

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 12, 1999

ALL-COUNTY LETTER NO. 99-54

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE-TO-WORK
COORDINATORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY WELFARE FISCAL
OFFICERS
ALL CHILD CARE COORDINATORS

REASON FOR THIS TRANSMITTAL

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

SUBJECT: SEPARATE STATE PROGRAM FOR TWO-PARENT FAMILIES

REFERENCE: All County Letter 99-24, dated April 14, 1999 (form WTW 25)
All County Letter 99-33, dated April 29, 1999 (form CA 237
CalWORKs)

This letter provides county welfare departments (CWDs) with the instructions and guidelines necessary to implement a separate state program for two-parent families in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Effective October 1, 1999, federal Temporary Assistance for Needy Families (TANF) funds will no longer be used to provide CalWORKs cash assistance or welfare-to-work services, including child care and other supportive services, to those two-parent assistance units (AUs) who meet the definition included in this letter. The following information defines two-parent families and introduces the changes that must be made to Medi-Cal Eligibility Data Systems (MEDS) aid code definitions, fiscal claiming, data collection, and data reporting procedures and forms to implement a separate state program for two-parent AUs.

On July 8 and 9, 1999, the California Department of Social Services (CDSS) convened a two-day workgroup meeting in Sacramento with state and county representatives to identify implementation issues related to establishing a separate state program for two-parent families. The workgroup, comprised of fiscal, data collection, program, and automated systems representatives discussed the impacts on counties of implementing a separate state program and developed an outline for this All County Letter (ACL). Subsequently, a draft of this letter was shared with county workgroup members and throughout CDSS to solicit input from the broadest host of stakeholders. CDSS wishes to thank all workgroup participants for their invaluable expertise and guidance to facilitate the start-up of this new program.

BACKGROUND

Federal welfare reform legislation established two work participation rates, the All Families rate and Two-Parent Families rate, which states must meet or be subject to federal fiscal penalties. California has met the All Families (overall caseload) work participation rate for Federal Fiscal Years (FFYs) 1997 and 1998. If current caseload trends continue, it appears that California can continue to meet the All Families (overall caseload) work participation rate. On July 30, 1999, the Department of Health and Human Services (DHHS) informed CDSS that California had successfully met the FFY 1998 work participation rates for both the All-Families (30 percent) and the two-parent families (75 percent) categories. However, the work participation rate required for two-parent families increased to 90 percent for FFY 1999 and beyond. This high participation rate required for two-parent families presents a unique challenge to California to ensure that a sufficient number of two-parent family members are engaged in work activities. Establishment of a separate state program for two-parent families will allow the State and counties to focus on creative strategies and service delivery models to ensure these families are appropriately served by the CalWORKs program.

When California implemented the TANF program, a separate state program for two-parent families was not established because the proposed TANF regulations threatened to limit a state's eligibility for penalty reductions or for reasonable cause exemptions if a separate state program was implemented. Additionally, in a program letter, DHHS indicated that they would seek legislation to include separate state programs in the work participation rate calculation. The final TANF regulations, published in April 1999, eliminated the proposed regulatory language that would have restricted the states' eligibility for relief from these federal penalties and DHHS has not sought to include separate state programs in the work participation rate calculation.

Because of California's unique demographics, and comparatively large two-parent caseload, the State must overcome obstacles that are not faced by other states, if it is to succeed in serving its two-parent families. With a separate state program for two-parent families, counties must continue to make every effort to meet CalWORKs work participation requirements by engaging all two-parent families in welfare-to-work activities for the required number of hours. CDSS plans to work with the counties to develop forums/workshops to evaluate the unique characteristics and needs of California's large and diverse two-parent population. Through this evaluation process, it is expected that CDSS and the counties can begin to identify service delivery models that will best move the State's different two-parent family groups towards social and economic self-sufficiency.

Additionally, creation of a separate state program for two-parent families does not ease data reporting requirements. Although two-parent families will be in a separate state

program, federal regulations require the State to report the same data for its separate state programs as for TANF. DHHS will utilize the data to monitor the impact of separate state programs. As a result, counties will be required to collect and report data on two-parent families in the separate state program and the associated supportive services provided to this caseload. County assistance and administrative expense claims must reflect the separate non-federal costs for this new state program. State and county expenditures for the separate state program will be used to meet California's TANF Maintenance of Effort (MOE) requirements.

CalWORKs ELIGIBILITY AND WELFARE-TO-WORK REQUIREMENTS FOR TWO-PARENT FAMILIES

There will be **no change** to the income, resources or any other criteria used to determine CalWORKs eligibility for two-parent families in the separate state program. All applicants must continue to meet the deprivation requirements as provided for in the CalWORKs regulations; however, the aid code selected for an assistance unit will be related primarily to family structure and immigration/citizenship status. CalWORKs time-limit provisions shall be applied to all adults in the separate state program for two-parent families. Families in the separate state program will remain eligible for Medi-Cal and Food Stamps.

Counties are reminded that CalWORKs welfare-to-work requirements still apply to individuals in two-parent families in the separate state program. In addition, individuals aided under the separate state program for two-parent families will remain eligible for CalWORKs welfare-to-work services, including child care and other supportive services, which will be paid with state and county funds. (Please see the Welfare-to-Work Services for Recipients and Fiscal Claiming Section of the ACL for additional information.)

DEFINITION OF TWO-PARENT FAMILIES AND CORRESPONDING AID CODES

Aid codes have been redefined to capture the population that meets the two-parent definition. All other cases will be moved to appropriate codes such as all families or zero-parent cases. Four aid codes have been redefined specifically for zero-parent data reporting requirements. The diversion aid codes will remain unchanged. The State two-parent diversion code is needed for tracking payments not subject to the 60-month time limit and also reports State General Fund (SGF) and county funding. Payments under the federal two-parent diversion code are not considered assistance, and, therefore, are not subject to federal work participation requirements. In addition, the federal and state aid codes are necessary for reporting fiscal savings related to diversion payments. Due to the implementation of the separate state program, an additional assistance claim form will be created. The CDSS Fiscal Policy Bureau will issue a County Fiscal Letter (CFL) to provide the appropriate assistance claim forms.

- **New Definition for Assistance Aid Code 35 – Two-Parent Families**

A two-parent family is defined as an AU that includes two, aided non-disabled, natural or adoptive parents of the same aided or SSI/SSP minor child (living in the home), unless both parents are aided minors and neither is the head-of-household. For purposes of this definition:

- **The disability determination for a parent is based on the definition of incapacity in Manual of Policies and Procedures (MPP) Section 41- 430.**
- **A minor parent is not considered a head-of-household when aided as a child.**

All cases that meet this specific two-parent AU definition should be identified and assigned aid code “35” (or, the specialty aid codes 3M or 3U for legal immigrants or 3K or 3Y for diversion payments) for the new separate state program. (Please see the attached Revised Aid Codes chart.)

Sanctions: To ease case management and to ensure accuracy of two-parent separate state program reporting, parent(s) in this two-parent caseload who are sanctioned for failure to comply with CalWORKs work requirements will remain coded as a two-parent AU and will NOT be transferred at anytime, including the first three months of sanction, to either the Zero Parent (child-only) AU or the All (Other) Families AU caseload.

- **New Definition for Assistance Aid Code 33 – “Zero” Parent Families (Child-only AUs)**

A “zero” parent AU is one in which the parent(s) or caretaker(s) are excluded from or ineligible for cash assistance. These cases should be coded “33” (or the specialty aid codes 3G or 3H for legal immigrants, or 3R for AUs exempt from the grant reductions, as appropriate). Some examples include:

- Code as “33” AUs that contain no adults, e.g., the parent(s) in the home is an ineligible noncitizen or is a convicted drug felon.
- Exempt from TANF grant reductions – AUs which are zero parent and are exempt from the TANF grant reductions, e.g., a non-needy caretaker relative AU, the parent(s) in the home receives Supplemental Security Income (SSI) are coded as “3R.”

- New Entrant Legal Immigrant (State Only) – AUs which are zero parent and include individuals who do not meet the federal requirements of a qualified alien and entered the United States on or after August 22, 1996, are coded as “3G.”
- New Entrant Legal Immigrants (Mixed Cases) – AUs which are zero parent and include at least one federally eligible individual and at least one non-federally eligible individual and the non-federally eligible individual does not meet the federal requirements of a qualified alien, entered the United States on or after August 22, 1996, and is aided under the state-only program are coded as “3H.” (Please see the attached Revised Aid Codes chart.)

- **New Definition for Assistance Aid Code 30 – All (Other) Families**

The remaining TANF AUs that have not been identified as either a two-parent or a zero-parent family should be designated aid code “30” (or 3L or 3E for legal immigrant AUs, or 3P for AUs exempt from the grant reductions) in the All (Other) Family category. (Please see the attached Revised Aid Codes chart.)

WELFARE-TO-WORK SERVICES FOR RECIPIENTS

- **Welfare-to-Work Activities**

Individuals aided under the separate state program and county services to these individuals will remain subject to CalWORKs regulations contained in MPP 42-700. Claiming instructions, time study, and administrative expense claim codes for the separate state program will be included in the December 1999, Quarterly Time Study and Claiming Instructions County Fiscal Letter (CFL).

- **Child Care**

Beginning July 1, 1999, state funds were provided to pay child care costs for two-parent families in which both parents were participating concurrently in required activities for a total of less than 55 hours average per week. A separate claiming code was established for counties to claim child care expenditures for these two-parent families. However, due to the new separate state program for two-parent families, this claiming code will be expanded to allow counties to claim child care for all two-parent families receiving cash assistance through the separate state program. In addition, a separate Child Care Monthly Report (CW 115) for two-parent families will be created.

- **Work Support Services**

Individuals participating in welfare-to-work activities, including mental health counseling, substance abuse treatment, and domestic violence services, shall continue to receive necessary supportive services, e.g., transportation and ancillary expense services under the separate state program. Claiming instructions, time study, and administrative expense claim codes for the separate state program will be included in the December 1999, Quarterly Time Study and Claiming Instructions CFL.

FISCAL CLAIMING

To implement a separate state program for two-parent families on October 1, 1999, the new and/or revised case reporting elements must be in place, utilizing the new definitions for the aid codes and the appropriate claiming forms for use in the new separate state program. Counties are urged to prioritize and immediately begin a case-by-case review of the existing "U" or "35" caseload to encode and separate the new, two-parent cases (as defined above) from any zero or one-parent cases that may be in the current "35" caseload. By no later than September 30, 1999, a full caseload review is recommended to accurately identify and separate federal CalWORKs cases from the separate state program two-parent cases.

Fiscal reporting of the separate state program for two-parent families must begin effective October 1, 1999. As noted previously, MEDS aid codes will be redefined and used to distinguish federally claimable cases from separate state program cases. A CFL will be issued in the near future to provide further claiming instructions, appropriate assistance claim forms, and overpayment collection details. In addition, time study and administrative expense claim codes for the separate state program will be included in the December 1999, Quarterly Time Study and Claiming Instructions CFL.

DATA COLLECTION AND REPORTING

Data collection and reporting on the separate state program for two-parent families goes into effect for the reporting month of October 1999. The separate state program will require new and/or revised forms for collecting the necessary data for reporting purposes. Counties should continue to submit the following reports until such time as new/additional versions become available.

- Welfare to Work (WTW 25), dated July 1999 – an additional version for the separate state program for two-parent families will be created.

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- CalWORKs Cash Grant Caseload Movement and Expenditure Report (CA 237) dated July 1999 – a new version will be created.
- Report on Reasons for Discontinuance (ABCD 253), dated October 1990 - a new version will be created.
- Report on Reasons for Denials (ABCD 255), dated April 1998 - a new version will be created.
- Child Care Monthly Report (CW 115), dated April 1998 - an additional version for the separate state program for two-parent families will be created.

The new or additional version of the above reporting forms will reflect the changes needed to comply with the federal and state reporting requirements for CalWORKs and the separate state program for two-parent households. The new reporting forms, which will incorporate comments solicited from the counties, will be forwarded under separate cover.

It is important for California to succeed in implementing a separate state program for two-parent families by October 1, 1999, the beginning of FFY 2000. CDSS recognizes the significant county workload issues raised by this effort to transition two-parent families into a separate state program and wishes to acknowledge the efforts of all counties, in advance, for their assistance and efforts in making this transition.

For questions about the welfare-to-work program, contact Nick Smiley, Employment Bureau at (916) 654-1451. For questions regarding eligibility, contact Dorette Pierce, Eligibility Bureau at (916) 654-1867. For program questions about CalWORKs Child Care, please contact your county's analyst in the Child Care Programs Bureau at (916) 657-2144. For questions regarding work support services contact your county analyst at (916) 654-1424. For questions pertaining to forms and data collection, contact Susan Farrar, Data Systems and Survey Design Bureau, at (916) 445-6823. Fiscal claiming questions should be directed to your Fiscal Policy analyst, at (916) 657-3440.

Sincerely,

***Original Document Signed By
Jarvio A. Grevious on 8/12/99 for Bruce Wagstaff***

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachment

REVISED AID CODES AND ASSISTANCE CLAIM FORMS EFFECTIVE 10/1/99

CalWORKs Cash Assistance (FFP)	<p>(30) CalWORKs-All families provides aid to families who do not meet the Two-Parent definition and are federally eligible. Includes sanctioned Cal-Learn families.</p> <p>(3P) CalWORKs-This population is the same as aid code 30 except they are exempt from the TANF grant reductions.</p> <p>(33) CalWORKs-Provides aid to zero parent cases.</p> <p>(3R) CalWORKs-Provides aid to zero parent cases that are exempt from the TANF grant reductions.</p>	CA 800 (Fed) (8/99)
CalWORKs Cash Assistance (State Only)	(32) CalWORKs-(Non-FFP cash grant/FFP for Medi-Cal eligible.) Aid to all families who do not meet all federal requirements, but State regulations require the individual be aided. Includes those families who have exceeded the 5-year time limit. (RESERVED FOR FUTURE USE.)	CA 800 (State) (8/99)
CalWORKs Cash Assistance (State Only)	(35) CalWORKs-(Non-FFP cash grant/FFP for Medi-Cal eligible.) Provides aid to Two-Parent families that include two non-disabled natural or adoptive parents of the same minor child, who are living in the home unless both are aided minors and neither is head-of-household.	CA 800S (State) (8/99)
New Entrant Legal Immigrant (State Only)	<p>(3L) CalWORKs-Legal Immigrants (Non-FFP cash grant/FFP for Medi-Cal eligible.) Includes individuals who do not meet the federal requirements of a qualified alien and entered the U.S. on or after August 22, 1996. Provides aid to eligible CalWORKs families meeting the definition of all families.</p> <p>(3G) CalWORKs-Zero parent case, which meets the definition of 3L.</p> <p>(3M) CalWORKs-Legal Immigrants (Non-FFP cash grant/FFP for Medi-Cal eligible.) Includes individuals who do not meet the federal requirements of a qualified alien and entered the U.S. on or after August 22, 1996. Provides aid to Two-Parent families that include two non-disabled natural or adoptive parents of the same minor child, who are living in the home.</p>	CA 800L (State) (8/99)
New Entrant Legal Immigrant (Mixed Cases)	<p>(3E) CalWORKs-Legal Immigrants. Aided individuals are in a household that has at least one federally eligible individual and at least one non-federally eligible. The non-federally eligible individual does not meet the federal requirements of a qualified alien and entered the U.S. on or after August 22, 1996. State law requires that the individual be aided. Provides aid to eligible CalWORKs families meeting the definition of all families.</p> <p>(3H) CalWORKs-Zero parent case, which meets the definition of 3E.</p> <p>(3U) CalWORKs Legal Immigrant-Aided individuals are in a household that has at least one federally eligible individual and at least one non-federally eligible. The non-federally eligible individual does not meet the federal requirements of a qualified alien and entered the U.S. on or after August 22, 1996. State law requires that the individual be aided. Provides aid to eligible CalWORKs families meeting the definition of Two-Parent families.</p>	CA 800M (Mixed) (8/99)
CalWORKs Diversion (FFP)	<p>(3J) CalWORKs-Diversion-Provides diversion payment/services to apparently eligible CalWORKs applicants meeting the definition of all families.</p> <p>(3K) CalWORKs-Diversion-Provides diversion payment/services to apparently eligible CalWORKs applicants meeting the definition of Two-Parent families.</p>	CA 800D (Fed) (8/99)
CalWORKs Diversion (State Only)	<p>(3X) CalWORKs-Diversion-Provides diversion payment/services to apparently eligible CalWORKs applicants meeting the definition of all families but who do not meet all federal requirements. State law requires that the individual(s) be aided. Includes legal immigrants.</p> <p>(3Y) CalWORKs Diversion-Provides diversion payment/services to apparently eligible CalWORKs applicants meeting the definition of Two-Parent families but who do not meet all federal requirements. State law requires that the individual(s) be aided. Includes legal immigrants.</p>	CA 800D (State) (8/99)