an excluded person for the next QR Payment Quarter when ineligibility occurs after the QR Data Month but prior to the authorization of aid. This person's income and needs, as reported on the QR 7, shall be treated in accordance with Section 44-133.5 for the next QR Payment Quarter for the remaining AU members. Language is also included to clarify that the AU shall be discontinued at the end of that quarter in which the individual was treated as an excluded person, if the subsequent QR 7 establishes that ineligibility continues to exist for the AU.

### Factual Basis:

This adoption is necessary to ensure that the existing AU remains eligible and that cash aid is determined for the next QR Payment Quarter using only information reported on the QR 7. In this instance, because the circumstances resulting in ineligibility for the applicant occurred after the QR Data Month, it would be inequitable to discontinue or reduce the existing AU's cash aid based on those circumstances. However, because the applicant was determined ineligible after the QR Data Month but before he/she was actually added to the AU, that person must be treated as an excluded person for the next QR Payment Quarter and continued eligibility for the existing AU be evaluated based on the QR 7 received during that quarter in which the excluded person was ineligible. This adoption is also necessary for consistency with other QR provisions related to the use of quarterly eligibility determinations and to comply with Welfare and Institutions Code Sections 11265.1, 11265.2, and 11450.5 as amended by AB 444 (Chapter 1022, Statutes of 2002) and Welfare and Institutions Code Section 11265.3, as amended by AB 1402 (Chapter 398, Statutes of 2003).

## Section 89-110.262

### Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 89-110.262.

### Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to comply with Welfare and Institutions Code Sections 11265.1, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 89-110.28

Specific Purpose:

This section is amended to add a QR provision that duplicates in part, the existing Section 89-110.28. This QR provision provides that the county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status reasonably anticipated for the QR Payment Quarter and makes cross references to Sections 89-110.291(QR) and .292(QR).

Factual Basis:

This amendment is necessary to provide a general rule that ensures that counties use the Exempt or Nonexempt MAP status corresponding to the AU's MAP status that is reasonable anticipated for the QR Payment Quarter. A cross-reference is provided for clarity. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Sections 89-110.281(MR), .282(MR), and .283(MR)

Specific Purpose:

These sections are amended to provide that they will become inoperative under QR. Section 89-110.282(MR) is further amended for clarity to correct a cross-reference that is being renumbered in this filing.

Factual Basis:

These amendments are necessary because the provisions become obsolete under QR as QR does not provide for retrospective budgeting. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.2 and 11450.5, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 89-110.29 et seq.

Specific Purpose:

This section is amended to provide that the existing section become inoperative under QR and to add QR provisions that provide effective dates for MAP status changes based on QR 7 reports and voluntary recipient mid-quarter reports. Section 89-110.29(MR) is further amended for clarity to correct a cross-reference that is being renumbered in this filing.

Factual Basis:

These amendments are necessary to establish effective dates for MAP status changes based on both QR 7 reports and voluntary reports. These amendments are also necessary to comply with Welfare and Institutions Code Sections 11265.1, .2, and 11450.5 as amended by AB 444 (Chapter 1022, Statute of 2002) and Section 11265.3 as amended by AB 1402

(Chapter 398, Statutes of 2003). Additionally, recipients are prohibited from receiving the benefit of a MAP status change prior to the change actually occurring. Therefore, voluntary recipient mid-quarter reports regarding MAP status changes are not effective until the first month following the month the change occurred and the change has been voluntarily reported by the recipient.

Handbook Section 89-110.3

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Section 89-110.3 and to provide examples of quarterly determinations of MAP status and mid-quarter changes in MAP status.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to provide examples of quarterly determinations of MAP status and mid-quarter changes in MAP status under QR.

Handbook Sections 89-110.32 and .33

Specific Purpose:

These handbook sections have been amended to provide that the existing examples will become inoperative under QR and to provide examples of the use of MAP status in the Quarterly Reporting/Prospective Budgeting system . The examples illustrate which MAP status shall be used when determining eligibility and cash aid for applicants and for recipients. The examples also illustrate which MAP status shall be used when determining eligibility and cash aid for voluntary recipient mid-quarter reports. Additionally, specific examples will become inoperative under QR. Handbook Section 89-110.33(MR) Examples 18 and 19 are further amended for clarity to correct cross-references that are being renumbered in this filing.

Factual Basis:

These amendments are necessary for clarity as they provide examples as to which MAP status is used in determining eligibility and cash aid in the Quarterly Reporting/Prospective Budgeting system. The amendments are also necessary to eliminate examples that become obsolete under QR.

Section 89-130(l)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms, the existing Section 89-130(l). This QR provision requires counties to apply the period of ineligibility on the first day of the first month of the next QR Payment Quarter following the report of the nonqualifying withdrawal on the QR 7 and continue for the determined number of months.

Factual Basis:

This amendment is necessary to ensure the continuation of current requirements that remain relevant under QR and to ensure that the period of ineligibility does not start during the QR Payment Quarter. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Section 89-130(l)(1)(MR)

Specific Purpose:

This section is amended to provide that it shall become inoperative under QR.

Factual Basis:

This amendment is necessary because this section will become obsolete under QR. Cash aid will not be suspended during the QR payment quarter as grants are established for the entire quarterly period. This amendment is also necessary to comply with Welfare and Institutions Code Sections 11265.1 and 11265.2, as amended by AB 444 (Chapter 1022, Statutes of 2002).

Handbook Section 89-130(m) et seq.

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Handbook Section 89-130(m) et seq. This QR provision also provides an example of how to calculate the period of ineligibility when a recipient does a nonqualifying withdrawal which results in the AU being ineligible for two months. The MR handbook example related to suspense months will become inoperative under QR as it will no longer be relevant.

Factual Basis:

This amendment is necessary for clarity as it provides an example of how to compute a period of ineligibility under QR. The removal of the suspense related handbook example is necessary because suspense months are not applicable under QR.

Handbook Section 89-201.513(a)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Handbook Section 89-201.513(a).

Factual Basis:

This amendment is necessary for clarity as it provides an example of how to do a senior parent/minor parent grant under QR when the minor parent has her own AU.

Handbook Section 89-201.513(b)

Specific Purpose:

This section is amended to add a QR provision that substantively duplicates, with appropriate QR terms and references, the existing Handbook Section 89-201.513(b).

Factual Basis:

This section is necessary for clarity as it provides an example of how to do a senior parent/minor parent grant computation under QR when the minor parent is in the senior parent's AU.

c) Local Mandate Statement

These regulations impose a mandate upon county welfare departments but not on school districts. Since the county share of the program is capped at a specified maintenance of effort level, there are no state-mandated local costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code. If the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars, reimbursement shall be made from the State Mandates Claims Fund.

d) Statement of Alternatives Considered

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.