

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814

**REASON FOR THIS TRANSMITTAL**

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

April 10, 2008

ALL COUNTY LETTER NO. 08-14

TO: ALL COUNTY WELFARE DIRECTORS
 ALL COUNTY WELFARE TO WORK COORDINATORS
 ALL COUNTY REFUGEE COORDINATORS

SUBJECT: IMPLEMENTING ASSEMBLY BILL (AB) 98 FOR CALIFORNIA WORK OPPORTUNITIES AND RESPONSIBILITY TO KIDS (CalWORKs) WAGE SUBSIDIES

REFERENCE: WELFARE AND INSTITUTIONS (W&I) CODE SECTION 11322.63
 COUNTY FISCAL LETTER (CFL) 07/08-35

The purpose of this All County Letter (ACL) is to inform counties of the changes to the CalWORKs Welfare-to-Work (WTW) fiscal claiming and data reporting requirements resulting from the passage of AB 98, Chapter 589, Statutes of 2007, and to provide preliminary instructions to counties on implementing these changes.

AB 98 added Section 11322.63 of the W&I code. This section requires the California Department of Social Services (CDSS) to reimburse counties for 50 percent of a CalWORKs recipient's wage subsidy outside of the county Single Allocation when the recipient is participating in subsidized employment. In order for counties to claim the additional funds, the following conditions must be met:

- The county program must limit wage subsidies to a maximum of six months for each recipient.
- The amount of wage subsidies claimed outside of the Single Allocation may not exceed 50 percent of the maximum aid payment for the assistance unit of which the recipient is a member.

CDSS reminds counties that subsidized employment is an activity that can count toward the federal work participation rate and encourages counties to explore this option for engaging recipients in the CalWORKs program.

To implement these provisions, two additional program codes have been established. The codes may be used to claim the portion of wage subsidies outside of the county Single

Allocation for CalWORKs participants in public or private sector subsidized employment programs beginning January 1, 2008. The program codes and claiming instructions are effective January 1, 2008 and are described in CFL 07/08-35, the March 2008 Quarterly Time Study and Claiming Instructions CFL.

The new codes for claiming costs outside of the Single Allocation may only be utilized for current CalWORKs recipients in eligible county programs. For wage subsidies provided to CalWORKs recipients who do not meet the provisions of AB 98 (e.g., timed-out CalWORKs recipients and recipients who are receiving wage subsidies for more than six months), counties must use their Single Allocation to pay 100 percent of these costs. Subsidized employment must be included in a CalWORKs County's Plan to qualify under the provisions of AB 98. If a county wishes to participate in this program but does not provide subsidized employment as a WTW activity in the current County Plan, a county plan addendum must be submitted. As stated in Manual of Policies and Procedures (MPP) Section 42-780.53, a county may implement any addendum when it is submitted to CDSS.

Under the provisions of AB 98, CDSS is required to submit a report to the Legislature on the outcomes of implementing the new provisions no later than January 10, 2011. The report must include, but need not be limited to, the following:

- 1) The number of CalWORKs recipients that entered subsidized employment.
- 2) The number of CalWORKs recipients who found nonsubsidized employment after the subsidy ends.
- 3) The earnings of the program participants before and after the subsidy.
- 4) The impact of this program on the state's work participation rate.

To obtain the data required for this report, a subsequent ACL will be released that will provide additional instruction to counties regarding the tracking and reporting requirements of the new provisions.

If you have any questions or need additional information regarding the information in this letter, please contact your CDSS Employment Bureau county consultant at (916) 654-2137.

Sincerely,

Original Document Signed By

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

c: CWDA