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GOVERNOR

May 19, 2011

ALL COUNTY LETTER NO. 11-39

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 WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CalFRESH SPECIALISTS
ALL CONSORTIA REPRESENTATIVES

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAM: NEW INCREMENTAL GRANT REDUCTIONS (IGRs) FOR CERTAIN CHILD-ONLY CASES

REFERENCE: Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) All County Letter (ACL) 97-65, ACL 98-37, ACL 99-90, ACL 02-33, ACL 02-66, ACL 03-21; All County Information Notice (ACIN) I-95-02, ACIN I-40-03, ACIN I-24-11; Welfare and Institutions Code (WIC) Section 11450.025

The purpose of this letter is to inform the County Welfare Departments (CWDs) of changes to the CalWORKs program as a result of the enactment of SB 72 (Chapter 8, Statutes of 2011). This letter provides instructions for the implementation of the Incremental Grant Reductions (IGRs) for certain Child-Only cases.

SB 72 directs the California Department of Social Services (CDSS) to implement the statute initially through an ACL followed by emergency regulations. These CalWORKs changes go into effect on July 1, 2011.

CDSS has distributed mass informing notices to all CalWORKs recipients in May 2011, containing information regarding these changes. Copies of the mailer are included in ACIN I-24-11. CWDs can use the mailer from that ACIN as an additional tool to inform adults of the new IGR rule at intake and at annual redetermination.

Separate letters have already been issued containing instructions for the changes that go into effect on July 1, 2011 which are as follows:

- an eight percent reduction to the Maximum Aid Payment (MAP) levels (ACL 11-29)
- changes to the AB 98 (Chapter 589, Statutes of 2007) subsidized employment program (ACL 11-32)
- a new 48-month time limit for adults (ACL 11-33)
- changes to CalWORKs mental health and substance abuse funding (ACL 11-34)
- the extension of the CalWORKs Short-Term exemptions for cases with young children and cases with good cause for lack of supportive services (ACL 11-34)
- the suspension of the Cal-Learn Program (ACL 11-36)

The CalWORKs Long-Term Reforms, which were due to be implemented on July 1, 2011, have been repealed.

Implementation of the New Time Clock and Incremental Grant Reductions (IGRs) for Child-Only Cases:

On July 1, 2011, new time clocks will be established for children. Certain Child-Only cases will be subject to IGRs at the 61st, 73rd, and 85th months. Child-Only cases are cases in which there is no aided adult, and only the eligible children in the Assistance Unit (AU) are receiving aid. The Child-Only cases that are affected by this new rule include, but are not limited to, those cases where the adult or caretaker relative is:

- Timed-out and the children are receiving aid in the Safety Net program;
- An undocumented non-citizen;
- Fleeing to avoid prosecution of a felony or custody and confinement after conviction;
- Violating a condition of their parole or probation;
- A drug felon with a conviction after December 31, 1997;
- Welfare-to-Work (WTW) sanctioned adult or minor head-of-household that has been removed from the AU;
- A non-needy caretaker relative; or
- Excluded by law.

Penalized adults are still considered to be in the AU and aided; therefore, the IGR cannot be applied to cases in which the adults are penalized for failure to comply with immunization and school attendance requirements or who are guilty of committing fraud after January 1, 1998 pursuant to MPP Sections 40-105.4 (g)(1), 40-105.5 (d), and 40-105.17, respectively.

Similarly, if the AU has received a 25 percent penalty for failure to cooperate with Child Support requirements, the adult remains in the AU, and an IGR would not be applied. ACL 98-37 includes a chart on page 17 that will help guide CWDs. It identifies when penalties and sanctions would result in the adult being removed from the AU and when there is a financial penalty but the adult remains aided. Please note that for two-parent Safety Net cases, this Child-Only time clock and IGR policy applies only when both parents have been removed from the AU.

Exceptions to the IGRs:

This new Child-Only time clock shall not be applied under the following conditions:

- All unaided caretaker relatives of the aided child are receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits under WIC Section 12200. If one parent receives SSI/SSP and the other parent is unaided due to other reasons, IGRs will apply to this Child-Only case.
- If one parent receives SSI/SSP and the other person is an optional step-parent who chooses to be excluded, IGRs will not be applied.
- For Child-Only non-needy caretaker relative cases, only the designated non-needy caretaker relative must be in receipt of SSI/SSP for the case to be exempt from the IGRs. The non-needy caretaker relative's spouse does not need to be receiving SSI/SSP for the exemption from IGRs to apply. Please note: Although CWDs are unable to request SSI/SSP information from non-needy caretaker relatives, the IGR NOA informs these clients of their ability to volunteer such information.
- If at any time in a Child-Only case in which an IGR has been applied meets one of these exceptions, the IGR shall be stopped.

Application of IGRs:

Effective July 1, 2011 when these Child-Only cases reach 60, 72, and 84 months of aid, they will be subject to a grant reduction on the first day of the following month. IGRs are considered to be county-initiated mid-quarter actions and must therefore take effect mid-quarter. IGRs are to be computed after the eight percent July 1, 2011 MAP reduction has been applied and after the eligible grant amount has been calculated for the Child-Only case. This means, IGRs are applied after income has been subtracted and all penalties, overpayment adjustments and sanctions have been calculated. Please note that for two-parent Safety Net cases this Child-Only time clock and IGR policy applies only when both parents have been removed from the AU.

IGRs shall occur as follows:

Reduction shall occur on the first day of the:	Amount of reduction shall be:
61st month of aid	5 percent of the computed Child-Only grant
73rd month of aid	10 percent of the computed Child-Only grant
85th month of aid	15 percent of the computed Child-Only grant

For purposes of computing the IGR, the prior IGR (if applicable) shall be removed prior to taking the next IGR. For example, if an AU was assessed a five percent IGR in month 61, when the AU reaches 73 months of aid, the five percent IGR shall be removed before applying the 10 percent IGR in month 73.

Child-Only cases will be subject to IGRs based on the total cumulative number of months of aid received by a child in the AU who has received aid for the longest period in any AU, going back to January 1, 1998 (for initial time-on-aid (TOA) determination purposes). Since the TOA determination is based on the child in the AU who has been on aid the longest, months in which an adult may have been exempt from time limits due to a time limit exemption or extender under MPP Sections 42-302.11-12 and 42-302.21, as well as months in which the adult has been in sanction status count for purposes of this IGR TOA determination. All months of aid received by that child AU member shall be counted toward the IGR time clock for that case regardless of whether the adult was aided, or not.

The following months of aid shall not be counted toward the Child-Only time clock for purposes of determining when to apply the IGR:

- Any month in which the child was a Maximum Family Grant (MFG) child pursuant to MPP Section 44-314.
- Any month in which the AU was in a Zero Basic Grant status pursuant to MPP Section 44-315.9.
- Any month in which the cost of aid for the AU is fully reimbursed by child support pursuant to MPP Section 42-302.21(g).
- Any month in which the cost of aid for the AU is fully reimbursed by an overpayment collection pursuant to MPP Sections 44-350 through 44-355.
- Any month in which the child was a member of an AU which received a lump-sum diversion payment and the AU's payment was fully repaid to the CWD.
- Out-of-state and Tribal TANF months of aid.

Each individual child will now be assigned a time clock based on the total cumulative number of months in which they have been aided. This time clock will follow the child until they are no longer considered a child per CalWORKs regulations. Each time the household composition changes as a result of a child moving in or out of an AU or a child becomes ineligible for aid, the CWD must reassess the IGR calculation for the AU. This new calculation shall be based on the remaining child in the AU who has received aid the longest. CWDs are reminded to make the grant changes as a result of an addition or deletion of a child subject to IGR reductions in accordance with Quarterly Reporting (QR) rules at MPP Section 44-316.

For example, if a child leaves the AU, the AU is not required to report that change in AU composition until their next QR 7 is due. If the household chooses to not report the child leaving the AU until their next QR 7, the CWD will recalculate Child-Only TOA when the QR 7 is processed. In this case, any grant change would occur at the beginning of the next payment quarter. However, if the AU voluntarily reports mid-quarter that the child with the longest TOA has left the AU and the combined effect of removing the child and removing the IGR results in an increase to the AU's grant, the increase must be made mid-quarter. This same rule applies when a child with the longest TOA enters the AU. If any voluntarily reported change in AU composition results in a decrease to the AU's grant, the CWD cannot decrease the grant until the first day of the next QR payment quarter.

In determining the months of TOA for members of an AU, CWDs should consult any and all resources available to verify months of aid received by members. Months on aid should be counted toward the TOA calculation if the CWDs possess documentation that the member received aid in a particular month.

These IGRs do not occur until the AU becomes a Child-Only case. If at any time an adult returns to aided status, the IGR must be removed from the grant computation. However, if the case ever becomes a Child-Only case again, the application of IGRs will resume.

For example, if a case is subject to an IGR because the adult is in sanction status, once the adult cures their sanction and returns to aided status, the IGR must be removed from the grant computation as long as the adult remains aided. If the adult is removed and the case becomes a Child-Only case again, IGRs will again be assessed, based on the Child-Only TOA on the computed grant amount at that time. In addition, if the child whose TOA was used to determine the Child-Only TOA for the AU moves from one AU to another, the TOA assessed for both AU's will be reassessed based on the new

household composition. The new IGR percentage will depend on which AU member (child) has received aid the longest. CWDs should ensure that when unaided caretaker relatives in CalWORKs households become eligible for assistance, e.g. they remove a drug conviction, clear a felony warrant, gain legal status, cure a sanction or become eligible for a time limit exemption or extension the IGR is stopped until the adult or adults become unaided once again.

Additional examples that illustrate how IGRs are to be determined and calculated are included in Attachment A.

Recipient Noticing Requirements:

Notices of Action (NOAs) For June 2011 through December 31, 2011:

Due to the significant impact this new policy will have on our recipients, SB 72 requires CWDs to provide 30-day NOAs to cases that will be affected by the change during the initial six months of transition. This 30-day NOA will replace the existing 10-day NOA requirement through December 2011. Consistent with 10-day noticing provisions at MPP Section 22-072.4, in computing the notice period, the 30-day notice period shall not include the date of mailing or the date the action is to take effect. Thus, for these cases, the 30-day NOA is the only notice required to be provided for notifying the AU of an IGR-related action.

Noticing Requirements After January 1, 2012:

Beginning January 1, 2012, recipients who are subject to a decrease of benefits due to the IGRs shall receive a NOA 10 days prior to the decrease of aid in accordance with MPP Section 22-071.

Overpayment Instructions

As noted in the "Recipient Noticing Requirements" section of this letter, until December 2011, CWDs will be required to issue 30-day NOAs when imposing IGRs. It is likely that the reprogramming of the Statewide Automated Welfare Systems (SAWS) will not be completed in time to generate NOAs by May 31, 2011, as required by the statute, in order to issue the first NOA 30 days in advance of the July 1, 2011 effective date. If NOAs cannot be issued by May 31, 2011, overpayments would be incurred for the month of July 2011. However, because those July overpayments will not be cost-effective to establish and recover, CWDs may forgo overpayment determinations and collection efforts for overpayments related to the IGRs that meet the cost-effectiveness criteria for the month of July 2011.

If appropriate action (e.g. grant reduction) does not occur or if the CWD was not able to provide a timely 30-day NOA for actions effective on or after August 1, 2011, an Administrative Error Overpayment shall be assessed for all months in which the AU received aid to which they were not entitled. Please see MPP sections 44-352.46, and 44-350.161(b) for additional instructions regarding OP collections.

WTW Impact:

The new Child-Only IGR policies do not change the WTW noncompliance and good cause provisions pursuant to MPP Sections 42-713 and 42-721. The only change for the WTW sanction policy is related to the amount of aid the family can receive while the adult is in sanction status described in the "Application of IGRs" section of this letter.

Instructions for imposing an IGR for families who are newly sanctioned will be issued in a separate ACL.

Welfare Data Tracking Implementation Project (WDTIP) Tracking Recipient Across California (TRAC) Impact:

To assist CWDs in tracking the new CalWORKs IGRs, the WDTIP system and the SAWS systems will need to be modified to track TOA for all CalWORKs children.

WDTIP will be ready by mid-July to begin receiving children's records from the three SAWS consortia to implement the provisions in this ACL. The children's time clocks must be ticked in the SAWS systems when the records are sent to WDTIP. Once WDTIP receives the TOA records on children from each consortium, the TRAC system will be updated and WDTIP will send the updated records, as a one-time instance, to the other consortia to update the CWD records. Discussions are currently taking place between the Office of Systems Integration (OSI) and the SAWS consortia to set a date by which the consortia will have sent all the children's TOA records to WDTIP. Further instruction will be sent once a date is established.

CWDs must ensure that applicable Child-Only time clock exemptions are identified and tracked appropriately on the WDTIP TRAC system. The first three codes have been in existence for adult time limits since the inception of WDTIP and are being recycled for the Child- Only cases. The fourth code is new for the Maximum Family Grant (MFG) exemption. CWDs must use the following codes when applicable:

Exemption Type	Program Exception Code (PEC)	Program Exception Reason Code (PERC)
CalWORKs Exemption - Any Month in which the Cost of the Aid is Fully Reimbursed by Child Support	03	376
CalWORKs Exemption - Recipient child does not Receive a Cash Grant Payment for the Month as Grant Amount is \$10 or Less	03	377
TANF/CalWORKs Repayment - An entire month of aid, to which the AU was not eligible, that is fully repaid by grant reduction or any other means	07	700
CalWORKs Exemption - Any month in which the child was an MFG child	03*	318*

*Exemption Code 03-318 is a new Exemption Code for IGRs.

In the situations listed below, there are no exception codes to send to WDTIP:

- Out-of-state or Tribal TANF months of aid do not count toward the Child-Only time clock. The consortia should not submit any out-of-state or Tribal TANF TOA records for children to WDTIP.
- Diversion months will count toward the Child-Only time clock. WDTIP does not use an exception code to untick the repaid diversion months. For the diversion months that are repaid, the SAWS system should send WDTIP a diversion record with the diversion condition code “R”, so that WDTIP will not tick the Child-Only time clock for those repaid months.

CalFresh Impact:

Since the Child-Only IGRs are not considered failures to comply with a program requirement of another “means tested” program, the household’s CalFresh benefits shall be recalculated and increased, if appropriate, as a result of the reduction of the cash grant, regardless of whether the adult or caretaker relative is in sanction or not (MPP Section 63-503.71).

Consistent with QR regulations, if the IGRs that occur mid-quarter result in an increase in CalFresh benefits, these increases shall also be made mid-quarter. No additional report or verification shall be required to increase CalFresh benefits mid-quarter as a result in a reduction in CalWORKs benefits due to an IGR.

Examples of CalFresh impact:

Example 1: There is an AU of three (one adult and two children). The adult receives a WTW sanction. If the WTW sanction results in a CalFresh sanction, the CalFresh benefits would be recalculated based on the lowered CalWORKs grant for a household of two, as the adult has been removed from the CalFresh household due to sanction (MPP Section 63-407.54). If the adult qualifies for a work registration exemption, then the WTW sanction would not result in a CalFresh sanction and CalFresh benefits would not be recalculated.

Example 2: There is an AU of three (one adult and two children). The adult receives a WTW sanction. The sanction lowers the AU's CalWORKs grant from \$638 to \$516. The adult qualifies for a work registration exemption, so CalFresh benefits are not recalculated. The AU then receives an IGR, further reducing the AU's CalWORKs grant by 5 percent for a total of \$490. Since the IGR is not a result of noncompliance with a program requirement of another means tested program, CalFresh benefits would be recalculated based on a reduction in the AU's CalWORKs grant and the full three person household, as the adult qualifies for a work registration exemption. However, this recalculation would be done by utilizing the original AU grant amount minus the IGR of 5 percent (\$638 – 5 percent), not the AU's CalWORKs grant of \$490, as this amount takes into account a reduction due to failure to comply with a program requirement.

Child Care Impact:

Although the changes described in this ACL will not result in child care policy changes, CWDs are reminded that former CalWORKs recipients who need child care to work or participate in other activities may receive subsidized child care for up to 24 months in Stages One and Two after leaving CalWORKs cash aid as described in MPP Section 47-230, Eligible Former CalWORKs Clients. After exhausting the 24 months of subsidized child care in Stages One and Two, a former recipient may continue receiving subsidized child care services in Stage Three as long as they continue to meet eligibility requirements and funding is available.

Refugee Cash Assistance (RCA)/ Entrant Cash Assistance (ECA) and Trafficking and Crime Victims Assistance Program (TCVAP) Impact:

The information contained in this letter is not applicable to recipients of RCA, ECA, and TCVAP Cash Assistance who are single adults or in families without children.

TCVAP CalWORKs Impact:

The information contained in this letter does apply to recipients of TCVAP CalWORKs.

Camera Ready Copies and Translations:

For a camera-ready copy in English, contact the Forms Management Unit at fmudss@dss.ca.gov. If your office has internet access you may obtain these forms from the CDSS webpage at http://www.dss.cahw.net.gov/cdssweb/FormsandPu_271.htm. When all translations are completed per MPP Section 21-115.2, including Spanish forms, they are posted on an on-going basis on our web site. Copies of the translated forms can be obtained at http://www.dss.cahw.net.gov/cdssweb/FormsandPu_274.htm. For questions on translated materials, please contact Language Services at (916) 651-8876. Until translations are available, clients who have elected to receive Spanish, Russian, Vietnamese, and written Chinese materials should be sent the GEN 1365 interpretation informing notice with a local contact number.

Forms/NOAs:

The new 30-day discontinuance and grant reduction NOAs are contained in this letter (Attachment B). However, additional forms and NOAs that will need to be modified or developed as a result of these changes will be issued in a separate ACL.

Data Reporting:

Instructions will follow in a subsequent ACL.

If you have any questions or need further information regarding this letter, please contact the following CDSS representatives:

- CalWORKs Eligibility County Consultant (916) 654-1322
- Employment County Consultant (916) 654-2137
- Child Care Programs (916) 657-2144
- Fiscal Policy fiscal.systems@dss.ca.gov
- CalFresh Policy (916) 651-8047
- Program Integrity (WDTIP) (916) 654-2125
- Refugee Programs (916) 654-4356

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Attachments

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CHILD-ONLY IGR EXAMPLES

Example 1: AU of three (mom and two children). The AU comprised of mom and her two children started receiving aid in July 2007. As a non-exempt AU of three living in Region 1, the AU's grant is \$694 per month. For the 48 months that the AU received aid, the mom never received a CalWORKs time limit exemption or extender. As of June 30, 2011, the mom has exceeded her 48-month time limit and is removed from the AU. On July 1, 2011, the MAP amount for the AU is not only reduced by the mom's portion of the grant, it is also reduced by the eight percent MAP reduction. The Safety Net grant for this AU of two would be \$516 per month effective July 1, 2011.

Assuming the AU remains in the Safety Net and the AU composition remains unchanged, the grant for the children would be subject to the IGRs in months 61, 73 and 85. For this AU, the IGRs further would reduce the Safety Net grant as shown below:

	April 2011	May 2011	June 2011	July 2011	June 2012	July 2012	July 2013	July 2014
AU size	3	3	3	2	2	2	2	2
Grant	\$694	\$694	\$694	\$516	\$516	\$490	\$464	\$439
TOA	46	47	48	49	60	61	73	85

Child-Only Month on Aid	Date	Child-Only IGR Calculation
49	July 2011	$\$638 - \$122 = \$516^*$
61	July 2012	$\$516 - 5\% = \490
73	July 2013	$\$516 - 10\% = \464
85	July 2014	$\$516 - 15\% = \439

*\$516 reflects the 8% MAP reduction that also takes effect on July 1, 2011.

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Example 2: AU of three (mom and two children). Mom is an undocumented non-citizen, receiving aid for two citizen children. The family lives in Region 1 and mom receives a grant of \$561 per month on behalf of the children. As of June 30, 2011, the oldest child has received aid for 70 months, and the youngest child has received aid for 50 months. Effective July 1, 2011 two reductions would occur. First, the grant would be subject to the eight percent grant reduction reducing the grant from \$561 to \$516. Second, the Child-Only grant would be reduced due to the Child-Only case having received aid for more than 60 months. The Child-Only grant of \$516 would be reduced by five percent, resulting in a new Child-Only grant totaling \$490 per month. In calculating the Child-Only grants for the subsequent IGRs to occur at months 73 and 85, the prior IGR shall be removed prior to taking the next IGR, as shown below:

	June 2011	July 2011	August 2011	September 2011	October 2011	August 2012	September 2012
AU Size	2	2	2	2	2	2	2
Grant	\$561	\$490	\$490	\$464	\$464	\$464	\$439
TOA in months	70	71	72	73	74	84	85

Child-Only Month on Aid	Date	Child-Only IGR Calculation
71	July 2011	\$516* – 5% = \$490
73	September 2011	\$516 – 10% = \$464
85	September 2012	\$516 – 15% = \$439

*\$516 reflects the 8% MAP reduction that also takes effect on July 1, 2011.

Example 3: AU of two (two children). The mom has received aid on behalf of her children for a total of 76 months. Mom has received SSI/SSP benefits for herself since January 2005. The family lives in Region 1 and the grant for this Child-Only case is \$561 per month. On July 1, 2011 the AUs Child-Only grant was subject to the eight percent MAP reduction, resulting in a grant of \$516 per month. In this scenario, the AU would not be subject to the IGRs since the mom is exempt from this provision as a result of receiving SSI/SSP.

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Example 4: Mom and Dad are living together with their two children. Mom and Dad separate and each parent takes one child. Mom and child one (C1) reside in Region 1 and begin receiving aid in September 2004 in the amount of \$568 per month. Dad and child two (C2) do not receive aid. Mom's AU received aid in Region 1 for 24 months from September 2004 to August 2006.

- ✓ In August 2006, C2 moves in with mom and becomes the third member of her AU, increasing the grant to \$723.
- ✓ On August 30, 2009, mom was removed from the grant due to reaching her 60-month time limit, but continued receiving aid on behalf of her two children in a Child-Only Safety Net case in the amount of \$561 per month beginning September 1, 2009.
- ✓ In July 2011, when the Child-Only IGR policy takes effect, this AU will be in their 83rd month of aid. This TOA is determined by counting the number of months that C1 had received aid, which was since September 2004. Because this Child-Only Safety Net case will have exceeded 72 months of aid, the AU is subject to a 10 percent IGR, resulting in a grant amount of \$464 effective July 1, 2011.
- ✓ In August 2011, C1 leaves Mom's AU and moves in with Dad. Dad has never been aided, lives in Region 1, and is now applying for aid for himself and his child (C1). Dad is a drug felon and not eligible to receive aid for himself, but he is eligible to receive a Child-Only grant on behalf of C1. Effective September 1, 2011, since C1 has received aid for a cumulative total of 85 months, his grant will be \$269, due to the application of the 15 percent IGR.
- ✓ As of September 1, 2011, Mom's case contains C2, who has received aid for a cumulative total of 62 months, and is eligible to receive a grant in the amount of \$301, due to the application of the 5 percent IGR.

Although it was C1 who triggered the time clock originally for Mom's AU on July 1, 2011, C1 will take his TOA with him to his Dad's case. Mom's IGR calculation is then recalculated based on the total number of months in which C2 has received aid. Now that C1 lives with Dad, Mom's IGR time clock is at 62 months starting September 1, 2011. This means Mom will be receiving a 5 percent grant cut to her Child-Only grant received on behalf of C2 in the amount of \$301. Since C1 has received aid for a total of 85 months in September 2011, Dad's AU is subject to a 15 percent grant reduction, resulting in a grant amount of \$269.

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	Sept. 2004	Aug. 2006	Aug. 2009	Sept 2009	May 2011	June 2011	July 2011	Aug. 2011	Sept. 2011
Mom's AU	2	3	3	2	2	2	2	2	1
Mom's Grant	\$568	\$723	\$694	\$561	\$561	\$561	\$464	\$464	\$301
Dad's AU	0	0	0	0	0	0	0	0	1
Dad's Grant	0	0	0	0	0	0	0	0	\$269
C1's TOA	1	24	60	61	81	82	83	84	85
C2's TOA	0	1	37	38	58	59	60	61	62

Child-Only Month on Aid	Date	Child-Only IGR Calculation
83	July 2011	\$516* – 10% = \$464
85	Dad and C1: September 2011	\$317 – 15% = \$269
62	Mom and C2: September 2011	\$317 – 5% = \$301

*\$516 reflects the 8% MAP reduction that also takes effect on July 1, 2011.

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Example 5: AU of three (mom and two children). The AU comprised of mom and her two children started receiving aid in July 2007. As a non-exempt AU of three living in Region 1, the AU's grant, as of January 2010, is \$694 per month. Mom has been exempt from time limits from July 2007 until December 2009. After losing her time limit exemption in December, beginning January 2010, each month of aid begins to count toward her CalWORKs adult time limit. In September 2010, mom receives a WTW sanction, and is removed from the AU, resulting in a grant amount of \$561. Mom remains in sanction status, and on July 1, 2011 the grant amount for the AU is further reduced by the eight percent MAP reduction, resulting in a grant amount of \$516.

In June 2012, the Child-Only case reaches 60 months of aid (because all months of aid since July 2007 count toward the Child-Only time clock), and is subject to a five percent IGR in July 2012. This results in a grant amount of \$490 effective July 1, 2012. In September 2012, mom cures her sanction, and is added back into the AU the first of the following month, October 1, 2012. Once mom is added back into the AU, this is no longer a Child-Only case, and the IGR must also be removed, resulting in a grant amount of \$638 for three people. Also, because the case is no longer a Child-Only case, although the case has received aid for 64 months (as of September 30, 2012), this "clock" does not affect the grant for the case. Once mom is aided, the CWD will only count mom's TOA for the CalWORKs clock, which has nine months as of October 2012. As long as mom is aided, the grant for this AU will not be subject to IGRs.

	August 2010	Sept. 2010	June 2011	July 2011	June 2012	July 2012	Oct. 2012
AU size	3	2	2	2	2	2	3
Grant	\$694	\$561	\$561	\$516	\$516	\$490	\$638
Child-Only TOA	38	39	48	49	60	61	64
Mom's TOA	8	8	8	8	8	8	9

Child-Only Month on Aid	Date	Child-Only IGR Calculation
39	September 2010	\$694 – \$133 = \$561
61	July 2012	\$516* – 5% = \$490
64	October 2012	\$490 + 5% = \$516
64	October 2012	\$516 + \$122 = \$638

*\$516 reflects the 8% MAP reduction that also takes effect on July 1, 2011.

ATTACHMENT A
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Example 6: AU of two (two children). Mom is a drug felon, receiving aid for two children. The AU started receiving aid in July 2006. As a non-exempt AU of two living in Region 1, the AU's grant is \$561 per month. By June 2011, the AU has received 60 months of aid. On July 1, 2011 the grant amount for the AU is reduced by the eight percent MAP reduction, resulting in a grant amount of \$516. In July 2011, since the Child-Only case also reaches its 61st month of aid, it is also subject to a five percent IGR effective July 1, 2011, resulting in a grant amount of \$490. In July 2011, mom reported on the QR 7 that one of the children had just started receiving disability-based unearned income (DBI) of \$250. As a result of this income, the next quarter's grant is recalculated, and beginning August 2011, the grant for the case (prior to applying the five percent IGR) is \$491. (DBI of \$250 – 225 disregard = \$25 net nonexempt income [NNI] \$516 - \$25 [DBI] = \$491. The five percent IGR is then applied to the newly computed grant amount of \$491. [\$491 – 5% = \$466].)

In July 2012, the Child-Only AU is in their 73rd month, and the grant must be recalculated based on the new IGR amount. MAP for two without a five percent IGR is \$516, less \$25 NNI = \$491. \$491 – 10% = \$442.)

	June 2011	July 2011	August 2011	September 2011	July 2012
AU size	2	2	2	2	2
Grant	\$561	\$490	\$466	\$466	\$442
Child-Only TOA	60	61	62	63	73

Child-Only Month on Aid	Date	Child-Only IGR Calculation
61	July 2011	\$516* – 5% = \$490
62	August 2011	\$516 - \$25 (DBI) = \$491 \$491 – 5% = \$466
73	July 2012	\$516 - \$25 = \$491 \$491 – 10% = \$442

*\$516 reflects the 8% MAP reduction that also takes effect on July 1, 2011.

ATTACHMENT B

INCREMENTAL GRANT REDUCTION (IGR) FORMS AND NOTICES OF ACTION (NOAs)

- NA 533 (05/11)
- NA 534 (05/11)

NOA Messages:

Action	Type	PURPOSE	NOA #
Change	Child-Only Time On Aid Grant Cut	NOA to change benefits for families based on the IGRs	TEMP W&I 11454.025
Change	Adult added to AU	NOA to remove IGR when adult is added back into the AU	TEMP W&I 11454.025A

NOTICE OF ACTION CALWORKS "CHILD-ONLY" TIME ON AID GRANT CUT

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone: _____
Address : _____

(ADDRESSEE)

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Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

CONTACT YOUR WORKER RIGHT AWAY IF YOU DISAGREE WITH THE INFORMATION ON THIS NOTICE.

- If you and the county worker cannot reach an agreement, you must ask for a hearing within 90 days from the date of this notice.
- If you do not request a hearing, you may never get another chance to change the number of months shown on this notice for your child's/children's time on aid.

Medi-Cal: This notice DOES NOT change or stop Medi-Cal Benefits. **Keep using your plastic Benefits Identification Card(s).** You will get another notice telling you about any changes to your health benefits.

CalFresh: This notice DOES NOT stop or change your CalFresh benefits. You will get a separate notice telling you about any changes to your CalFresh benefits.

Receiving Medi-Cal and/or CalFresh only DOES NOT count against your child's/children's time on aid.

Rules: These rules apply; you may review them at your welfare office: MPP 44-100; 44-314; 44-315; Chapter 8, Statutes of 2011, W & I Code Section 11450.025

YOUR HEARING RIGHTS

You have the right to ask for a hearing if you disagree with any county action. You have only 90 days to ask for a hearing. The 90 days started the day after the county gave or mailed you this notice. If you have good cause as to why you were not able to file for a hearing within the 90 days, you may still file for a hearing. If you provide good cause, a hearing may still be scheduled.

If you ask for a hearing before an action on Cash Aid, Medi-Cal, CalFresh (Food Stamps), or Child Care takes place:

- Your Cash Aid or Medi-Cal will stay the same while you wait for a hearing.
- Your Child Care Services may stay the same while you wait for a hearing.
- Your CalFresh (Food Stamps) will stay the same until the hearing or the end of your certification period, whichever is earlier.

If the hearing decision says we are right, you will owe us for any extra Cash Aid, CalFresh (Food Stamps) or Child Care Services you got. To let us lower or stop your benefits before the hearing, check below:

Yes, lower or stop: Cash Aid CalFresh (Food Stamps)
 Child Care

While You Wait for a Hearing Decision for:

Welfare to Work:

You do not have to take part in the activities.

You may receive child care payments for employment and for activities approved by the county before this notice.

If we told you your other supportive services payments will stop, you will not get any more payments, even if you go to your activity.

If we told you we will pay your other supportive services, they will be paid in the amount and in the way we told you in this notice.

- To get those supportive services, you must go to the activity the county told you to attend.
- If the amount of supportive services the county pays while you wait for a hearing decision is not enough to allow you to participate, you can stop going to the activity.

Cal-Learn:

- You cannot participate in the Cal-Learn Program if we told you we cannot serve you.
- We will only pay for Cal-Learn supportive services for an approved activity.

OTHER INFORMATION

Medi-Cal Managed Care Plan Members: The action on this notice may stop you from getting services from your managed care health plan. You may wish to contact your health plan membership services if you have questions.

Child and/or Medical Support: The local child support agency will help collect support at no cost even if you are not on cash aid. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you current support money collected but will keep past due money collected that is owed to the county.

Family Planning: Your welfare office will give you information when you ask for it.

Hearing File: If you ask for a hearing, the State Hearing Division will set up a file. You have the right to see this file before your hearing and to get a copy of the county's written position on your case at least two days before the hearing. The state may give your hearing file to the Welfare Department and the U.S. Departments of Health and Human Services and Agriculture. **(W&I Code Sections 10850 and 10950.)**

TO ASK FOR A HEARING:

- Fill out this page.
- Make a copy of the front and back of this page for your records. If you ask, your worker will get you a copy of this page.
- Send or take this page to:

OR

- Call toll free: 1-800-952-5253 or for hearing or speech impaired who use TDD, 1-800-952-8349.

To Get Help: You can ask about your hearing rights or for a legal aid referral at the toll-free state phone numbers listed above. You may get free legal help at your local legal aid or welfare rights office.

If you do not want to go to the hearing alone, you can bring a friend or someone with you.

HEARING REQUEST

I want a hearing due to an action by the Welfare Department of _____ County about my:

- Cash Aid CalFresh (Food Stamps) Medi-Cal
 Other (list) _____

Here's Why: _____

- If you need more space, check here and add a page.
 I need the state to provide me with an interpreter at no cost to me. (A relative or friend cannot interpret for you at the hearing.)

My language or dialect is: _____

NAME OF PERSON WHOSE BENEFITS WERE DENIED, CHANGED OR STOPPED

BIRTH DATE PHONE NUMBER

STREET ADDRESS

CITY STATE ZIP CODE

SIGNATURE DATE

NAME OF PERSON COMPLETING THIS FORM PHONE NUMBER

- I want the person named below to represent me at this hearing. I give my permission for this person to see my records or go to the hearing for me. (This person can be a friend or relative but cannot interpret for you.)

NAME PHONE NUMBER

STREET ADDRESS

CITY STATE ZIP CODE

NOTICE OF ACTION

CALWORKS "CHILD-ONLY"

TIME ON AID GRANT CUT (Continued)

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND HUMAN SERVICES AGENCY
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case : _____
Name : _____
Number : _____

Monthly Cash Aid Amount

Section A. Countable Income, Month of _____

1. Total Self-Employment Income \$ _____
 2. Self-Employment Expenses:
 - a. 40% Standard - _____
 - OR
 - b. Actual - _____
 3. Net Earnings from Self-Employment = _____
 4. Total Disability-Based Unearned Income (DBI)
(Assistance Unit + Non-Assistance Unit Members) . . \$ _____
 5. \$225 DBI Disregard (if #4 is greater than \$225) . . . - _____
 6. Nonexempt Unearned Disability-Based Income . . . = _____
 - OR
 7. Unused DBI Disregard (up to \$112) = _____
 8. Net Earnings from Self-Employment (from above) . . + _____
 9. Total Other Earned Income + _____
 10. Unused Amount of \$225 (from #7) or \$112
(whichever is less) - _____
 11. Subtotal = _____
 12. Earned Income Disregard 50%. - _____
 13. Subtotal = _____
 14. Nonexempt Unearned Disability-Based Income
(from #6) + _____
 15. Subtotal = _____
 16. Other Nonexempt Income (Assistance Unit + Non-
Assistance Unit Members) + _____
- Net Countable Income** = _____

Section B. Your Cash Aid, Month of _____

1. Maximum Aid _____ Persons
(Assistance Unit + Non-Assistance Unit Members) . . \$ _____
2. Special Needs (Assistance Unit + Non-Assistance
Unit Members) + _____
3. Net Countable Income from Section A (above) - _____
4. Subtotal = _____
5. Maximum Aid _____ Persons (Assistance Unit only)
(Excluding MFG, or Penalized Persons) \$ _____
6. Special Needs (Assistance Unit only) + _____
7. Maximum Aid Subtotal = _____
8. **Full Month Aid Subtotal**
(Lowest Amount on Line 4 or 7) = _____
9. Line 8 Prorated for Part of Month = _____
10. Adjustments: 25% Child Support Penalty(ies) - _____
 - Other Penalties - _____
 - Overpayment - _____
 - Child-Only Grant Cut (5%, 10%, 15%) - _____
 - School Bonus (\$100 or \$500) + _____
11. **Monthly Cash Aid Amount**
(Line 8 or 9 Adjusted) \$ _____

CHILD SUPPORT COLLECTION FOR CALWORKS CHILD-ONLY TIME ON AID

Child support is used to pay back the cash aid you got. All child support collected since 1998 is added up; when the total amount can repay a month of aid, that month does not count toward the CalWORKS Child-Only time on aid.

The child support was used as follows to not count _____ month(s) against your child's time on aid.

As of _____, the amount of child support collected is \$ _____.

The child support amount was applied to not count the following _____ months:

Month ____ Year ____ Amount of Aid Repaid by Child Support \$ _____

Month ____ Year ____ Amount of Aid Repaid by Child Support \$ _____

Month ____ Year ____ Amount of Aid Repaid by Child Support \$ _____

Month ____ Year ____ Amount of Aid Repaid by Child Support \$ _____

The remaining amount of child support is \$ _____ and will be applied to _____ months of aid that have not yet been repaid.

Auto ID No.:
Source :
Issued by :
Reg Cite : W&I Codes 11450.025,
11454.2, 11454.5(a)(3)

Use Form No. : NA 533, attach NA 534
Original Date : 05-19-11 New
Revision Date : 5-11

MESSAGE:

As of _____, the county is changing your child's/children's cash aid from \$_____ to \$_____.

Here's why:

Because of State Law changes, beginning July 1, 2011, your children's cash aid will be cut after your child(ren) got five or more years of cash aid. This is how your child's/children's cash aid will be cut:

- Your child, _____ got 60 (or more) total months of cash aid (five years). Your child's/children's cash aid will be cut by five percent.
- Your child, _____ got 72 (or more) total months of cash aid (six years). Your child's/children's cash aid will be cut by ten percent.
- Your child, _____ got 84 (or more) total months of cash aid (seven years). Your child's/children's cash aid will be cut by 15 percent.

If you got Supplemental Security Income/State Supplementary Payment (SSI/SSP), your child's cash aid may not be cut because of this new law. If you want to volunteer this information, please call your worker to stop the cut to your child's cash aid.

Your child got cash aid:

From ____ to _____ = _____ months.

Months that did not count: - _____ months.

The total number of months is now _____ months.

The following _____ months did not count toward your child's CalWORKs Child-only time on aid:

Year _____ - Jan Feb Mar Apr May June
July Aug Sept Oct Nov Dec

- The last page shows how child support was counted.
- Your child(ren) may have months that will not count because of child support collection in the future. The county will let you know about these months if your child(ren) is still on CalWORKs.
- No child support was collected for children in your CalWORKs assistance unit.

Your child's/children's new cash aid amount is figured on the next page.

Authority:
SB 72 (Chapter 8 Statutes of 2011),
Welfare and Institutions Code
11450.025.

INSTRUCTIONS: Use when a change is made to the grant amount based on the Incremental Grant Reductions effective July 1, 2011, for adult sanctioned/child only, non-needy caretaker or safety net cases.

Complete the following:

- Date of change.
- Current amount of cash aid
- New amount of cash aid
- Check the box showing which cut will affect the case and enter the child's name whose months on aid are being used to lower the cash aid amount..
- Enter the name of the child whose months on aid are being used to lower the cash aid amount.
- Number of months the child(ren) was/were aided.
- Number of months that did not count.
- Total number of countable months.
- Show the exempt months, use as many years as needed to show all exempt months beginning January 1, 1998 for first IGR. For subsequent IGRs show exempt months since last IGR NOA.
- Check the box(es) to show how child support collection was used to exempt months of cash aid.

Use NA 533 (5/11), attach NA 534 (5/11) to show new cash aid amount and how child support was used to exempt months. Use this TEMP message from June 2011 through December 2011.

State of California
Department of Social Services

Noa Msg Doc No.: W&I 11450.025A Page 1 of 1
Action : Change
Issue: Adult added to AU
Title: Incremental Grant Reduction

Auto ID No.:
Source :
Issued by :
Reg Cite : W&I 11450.025

Use Form No. : NA 200
Original Date : 05-13-11 New
Revision Date : 5-11

MESSAGE:

As of _____, the County is changing your family's cash aid from \$_____ to \$_____.

Here's why:

Your family's cash aid was lowered because there was no adult in your assistance unit and one of your children got cash aid for 60 months or more.

Now that an adult, _____, has been added to the assistance unit, the child-only time on aid grant cut does not apply to your case anymore so your cash aid will change.

If your family's assistance unit changes and only the children get cash aid, your family's cash aid may be lowered again. If this happens you will get another notice.

Your new cash aid amount is figured on this page.

INSTRUCTIONS: Use to change the amount of aid when an adult is added back into the AU and the IGR is removed.

Complete the following:

- Date of change.
- Current cash aid amount.
- New cash aid amount.
- Name of adult added to the AU.

Use NA 200 (4/11)