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**DEPARTMENT OF SOCIAL SERVICES**

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April 10, 2013

ALL COUNTY LETTER (ACL) NO. 13-28

REASON FOR THIS TRANSMITTAL

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

To: ALL COUNTY WELFARE DIRECTORS  
 ALL CalWORKs PROGRAM SPECIALISTS  
 ALL CALFRESH PROGRAM SPECIALISTS  
 ALL COUNTY DISTRICT ATTORNEYS  
 ALL COUNTY CHILD CARE COORDINATORS  
 ALL COUNTY REFUGEE COORDINATORS  
 ALL COUNTY WELFARE TO WORK COORDINATORS  
 ALL COUNTY WELFARE FRAUD CHIEF INVESTIGATORS  
 ALL CONSORTIA MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND CALFRESH PROGRAMS: IMPLEMENTATION OF THE ANNUAL REPORTING/CHILD ONLY (AR/CO) SYSTEM QUESTIONS AND ANSWERS (Q&A)

REFERENCE: SENATE BILL (SB) 1041 (CHAPTER 47, SECTIONS 7-10, STATUTES OF 2012); ACL No. 12-25; ACL No. 12-49; ACL No. 12-49E; ACL No. 13-05

The purpose of this letter is to provide responses to questions received by the California Department of Social Services (CDSS) regarding the CalWORKs and CalFresh annual reporting rules implemented October 1, 2012 in certain child-only cases.

In addition, this letter directs county welfare departments (CWDs) and automation consortia to change the reporting requirements of CalFresh households (HHs) associated with CalWORKs Annual Reporting/Child-Only (AR/CO) cases no later than October 1, 2013. All County Letter (ACL) No. 12-49 previously instructed CWDs that CalFresh HHs associated with CalWORKs AR/CO cases would be assigned Change Reporting (CR) status. This ACL requires that these CalFresh HHs be transitioned from CR status to Semi-Annual Reporting (SAR) status by October 1, 2013.

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For CalWORKs-related AR/CO questions, please contact the CalWORKs Eligibility Bureau at (916) 654-1322. For questions regarding CalFresh requirements of AR/CO cases, please contact the CalFresh Policy Bureau at (916) 651-8047.

Sincerely,

***Original Document Signed By:***

TODD R. BLAND  
Deputy Director  
Welfare to Work Division

## **CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND CalFresh PROGRAMS ANNUAL REPORTING/CHILD ONLY (AR/CO) QUESTIONS AND ANSWERS**

The first five questions of this letter address combined examples of (a) “held income”; (b) reports of multiple mid-period changes; and/or (c) the alignment of the Quarterly Reporting (QR) (or Semi-Annual Reporting (SAR)) cycles when cases move between AR/CO and QR/SAR.

For CalWORKs, “held income” refers to what happens when a recipient voluntarily reports a change in income that would result in a mid-year decrease of benefits that the County Welfare Department (CWD) cannot make because of QR, SAR, and AR/CO rules. When the CWD cannot make the decrease until the beginning of the next quarterly, semi-annual, or annual reporting cycle, this is referred to as “changes being held over”.

NOTE: For CalFresh, any report of a change (mandatory or voluntary) in a Change Reporting (CR) household must be acted upon effective the first of the month following a 10-day notice. For a QR household, a voluntary report of income exceeding 130% of the Federal Poverty Level (FPL) must be acted upon effective the first of the month following a 10-day notice. For SAR, a report of a change in income (whether mandatory or voluntary) must be acted upon if considered “verified upon receipt” (VUR). If not considered VUR, the CWD must send a no-change Notice of Action (NOA) and note in the case record for the next SAR 7 or State Automated Welfare System (SAWS) 2.

Reports of multiple mid-period changes occur when a recipient makes a mandatory report while also reporting information that otherwise would be a voluntary report and which could reduce cash aid or CalFresh benefits.

In terms of the alignment of cycles, CWDs should note that when a CalWORKs case begins as AR/CO, it is still necessary to assign the case a QR (or SAR) cycle, as this case may go back and forth between AR/CO and QR/SAR for any number of reasons. As such, it may be helpful to think of QR/SAR as a “parallel system” for AR/CO cases. Many AR/CO cases may remain AR/CO for the duration of their time on CalWORKs. Others, however, will go back and forth, moving into and out of the parallel system. Assigning a cycle upfront allows for ease of transition into and out of AR/CO. (In the tables that follow each of the five examples, the parallel QR system is shaded in grey.)

1. An AR/CO case has a redetermination/recertification (RD/RC) due in April 2013. With respect to the parallel QR system, the QR 7 submit months are January, April, July, and October. On November 5, 2012, the Assistance Unit (AU) reports an increase in income that is under the CalWORKs AR/CO Income Reporting Threshold (IRT) but over CalFresh CR requirements. In addition, on December 5, 2012, the AU reports the father moved back in the home (with no income) and wishes to apply for aid. What action(s) should the CWD take in this scenario?

**Answer:** Regarding the report of income, if it is anticipated to continue, the CWD would decrease or discontinue the CalFresh allotment, as appropriate, with 10-day notice, effective December 1, 2012. Because the income is under the CalWORKs AR/CO IRT, no action would be taken on the CalWORKs case and a no-change NOA sent to the AU. Regarding the change in HH composition, the father (assuming he is eligible) would be added to the case, effective January 1, 2013. In addition, effective January 1, 2013, the AU would transition from AR/CO to QR, because the father is now part of the AU. There would be no QR 7 due until April, the same month as the RD/RC. This is because the QR 7 submit month must align with the RD/RC, and since a QR 7 cannot be due the same month in which the case transitions from AR/CO to QR (as stated on page 21 of ACL No. 12-49), the next QR 7 cannot be due in January. In this scenario, for the CalWORKs case, the reported increase in income is not acted upon until May (following the April RD/RC), provided the case does not go over the QR IRT prior to the RD/RC and provided no changes in income are reported during the RD/RC.

<b>Parallel QR cycle info</b>	<b>Payment Month</b>	<b>Data Month</b>	<b>Submit Month</b>	<b>Pay-ment Month</b>	<b>Data Month</b>	<b>Submit Month</b>	<b>Pay-ment Month</b>
<b>Month</b>	Nov	Dec	Jan	Feb	March	April	May
<b>Client Report</b>	Increase in income	Father moved into home					
<b>CWD action taken</b>		CalFresh allotment lowered	Father added to AU; case is now in QR status; no QR7 is due.			RD/RC due and completed; QR7 due	Action taken on income change (first month of QR cycle)

2. Same as #1, but the RD/RC is due in May instead of April.

**Answer:** As in scenario #1, on December 1, 2012, there would be a change in the CalFresh allotment, but not the CalWORKs grant. However, in this scenario, the first QR 7 will be due in February (for Data Month January). Provided no further change in income is reported on the QR 7, the income change reported on November 5, 2012, is acted upon for CalWORKs, effective March 1, 2013, which is Month One of next QR cycle.

<b>Parallel QR cycle info</b>	Submit Month	Payment Month	Data Month	Submit Month	Payment Month	Data Month	Submit month	Payment Month
<b>Month</b>	Nov	Dec	Jan	Feb	March	April	May	June
<b>Client Report</b>	Increase in income	Father moved into home						
<b>CWD action taken</b>		Cal-Fresh allotment lowered	Father added to AU; case is now in QR status.	QR 7 is due	Action taken on Income change		RD due	

3. A CalWORKs/CalFresh case in QR status has an RD/RC due in March 2013. The QR 7 submit months are December, March, June, and September. On November 5, 2012, the mother reports an increase in income which is under the QR IRT but over the AR/CO IRT. In addition, in November 2012, the mother times out, and the case becomes AR/CO December 1, 2012. What action does the CWD take?

**Answer:** Because the case is in QR status in November, no action is taken with respect to the income, either with CalWORKs or CalFresh case, because it is under the QR IRT. However, when the case transitions to AR/CO in December, the client is notified (in November), and sent the new AR/CO IRT. If the income continues at the same level, the client is required to report it in December for CalWORKs (because their IRT has changed) and action would be taken accordingly by the CWD, with 10-day notice. The QR 7 would not be required in December 2012, because the case is no longer in QR status.

<b>Parallel QR cycle</b>	<b>Data Month</b>	<b>Submit Month</b>	<b>Payment Month</b>	<b>Data Month</b>	<b>Submit Month</b>	<b>Payment Month</b>	<b>Data Month</b>
<b>Month</b>	Nov	Dec	Jan	Feb	March	April	May
<b>Client Report</b>	Increase in income (under QR IRT but over AR/CO IRT); mother times out effective 11/30.	Client received AR/CO notice, and reports income over AR/CO IRT					
<b>CWD action taken</b>	Client notified of new AR/CO rules and AR/CO IRT	Mother out of AU due to timing out; no QR 7 is due because case is in AR/CO status.	County takes action on increase in income		RD/RC due		

4. Same as #3, but the increase in income is under both IRTs (QR or AR/CO) and the RD/RC is due in March.

**Answer:** In this instance, the case would transition to AR/CO December 1, 2012, and the income reported would be considered a voluntary report under both CalWORKs and CalFresh for QR. The client, upon receiving the AR/CO IRT notice, would not be required to report the income, because it is under the AR/CO IRT. If the client did report it, it would be considered a voluntary report for CalWORKs and a no-change NOA would be sent. For CalFresh, whether action is taken on the re-reported information is dependent upon whether the amount is over CR income limits.

<b>Parallel QR cycle</b>	Data Month	Submit Month	Payment Month	Data Month	Submit Month	Payment Month	Data Month
<b>Month</b>	Nov	Dec	Jan	Feb	March	April	May
<b>Client Report</b>	Increase in income (under both QR and AR/CO IRT); mother times out Nov 30.	Client doesn't need to report income, as it's under AR/CO IRT					
<b>CWD action taken</b>	Client notified of new AR/CO rules and AR/CO IRT	Case is now AR/CO; no QR7 is due because the case is in AR/CO status.			RD/RC due	CWD takes action on information obtained during RD/RC	

5. A case in QR status has an RD/RC due in February 2013. On November 5, 2012, the mother reports an increase in income on the QR 7. In addition, the mother times-out on November 30, 2012.

**Answer:** The case transitions to AR/CO on December 1, 2012. If the income is anticipated to continue, the income is considered and used in the budget for both programs, effective December 1, 2012, because it was reported via the QR 7 while the case was in QR status. The new grant amount would remain the same (notwithstanding mandatory mid-year reports, etc.) until the RD in February 2013.

<b>Parallel QR cycle</b>	Submit Month	Month One	Data Month	Submit Month	Month One	Data Month
<b>Month</b>	Nov	Dec	Jan	Feb	March	April
<b>Client Report</b>	QR 7 is due; mother reports an increase in income; Mother times out 11/30.					
<b>CWD action taken</b>	County takes action on increase in income; County notifies client of AR/CO rules and AR/CO IRT.	Case is in AR/CO status		RD/RC due		

The remaining questions are miscellaneous questions received from CWD and consortia representatives.

6. Is “the amount of income last used” in the AR/CO Tier One IRT gross income or net countable income? And if gross income, is the conversion factor applied?

**Answer:** The Tier One IRT refers to gross income, including the conversion factor, if appropriate.

7. Does “the amount of income last used” in the Tier One IRT refer to earned income, unearned income, disability income, or any combination thereof?

**Answer:** The AR/CO statute does not specify a type of income. Therefore, CWDs are to use all income (including any combination of different income types) last used to calculate the grant.

8. In calculating the AR/CO Tier Two IRT (the amount likely to render the AU ineligible), is AU Maximum Aid Payment (MAP) or Family MAP used?

**Answer:** CWDs must use family MAP. ACL No. 03-18, which pertains to QR implementation instructions, stated that CWDs must use Family MAP and CDSS instructs CWDs to continue this practice for SAR and AR/CO.

9. Does the child support disregard count toward total monthly income in the calculation of the AR/CO IRT?

**Answer:** No, the child support disregard is not counted in the IRT calculation.

10. In determining the AR/CO IRT for a case with self-employment income, is the income before or after deductions used?

**Answer:** Self-employment income after deductions must be used (whether applying the standard 40% deduction or using itemized deductions). This is because deductions are considered business expenses. Subtracting business expenses from gross revenue provides gross income.

11. Anticipated income: At application, if a client reasonably anticipates income over the AR/CO IRT beginning in month nine of the AR/CO period, should the CWD decrease the grant/discontinue the case effective the beginning of month nine, or the beginning of month ten?

**Answer:** Provided the client reasonably anticipates the income in month nine (i.e., actually being paid during month nine, as opposed to just working the hours

and getting paid in month ten), the grant would be decreased or discontinued effective the beginning of month nine. Because the client reported the income at intake and the income is reasonably anticipated, the client would not need to re-report the income. However, if the client's circumstances change and the reasonably anticipated income is not received, the client would need to report this change to the CWD.

Effectively, the fact that the client reasonably anticipates the income, as opposed to reporting the income when it is received, results in the grant being decreased or discontinued one month earlier. In the case of the client reporting the income when it is received, if the income is anticipated to continue, the CWD would not decrease or discontinue the grant until the beginning of month ten (and there would be no overpayment).

For CalFresh, no action would be taken to decrease or discontinue until the change in income is reported (in compliance with CR rules). If the benefits discontinue, transitional CalFresh would be established.

12. ACL No. 12-25, page 37, states: The only AUs that will have 55% of the FPL as their current IRT are those AUs with no current income. Does this mean that an AU that has 0 or 1 members would start out at that level \$875 as their IRT, or the lower amount of \$114 for an AU of 0 and \$713 for an AU of 1? Does the statement mean that all AUs with no income start out at \$875 and once they report income past that amount, then look at them again to see if they were eligible to CalWORKs Tier 2 amounts?

**Answer:** The statement "the only AUs that will have 55% of the FPL as their current IRT are those AUs with no current income" means that *within Tier One*, only those AUs with no current income will have 55% of FPL as their IRT. However, the IRT is still the lesser of the tiers. As such, an AU of 0 or 1 with no current income would have the corresponding Tier Two IRT, because these figures are less than \$875.

13. Under AR/CO, will the Tier Three IRT (130% of FPL) ever be used?

**Answer:** On rare occasions, the Tier Three IRT will be used under AR/CO, because the Tier Two IRT (the amount likely to render the case ineligible) figures are based on earned income, but disability-based unearned income (DBI) has a higher disregard. Consider a Region 2, non-exempt, AU of 2, with an IRT (Tier Two) of \$1092. The AU reports they have \$225 in DBI and \$950 in earned income. The total income is \$1175, rendering them over the Tier Two IRT. The CWD calculates the AU's budget, which is \$225 (DBI) minus \$225 (disregard), leaving the earned income of \$950 divided by 2, or \$475. The MAP is \$490, so the AU is eligible for a \$15 grant. The CWD must now assign a new IRT to this AU. While Tier Two

continues to be the lesser of the three IRTs, it cannot be assigned to the AU because it is already lower than the AU's income. (Implicit in the concept of an IRT is that it be higher than a recipient's current income.) That leaves Tier One (\$875+\$1175) or Tier Three (\$1639). Tier Three is the lesser amount, so that is the AU's new IRT.

Please see ACL No. 13-05 for current Tier Three IRT levels.

For CalFresh, any time a household's gross income exceeds 130% of the FPL, they are ineligible for benefits (with the exception of elderly/disabled households who are not subject to gross income requirements).

14. Since the IRT levels are different for AR/CO AUs compared to QR, are CWDs expected to discontinue or decrease benefits for AR/CO AUs whose current combined earned/unearned income now exceeds IRT levels at the time of AR/CO implementation? Or should CWDs only take action at the annual redetermination or if the client does a mandatory report?

**Answer:** For CalFresh, benefits can be discontinued or decreased once the household is converted to AR/CO and subsequently notified that they are subject to change reporting rules. For example, a QR HH with no income transitions to CR, effective October 1, 2012. Subsequently, the HH reports an increase in earned income of \$200. The CWD can decrease benefits with 10-day notice.

For CalWORKs, this question can be divided into two categories: Information obtained prior to AR/CO implementation (pre-10/1/12) and information obtained after AR/CO implementation (post-10/1/12).

Example 1: In September 2012, a client makes a voluntary report of income under the QR IRT (but over the upcoming AR/CO IRT). A no-change NOA is sent to the client, because the information is obtained prior to the implementation of AR/CO and while the case is in QR status.

As of 10/1/12, are CWDs expected to act on this previously reported information, or are they required to wait for the client to re-report after being notified of the AR/CO rules and AR/CO IRT?

For this example, CWDs shall take no action until the CWD has provided the client with an AR/CO informing notice and AR/CO IRT and the client subsequently makes a mandatory report. The CWD can't take a new action on the report, because they already sent a no-change NOA to the AU regarding the report. Clients will be reminded via the NOA informing them that their case is transitioning to AR/CO and

that they need to report income over the AR/CO IRT even if they already voluntarily reported it while their case was in QR status.

Example 2: A client makes what she believes is a voluntary report of income under QR rules on October 4, 2012. The income that the client reports is actually over the AR/CO IRT, but the client has not been notified of the new AR/CO IRT.

In this scenario, CWDs shall take no action until the CWD has mailed the AR/CO informing notice and the AR/CO IRT to the AU. As with any adverse action, 10-day notice is required. There would be no overpayment for the month.

15. Scenario: An AR/CO AU consists of a mother and her three children, and they have no income. Mother reports timely on September 10<sup>th</sup> that the unemployed father with \$100 in weekly unemployment income returns home. Effective October 1, 2012, the father is added to the AU and the case converts to QR. Must CWDs count his income, even though it is under IRT, which would potentially decrease the grant?

Answer: Changes in HH composition are a mandatory report under AR/CO. As such, when an AU makes a HH composition change, eligibility must be determined in light of the change, taking all associated eligibility factors into consideration, including the income of the new household member. In this scenario, the father's income would be counted when the CWD adds him to the AU, even if it resulted in a decrease to the grant. Under AR/CO, CWDs may reduce grants mid-period provided the action was taken as a result of mandatory report. While income under the IRT is not a mandatory report, the income is counted because it is associated with the new HH member. Further, the addition of the new HH member to the AU renders the case subject to QR rules. For CalFresh, the father would be added to the household and his income would be counted prospectively in October.

16. In ACL No. 12-49, on page 21, the first bullet reads: When a case transitions from QR or SAR to AR/CO or vice-versa, the case retains the same QR or SAR cycle and RD/RC due date, which is based on the date of application. The question is: was 'date of application' purposefully left in this ACL by the state even though with SAR, the RD/RC will be based on the beginning date of aid? Was this left in because the CWDs have not yet implemented SAR?

Answer: In most cases the date of application and the beginning date of aid are the same. In cases where they are not the same date, as stated in the errata to ACL No. 12-49, CWDs are to use the date of application if the case originated in QR status and the beginning date of aid if the case originated in SAR or AR/CO status. However, it is especially important that CWDs align the CalWORKs cycle to the CalFresh recertification period in instances where there is a discrepancy between programs. It is more important to align the CalWORKs and CalFresh reporting

cycles than to create the CalWORKs cycle based on the date of application/beginning date of aid.

Example 1: A case with no earned income applies for CalWORKs and CalFresh on January 15. They are found eligible for both programs as AR/CO and CalFresh CR, effective February 1. The RD/RC will be due the following January. The parallel QR cycle (based on beginning date of aid) will be February (Payment Month) - March (Data Month) - April (Submit Month).

Example 2: Using the same scenario as above, but the case is approved for CalFresh in January and CalWORKs on February 1. In this case, the CalWORKs AR/CO benefit period is shortened to February – December, with the RD/RC occurring in December. Moreover, the parallel QR cycle for both CalWORKs and CalFresh would be January (Payment Month) - February (Data Month) - March (Submit Month). Because of the overriding need to align the CalWORKs and CalFresh cycles, the cycle of the CalWORKs case must be adjusted to conform with CalFresh.

17. The adult in an applicant case is a sponsored non-citizen who is ineligible for CalWORKs because the sponsor is meeting his or her needs. Is this case an AR/CO case?

**Answer:** The case is AR/CO because there is no eligible adult in the AU.

18. Is change of immigration/citizenship status a mandatory report, because it falls under “a change in HH composition”?

**Answer:** No, a HH composition change is defined as someone moving into or out of the home. As such, a change of immigration status is not considered a change in HH composition and is not a mandatory report. If a client makes such a report, it is considered voluntary for CalWORKs purposes. Any adverse action to decrease the grant or discontinue the case (if a child loses eligibility based on immigration status) cannot be taken until after the AR/CO redetermination.

If the AU reports a change in immigration status that makes someone eligible for CalWORKs, the CWD may increase the grant mid-period. This could include a child becoming eligible, in which case the grant would increase, or an adult becoming eligible, in which case the grant would increase and the case would become subject to QR or SAR rules. For CalFresh, this is not a household composition change. A household composition change is defined as someone moving in or out of the home.

19. If a child begins receiving Supplemental Security Income (SSI), is he/she discontinued from the case at the end of the AR period, or immediately?

**Answer:** A child being awarded SSI benefits is not a mandatory report under AR/CO. Therefore, the grant would not be reduced until the beginning of the following AR/CO period. (Social Security Administration (SSA) will typically coordinate with state or local welfare offices to ensure SSI benefits are reduced for the incremental amount of TANF cash assistance benefits paid in lieu of Social Security, and will determine the award amount taking into consideration any grant received by the client). As such, a parent may voluntarily remove a child from a case so that full SSI benefits can begin mid-period. However, outside a parent's voluntary request, CWDs have no authority to remove the child mid-year upon learning the child was awarded SSI. For CalFresh, recipients of SSI/State Supplementary Payment (SSP) receive an additional cash benefit in lieu of CalFresh benefits. Therefore, in this example, the SSI child must be discontinued from the CalFresh household (with 10-day notice) in order to prevent duplicate payment.

20. In a two-parent AR/CO case (both parents are ineligible for CalWORKs), are both parents required to sign the AR 3 (mid-period report)?

**Answer:** No, the signature of one parent on the AR 3 is sufficient. Because other means of reporting information are available to clients, such as a phone call from one parent to the CWD, it would be inconsistent to mandate two signatures on the AR 3.

21. Scenario: A client's current job ends because the client accepts/starts a higher paying job that is still under current IRT – does the CWD stop budgeting for the current job (and issue a supplement), and not count the new income as it is not over the IRT?

**Answer:** Yes, the CWD would stop budgeting for the current job and issue a supplement. As stated in ACL No. 12.-25, page 73, the CWD must act on each reported mid-period change separately and sequentially. In this case, the client reported two changes: that she left one job, and that she started another. The CWD must terminate the income for the first job, issue a supplement, and, provided the new income is under IRT, take no mid-period action. However, CWDs should note that because the grant has been recalculated, the IRT may change and, once notified, the client must report income if over the new IRT.

For CalFresh, change reporters are required to report changes in source of income including starting, stopping and changing jobs within 10 days. The CWD must send timely and adequate notice informing the client of the decrease in CalFresh benefits effective the first of the following month.

22. When CalFresh cases move from QR to CR, is the DFA 377.5, "Food Stamp Household Change Report" form required to be sent to the household? Can this same form also be used to report CalWORKs changes?

**Answer:** For CalWORKs, the client can utilize any means of making a mid-period report (phone call, email, verbal report, or written report), including the AR 3 or DFA 377.5. The form is not required by CalFresh, but CDSS encourages that CWDs send the form to facilitate reporting.

23. If a voluntary report is made by an AU/HH that reports income under the established IRT, is a new IRT amount to be given to the AU/HH?

**Answer:** No, the CWD does not need to provide a new IRT for the CalWORKs portion of the case. For CalWORKs, the IRT remains the same, until the AU's income exceeds the IRT or if the CWD is otherwise required, under the applicable AR/CO or QR/SAR rules, to recalculate the grant. Anytime there is a change in the grant, the CWD must inform the AU/HH of the applicable IRT. If the client's income exceeds the IRT, and the grant decreases (rather than the case discontinuing), the CWD would calculate a new grant amount and would assign a new IRT. For CalFresh, the \$100 (earned) and \$50 (unearned) thresholds are based on the last time that benefits were calculated. Therefore, for the CalFresh HH, any time the household reports a change in income (whether mandatory or not) the amount of income reported is recalculated.

24. The TEMP AR 1 states 'Just like Quarterly Reporting, you will receive an appointment letter in the mail when your RD/RC is due. If you miss your RD/RC appointment and don't make it up by the end of the month, **your aid will stop.**' It is stressed throughout ACL No. 12-49 that the RD/RC must be scheduled early in the month, to allow enough time to process. The question is: If clients miss RD/RC appointments during the month, but continue to reschedule, eventually the county will run out of RD/RC time slots. Can the case truly be discontinued in this instance?

**Answer:** No, the CWD shall not discontinue cases due to "running out of RD/RC slots". The TEMP AR 1 and QR 377.2 'Notice of Expiration of Certification' convey to clients the importance of attending the RD/RC appointment, and emphasizes that if they do not attend the appointment by the end of the month, their case will discontinue. But if the client requests a make-up appointment prior to the end of the month, the CWD does not have the authority to discontinue the case merely due to lack of operational capacity.

25. If a client comes in to apply for aid and just lost their job, and there is no indication that unemployment insurance benefits (UIB) will be denied, and the client anticipates receiving UIB but has no verification of this at the time, does the CWD count the

income? Other than not knowing the amount, the AU/HH is otherwise reasonably certain that the income will be received within the period.

**Answer:** In the described scenario, the CWD cannot count the UIB towards the CalWORKs or CalFresh benefit. ACL No. 12-49 states that CWD cannot prospectively budget based on reasonably anticipated income unless the amount of income and the dates the income will be received are certain. In the above scenario, neither the amount nor the dates are known.

26. A timed-out mother with one child has an AR/CO case. She reports an inheritance of \$180,000 received in February. Her last RD was just completed for January. Is she property-eligible for the 11 months until her next RD in January?

**Answer:** For CalWORKs, under AR/CO, there is no provision for taking action on the case mid-period due to property/resource changes. Therefore, no action would be taken on the case until the RD.

For CalFresh, if a household has been conferred Modified Categorical Eligibility (MCE) status (refer to ACL Nos. 09-24, 11-11, and 12-62) resources cannot be considered in the determination of eligibility. If the household is not MCE (whether or not they are CR or QR/SAR), CWDs would still not act on the change because as CRs (and under SAR), receipt of property is not a mandatory report. Voluntary reports cannot be used to decrease benefits mid-period.

27. For the CalFresh CR six-month recertification, if the household fails to send in the RC packet and the CWD terminates the CalFresh benefits, is the Notice of Missed Interview required?

**Answer:** Yes, as is the case of any other household recertification. Policy guidance issued in ACL No. 12-49E clarifies that for a CR six-month recertification, interviews are required for both the 6-month and 12-month recertification periods for CR households with earned income. Therefore, if a household misses an interview, the CWD must send a Notice of Missed Interview.

28. Will the CalFresh QR 377.2 'Notice of Expiration of Certification' be revised as it instructs the household to call in for an interview?

**Answer:** The CalFresh QR 377.2 'Notice of Expiration of Certification' will not be revised. The interview is required and may be done by phone unless the individual requests an in-person interview.

29. Regarding the notice of a request for discontinuance for CalFresh: ACL No. 12-25 states if a verbal request for discontinuance is made, CWDs must send timely and

adequate notice. ACL No. 12-49 states that a timely and adequate notice is not required if the household voluntarily requested, in writing or in the presence of the CWD, that their participation be terminated. Please clarify what a 'verbal' request and 'in the presence of the CWD' mean.

**Answer:** A verbal request is when a client requests discontinuance while not in the presence of the CWD. "In the presence of the CWD" is defined as a circumstance in which the client's identity can be verified and in which the client is physically present with the CWD.

30. On page two, under "Background," the fourth sentence in the paragraph reads:

"In an effort to promote compatibility between the CalWORKs and CalFresh programs, CalFresh households (HHs) associated with CalWORKs AR/CO cases will, if not already, be assigned Change Reporting (CR) status effective October 1, 2012."

What is meant by 'associated with CalWORKs'? Which cases are considered change reporting for CalFresh?

**Answer:** For clarification purposes, the term "associated with CalWORKs AR/CO cases" should be defined as all households in which any member of the HH is part of an AR/CO case.

**Note:** The CalFresh portion of the AR/CO-associated-households who are currently assigned to CR status will convert to SAR no later than October 1, 2013.