



CDSS

WILL LIGHTBOURNE
DIRECTOR

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

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

REASON FOR THIS TRANSMITTAL

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

July 30, 2012

ALL COUNTY LETTER NO.: 12-35

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY CALFRESH PROGRAM SPECIALISTS
ALL CONSORTIA REPRESENTATIVES

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND CALFRESH PROGRAMS: IMPLEMENTATION OF ASSEMBLY BILL (AB) 959 FOR THE CalWORKs AND CALFRESH PROGRAMS

REFERENCE: AB 959 (CHAPTER 506, STATUTES OF 2011); WELFARE AND INSTITUTIONS CODE (WIC) SECTION 11265.4 (a); ALL COUNTY LETTERS (ACL) 03-18 AND 10-32; MANUAL OF POLICES AND PROCEDURES (MPP) SECTIONS 40-105.3, 40-125.91, 40-125.92, 40-125.941 (QR), 40-125.942.QR, 40-125.96 (QR), 40-181.22, 40-181.221, 40-181.23, 40-181.24 (QR), 41-440.22, 44-111.23, 44-315.7, 44-316.31, 63-508.4, 63-508.5, and 63-508.532; UNITED STATES DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE (FNS) WAIVER #2090046

The purpose of this letter is to inform County Welfare Departments (CWDs) of the changes pursuant to AB 959. The new law will change the way CWDs process recently discontinued CalWORKs and CalFresh cases who submit a completed QR 7 in the month following discontinuance for failure to submit the quarterly eligibility report form (QR 7) in the Submit Month.

Existing Regulations:

Current state law and regulations require CWDs to redetermine recipient eligibility and grant/benefit amounts on a quarterly basis, using the recipient QR 7 form. Regulations at Manual of Policies and Procedures (MPP) Sections 40-181.22 and 63-508.5 state that a complete QR 7 is due by the 5th calendar day of the QR submit month and is still considered timely if received by the 11th day of that month. CWDs use information reported by the recipient on the QR 7 to determine continuing eligibility and grant/benefit amount for the next quarter. When a recipient fails to submit a complete QR 7 by the 11th day of their report month (as defined at MPP Sections 40-181.22 and 63-508.5), CWDs are required to send a Notice of

Action (NOA) informing the recipient that their cash aid and/or CalFresh benefits will be discontinued at the end of that month.

Current Law:

Currently, if a recipient does not submit a complete QR 7 by the end of the first working day of the month following the discontinuance, the discontinuance remains in effect, and the client must reapply for aid as a new applicant. Existing regulations at MPP Section 40-125.91 allow CWDs, on a case by case basis, the option of not requiring clients to provide a new SAWs 2 when the client is requesting a restoration of aid, if case circumstances haven't changed significantly since the case was discontinued and if the family's annual redetermination of eligibility was not overdue.

In addition, currently, if a recipient is determined to have good cause for not submitting a complete and timely QR 7, CWDs are required to rescind the discontinuance and restore aid back to the first of the month following discontinuance, pursuant to MPP Sections 40-125.94 and 40-181.234. Under these circumstances, the CWD is required to determine eligibility using recipient rules, and calculate the grant/benefit amount based on information contained on the complete QR 7. Good cause is defined at MPP Section 40-181.23 (QR).

New Law:

Effective July 1, 2012, the new law under Welfare and Institutions Code (WIC) Section 11265.4(a) requires that when a recipient submits a complete QR 7 within the month following the discontinuance for an incomplete QR 7 or for nonsubmission of a QR 7 (pursuant to MPP Section 40-125.92 (QR) and 63-508), the CWD must restore benefits to the AU/household without requiring a new application or intake interview, provided all other eligibility criteria are met. Eligibility and benefits shall be determined based on the complete submitted QR 7 and prorated from the date that the AU/household provides the complete QR 7 and the recipient shall be issued a NOA (M40-125A) informing them of this change. **These restored AU/households shall be considered recipient cases and shall not be subject to applicant eligibility criteria.** In other words, these cases are subject to the recipient earned income disregards at MPP Section 44-111.23 for purposes of grant/benefit calculation when earnings are reported, and not the applicant disregard of \$90 (MPP Section 44-207.11). These cases are also not subject to the applicant 100-hour rule for two-parent cases described in MPP Section 41-440.2. If the information reported on the complete QR 7 results in a decrease in benefits from the amount issued in the month prior to their QR 7 discontinuance, CWDs would be required to restore benefits at the decreased level. Restoring benefits at a decreased level is appropriate given that the case is going from a discontinued status to an active (aided) status after a break in aid, and the CWD's action would not be considered a mid-quarter decrease, as the QR cycle was disrupted when benefits were terminated. For these cases, the client's current QR cycle and certification period shall be retained as if the case were never discontinued. As a requirement for CalWORKs only, it is not necessary to obtain another Statewide Fingerprint Imaging System (SFIS) image for these cases (MPP Section 40-105.3).

SFIS is no longer a requirement for CalFresh. If the recipient does not submit a complete QR 7 within the month following discontinuance or if he/she submits an incomplete QR 7, the original discontinuance shall remain in effect. Current good cause rules for failure to submit a complete and timely QR 7 continue to apply. If the CWD has discontinued a client, and the client is determined to have good cause for not submitting the QR 7, the CWD will still be required to rescind the discontinuance and restore full aid back to the beginning of the month pursuant to MPP Sections 40-125.94 and 40-181.234.

Implementation of AB 959 primarily changes the rules for restoring aid in the month following QR 7 discontinuance for those AUs who do not have good cause for failing to submit their QR 7 in that when aid is restored, it is restored as of the date the QR 7 is received (i.e. aid is pro-rated.) Also, unlike the treatment of other restoration of aid cases, which occur when the client applies for aid within 12 months after being discontinued, AB 959 requires that the CWD treat the AU as a recipient AU, rather than an applicant AU when they submit a complete QR 7 in the 30 days following discontinuance for non-receipt of a complete QR 7.

Timing of Implementation:

AB 959 became effective July 1, 2012; therefore, any client who applies for aid in the month of July after being discontinued June 30, 2012, for failure to submit a complete and timely QR 7, or who submits a May 2012, QR 7 in the month of July 2012, shall be considered under the new AB 959 rules. The June 30 discontinuance must either be rescinded (if the client had good cause) back to the discontinuance date or restored as the date the May QR 7 is submitted if the client did not have good cause.

As of August 1, cases discontinued for non-receipt of a complete QR 7 must also be considered under the new AB 959 rules shared in this ACL.

Please see Attachment A for examples of various case situations and how they should be treated under the new AB 959 changes.

CalWORKs/ Transitional CalFresh (TCF):

Public Assistance CalFresh (PACF) households who do not submit their complete QR 7 by the first working day of the next QR payment quarter will have their CalWORKs benefits terminated, but they will receive TCF benefits. AB 959 allows PACF recipients to submit a completed QR 7 within the month following the discontinuance. Regular CalFresh benefits will be restored effective the first of the following month, providing the county issues a timely NOA prior to the termination of TCF benefits.

Under the provisions FNS Waiver #2090046, Non-Assistance CalFresh (NACF) recipients already are permitted to submit a completed QR 7 within the month following discontinuance without having to re-apply (see Non- Assistance CalFresh section below). The new law extends this same opportunity to PACF recipients.

Non-Assistance CalFresh (CalFresh-only households):

As stated in ACL 10-32, most NACF (CalFresh-only) households (those cases without a CalWORKs component) already can have their cases restored within the month following discontinuance per United States Department of Agriculture, FNS Waiver #2090046. Please refer to the ACL for information regarding the restoration of NACF households.

Attachment A also includes examples of how to treat CalFresh cases for PACF households who have been discontinued for non-receipt of a complete QR 7, starting with Example 3.

Regulations, Forms and NOAs:

The California Department of Social Services (CDSS) will be revising all necessary regulations, forms and NOAs in response to these changes. Attached to this letter are revised NA 960X and the NA 960Y notices, which have been revised to reflect the new provisions of AB 959. CWDs are instructed to use these forms as of August 1, 2012.

For questions regarding CalFresh, please contact your county consultant or call the CalFresh Policy Bureau at (916) 654-1896. If you have any questions regarding CalWORKs, please contact your county consultant or call the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Welfare to Work Division

Attachments

Attachment A

Example 1 (CalWORKs and CalFresh):

An AU of three with no income, living in Region 1, is in the August, September, October quarter and is receiving a maximum aid payment (MAP) of \$638. Mom does not submit a QR 7 by October 11. The county sends a discontinuance notice, effective October 31. When no QR 7 is submitted by November 1 (the extended filing date), the discontinuance takes effect.

On November 15, the AU submits a complete QR 7. On the QR 7, Mom reports she started a new job, anticipates receiving monthly gross earnings of \$1,000, and attaches appropriate verifications. The CWD would restore aid effective November 15, establishing the QR cycle as Nov/Dec/Jan and use the new earnings to determine eligibility and grant/benefit levels for the month of November and the remainder of the payment quarter, assuming no other changes are anticipated by the AU. The CWD would prorate the benefits for November and establish aid at a reduced level for November and ongoing months because Mom's new earnings must be included in the grant/benefit calculation. The calculation for monthly grant/benefit level is shown here:

\$1,000	Gross Earned Income
-112	Less \$112 Earned Income Disregard
\$888	Subtotal
\$ 888	
- 444	Less 50 % Earned Income Disregard
\$ 444	Total Net Nonexempt Income (NNI)
\$638	MAP for AU of Three, Region 1
- 444	Less NNI
\$194	Monthly Grant Amount

For November, the \$194 grant amount would be prorated from November 15, the date aid is restored. Please refer to MPP Section 44-315.7 regarding the proration of benefits.

For PACF households issued TCF please see the "CalWORKs/Transitional CalFresh" section below for guidance on how to correctly terminate TCF and issue regular CalFresh benefits.

Example 2 (CalWORKs and CalFresh):

Same AU with same initial circumstances as in Example 1. The AU fails to submit a complete QR 7 by October 11. The county sends a discontinuance notice, effective October 31. When no QR 7 is submitted by November 1 (the extended filing date), the discontinuance takes effect.

Attachment A
Page Two

As in Example 1, the AU submits a complete QR 7 on November 15, however, in this example, Mom reports starting a new job that will pay \$3,500 per month. Because the income would render the AU of three financially ineligible, even after applying recipient disregards, the CWD cannot restore aid for this AU, even though the AU provided a complete QR 7 within the month following a “No QR 7” discontinuance. The CWD must deny the request for restoration of benefits due to excess income and provide the family with an adequate denial NOA (M44-207J).

For PACF households issued TCF please see the “CalWORKs/Transitional CalFresh” section below for guidance on how to correctly terminate TCF and issue regular CalFresh benefits.

Example 3 (CalFresh for PACF Households):

A PACF household is terminated on March 31 for failure to submit a complete QR 7 and begins receiving TCF in April. The household submits a complete QR 7 on April 7 and continues to receive TCF for April. The CWD sends a timely NOA terminating the TCF effective April 30. Regular CalFresh benefits are restored effective May 1.

Example 4 (CalFresh for PACF Households):

In the same scenario as above, a PACF household is terminated on March 31 for failure to submit a complete QR 7 and begins receiving TCF in April. The household submits a complete QR 7 on April 23. The TCF has already been issued for April and it is too late to send a timely NOA to stop the TCF allotment for May. The CWD will send a timely NOA terminating the TCF effective May 31. Regular CalFresh benefits are restored effective June 1.

NOTICE OF ACTION

COUNTY OF _____

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

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone: _____
24 Hour Information: _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker or call the number above.

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

As of _____, the County is stopping your:

- Cash Aid
- CalFresh

Here's why:

As of the 11th of this month, the County has not received your quarterly report (QR 7) due this month.

To continue to get cash aid and/or CalFresh benefits, you must return a complete QR 7.

A QR 7 is complete when you have answered all of the questions and have attached required proof.

The County must get your complete report no later than the first working day of next month.

The information you give us may change or stop your cash aid and/or your CalFresh benefits.

If you turn in a complete QR 7 anytime next month that shows you are eligible for cash aid and/or CalFresh benefits, your benefits will start from the day you turn in the form.

Medi-Cal: This notice DOES NOT change or stop Medi-Cal Benefits. If there is a change in your Medi-Cal benefits, you will get another notice. **Keep using your plastic Benefits Identification Card(s).**

You and your family may still continue to get Medi-Cal if your cash aid stops and:

- you have earnings from a job, a business you started or you got a pay raise.
- you have started to receive or had an increase in child/spousal support payments.

Rules: These rules apply. You may review them at your welfare office - Cash Aid: MPP 40-105.1, 40-181.22; CalFresh: 63-103(n), 63-508.6. TCVAP, RCA and ECA: 70-105.1, 69-206 and 69-301.

If you need help completing your QR 7, the County will help you. Please contact the County and ask for help. Toll Free _____ .

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

COUNTY OF _____

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

Notice Date : _____
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As of _____, the County is stopping your:

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Here's why:

The quarterly report (QR 7) that we got from you this quarter is not complete.

To continue to get cash aid and/or CalFresh benefits, you must return a complete QR 7.

A QR 7 is complete when you have answered all of the questions and have attached required proof.

The County must get your complete report no later than the first working day of next month. You must send or bring in the following information:

- Complete the circled items on the enclosed report.
- Complete the following questions on the enclosed report.
- Send or bring the following proof:

The information you give us may change or stop your cash aid and/or your CalFresh benefits.

If you turn in a complete QR 7 anytime next month that shows you are eligible for cash aid and/or CalFresh benefits, your benefits will start from the day you turn in the form.

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