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July 2, 2012

Regulation Package Nos. 0312-01,
0412-03, and 0512-05

CDSS MANUAL LETTER NO. EAS 12-02

TO: HOLDERS OF THE ELIGIBILITY AND ASSISTANCE STANDARDS MANUAL

Regulation Package # 0312-01

Effective 7/1/12

Sections 41-440, 42-716, 42-717, and 44-207

This manual letter has been posted on the Office of Regulations Development website at <http://www.dss.cahwnet.gov/ord/PG2836.htm>.

The CalWORKs Welfare-to-Work (WTW) Program's intent is to provide employment and training services to the adult population so that families may transition to self-sufficiency. Subsidized employment is a WTW activity and can be provided through the Assembly Bill (AB) 98 subsidized employment program. Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) expanded the AB 98 subsidized employment program in order to encourage counties to establish or expand AB 98 subsidized employment programs to assist CalWORKs families to become self-sufficient. Following the implementation of the SB 72 changes, the eligible populations for the AB 98 subsidized employment program were expanded beyond CalWORKs recipients to include individuals who cure their sanctions through participation in the AB 98 program, and individuals who have exceeded their CalWORKs time limit and receive Safety Net benefits for their eligible children. Current recipients and Safety Net individuals may continue in an AB 98 program if their families become ineligible for CalWORKs due to AB 98 income. Safety Net participants in the program can continue to participate in AB 98 subsidized employment instead of participating in community service to receive job retention services. AB 98 wage subsidies are limited to six months for each participant upon entry into the AB 98 program, with a possible extension up to 12 months if the county determines a mutual benefit exists between employer and participant. Individuals who apply for CalWORKs after leaving aid due to AB 98 income shall be considered current recipients for determination of CalWORKs financial eligibility and work requirements if the individual applied within three calendar months of the subsidized employment ending. In addition, AB 106 (Chapter 32, Statutes of 2011) expanded WTW job retention services for CalWORKs individuals who have exceeded their 48-month time limit and are receiving Safety Net cash-aid benefits for their eligible children.

These regulations were adopted on an emergency basis and will be considered at the Department's public hearing to be held on August 29, 2012.

Regulation Package # 0412-03

Effective 7/1/12

Sections 40-107, 42-301, 42-302, 42-431, 42-712, 42-713, 42-716, 42-717, 42-721, 44-133, 44 307, 44-316, and 82-833

These emergency regulations implement changes mandated by SB 72 and AB 106. These regulations amend how the CalWORKs program is operated and are being implemented to meet the current budget shortfall.

These sections are being amended in order to reduce the maximum number of months an adult can be aided with CalWORKs benefits from 60 to 48. These sections also amend the timeframes associated with notifying a client of his or her time-on-aid. The reduction in months is intended to increase savings in the budget by reducing the number of months in which adults can receive cash aid. In addition, months of aid received in other states or from a Tribal Temporary Assistance for Needy Families (TANF) program will continue to count toward a recipient's CalWORKs 48-month time limit.

These regulations were adopted on an emergency basis and will be considered at the Department's public hearing to be held on August 29, 2012.

Regulation Package # 0512-05

Effective 7/1/12

Sections 40-105, 44-111, 44-113, 44-133, 44-315, and 89-201

The CalWORKs program provides cash aid and other benefits to the state's needy families. To qualify for the program, a family's total net nonexempt income must be below a certain dollar amount. In calculating that net income, a portion of earned income is disregarded.

SB 72 amended the Welfare and Institutions Code to revise the method used in determining the amount of the disregarded earned income. The Manual of Policies and Procedures (MPP) Sections 44-111.23 and 44-113.215 are being amended to mirror changes made to the Earned Income Disregard (EID) implemented by SB 72. The MPP contains several handbook sections with examples of application of the income disregards in determining eligibility and aid payment levels. These handbook sections and examples are being updated with the revised method for calculating net income based upon Welfare and Institutions Code Section 11451.5, the applicable current Maximum Aid Payment (MAP) levels in Welfare and Institutions Code Sections 11450 and 11453(c)(6), and the Minimum Basic Standard of Adequate Care (MBSAC) levels as determined per Welfare and Institutions Code Section 11453.

These regulations were adopted on an emergency basis and will be considered at the Department's public hearing to be held on August 29, 2012.

FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Eligibility and Assistance Standards Manual changes was EAS-12-01.

<u>Page(s)</u>	<u>Replace(s) Page(s)</u>
54 through 58.1b	54 through 58.1b
65 and 65.1	65 and 65.1
148 and 149	148 and 149
187 through 193.3	187 through 193.3
202.4 and 203	202.4 and 203
242 through 247	242 through 247
253.7 and 253.8	253.7 and 253.8
259.3 through 259.5	259.3 through 259.5
274 and 275	274 and 275
278 and 279	278 and 279
384 and 385	384 and 385
396 and 397	396 and 397
400 through 401.1	400 through 401.1
403 and 403.1	403 and 403.1
412 through 413.1	412 through 413.1
416	416
427 and 428	427 and 428
430.1	430.1
469 and 469.1	469 and 469.1
483 through 486	483 through 486
488 and 489	488 and 489
490.10 through 490.12	490.10 through 490.12
917.1 and 917.2	917.1 and 917.2
954 through 957	954 through 957

Attachment

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40-105 APPLICANT AND RECIPIENT RESPONSIBILITY (Continued) 40-105

(f) Exemptions

The immunization requirement does not apply if the parent(s)/caretaker relative submits:

- (1) An affidavit stating that the immunization requirement is contrary to his/her personal/religious beliefs and the reasons for his/her objection.
- (2) A written statement from a physician or health professional working under the supervision of the physician, stating that the child should not be immunized, which includes the prohibitive medical condition and the duration.

(g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

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(1) Immunization Penalty Computations

Examples:

- (A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$ 525		Gross Earned Income
-	<u>112</u>	\$112 Income Disregard
\$ 413		Remaining Earned Income
-	<u>206</u>	50% Earned Income Disregard*
\$ 206		Net Nonexempt Income*
\$ 608		MAP for three (excluding the parent)
-	<u>206</u>	Total Net Nonexempt Income
\$ 402		Aid Payment

HANDBOOK CONTINUES

HANDBOOK CONTINUES

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34.

- (B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$ 525	Gross Earned Income
- <u>112</u>	\$112 Income Disregard
\$ <u>413</u>	Remaining Earned Income
- <u>206</u>	50% Earned Income Disregard*
\$ 206	Net Nonexempt Income
\$ 608	MAP for three (excludes the parent)
- <u>206</u>	Total Net Nonexempt Income
\$ 402	Aid Payment with First Penalty Applied
- <u>100</u>	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA*
\$ 302	Aid Payment with Both Penalties Applied

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: Welfare and Institutions Code Section 11017, MPP Section 44-315.34.

HANDBOOK ENDS HERE

- (h) Section 40-105.4(h)(MR) shall become inoperative and Section 40-105.4(h)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Restoration of Aid

- (MR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month in which verification is received.
- (QR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month following the month in which verification is received (see Section 44-316.331(d)(QR)).

40-105	APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)	40-105
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(d) Irregular Attendance Penalty

If the county determines that good cause does not exist and the child is not exempted under Section 40-105.5(c)(2), failure of a child in the AU, for whom school attendance is compulsory, to regularly attend school pursuant to Section 40-105.5(a), shall result in a reduction in the grant by an amount equal to the following:

- (1) The needs of the parent(s)/caretaker relative in the AU if the child(ren) is under the age of 16, or
- (2) The child's needs if the child(ren) is age 16 or older.

(e) Failure to Cooperate

Refusal or failure of a recipient to cooperate in providing documentation when requested shall result in aid being reduced in accordance with Section 40-105.5(b), unless the county determines good cause exists.

(f) Good Cause

The county shall determine what constitutes good cause for not attending school "regularly" and failure to cooperate.

(g) Section 40-105.5(g)(MR) shall become inoperative and Section 40-105.5(g)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

Restoration of Aid

(MR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month in which verification of regular school attendance is received.

(QR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month following the month in which verification of regular school attendance is received (See Section 44-316.331(d)(QR)).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code, SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 10604, 11017, 11209, 11253.5, 11265.3, 11265.8, 11266, 11268, 11450, 11451.5, 11453, 11486, 13283, 14005.2, and 18945, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 45 CFR 400.43; 7 CFR 273.16(b); 8 United States Code (USC) 1182(d)(5)(B); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

40-107	COUNTY RESPONSIBILITY	40-107
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(a) Assisting the Applicant

The county is responsible for assisting applicants or recipients in understanding their rights and responsibilities in relation to application for aid; for evaluating the capacity of the applicants or recipients to discharge their responsibilities as set forth in Section 40-105; for assisting them as needed in establishing their eligibility and helping them to realize the maximum personal independence of which they are capable, including self-care and self-maintenance.

(1) The applicant shall be informed at the time of application that the law requires furnishing an SSN (Section 40-105) and assignment of accrued support rights (Section 43-106) as conditions of eligibility. The applicant/recipient shall also be informed, in writing, at the time of application or redetermination, that the law requires cooperation in establishing paternity and securing support rights (Section 43-201) as conditions of eligibility.

(A) The county shall notify the applicant or recipient by means of the prescribed form of the right to claim good cause as an exception to the cooperation requirements.

(B) The county shall notify the applicant or recipient that upon request of the custodial parent, the county department shall provide information to that custodial parent on the amount of child and spousal support paid to the county by the absent parent. (See Section 43-201.3.)

(2) All forms pertaining to (a)(1) and (a)(1)(A) above shall be available for the applicant to complete at the initial interview when the CA 2.1 is completed, but need not be completed prior to granting emergency aid.

(3) Section 40-107(a)(3)(MR) and Handbook Section 40-107(a)(3)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The applicant shall be informed of the availability of reduced income supplemental payments and of the necessity that an assistance unit request the payments in order for them to be provided.

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(MR) (See Section 44-400 regarding reduced income supplemental payments.)

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(4) The CWD shall provide the individual, in writing and orally as necessary, a description of the 48-month time limit requirements, including the exemptions from the time limit, as provided in Sections 42-302.11 and 42-302.21 and the process by which recipients can claim the exemptions, as provided in MPP Section 42-302.3. The description of the 48-month time limit requirements shall be provided at the time an individual applies for aid, at the time a recipient's eligibility for aid is redetermined, and any other time a notice of action establishing time on aid pursuant to this section is provided. In addition, counties are required to provide information on the number of months an applicant, recipient, or former recipient received aid as follows:

40-107	COUNTY RESPONSIBILITY (Continued)	40-107
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- (A) The applicant shall be informed, by notice of action, at the time that eligibility for aid is authorized, if the applicant received aid in California or any other state(s) on or after January 1, 1998. The notice shall include:
 - 1. The number of months the individual received aid as reported on the most recent notice of action, if any.
 - 2. The cumulative number of countable months that the individual received aid and the specific exempt months since the last notice of action, or the beginning of aid if there has been no prior notice of action.
 - 3. The remaining number of months that the individual may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)
- (B) The recipient shall be informed, by a notice of action, at redetermination of aid. The notice shall include information as required in MPP Section 40-107(a)(4)(A).
- (C) The recipient shall be informed, in writing, at the 42nd countable month on aid by using one of the following two methods:
 - 1. A notice of action which meets the requirements in MPP Section 42-107(a)(4)(C)1.
 - 2. A notice that informs the recipient of the cumulative number of countable months that the recipient received aid and the remaining number of months that the recipient may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)
- (D) Each recipient shall be informed by a notice of action provided in one month during the period of the recipient's 42nd through 46th countable months on aid.
 - 1. A notice of action pursuant to MPP Section 40-107(a)(4)(A), (a)(4)(B), or (a)(4)(C)1. satisfies this requirement.
 - 2. Once the notice of action required in MPP Section 40-107(a)(4)(D) is sent, no further notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(D), shall be required until a total of six exempt months have passed.
- (E) No notice pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(F) need be sent under the following circumstances:
 - 1. Within 3 calendar months from a previous notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through 40-107(a)(4)(D), was provided.
 - 2. Once the exemption for individuals who are 60 years of age or older, as provided in MPP Section 40-302.21(e), is established.

40-107	COUNTY RESPONSIBILITY (Continued)	40-107
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- (F) Upon a verbal or written request for time limit information, a current or former recipient shall be informed, in writing, within 30 calendar days from the date of receipt of the request. The county shall document the request and provide the recipient with a written notice that will include:
 - 1. The cumulative number of countable months that the recipient received aid,
 - 2. The specific months that were exempt from the 48-month time limit since the most recent notification (pursuant to MPP Sections 40-107(a)(4)(A), 40-107(a)(4)(B), 40-107(a)(4)(C)1. or 40-107(a)(4)(D)),
 - 3. The remaining number of months that the recipient may be eligible to receive aid.

 - (G) The recipient shall be informed by a notice of action at the 48th countable month on aid. The notice shall include:
 - 1. Information in accordance with Section 40-107(a)(4)(A).
 - 2. Notification of the reduction in the grant amount due to the expiration of the CalWORKs 48-month time limit or notification that the recipient will continue to receive aid beyond the 48-month time limit based upon the criteria for exceptions as provided in MPP Section 42-302.11.

 - (H) After the 48-month time limit notice of action, an adult who has reached the CalWORKs 48-month time limit and whose children remain on aid, shall be informed by notice of action pursuant to MPP Section 40-107(a)(4)(B) when child support or overpayment recoupment reimburses any month(s) on aid. (See MPP Section 42-302.21(g) for reimbursement of aid through child support recoupment and MPP Section 42-302.2 for overpayment months that are repaid.)

 - (I) After the 48-month time limit notice of action, an adult who has reached the CalWORKs 48-month time limit and whose children are no longer aided, shall be informed pursuant to MPP Sections 40-107(a)(4)(A) and (a)(4)(F).
- (5) When a former CalWORKs recipient applies for aid in another state and the other state requests information on the number of months of assistance provided by Temporary Assistance for Needy Families (TANF) funds, the county where the aid was last received shall promptly respond to the other state's request in writing.
- (A) The county shall also send a notice of action to the former CalWORKs recipient at her/his new address in the other state. The notice of action shall include information on the number of months of TANF-funded assistance that was provided to the other state.

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- (B) Months of assistance provided by TANF funds shall be reported to the other state. Assistance provided by California in its Segregated State Program for Legal Immigrants is not subject to the federal TANF 60-month time limit. Individuals who received aid provided by the state-only programs do not accrue months of assistance toward the federal TANF 60-month time limit and therefore, the months of aid shall not be reported to the other state.

- (C) Months that are exempt from the federal TANF 60-month time limit and months that are excluded from the federal definition of assistance and the federal regulations shall not be included in the cumulative number of months of assistance that is reported to the other state.

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- (6) Applicants shall be informed:
 - (A) that they may apply for food stamps at the same time as they apply for AFDC.
 - (B) that, if they apply for food stamps at the same time as they apply for AFDC, they have the right to file a joint application and shall have a single interview for both programs.
 - (C) in written form, and orally as appropriate, of the AFDC and Food Stamp programs, explaining the rules regarding eligibility and benefits available from both programs, and that the application interview for AFDC is sufficient for applying for food stamps.
 - (D) of the availability of paid child care and be given an informing notice (see Section 47-301.2).

- (7) Applicants/recipients shall receive written information at the time of application or at their first redetermination after implementation of GAIN regarding the GAIN Program as to the following:
 - (A) A description of the program;
 - (B) The availability of job training, employment, education and supportive services, including the types and locations of child care services and the assistance available to select and obtain such services, and Transitional Child Care (TCC) Program benefits;
 - (C) The individual's rights and responsibilities;

40-107 COUNTY RESPONSIBILITY (Continued) 40-107

(QR) (B) Quarterly Reporting Cycle Based on Terminal Digits

The county shall establish three QR cycles, each for a particular set of numbers. Counties shall determine the groupings. The county shall assign a cycle to an applicant/recipient based on the last digit of his/her case number.

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Following is one example of how a county might set up their QR cycle based on terminal digits:

Cycle 1 will be assigned to cases ending in 0, 1, 2, and 3.

Cycle 2 will be assigned to cases ending in 4, 5, and 6.

Cycle 3 will be assigned to cases ending in 7, 8, and 9.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code; SB 72, (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10613, 11209, 11265.1, 11268, 11322.5, 11323.3, 11324.8(a), (b) and (c), 11454, 11454(b) and (e), 11454.2, 11495.1, and 11500, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 42 USC Sections 608(a)(7), 45 CFR 205.42(d)(2)(v)(A) and (B) as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 205.55; and California Department of Health Services Manual Letter 77-1.

40-109 APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - 40-109
GENERAL

.1 Right to Apply for Aid

Subject to the limitations set forth in Section 40-117, any person has the right to apply for aid, either on his/her own behalf or on behalf of another. An applicant who appears ineligible must still be allowed to exercise his/her right to make an application.

.2 Right to Choose Type of Aid

A person or his/her representative who believes the applicant meets the eligibility requirements for more than one category of aid has the right to choose the type of aid for which he/she will apply. For an exception, see the Diversion Services regulations found at Section 81-215.32. For children in or in need of foster care placement who are eligible to and/or receive AFDC-FC, see Sections 45-202.212(a) and 45-302.1.

40-109	APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - GENERAL (Continued)	40-109
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.3 Right to be Considered for Another Program

If a recipient becomes ineligible for the type of aid he/she is receiving but appears eligible under another public social service program, his/her request for aid under such other program is to be recorded and any required additional investigation completed promptly so that there will be no interruption in aid payments to him/her (see Section 40-117). If an eligible recipient in one program appears to be eligible for aid in another program and wishes to take advantage of such eligibility, the same procedure shall be followed.

.4 Applicant's Right to Self-Determination

.41 The right to be self-determining is of paramount importance for the individual in clarifying when, how, and what the individual wants for him/herself. However, his/her freedom of choice may be limited by his/her capacity for self-determination and by the function of the agency as expressed in law and regulations.

.42 It is necessary to respect the individual's right to accept or reject what the agency has to offer him/her.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5, Welfare and Institutions Code (Ch. 270, Stats. 1997).

40-115	THE APPLICATION PROCESS	40-115
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.1 Purpose

The basic purpose of the application process is to assist the individual in establishing his/her eligibility for aid and services.

.2 Steps in the Application Process

.21 Discussion of Circumstances Leading to Application

.211 The individual with the help of the worker tells why he/she is applying for aid or services, with the worker explaining agency requirements, program limitations, the applicant's rights and responsibilities and what he/she can expect from the agency.

41-440 UNEMPLOYED PARENT PROGRAM (Continued) 41-440

.2 Requirements to be Met in Order to Establish Deprivation Due to Unemployment

To establish deprivation due to unemployment, the following requirements shall be met;

- .21 Deprivation shall be due to the unemployment of the principal earner. Deprivation due to unemployment exists if the principal earner is unemployed (See Section 41-440.1(a) for definition of unemployed) and the child would otherwise be deprived for AFDC except that neither of his/her parents is deceased, incapacitated, or absent from the home.
- .22 The principal earner shall have worked less than 100 hours (Section 41-440.1(a)) during the four-week period prior to the date of eligibility for cash aid based on unemployment deprivation. The four-week period shall be adjusted daily to determine the four-week period in which the applicant principal earner worked less than 100 hours. (See Handbook Section below.)
 - .221 An individual who applies for CalWORKs after leaving aid due to AB 98 subsidized employment income as described in Sections 42-716.811(a) and 42-716.813(a), shall be considered a current recipient for the purpose of establishing unemployment deprivation if he or she applies within three calendar months of the subsidized employment ending.
 - (a) During the three calendar month period after the subsidized employment ends, the 100-hour work rule as described in Section 41-440.22 shall not apply.
 - (b) If an individual applies for CalWORKs after this three-month period has passed, he or she shall be considered an applicant for the purpose of establishing unemployment deprivation as described in Section 41-440.22, and the 100-hour work rule will apply. (See Handbook Section below.)

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.222 EXAMPLE:

An applicant principal earner was laid off on April 13th and worked a total of 40 hours in April and 40 hours per week in March. The family applied for aid on April 14th. The original four-week period would be from March 17th through April 13th. Since the PE worked 120 hours during this four-week period, a new four-week period would need to be identified.

March 18th through April 14th = 112 hours
March 19th through April 15th = 104 hours
March 20th through April 16th = 96 hours

The qualifying four-week period in which the PE worked less than 100 hours would be from March 20th through April 16th. The beginning date of aid for this family would be April 17th, if otherwise eligible.

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41-440 UNEMPLOYED PARENT PROGRAM (Continued) 41-440

- .23 The principal earner, who is apparently eligible for UIB (see Section 82-610), shall apply for and accept any unemployment insurance benefits (UIB) to which he/she is entitled, when referred to EDD by the county welfare department. When the principal earner does not meet this requirement, unemployment deprivation does not exist for the family. This requirement is considered to be met on the date of application as long as it is completed by the date of authorization of aid.
- .24 The principal earner shall not be considered to be unemployed as a result of his/her participation in a strike.
- .3 Repealed by Manual Letter No.85-44, effective 7/1/85.
- .4 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .5 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .6 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .7 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, and 11450(g), Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11201, 11201.5, 11270, and 11322.63(b), Welfare and Institutions Code; and 45 CFR 233.10(a)(1), 233.100(a)(5), and 250.30(b); Family Support Act of 1988, Public Law (PL) 100-485, October 13, 1988; Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990, Section 5061.

41-441 PROCEDURES FOR REFERRAL TO AND COMMUNICATIONS WITH EDD-JS FOR APPLICANTS/RECIPIENTS 41-441

Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

41-442 CAUSE DETERMINATIONS AND PENALTIES 41-442

Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY
GENERAL TIME LIMIT REQUIREMENTS**

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CHAPTER 42-300 GENERAL TIME LIMIT REQUIREMENTS

42-301 GENERAL TIME LIMIT REQUIREMENTS FOR ADULTS **42-301**

.1 Time Limits Effective July 1, 2011, there shall be a 48-month time limit on the receipt of aid in California for certain adults as specified in Section 42-302.1. Prior to this date, there was a 60-month time limit on the receipt of aid for certain adults.

.2 Ineligible Due to Time Limits Adults who are ineligible for aid based on the 48-month time limit provisions, specified in Section 42-302, shall be removed from the AU. See MPP Sections 44-133.8 and 82-833.1 for additional regulations pertaining to timed-out adults.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11450, 11454(a), (b), and (c), and 11454.2, Welfare and Institutions Code.

42-302 48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS **42-302**

.1 48-Month Time Limit Except as specified in Section 42-302.11, no individual shall be eligible for aid when that individual has received aid as an adult, 18 years of age or older, for a cumulative total of 48 months. The 48-month time limit applies to aid received under CalWORKs. The 48-month time limit also applies to any aid received under another state's program funded by the federal Temporary Assistance to Needy Families (TANF) Program since January 1, 1998. The 48-month time limit shall not apply to children.

.11 Exceptions When an individual has been aided as an adult for 48 months, additional months of aid may be provided to that adult when all parents, aided stepparents, and/or caretaker relatives residing in the home of the aided child(ren) meet any of the following conditions:

.111 Advanced Age The individual is 60 years of age or older.

.112 Providing Care The individual is exempt from welfare-to-work participation requirements due to:

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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(Continued)

- (a) The need to care for an ill or incapacitated person residing in the home, and the caretaking responsibilities impair the individual's ability to be regularly employed or to participate in welfare-to-work activities.

- (b) Being a nonparent caretaker of either a dependent child of the court, a Kin-GAP child, or, as determined by the county, a child who is at risk of placement in foster care. For this exemption to apply, the county must also determine that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities so that they impair the individual's ability to be regularly employed or to participate in the welfare-to-work activities.

- .113 Disabled The individual is receiving benefits from State Disability Insurance, Worker's Compensation Temporary Disability Insurance, In-Home Supportive Services, or the State Supplementary Program, and the disability significantly impairs his/her ability to be employed on a regular basis or to participate in welfare-to-work activities.

- .114 Unable to Maintain Employment or Participate The county determines that the individual is not able to maintain employment or to participate in welfare-to-work activities, based on a current assessment of the individual as specified in MPP Section 42-302.114(b), and the county's finding that the individual has a history of participation and full cooperation in welfare-to-work activities.
 - (a) An individual shall be found to have a history of participation and full cooperation in welfare-to-work activities if the individual meets the criteria in Section 42-302.114(a)(1) or (a)(2):

42-302 **48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS** **42-302**
(Continued)

- (1) The recipient has not failed to meet satisfactory participation, attendance, and progress requirements, without good cause, as evidenced by the absence of an instance or instances of noncompliance that resulted in a welfare-to-work financial sanction during the time an individual was a mandatory welfare-to-work participant.

- (A) For purposes of this section, a sanction received while the individual was a volunteer in the CalWORKs welfare-to-work program pursuant to MPP Section 42-712.51, or an aid recipient in another state shall not be considered a welfare-to-work sanction.

- (2) The recipient has an instance or instances of noncompliance that resulted in a welfare-to-work sanction or sanctions; however, the individual has also maintained a sustained period or periods of welfare-to-work participation despite the presence of an impairment or combination of impairments, as determined pursuant to MPP Sections 42-711.56, 42-711.57, or 42-711.58, including domestic abuse, as determined pursuant to MPP Section 42-715.

- (A) For purposes of this section, six months, or two or more periods of welfare-to-work participation within a consecutive 24-month period, including participation in orientation/appraisal, job search, assessment/evaluations, and post-assessment activities, that total six-months or more shall be considered a sustained period.

- (B) For purposes of this section, an impairment is one not so severe that it meets the welfare-to-work exemption or waiver requirements in MPP Sections 42-712.44 or 42-715, respectively, but nevertheless limits an individual's ability to perform the physical and/or mental functions necessary to maintain employment or participate in welfare-to-work activities.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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(Continued)

(b) Upon the county's determination that the individual has a history of participation and full cooperation in welfare-to-work, the county shall assess the individual's current ability to maintain employment or participate in welfare-to-work activities.

(1) For purposes of this section, an individual who is fully participating in her/his welfare-to-work assignment upon reaching the 48-month time limit shall be considered able to maintain employment or participation unless the individual's required welfare-to-work activity has been modified in accordance with MPP Section 42-302.114(b)(2)(B).

(A) For purposes of this section an individual is fully participating if she/he is meeting their 32 or 35 hours of participation requirement or successfully participating in unsubsidized employment and/or other welfare-to-work activities for the number of hours an appropriate activity is reasonably available.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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(Continued)

- (A) The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), that is of such severity that the individual is incapable of successfully maintaining employment or participation in welfare-to-work activities for 20 or more hours per week.

- (B) The individual has a documented impairment as specified in MPP Section 42-302.114(a)(2), and is maintaining her/his participation in welfare-to-work activities only through a significant modification of the individual's welfare-to-work activities.
 - 1. For purposes of this section, a significant modification includes but is not limited to: mental health counseling; substance abuse treatment; domestic abuse services; a supported work environment, which is characterized by close supervision, graduated performance expectations, and peer support; or additional time to complete an activity.

- (C) The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), and due to local labor market conditions there is a lack of employers that could reasonably accommodate the individual's physical and/or mental limitations.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
	(Continued)	

(c) Individuals that are determined to be incapable of maintaining employment shall have their condition reviewed at least once every 12 months, unless the disabling condition or conditions is expected to improve at an earlier date. For individuals with a learning disability, which was documented pursuant to MPP Section 42-711.58, the county shall review the individual’s employment status and the impact of any newly-developed coping skills, strategies, and accommodations on the individual’s ability to maintain employment, ability to cope with his/her impairment and shall not require a reevaluation of the learning disability.

.115 Unaided The individual is excluded from the AU for reasons other than exceeding the time limit.

.12 Domestic Abuse When an individual has been aided as an adult for 48 months, aid may continue for that adult when the individual is a victim of domestic abuse and the county has determined that good cause exists for waiving the 48-month time limit. See Section 42-713.22.

.2 Counting the 48-Month Limit Section 42-302.2(MR) shall become inoperative and Section 42-302.2(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Any month or partial month in which an adult is included in an AU that receives a cash grant, including Reduced Income Supplemental Payments (Section 44-400) and Special Needs, (Section 44-211), shall count for the purposes of the 48-month time limit, except as provided in Sections 42-302.21 (Exempt Months) and 42-302.22 (Diversion Count).

(MR) Any overpayment month, (an entire month of aid in which the recipient was not entitled to cash aid), that is fully repaid shall not count for the purposes of the 48-month time limit.

42-302 **48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS** **42-302**
(Continued)

(QR) Counting the 48-Month Limit

Any month or partial month in which an adult is included in an AU that receives a cash grant, including Special Needs (see Section 44-211), shall count for the purposes of the 48-month time limit, except as provided in Sections 42-302.21 (Exempt Months) and 42-302.22 (Diversion Count).

(QR)

Any overpayment month, (an entire month of aid in which the recipient was not entitled to cash aid), that is fully repaid shall not count for the purposes of the 48-month time limit.

.21 Exempt Months

Any month in which any of the following conditions exist for any period during the month shall not count toward the 48-month limit as specified:

(a) Disability

The individual is exempt from welfare-to-work participation requirements due to a verified disability that is expected to last at least 30 days.

(b) Providing Care

The individual is exempt from welfare-to-work participation requirements due to:

(1)

The need to care for an ill or incapacitated person residing in the home, and the caretaking responsibilities impair the individual's ability to be regularly employed or to participate in welfare-to-work activities.

(2)

Being the nonparent caretaker of either a dependent child of the court, a Kin-GAP child, or, as determined by the county, a child who is at risk of placement in foster care. For this exemption to apply, the county must also determine that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities so that they impair the individual's ability to be regularly employed or to participate in the welfare-to-work activities.

(3)

Being the parent or other relative who has primary responsibility for personally providing care to one child who is from 12 to 23 months of age, inclusive, or two or more children who are under six years of age. This paragraph is effective July 28, 2009 and shall become inoperative on July 1, 2012.

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(Continued)

- (B) Recoupment, as provided by the local child support agency, is all child support that has been assigned and collected to repay aid. Beginning October 1998, this includes the disregard payments pursuant to MPP Section 12-425(c)(1)(B).
- (C) Each month of aid that is fully reimbursed by child support shall be exempt and not counted toward the CalWORKs 48-month time limit of parents, aided stepparents, and/or aided caretaker relatives residing in the home of the child(ren.)
- (D) The child support recoupment shall be applied to all months of aid whether or not the month had been previously exempted for any reason, including any month(s) exempt because the individual was unaided for any reason, including a sanction.
- (E) The child support recoupment will be reviewed to determine if the cumulative amount is sufficient to reimburse and exempt a monthly grant amount. Any child support that remains but is insufficient to fully reimburse a monthly grant, whether collected in the current month or for a previous period of time, shall be carried forward and used for any subsequent unreimbursed month(s) of aid.
- (F) The recipient shall be informed of the exempt months due to child support recoupment pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(I).
- (G) Information regarding the balance of child support recoupment and the number of months exempt due to the child support recoupment must be reported to any subsequent county(ies) to continue reimbursement of the subsequent months of aid.

42-302 48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS **42-302**
(Continued)

(h) Living in Indian Country The individual lived in Indian country, as defined by federal law, or an Alaskan native village, in which at least 50 percent of the adults living in the Indian country or in the village are not employed.

(1) Counties shall obtain the required information on unemployment rates through the governing body of each tribal land.

(i) Receiving Supportive Services The individual is a former recipient of cash aid and is only receiving child care, case management or supportive services.

(j) Grant Amounts Less Than \$10 The recipient does not receive a cash aid payment for the month because the grant amount is less than \$10.

(k) Lack of Necessary Supportive Services The individual is excused from participation for good cause due to lack of necessary supportive services, as specified in Section 42-713.21. This paragraph is effective July 28, 2009 and shall become inoperative on July 1, 2012.

.22 Diversion Count Diversion payments as set forth in Section 81-215 count toward the 48-month time limit unless they are recouped as provided in Section 42-302.223(a) or unless part or all of the diversion period is exempt as provided in Section 42-302.21 et seq. Count the months as follows:

.221 Diversion Payment Month The month in which a lump sum diversion payment is made counts as one month toward the 48-month time limit unless the diversion recipient applies for CalWORKs cash aid during the diversion period, as specified in Section 81-215.41, and is determined to be eligible for CalWORKs. In that case, the diversion payment is treated in accordance with Section 42-302.223.

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NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY

Regulations

GENERAL TIME LIMIT REQUIREMENTS

42-302 (Cont.)

42-302

48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS
(Continued)

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.222

A recipient receives a diversion lump sum payment of \$1,800 in March. The month of March counts toward the 48-month time limit. The recipient's Region 2, Non-Exempt MAP amount is \$538. This results in a diversion period of three months for the months of March, April, and May. The recipient does not apply for CalWORKs cash aid during the diversion period. The recipient reapplies in September and receives another diversion payment of \$800 in September. The months of March and September both apply toward the 48-month time limit.

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.223

Reapplies for CalWORKs

During Diversion Periodthe diversion recipient applies for cash aid during the diversion period and is determined eligible, the recipient shall have the option to:

(a)

Have the diversion payment recouped from the CalWORKs cash aid; or

(b)

Count the diversion payment toward the 48-month time limit.

(1)

The number of months counted toward the 48-month time limit is calculated by dividing the total diversion payment by the MAP for the apparently eligible AU at the time the diversion payment was made. The month(s) resulting from this calculation, less any partial month, is (are) counted toward the 48-month limit. Do not count the initial month (as counted pursuant to Section 42-302.221) twice.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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(Continued)

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.224

A recipient with a Region 2, Non-Exempt MAP of \$538 received a lump sum diversion payment in the amount of \$1,800 in March. The recipient returns to the county in May (within the diversion period), is determined eligible for CalWORKs cash aid, and opts not to have the \$1,800 diversion payment recouped from the CalWORKs cash aid. The diversion payment equates to 3.3 months of aid. The partial month is dropped, and the recipient has a total of three months (March, April, and May) counted toward the 48-month time limit.

.225

A recipient with a Region 2, Non-Exempt MAP of \$538 receives a diversion lump sum payment of \$100 on March 2. The recipient reapplies for CalWORKs cash aid in the same month and is determined eligible. The month of March counts as one month toward the 48-month limit because the recipient received CalWORKs aid.

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NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY

Regulations

GENERAL TIME LIMIT REQUIREMENTS

42-302 (Cont.)

42-302 48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS 42-302
(Continued)

- .3 Requesting Exemptions/Exceptions An applicant or a recipient can request an exemption/exception verbally or in writing. When a recipient states that s/he meets a condition that qualifies as an exemption to the 48-month time limit, as specified in MPP Sections 42-712 and 42-302.21 or an exception to the 48-month time limit as specified in 42-302.11, the county shall document the request and provide the recipient with an exemption/exception request form, if necessary to complete the request.
 - (a) A completed exemption/exception request by the applicant/recipient can be a verbal request if all required information to make a determination on the request is available to the county.
 - (b) Exemptions/exceptions that do not require a written request include, but are not limited to, 60 years of age or older, aid reimbursed by child support collected, grant amounts less than \$10, and receiving only supportive services.

- .31 Exemption/ Exception Request Form The form to request an exemption or exception shall include, but is not limited to, the following:
 - (a) A description of the exemptions to the CalWORKs 48-month time limit, provided in MPP Section 42-302.21, and a description of the 48-month time limit exceptions, provided in MPP Section 42-302.11.

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42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS (Continued)	42-302
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- (b) A statement that the individual may need to provide documentation to substantiate some exemptions/exceptions.
- (c) A statement of exemptions from the time limit that do not require a written request.
- (d) A statement that the individual will be informed, in writing, whether the exemption/exception is granted or not and the reason if the exemption/exception is denied.
- (e) A statement that the individual may request a State hearing to appeal a denial of an exemption/exception request.

.32 Exemption/Exception Determination

The county shall inform the individual, in writing, of the exemption/exception determination no later than 15 calendar days from the date of completed request for an exemption/exception pursuant to Section 42-302.3. The specified response time may be exceeded in situations where completion of the determination is delayed because of circumstances beyond the control of the county, in which instances the case record must specify the cause for delay. These instances include:

- (a) Inability on the part of the recipient to provide the necessary verification.
- (b) Delay on the part of an examining physician to provide the necessary information.

.33 Documentation of Exemption/Exception

The county shall first research all available and relevant case records before requesting additional verification from the recipient. Pursuant to MPP Section 40-107(a), the county shall assist the applicant/recipient in obtaining the necessary records to verify the exemption/exception.

NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY**Regulations****RESIDENCE****42-433 (Cont.)**

42-431 ELIGIBILITY REQUIREMENTS (Continued) 42-431

- .62 Acceptable documentation for verifying that an application for a U Visa has been filed or a request for U Visa Interim Relief was filed (U Visa Interim Relief is acceptable only if a request for U Visa Interim Relief was filed prior to October 17, 2007) includes, but is not limited to:
- .621 A confirmation receipt or letter from USCIS verifying that a request has been filed; or
 - .62 The Notice of Action (form I-797) approving a U Visa or a request for U Visa Interim Relief (U Visa Interim Relief is acceptable only if a request for U Visa Interim Relief was filed before October 17, 2007); or
 - .623 A form I-797 which serves as a fee receipt for an employment authorization request based on a U Visa application; or
 - .624 A copy of the Petition for U Nonimmigrant status (Form I-918); or
 - .625 An Employment Authorization Document (EAD) issued under Category “A19” or “A20” for an approved U Visa petitioner.
- .63 Eligibility for state-funded services will continue until the recipient has a final administrative denial, as defined in Section 42-431.541(a), of a U Visa application or when the 48-month program limitation has been reached, whichever comes first.

NOTE: Authority cited: Sections 10553 and 10554, Welfare Institutions Code; SB 1569 (Chapter 672, Statutes of 2006); and SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11454, 11454.2, 13283, 14005.2, and 18945, Welfare and Institutions Code; 8 United States Code 1182(d)(5)(B), 28 Code of Federal Regulations (CFR) Section 1100.35, 45 (CFR) Section 400.43; the Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C).

42-433 PROOF OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS 42-433

A citizen must prove his/her citizenship to be eligible, as provided in Section 42-433.2. A noncitizen must prove that he/she is in one of the eligible categories described in Section 42-431.2 above, by presenting the appropriate documentation described in Section 42-433.31 below.

.1 Cooperation

Every applicant and recipient shall provide all information necessary to determine his/her citizenship or noncitizen status. An applicant or recipient whose citizenship or noncitizen status is evidenced by a document issued by the United States Citizenship and Immigration Services (USCIS) (e.g., a naturalized citizen or person whose American citizenship is derived from the citizenship of another person) must cooperate with USCIS when the county desires that his/her documentation be verified by USCIS (as when the documentation presented is believed by the county to be of doubtful authenticity). Any applicant or recipient who refuses to cooperate in the verification of his/her status shall not be eligible. See Sections 40-105 and 40-157.3.

42-433 PROOF OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS (Continued) 42-433

.2 Documentation -- U.S. Citizens

- .21 United States Citizenship as defined in Section 42-431.1 shall be documented by a birth certificate, or similar proof of birth in the United States or United States Territory, U.S. passport, certificate of citizenship or naturalization provided by INS, or an identification card for use of a resident citizen in the United States (INS Form I-179 or I-197). If such evidence is not available, the applicant shall state the reason and submit other evidence which proves his/her birth in the United States or United States Territory, or his/her citizenship. Examples of other evidence: documents which show the date and place of the applicant's birth such as confirmation papers or church record of confirmation, school records, Indian agency records (if applicable), adoption decree (if birth in the United States or United States Territory is shown), copy of discharge from military service, marriage certificate, or affidavits, or declarations made under penalty of perjury, by persons with direct knowledge of (1) the date and place of the applicant's birth in the United States, or (2) the U.S. citizenship of the applicant's parents, or (3) facts concerning the applicant which would not exist if he/she were not a citizen.

- .22 An otherwise eligible person who states on the CA 2 that he/she is a United States citizen, but who cannot provide the documentation or other proof specified in .21 above shall be eligible in the absence of any conflicting evidence, for aid pending verification of citizenship for a period up to 90 days after the date of application, (restoration, or reapplication) pending verification of his/her status. For persons receiving aid, as of the effective date of these regulations, whose only proof of citizenship was a certificate of registration to vote, the county shall continue aid pending verification of status for up to 90 days after the date of the next redetermination or for up to 90 days after the date verification is requested if earlier. Efforts to obtain satisfactory documentation shall be undertaken by the recipient in this period (see Section 40-157.21). At the end of 90 days, aid to the recipient shall be terminated unless the county in assisting the recipient, determines an extension of time is necessary to obtain documentation. The extension of time shall be appropriate to the particular situation, but in no event shall extend beyond the next annual redetermination date. At that time, if no satisfactory proof of citizenship can be obtained, the recipient shall be terminated from aid.

- .23 Aid to a person receiving aid pending verification of citizenship under .22 above shall be terminated if during the period of documentation gathering:

42-712	EXEMPTIONS FROM WELFARE-TO-WORK PARTICIPATION	42-712
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(Continued)

- .452 For an aided nonparent caretaker relative to qualify for this exemption, the CWD shall determine that his or her caretaking responsibilities:
- (a) Are beyond those considered normal day-to-day parenting responsibilities, and
 - (b) Impair the caretaker relative's ability to be regularly employed or to participate in welfare-to-work activities.
- .46 Exemption Based on the Care of an Ill or Incapacitated Member of the Household
- .461 An individual is exempt from participating in welfare-to-work activities when his/her presence in the home is required because of the illness or incapacity of another member of the household.
- (a) For an individual to qualify for this exemption, the CWD shall determine that the caretaking responsibilities impair the ability of the individual to be regularly employed or to participate in welfare-to-work activities.
- .47 Exemption Based on the Care of a Child
- .471 The parent or other relative who has primary responsibility for personally providing care to a child six months of age or under is exempt from welfare-to-work participation.
- (a) An individual shall be eligible for the exemption in Section 42-712.47 only one time under the CalWORKs Program.
 - (b) On a case-by-case basis, the CWD may reduce the period of exemption to the first 12 weeks, or increase it to the first 12 months, after the birth or adoption of the child.
 - (1) The CWD shall establish criteria by which the period of exemption in Section 42-712.471 is reduced or extended.
 - (A) In making the determination to extend the period of exemption after the birth or adoption of a child, the CWD may consider the availability of child care, local labor market conditions, and other factors the CWD determines are applicable.
 - (c) The exemption in Section 42-712.47 shall not apply to a 19-year old custodial parent described in Section 42-711.31.

42-712	EXEMPTIONS FROM WELFARE-TO-WORK PARTICIPATION	42-712
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(Continued)

- .472 An individual who has previously received the exemption in Section 42-712.471 shall be exempt for a period of 12 weeks upon the birth or adoption of any subsequent children.
 - (a) The CWD may extend the period for an exemption in Section 42-712.472 to six months on a case-by-case basis.
 - (1) The CWD shall establish criteria by which the period specified in Section 42-712.472 is extended.
 - (A) In making the determination to extend the period of exemption after the birth or adoption of a child, the CWD may consider the availability of child care, local labor market conditions, and other factors the CWD determines are applicable.

- .473 In a family eligible for aid due to the unemployment of the principal wage earner, the exemption in Section 42-712.47 shall apply to only one parent.

- .474 The parent or other relative who has primary responsibility for personally providing care to one child who is from 12 to 23 months of age, inclusive, or two or more children who are under six years of age is exempt from welfare-to-work participation. This paragraph is effective July 28, 2009 and shall become inoperative on July 1, 2012.

- .48 Exemption Based on Pregnancy
 - .481 A woman who is pregnant is exempt from welfare-to-work participation if the pregnancy impairs her ability to be regularly employed or participate in welfare-to-work activities.
 - (a) The exemption based on pregnancy is supported by medical verification that the pregnancy impairs the woman's ability to be regularly employed or participate in welfare-to-work activities.

 - .482 An exemption based on a medically-verified pregnancy may also be granted when the CWD determines that participation will not readily lead to employment or that a training activity is not appropriate.

- .49 An individual is exempt if he/she is a full-time volunteer in the Volunteers in Service to America (VISTA) Program, as provided by Title I of the Federal Domestic Volunteer Act of 1973.
 - .491 This exemption is supported by either of the following:
 - (a) a copy of a Domestic Volunteer Earnings Statement or

42-712	EXEMPTIONS FROM WELFARE-TO-WORK PARTICIPATION	42-712
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(Continued)

- (b) a written verification from the VISTA sponsor or the Federal Region IX ACTION/VISTA Office.

- .5 Any individual who is not required to participate may volunteer to participate in welfare-to-work activities and may end that participation at any time without loss of eligibility for aid, provided his or her status has not changed in a way that requires participation.

- .51 For purposes of Section 42-715.5, a volunteer participant is as follows:
 - .511 An individual who is exempt pursuant to Sections 42-712.41 through .49, but who volunteers to participate; or
 - .512 An individual who is not required to participate for reasons other than the exemptions described in Sections 42-712.41 through .49, but who volunteers to participate.

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- (a) For example, in a two-parent assistance unit, whose basis for aid is unemployment, the second parent is not required to participate when the first parent is meeting the required participation hours but may participate as a volunteer.

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- .6 Any month in which an individual is exempt from participation in welfare-to-work activities based on the following exemption criteria shall not be taken into consideration as a month of receipt of aid in computing the 48-month time limit described in Section 42-302. Other exemptions from the 48-month time limit are listed in Section 42-302.
 - .61 Being age 60 or older as described in Section 42-712.43;
 - .62 Having a disability as described in Section 42-712.44; or
 - .63 Having caretaking responsibilities that impair a recipient's ability to be regularly employed, as described in Sections 42-712.45 and .46.
 - .64 Being responsible for personally providing care to a child or children of a specific age, as described in Section 42-712.474. This paragraph is effective July 28, 2009 and shall become inoperative on July 1, 2012.

- .7 Renumbered to Section 42-712.6 by Manual Letter No. EAS-06-01, effective 4/3/06.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 10063(b), 11253.5, 11320, 11320.3, 11331.5(a), (b), (c), and (d), 11454, 11454.2, and 11454.5, Welfare and Institutions Code; and 42 U.S.C. 5044(f)(2).

42-713	GOOD CAUSE FOR NOT PARTICIPATING	42-713
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- .1 A recipient shall be excused from participation in welfare-to-work activities for good cause in accordance with Section 42-713.2, when the CWD determines there is a condition or other circumstance that temporarily prevents, or significantly impairs, the individual's ability to be regularly employed or to participate in welfare-to-work activities.
 - .11 The CWD shall review the continuing validity of the good cause determination as necessary, but at least every three months.
 - .12 The individual shall cooperate with the CWD and provide information, including written documentation, as required to complete the review.
- .2 Conditions that may be considered good cause for not participating in welfare-to-work activities include, but are not limited to, any of the following:
 - .21 Lack of necessary supportive services.
 - .22 The applicant or recipient is a victim of domestic abuse.
 - .221 CalWORKs Program requirements, including the time limit on receipt of assistance described in Section 42-302, and welfare-to-work requirements described in Section 42-711 may be waived, except as specified in Section 42-715.511, for an individual who is a victim of domestic abuse (as defined in Section 42-701.2(d)(3)) on a case-by-case basis, but only for as long as domestic abuse prevents the individual from obtaining employment or participating in welfare-to-work activities, in accordance with Section 42-715.
 - (a) The criteria for granting waivers shall include provisions that ensure:
 - (1) Applicants and recipients who are past or present victims of abuse are not placed at further risk or unfairly penalized by CalWORKs requirements and procedures;
 - (2) Program requirements are not created or applied in such a way as to encourage a victim to remain with the abuser; and
 - (3) Participation by CalWORKs recipients in welfare-to-work activities is encouraged, to the full extent of their abilities, including participation in counseling and treatment programs, as appropriate, to enable the recipient to obtain unsubsidized employment and move toward self-sufficiency.

HANDBOOK BEGINS HERE

- (b) Examples which may constitute good cause for waiving program requirements for victims of domestic abuse include, but are not limited to:
- (1) The participant is fleeing the abuser and is in temporary housing or is homeless;
 - (2) The participant has entered a shelter;
 - (3) The participant is concerned about the safety of his/her children;
 - (4) The participant is a party to a restraining order or divorce action against the abuser; or
 - (5) The participant and/or the children are undergoing counseling to cope with the effects of the abuse.

HANDBOOK ENDS HERE

- .23 Licensed or license-exempt child care is not reasonably available during the individual's hours of training or employment, including commuting time, or arrangements have broken down or have been interrupted for the following children:
- .231 A child 10 years of age or younger, or
 - .232 A child 11 years of age or older as described in Section 47-201.22 or .23, or
 - .233 A child who is in foster care or is an SSI recipient and who is not included in the assistance unit.
- .24 Good cause criteria in Section 42-713.23 includes the unavailability of suitable special needs child care for children with identified special needs including, but not limited to, disabilities or chronic illnesses.
- .25 For purposes of Sections 42-713.23 and 42-713.24, reasonably available means at least one appropriate, suitable, and affordable child care arrangement that is commonly available in the participant's community to a person who is not receiving aid, that is available to parents during the hours that they are required to participate in county-approved activities or employment, and is within a reasonable distance from the participant's home or work site.

42-713	GOOD CAUSE FOR NOT PARTICIPATING (Continued)	42-713
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- .251 Appropriate and suitable child care is child care that meets the needs of the child and the parent, and meets one of the following requirements:
 - (a) Child care that is licensed for the appropriate age group or special needs category.
 - (b) License exempt child care that meets Trustline clearance requirements, unless that child care is exempted from Trustline.
 - (c) Suitable child care provided by the parent, legal guardian, other member of the assistance unit, or an eligible provider as defined by Section 47-260.
 - (1) Informal child care is unsuitable where the individual(s) providing the care cannot be Trustline registered in accordance with Section 47-600 or who would otherwise be denied payment for child care services that are exempt from licensure, due to a violent felony conviction, in accordance with Section 47-620.2.
- .252 Affordable child care is child care where the unreimbursed cost to the family does not exceed the family fees established by the state in accordance with Sections 47-401.7 and .8.
- .253 Reasonable distance means the distance customarily traveled by working families in accessing child care services in the community.

.3 An individual shall have good cause for not complying with program requirements if he or she meets the criteria described in Section 42-721.3.

.4 An individual who is excused from welfare-to-work participation for good cause is subject to the 48-month time limit in Section 42-302.

.41 A CWD may waive the 48-month time limit for victims of domestic abuse as provided in Section 42-713.221(a).

.42 Repealed by Manual Letter No. EAS-06-01, effective 4/3/06.

.43 Effective July 28, 2009, any month in which an individual is excused from participation for good cause due to lack of supportive services, as specified in Section 42-713.21, shall not be counted toward the 48-month time limit. This paragraph shall become inoperative on July 1, 2012.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code; SB72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11320.3(b) and (f), 11323.2, 11325.23(c), 11454, 11454.2, 11454.5, 11495, and 11495.1, Welfare and Institutions Code; 42 U.S.C. 607(e)(2); and 45 CFR 261.15.

42-715 DOMESTIC ABUSE PROTOCOLS AND TRAINING STANDARDS 42-715
(Continued)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11454, 11495, 11495.1, 11495.15, 11495.25 and 11495.40, Welfare and Institutions Code.

42-716 WELFARE-TO-WORK ACTIVITIES 42-716

- .1 Upon the completion of job search activities, or a determination that those activities are not required as an initial activity, the participant shall be assigned to one or more welfare-to-work activities pursuant to Section 42-716.31, as needed to obtain employment.
 - .11 Individuals may participate in activities pursuant to Section 42-716.2 for up to the 48-month time limit in accordance with Section 42-302, as long as participation is consistent with their assessments under Section 42-711.55 and/or in accordance with their welfare-to-work plan under Section 42-711.6, or reappraisal under Section 42-711.7.
- .2 Except for exempt individuals, individuals who are enrolled in self-initiated programs in accordance with Section 42-711.54, individuals who have been granted domestic abuse waivers in accordance with Section 42-715.5, individuals receiving family reunification services in accordance with Section 42-711.61, or 19-year-old custodial parents without a high school diploma in accordance with Section 42-711.31, to fulfill participation requirements:
 - .21 An individual must participate for a minimum average of 20 hours per week in one or more core activities, as described in Sections 42-716.31(a) through (j), (m), and (n).
 - .211 Participation in vocational education and training programs pursuant to Section 42-716.31(m) may only count as a core activity for a cumulative total of 12 months during an individual's 48-month time limit on aid.
 - (a) This 12-month limit begins on the first day of the month in which an individual begins vocational education and training as part of a welfare-to-work plan signed on or after December 1, 2004.
 - (1) A month in which an individual participates in at least an average of 20 hours of core activities per week as described in Sections 42-716.31(a) through (j), and (n), shall not count toward the 12-month limit on counting vocational education and training as a core activity, when the individual is also assigned to vocational education and training as part of a welfare-to-work plan.

42-716	WELFARE-TO-WORK ACTIVITIES (Continued)	42-716
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- .22 The remaining hours, up to 12 hours for an adult in a one-parent assistance unit pursuant to Section 42-711.411, or up to 15 hours for an adult in a two-parent assistance unit pursuant to Section 42-711.421, may be comprised of any of the welfare-to-work activities described in Section 42-716.31.

- .23 Hours spent in specified non-core activities [mental health, substance abuse, and domestic abuse services, as described in Sections 42-716.31(q), and classroom, laboratory, and internships in adult basic education, job skills training directly related to employment, satisfactory progress in a secondary school or in a course of study leading to a certificate of general educational development, and education directly related to employment, as described in Sections 42-716.31(k), (l), (o), and/or (p) respectively] in excess of those that can be accomplished within the non-core hours shall count as core hours if:
 - .231 The county has determined that the assigned participation, if any, in mental health, substance abuse, and domestic abuse services is necessary for the individual to participate in core activities; and

 - .232 The assigned participation hours, if any, in classroom, laboratory, and internship activities in adult basic education, job skills training directly related to employment, satisfactory progress in a secondary school or in a course of study leading to a certificate of general educational development, and education directly related to employment programs meet the criteria listed below:
 - (a) The program leads to a self-supporting job.
 - (b) The individual is making satisfactory progress.
 - (c) The individual does not possess a baccalaureate degree unless he or she is pursuing a California regular classroom teaching credential.
 - (d) The program is on the county list of programs that the county and local agencies agree will lead to employment in accordance with Section 42-711.543(b).
 - (1) If the program is not on the county-approved list, the county must continue to provide the individual with the opportunity to demonstrate, in accordance with Section 42-711.543(b)(1)(A), that completion of the program will lead to self-supporting employment.

- .24 Additional conditions on counting hours spent in non-core activities as core hours.

42-716	WELFARE-TO-WORK ACTIVITIES (Continued)	42-716
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- .764 To comply with all applicable federal and state labor laws and regulations.
 - .765 That the employer's participation in grant-based-OJT funded job placements may be cancelled pursuant to Section 42-716.771.
 - .77 The CWD shall monitor the retention of participants as employees by employers participating in grant-based OJT.
 - .771 The CWD shall cancel participation of employers who demonstrate, over a period of time, either of the following:
 - (a) An unwillingness to hire recipients who participated in grant-based OJT with such employers.
 - (b) An inability to provide the participant with the job skills to obtain unsubsidized employment with other employers.
 - .772 The CWD shall collect and maintain such records as are necessary to verify participating employer's retention of participants or subsequent unsubsidized employment with other employers.
 - .78 Any participant in a grant-based OJT-funded position, who fails or refuses to comply with program requirements without good cause shall be sanctioned in accordance with Section 42-721.4.
- .8 Assembly Bill (AB) 98 Subsidized Employment
- .81 Eligibility for entry into AB 98 subsidized employment under this section shall be limited to individuals who are not otherwise employed at the time of entry into the subsidized employment, and who meet one of the following criteria:
 - .811 Aided CalWORKs recipients participating in the welfare-to-work Program.
 - (a) These individuals may continue to participate in a county's AB 98 subsidized employment program if the family becomes ineligible for CalWORKs aid due to AB 98 subsidized employment income.
 - .812 Individuals in welfare-to-work sanction status as described in Section 42-721 who will cure their sanctions through AB 98 subsidized employment participation.
 - (a) AB 98 participants who cure their sanctions through AB 98 subsidized employment must maintain compliance with welfare-to-work requirements to continue in an AB 98 subsidized employment position.

42-716	WELFARE-TO-WORK ACTIVITIES (Continued)	42-716
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- .813 Individuals who have exceeded CalWORKs time limits and are receiving Safety Net benefits for their eligible children as defined in Section 42-302.1.
 - (a) These individuals may continue to participate in a county's AB 98 subsidized employment program if the family becomes ineligible for CalWORKs Safety Net benefits due to AB 98 subsidized employment income.

- .82 AB 98 wage subsidies are limited to a maximum of six months for each participant.
 - .821 Upon entry into AB 98 subsidized employment, a Welfare-to-Work client shall participate in an AB 98 subsidized employment placement for no longer than six months.
 - (a) In order to mutually benefit the employer and the participant, AB 98 subsidized employment placements can be extended up to six additional months for up to a total of 12 months.

- .83 If provided for in a county plan, the county may provide welfare-to-work services to former recipients whose families become ineligible for CalWORKs due to AB 98 subsidized employment income.
 - .831 The county may provide these services for up to the first 12 months of employment, to the extent they are not available from other sources and are needed for the individual to retain the subsidized employment.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11253.5(b), 11265.1, 11265.2, 11320.3(b)(2), 11322.6, 11322.61, 11322.63, 11322.7, 11322.8, 11322.9, 11323.25, 11324.4, 11324.6(a), 11325.21(a) and (d)(1), 11325.22(b)(1), 11325.7(a), (c), (d), 11325.8(a), (c), (d), and (f), 11326, 11327.5, 11450.5, 11451.5, 11454, and 11454.2, Welfare and Institutions Code; and Section 8358(c)(2), Education Code; 7 U.S.C. 2029(a)(1); 7 U.S.C. 2035; U.S. Department of Labor guidance on FLSA, with attached U.S.D.A., Food and Nutrition Service (FNS) guidance on an SFSP, dated May 22, 1997; Simplified Food Stamp Program approval letters from FNS to implement the provisions of an SFSP, dated May 5, 2000 and August 3, 2000.

42-717	JOB RETENTION SERVICES	42-717
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- .1 If provided in the county plan, the CWD may provide job retention services to employed former CalWORKs recipients for a period of up to 12 months. The purpose of job retention services is to assist former recipients to retain employment or to obtain a better job.
 - .11 The period of up to 12 months begins on the earlier of the following dates, but in no event later than one year after the former recipient's aid is discontinued.
 - .111 The date that the former recipient's aid is discontinued, if the former recipient is employed at that time.

42-717	JOB RETENTION SERVICES (Continued)	42-717
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- .112 The date that the former recipient becomes employed.

- .12 Job retention services may include but are not limited to case management, mental health and/or substance abuse services, domestic abuse services, parenting classes, vocational training, and supportive services (transportation, ancillary).

- .13 A former recipient who does not become employed during the 12 month period after being discontinued from aid is not eligible to receive services under Section 42-717.

- .2 The CWD may provide job retention services to the extent that the services are:
 - .21 not provided by the employer or the entity that arranged the job placement, if other than the county;
 - .22 not available from other sources;
 - .23 needed for the individual to retain employment, or needed to advance to new employment that may provide greater income or better benefits.

- .3 The CWD may provide services to employed former recipients under Section 42-717 whether or not the former recipients have exhausted their CalWORKs 48-month time limits.

- .4 If the CWD decides to offer services to former recipients under Section 42-717, the CWD:
 - .41 May establish eligibility criteria for those services in addition to the eligibility criteria contained in Sections 42-717.1 and .2. If additional criteria are established, they must be reflected in the County Plan (see Section 42-780).
 - .42 Shall adopt written policies determining the duration and types of, and, when applicable, the reimbursement rate for, those services.

- .5 In accordance with Section 47-230.14, child care shall be available to former recipients for up to two years from the date the recipient leaves cash aid.

- .6 There is no community service requirement for services provided under Section 42-717, unless the CWD adopts a policy requiring community service.

- .7 If the county provides services to the recipient after the 48-month limit has been reached, the recipient shall participate in community service or subsidized employment as described in Section 42-716.8.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11320.15, 11323.2(b), 11454, 11454.2, and 11500, Welfare and Institutions Code.

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42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

.313 The employment, offer of employment, activity, or other training for employment is remote from the individual's home because either:

- (a) The round-trip travel time required exceeds a total of two hours, exclusive of the time necessary to transport family members to a school or place providing care, or
- (b) Walking is the only available means of transportation and the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.

An individual who fails or refuses to comply with the program requirements based on the remoteness of the employment, offer of employment, activity, or other training for employment shall be required to participate in community service activities as defined in Section 42-701.2(c)(3), and in accordance with Section 42-716.31(j)(2).

.314 The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

.315 The employment, offer of employment, or work activity does not provide for worker's compensation insurance.

.316 Accepting the employment or work activity would cause an interruption to an approved education or job training program in progress. For purposes of this section, an education or job training program includes all welfare-to-work activities described in Section 42-716, except work experience or community service assignment.

- (a) The approved education or job training program in progress must lead to employment and sufficient income to be self-supporting.
- (b) If the hours of participation in the approved education or job training program in progress are less than the hours required as a condition of eligibility for aid, the CWD may require the individual to engage in welfare-to-work activities to the extent necessary to meet the required hours of participation.

.317 Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS (Continued)	42-721
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- .32 In determining whether good cause exists for a refusal or failure to comply with program requirements, the CWD shall take into consideration whether the participant has a mental disability that caused or substantially contributed to the refusal or failure to comply with program requirements. This determination shall be made, where appropriate, in consultation with the county mental health department.

- .33 An individual shall have good cause for not participating in welfare-to-work activities if he or she meets the criteria described in Section 42-713.

- .4 Sanctions
 - .41 Financial sanctions shall be applied when a non-exempt welfare-to-work participant has failed or refused to comply with program requirements without good cause and compliance efforts have failed.
 - .411 Any month in which an individual is under sanction and removed from the assistance unit shall not be counted as a month of receipt of aid in determining the 48-month time limit in accordance with Section 42-302.115.
 - .412 Section 42-721.41(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (QR) A financial sanction is a county-initiated mid-quarter change pursuant to Section 44-316.331(b)(QR).
 - .42 The sanctions shall not apply to an individual who is exempt from the welfare-to-work requirements and is voluntarily participating in the Welfare-to-Work Program. If an exempt volunteer engages in conduct that would bring about the sanction procedures described below but for his or her status as a volunteer, the individual shall not be given priority over other participants actively seeking to participate.

42-721 NONCOMPLIANCE WITH PROGRAM REQUIREMENTS 42-721
(Continued)

.5 State Hearing and Formal Grievance

.51 Except as specified in Section 42-721.512(b), .512(c), or .512(d), when a participant believes that any program requirement or assignment is in violation of, or inconsistent with, state law and regulations governing the Welfare-to-Work Program, the CWD shall inform him/her of the right either to request a state hearing or to file a formal grievance based on the procedures established by the county board of supervisors.

.511 State Hearing

- (a) The CWD shall inform the individual of his/her right to file an appeal through the state hearing process as an alternative to the formal grievance procedures.
- (b) Procedures for a state hearing are specified in MPP Division 22.
- (c) With the exception of welfare-to-work supportive services (see Section 42-750.213), aid will continue if the individual appeals through the state hearing process within the period of timely notification (see Section 42-721.441).
- (d) If a welfare-to-work participant or other affected party is dissatisfied with a state hearing decision involving on-the-job working conditions or workers' compensation coverage, the party may appeal the decision to the appropriate state regulating agency.
 - (1) A copy of the written decision shall be issued to all affected parties and shall identify the right to appeal. The decision shall also provide the address and instructions for filing an appeal.
 - (A) The instructions shall include the requirement that the appeal be filed within 20 calendar days following receipt of the written decision.
- (e) The participant shall be permitted to request a state hearing to appeal the outcome of a formal grievance.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

.512 Formal Grievance Procedures

- (a) The procedures for a formal grievance established by the county board of supervisors and the duration of these procedures shall be specified in the county plan.
- (b) The sole issue for resolution through a formal grievance shall be whether a program requirement or assignment is in violation of the welfare-to-work plan or inconsistent with Chapter 42-700.
- (c) The participant shall not be permitted to use the formal grievance to appeal the outcome of a state hearing or the results of an assessment made according to Section 42-711.55.
- (d) The formal grievance shall not be available to a noncomplying individual who has already failed to successfully conciliate in accordance with Section 42-721.2. Under those circumstances, the applicant or recipient may request a state hearing to appeal a program requirement or assignment.
- (e) The individual shall be subject to sanction pending the outcome of the formal grievance or any subsequent appeal only if he/she fails to participate during the period the grievance procedure
 - (1) This information shall be provided to an individual when he or she requests information about the procedure for filing a formal grievance.

.513 The CWD shall address any complaints of discrimination based on race, color, national origin, religion, political affiliation, marital status, sex, age, or handicap which may arise through an applicant's/recipient's participation in Welfare-to-Work in accordance with the provisions of MPP Division 21 - Nondiscrimination in State and Federally Assisted Programs.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11203, 11265.2, 11320, 11320.31, 11322.9, 11324.8(d), 11327.4, 11327.5(a) through (e), 11327.6, 11327.8, 11327.9, 11328.2, 11333.7, 11454, 11454.2, and 16501.1(d), (e), (f), and (g), Welfare and Institutions Code

44-105	DIFFERENTIATION OF PROPERTY AND INCOME (Continued)	44-105
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.33 The portion of the payment which compensates for converted property shall be treated in accordance with Section 42-213.

.34 Any remainder shall be treated in accordance with Section 44-113.

44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME	44-111
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.1 The Exclusions and Exemptions and the Applicable Programs are Discussed Below

Federal and state statutes exclude or exempt certain types of payments or benefits in whole or in part from consideration as income. These exclusions and exemptions vary widely between programs. However, the federal statutes also provide that any income to an individual which is disregarded in determining his eligibility under the provisions of one categorical aid program, shall not be taken into consideration in determining the eligibility and/or the amount of assistance paid to a recipient receiving aid under another categorical aid program.

.2 Exemption of Earned Income

(See Section 44-101(e) for the definition of earned income.)

.21 Job Training Partnership Act (JTPA) - Earned Income of a Child

.211 All earnings of a child (see Section 42-101 for age requirement) which are derived from participation in JTPA programs shall be disregarded from consideration as income for both eligibility and grant determinations.

.212 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.22 Student Exemption

.221 All earned income of a child under 19 years old is exempt if:

- a. He/she is a full-time student, or
- b. He/she has a school schedule that is equal to at least one-half of a full-time curriculum, and he is not employed full time.

.222 For purposes of this exemption the following definitions apply:

- a. School attendance is defined as attendance in a school, college, university, or in a course of vocational or technical training designed to fit the child for gainful employment and includes a participant in the Job Corps program under the Economic Opportunity Act.

44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)	44-111
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b. Part-time employment is defined as less than 173 hours per month.

.223 The student exemption applies to full- or part-time earnings between school terms or during vacation periods, if the child plans to continue to be a student next term or when the vacation period ends.

.224 This exemption is applied:

a. For financial eligibility purposes, to the earnings of full-time student applicants and recipients and part-time student recipients. This exemption does not apply to earnings of a part-time student applicant. See Section 44-207.321.

b. For purposes of grant determination whether or not the student has received aid previously.

| .23 \$225/112 and 50% Disregards

| .231 A family shall have \$225 of disability-based unearned income and up to \$112 of any earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:

(a) Greater than \$225, the difference is added to any other nonexempt income.

| (b) Less than \$225, up to \$112 of the remaining disregard is subtracted from any earned income.

| (c) Zero, \$112 is applied against any earned income.

.232 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.233 Wages derived from a diverted grant and/or grant savings and paid to CalWORKs recipients who are participants in the grant-based OJT programs specified in Sections 42-716.31(f) and (g) shall not be eligible for the \$225 and 50 percent earned income disregard.

.24 College Work Study Programs

Earned income from any college work study program is exempt. This exemption is applied for both eligibility and grant determination whether or not the student has received aid previously.

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued) 44-111

- j. PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
- k. PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
- l. PL 101-508 which exempts Earned Income Credit (EIC) payments.
- m. PL 103-286 which exempts payment received as restitution made to victims of Nazi persecution.
- n. Payments received from any federal, state, or local Adoption Assistance Program.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157, 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); 45 CFR 400.66; 45 CFR 401.12; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1; 45 CFR 233.20(a)(1)(ii); 45 CFR 233.20(a)(3)(x); and *Cadaret v. Wagner* (Super. Ct. Sacramento County, 2011, No. 34-2009-80000302, Stipulation for Settlement and Order)

44-113 NET INCOME 44-113

.1 Property

Net income from property (including that from property in which a life estate is held), produce or business enterprises is determined by deducting from gross income all normal items of expenses incident to its receipt. Principal payments on encumbrances are not considered a necessary item of expense. If property is sold, the interest portion of any payment received is income.

Interpretation -- Net income from property, crops and livestock is computed as follows:

Source	Computation
a. Rental of real property including that in which life estate held.	Deduct from gross rental the following expenses incident to receipt: <ul style="list-style-type: none"> 1. Taxes and assessments.

44-113	NET INCOME (Continued)	44-113
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2. Interest on encumbrance payments (do not deduct principal payments).
3. Insurance.
4. Utilities.
5. Upkeep and major repairs.

If a complete dwelling unit is rented the county after consultation with the recipient (a) deducts the amount actually expended each month for upkeep and repairs; or (b) deducts 15% of the gross monthly rental plus \$4.17 a month.

Note: The above expenses are prorated on the same periodic basis as the periodic basis on which the rental is received (i.e., annually, quarterly, monthly, etc.). Multiply rental income received weekly by 4-1/3 to get monthly income.

Note: Under the ordinary life estate agreement, the life tenant is entitled to the use and/or income from the property and is responsible for the usual costs of ownership such as taxes, insurance, upkeep, etc. However, if the life estate agreement stipulates the remainderman is responsible for certain expenses, such payments do not represent income to the life tenant.

b.	Rental of rooms and Room and Board	See Section 44-113.212 for computing self-employment net income.
c.	Sale of real property under contract of sale, title not passing.	The interest received is net income (principal payments represent conversion of property from real to personal property). Deduct any interest payments on prior encumbrances in determining net income from interest received from sale of real property under contract of sale.
d.	Personal property (rental of trucks, equipment, etc.)	Deduct from gross rental all expense necessary to maintenance, etc.
e.	Personal property (interest on money, stocks, bonds, etc.)	All interest received is net income, except interest on savings accounts as provided in W&IC 11009.

44-113	NET INCOME (Continued)	44-113
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(QR) Determine the total profit reasonably anticipated to be earned from self-employment during each month of the QR Payment Quarter by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the reasonably anticipated monthly business expenses against the reasonably anticipated monthly gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income.

(a) The applicant or recipient who is self-employed shall choose one of the following deductions:

(1) 40 percent of gross self-employed income, or

(2) Section 44-113.212(a)(2)(MR) shall become inoperative and Section 44-113.212(a)(2)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) verified actual self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(QR) reasonably anticipated self-employment expenses to the same extent allowed in the Food Stamp Program (Section 63-503.41).

(b) Recipients who are self-employed shall be allowed to change the method of deduction identified in Section 44-113.212(a) only at redetermination or every six months, whichever occurs first.

.213 Section 44-113.213(MR) shall become inoperative and Section 44-113.213(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Combine the total earnings for the family determined in Section 44-113.211(MR) with any net self-employment income determined in Section 44-113.212(MR).

(QR) Combine the total monthly earnings for the family determined in Section 44-113.211(QR) with the monthly net self-employment income determined in Section 44-113.212(QR).

.214 Section 44-113.214(MR) shall become inoperative and Section 44-113.214(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

44-113	NET INCOME (Continued)	44-113
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- (MR) Apply, as specified in Section 44-111.23, the \$225 disregard to any disability-based unearned income for the family.
- (QR) Apply, as specified in Section 44-111.23, the \$225 disregard to the reasonably anticipated total monthly disability-based unearned income for the family.
- .215 Section 44-113.215(MR) shall become inoperative and Section 44-113.215(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.
- (MR) Apply any remainder of the \$225 disregard to any earned income for the family determined in Section 44-113.213(MR).
- (QR) Apply up to \$112 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR).
- .216 Apply the 50% disregard to any remaining earned income for the family.
- .217 Add to the amount in Section 44-113.216 any excess nonexempt disability-based unearned income and/or any nonexempt unearned income. This total is the net nonexempt income available to the family.
- .218 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the FBU.

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.22 Section 44-113.22(MR) shall become inoperative and Section 44-113.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of 3 (a recipient and two children) has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775	Earned Income
- 225	\$225 Income Disregard
\$ 550	Subtotal
- 275	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income

HANDBOOK CONTINUES

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(QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
<u>- 112</u>	\$112 Earned Income Disregard
\$ 663	Subtotal
<u>- 331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP 44-315.34.

HANDBOOK ENDS HERE

.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

.31 Section 44-113.31(MR) shall become inoperative and Section 44-113.31(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Net income from Social Security or from Railroad Retirement Benefits is the actual amount paid to or on behalf of a member of the assistance unit except:

(QR) Net income from Social Security or from Railroad Retirement Benefits is the amount reasonably anticipated to be paid to or on behalf of a member of the assistance unit in the QR Payment Quarter except:

.311 When Social Security benefits are paid to a representative payee on behalf of a member of the assistance unit and the representative payee does not live in the same household as the assistance unit, the Social Security benefits are counted as income only to the extent that the representative payee makes them available for the support of the beneficiary.

.32 Section 44-113.32(MR) shall become inoperative and Section 44-113.32(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

44-113	NET INCOME (Continued)	44-113
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(MR) Net income from other types of pensions and similar sources is the amount received or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

(QR) Net income from other types of pensions and similar sources is the amount reasonably anticipated to be received in the QR Payment Quarter or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the Family Budget Unit (FBU) from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

.411 Section 44-113.411(MR) shall become inoperative and Section 44-113.411(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) cash given to the FBU which is available to meet the needs of the FBU and;

(QR) cash reasonably anticipated to be given to the AU in the QR Payment Quarter which is available to meet the needs of the AU and:

.412 Section 44-113.412(MR) shall become inoperative and Section 44-113.412(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) the value of full items of need provided in-kind to the FBU. An item is not considered to be provided in-kind to the FBU if the FBU is receiving this full item of need in exchange for the FBU providing the UAM with a different item. For example, if a UAM and AFDC mother agree that he will pay the rent if she pays their food and utilities, the FBU is not receiving in-kind income for housing.

(QR) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the QR Payment Quarter. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

44-113	NET INCOME (Continued)	44-113
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.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

Section 44-113.8(MR) shall become inoperative and Section 44-113.8(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property is income. (See Section 44-207.4.)

(QR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2(QR)).

Net income is that income which remains after deducting the following expenses if the recipient shows the expenses were paid by the recipient while he was a recipient and were directly related to the receipt of the payment.

.81 Attorney's fees

.82 Litigation expenses

.83 Medical expenses

.84 Other necessary and required expenses.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10063, 10553, 10554, 10790, 10791, 11008, 11008.19, 11017, 11155.3, 11157, 11265.1, 11265.2, 11265.3, 11450, 11450.5, 11450.12, and 11451.5, 11453, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-115	EVALUATION OF INCOME IN-KIND	44-115
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When a need item is earned or contributed in kind, the income value placed upon such earnings, contributions, etc., is the amount specified below.

.1 Free Board and Lodging Received During Temporary Absence from Home

44-115	EVALUATION OF INCOME IN-KIND (Continued)	44-115
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.11 Absence One Month or Less

Section 44-115.11(MR) shall become inoperative and Section 44-115.11(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) The value of free board and lodging received by a recipient during a temporary absence from his home of not more than one calendar month shall be exempt.

(QR) The value of free board and lodging reasonably anticipated to be received by a recipient during a temporary absence from his/her home of not more than one calendar month shall be exempt.

.12 Absence Exceeds One Month

Section 44-115.12(MR) shall become inoperative and Section 44-115.12(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities, shall be considered income but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (W&IC 11009.1.)

(QR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the QR Payment Quarter, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

.2 Nonneedy Relatives

.21 Evaluation of Income In Kind from Nonneedy Relatives Other Than Natural or Adoptive Parents

Section 44-115.21(MR) shall become inoperative and Section 44-115.21(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the FBU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution actually received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the FBU.

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Applicant Eligibility Determination

\$ 600	Earned Income of Mother
<u>- 90</u>	Applicant Earned Income Disregard
\$ 510	Subtotal
<u>+ 85</u>	Unearned Income of Ineligible Alien Child
\$ 595	Total Net Nonexempt Income

\$ 595 Less than the \$920 Region 1 Nonexempt Family MBSAC for Four. (Family passes Applicant Test.)

Recipient Financial Eligibility Test

\$ 600	Earned Income of Mother
<u>- 225</u>	Income Disregard
\$ 375	Subtotal
<u>- 187.50</u>	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
<u>+ 85</u>	Unearned Income of Ineligible Alien Child
\$ 272	Total Net Nonexempt Income (Rounded Down)

\$ 272 Less than \$728 Region 1, Nonexempt Family MAP for Four. (Family passes Financial Eligibility Test.)

Grant Computation

\$ 728	Region 1, Nonexempt Family MAP for Four
<u>- 272</u>	Total Net Nonexempt Income
\$ 456	Potential Grant

\$ 493 MAP for AU of Two (Includes Mother and Citizen Child)

\$ 456 Aid Payment is the Lesser of the Potential Grant or MAP for the AU.

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(QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
<u>+ 85</u>	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income

\$ 595	Total NNI is less than the \$1,347 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.
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Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 112	\$112 Earned Income Disregard
\$ 488	Subtotal
<u>- 244</u>	50% Earned Income Disregard
\$ 244	Net Nonexempt Earned Income
<u>+ 85</u>	Unearned Income of Ineligible Non-Citizen Child
\$ 329	Total Net Nonexempt Income (rounded down)

\$ 329	Total NNI is less than \$762 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test
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Grant Computation

\$ 762		Region 1, Nonexempt Family MAP for Four
- 329		Total Net Nonexempt Income
\$ 433		Potential Grant
\$ 516		MAP for AU of Two (includes mother and citizen child)
\$ 433		Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(MR) Example 3: Family with Ineligible Alien Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has \$600 gross earnings. Also living in the home is: 1) the ineligible alien spouse of the aided parent; 2) the aided mother's ineligible alien child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible alien child of the spouse. The spouse has \$375 earned income. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$975	Family's Gross Earned Income
	<u>-225</u>	\$225 Income Disregard
	\$750	Subtotal
	<u>-375</u>	50% Earned Income Disregard
	\$375	Net Earned Income
	\$375	Total Family Net Nonexempt Income
Step 2	\$931	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	<u>-375</u>	Total Family Net Nonexempt Income
	\$556	Potential Grant
Step 3	\$493	AU MAP for Two
	\$556	Potential Grant
	\$493	Aid Payment (Lesser of AU MAP or Potential Grant)

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(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	<u>- 112</u>	\$112 Income Disregard
	\$ 863	Subtotal
	<u>- 431</u>	50% Earned Income Disregard*
	\$ 431	Net Earned Income
	\$ 431	Total Family Net Nonexempt Income*
Step 2	\$972	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	<u>- 431</u>	Total Family Net Nonexempt Income
	\$ 541	Potential Grant
Step 3	\$516	AU MAP for Two
	\$541	Potential Grant
	\$516	Aid Payment (lesser of AU MAP or potential grant)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

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44-133	TREATMENT OF INCOME -- CALWORKS (Continued)	44-133
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- .715 When the sponsored noncitizen is a member of the AU, this deemed income from the sponsor shall be treated as unearned income in accordance with Sections 44-113 and 44-315.4.
- .716 If the sponsor is either an excluded parent or stepparent, his/her income shall be treated in accordance with the excluded parent or stepparent deeming computation. See Sections 44-133.3 and 44-133.63.
- .72 Repealed by CDSS Manual Letter No. EAS-01-09, effective 10/10/01.
- .8 Income and Needs of Timed-Out Adults.

Income and needs of adults living in the home who have been removed from the AU due to exceeding the 48-month CalWORKs time limits shall be treated as follows:

- .81 Parents otherwise required to be in the AU. Net non-exempt income of timed-out parents who are otherwise required to be in the AU and living in the home shall be considered available to the AU. The needs of these parents shall not be considered when calculating the grant for the aided AU members.
- .82 Non-parent caretaker relatives. Timed-out non-parent caretaker relatives living in the home are no longer eligible to be optional AU members, and their income and needs shall not be considered when calculating the grant for the aided AU members.
- .83 Stepparents not required to be in the AU. Timed-out stepparents not required to be in the AU and living in the home are no longer eligible to be optional AU members, and their net non-exempt income and needs shall be treated in accordance with the provisions of MPP Sections 44-133.51 and 44-133.511.
- .84 See MPP Sections 42-301 and 82.833.1 for regulations regarding timed-out adults. For timed-out adults whose income must be considered in the AU's grant computation, net nonexempt income shall be determined as specified at MPP Section 44-113.2.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11017, 11254, 11320.15, 11450, 11451.5, 11452, 11453, 11454, 11454.2, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

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44-206 PERSONS WHO MUST BE EXCLUDED FROM THE ASSISTANCE UNIT (AU) (Continued) 44-206

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 42 USC 602(a)(19)(G)(i)(I) and (II); Section 202(a), Public Law 100-485; 45 CFR 244.0(c) and 250.34(c)(1) and (2); and Sections 10553, 10554, 10604, 11157 (Ch. 270, Stats. 1997), and 11327.5(c)(1), Welfare and Institutions Code.

44-207 INCOME ELIGIBILITY 44-207

- .1 The following financial eligibility test shall be applied to applicant cases.
 - .11 An applicant family shall not be eligible for cash aid unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the Minimum Basic Standard of Adequate Care (MBSAC) for the family.
 - .111 An individual who applies for CalWORKs after leaving aid due to AB 98 subsidized employment income as described in Sections 42-716.811(a) and 42-716.813(a) shall be considered a current recipient for the purpose of determining CalWORKs financial eligibility.
 - (a) During the three calendar month period after the subsidized employment ends, the county shall apply the recipient earned income disregards as described in Section 44-111.23.
 - (b) If an individual applies for CalWORKs after this three-month period has passed, he or she shall be considered an applicant for the purpose of determining CalWORKs financial eligibility as described in Section 44-207.11.

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Example: Applicant applies for assistance for herself and her one dependent child. The mother (applicant) works part-time for \$600 per month. The family is nonexempt and lives in Region 2.

Applicant Eligibility Determination

\$ 600	Earned Income
- 90	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income
\$ 594	MBSAC for two
	Family passes the MBSAC test (MBSAC is greater than Net Nonexempt Income)

See Section 44-207.2 for second step in the financial eligibility test for applicants.

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44-207 INCOME ELIGIBILITY (Continued)

44-207

- .112 The MBSAC is the amount of money which is necessary to provide a family with the following:
- a. Housing.
 - b. Clothing.
 - c. Food.
 - d. Utilities.
 - e. Items for household operation, education and incidentals, recreation, personal needs, and insurance.
 - f. Essential medical, dental, or other remedial care not otherwise provided at public expense.

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- .113 The MBSAC for the family applies in determining financial eligibility for applicants, the value of in-kind income for the AU, the amount of income from a sponsor available to a sponsored alien, the period of ineligibility for non-qualifying withdrawals from restricted accounts and transfer of assets. The MBSAC amounts are set forth in Welfare and Institutions Code Section 11452.
- (a) See Section 44-315.311 for the current MBSAC amounts.

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- .12 When estimating income for eligibility, all relevant information available to the county and the recipient shall be taken into consideration. See Section 44-113.21 for computations.
- .2 The following financial eligibility test shall be applied to both applicant and recipient cases.
- .21 Section 44-207.21(MR) shall become inoperative and Section 44-207.21(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.
- (MR) The AU is financially eligible for any month in which on the first of the month the combined actual or estimated net nonexempt income, after the income and needs of the family are considered (pursuant to Sections 44-133 and 44-315.3), is less than the Maximum Aid Payment (MAP) for the AU.

44-207 INCOME ELIGIBILITY (Continued) 44-207

.25 Adding Persons to the Assistance Unit

When adding persons to an existing AU, the AU is subject to the recipient financial eligibility test.

.3 Section 44-207.3(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Treatment of Lump Sum Income

(MR) This section sets forth the methods used for treating lump sum income.

(MR) .31 Lump sum income received by any person whose income would be used in computing eligibility and grant shall be regarded as income in the month received and then regarded as property in subsequent months. (See Section 42-211.)

NOTE: Authority cited: Sections 10553, 10554, 11450, and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11017, 11157, 11255, 11265.1, 11265.2, 11265.3, 11280, 11322.63(b), 11450.5, 11450.12, 11450.13, and 11451.5, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(vii); 45 CFR 233.20(a)(2)(i) and (xiii); (a)(3)(ii)(F), (a)(3)(vi)(B), (a)(3)(xiv), and (a)(3)(xiv)(B); and Darces v. Woods (1984) 35 Cal. 3d 871; Petrin v. Carlson Court Order, Case No. 638381, May 12, 1993; Rutan v. McMahon, Case No. 612542-L (Alameda Superior Court) February 19, 1988; Letter from Department of Health and Human Services (DHSS), December 5, 1990; Johnson v. Carlson Stipulated Judgment; Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994; United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. ACF-AT-95-10 dated September 19, 1995; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

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44-305 AID PAYMENTS - PAYEE AND DELIVERY (Continued) 44-305

- .24 The exceptions to standard delivery dates specified in Section 44-304.6 shall be applicable to counties that have alternate payment systems.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063(a), 11006.2, 11254, Welfare and Institutions Code; 45 CFR 233.29, 45 CFR 233.31(b)(4) and 45 CFR 233.32.

44-307 VOUCHER/VENDOR PAYMENTS 44-307

- .1 Voucher/Vendor Payments A county shall issue vouchers or vendor payments for at least rent and utilities payments in the following instances:
- .11 Felony Conviction A member of the AU becomes ineligible for aid due to a felony conviction after December 31, 1997, related to the possession, use, or distribution of a controlled substance, or
- .12 Sanction Any time a parent or caretaker relative is in sanction status for at least three consecutive months. A county shall establish when to begin to issue vouchers or vendor payments for at least rent and utilities after this three-month period in sanction status. This timeframe shall be included in a county's written policies and procedures. The vouchers or vendor payments shall continue until the parent or caretaker relative is no longer subject to sanction.
- .2 Grant not Sufficient When the computed grant is not sufficient to cover both rent and utilities, the county shall issue a voucher or vendor payment for the full amount of the grant. The voucher or vendor payment may be for rent, utilities, or some portion of either.

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- .21 Example: Recipient's rent for a given month \$500.
Utilities for the month \$100.
Grant for the month \$400.
- The county could either send a \$400 voucher to the landlord or send a \$100 voucher to the utility company and a \$300 voucher to the landlord.

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\$ 775	Earned Income for the family
<u>- 225</u>	\$225 Income Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard
\$ 275	Total Net Nonexempt Income
\$ 728	"Family" MAP for four (mom, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 775	Total (MAP plus Special Needs)
<u>- 275</u>	Net Nonexempt Income
\$ 500	Potential Grant
\$ 611	Nonexempt AU MAP for three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 658	Total MAP plus Special Needs
\$500	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly Earned Income for the Family
<u>- 112</u>	\$112 Income Disregard
\$ 663	Subtotal
<u>- 331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*
\$ 762	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU (third trimester of pregnancy)
\$ 809	Total (MAP plus special needs)
<u>- 331</u>	Net Nonexempt Income
\$ 478	Potential Grant

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$ \begin{array}{r} \$ 638 \\ + 47 \\ \hline \$ 685 \end{array} $	Nonexempt AU MAP for Three (Region 1) Special Needs for AU Total MAP plus Special Needs
$ \begin{array}{r} \$ 478 \end{array} $	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs) * 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

(MR) Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

$ \begin{array}{r} \$ 300 \\ - 225 \\ \hline \$ 75 \end{array} $	Disability-based Unearned Income (SSDI) \$225 Income Disregard Nonexempt Disability-Based Income
$ \begin{array}{r} \$ 800 \\ - 400 \\ \hline \$ 400 \\ + 75 \\ \hline \$ 475 \end{array} $	Earned Income 50% Income Disregard Nonexempt Earned Income Nonexempt Disability-Based Income Total Net Nonexempt Income
$ \begin{array}{r} \$ 611 \\ - 475 \\ \hline \$ 136 \end{array} $	Nonexempt MAP for three (Region 1) Total Net Nonexempt Income Grant Amount

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits of \$100 per month based on an absent father's disability. SSA disability benefits are considered disability based unearned income (DBI).

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Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900	Reasonably Anticipated Earned Income for January
<u>+ 800</u>	Reasonably Anticipated Earned Income for February
<u>+ 0</u>	Reasonably Anticipated Earned Income for March
\$1700	Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter 1700/3 = (averaged monthly earnings)*
\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 125	Remainder of \$225 DBI Disregard
\$ 566	Reasonably Anticipated Monthly Earned Income*
<u>- 112</u>	Less remainder of \$225/112 Income Disregard
\$ 454	Subtotal*
<u>- 227</u>	Less 50% Earned Income Disregard*
\$ 227	NNI*
\$ 762	MAP for AU of Four
<u>- 227</u>	Less NNI
\$ 535	New Monthly Grant for the QR Payment Quarter

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

(MR) Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	Disability-Based Unearned Income
<u>- 225</u>	\$225 Income Disregard
\$-75	Remainder of \$225 Income Disregard (\$225 - \$150)

HANDBOOK CONTINUES

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\$ 775	Earned Income
<u>- 75</u>	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 700	Subtotal
<u>- 350</u>	50% Earned Income Disregard
=350	Nonexempt Earned Income
+ 0	Nonexempt Unearned Disability-Based Income
<u>+300</u>	Nonexempt Unearned Income (Veteran's Benefits)
\$ 650	Total Net Nonexempt Income
\$ 728	Nonexempt MAP for four (Region 1)
<u>- 650</u>	Net Nonexempt Income
\$ 78	Grant Amount

(QR) Mid-Quarter Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 112</u>	\$112 Earned Income Disregard
\$ 488	Subtotal
<u>- 244</u>	50% Earned Income Disregard
\$ 244	Total Net Nonexempt Income [Rounded down]
\$ 638	Non-exempt MAP for Three, Region 1
<u>- 244</u>	Less Net Nonexempt Income
\$ 394	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200	Father's Reasonably Anticipated Earned Income for November
<u>+ 100</u>	Father's Reasonably Anticipated Earned Income for December
\$ 300	Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter

HANDBOOK CONTINUES

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\$ 150	Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter $\$300/2 = \150 (reasonably anticipated monthly income)
\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)
<u>+ 150</u>	Father's Reasonably Anticipated Earned Monthly Income
\$ 750	Total Net Nonexempt Income for the Potential AU
<u>- 112</u>	\$112 Earned Income Disregard
\$ 638	Subtotal
<u>- 319</u>	50% Earned Income Disregard
\$ 319	Total Net Nonexempt Averaged Income
\$ 762	Non-exempt MAP for Four, Region 1 (includes eligible father)
<u>- 319</u>	Less Net Nonexempt Income
\$ 443	AU Monthly Grant Payment for the Remaining Months of the QR Payment Quarter

Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$49 is issued to the AU for November and the grant is increased to \$443 for the month of December.

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|-----|---------------|---|
| .4 | Special Needs | The amount of the Special Needs shall be calculated as follows: |
| .41 | | Round to the next lower dollar the amount of recurring special needs (see Section 44-211) the Assistance Unit (AU) is eligible to receive. |
| .42 | | Payment for recurring special needs shall be added to the amount determined payable as the basic grant, provided that the allowance available for each FBU per month for recurring special needs does not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet nonrecurring or pregnancy special needs shall be applied to meet the cost of recurring special needs. |

44-315	AMOUNT OF AID (Continued)	44-315
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.43		
	The amount determined in .421, up to limitation determined in .422, shall be paid in addition to the basic grant.	

.44		
	Round to the next lower dollar the amount of nonrecurring special needs (Section 44-211) the AU is eligible to receive.	

.45		
	Payment for nonrecurring special needs shall be added to the amount determined payable as the basic grant. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or pregnancy special needs shall be applied to meet the cost of nonrecurring special needs.	

.46		
	Payment for a pregnancy special need shall be added to the amount determined payable as the basic grant, provided that the pregnant woman has been determined to be eligible for such need in accordance with Section 44-211.4. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or nonrecurring special needs shall be applied to meet the cost of the pregnancy special need.	

.5		
	\$10 or More	
	If the amount determined in Section 44-315.38 is less than ten dollars (\$10), no payment shall be paid for that month. If the beginning date of aid is after the first of the month, and the amount of aid determined in Section 44-315.38 is to be prorated, and the prorated amount is less than ten dollars (\$10), no payment shall be paid for that month. Such cases shall be considered to have received a payment for all other purposes.	

	If the amount determined in Section 44-315.38 is ten dollars (\$10) or more, that amount is the total grant and, if there are no overpayment adjustments, shall be authorized as the aid payment.	

HANDBOOK CONTINUES

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
26th	.1071	.1379	.1667	.1935	26th
27th	.0714	.1034	.1333	.1613	27th
28th	.0357	.0690	.1	.1290	28th
29th		.0345	.0667	.0968	29th
30th			.0333	.0645	30th
31st				.0323	31st

EXAMPLE: The total monthly grant amount is \$150 (see Section 44-315.43). Aid is to begin on the 17th of March, and March has 31 days. The reciprocal for the 17th day of a 31-day month is .4839. The total monthly grant amount X the reciprocal = the prorated grant amount (\$150 x .4839 = \$72.5850). \$72.5850 is rounded to \$72 which is the amount of the payment (see Section 44-315.432 if the amount of the payment is less than ten dollars).

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.8 Section 44-315.8(MR) et seq. shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's Declaration.

(MR) Suspension

(MR) .81 The county shall suspend, not discontinue, aid in the payment month when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The recipient need not reapply for aid for the month following the suspension, however, the recipient is required to complete a monthly report for the month of suspension. If it appears that the income or other circumstances from the budget month will result in ineligibility for more than one payment month, aid is discontinued.

(MR) .82 Aid payments for the month following a suspension shall be computed using prior month budgeting if the family's circumstances have not changed significantly from the corresponding budget period.

44-316 REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued) 44-316

HANDBOOK BEGINS HERE

An AU is in the April/May/June Quarter. In April, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for May and June for the AU due to the IRT report, it is discovered that the AU will have no income for those months. Since the income over the IRT will not continue, the AU is not discontinued. The county shall treat this information as a mid-quarter report and recalculate the cash aid amount, after verification is received, for the decreased income for May and June. If the recalculation results in an increase of cash aid, a supplement will be issued for May and the grant increased for June.

**Income Reporting Threshold (IRT)
for Recipient Family**

Region One	
*Reporting Size	Income Reporting Threshold
0	\$227
1	\$1009
2	\$1362 Oct. & Nov. 2004) \$1394 (Dec.2004 forward)
3	\$1698
4	\$2043
5	\$2387
6	\$2732
7	\$3076
8	\$3421
9	\$3766
10 or more	\$4111

Effective 10/1/04

Region Two	
*Reporting Size	Income Reporting Threshold
0	\$227
1	\$1009
2	\$1354
3	\$1698
4	\$2043
5	\$2387
6	\$2732
7	\$3076
8	\$3421
9	\$3766
10 or more	\$4111

Effective 10/1/04

* The numbers in this column reflect the number of persons whose needs are included in the determination of eligibility for the AU. This number may be greater than the family's AU size.

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(QR) .33 County Initiated Mid-Quarter Changes

The county shall take mid-quarter action on certain specified changes in eligibility and grant status at the end of the month in which the change occurred even if it results in a decrease in cash aid.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
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- (QR) .331 County-initiated actions include:
- (QR) (a) An adult in the AU reaches the 48-month time limit;
 - (QR) (b) The county imposes a sanction or financial penalty on an individual member of the AU;
 - (QR) (c) The county removes the sanction of an individual who corrects his/her welfare-to-work participation problem, in accordance with Section 42-721.48;
 - (QR) (d) The county removes the penalty for an AU that complies with the CalWORKs program requirements;
 - (QR) (e) A Cal-Learn participant earns a Cal-Learn bonus or sanction;
 - (QR) (f) A child in the AU reaches the age limit (see Section 42-101);
 - (QR) (g) A child in the AU is placed in Foster Care;
 - (QR) (h) A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
 - (QR) (i) Aid is authorized for an individual who is currently aided in another AU;
 - (QR) (j) Late QR 7 adjustment;
 - (QR) (k) State Hearing decision resulting in mandatory changes mid-quarter;
 - (QR) (l) When an AU becomes a Family Reunification case;
 - (QR) (m) An AU member is no longer a California resident;
 - (QR) (n) County acts on redetermination information in accordance with Section 40-181.1(QR).
 - (QR) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient QR 7 or mid-quarter reporting; or (2) incorrect action or lack of action by the county on QR 7 or mid-quarter information reported by the recipient;

STANDARDS OF ASSISTANCE		
Regulations	AID PAYMENTS	44-316
44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS AND COUNTY ACTIONS (Continued)	44-316
	(QR) (p) When it becomes known to the county that an AU member is deceased;	
	(QR) (q) An AU is transferred to a Tribal TANF program;	
	(QR) (r) Cost-of-living adjustments for Minimum Basic Standards of Adequate Care (including income in-kind), Maximum Aid Payment, and Social Security;	
	(QR) (s) When it becomes known to the county that an individual is confined in a correctional facility on the first of a month and is expected to remain for a full calendar month or more (see Section 82-812.62).	

NOTE: Sections 10553, 10554, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Section 10063 (Ch. 270, Stats. 1997), 11265, 11265.1, 11265.2, 11265.3, 11450.5, 11454, and 11454.2, Welfare and Institutions Code.

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82-832 EXCLUDED PERSONS (Continued)**82-832**

NOTE: Authority cited: Sections 10553, 10554, 10604, 11270, and 11369, Welfare and Institutions Code. Reference: 8 CFR 213a. and 299; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808, 45 CFR 205.52, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11265.1, 11265.2, 11265.3, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11450.5, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

82-833 TIMED-OUT ADULTS**82-833**

- .1 A timed-out adult is an adult who has been removed from the AU due to exceeding the 48-month CalWORKs time limit specified in MPP Section 42-301. See MPP Section 44-133.8 for treatment of income and needs of timed-out adults.

NOTE: Authority cited: Sections 10553, 10554, 11270, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808, 45 CFR 205.52, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11454, 11454.2, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

82-836 FEDERAL AFDC PROGRAM FOR PREGNANT WOMEN**82-836**

- .1 AU of One An AU of one without an eligible child shall be established when a pregnant woman, regardless of age, meets all of the following conditions:
- .11 Verification Medical verification of pregnancy is provided to the county, and
- .12 Eligibility The pregnant woman and unborn child, if born and living with the mother, would be eligible for federal AFDC in the payment month, and
- .13 Duration of Pregnancy The pregnancy has reached the three-month period before the month of anticipated birth (see State AFDC For Pregnant Women), and

ELIGIBILITY AND ASSISTANCE STANDARDS		
82-836 (Cont.)	ASSISTANCE UNIT	Regulations
82-836	FEDERAL AFDC PROGRAM FOR PREGNANT WOMEN	82-836
	(Continued)	
.14	No Other AU Eligibility	The pregnant woman could not be included in another AU.

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.15		See Section 42-762.7 regarding federal eligibility during the first and second trimesters for pregnant Cal-Learn participants with no other eligible children.
.2	Pregnancy Special Need	A pregnant woman may be eligible to receive a pregnancy special need payment.

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[Previous cite: 44-205.6]

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 233.10(a)(1) and (a)(1)(iv), 45 CFR 233.90(c)(2)(iv), and 45 CFR 206.10(a)(1)(vii); and Section 11450(b), Welfare and Institutions Code.

89-201 MINOR PARENT REQUIREMENT (Continued) 89-201

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|------|---|--|
| .5 | Senior Parent Income | In cases where the minor parent lives with his/her parent(s), the income and needs of the senior parent(s) shall be considered. Eligibility and grant amount for senior parent/minor parent cases shall be determined in accordance with Sections 44-133.5, 44-207 and 44-315 as appropriate, based on the specific circumstances of the case. |
| .51 | Senior Parent/Minor Parent Eligibility and Grant Amount | When considering income of the senior parent(s), pursuant to Sections 44-133.5, 44-207 and 44-315, and that income does not result in ineligibility of the minor and his/her child(ren), and: |
| .511 | Minor in Own AU | The minor parent is eligible to be included in his/her own AU (See Section 82-808), or |
| .512 | Eligible Minor in AU of Senior Parent(s) | The minor parent is eligible to be included in the AU of the senior parent(s) (See Section 82-808), then |
| .513 | Grant Amount | The income of the senior parent(s) shall be considered and the actual grant amount calculated pursuant to Section 44-315.3. |

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|---------------|--|
| (a) | Handbook Section 89-201.513(a)(MR) shall become inoperative and Handbook Section 89-201.513(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration. |
| (MR) Example: | The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter’s child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt. |

HANDBOOK CONTINUES

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The eligibility/grant computation is as follows:

\$1,025		Gross Family Earned Income
-	225	Income Disregard
\$	800	
-	400	50% Earned Income Disregard
\$	400	Net Nonexempt Income

\$	679	MAP for an AU of 3
-	400	Total Net Nonexempt Income
\$	279	Potential Grant

\$ 548 MAP for an AU of 2

\$ 279 Actual Grant Amount (lesser of potential grant or AU MAP)

(QR) Example:
Eligible Minor
Parent in own AU

The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1,025		Reasonably Anticipated Family Earned Income
-	112	\$112 Earned Income Disregard
\$	913	
-	456	50% Earned Income Disregard*
\$	456	Average Net Nonexempt Income*

\$	638	MAP for an AU of Three
-	456	Total Averaged Net Nonexempt Income
\$	182	Potential Grant

\$ 516 MAP for an AU of Two

\$ 182 Actual Grant Amount (lesser of potential grant or AU MAP)

HANDBOOK CONTINUES

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* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

(b) Handbook Section 89-201.513(b)(MR) shall become inoperative and Handbook Section 89-201.513(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example:
Eligible Minor Parent in AU of Senior Parent(s)

Minor parent lives with both her parents. The senior mom has care and control of the minor parent's child and therefore, the minor parent can be considered an eligible child in this case. Aid was requested for the minor parent, her child and both senior parents so they are all in the AU. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125		Disability-Based Unearned Income
- 225		Income Disregard
-\$ 100		Net Nonexempt Disability-Based Income
\$1,300		Gross Family Earned Income
- 100		Remainder of \$225 Disregard
\$1,200		
- 600		50% Earned Income Disregard
\$ 600		Net Nonexempt Earned Income
+ 0		Other Nonexempt Unearned Income
\$ 600		Total Net Nonexempt Income
\$ 809		MAP for an AU of 4
- 600		Net Nonexempt Income
\$ 209		Grant Amount

HANDBOOK CONTINUES

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(QR) Example: Eligible Minor Parent in AU of Senior Parent(s) Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125		Reasonably Anticipated Monthly Disability-Based Unearned Income
- 225		\$225 Disability-Based Unearned Income (DBI) Disregard
<u>0</u>		Net Disability-Based Unearned Income
\$ 100		Remainder of \$225 DBI Disregard
\$1,300		Reasonably Anticipated Monthly Family Earned Income
- 100		Remainder of \$225 DBI Disregard
<u>\$1,200</u>		
- 600		50% Earned Income Disregard
\$ 600		Averaged Net Nonexempt Earned Income
<u>+ 0</u>		Other Nonexempt Unearned Income
\$ 600		Total Net Nonexempt Income
\$ 762		MAP for an AU of Four
- 600		Net Nonexempt Income
\$ 162		Grant Amount

HANDBOOK ENDS HERE

.6 Minor Meets Exemption A minor who does not reside with a senior parent shall have his/her aid payment calculated based on existing income regulations.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11008.14, 11017, 11254 (Ch. 1022, Stats. 2002), 11450, 11451.5, 11453, and 16506(d), Welfare and Institutions Code; 42 USCA 608(a)(5).