

NOTICE PUBLICATION/REGULATIONS SUBMISSION

CERT

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2014-0707-01	REGULATORY ACTION NUMBER 2015-0505-01C	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Department of Social Services			AGENCY FILE NUMBER (if any) ORD #0214-01

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUN 17 2015

2:18 PM

2015 MAY -5 PM 12:55

OFFICE OF
ADMINISTRATIVE LAW**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2014, 292	PUBLICATION DATE 7/18/2014

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Annual Reporting/Child Only (AR/CO) in the CalWORKs Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2014-0620-03EF, 2014-1202-03EE
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT See attachment
	AMEND See attachment
TITLE(S) MPP	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	
<input checked="" type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	
<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	
<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____	
<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) N/A	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Ying Sun, Manager, Office of Regulations	TELEPHONE NUMBER (916) 651-8267
FAX NUMBER (Optional) (916) 654-3286	E-MAIL ADDRESS (Optional) Ying.Sun@dss.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

TYPED NAME AND TITLE OF SIGNATORY

Brian Dougherty, Acting Deputy Director, Administration Division

4/23/15

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JUN 17 2015

Office of Administrative Law

Notice Publication/Regulations Submission, STD. 400
California Department of Social Services
Semi-Annual Reporting (SAR) in the CalWORKs Program (ORD #0214-01)
Section B.2. Specify California Code of Regulations Title(s) and Section(s):

Manual of Policies and Procedures (MPP)

Adopt Section 40-039

Amend Sections:

22-071	42-209	44-133	44-352
22-072	42-213	44-205	48-001
22-305	42-221	44-207	80-301
40-103	42-406	44-211	80-310
40-105	42-407	44-304	82-612
40-107	42-716	44-305	82-812
40-119	42-721	44-313	82-820
40-125	42-751	44-315	82-824
40-128	42-769	44-316	82-832
40-173	44-101	44-318	89-110
40-181	44-102	44-325	89-201
40-188	44-111	44-327	
40-190	44-113	44-340	
41-405	44-115	44-350	

Amend Section 22-071 to read:

22-071 ADEQUATE NOTICE

22-071

.1 Except as provided in Section 22-071.2, the county shall give the claimant adequate notice as defined in Section 22-001(a)(1) in the following instances:

.11 When aid is granted or increased.

.12 For CalWORKs and CalFresh cases, when aid is denied, decreased, not changed following a recipient mid-period report, cancelled, or discontinued. When aid is not changed due to a voluntary recipient mid-period report, the notice shall be sent as soon as administratively possible, but no later than thirty days from the date the voluntary report is made. (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; and 45 CFR 255.4(j)(1) and 256.4(b).

Amend Section 22-072 to read:

22-072 TIMELY NOTICE - AID PENDING HEARING (Continued)

22-072

.2 Timely notice shall not be required in the following instances, although the county shall send adequate notice no later than the effective date of the action: (Continued)

- (1) For CalWORKs and CalFresh cases, the county determines there will be no change in a recipient's cash aid as a result of a recipient mid-period report. (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, and 11265.1, Welfare and Institutions Code; 7 CFR 273.15(c)(4); 45 CFR 205.10; 45 CFR 255.2(h)(2); 45 CFR 256.2(c); and 45 CFR 256.4(d).

Amend Section 22-305 to read:

22-305 GENERAL PROVISIONS (Continued)

22-305

.4 Definitions

The definitions in Section 22-001 shall apply unless they are specifically provided for in this chapter. The following additional definitions, in alphabetical order, shall apply wherever the terms are used in this chapter: (Continued)

.42 Intentional Program Violation (IPV) - Means an action by an individual, for the purpose of establishing or maintaining the family's eligibility for CalWORKs or for increasing or preventing a reduction in the amount of the grant, which is intentionally: (Continued)

.422 Any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity.

HANDBOOK BEGINS HERE

(a) To determine what constitutes an IPV, CDSS recognizes a distinction in the following:

(1) Intentional concealment or willful misrepresentation which may result in an IPV.

(SAR) EXAMPLE: In completing the Semi-Annual Eligibility Report (SAR 7), respondent reports that the family has no income. Respondent also states that no one had started employment in the SAR 7 Reporting Period. County evidence indicates respondent did start work during the SAR Data Month, but it was reported that no one had started work. Respondent also did receive earnings in each of the months under review.

(AR/CO)EXAMPLE: In completing the Statement of Facts (SAWS 2), respondent reports that the family has no income. Respondent also states that no one had started employment in the AR/CO Data Month. County evidence indicates respondent did start working during the AR/CO Data Month, but it was reported that no one had started work. Respondent also did receive earnings in the AR/CO Data Month.

(2) Incorrect representation, negligence, or omissions because of a mistake or a lack of understanding of eligibility requirements which do not result in an IPV.

(SAR) EXAMPLE: Respondent reports on the SAWS 2 that he/she began employment the last week of the fifth month of the SAR Payment Period and that he/she will be paid every two weeks. Respondent completes the subsequent SAR 7 and reports that they did not receive any income in the Data Month.

(AR/CO)EXAMPLE: Respondent reports on the SAWS 2 that he/she began employment the eleventh month of the AR/CO Payment Period Month and that he/she will be paid every two weeks. Respondent checks the box "No" for income received in the month.

(3) The CWD's omission, neglect, or error in explaining requirements for assistance or in processing information, which does not result in an IPV.

(SAR) EXAMPLE: Respondent completes the SAR 7 without answering the question relating to household's receipt of income during the Data Month. The county fails to return the SAR 7 as incomplete. Evidence establishes respondent had income during the Data Month.

(AR/CO)EXAMPLE: Respondent completes the SAWS 2 without answering the question relating to household's receipt of income during the AR/CO Data Month. The county fails to return the SAWS 2 as incomplete. Evidence establishes respondent has income during the Data Month.

HANDBOOK ENDS HERE

.43 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; and 45 CFR 235.112(b) and .113(b)(2).

Adopt Section 40-039 to read:

40-039 IMPLEMENTATION OF ANNUAL REPORTING CHILD ONLY FOR 40-039
CalWORKs RECIPIENTS

- .1 Effective Date All regulatory action implementing the provisions of Annual Reporting Child Only (AR/CO) as authorized by Senate Bill (SB) 1041 (Chapter 47, Sections 7-10, Statutes of 2012), shall become effective for recipient cases October 1, 2012. Annual reporting child only regulations include a unique regulation design which includes a tandem format for the operation of semi-annual reporting and annual reporting child only. This is because the systems are parallel reporting systems and recipients may go back and forth between SAR and AR/CO. Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations that are operative under Annual Reporting Child Only are labeled (AR/CO). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged.
- .2 Divisions Impacted by Divisions 22, 40, 41, 42, 44, 48, 80, 82, and 89.
Annual Reporting Child Only

Authority cited: Sections 10553, 10554, Welfare and Institutions Code.

Reference: Sections 11265.45, 11265.46, 11265.47, and 11264.48 Welfare and Institutions Code.

Amend Section 40-103 to read:

40-103 DEFINITIONS AND DESIGNATIONS – GENERAL (Continued) 40-103

(SAR)

.5 Semi-Annual Reporting Cycle – The semi-annual reporting (SAR) cycle is comprised of six consecutive months which constitute a SAR Payment Period. The following terminology is used to describe the months and the period of an individual SAR cycle:

(SAR) .51 SAR Payment Period – the six month period for which cash aid is paid/issued. A SAR Payment Period is comprised of six consecutive calendar months. The SAR Payment Period begins the first day following the SAR Submit Month. The SAR Payment Period can be the six months following the submittal of the SAR 7 or the completion of the SAWS 2.

(SAR) .52 Next SAR Payment Period – the SAR Payment Period immediately following the SAR Submit Month.

(SAR) .53 SAR Data Month – the month for which the recipient reports all information necessary to determine eligibility on either the SAR 7 or the SAWS 2. The SAR Data Month is the fifth month of each SAR Payment Period. Only information from the Data Month and any known changes must be reported on the SAR 7; however, all available information must be included on the SAWS 2.

(SAR) .54 SAR Submit Month – the month in which the SAR 7 or the annual redetermination of eligibility is required to be completed and submitted to the county. The SAR Submit Month immediately follows the SAR Data Month and is the sixth month of each SAR Payment Period.

(SAR) .55 SAR Reporting Period – The SAR Data Month and the five preceding months. The SAR Reporting Period generally refers to the period of time since the last mandatory report (SAR 7 or SAWS 2) was completed.

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(SAR) The following table illustrates how months are arranged in a SAR cycle. Note that the SAR cycles are based on the Beginning Date of Aid (BDA) in order to ensure the SAR cycle is aligned with the redetermination/recertification date.

First SAR Payment Period					
January BDA	February	March	April	May	June
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ SAR 7 is due

Second SAR Payment Period					
July	August	September	October	November	December
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ RD/RC is due

HANDBOOK ENDS HERE

- .6 Inquiries – (Continued)
- .7 Aid Programs (Continued)
- .8 IEVS – (Continued)

(ARCO)

.9 Annual Reporting/Child Only – An Annual Reporting/Child Only (AR/CO) case is a CalWORKs Assistance Unit (AU) that does not include an eligible adult, with the exception of an adult who has been sanctioned due to non-compliance with welfare-to-work (WTW) requirements per Section 42-721. AR/CO cases are subject to annual reporting requirements. The following terminology is used to describe the months and the period of annual reporting:

(ARCO).91 AR/CO Payment Period – the twelve month period for which cash aid is paid/issued. An AR/CO Payment Period is comprised of twelve consecutive calendar months. The AR/CO Payment Period begins the first day following the AR/CO Submit Month. The AR/CO Payment Period is the twelve months following the completion and submittal of the SAWS 2.

(ARCO).92 AR/CO Data Month - the month for which the recipient reports all information necessary to determine eligibility on the SAWS 2. The AR/CO Data Month is the eleventh month of the AR/CO Payment Period.

(ARCO).93 AR/CO Submit Month - the month in which the SAWS 2 is required to be completed and submitted to the county. The AR/CO Submit Month immediately follows the AR/CO Data Month and is the twelfth month of the AR/CO Payment Period.

(ARCO).94 AR/CO Reporting Period – The AR/CO Data Month and the eleven preceding months. The AR/CO Reporting Period generally refers to the period of time since the last SAWS 2 was completed and submitted.

HANDBOOK BEGINS HERE

(ARCO) The following table illustrates how months are arranged in an AR/CO Payment Period. The AR/CO Payment Period is based on the Beginning Date of Aid.

When a CalWORKs case begins in AR/CO, it is still necessary to assign the case a SAR cycle, as the case may transition between AR/CO and SAR.

AR/CO Payment Period											
January BDA	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
AR/CO Payment Period Begins	2	3	4	5	6	7	8	9	10	11 AR/CO Data Month	12 AR/CO Submit Month

HANBOOK ENDS HERE

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11056, 11265.1, and 11265.45, Welfare and Institutions Code; and 45 CFR 206.10(a)(1)(ii).

Amend Section 40-105 to read:

40-105 APPLICANT AND RECIPIENT RESPONSIBILITY

40-105

.1 Assuming Responsibility Within His/Her Capabilities (Continued)

(SAR) .14 Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the semi-annual period (see Section 44-316(SAR)).

(AR/CO) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the annual period (see Section 44-316 (AR/CO)). (Continued)

.4 Immunization Requirements (Continued)

(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>225</u>	Unused \$225 DBI Disregard
\$ 300	Remaining Earned Income
- <u>150</u>	50% Earned Income Disregard
\$ 150	Net Nonexempt Income
\$ 638	MAP for three (excluding the parent)
- <u>150</u>	Total Net Nonexempt Income
\$ 488	Aid Payment

- (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>225</u>	Unused \$225 DBI Disregard
\$ 300	Remaining Earned Income
- <u>150</u>	50% Earned Income Disregard
\$ 150	Net Nonexempt Income
\$ 638	MAP for three (excludes the parent)
- <u>150</u>	Total Net Nonexempt Income
\$ 488	Aid Payment with First Penalty Applied
- <u>122</u>	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA*
\$ 366	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) Restoration of Aid
- (SAR) 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)(SAR)).
- (Continued)

.5 School Attendance Requirements (Continued)

(g) Restoration of Aid

(SAR) 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)(SAR)).

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).

Amend Section 40-107 to read:

40-107 COUNTY RESPONSIBILITY (Continued)

40-107

(j)
(SAR) Establishing the Semi-Annual Reporting Cycle

Applicants shall be assigned a specific Semi-Annual Reporting (SAR) cycle using their beginning date of aid. If the applicant has an existing CalFresh recertification period, the county shall align the SAR cycle with the existing recertification period. The county must align the CalWORKs annual redetermination of eligibility with the CalFresh certification period. The redetermination/recertification acts as the second semi-annual report so it must also be aligned with the SAR Submit Month. The county shall provide the SAR 7 or SAWS 2 to the recipient by the end of the SAR Data Month in the SAR Payment Period in which it is due. The county must provide the recipient with a written notice that will include:

(ARCO) Establishing the Semi-Annual and Annual Reporting Cycle

Applicants shall be assigned a specific Semi-Annual Reporting (SAR) cycle using their beginning date of aid. If the applicant has an existing CalFresh recertification period, the county shall align the SAR cycle with the existing recertification period. The county must align the CalWORKs annual redetermination of eligibility with the CalFresh certification period. The county shall provide the SAWS 2 to the recipient by the end of the AR/CO Data Month in the AR/CO Payment Period in which it is due. The county must provide the recipient with a written notice that will include:

- (1) The AU's individual SAR cycle,
- (SAR) (2) The months in which the SAR 7 and the annual redetermination of eligibility (SAWS 2) are due, and
- (ARCO) (2) The month in which the annual redetermination of eligibility (SAWS 2) is due, and
- (SAR) (3) The SAR Data Months they will be responsible for reporting information.
- (ARCO) (3) The AR/CO Data Month they will be responsible for reporting information.
- (SAR) (A) Semi-Annual Reporting Cycle Based on Beginning Date of Aid

The county shall establish six SAR cycles, each comprised of two SAR Payment Periods (see Section 40-103.5(SAR)). The county shall assign the applicant to one of these cycles based on the beginning month of aid. Unless the SAR cycle is being established to align with an existing

CalFresh recertification date, the beginning month of aid shall be considered the first month of the SAR Payment Period.

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(SAR) This model requires CWDs to consider a client's beginning date of aid as the first month of the SAR Payment Period. This month will begin the SAR cycle for the new reporting system. Clients will be assigned to one of six cycles, based on their beginning date of aid. For purposes of discussing months within the cycle, the following definitions will apply:
(Continued)

This system enables the county to align the reporting/budgeting cycle with the CalFresh recertification date. The month in which the certification period expires will always be the SAR Submit Month, which will be when the recertification is completed to establish the thirteenth month's allotment.

HANDBOOK ENDS HERE

(SAR) (B) Semi-Annual Reporting Cycles Based on Other Methods

Under SAR, counties may establish reporting cycles based on factors established or approved by the department; however, the SAR cycle must be aligned with the CalWORKs redetermination date and the CalFresh recertification date.

(k) Case Transition between SAR and AR/CO

The county shall provide the recipient with written notice when a recipient's reporting requirements transition from AR/CO to SAR or SAR to AR/CO at any time during the AR/CO Payment Period or SAR Payment Period. The written notice shall include all of the following:

- (1) The effective date of the change in reporting requirements;
- (2) The reporting rules;
- (3) Income Reporting Threshold rules;
- (4) Mandatory reporting rules;
- (5) Voluntary reporting rules;
- (6) Welfare-to-Work Reporting rules

(A) Cases that Change from AR/CO to SAR

1. The SAR 7 shall not be due in the same month in which the adult is added to the household.
2. The case shall retain the same SAR Cycle and redetermination due date, which is based on the beginning date of aid (Section 44-107 (j)(SAR)).

(B) Cases that Change from SAR to AR/CO

1. The case shall transition to AR/CO effective the first of the month following the date the adult is removed from the household.
2. The case shall not be discontinued if the recipient fails to submit the SAR 7 in cases where the adult has a SAR 7 due in one month, but transitions to AR/CO the following month.
3. The case shall retain the same SAR Cycle and redetermination due date, which is based on the beginning date of aid (Section 44-107 (j)(AR/CO)).

HANDBOOK BEGINS HERE

(1) Examples of Cases Transitioning between SAR and AR/CO

(1) AR/CO to SAR

The AU is an AR/CO case that applied for and was granted aid in April. The case consists of a non-needy relative (NNR) and two children. The redetermination is due in March and case is assigned SAR cycle 4. On June 2, the NNR reports she was laid off from her job and provides verification. She applies to include herself in the AU. The CWD determines she is eligible effective July 1. The case is now under SAR rules effective July 1. The CWD provides a Notice of Action to the recipient indicating the adult has been added to the AU along with a written notice indicating the case is now subject to SAR rules. The SAR cycle assigned is based on the beginning date of aid (April) and the SAR 7 is due in September. (Note: Even though the case originated as an AR/CO case, the SAR cycle was assigned at the time client was approved for aid in April.)

(2) AR/CO to SAR

An AR/CO case consists of a timed out mother and two children and has her redetermination due in April (SAR cycle 5). On December 5, the mother reports a change in household composition, reporting the father of the children has moved into the home and he wishes to apply for aid. The CWD determines the father is eligible and is added to the case effective January 1. The AU transitions from AR/CO to SAR effective January 1 because the father is now part of the AU. The

CWD provides a Notice of Action to the recipient indicating the adult has been added to the AU along with a written notice indicating the case is now subject to SAR rules. The case retains the same SAR cycle based on the beginning date of aid. The redetermination will be completed in April. No SAR 7 would be due prior to redetermination (April).

(3) SAR to AR/CO

An AU of 3 consists of a mother and two children. The case is a SAR case with SAR cycle 2 (beginning month of aid August). The mother times out December 31st. The case will change to AR/CO effective January 1. The CWD provides a Notice of Action to the recipient indicating the adult has been removed from the AU along with a written notice indicating the case is now subject to AR/CO rules. The redetermination is due in August. The SAR 7 will not be due in January because the case is no longer subject to SAR requirements.

HANDBOOK ENDS HERE

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10613, 11209, 11265.1, 11265.48, 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; 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; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 40-119 to read:

40-119 HOW AND WHERE APPLICATION IS MADE (Continued) 40-119

.2 Optional Persons
(SAR)

The county shall consider either the SAWS 1, SAR 3, or the SAR 7 the application for adding an optional person.

(ARCO)

The county shall consider either the SAWS 1 or AR 3 the application for adding an optional person.
(Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(1)(ii), (a)(8), and (b)(2); 45 CFR 233.10(a)(1)(ii)(A) and (B); 45 CFR 233.100(a)(3)(iii) and (vi)(A); and Sections 11265.1, 11265.3, and 11450(b), Welfare and Institutions Code.

Amend Section 40-125 to read:

40-125 REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued) 40-125

.9 Request for Restoration of Aid (Continued)

(SAR) .92 If the applicant is determined to be eligible within the month following discontinuance, the applicant must provide a current SAR 7 unless a complete SAR 7 for the SAR Payment Period in which the applicant was discontinued is in the county's possession. The applicant may be assigned to the previous SAR cycle or a new SAR cycle as long as the SAR cycle remains aligned with their redetermination/recertification date.

.93 (Continued)

(SAR) .94 Restorations in the Calendar Month Following a SAR 7 Related Discontinuance

(SAR) .941 When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next SAR Payment Period, the county shall determine if the recipient had good cause (Section 40-181.23(SAR)) for failure to submit a complete report.

(SAR) .942 If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete SAR 7 submitted by the recipient.

(SAR) .943 When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, and is not found to have good cause, the CWD shall redetermine eligibility based on the information contained on the complete SAR 7 submitted by the recipient as follows:

(SAR) (a) Eligibility will be based on recipient rules. The recipient will not be subject to applicant eligibility criteria.

(SAR) (b) An application (SAWS 1), Statement of Facts (SAWS 2), and intake interview are not required.

(SAR) (c) If found eligible, aid will be restored, prorated, effective the date that the recipient submitted the complete SAR 7. (See Section 44-315.72 for instructions on how to calculate prorated benefit amounts.)

.95 Restorations Based on Excess Property (Continued)

.952 If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

.96 Restorations Based on Excess Income (Continued)

.962 If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 233.60, Section 3510 (October 1961), Federal Handbook of Public Assistance Administration; Section 11349, Government Code; Sections 10553, 10554, 10604, 11008, 11023.5, 11056, 11102, 11265.1, 11265.2, 11450.12, and 11451.5, Welfare and Institutions Code; and ACF-AT-94-5; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 40-128 to read:

40-128 APPLICANT'S STATEMENT OF FACTS

40-128

.1 Filing the Statement of Facts (Continued)

.12 Minor Parent Residing with Unaided Senior Parent(s).

- .121 The minor parent (see Section 44-133.51) who applies for aid while residing in the same household as his/her unaided senior parent(s) must report the income of his/her parent(s).

In addition to the SAWS 2, the minor parent shall submit a Senior Parent Statement of Facts (SAR 23) to the county welfare department. The minor parent is responsible for obtaining all information necessary to complete the SAR 23 and for obtaining the necessary verification from the senior parent(s). The information and the submitted verification must provide the county welfare department with the facts necessary to make a correct eligibility and grant determination.

- .122 Failure to provide a complete SAR 23 (as defined in .121 above) shall result in the denial of aid to the minor parent and child in accordance with Section 40-105.1.

.13 Sponsored Non-Citizens

- .131 A sponsored non-citizen who applies for aid shall provide the County Welfare Department (CWD) with a statement of the ability of the sponsor to meet his/her needs. As a part of his/her application for aid on the form SAWS 2, the sponsored non-citizen shall submit a complete Form SAR 22 (Sponsor's Statement of Facts) to the CWD. The sponsored non-citizen is responsible for ensuring that the SAR 22 is complete.

- .132 Failure to provide a complete SAR 22 (as defined in .131 above) shall result in the denial of aid to the sponsored non-citizen. (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 45 CFR 205.50(a)(1)(i)(A); 42 USC 602(a)(39); Family Support Action Transmittal 91-15 dated April 23, 1991; and Section 5053 of the Omnibus Budget Reconciliation Act (OBRA) of 1990.

Amend Section 40-173 to read:

40-173 COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS 40-173

Prior to county action (except as provided in .7 below), the applicant or recipient shall be (a) notified of any county action which relates to his application, affects aid payment to him or his certification for medical assistance, or affects aid payments to him or his family, and (b) informed of his responsibility for reporting facts material to the determination of his eligibility. Such notification, advice, etc., shall be in simple understandable language. Required notifications are:

- .1 Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-Period Report.

Use appropriate Notice of Action form. Use appropriate Notice of Action form to report county action authorizing a supplemental grant or changing status from a cash grant to MN. (See Section 40-183.) (Continued)

- .8 Notification of Income Reporting Threshold (IRT)

(SAR) Counties must inform each AU in writing of their individual IRT at least once per SAR Payment Period. Informing shall also occur when the AU or family MAP size changes, when there is a change of persons who are required to report income, when the amount of income used to calculate the grant changes, at redetermination, when the federal poverty levels are updated, upon recipient request and any other time the AU's IRT amount changes. The informing notice shall include:

(ARCO) Counties must inform each AU in writing of their individual IRT at least once per AR/CO Payment Period. Informing shall also occur when the AU or family MAP size changes, when there is a change of persons who are required to report income, when the amount of income used to calculate the grant changes, when the federal poverty levels are updated, upon recipient request and any other time the AU's IRT amount changes. The informing notice shall include:

- .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;
- .82 The dollar amount of the IRT for the AU; and
- .83 The consequences of failing to report.

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10613, 11209, 11265.3, 11500(b), 11502(a) and (b), and 11511(a), Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 250.40(b); 45 CFR 255.1; 45 CFR 256.1(b); 45 CFR 256.2(b)(1); 45 CFR 256.4(c); and Administration for Children and Families-Action Transmittal-91-1, dated June 16, 1992; 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.

Amend Section 40-181 to read:

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181

.1 General County Responsibility

(SAR) (a) The county paying aid shall be responsible for continuing to determine eligibility to ensure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the SAR 7, and by recipient mid-period reports (see Sections 44-316(SAR) and 82-832.3(SAR)).

(ARCO) The county paying aid shall be responsible for continuing to determine eligibility to ensure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and by recipient mid-period reports (see Sections 44-316(AR/CO) and 82-832.3(AR/CO)).

(SAR) (1) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a semi-annual basis based on the information reported on the SAR 7 or the SAWS 2. The county shall compare the information reported on the SAR 7 or the SAWS 2 with any mid-period recipient reports for accuracy. (See Sections 44-316(SAR) and 82-832.3(SAR)).

(ARCO) Eligibility regarding deprivation, property, and the transfer of assets for less than fair market value shall only be determined on an annual basis based on the information reported on the SAWS 2. The county shall compare the information reported on the SAWS 2 with any mid-period recipient reports for accuracy (See Section 44-316(AR/CO)).

(SAR) (2) The SAR 7 only asks for the recipient to report any changes since he or she last reported in regards to property, deprivation, and household/AU composition. If a recipient reports on the SAR 7 that there have been no changes since they last reported, the information on the last verified report (the SAWS 2 or any verified mid-period report) shall be used to determine continuing eligibility.

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(SAR) (3) Example: A recipient is in a March through August SAR Payment Period. They make a voluntary mid-period report in April that they received an inheritance in the amount of \$5,000 and provide verification. The county sends the recipient a "no-change NOA" informing them that property is only evaluated once per SAR Payment Period. On the July SAR 7 submitted in August, the recipient reports that there have been no changes to their property since they last reported. The county discontinues the AU at the end of the SAR Payment Period for being over the property limit.

(ARCO) Example: A recipient has a redetermination due in August. They make a voluntary mid-period report in April that they received an inheritance in the amount of \$5,000 and provide verification. The county sends the recipient a "no-change NOA" and does not take action until the annual redetermination in August.

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(b) (Continued)

(SAR) (d) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(SAR).

(ARCO) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(AR/CO).

(e) Issuance of aid in the correct amount is a primary program objective. To achieve this objective it is essential that the county shall:

(SAR) (1) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(SAR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

(ARCO) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding

factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(AR/CO) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.

(SAR) (2) In CalWORKs, the semi-annual redetermination of eligibility shall follow the procedures described in Section 40-181.1(a). This requirement is met by the use of the SAR 7 or the SAWS 2. The SAR 7 and SAWS 2 shall be carefully checked each semi-annual period upon receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.

(3) (Continued)

(SAR) (g) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or SAR 7 eligibility redetermination forms. (See Section 40-181.216(SAR) for information on good cause determinations for failing to complete the annual redetermination timely and Section 40-181.23(SAR) for information on good cause determinations for failure to submit a complete SAR 7 timely.)

(AR/CO) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 eligibility redetermination form. (See Section 40-181.216—for information on good cause determinations for failing to complete the annual redetermination timely.)

(h) (Continued)

.2 Periodic Determination of Eligibility

.21 A redetermination of all circumstances of the recipient subject to change shall be completed at least once every twelve (12) months. The applicant/recipient shall complete the appropriate Statement of Facts at the time of application and at least once every 12 months after determination of eligibility. At the time of the annual redetermination and completion of the appropriate Statement of Facts, each recipient shall be either given or mailed informational material required by CDSS. (Continued)

(SAR) .212 The annual redetermination must be completed in the sixth month of the second Semi-Annual Payment Period of every year (six months after the SAR 7 is submitted). Because the redetermination acts as the second income eligibility report, a complete SAWS 2 must be received by the 15th day of the month in which it is due in order to allow sufficient time to determine benefit amounts and issue timely notice for the following Semi-Annual Payment Period. (Continued)

.213 The determination shall be considered completed as soon as the appropriate Statement of Facts has been reviewed and a decision made and recorded by the Eligibility Worker as to whether eligibility continues or ineligibility exists. The Statement of Facts shall be due once a year, in the same month of each year, unless the redetermination date needs to be changed in order to align it with the CalFresh recertification date.

.214 Late Redeterminations

- (a) When the redetermination of eligibility (SAWS 2) is not received by the 15th day of the month in which it is due, the county shall send the appropriate discontinuance notice.
- (b) In addition to the notice of discontinuance, the county shall attempt to make a personal contact by a county worker with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a redetermination must be completed no later than the last day of the month in which it is due.
- (c) The CWD shall document in the case file how and when the contact was attempted or made.
- (d) If the recipient submits a completed SAWS 2 by close of business on the last day of the month in which it was due, the county shall rescind the discontinuance and determine eligibility and grant amount pursuant to 40-181.215 and 44-315.

.215 Processing Late Redeterminations

- (a) If a redetermination is completed after the 15th but on or before the last day of the month, the county shall:
 - (1) Rescind the discontinuance action; and
 - (2) Determine eligibility based on the information reported on the SAWS 2.

- (b) If the recipient submits a complete SAWS 2 during the month following discontinuance, upon recipient request, the CWD shall determine whether the recipient had good cause for failure to complete the redetermination timely, in accordance with Section 40-181.216.

.216 Good Cause Determination for Failure to Complete a Redetermination Timely

A recipient may have good cause for not meeting the redetermination reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

- (a) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative.
- (b) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the redetermination reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.21.
- (c) In lieu of a request, as required by (2) above, a county has the discretion to independently determine that one of the situations specified in (d) below exists.
- (d) Good cause exists in only the following situations:
 - (1) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.
 - (2) When the recipient's failure to submit a timely and complete report is directly attributable to county error.
 - (3) When the county finds other extenuating circumstances.
- (e) When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.

- (f) If the recipient is not found to have good cause for not reporting timely, the county shall determine eligibility based on applicant rules from the date that the complete SAWS 2 was submitted.
- (g) If the SAWS 2 is received more than a month following discontinuance, it shall be treated as a request for restoration of aid and eligibility shall be determined based on applicant rules from the date the complete SAWS 2 was received. (See Section 40-125.9.)

.217 For CalWORKs purposes, a redetermination is complete when all of the following requirements are met:

- (a) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAWS 2 together with the submitted evidence must be sufficient for the county to determine eligibility and grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include current earned, unearned, exempt, and nonexempt income and any reasonably anticipated changes to that income; and
- (b) Evidence shall be submitted with the SAWS 2 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAWS 2 shall be promptly returned to the recipient; and
- (c) The address along with other information provided on the SAWS 2 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and
- (d) Information reported on the SAWS 2 must be consistent with other information which the county has verified to be accurate; and
- (e) The SAWS 2 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so

specified is temporarily absent from the home (see Section 82-812); and

- (f) The redetermination interview has been completed; and
- (g) The SAWS 2 shall include the SAR 22 (Sponsors Statement of Facts, Income and Resources) when the recipient is a sponsored non-citizen; and
- (h) The SAWS 2 shall include the SAR 23 (Senior Parent Statement of Facts) when a minor parent lives with his/her senior parent (see Section 89-201.5).

.218 (Continued)

(SAR) .22 CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return a SAR 7 to the county by the 5th calendar day of the SAR Submit Month in which a redetermination is not due, but not before the first calendar day of that month. SAR 7s not received by the 11th of the SAR Submit Month shall be considered late.

(SAR) .221 Late SAR 7s

- (SAR) (a) When the SAR 7 is not received by the 11th day of the SAR Submit Month or the SAR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(SAR), the county shall send the appropriate discontinuance notice.
- (SAR) (b) When a SAR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact by a county worker with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete SAR 7 must be received by the county no later than the end of the first working day of the next SAR Payment Period.
 - (1) When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by CDSS, shall be mailed no later than five days prior to the last calendar day of the report month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in Section 40-181.221(a).

- (c) The CWD shall document in the case file how and when the contact was attempted or made.
 - (SAR) (d) If the recipient contacts the county on the first working day of the SAR Payment Period to report nonreceipt of his or her benefits, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete SAR 7 and shall inform him/her that the discontinuance will be rescinded if a complete SAR 7 is received by the end of that day.
 - (SAR) (e) If the recipient turns in an incomplete SAR 7 to the county on or before the first working day of the next SAR Payment Period, the county shall attempt to make a personal contact with the recipient, either by phone or by mail, to inform them that their SAR 7 is still not complete and that the discontinuance still stands.
 - (SAR) (f) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a SAR 7 related discontinuance until after the first working day of the next SAR Payment Period.
- (SAR) .222 Processing Late SAR 7s
- (SAR) (a) If a complete SAR 7 is received after the 11th but on or before the first working day of the next SAR Payment Period, the county shall:
 - (SAR) (1) Rescind the discontinuance action; and
 - (SAR) (2) Determine eligibility based on the information reported on the SAR 7.
 - (b) Upon the request of the recipient, the CWD shall determine whether the recipient had good cause for failure to submit a timely report of earnings in accordance with Section 40-181.23
 - (SAR) (c) If a complete SAR 7 is received after the first working day of the next SAR Payment Period, but during the month following discontinuance for non-submittal of a complete SAR 7, eligibility and benefits shall be determined as described in Section 40-125.943(SAR).
- (SAR) .223 In family reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a semi-annual eligibility report as long as the reunification plan remains in place.

(SAR) .23 Good Cause Determination for Failure to Submit a Complete SAR 7 Timely

(SAR) A recipient may have good cause for not meeting the semi-annual reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

(SAR) .231 A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(SAR) (Restoration in the Calendar Month Following a SAR 7 Discontinuance).

(SAR) (a) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the semi-annual reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(SAR).
(Continued)

(SAR) .24 Criteria for Evaluating Information Reported on the SAR 7

(SAR) .241 For CalWORKs purposes, a SAR 7 is complete when all the following requirements are met:

(SAR) (a) The date the SAR 7 is signed shall be no earlier than the first day of the SAR Submit Month.

(SAR) (1) This requirement is met when the date entered on the SAR 7 by the recipient, together with other dated material provided with the SAR 7 and the date on which the county mailed or gave the SAR 7 to the recipient, clearly establishes that the SAR 7 was signed no earlier than the first day of the SAR Submit Month.

(SAR) (b) The address along with other information provided on the SAR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

(SAR) (c) The SAR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and

(d) (Reserved)

- (SAR) (e) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the SAR Data Month and any reasonably anticipated changes to this income during the next SAR Payment Period; and
- (SAR) (f) Evidence shall be submitted with the SAR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAR 7 shall be promptly returned to the recipient; and
- (SAR) (g) Information reported on the SAR 7 must be consistent with other information which the county has verified to be accurate, including any verified mid-period reports; and
- (SAR) (h) The SAR 7 shall include form SAR 72 (as defined in Section 40-181.25(SAR)) when the recipient is a sponsored non-citizen.
- (SAR) (i) The Senior Parent Semi-Annual Income Report (SAR 73) shall be submitted with the SAR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the SAR 73 shall be determined using the criteria for evaluating the completeness of the SAR 7.

.242 (Continued)

- (SAR) .244 Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the SAR 7 incomplete as defined in Section 40-181.241(SAR).

.25 Sponsored Non-Citizen Reporting.

(SAR) In addition to the Semi-Annual Eligibility Report (SAR 7), the recipient who is a sponsored non-citizen as defined in Section 43-119 shall report the income and resources of the sponsor.

.251 Reporting of the sponsor's income and resources.

(SAR) The recipient shall submit a completed Sponsors Semi-Annual Income and Resources Report (SAR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the SAR 72 and for obtaining any cooperation necessary from the sponsor.

(SAR) .252 The SAR 72 shall be due by the 5th calendar day of the SAR Submit Month but not before the first calendar day of the next SAR Submit Month. When the county has not received the completed SAR 72 by the 11th calendar day of the SAR Submit Month, the recipient has not met the requirement for returning a complete SAR 7. See Section 40-181.22(SAR). The SAR 72 shall be considered complete if all the following requirements are met:

(SAR) (a) Dated no earlier than the first day of the SAR Submit Month; and
(Continued)

(SAR) (f) Evidence shall be submitted with the SAR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(SAR) for examples of acceptable evidence.

(SAR) .253 A complete SAR 7 includes form SAR 72 (as defined in Section 40-181.251(SAR)) when a member of the AU is a sponsored non-citizen. The failure to provide a completed SAR 72 on or before the 1st calendar day of the next SAR Payment Period shall result in discontinuance for those members of the AU who are sponsored non-citizens.

(SAR) .26 Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete SAR 7 nor in termination of aid.

.3 Methods of Periodic Determination of Eligibility

.31 Regulations governing the method of the initial determination also govern all continuing and periodic determinations. (See Sections 40-157 and 40-161.)
(Continued)

(SAR) .312 Semi-Annual redeterminations using the SAR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(ARCO) Special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(SAR) .32 The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and SAR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

(ARCO) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts, together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

.33 (Continued)

Authority cited: Sections 10553, 10554, 10604, 11203, 11265.1, 11369, and 18904, Welfare and Institutions Code.

Reference: 42 U.S.C. 616(b) and (f); 45 CFR 233.28 and 233.29(c); and 45 CFR 235.112(b); 7 CFR 273.16(b); Sections 10063, 10553, 10554, 10604, 11008, 11203, 11253.5, 11254, 11265, 11265.1, 11265.2, 11265.3, 11265.8, 11280, 11450.12, 11451.5, 11486, and 11495.1, Welfare and Institutions Code; 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; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 40-188 to read:

40-188 TRANSFER PROCEDURE

40-188

.1 First County

The first county shall: (Continued)

(SAR) .14 Determine Eligibility

Determine continuing eligibility and amount of cash aid from the most recent Semi-Annual Eligibility Report (SAR 7 or SAWS 2) due during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the SAR Payment Period in which the transfer period ends.

(AR/CO)

Determine continuing eligibility and amount of cash aid from the most recent Statement of Facts (SAWS 2) during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the AR/CO Payment Period in which the transfer period ends. (Continued)

Authority cited: Sections 10553, 10554, 10605, 11052.6, 11053, 11102, and 11369, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10605, and 11265.1, Welfare and Institutions Code; and Nickols v. Saenz Court Order Case Number 310867; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 40-190 to read:

40-190 COUNTY RESPONSIBILITY (Continued) 40-190

.2 Payment Responsibility There shall be no interruption nor overlap in payment of aid when a recipient moves from one county to another county.

.21 Semi-Annual Reporting Cycle The second county shall establish the recipient's semi-annual reporting cycle which may differ from the first county's semi-annual reporting cycle, but must remain aligned with the CalFresh recertification date. (Continued)

Authority cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 10604, 11004, and 11265.1, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 41-405 to read:

41-405 TERMINATION OF DEPRIVATION

41-405

.1 When a basis for deprivation ceases, and the family remains in need, the county shall determine if any other basis for deprivation exists.

(SAR) .11 When a basis for deprivation ceases mid-period, the county shall not take mid-period action based on changes in deprivation. Any change in deprivation shall be reported on the SAR 7 or the SAWS 2 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next SAR Payment Period.

(AR/CO) When a basis for deprivation ceases mid-period, the county shall not take mid-period action based on changes in deprivation, with the exception of changes in deprivation due to changes in household composition (see Section 41-405.111). Any change in deprivation, outside of changes in household composition, shall be reported on the SAWS 2 and any change in eligibility or grant amount that results from the change in deprivation, outside of changes in household composition, shall be effective the first day of the next AR/CO Payment Period.

(AR/CO).111 The county shall take action based on a change in deprivation due to changes in household composition. Any change in eligibility or grant amount that results from the change in deprivation, due to changes in household composition, shall be determined pursuant to Section 44-316.325(AR/CO).

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2, 11265.47, 11265.48, and 11450.5, Welfare and Institutions Code.

Amend Section 42-209 to read:

42-209 DIFFERENTIATION OF PROPERTY AND INCOME 42-209

- .1 Some payments may be considered property, income, or a combination of both. For the differentiation of such payments, see Section 44-105.
- .2 Nonrecurring lump sum payments, which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 42-213 to read:

42-213 PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY 42-213
WHICH MAY BE RETAINED

.1 Real Property to Be Excluded

.11 The following items are to be excluded in evaluating real property: (Continued)

(h) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

(SAR) (1) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the SAR 7 or SAWS 2 that there has been a change. If the county receives a voluntary mid-period report of such a change, this information will only be reevaluated when the following semi-annual report is processed.

(ARCO) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the SAWS 2 that there has been a change. If the county receives a voluntary mid-period report of such a change, this information will only be reevaluated when the following annual report is processed.

(i) (Continued)

.12 Real property, not otherwise excluded, that the assistance unit is making a good faith effort to sell may be exempt from consideration in the resource limit described in Section 42-207 for a period of no more than nine consecutive months. Any six-month period, which was the maximum period permitted by these regulations as they were effective prior to January 1, 1987, ending on or after December 31, 1986 may be extended to nine months at the recipient's request. (Continued)

(SAR) .127 If the nine month exemption period ends in the middle of a SAR Payment Period, and the property has not sold, the county must take mid-period action to discontinue the AU at the end of the month in which the exemption period ended, with timely and adequate notice (see Section 44-316.331(t)(SAR)).

(AR/CO) If the nine month exemption period ends in the middle of a AR/CO Payment Period and the property has not sold, the county must take mid-period action to discontinue the AU at the end of the month in which the exemption period ended, with timely and adequate notice (see Section 44-316.331(t)(AR/CO)).

.2 Personal Property and Vehicles to Be Excluded: The county shall determine personal property items and vehicles to be excluded in evaluating property in accordance with methods established under the CalFresh Program (see CalFresh regulations at Manual of Policies and Procedures Sections 63-501.3, .52, and .53) except as noted below. (Continued)

.23 Restricted accounts shall be excluded for CalWORKs recipients.

.231 Restricted Accounts (Continued)

(l) Applying the Period of Ineligibility

(SAR) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next SAR Payment Period following the reported nonqualifying withdrawal on the SAR 7 or SAWS 2 and continue for the determined number of months.

(AR/CO) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next AR/CO Payment Period following the reported nonqualifying withdrawal on the SAWS 2 and continue for the determined number of months.

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(m) Examples

(1) Example 1:

(SAR) An AU of three is in a January through June SAR Period.

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(ARCO) An AU of three has a redetermination period of July - June

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(A) Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:

1. \$5,000 balance prior to withdrawal
-3,000 allowable expense for purchase of home
\$2,000 remainder
2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of three
(\$2,000 divided by \$1,200 = 1.66 months)
3. Round down the result to the nearest whole number (one month).
4. The AU is ineligible for one month. The AU shall be discontinued at the end of June. The AU can reapply for aid on August 1.

Example 2:

(SAR) An AU of two in region 1 is in a January through June SAR Period and has the following property:

\$ 100	checking account
+1000	restricted account
<u>+ 800</u>	savings account
\$ 1900	Total

(AR/CO) An AU of two in region 1 is in a January through December AR/CO Payment Period and has the following property:

\$ 100	checking account
+1000	restricted account
<u>+ 800</u>	savings account
\$ 1900	Total

(A) The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in May. The county determines that the AU made a nonqualifying withdrawal.

(B) Although the AU's total property reserve prior to the nonqualifying withdrawal is under the \$2,000 property limit, the county will calculate a period of ineligibility as follows:

1. Balance prior to nonqualifying withdrawal in May \$1000
2. Divide by MBSAC for 2 (\$968)
3. Result 1.03
4. Round down to nearest whole number 1
For number of months of ineligibility

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(n) Shortening The Period of Ineligibility (Continued)

.4 The home which was the usual home of an applicant/recipient who has entered into marital separation shall be treated as follows:

.41 The usual home shall be exempt in determining an applicant's eligibility for CalWORKs and for three months following the end of the month in which aid begins. (Continued)

(SAR) .411 If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.

(AR/CO) If the exemption period ends mid-period, the county shall not act on the information during the AR/CO Payment Period. The usual home shall be used to determine eligibility for the AR/CO Payment Period following the AR/CO Payment Period in which the exemption period ended.

.42 The usual home shall be exempt in evaluating a recipient's retained property during the month of separation and for three months following the end of the month in which the separation occurs.

(SAR) .421 If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.

(AR/CO) If the exemption period ends mid-period, the county shall not act on the information during the AR/CO Payment Period. The usual home shall be used to determine eligibility for the AR/CO Payment Period following the AR/CO Payment Period in which the exemption period ended.

.43 (Continued)

Authority cited: Sections 10553, 10554, 10604, and 11155.2, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155, 11155.2, 11155.5, 11257, 11265.1, 11265.2, 11450, and 11450.5, Welfare and Institutions Code; Sidwell v. McMahan, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286; and Federal Action Transmittal 91-23, 45 CFR 233.20(a)(3)(i)(B); Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 42-221 to read:

42-221 TRANSFER OF PROPERTY OR INCOME (Continued)

42-221

.5 Applying the Period of Ineligibility (POI)

.51 When the family has transferred property which results in a POI, cash aid shall be discontinued and the POI begin as follows:

(SAR) (a) The first month of the next SAR Payment Period following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the SAR Period is an overpayment.

(ARCO) The first month of the next AR/CO Payment Period following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the AR/CO Payment Period is an overpayment.

(SAR) (b) When the transfer is discovered too late to discontinue for the first month of the SAR Payment Period, the POI shall begin the first of a month within that SAR Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current SAR Payment Period is an overpayment.

(ARCO) When the transfer is discovered too late to discontinue for the first month of the AR/CO Payment Period, the POI shall begin the first of a month within that AR/CO Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current AR/CO Payment Period is an overpayment. (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 42-406 to read:

42-406 COUNTY WELFARE DEPARTMENT RESPONSIBILITY (Continued) 42-406

.2 The response to the inquiry shall include, but is not limited to, the following: (Continued)

(SAR) .24 the completion and return of the SAR 3 or SAR 7, giving his or her current employment status, and all other factors normally used to compute the recipient's needs.

(AR/CO) the completion and return of the AR 3, giving his or her current employment status, and all other factors normally used to compute the recipient's needs.

.25 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11265.2, Welfare and Institutions Code.

Amend Section 42-407 to read:

42-407 EVIDENCE OF RESIDENCE INTENTION

42-407

.1 Applicant or Recipient Physically Present in State

The written statement of the applicant or recipient is acceptable proof to establish his or her intention of establishing residence unless the statement is inconsistent with the conduct of the person, with other information known to the county, or with other statements on the SAWS 2, SAR 7, or recipient mid-period reports.

.2 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11265.2, Welfare and Institutions Code; Senate Bill (SB) 991, Chapter 1285, Statutes of 1989; and WRL vs. McMahon, Case No. 268972 (Sacramento Superior Court), October 31, 1990.

Amend Section 42-716 to read:

42-716 WELFARE-TO-WORK ACTIVITIES (Continued)

42-716

.5 Grant-based OJT (Continued)

.54 The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.

(SAR) .541 A grant-based OJT placement may begin mid-period. (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

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), and (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.

Amend Section 42-721 to read:

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

.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. (Continued)

(SAR) .412 A financial sanction is a county-initiated mid-period change pursuant to Section 44-316.331(b)(SAR).

.42 (Continued)

.48 The CWD shall restore aid: (Continued)

(SAR) .483 Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(SAR), is a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR). (Continued)

.49 The CWD shall grant aid:

.491 On the first day of the month following the date that the individual contacted the county to indicate his or her desire to end the sanction, once the activities in accordance with Section 42-721.43 have been successfully completed, if the individual applies for aid, is determined to be in compliance with program requirements, and is otherwise eligible.

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(SAR) (a) Example: An individual who was sanctioned and left aid with his family after failing to participate in vocational education contacts the CWD on July 1 to reapply for aid. His family is determined eligible for aid on July 5 and aid is granted to the family as of July 5; before aid can be granted for the sanctioned individual he must cure his sanction. The individual signs his curing plan on July 5, participates in a vocational education program for 30 days, and successfully cures his sanction on August 3. If the individual is otherwise eligible, his cash aid is granted back to August 1 as a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR).

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.5 (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 11203, 11265.2, 11320, 11320.3, 11320.31, 11322.85, 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

Amend Section 42-751 to read:

42-751 UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION 42-751
AND ANCILLARY SUPPORT SERVICES (Continued)

.4 Collection of Overpayments (Continued)

(e) Reasonable efforts shall include written notification of the amount of the overpayment and that repayment is required. The following are reasonable cost-effective collection methods: (Continued)

(SAR) (4) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(SAR).

(f) (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10063, 11004(g), (h), (i), (k), and (l), 11265.2, and 11323.4(b), Welfare and Institutions Code.

Amend Section 44-769 to read:

42-769 APPLICATION OF BONUSES AND SANCTIONS (Continued) 42-769

.5 Treatment of Bonuses and Sanctions as County-Initiated Mid-Period Actions

Cal-Learn bonuses and sanctions are considered county-initiated mid-period actions as described in Section 44-316.33.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063, 11265.2, and 11333.7(a) and (d), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 250.40(a); Federal Waiver Terms and Conditions for the California Work Pays Demonstration Project, March 1994, and Waiver Authority for the California Work Pays Demonstration Project as transmitted by the United States Department of Health and Human Services Administration for Children and Families letter dated March 1, 1994.

Amend Section 44-101 to read:

44-101 INCOME DEFINITIONS

44-101

(a)

(SAR) Income, generally, is any benefit in cash or in-kind which is reasonably anticipated to be available to the individual or is received by him/her as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the SAR Payment Period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(AR/CO) Income, generally, is any benefit in cash or in-kind which is reasonably anticipated to be available to the individual or is received by him/her as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the AR/CO Payment Period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(b) Separate and Community Income

(1) Separate income is: (Continued)

(D) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2.

(2) Community income is: (Continued)

(C) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2.

(c) Reasonably Anticipated Income

(SAR) (1) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of monthly income during the SAR Payment Period. This definition applies to both earned and unearned income. See Section 44-315.31(SAR).

(AR/CO) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of monthly income during the AR/CO Payment Period. This definition applies to both earned and unearned income. See Section 44-315.31(AR/CO).

(d) (Continued)

(f) Disability-Based Unearned Income

(1) Disability-based unearned income is income received only from one or more of the following: (Continued)

(E) Veterans Disability Compensation benefits.

(g) (Continued)

(l) Lump Sum Income

Lump sum income is any income received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

(SAR) (1) Lump sum nonrecurring payments are considered property under the semi-annual reporting system (see Section 42-209.2).

(AR/CO) Lump sum nonrecurring payments are considered property under the annual reporting system (see Section 42-209.2).

(m) Income Reporting Threshold (IRT)

(1) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income (see Section 44-316.324).

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11265.46, 11265.47, 11450.5, and 11451.5, Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahon, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

Amend Section 44-102 to read:

44-102 AVAILABILITY OF INCOME

44-102

.1

(SAR) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the SAR Payment Period and shall be considered when determining eligibility and grant amount, except:

(ARCO) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the AR/CO Payment Period and shall be considered when determining eligibility and grant amount, except:

.11 (Continued)

(SAR) .14 MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(SAR)), when the income meets the following criteria:

(ARCO) MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(AR/CO)), when the income meets the following criteria:

.141 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11157 (Ch. 270, Stats. 1997), 11265.2, and 11450.5, Welfare and Institutions Code.

Amend Section 44-111 to read:

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

.2 Exemption of Earned Income (Continued)

.23 \$225/225 and 50% Disregards

.231 A family shall have \$225 of disability-based unearned income (DBI) and up to \$225 of any unused amount of the DBI disregard plus 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 \$225 of the remaining disregard is subtracted from any earned income.
- (c) Zero, \$225 is applied against any earned income. (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42 and Senate Bill 1041 (Chapter 47, Statutes of 2012).

Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6, 11322.6(f)(3), 11322.85, 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)

Amend Section 44-113 to read:

44-113 NET INCOME (Continued)

44-113

.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

(SAR) .211 Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(SAR)) changes to this income in the next SAR Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(AR/CO) Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(AR/CO)) changes to this income in the next AR/CO Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(SAR) .212 Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month 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. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming SAR Payment Period.

(AR/CO) Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month 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. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming AR/CO Payment Period.

(a) (Continued)

(SAR) .213 Combine the total monthly earnings for the family determined in Section 44-113.211(SAR) with the monthly net self-employment income determined in Section 44-113.212(SAR).

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

.214 (Continued)

(SAR) .215 Apply up to \$225 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(SAR).

(AR/CO) Apply up to \$225 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(AR/CO).

.216 (Continued)

.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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(SAR) .22 Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) in Region 1 reports receiving gross monthly earned income of \$775 per month in the Data Month, and no other income. The Data Month income is reasonably anticipated to continue at the same amount for the SAR Payment Period.

\$ 775	Earned Income
<u>- 225</u>	\$225 Unused DBI Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard*
\$ 275	Total Net Nonexempt Income*

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

(AR/CO) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (timed out mother and three children) in Region 1 reports receiving gross monthly earned income of \$775 per month in the Data Month, and no other income. The Data Month income is reasonably anticipated to continue at the same amount for the AR/CO Payment Period.

\$ 775	Earned Income
<u>- 225</u>	\$ 225 Unused DBI Disregard
\$ 550	Subtotal
<u>- 275</u>	50% Earned Income Disregard*
\$ 275	Total Net Nonexempt Income*

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

(SAR) .31 Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the SAR Payment Period except:

(AR/CO) Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the AR/CO Payment Period except:

.311 (Continued)

(SAR) .32 Net income from other types of pensions and similar sources is the amount reasonably anticipated for the SAR Payment Period 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.

(AR/CO) Net income from other types of pensions and similar sources is the amount reasonably anticipated for the AR/CO Payment Period 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:

(SAR) .411 cash reasonably anticipated to be given to the AU in the SAR Payment Period which is available to meet the needs of the AU and:

(AR/CO) cash reasonably anticipated to be given to the AU in the AR/CO Payment Period which is available to meet the needs of the AU and:

(SAR) .412 the value of full items of need reasonably anticipated to be provided in-kind to the AU in the SAR Payment Period. 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.

(AR/CO) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the AR/CO Payment Period. 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.

(SAR) .42 Cash that is reasonably anticipated to be given to the AU in the SAR Payment Period does not include:

(AR/CO) Cash that is reasonably anticipated to be given to the AU in the AR/CO Payment Period does not include:

.421 (Continued)

.5

(SAR) Child/spousal support which is reasonably anticipated to be paid during the SAR Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

(AR/CO) Child/spousal support which is reasonably anticipated to be paid during the AR/CO Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

.6 Refunds of Retirement Contributions

- .61 Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2). (Continued)
- .62 Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2). (Continued)
- .8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

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). (Continued)

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.

Amend Section 44-115 to read:

44-115 EVALUATION OF INCOME IN-KIND (Continued)

44-115

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

.12 Absence Exceeds One Month

(SAR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the SAR Payment Period, 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.)

(ARCO) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the AR/CO Payment Period, 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 (Continued)

Authority cited: Sections 10553, 10554, 11450, 11452.018, and 11453, Welfare and Institutions Code.

Reference: Sections 11265.8, 11253.5, 11265.2, 11450, 11450.015, 11450.4(c), 11450.5, 11452, 11452.018, 11453, and 11486, Welfare and Institutions Code; and 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.

Amend Section 44-133 to read:

44-133 TREATMENT OF INCOME – CALWORKS (Continued) 44-133

.5 Income and Needs in Cases in Which a Person is Excluded (Continued)

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.54 The following examples are provided to illustrate how to determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315.

(SAR) Example 1: Family with No Ineligible Non-Citizen Members

Applicant applies on behalf of herself and her two dependent children. Also living in the home is a stepparent and his separate child. Stepparent earns \$2,000 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU resides in Region 1 and is eligible for Exempt MAP.

Applicant Eligibility Determination:

\$2000	Earned Income
<u>- 90</u>	\$90 Earned Income Disregard
\$1,910	Net Nonexempt Earned Income
<u>+\$300</u>	Disability-Based Income (Not subject to \$225 Disregard at application)
\$2210	Total Net Nonexempt Income
\$1626	MBSAC for Five (Includes AU and Non-AU Family Members)

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

(ARCO) Example 1: Family with No Ineligible Non-Citizen Members

Timed out applicant mother applies on behalf of her three dependent children. Also living in the home is a stepparent and his separate child. Stepparent earns \$2000 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU resides in Region 1 and is eligible for Exempt MAP.

Applicant Eligibility Determination:

\$2000	Earned Income
<u>- 90</u>	\$90 Earned Income Disregard
\$ 1910	Net Nonexempt Earned Income
<u>+\$300</u>	Disability-Based Income (Not subject to \$225 Disregard at application)
\$2210	Total Net Nonexempt Income
\$1626	MBSAC for Five (Includes AU and Non-AU Family Members)

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

(SAR) 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 SAR Payment Period. 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
<u>- 90</u>	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 \$1,424 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
<u>- 225</u>	\$225 Unused DBI Disregard
\$ 375	Subtotal
<u>- 187</u>	50% Earned Income Disregard
\$ 187	Net Nonexempt Earned Income
<u>+ 85</u>	Unearned Income of Ineligible Non-Citizen Child
\$ 272	Total Net Nonexempt Income (rounded down)

\$ 272 Total NNI is less than \$800 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 800 Region 1, Nonexempt Family MAP for Four
 - 272 Total Net Nonexempt Income
 \$ 528 Potential Grant

\$ 542 MAP for AU of Two (includes mother and citizen child)

\$ 528 Aid Payment is the Lesser of the Potential Grant or MAP for the AU

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

Timed out mother of three children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the AR/CO Payment Period. Two of the children are her citizen children 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
 + 85 Unearned Income of Ineligible Non-Citizen Child
 \$ 595 Total Net Nonexempt Income

\$ 595 Total NNI is less than the \$1,424 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

Recipient Financial Eligibility Test

\$ 600 Monthly Earned Income of Mother
 - 225 \$225 Unused DBI Disregard
 \$ 375 Subtotal
 - 187 50% Earned Income Disregard
 \$ 187 Net Nonexempt Earned Income
 + 85 Unearned Income of Ineligible Non-Citizen Child
 \$ 272 Total Net Nonexempt Income (rounded down)

\$ 272 Total NNI is less than \$800 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 800 Region 1, Nonexempt Family MAP for Four
- 272 Total Net Nonexempt Income
 \$ 528 Potential Grant

\$ 542 MAP for AU of Two (includes two citizen children)

\$ 528 Aid Payment is the Lesser of the Potential Grant or MAP for the AU

(SAR) 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 SAR Payment Period. 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 SAR Payment Period. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1 \$ 975 Family's Monthly Earned Income
- 225 \$225 Unused DBI Disregard
 \$ 750 Subtotal
- 375 50% Earned Income Disregard*
 \$ 375 Net Earned Income

\$ 375 Total Family Net Nonexempt Income*

Step 2 \$1021 Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
- 375 Total Family Net Nonexempt Income
 \$ 646 Potential Grant

Step 3	\$542	AU MAP for Two
	\$646	Potential Grant
	\$542	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

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

Timed out mother receives aid for her two children. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the AR/CO Payment Period. Also living in the home are: 1) the ineligible non-citizen spouse of the unaided parent; 2) the unaided mother's ineligible non-citizen child in common with no deprivation; 3) the unaided 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 AR/CO Payment Period. The family is nonexempt and lives in Region 1.

Eligibility Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	<u>- 225</u>	\$225 Unused DBI Disregard
	\$ 750	Subtotal
	<u>- 375</u>	50% Earned Income Disregard*
	\$ 375	Net Earned Income
	\$ 375	Total Family Net Nonexempt Income*
Step 2	\$ 1021	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
	\$ 646	Potential Grant
Step 3	\$542	AU MAP for Two
	\$646	Potential Grant
	\$542	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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.55 (Continued)

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, 11450.025, 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).

Amend Section 44-205 to read:

44-205 ESTABLISHING THE AU

44-205

.1 Aid Based on Pregnancy (Continued)

.12 The application for aid based on pregnancy and/or the application for the pregnancy special need is considered an application for the "family". In addition to the pregnant woman, the family includes the following: (Continued)

.122 The father of the unborn when he is in the home at the time application is made and through the month of birth. See Section 82-832.13.

(SAR) (a) The unaided father shall be added to the AU effective the first of the month following the month in which the birth was reported if adding him results in an increase to cash aid and all conditions of eligibility have been met and verification has been provided. If adding him results in a decrease, the father shall be added to the AU in the following SAR Payment Period, if all conditions of eligibility have been met and verification provided, pursuant to Section 44-318.16(SAR).

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 42 USC 602(a)(19)(G)(i)(I); 54 FR 42172 (October 13, 1989); 45 CFR 206.10(a)(1)(vii) and 250.34(c)(3); Federal Action Transmittal SSA-AT-86-01, Sections 10553, 10554, 10604, 11265.1, 11265.2, 11265.3, 11327.5(c)(3), 11450(b) and 11450.5, Welfare and Institutions Code; and Simon v. McMahan, Stipulation for Dismissal and Order, April 21, 1989, Contra Costa Superior Court, No. 272468.

Amend Section 44-207 to read:

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. (Continued)

(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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(SAR) 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
<u>- 90</u>	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income
\$ 920	MBSAC for two
	Family passes the MBSAC test (MBSAC is greater than Net Nonexempt Income)

(ARCO) Example: Timed out applicant applies for assistance for her two dependent children. 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
<u>- 90</u>	\$90 Earned Income Disregard
\$ 510	Total Net Nonexempt Income

\$ 920 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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.112 (Continued)

.2 The following financial eligibility test shall be applied to both applicant and recipient
cases.

.21 The AU is financially eligible as follows:

(SAR) .211 An AU is financially eligible for the SAR Payment Period if the family's
combined reasonably anticipated monthly net non-exempt income for the
SAR Payment Period, after the income and needs of the family are
considered (pursuant to Sections 44-133 and 44-315.3), is less than the
MAP for the AU.

(AR/CO).211 An AU is financially eligible for the AR/CO Payment Period if the
family's combined reasonably anticipated monthly net non-exempt income
for the AR/CO Payment Period, after the income and needs of the family
are considered (pursuant to Sections 44-133 and 44-315.3) is less than the
MAP for the AU.

(SAR) .212 A recipient AU will remain financially eligible during the SAR Payment
Period if the family's combined monthly net non-exempt income does not
exceed the family's MAP level for more than one month of the SAR
Payment Period in accordance with Section 44-316.324.

(AR/CO).212 A recipient AU will remain financially eligible during the AR/CO
Payment Period if the family's combined monthly net non-exempt income
does not exceed the family's MAP level for more than one month of the
AR/CO Payment Period in accordance with Section 44-316.324.

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(SAR) Example:

Recipient receives aid for herself and her four children. Also living in the home is
the recipient's spouse (unaided stepparent). Stepparent earns \$1612 per month
from full-time employment. Mother receives \$300 per month in State Disability

Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

Eligibility/Grant Computation:

\$ 300	Disability-Based Unearned Income
<u>- 225</u>	\$225 DBI Disregard
\$ 75	Net Nonexempt Disability-Based Unearned Income
\$1612	Gross Family Earned Income
<u>- 806</u>	50% Earned Income Disregard
\$ 806	Net Nonexempt Income
<u>+ 75</u>	Disability-Based Unearned Income
\$ 881	Total Net Nonexempt Income
\$1087	Exempt MAP for Six
<u>- 881</u>	Total Net Nonexempt Income
\$ 206	Potential Grant
\$ 969	Exempt MAP for AU of Five
\$ 206	Potential Grant
\$ 206	Aid Payment (Lower of Potential Grant and MAP for AU)

(AR/CO) Example:

Timed out recipient mother receives aid for her five children. Also living in the home is the recipient's spouse (unaided stepparent). Stepparent earns \$1612 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU is exempt and resides in Region 2.

Eligibility/Grant Computation:

\$ 300	Disability-Based Unearned Income
<u>- 225</u>	\$225 DBI Disregard
\$ 75	Net Nonexempt Disability-Based Unearned Income
\$1612	Gross Family Earned Income
<u>- 806</u>	50% Earned Income Disregard
\$ 806	Net Nonexempt Earnings
<u>+ 75</u>	Disability-Based Unearned Income
\$ 881	Total Net Nonexempt Income
\$1087	Exempt MAP for Six
<u>- 881</u>	Total Net Nonexempt Income
\$ 206	Potential Grant

\$ 969	Exempt MAP for AU of Five
\$ 206	Potential Grant
\$ 206	Aid Payment (Lower of Potential Grant and MAP for AU)

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.22 (Continued)

(SAR) .23 Once financial eligibility is established for the SAR Payment Period, financial eligibility continues for the AU for the entire SAR Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated, net non-exempt monthly income continues to exceed the MAP for the AU for more than one consecutive month.

(ARCO) Once financial eligibility is established for the AR/CO Payment Period, financial eligibility continues for the AU for the entire AR/CO Payment Period unless the family's income exceeds the IRT (see Section 44-316.324) and the family's reasonably anticipated, net non-exempt monthly income continues to exceed the MAP for the AU for more than one consecutive month.

(SAR) .24 If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the SAR Payment Period and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

(ARCO) If aid is discontinued because the monthly reasonably anticipated income is expected to result in financial ineligibility for the AR/CO Payment Period and the AU reports that the monthly reasonably anticipated income will no longer exceed the MAP amount for the AU prior to the effective date of the discontinuance, the county shall rescind the discontinuance if the county determines the updated report is a reasonable estimate.

.25 (Continued)

Authority cited: Sections 10553, 10554, 11450, 11450.025, and 11453, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11017, 11157, 11255, 11265.1, 11265.2, 11265.3, 11280, 11322.63(b), 11450.025, 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.

Amend Section 44-211 to read:

44-211 SPECIAL NEEDS IN CALWORKS

44-211

.1 General

(SAR) .11 A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.312(d) (SAR).

(ARCO) A special need is a need not common to a majority of recipients for certain goods or services which are essential for their support. The county is responsible for assisting the applicant or recipient in identifying any special needs which he/she may have. In order to meet this responsibility, the county shall give the applicant or recipient a clear explanation of the types of special need allowances which are available, and of the procedure for securing payment for those needs. See Section 44-316.312(d) (AR/CO).

.12 (Continued)

.2 Recurring Special Needs

(SAR) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(SAR) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified every six months on the SAR 7 or the SAWS 2 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need must be resubstantiated at least annually upon redetermination of eligibility and may be required more often considering the type of need and potential for change.

(SAR) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU.

(ARCO) A recurring special need is a special need for one of the items set forth below which results in added cost to the family and which is expected to occur during two or more months in a calendar year.

(ARCO) The allowance for a recurring special need cannot exceed the actual increase in costs to the family as a result of the special need. Actual costs must be verified at redetermination on the SAWS 2 except that if special need allowance guidelines established below are utilized, the county may authorize payment at the rate indicated without verification of actual cost. However, the special need may be resubstantiated more often considering the type of need and potential for change.

(ARCO) The total allowance which is available for each AU per month for all recurring special needs shall not exceed the amount resulting from multiplying \$10 by the number of persons in the AU.

.21 (Continued)

.6 Pregnancy Special Needs (Continued)

.63 Eligible Applicants

(SAR) .631 A pregnant woman with no eligible children who has applied for CalWORKs, is in her third trimester, and is eligible to receive CalWORKs shall be entitled to receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Sections 44-316.312(d)(SAR) and 44-318.15(SAR)).

(SAR) .632 A pregnant teen with no other eligible children in an AU of one who is under the age of 19, has not obtained a high school diploma or its equivalent and is otherwise eligible to receive CalWORKs, shall receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(SAR) and 44-318.15 (SAR)).

(SAR) .633 A pregnant woman who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the semi-annual period in which the child is expected to be born once required verification has been provided. If the birth of the child is voluntarily reported mid-period, the pregnancy special need payment shall

be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(SAR) and 44-318.15 (SAR)).

(AR/CO) A pregnant mother who has applied for CalWORKs as part of an AU with other eligible persons or was the caretaker of a person in accordance with Section 82-820.22 and who is eligible shall be entitled to receive the pregnancy special need payment from the date of application through the end of the AR/CO Payment Period in which the child is expected to be born once required verification has been provided. When the birth of the child is reported mid-period, the pregnancy special need payment shall be discontinued at the end of the month prior to the month in which the newborn is added into the AU (see Section 44-316.312(d)(AR/CO) and 44-318.15 (AR/CO)).

.64 Eligible Recipients

(SAR) .641 The pregnancy special need payment for a pregnant woman who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the semi-annual period in which the child is expected to be born or the end of the month prior to the newborn being added to the AU, pursuant to Section 44-318.15(SAR), once required verification has been provided.

(AR/CO) The pregnancy special need payment for a pregnant teen mother who is receiving CalWORKs in an AU with eligible persons shall be granted from the month of the request continuing through the end of the AR/CO Payment Period in which the child is expected to be born or the end of the month prior to the newborn being added to the AU, pursuant to Section 44-318.15(AR/CO), once required verification has been provided.

.642 (Continued)

Authority cited: Sections 10553, 10554, 10604, 11209, and 11450(f) and (g), Welfare and Institutions Code.

Reference: Sections 11056, 11155.2(a), 11265.1, 11265.2, 11265.3, 11266(a)(2), 11271, 11272, 11273, and 11273(b), 11450(a)(1), (b), (c), and (f), 11450(f)(2)(A)(i), 11450(f)(2)(B), 11450(f)(2)(C), 11450(f)(2)(E)(i), (ii), (iii), (v), and (vi), 11450.5, 11452.018(a), and 11453.2, Welfare and Institutions Code; 45 CFR 206.10(a)(1)(ii), 45 CFR 206.10(a)(8), 45 CFR 233.10(a)(1)(iv), 45 CFR 233.20(a)(2)(v)(A), 45 CFR 234.11, 45 CFR 234.60; and 42 U.S.C.A., Section 606(b).

Amend Section 44-304 to read:

44-304 AID PAYMENT SCHEDULES (Continued)

44-304

.5 Standard Delivery Dates

.51 Semimonthly Delivery

The county shall deliver ongoing payments as follows when the county has selected semimonthly delivery:

(SAR) .511 First Warrant

The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the SAR Payment Period unless the county received the completed SAR 7 after the tenth day prior to the end of the SAR Submit Month or if the annual redetermination is not completed by the 15th day of the month in which it is due.

(SAR)

If the completed SAR 7 is received after the tenth day prior to the end of the SAR Submit Month, but on or before the first day of the next SAR Payment Period, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next SAR Payment Period if possible, but no later than the tenth calendar day of the first month of the next SAR Payment Period.

(SAR)

If the annual redetermination is not completed by the 15th day of the month in which it is due, but on or before the last day of that month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next SAR Payment Period if possible, but no later than the tenth calendar day of the first month of the next SAR Payment Period.

(ARCO) First Warrant

The county shall place the first warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by

the first day of each month of the AR/CO Payment Period unless the annual redetermination is not completed by the 15th day of the month in which it is due.

(AR/CO)

If the annual redetermination is not completed by the 15th day of the month in which it is due, but on or before the last day of that month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next AR/CO Payment Period if possible, but no later than the tenth calendar day of the first month of the next AR/CO Payment Period.

(SAR) .512 Second Warrant

The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by no later than the 15th calendar day of each month of the SAR Payment Period.

(AR/CO)

The county shall place the second warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by no later than the 15th calendar day of each month of the AR/CO Payment Period.

(SAR) .52 Monthly Delivery

The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of each month of the SAR Payment Period unless the completed SAR 7 is received after the tenth day prior to the end of the QR Submit Month or if the annual redetermination is not completed by the 15th day of the month in which it is due.

(SAR)

If the completed SAR 7 is received after the tenth day prior to the end of the SAR Submit Month, but on or before the first day of the next SAR Payment Period, the county shall not delay the payment and shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be received by the first day of the first month of the next SAR Payment Period if possible, but not later

than the tenth day of the first month of the next SAR Payment Period.

(SAR)

If the annual redetermination is not completed by the 15th day of the month in which it is due, but on or before the last day of that month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next SAR Payment Period if possible, but no later than the tenth calendar day of the first month of the next SAR Payment Period.

(AR/CO)

The county shall place the warrant in the mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the AR/CO Payment Period unless the annual redetermination is not completed by the 15th day of the month in which it is due.

(AR/CO)

If the annual redetermination is not completed by the 15th day of the month in which it is due, but on or before the last day of that month, the county shall not delay the payment and shall place the warrant in the mail or forward the first direct deposit electronic fund transfer in time to be available to the recipient by the first calendar day of the first month of the next AR/CO Payment Period if possible, but no later than the tenth calendar day of the first month of the next AR/CO Payment Period.

.53

(Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063(a), 10072, 10553, 10554, 11006.2, 11251.3, 11265.1, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 44-305 to read:

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

44-305

.2 Alternate Payment System (Continued)

.23 Aid payments to CalWORKs families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:

(SAR) .231 The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the assigned SAR Payment Period, unless the county received the completed SAR 7 after the tenth day prior to the end of the assigned SAR Submit Month or the annual redetermination is not completed by the 15th day of the SAR Submit Month. If the SAR 7 is received after the tenth day prior to the end of the assigned SAR Submit Month or the annual redetermination is completed after the 15th day of the SAR Submit Month, but before benefits are discontinued, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the next assigned SAR Payment Period if possible, but not later than the tenth day of the first month of the next assigned SAR Payment Period.

(AR/CO) The county shall issue the first aid payment by mail or forward the direct deposit electronic fund transfer in time to be available to the recipient by the first day of each month of the assigned AR/CO Payment Period, unless the annual redetermination is not completed by the 15th day of the AR/CO Submit Month. If the annual redetermination is completed after the 15th day of the AR/CO Submit Month, but before benefits are discontinued, the county shall not delay the payment and shall issue the first aid payment in time to be available to the recipient by the first day of the next assigned AR/CO Payment Period if possible, but not later than the tenth day of the first month of the next assigned AR/CO Payment Period.

.232 (Continued)

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; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12 (a)(1)(vii)].

Amend Section 44-313 to read:

44-313 BUDGETING METHODS FOR CalWORKs

44-313

(SAR) Budgeting is the activity used to compute the aid payments for a SAR Payment Period for which eligibility exists using net nonexempt income, (see Chapter 44-100) that is reasonably anticipated to be received in the SAR Payment Period. The budgeting method used is prospective budgeting.

(ARCO) Budgeting is the activity used to compute the aid payments for an AR/CO Payment Period for which eligibility exists using net nonexempt income, (see Chapter 44-100) that is reasonably anticipated to be received in the AR/CO Payment Period. The budgeting method used is prospective budgeting.

Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility (see Section 44-207 and 44-316.324), are considered on a prospective basis.

.1 Prospective Budgeting

(SAR) .11 Prospective budgeting is the method of computing an aid payment for a SAR Payment Period using income that is reasonably anticipated to be received in that period (see Section 44-315.31(SAR)) except for those mid-period changes where actual income is used as specified in Section 44-316.311(SAR).

(ARCO) Prospective budgeting is the method of computing an aid payment for an AR/CO Payment Period using income that is reasonably anticipated to be received in that period (see Section 44-315.31(AR/CO)) except for those mid-period changes where actual income is used as specified in Section 44-316.311(AR/CO).

(SAR) .111 Income from the SAR Data Month, anticipated changes in income from the SAR Data Month, and mid-period income changes as specified in Section 44-316(SAR) shall be considered when determining eligibility and cash aid for a SAR Payment Period. Documentation shall be entered in the case that explains how income was projected in determining cash aid calculations. Case narrative entries shall include, but are not limited to, the following:

(SAR) (a) Income the recipient reports that he/she received in the SAR Data Month.

(SAR) (b) Any changes in income from the Data Month that the recipient reasonably anticipates receiving in the SAR Payment Period as reported on the SAR 7 or annual redetermination.

(SAR) (c) Documentation of the reasons for not accepting the recipient's reasonably anticipated income if the information is questionable.

(SAR) (d) Other information used to determine what income will be used in the cash aid calculations (verifications, employers' statements, case history, etc.) if the recipient's reasonably anticipated income is not used.

(AR/CO) Income from the AR/CO Data Month, anticipated changes in income from the AR/CO Data Month, and mid-period income changes as specified in Section 44-316(AR/CO) shall be considered when determining eligibility and cash aid for an AR/CO Payment Period. Documentation shall be entered in the case that explains how income was projected in determining cash aid calculations. Case narrative entries shall include, but are not limited to, the following:

(AR/CO)(a) Income the recipient reports that he/she received in the AR/CO Data Month.

(AR/CO)(b) Any changes in income from the Data Month that the recipient reasonably anticipates receiving in the AR/CO Payment Period as reported mid-period or at annual redetermination.

(AR/CO)(c) Documentation of the reasons for not accepting the recipient's reasonably anticipated income if the information is questionable.

(AR/CO)(d) Other information used to determine what income will be used in the cash aid calculations (verifications, employers' statements, case history, etc.) if the recipient's reasonably anticipated income is not used.

.12 Prospective budgeting shall be used to compute:

(SAR) .121 The CalWORKs grant for each month in a SAR Payment Period.

(AR/CO) The CalWORKs grant for each month in an AR/CO Payment Period.

.2 Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit

(SAR) .21 The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with Section 44-316.312(b)(SAR) for each month of the SAR Payment Period.

(AR/CO) The income of a new person who is added to an existing AU shall be budgeted prospectively in accordance with Section 44-316.325(a)(AR/CO) for each month of the AR/CO Payment Period.

.22 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2, 11265.3, 11265.46, and 11450.5, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 44-315 to read:

44-315	AMOUNT OF AID (Continued)	44-315
.3	Amount of Grant	The county shall calculate the amount of grant as follows:
(SAR) .31	Reasonably Anticipated Monthly Income	The reasonably anticipated monthly income shall be used to determine cash aid for the SAR Payment Period.
(AR/CO)	Reasonably Anticipated Monthly Income	The reasonably anticipated monthly income shall be used to determine cash aid for the AR/CO Payment Period.
(SAR) .311		Income shall be considered to be reasonably anticipated if the county determines that:
(SAR) (a)		The income has been or will be approved or authorized within the next SAR Payment Period, or the household is otherwise reasonably certain that the income will be received within the SAR Payment Period; and
(SAR) (b)		The amount of the income is known; and
(SAR) (c)		The start date of the income is known.
(AR/CO).311		Income shall be considered to be reasonably anticipated if the county determines that:
(AR/CO)(a)		The income has been or will be approved or authorized within the next AR/CO Payment Period, or the household is otherwise reasonably certain that the income will be received within the AR/CO Payment Period;
(AR/CO)(b)		The amount of the income is known; and
(AR/CO)(c)		The start date of the income is known.
(SAR) .312		If necessary, the county may require the recipient to provide one or more months of the previous period's income when the county needs more information to

determine what income is reasonably anticipated for the next SAR Payment Period.

(AR/CO).312

If necessary, the county may require the recipient to provide one or more months of the previous period's income when the county needs more information to determine what income is reasonably anticipated for the next AR/CO Payment Period.

(SAR) .313

That portion of the AU's income which is uncertain or cannot be reasonably anticipated, in accordance with Section 44-101(c)(1)(SAR), will not be counted when determining income eligibility and cash aid.

(AR/CO).313

That portion of the AU's income which is uncertain or cannot be reasonably anticipated, in accordance with Section 44-101(c)(1)(AR/CO), will not be counted when determining income eligibility and cash aid.

(SAR) .314 Determine if Income Will Continue or Be Different

The county shall determine whether the reasonably anticipated monthly income is expected to be different from the income reported for the SAR Data Month for one or more months during the next SAR Payment Period or whether the monthly income reported for the SAR Data Month is expected to continue during the next SAR Payment Period.

(AR/CO).314 Determine if Income Will Continue or Be Different

The county shall determine whether the reasonably anticipated monthly income is expected to be different from the income reported for the AR/CO Data Month for one or more months during the next AR/CO Payment Period or whether the monthly income reported for the AR/CO Data Month is expected to continue during the next AR/CO Payment Period.

.315 Income Expected to Continue

(SAR) (a) Weekly/
Bi-Weekly
Payments

Under the following circumstances the county shall add weekly or bi-weekly (every other week) Data Month income amounts reported on the SAR 7 or the SAWS 2 and divide that total by the number

of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor (see Section 44-315.315(b)) shall be applied:

(SAR) (1) An AU reports on the SAR 7 or SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming SAR Payment Period compared to the Data Month income actually reported on the SAR 7 or SAWS 2, and the county is in agreement with the AU's report of no change in income; or

(SAR) (2) An AU reports on the SAR 7 or SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming SAR Payment Period, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next SAR Payment Period will not change from what was reported in the Data Month on the SAR 7 or SAWS 2; or

(SAR) (3) An AU reports on the SAR 7 or SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming SAR Payment Period and the new amount is known and the frequency of pay is anticipated to remain the same for the SAR Payment Period and the county is in agreement with the AU's report of the change in income.

(ARCO)(a) Weekly/
Bi-Weekly
Payments Under the following circumstances the county shall add weekly or bi-weekly (every other week) Data Month income amounts reported on the SAWS 2 and divide that total by the number of pay periods in the Data Month to arrive at an average weekly or bi-weekly income amount to which the conversion factor (see Section 44-315.315(b)) shall be applied:

(ARCO)(1) An AU reports on the SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it does not anticipate any changes in income in the upcoming AR/CO Payment Period compared to the Data Month income actually reported on the

SAWS 2, and the county is in agreement with the AU's report of no change in income; or

(AR/CO)(2)

An AU reports on the SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming AR/CO Payment Period, but the county determines in its follow-up review that the AU's reasonably anticipated income in the next AR/CO Payment Period will not change from what was reported in the Data Month on the SAWS 2; or

(AR/CO)(3)

An AU reports on SAWS 2 that it is paid on a weekly or bi-weekly basis and indicates that it anticipates changes in income in the upcoming AR/CO Payment Period and the new amount is known and the frequency of pay is anticipated to remain the same for the AR/CO Payment Period and the county is in agreement with the AU's report of the change in income.

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(SAR) Example 1:

The recipient reports on the SAR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95. The recipient also indicated on the SAR 7 that his/her income is not expected to change during the next SAR Payment Period compared to the income reported on the SAR 7. The county will add the four weeks of income together ($\$115 + \$100 + \$135 + \$95 = \$445$), divide by four ($\$445 / 4 = \111.25) and then factor the resultant amount by 4.33 ($\$111.25 \times 4.33 = \481.71) (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next SAR Payment Period. If five pay periods were reported in the Data Month on the SAR 7, the county will add each week together and divide by five and then factor the resultant amount by 4.33.

(AR/CO) Example 1:

The recipient reports on the SAWS 2 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95. The recipient also indicated on the SAWS 2 that his/her income is not expected to change during the next AR/CO

Payment Period compared to the income reported on the SAWS 2. The county will add the four weeks of income together ($\$115 + 100 + 135 + 95 = \445), divide by four ($\$445 / 4 = \111.25) and then factor the resultant amount by 4.33 ($\$111.25 \times 4.33 = \481.71) (use the appropriate conversion factor for the payment frequency) to arrive at the monthly income amount for the next AR/CO Payment Period. If five pay periods were reported in the Data Month on the SAWS 2, the county will add each week together and divide by five and then factor the resultant amount by 4.33.

(SAR) Example 2: A recipient indicates on the SAR 7 that weekly income of \$100 was received in the Data Month and explains on the SAR 7 that this income amount will not continue during the upcoming SAR Payment Period because the recipient hopes to get a new job soon but has no firm offer. Due to the speculative nature of the new job, the county determines that the income reported in the Data Month on the SAR 7 is reasonably anticipated to continue during the next SAR Payment Period. Therefore, the county would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount of \$433 for the next SAR Payment Period. (In this example, because the \$100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary.)

(ARCO) Example 2: A recipient indicates on the SAWS 2 that weekly income of \$100 was received in the Data Month and explains on the SAWS 2 that this income amount will not continue during the upcoming AR/CO Payment Period because the recipient hopes to get a new job soon but has no firm offer. Due to the speculative nature of the new job, the county determines that the income reported in the Data Month on the SAWS 2 is reasonably anticipated to continue during the next AR/CO Payment Period. Therefore, the county would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount of \$433 for the next AR/CO Payment Period. (In this example, because

the \$100 weekly amount remains the same for each pay period, the step requiring that the weekly amounts be added together and divided by the number of pay periods is not necessary.)

(SAR) Example 3: The SAR Payment Period is January through June. A recipient indicates on the May SAR 7 that bi-weekly income of \$200 was received in the Data Month and explains on the SAR 7 that this income amount will increase to a bi-weekly amount of \$250 beginning in the Submit Month of June and will continue at that amount. The county agrees with the recipient's SAR 7 information and applies the 2.167 conversion factor to the \$250 bi-weekly amount to arrive at the monthly income amount of \$541.75 for the next SAR Payment Period. (In this example, because the \$250 bi-weekly amount remains the same for each pay period, the step requiring that the bi-weekly amounts be added together and divided by the number of pay periods is not necessary.)

(ARCO) Example 3: The AR/CO Payment Period is July through June. A recipient indicates on the May SAWS 2 that bi-weekly income of \$200 was received in the Data Month and explains on the SAWS 2 that this income amount will increase to a bi-weekly amount of \$250 beginning in the Submit Month of June and will continue at that amount. The county agrees with the recipient's SAWS 2 information and applies the 2.167 conversion factor to the \$250 bi-weekly amount to arrive at the monthly income amount of \$541.75 for the next AR/CO Payment Period. (In this example, because the \$250 bi-weekly amount remains the same for each pay period, the step requiring that the bi-weekly amounts be added together and divided by the number of pay periods is not necessary.)

(SAR) Example 4: The SAR Payment Period is January through June. A recipient indicates on the June SAWS 2 that their current weekly income of \$150 will only continue through August, when their summer job will end. The county agrees with the recipient's SAWS 2 information and applies the 4.33 conversion factor to the \$150 weekly amount to arrive at the monthly income amount of \$649.50 for the months of July

and August. No income will be used for the months of September through December.

(AR/CO) Example 4: The AR/CO Payment Period is July through June. A recipient indicates on the June SAWS 2 that their current weekly income of \$150 will only continue through August, when their summer job will end. The recipient does not anticipate any other income for the remainder of the AR/CO Payment Period, including next summer. The county agrees with the recipient's SAWS 2 information and applies the 4.33 conversion factor to the \$150 weekly amount to arrive at the monthly income amount of \$649.50 for the months of July and August. No income will be used for the months of September through June.

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(b) The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion factor for weekly payments and a 2.167 conversion factor for payments received bi-weekly.

(SAR) (c) The conversion factors can only be used if weekly or bi-weekly payments are reasonably anticipated to continue throughout the SAR Payment Period.

(AR/CO) (c) The conversion factors can only be used if weekly or bi-weekly payments are reasonably anticipated to continue throughout the AR/CO Payment Period.

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(SAR) Example: The recipient reports on the SAR 7 that she is paid on a weekly basis except she only works three weeks in a month and indicates that this frequency of pay will remain the same throughout the next SAR Payment Period and will remain unchanged throughout the next SAR Payment Period. She is typically paid \$115, \$100, and \$135. The county will add the three weeks of income together ($\$115 + \$100 + \$135 = \350) to arrive at a reasonably anticipated monthly income for the next SAR Payment Period. Since income is not paid every

week of the SAR Payment Period, the conversion factor cannot be applied.

(AR/CO) Example: The recipient reports on the SAWS 2 that she is paid on a weekly basis except she only works three weeks in a month and indicates that this frequency of pay will remain the same throughout the next AR/CO Payment Period and will remain unchanged throughout the next AR/CO Payment Period. She is typically paid \$115, \$100, and \$135. The county will add the three weeks of income together ($\$115 + 100 + 135 = \350) to arrive at a reasonably anticipated monthly income for the next AR/CO Payment Period. Since income is not paid every week of the AR/CO Payment Period, the conversion factor cannot be applied.

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(SAR) (d) Monthly/
Semi-Monthly Payments For income that is received monthly or semi-monthly (two times a month) and is expected to continue, the county shall use the total monthly income amount reported on the SAR 7 or the SAWS 2 for the SAR Data Month to calculate cash aid for the next SAR Payment Period. The conversion factors shall not be used for income that is received monthly or semi-monthly.

(AR/CO)(d) Monthly/
Semi-Monthly Payments For income that is received monthly or semi-monthly (two times a month) and is expected to continue, the county shall use the total monthly income amount reported on the SAWS 2 for the AR/CO Data Month to calculate cash aid for the next AR/CO Payment Period. The conversion factors shall not be used for income that is received monthly or semi-monthly.

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(SAR) Example: The recipient reports on the SAWS 2 that monthly income of \$500 received in the SAR Data Month will continue for the SAR Payment Period. The county shall use the \$500 monthly income total to calculate cash aid.

(AR/CO) Example: The recipient reports on the SAWS 2 that monthly income of \$500 received in the AR/CO Data Month will continue for the AR/CO Payment Period. The county shall use the \$500 monthly income total to calculate cash aid.

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(SAR) .316 Income Expected to Change For income that is reasonably anticipated to change during the SAR Payment Period, the current monthly income amount shall be used to calculate the grant for the months in which it is reasonably anticipated to be received. When a change in income is reported, the new amount of income shall be used to calculate the grant for the months of the SAR Payment Period in which it is reasonably anticipated to be received.

(SAR) If this income is paid on a weekly or bi-weekly basis, the county shall convert the income into a monthly amount as described in Section 44-315.315(a)(SAR) to compute the reasonably anticipated income to use for each month of the SAR Payment Period.

(AR/CO).316 Income Expected to Change For income that is reasonably anticipated to change during the AR/CO Payment Period, the current monthly income amount shall be used to calculate the grant for the months in which it is reasonably anticipated to be received. When a change in income is reported, the new amount of income shall be used to calculate the grant for the months of the AR/CO Payment Period in which it is reasonably anticipated to be received.

(AR/CO) If this income is paid on a weekly or bi-weekly basis, the county shall convert the income into a monthly amount as described in Section 44-315.315(a)(AR/CO) to compute the reasonably anticipated income to use for each month of the AR/CO Payment Period.

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(SAR) Example: A recipient is in a January through June SAR Payment Period. The recipient indicates on the June

SAR 7 that weekly income of \$100 per week was received in the SAR Data Month and that this income will increase to \$150 per week beginning in August.

The \$100 weekly income will be converted to a monthly amount ($\$100 \times 4.33 = \433) and used to determine the benefit amount for the month of July.

The \$150 weekly income will be converted to a monthly amount ($\$150 \times 4.33 = \649^*) and used to determine the benefit amount for the remaining months of the SAR Payment Period (August through December).

*50% Earned Income Disregard and Net non-exempt income must be rounded down to the nearest dollar amount per MPP Section 44-315.34.

(AR/CO) Example:

A recipient is in a July through June AR/CO Payment Period. The recipient indicates on the June SAWS 2 that weekly income of \$100 per week was received in the AR/CO Data Month and that this income will increase to \$150 per week beginning in August.

The \$100 weekly income will be converted to a monthly amount ($\$100 \times 4.33 = \433) and used to determine the benefit amount for the month of July.

The \$150 weekly income will be converted to a monthly amount ($\$150 \times 4.33 = \649^*) and used to determine the benefit amount for the remaining months of the AR/CO Payment Period (August through June).

*50% Earned Income Disregard and Net non-exempt income must be rounded down to the nearest dollar amount per MPP Section 44-315.34.

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(SAR) (a) Income Expected to Fluctuate after Data Month

If an AU/household's monthly income fluctuates or they expect the income received in the Data Month to change in the upcoming SAR Payment Period, the CWD must attempt to find out the amount of income the AU/household reasonably expects to receive, in order to determine what income, if any, can be reasonably anticipated and used in the next SAR Payment Period's benefit calculation. Only that portion of income that the AU/household reasonably anticipates it will receive can be used in the benefit calculation.

New income cannot be anticipated unless the AU/household is reasonably certain of the amount of income and the start date. If an AU/household reports that they expect their income to change or stop, but are uncertain of when or by how much, the CWD cannot reasonably anticipate this change. However, if the recipient states that the Data Month income is not typical, explains why, and lists an estimate of future income, barring any information to the contrary, the recipient's estimate of future income should be used. Additionally, if the recipient states that their income fluctuates so much that they can't anticipate any income, no income will be counted. If the CWD disagrees that the income is too unpredictable to anticipate, it must explore with the applicant or recipient what amount, if any, can be reasonably anticipated and document the basis for the amount used in the case narrative.

(AR/CO)(a) Income Expected to Fluctuate after Data Month

If an AU/household's monthly income fluctuates or they expect the income received in the Data Month to change in the upcoming AR/CO Payment Period, the CWD must attempt to find out the amount of income the AU/household reasonably expects to receive, in order to determine what income, if any, can be reasonably anticipated and used in the next AR/CO Payment Period's benefit calculation. Only that portion of income that the AU/household reasonably anticipates it will receive can be used in the benefit calculation.

New income cannot be anticipated unless the AU/household is reasonably certain of the amount of income and the start date. If an AU/household

reports that they expect their income to change or stop, but are uncertain of when or by how much, the CWD cannot reasonably anticipate this change. However, if the recipient states that the Data Month income is not typical, explains why, and lists an estimate of future income, barring any information to the contrary, the recipient's estimate of future income should be used. Additionally, if the recipient states that their income fluctuates so much that they can't anticipate any income, no income will be counted. If the CWD disagrees that the income is too unpredictable to anticipate, it must explore with the applicant or recipient what amount, if any, can be reasonably anticipated and document the basis for the amount used in the case narrative.

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(SAR) Example 1: Recipient provides a SAR 7 with four check stubs for the Data Month of varying amounts (\$50, \$150, \$75, and \$500). There were five weeks in that month, and for one week, he reports no earnings at all. He works on call and has no idea when he will be called in. The worker reviews the case and confirms that the recipient had periods of no income in the past. The worker then carefully documents the basis for being unable to reasonably anticipate *any* income, and budgets no income for the upcoming SAR Payment Period. The recipient must report income above the IRT in accordance with requirements, but any other mid-period income report is voluntary.

(SAR) Example 2: Using the same employment scenario as above, except that the recipient reports that he expects to earn at least \$150/month. The CWD shall accept this statement, unless there is a reason to find it questionable. The worker must document the basis for using the estimate or document the reason for using a different amount. (For example: Past earning history shows that the recipient has always earned at least that amount, and although there were periods of higher earnings, they were sporadic). The recipient must report income above the IRT in accordance with requirements, but any other mid-period income report is voluntary. The recipient

can also report mid-period if his income does not reach \$150 and the grant amount shall be supplemented, as necessary.

(ARCO) Example 1: Recipient provides a SAWS 2 with four check stubs for the Data Month of varying amounts (\$50, \$150, \$75, and \$500). There were five weeks in that month, and for one week, he reports no earnings at all. He works on call and has no idea when he will be called in. The worker reviews the case and confirms that the recipient had periods of no income in the past. The worker then carefully documents the basis for being unable to reasonably anticipate any income, and budgets no income for the upcoming AR/CO Payment Period. The recipient must report income above the IRT in accordance with requirements, but any other mid-period income report is voluntary.

(ARCO) Example 2: Using the same employment scenario as above, except that the recipient reports that he expects to earn at least \$150/month. The CWD shall accept this statement, unless there is a reason to find it questionable. The worker must document the basis for using the estimate or document the reason for using a different amount. (For example: Past earning history shows that the recipient has always earned at least that amount, and although there were periods of higher earnings, they were sporadic). The recipient must report income above the IRT in accordance with requirements, but any other mid-period income report is voluntary. The recipient can also report mid-period if his income does not reach \$150 and the grant amount shall be supplemented, as necessary.

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(SAR) .317	Determination of Aid Based on Mid-Period Changes	When a recipient mid-period report or a county initiated action changes the amount of cash aid, except as provided in Section 44-316.312(a)(3) (SAR), the county shall determine the grant amount by determining the monthly income that is reasonably anticipated for each remaining month of the SAR Payment Period. The county shall use the reasonably anticipated monthly income to calculate
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cash aid for the remaining months of the SAR Payment Period.

(AR/CO).317 Determination of Aid Based on Mid-Period Changes When a recipient mid-period report or a county initiated action changes the amount of cash aid, except as provided in Section 44-316.312(a)(3) (AR/CO), the county shall determine the grant amount by determining the monthly income that is reasonably anticipated for each remaining month of the AR/CO Payment Period. The county shall use the reasonably anticipated monthly income to calculate cash aid for the remaining months of the AR/CO Payment Period.

.32 "Family" MAP Determine the Maximum Aid Payment (MAP) for all family members whose needs are considered in the payment month. The MAP is set forth in Welfare and Institutions Code Section 11450.

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.321 MBSAC and MAP Levels***

(a) REGION 1 MBSAC/MAP STANDARDS

<u># in AU</u>	<u>MBSAC</u>	<u>EXEMPT MAP*</u>	<u>NONEXEMPT MAP*</u>
1	\$591	\$369	\$333
2	\$968	\$606	\$542
3	\$1,200	\$750	\$670
4	\$1,424	\$891	\$800
5	\$1,626	\$1,014	\$909
6	\$1,828	\$1,140	\$1,021
7	\$2,009	\$1,252	\$1,122
8	\$2,187	\$1,366	\$1,222
9	\$2,372	\$1,475	\$1,321
10 or more**	\$2,575	\$1,586	\$1,419

REGION 2 MBSAC/MAP STANDARDS

<u># in AU</u>	<u>MBSAC</u>	<u>EXEMPT MAP*</u>	<u>NONEXEMPT MAP*</u>
1	\$560	\$351	\$315
2	\$920	\$578	\$515
3	\$1,139	\$715	\$638
4	\$1,355	\$849	\$761
5	\$1,547	\$969	\$866
6	\$1,739	\$1,087	\$972
7	\$1,907	\$1,194	\$1,067
8	\$2,082	\$1,301	\$1,164
9	\$2,249	\$1,407	\$1,258
10 or more**	\$2,449	\$1,511	\$1,350

* See MPP Section 89-110.2 for definition of Exempt and Nonexempt AUs.

** For MBSAC add twenty two dollars (\$22) for each additional needy person.

*** MBSAC Levels effective 07/01/13, MAP Levels effective 03/01/14, MBSAC levels are subject to annual Cost of Living Adjustments. MAP levels are subject to change. (See Welfare and Institutions Code Sections 11450, 11452, and 11453.)

REGION 1 COUNTIES

REGION 2 COUNTIES

Alameda	Orange	Santa Clara	Alpine	Lake	San Bernardino
Contra Costa	San Diego	Santa Cruz	Amador	Lassen	San Joaquin
Los Angeles	San Francisco	Solano	Butte	Madera	Shasta
Marin	San Luis Obispo	Sonoma	Calaveras	Mariposa	Sierra
Monterey	San Mateo	Ventura	Colusa	Mendocino	Siskiyou
Napa	Santa Barbara		Del Norte	Merced	Stanislaus
			El Dorado	Modoc	Sutter
			Fresno	Mono	Tehama
			Glenn	Nevada	Trinity
			Humboldt	Placer	Tulare
			Imperial	Plumas	Tuolumne
			Inyo	Riverside	Yolo
			Kern	Sacramento	Yuba
			Kings	San Benito	

HANDBOOK ENDS HERE

.33 Add Special (Continued)
Need Payment

.38 Actual Grant Amount The actual grant amount is the lesser of the potential grant amount or the sum of the MAP plus special needs for the AU only.

HANDBOOK BEGINS HERE

.381 (Continued)

.39 Computation Examples

(SAR) Computation of monthly grant amount for the SAR Payment Period when the AU's income reported for the SAR Data Month is expected to continue for the upcoming SAR Payment Period.

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July through December SAR Payment Period. The stepfather reports receiving gross earned income of \$775 in the Data Month of November. The AU has no other income and does not reasonably anticipate any changes in income for the upcoming SAR Payment Period. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly 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*
\$ 800	"Family" MAP for Four (mother, stepfather and two children) Region 1
<u>+ 47</u>	Special Needs AU
\$ 847	Total (MAP plus special needs)
<u>- 275</u>	Net Nonexempt Income
\$ 572	Potential Grant
\$ 670	Nonexempt AU MAP for Three (Region 1)
<u>+ 47</u>	Special Needs for AU
\$ 717	Total MAP plus Special Needs
\$ 572	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

(ARCO) Computation of monthly grant amount for the AR/CO Payment Period when the AU's income reported for the AR/CO Data Month is expected to continue for the upcoming AR/CO Payment Period.

Example 1:

A nonexempt family of four (timed-out mom, stepfather and her two separate children) are in a July through June AR/CO Payment Period. The stepfather reports receiving gross earned income of \$775 in the Data Month of June. The AU has no other income and does not reasonably anticipate any changes in income for the upcoming AR/CO Payment Period. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly 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*

\$ 670	"Family" MAP for Three (stepfather and two children) Region 1
<u>+ 9</u>	Special Needs AU (Therapeutic Diet for one child)
\$ 679	Total (MAP plus special needs)
<u>- 275</u>	Net Nonexempt Income
\$ 404	Potential Grant

\$ 542	Nonexempt AU MAP for Two (Region 1)
<u>+ 9</u>	Special Needs for AU
\$ 551	Total MAP plus Special Needs

\$ 404	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)
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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

(SAR) Computation of monthly grant amount for a SAR Payment Period when the AU's income reported for the SAR Data Month is reasonably anticipated to differ for one or more months of the SAR Payment Period.

Example 2:

A Region 1 nonexempt AU of four is in the July through December SAR Payment Period. Mother completes her redetermination on December 15. On the SAWS 2, 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 \$450 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).

Benefits for the January through July SAR Payment Period are computed based on the income the AU reasonably anticipates it will receive during that period as follows:

Benefits for January will be computed based on earned income of \$900 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 125	Remainder of \$225 DBI Disregard
\$ 900	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less remainder of \$225 Income Disregard
\$ 775	Subtotal
<u>- 387</u>	Less 50% Earned Income Disregard*
\$ 387	NNI*
\$ 800	MAP for AU of Four
<u>- 387</u>	Less NNI*
\$ 413	Monthly Grant for January

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

Benefits for February will be computed based on earned income of \$450 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 125	Remainder of \$225 DBI Disregard
\$ 450	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less remainder of \$225 Income Disregard
\$ 325	Subtotal
<u>- 162</u>	Less 50% Earned Income Disregard*
\$ 162	NNI*
\$ 800	MAP for AU of Four
<u>- 162</u>	Less NNI*
\$ 638	Monthly Grant for February

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

Benefits for March through June will be computed based on earned income of \$0 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 0	Reasonably Anticipated Monthly Earned Income
\$ 0	NNI
\$ 800	MAP for AU of Four
<u>- 0</u>	Less NNI
\$ 800	Monthly Grant for March through June

(AR/CO) Computation of monthly grant amount for an AR/CO Payment Period when the AU's income reported for the AR/CO Data Month is reasonably anticipated to differ for one or more months of the AR/CO Payment Period.

Example 2:

A Region 1 nonexempt child-only AU of four is in the January through December AR/CO Payment Period. Mother completes her redetermination on December 15. On the SAWS 2, 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 \$450 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).

Benefits for the January through December AR/CO Payment Period are computed based on the income the AU reasonably anticipates it will receive during that period as follows:

Benefits for January will be computed based on earned income of \$900 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 125	Remainder of \$225 DBI Disregard

\$ 900	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less remainder of \$225 Income Disregard
\$ 775	Subtotal
<u>- 387</u>	Less 50% Earned Income Disregard*
\$ 387	NNI*

\$ 800	MAP for AU of Four
<u>- 387</u>	Less NNI*
\$ 413	Monthly Grant for January

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

Benefits for February will be computed based on earned income of \$450 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 125	Remainder of \$225 DBI Disregard

\$ 450	Reasonably Anticipated Monthly Earned Income
<u>- 125</u>	Less remainder of \$225 Income Disregard
\$ 325	Subtotal
<u>- 162</u>	Less 50% Earned Income Disregard*
\$ 162	NNI*

\$ 800	MAP for AU of Four
<u>- 162</u>	Less NNI*
\$ 638	Monthly Grant for February

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

Benefits for March through December will be computed based on earned income of \$0 and DBI of \$100 per month:

\$ 100	Reasonably Anticipated Monthly DBI Income
<u>- 225</u>	Less DBI Disregard
0	Net DBI Income
\$ 0	Reasonably Anticipated Monthly Earned Income
\$ 0	NNI

\$ 800	MAP for AU of Four
<u>- 0</u>	Less NNI
\$ 800	Monthly Grant for March through December

(SAR) Mid-Period Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October through March SAR Payment Period. On her previous SAWS 2 received in September, (SAR Data Month for the previous SAR Payment Period was August), mother reported her earned income to be \$600 and that she expected no changes for the next SAR Payment Period. The grant amount for the SAR Payment Period was calculated as follows:

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u>	\$225 Earned Income Disregard
\$ 375	Subtotal
<u>- 187</u>	50% Earned Income Disregard*
\$ 187	Total Net Nonexempt Income*
\$ 670	Non-exempt MAP for Three, Region 1
<u>- 187</u>	Less Net Nonexempt Income*
\$ 483	AU Monthly Grant for the SAR Payment Period

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

On November 25, the mother voluntarily reports that the father moved into the home on November 12. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 a month.

The Mid-Period Grant Calculation for the Remaining Months of the SAR Payment Period Would Be:

\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income
<u>+ 200</u>	Father's Reasonably Anticipated Earned Monthly Income
\$ 800	Total Net Nonexempt Income for the Potential AU
<u>- 225</u>	\$225 Earned Income Disregard
\$ 575	Subtotal
<u>- 287</u>	50% Earned Income Disregard*
\$ 287	Total Net Nonexempt Monthly Income*

\$ 800	Non-exempt MAP for Four, Region 1 (includes eligible father)
<u>- 287</u>	Less Net Nonexempt Income*
\$ 513	AU Monthly Grant Payment for the Remaining Months of the SAR Payment Period

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

Father is added to the existing AU effective December 1 since his addition to the AU will increase the cash aid. Because there is not time to increase the December grant, a supplement of \$30 is issued to the AU for December and the grant is increased to \$513 for the remaining months of the SAR Payment Period.

(AR/CO) Mid-Period Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (timed out mother and three children) is in the October through September AR/CO Payment Period. On her previous SAWS 2 received in September, (AR/CO Data Month for the previous AR/CO Payment Period was August), mother reported her earned income to be \$600 and that she expected no changes for the next AR/CO Payment Period. The grant amount for the AR/CO Payment Period was calculated as follows:

\$ 600	Reasonably Anticipated Monthly Income for the Family
<u>- 225</u>	\$225 Earned Income Disregard
\$ 375	Subtotal
<u>- 187</u>	50% Earned Income Disregard*
\$ 187	Total Net Nonexempt Income*

\$ 670	Non-exempt MAP for Three, Region 1
<u>- 187</u>	Less Net Nonexempt Income*
\$ 483	AU Monthly Grant for the AR/CO Payment Period

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

On November 25, the mother reports her monthly earned income has decreased to \$500 and she does not expect any changes for the remainder of the AR/CO Payment Period.

The Mid-Period Grant Calculation for the Remaining Months of the AR/CO Payment Period Would Be:

\$ 500	Reasonably Anticipated Monthly Income for the Family
- 225	\$225 Earned Income Disregard
<u>\$ 275</u>	Subtotal
- 137	50% Earned Income Disregard*
\$ 137	Total Net Nonexempt Income*
\$ 670	Non-exempt MAP for Three, Region 1
- 137	Less Net Nonexempt Income*
<u>\$ 533</u>	AU Monthly Grant Payment for the Remaining Months of the AR/CO Payment Period

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

The change in monthly grant will be effective December 1. Because there is not time to increase the December grant, a supplement of \$50 is issued to the AU for December and the grant is increased to \$533 for the remaining months of the AR/CO Payment Period.

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.4 Special Needs (Continued)

Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42.

Reference: Sections 10553, 10554, 11004, 11017, 11209, 11253.5(d) and (e), 11254, 11265.2, 11265.3, 11265.46, 11265.8(a), 11323.4, 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5, 11452, 11453, and 11453(a), Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12 (a)(1)(vii)].

Amend Section 44-316 to read:

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

.1 Reserved

.2

(SAR) Prior to the end of each SAR Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current SAR Payment Period and any known income changes in the next SAR Payment Period.

(AR/CO) Prior to the end of each AR/CO Payment Period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant amount from the current AR/CO Payment Period and any known income changes in the next AR/CO Payment Period.

(SAR) .21 For all CalWORKs recipients, such information shall be reported on the SAR 7 or the annual redetermination forms (SAWS 2). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214 and Section 40-181.22(SAR), then the recipient's grant will be terminated in accordance with Section 22-072.

(AR/CO) .21 For all CalWORKs recipients, such information shall be reported on the annual redetermination forms (SAWS 2). If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.214, then the recipient's grant will be terminated in accordance with Section 22-072.

(SAR) .22 The county shall use the SAR 7 or SAWS 2 to determine continued eligibility as specified in Section 40-181.

(AR/CO) .22 The county shall use the SAWS 2 to determine continued eligibility as specified in Section 40-181.

(SAR) .23 Additionally, the county shall compare the SAR 7 or SAWS 2 submitted for that SAR Payment Period to all mid-period reports that were received during that SAR Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAR 7 or SAWS 2.

(AR/CO) .23 Additionally, the county shall compare the SAWS 2 submitted for that AR/CO Payment Period to all mid-period reports that were received during that AR/CO Payment Period to ensure that mid-period circumstances reported are consistent with the circumstances reported on the SAWS 2.

(SAR) .231 If the information reported on the SAR 7 or SAWS 2 is inconsistent with the information provided in any mid-period reports made during the SAR Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAR 7 or SAWS 2 shall be considered incomplete.

(AR/CO).231 If the information reported on the SAWS 2 is inconsistent with the information provided in any mid-period reports made during the AR/CO Payment Period, the county shall take action to resolve the discrepancy. The county shall first attempt to contact the recipient to resolve the discrepancy. If the county is unable to contact the recipient or obtain resolution from such contact, the SAWS 2 shall be considered incomplete.

.3

(SAR) Mid-Period Actions

(SAR) The county shall act on specified changes that occur mid-period. Mid-period changes to cash aid shall be acted on separately and sequentially under semi-annual reporting/prospective budgeting rules and include:

(AR/CO) Mid-Period Actions

(AR/CO) The county shall act on specified changes that occur mid-period. Mid-period changes to cash aid shall be acted on separately and sequentially under annual reporting/prospective budgeting rules and include:

(SAR) .31 Recipient Mid-Period Voluntary Reports

(SAR) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the SAR Payment Period. The county shall also accept a report of decreased income on the SAR 7 or SAWS 2 as a voluntary mid-period report when the SAR 7 or SAWS 2 is received in the Submit Month of the SAR Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAR 7 or SAWS 2 report, the county shall also treat this information as updated SAR 7 or SAWS 2 income information (see Section 44-315.314(SAR)) when determining cash aid for the next SAR Payment Period.

(SAR) The county shall take action on voluntary reports that increase cash aid or recipient requests to voluntarily discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(SAR)), the county shall not take action to change the grant, but shall send a notice pursuant to

Section 22-071.12(SAR). Recipients must provide all verifications within ten days of a voluntary report prior to county action.

(AR/CO) 31 Recipient Mid-Period Voluntary Reports

(AR/CO) Recipients may voluntarily report verbally or in writing, changes in income and circumstances any time during the AR/CO Payment Period. The county shall also accept a report of decreased income on the SAWS 2 as a voluntary mid-period report when the SAWS 2 is received in the Submit Month of the AR/CO Payment Period. When a voluntary report of decreased income is received in the Submit Month outside of the SAWS 2 report, the county shall also treat this information as updated SAWS 2 income information (see Section 44-315.314(AR/CO)) when determining cash aid for the next AR/CO Payment Period.

(AR/CO) The county shall take action on voluntary reports that increase cash aid or recipient requests to voluntarily discontinue their aid. If the grant would decrease (for reasons other than a voluntary discontinuance of aid) or not change based on the voluntary report (except as provided in Section 44-318.152(a)(AR/CO)), the county shall not take action to change the grant, but shall send a notice pursuant to Section 22-071.12. Recipients must provide all verifications within ten days of a voluntary report prior to county action.

(SAR) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the SAR Payment Period, the county must request verification in writing, allowing 10 days.

(SAR) (a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(SAR).

(SAR) (b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.

(SAR) (c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.

(AR/CO) .311 When a voluntary report is made by the recipient regarding changes in income and/or circumstances during the AR/CO Payment Period, the county must request verification in writing, allowing 10 days.

(AR/CO) (a) If the recipient provides verification within the 10 days given in the request for verification notice, the change is effective the first of the month following the voluntary report except as provided in Section 44-316.312(a)(4)(AR/CO).

- (AR/CO)(b) If the recipient does not provide the necessary verification, the county shall send a No Change NOA to the AU.
- (AR/CO)(c) If the recipient provides verification after the 10 days, the date the verification is provided shall be considered the date of the voluntary report.

.312 Recipient voluntary reports include, but are not limited to, the following:

(a) Decreases in Reasonably Anticipated Income

- (1) When an AU voluntarily reports a decrease in income from the amount that was reasonably anticipated to be received, the county shall determine if the AU's cash aid will increase based on the changed income amount.

(SAR) (A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the SAR Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).

(AR/CO)(A) When an AU receives income from more than one source, and reports that its income has decreased, only the income that experienced the decrease shall be recalculated for the current and remaining months of the AR/CO Payment Period. The new grant amount shall be calculated using the existing income that didn't change and the recalculated income (the income that decreased).

(B) When an AU consists of more than one person with income and one person experiences a decrease in income, only the changed income shall be recalculated. The new grant amount shall be based on that person's recalculated income along with the existing AUs reasonably anticipated monthly income that did not change.

- (2) When cash aid would increase due to a voluntarily reported decrease in reasonably anticipated monthly income, the

county shall determine a new monthly grant amount based on the report of decreased income.

(SAR) (3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the SAR Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the SAR Payment Period.

(AR/CO)(3) The county shall use the new reasonably anticipated income for the month in which the decreased income occurred or the month it was reported, whichever is later, and the reasonably anticipated monthly income determined for the rest of the AR/CO Payment Period in recalculating cash aid for the month in which the change was reported and remaining months of the AR/CO Payment Period.

(SAR) (4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(SAR)).

(AR/CO)(4) The county shall issue a supplement within ten days of receiving verification. The supplement shall be based on the difference between the recalculated cash aid and the cash aid that was paid for the month the decrease in income is reported or the month the change actually occurs, whichever is later, and when all verification has been provided (see Section 44-340.3(AR/CO)).

(SAR) (5) The county shall increase the grant amount for the remainder of the SAR Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3)(SAR).

(AR/CO)(5) The county shall increase the grant amount for the remainder of the SAR Payment Period based upon the newly calculated grant in Section 44-316.312(a)(3) (AR/CO).

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(SAR) Example 1:

A non-exempt AU of three, in Region 1 is in the April through September SAR Payment Period and is receiving a grant of \$94 per month. The grant was based on the mother having reasonably anticipated earned income of \$1,377 per month. On June 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of June and anticipates no income for the remainder of the SAR Payment Period. The county requests verification of the job loss and the recipient provides the necessary documentation by June 20. The county shall recalculate her aid for the SAR Payment Period as follows:

\$ 600	June Actual Income
<u>-\$225</u>	Earned Income Disregard
\$ 375	
<u>- 187</u>	50% Earned Income Disregard*
\$187	Net Nonexempt Income for June*
\$670	MAP for three in Region 1
<u>-187</u>	Net Nonexempt Income*
\$483	Grant Amount for June
<u>- 94</u>	June Grant Already Received
\$389	Supplement for June
<u>+ 0</u>	Reasonably Anticipated Income for July through September
\$670	MAP for three in Region 1
\$670	Grant Amount for July through September

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

A supplement of \$389 is issued for the family for the month of June (no later than June 30) and the cash aid is increased to \$670 for July, August, and September.

(ARCO) Example 1:

A non-exempt AU of three, in Region 1 is in the April through March AR/CO Payment Period and is receiving a grant of \$94 per month. The grant was based on the mother having reasonably anticipated earned income of \$1,377 per month. On June 15, the mother reports that she lost her job and will only receive a \$600 paycheck for the month of June and anticipates no income for the remainder of the AR/CO Payment Period. The county requests verification of the job loss and the recipient provides the necessary documentation by June 20. The county shall recalculate her aid for the AR/CO Payment Period as follows:

\$ 600	June Actual Income
<u>- 225</u>	Earned Income Disregard
\$ 375	Subtotal
<u>- 187</u>	50% Earned Income Disregard*
\$ 187	Net Nonexempt Income for June*
\$670	MAP for three in Region 1
<u>-187</u>	Net Nonexempt Income*
\$483	Grant Amount for June*
<u>- 94</u>	June Grant Already Received
\$ 389	Supplement for June
+ 0	Reasonably Anticipated Income for July through September
\$670	MAP for three in Region 1
\$670	Grant Amount for July through September

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

A supplement of \$389 is issued for the family for the month of June (no later than June 30) and the cash aid is increased to \$670 for the remainder of the AR/CO Payment Period (July through March).

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(6) If the AU voluntarily reports a decrease in earnings that resulted from a loss or reduction in hours of employment, and the county determines that the recipient did not have good cause for the job quit/reduction in hours, the county shall impose a sanction pursuant to Section 42-721.4. However, the county shall not wait to increase cash aid due to voluntary report of decreased income while determining if good cause exists before imposing the sanction. See Section 42-721.44 for the time frame for imposing sanctions.

(SAR) (b) Adding Persons to an Existing AU

(SAR) (1) When an AU voluntarily reports a new person in the home, the county shall determine:

(SAR) (A) If the new person is CalWORKs eligible; and

- (SAR) (B) If the new person were added into the AU, the AU would still meet all eligibility conditions; and
- (SAR) (C) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.
- (SAR) (2) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was voluntarily reported in the home and the remaining months of the SAR Payment Period. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.
- (SAR) (3) When aid would increase due to the voluntary report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.
- (SAR) (A) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the SAR Payment Period.
 - (SAR) 1. The new person's income will be determined for the remaining months of the SAR Payment Period. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.
 - (SAR) 2. The new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.
 - (SAR) (B) The county shall increase the grant amount for the month the new person is added and the remaining months of the SAR Payment Period based on the

recalculation of the AU's cash aid (see Section 44-340.3(SAR)).

- (SAR) (4) When adding a new person who would result in an increase in aid, but the new person does not meet all eligibility conditions before aid is authorized, the county shall not add the person nor discontinue the existing AU mid-period.
- (SAR) (5) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall not add the new person until the first day of the next SAR Payment Period that follows the mandatory reporting of the new person on the SAR 7 or SAWS 2, after all verification has been provided and all eligibility conditions have been met (except as provided in Section 82-832.3(SAR)).

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- (SAR) Example: An AU of three (mother and two children) are in a January through June SAR Payment Period. Father, who is disabled and has a part time job, moves into the home February 10 and is voluntarily reported in February by the AU. The county recalculates aid for the SAR Payment Period using the father's reasonably anticipated income for the period and determines the addition of the father would decrease aid for the existing AU. The county does not add the father into the AU mid-period. The county will send a No Change NOA and remind the existing AU to report the father on the SAWS 2, due June 15. If the father is still living in the home, meets all eligibility conditions, and the AU remains eligible, the father will be added into the AU July 1 and his income will be used in the grant calculation for the July through December SAR Payment Period.

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- (SAR) (6) If adding a new person would render the existing AU ineligible, the county shall not take action mid-period to discontinue the existing AU. The county shall discontinue the existing AU, with timely and adequate notice, at the end of the SAR Payment Period in which the new person is mandatorily reported on the SAR 7 or SAWS 2.
- (SAR) (c) Request Discontinuance for Aid to Existing AU Members

(SAR) At any time during the SAR Payment Period, a voluntary request can be made to discontinue the entire AU or any individual AU member who is no longer in the home or is an optional person.

(ARCO)(c) Request Discontinuance for Aid to Existing AU Members

(ARCO) At any time during the AR/CO Payment Period, a voluntary request can be made to discontinue the entire AU.

- (1) If a voluntary request for discontinuance is made verbally, the county shall discontinue cash aid at the end of the month in which timely and adequate notice can be provided.
- (2) If the request for discontinuance was made in writing, the county shall discontinue cash aid at the end of the month with adequate notice.
- (3) If an individual requests discontinuance from an existing AU, the county shall discontinue the individual even when that individual's request results in a decrease in aid for the remaining AU members.

(SAR) (A) The county shall not presume that a mid-period report of an individual leaving the home is a voluntary request for discontinuance of that AU member. In such circumstances, the county shall verify with the AU if the AU is seeking to discontinue that individual, and shall inform the AU that such a discontinuance shall result in decreased cash aid to the remaining AU members.

(SAR) (B) If an individual AU member who has left the home requests a discontinuance, but the AU has not voluntarily reported the departure, the individual's request for discontinuance takes precedence over the AU's decision to not make this voluntary mid-period report.

(d) Request for Recurring Special Needs

(SAR) (1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the SAR

Payment Period in which the special need is expected to end, except as provided in Section 44-211.641 (SAR).

(AR/CO)(1) Recurring special needs that have been requested mid-period and have been verified and approved will begin the first of the month in which either the need was reported or the verification substantiates that the need exists, whichever is later, and shall remain in effect until the end of the AR/CO Payment Period in which the special need is expected to end, except as provided in Section 44-211.641(AR/CO).

(SAR) (2) When an AU member becomes pregnant mid-period, the county shall make payments according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the SAR Payment Period in which the child is expected to be born.

(AR/CO)(2) When a teen AU member becomes pregnant mid-period, the county shall make payments according to existing pregnancy special need rules (see Sections 44-211.6 et seq.) and will continue payment of the special need until the end of the AR/CO Payment Period in which the child is expected to be born.

(SAR) (A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next SAR Payment Period, the county shall continue the pregnancy special need payment until the end of the SAR Payment Period in which the new estimated date of confinement is established or until the newborn is added to the AU. See Section 44-318.15(SAR) for when to add the newborn.

(AR/CO)(A) If the pregnancy is verified to extend beyond the estimated date of confinement and extends into the next AR/CO Payment Period, the county shall continue the pregnancy special need payment until the newborn is added to the AU. See Section 44-318.15(AR/CO) for when to add the newborn.

(SAR) .32 Recipient Mid-Period Mandatory Reports

(SAR) Recipients shall report in person, verbally or in writing, specific changes during the SAR Payment Period within ten (10) days of when the change becomes known to the AU.

(ARCO).32 Recipient Mid-Period Mandatory Reports

(ARCO) Recipients shall report in person, verbally or in writing, specific changes during the AR/CO Payment Period within ten (10) days of when the change becomes known to the AU.

.321 The following occurrences shall be reported by the recipient to the county:

- (a) Drug felony convictions
- (b) Fleeing felon status
- (c) Violation of conditions of probation or parole
- (d) Address changes (Continued)
- (e) Income exceeding the lowest of three levels of the Income Reporting Threshold (IRT)

(ARCO)(f) Changes in household composition

.322 The county shall discontinue cash aid to the recipient at the end of the month in which timely and adequate notice can be provided when changes specified in Sections 44-316.321(a), (b), and (c) are reported.

.323 The county shall act on address changes, in accordance with regulations and procedures regarding changes of residence.

.324 Income Reporting Threshold (IRT)

- (a) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income. There are three tiers of the IRT under semi-annual and annual reporting, the lowest of which will be the AU's current IRT amount:
 - (1) 55 percent of the Federal Poverty Level for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount.
 - (2) The amount of income likely to render the AU ineligible for CalWORKs benefits.

- (3) 130 percent of the Federal Poverty Level or the level at which a household becomes financially ineligible for federal SNAP benefits (called CalFresh in California).

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There are three tiers of the IRT under SAR and AR/CO, the **LOWEST** of which will be the AU's current IRT:

- 1) Tier one: 55 percent of the monthly income of a family of three at the Federal Poverty Level (FPL) plus the amount of income last used to calculate the AU's grant. (100 percent of the current FPL for a family of 3 as of 12-1-13 is \$1,628. 55 percent of 1,628 = \$895. This figure will be updated annually when the FPL is updated.)
 - a. This tier is an **INCREASE** in income of \$895.
 - b. This tier is the same for all AU sizes, exempt and non-exempt, in Region 1 and 2.
 - c. Income over tier one of the IRT will usually only result in a decrease to the benefit amount and will not usually result in the AU losing eligibility for aid.

Example: Tier One of the CalWORKs IRT based on various income amounts	
Income	IRT (\$895 + income)
\$0	\$895 (\$895 + \$0 = \$895)
\$50	\$945 (\$895 + \$50 = \$945)
\$100	\$995 (\$895 + \$100 = \$995)
\$200	\$1,095 (\$895 + \$200 = \$1,095)
\$300	\$1,195 (\$895 + \$300 = \$1,195)
\$400	\$1,295 (\$895 + \$400 = \$1,295)
\$500	\$1,395 (\$895 + \$500 = \$1,395)
\$600	\$1,495 (\$895 + \$600 = \$1,495)
\$750	\$1,645 (\$895 + \$750 = \$1,645)
\$1,000	\$1,895 (\$895 + \$1,000 = \$1,895)
\$1,500	\$2,395 (\$895 + \$1,500 = \$2,395)

2) **Tier two:** The level likely to render an AU ineligible for CalWORKs benefits:

Assistance Unit Size	*Maximum Earned Income Limit Region 1, Non-Exempt	*Maximum Earned Income Limit Region 1, Exempt
0	\$ 227	\$ 227
1	\$ 892	\$ 964
2	\$1,310	\$1,438
3	\$1,566	\$1,726
4	\$1,826	\$2,008
5	\$2,044	\$2,254
6	\$2,268	\$2,506
7	\$2,470	\$2,730
8	\$2,670	\$2,958
9	\$2,868	\$3,176
10 or more	\$3,064	\$3,398

Assistance Unit Size	*Maximum Earned Income Limit Region 2, Non-Exempt	*Maximum Earned Income Limit Region 2, Exempt
0	\$ 227	\$ 227
1	\$ 856	\$ 928
2	\$1,256	\$1,382
3	\$1,502	\$1,656
4	\$1,748	\$1,924
5	\$1,958	\$2,164
6	\$2,170	\$2,400
7	\$2,360	\$2,614
8	\$2,554	\$2,828
9	\$2,742	\$3,040
10 or more	\$2,926	\$3,248

*Formula: MAP X 2 + \$225 + 1

(Example: Non-exempt MAP for an AU of 3 in Region 1 is \$670. $670 \times 2 + 225 + 1 = \$1,566.$)

3) **Tier Three:** The level likely to render a family ineligible for federal SNAP benefits. (130 percent of FPL. This Chart will be updated annually.)

Household Size	Income Reporting Threshold
1	\$1,245
2	\$1,681
3	\$2,116
4	\$2,552
5	\$2,987

6	\$3,423
7	\$3,858
8	\$4,294
9	\$4,730
10 or more	\$5,166

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(SAR) (b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the SAR Payment Period.

(AR/CO)(b) If any member of the AU or person included in the family MAP, when the AU's current grant was determined, has earned income or begins receiving earned income, the AU must report to the county when the family's combined gross monthly income, earned and unearned, exceeds the AU's IRT during the AR/CO Payment Period.

(1) An AU that has earned income only or a combination of earned and unearned income shall report when the family's combined gross monthly income exceeds the AU's IRT.

(2) An AU that has no income or has unearned income only shall report if they begin to receive earned income that, once combined with other family income, exceeds the AU's IRT.

(SAR) (c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the SAR Payment Period.

(AR/CO)(c) When an AU reports income in excess of the IRT, the county shall redetermine the AU's financial eligibility and grant amount for the AR/CO Payment Period.

(SAR) (1) When the AU reports income in excess of the IRT in the first through fifth month of the current SAR Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current SAR Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to

continue to result in a lower grant amount for the remainder of the SAR Payment Period, the county shall recalculate the AU's grant amount for the remainder of the SAR Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the SAR Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(SAR)).

(AR/CO)(1) When the AU reports income in excess of the IRT in the first through eleventh month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current AR/CO Payment Period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue to result in a lower grant amount for the remainder of the AR/CO Payment Period, the county shall recalculate the AU's grant amount for the remainder of the AR/CO Payment Period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the AR/CO Payment Period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice (see Section 44-207.23(AR/CO)).

(A) If the AU reports that the income will no longer exceed the IRT prior to the effective date of the decrease or discontinuance, and the county determines that this is reasonably anticipated, the county shall rescind the decrease or discontinuance.

(SAR) (B) If the AU requests restoration of cash aid after the SAR Payment Period in which they were discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91 and .92(SAR).

(AR/CO)(B) If the AU requests restoration of cash aid after the AR/CO Payment Period in which they were

discontinued for income over the IRT, financial eligibility shall be determined in accordance with Sections 40-125.91.

(SAR) (2) When an AU reports income in excess of the IRT in the sixth month of the current SAR Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAR 7 or SAWS 2 information to prospectively determine eligibility and cash aid amount for the next SAR Payment Period.

(ARCO)(2) When an AU reports income in excess of the IRT in the twelfth month of the current AR/CO Payment Period, the county shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the county shall use that information together with the SAWS 2 information to prospectively determine eligibility and cash aid amount for the next AR/CO Payment Period.

(SAR) (d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the SAR Payment Period, the county shall treat this additional information as a mid-period report.

(ARCO)(d) If income that was reported as being in excess of the IRT is only expected to exceed the IRT for that one month and will not continue to exceed the IRT, the county shall not take action to decrease or discontinue cash aid. If the recipient's report indicates there will also be a decrease in the income previously anticipated for the AR/CO Payment Period, the county shall treat this additional information as a mid-period report.

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(SAR) Example: An AU is in an April through September SAR Payment Period. In May, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for the rest of the SAR Payment Period for the AU due to the IRT report, it is discovered that the AU will lose their job at the end of May and have no income for the remaining months of the SAR Payment

Period. Since the income over the IRT will not continue, the AU's grant is not decreased or discontinued. The county shall treat the information about the decreased income as a mid-period report and recalculate the cash aid amount, after verification is received, for the remaining months of the SAR Payment Period (June through September).

(ARCO) Example: An AU is in an April through March AR/CO Payment Period. In May, the AU reports timely to the county that their earned income exceeded the IRT due to overtime. When determining the reasonably anticipated income for the rest of the AR/CO Payment Period for the AU due to the IRT report, it is discovered that the AU will lose their job at the end of May and have no income for the remaining months of the AR/CO Payment Period. Since the income over the IRT will not continue, the AU's grant is not decreased or discontinued. The county shall treat the information about the decreased income as a mid-period report and recalculate the cash aid amount, after verification is received, for the remaining months of the AR/CO Payment Period (June through March).

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(ARCO).325 The county shall act on household compositions changes reported mid-period.

(ARCO)(a) Adding Persons to an Existing AU

(ARCO)(1) When an AU reports a new person in the home, the county shall determine:

(ARCO)(A) If the new person is CalWORKs eligible; and

(ARCO)(B) If the new person were added into the AU, the AU would still meet all eligibility conditions; and

(ARCO)(C) If the addition of the new person would increase or decrease the grant amount or render the AU ineligible.

(ARCO)(b) In determining if the new person is CalWORKs eligible, the county shall use the reasonably anticipated income for the new person and the existing AU's income for the month in which the new person was reported in the home and the

remaining months of the AR/CO Payment Period. In making this determination, the county shall not recalculate the existing AU's reasonably anticipated monthly income that was previously computed.

(ARCO)(c) When aid would increase due to the report of a new person, the county shall add the new person effective the first of the month following the report of the change, in which all verification has been provided and all eligibility conditions have been met.

(ARCO)(1) The county shall include the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income to recalculate cash aid for the month the new person is added and the remaining months of the AR/CO Payment Period.

(ARCO)(A) The new person's income will be determined for the remaining months of the AR/CO Payment Period. The county shall not recalculate the existing AU's monthly income that was previously computed when adding a new person to the grant.

(ARCO)(B) The new grant amount shall be based on the AU's existing monthly income and the new person's reasonably anticipated income for the months the new person would be included in the AU.

(ARCO)(2) The county shall increase the grant amount for the month the new person is added and the remaining months of the AR/CO Payment Period based on the recalculation of the AU's cash aid (see Section 44-340.3(AR/CO)).

(ARCO)(d) If the addition of a new person would result in a decrease in the existing AU's cash aid, the county shall decrease the grant after all verification has been provided and all eligibility conditions have been met. The county shall provide the AU with timely and adequate notice of the decrease in the AU's grant effective the first of the month following month in which the change occurred.

- (AR/CO)(e) If adding a new person would render the existing AU ineligible, the county shall take action mid-period to discontinue the existing AU. The county shall discontinue the existing AU with timely and adequate notice effective the end of the month in which the change occurred.

.33 County-Initiated Mid-Period Changes

The county shall take mid-period 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.

.331 County-initiated actions include:

- (SAR) (a) An adult in the AU reaches the 48-month time limit;
- (b) The county imposes a sanction or financial penalty on an individual member of the AU;
- (SAR) (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;
- (d) The county removes the penalty for an AU that complies with the CalWORKs program requirements;
- (SAR) (e) A Cal-Learn participant earns a Cal-Learn bonus or sanction;
- (f) A child in the AU reaches the age limit (see Section 42-101);
- (g) A child in the AU is placed in Foster Care;
- (SAR) (h) A Refugee Cash Assistance (RCA) recipient reaches the eight-month RCA time limit;
- (i) Aid is authorized for an individual who is currently aided in another AU;
- (SAR) (j) Late SAR 7 adjustment;
- (k) State Hearing decision resulting in mandatory changes mid-period;
- (l) When an AU becomes a Family Reunification case;
- (m) An AU member is no longer a California resident;

- (SAR) (n) County acts on redetermination information in accordance with Section 40-181.1(SAR).
- (AR/CO)(n) County acts on redetermination information in accordance with Section 40-181.1(AR/CO);
- (SAR) (o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient SAR 7, SAWS 2 or mid-period reporting; or (2) incorrect action or lack of action by the county on SAR 7, SAWS 2 or mid-period information reported by the recipient;
- (AR/CO)(o) Adjustments to correct erroneous payments caused by (1) incorrect or incomplete recipient SAWS 2 or mid-period reporting; or (2) incorrect action or lack of action by the county on SAWS 2 or mid-period information reported by the recipient;
- (p) When it becomes known to the county that an AU member is deceased;
- (q) An AU is transferred to a Tribal TANF program;
- (r) Cost-of-living adjustments for Minimum Basic Standards of Adequate Care (including income in-kind), Maximum Aid Payment, and Social Security;
- (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 82-812.61).
- (t) Nine-month real property exemption expires (see Section 42-213.12).
- (u) A Non-Minor dependent is transferred into his or her own AU;
- (AR/CO)(v) The county determines an overpayment occurs and begins collecting overpayment via grant adjustment.

Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code.

Reference: Section 10063, 11265, 11265.1, 11265.2, 11265.3, 11265.45, 11265.47, 11450.5, 11454, and 11454.2, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12 (a)(1)(vii)].

Amend Section 44-318 to read:

44-318 BEGINNING DATE OF AID (BDA) FOR PERSONS 44-318
BEING ADDED TO THE AU

- .1 Beginning Date of Aid The BDA shall be:
- .11 Mandatorily Included Persons When mandatorily included persons added result in a cash aid: (Continued)
- (SAR) .112 Decrease The first day of the SAR Payment Period following the required reporting of the individual on the SAR 7 or SAWS 2 provided all conditions of eligibility have been met.
- (ARCO) The first day of the month following the month in which the change occurred.
- .12 Optional Persons When optional persons added result in a cash aid: (Continued)
- (SAR) .122 Decrease The first day of the SAR Payment Period following the required reporting of the individual on the SAR 7 or SAWS 2 provided all conditions of eligibility have been met.
- (ARCO) The first day of the month following the month in which the change occurred.
- (SAR) .13 Sanction/ Noncooperating Persons The first of the month following the date the person contacted the county to indicate his or her desire to end the sanction after all of the following conditions are met:
- (SAR) (a) All conditions of eligibility have been met (see Section 44-316.331(c)(SAR)); and
- (SAR) (b) The activities in accordance with Section 42-721.43 have been successfully completed.
- .14 Unreported Mandatorily Included Persons The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested.

	.141		Eligibility conditions are considered to have been met from the first day of the month following the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions.
	.15	Newborn Child and MFG Child	
(SAR)	.151	Newborn Child	When a newborn child is added results in a cash aid:
(SAR)	(a)	Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.6(SAR)).
(SAR)	(b)	Decrease	The first day of the next SAR Payment Period after the change is reported on the SAR 7 or the SAWS 2 and after all conditions of eligibility have been met (see Section 44-211.6(SAR)).
(AR/CO)	.151	Newborn Child	When a newborn child is added results in a cash aid:
(AR/CO)	(a)	Increase	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.633(AR/CO)).
(AR/CO)	(b)	Decrease	The first of the month after the birth is reported and all conditions of eligibility have been met (see Section 44-211.633(AR/CO)).
(SAR)	.152	Newborn MFG Child	When an MFG newborn child is added results in no change or a decrease in cash aid.
(SAR)	(a)	No PSN/ No Change	The first of the month following the report of the birth provided that all conditions of eligibility have been met and provided that the mother is not receiving a pregnancy special need payment and the grant will not decrease as a result of adding the newborn.
(SAR)	(b)	PSN/Decrease	The first day of the next SAR Payment Period following the report of the birth and all verification has been provided, when the mother has been receiving a pregnancy special need payment or the grant would otherwise decrease as a result of adding the newborn.

- (ARCO).152 Newborn MFG Child When an MFG newborn child is added results in no change or a decrease in cash aid.
- (ARCO)(a) No PSN/ No Change The first of the month following the report of the birth provided that all conditions of eligibility have been met.
- (ARCO)(b) PSN/Decrease The first of the month following the report of the birth provided that all conditions of eligibility have been met.
- .16 Father of a Newborn When a father of a newborn added, in accordance with Section 44-205.122, results in a cash aid: (Continued)
- (SAR) .162 Decrease The first day of the next SAR Payment Period after the report of the birth and all conditions of eligibility have been met.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11056, 11265.1, 11265.2, 11265.3, 11265.47, and 11327.5(d), Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 44-325 to read:

44-325 CHANGES IN AMOUNT OF PAYMENT

44-325

.1 When Change is Effective

(SAR) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(SAR) as soon as notice can be given pursuant to Sections 22-071 and 22-072.

(AR/CO) When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective in accordance with Section 44-316(AR/CO) as soon as notice can be given pursuant to Sections 22-071 and 22-072.

.2 Discontinuance

(SAR) If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued in accordance with Section 44-316.3(SAR). (See Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

(AR/CO) If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued in accordance with Section 44-316.3(AR/CO). (See Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.3 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11006.2, 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code.

Amend Section 44-327 to read:

44-327 DELAYED PAYMENT

44-327

When a public assistance payment is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date. (Continued)

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:
(Continued)

(SAR) .25 The complete SAR 7 (see Section 40-181.241(SAR)) is received after the tenth day prior to the end of the submit month or the SAWS 2 is received after the 15th day of the submit month, regardless of good cause - the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(SAR).

(ARCO) The SAWS 2 is received after the 15th day of the submit month, regardless of good cause – the first warrant shall be mailed or electronic fund transfer made in accordance with Section 44-305.231(AR/CO).

.26 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11006.2, and 11265.1, Welfare and Institutions Code.

Amend Section 44-340 to read:

44-340 UNDERPAYMENTS

44-340

.1 General (Continued)

.13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention. (Continued)

(SAR) .133 If information reported on the SAR 7 or SAWS 2 results in an increase in cash aid, and the county cannot increase the grant by the first day of the month of the next SAR Payment Period, a supplement shall be issued for that month, and cash aid increased for the remaining months of that SAR Payment Period. A supplement will be provided for the month the decrease in income is reported or the month the change actually occurs, whichever is later, after all verification has been provided (see Section 44-316.31(SAR)).

(AR/CO) If information reported on the SAWS 2 results in an increase in cash aid, and the county cannot increase the grant by the first day of the month of the next AR/CO Payment Period, a supplement shall be issued for that month, and cash aid increased for the remaining months of that AR/CO Payment Period. A supplement will be provided for the month the decrease in income is reported or the month the change actually occurs, whichever is later, after all verification has been provided (see Section 44-316.31(AR/CO)).

.14 A mid-period supplemental payment resulting from a voluntary mid-period report which was correctly computed based on a recalculation of reasonably anticipated income and/or other changed AU circumstances shall not be considered an underpayment and is not subject to an overpayment offset. (Continued)

.3 Calculating the Underpayments

The calculation of the underpayment is as follows: (Continued)

(SAR) .33 No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated for the SAR Payment Period and the recipient did not voluntarily report the change in circumstances or the decrease of income during the SAR Payment Period in accordance with Section 44-316.31(SAR).

(AR/CO) No underpayment shall be established when a change in circumstances occurs or actual income received is less than what was reasonably anticipated for the AR/CO Payment Period and the recipient did not voluntarily report the change in

circumstances or the decrease of income during the AR/CO Payment Period in accordance with Section 44-316.31(AR/CO).

.4 Correction of the Underpayment (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11004.1, 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

Amend Section 44-350 to read:

44-350 OVERPAYMENTS -- GENERAL

44-350

.1 General (Continued)

(SAR) .18 An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the SAR Payment Period and the income the recipient actually received during that period, provided the recipient's reports were complete and accurate.

(ARCO) An overpayment shall not be assessed based on any differences between the amount of income the county reasonably anticipated the recipient would receive during the AR/CO Payment Period and the income the recipient actually received during that period. If the recipient's reports were incomplete or inaccurate, the county shall assess an overpayment based on what should have been reasonably anticipated at the time of the report, had the recipient reported completely and accurately.

.2 Definitions (Continued)

.5 Overpayments Due to the Inability to Provide Ten-Day Notice of Adverse Action

(SAR) An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including reports on the SAR 7, the SAWS 2, or mandatory mid-period reports of income over the IRT.

(ARCO) An overpayment shall be assessed when the AU receives more cash aid than the AU was entitled to receive because the county was unable to provide ten-day notice of an adverse action following receipt of a mandatory recipient report, including reports on the SAWS 2, or mandatory mid-period reports of income over the IRT.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11004 (Ch. 270, Stats. 1997), 11004.1, 11056, and 11265.1, Welfare and Institutions Code; Section 37 of AB 444 (Ch. 1022, Stats. 2002); 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 44-352 to read:

44-352 OVERPAYMENT RECOUPMENT

44-352

.1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

.11 Overpayment due to "excess property"

(SAR) .111 Unless the excess property was spent down prior to the first day of the next SAR Payment Period, which followed the SAR 7 or SAWS 2 on which the excess property should have been reported, the county shall determine an excess property overpayment based on an accurate report and/or correct county action when:

(SAR) (a) Property information that should have been reported on the SAR 7 or SAWS 2 was not reported; or

(SAR) (b) The county failed to act correctly on property information reported on the SAR 7 or SAWS 2. Also see Section 40-125.951.

(ARCO) Unless the excess property was spent down prior to the first day of the next AR/CO Payment Period, which followed the SAWS 2 on which the excess property should have been reported, the county shall determine an excess property overpayment based on an accurate report and/or correct county action when:

(ARCO) (a) Property information that should have been reported on the SAWS 2 was not reported; or

(ARCO) (b) The county failed to act correctly on property information reported on the SAWS 2. Also see Section 40-125.951.

.112 When a recipient has held property in excess of eligibility limits, the overpayment shall be calculated as follows:

(a) Determine the period of time in which the recipient held property exceeding the property maximums.

(1) For the purposes of this section, the period that the recipient held excess property includes all months in which the total property value of the same items of property exceeds limits on the first day of the month, even though there may be

intervening months in which the total property value is below limits. Fluctuations in the value of individual items of property shall not affect the determination of the period of time that the recipient held excess property, so long as the same items of property are included in the total property valuation. If the recipient disposes of an item of property or acquires an item of property, a new period begins and separate calculation is required.

(SAR) (2) The first month that can be determined for this period of excess property is the first month of the SAR Payment Period following the SAR 7 or SAWS 2 in which the excess property was required to be reported.

(AR/CO) The first month that can be determined for this period of excess property is the first month of the AR/CO Payment Period following the SAWS 2 in which the excess property was required to be reported.

(b) (Continued)

.12 Overpayment due to income or need or circumstances other than excess property.
(Continued)

.121 Compute the correct grant amount based on correct information for the month involved in the overpayment. If the recipient was totally ineligible for that month, the correct grant amount is zero (0). (Continued)

(a) Regulations subsequently invalidated by a court decision shall not be used in determining the correct grant for the applicable period(s) as required by the court decision. Instead, the instructions (e.g., All-County Letter, regulations, etc.) implementing the court decision shall be used. (Continued)

(2) When recomputing cash aid results in an overpayment, the county shall recreate case circumstances using the correct county processing time frames based on what the recipient should have reported.

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(SAR) In the SAR Payment Period designated as July through December, an AU has no income and is receiving the Maximum Aid Payment amount. On October 10, the county determines through an IEVS match that the AU got income that exceeded the IRT beginning on January 5 of

the previous SAR Payment Period. The AU is still receiving the same level of income in the current SAR Payment Period and has never reported the income on a mid-period report or on the SAR 7 that was submitted in June. The county determines that the AU should have reported this change by January 15, and should have had their grant decreased due to the increased income effective January 31. The AU's grant shall be decreased on November 1, with a 10-day notice, and an overpayment would be established for February through October.

(AR/CO) In the AR/CO Payment Period designated as July through June, an AU has no income and is receiving the Maximum Aid Payment amount. On October 10, the county determines through an IEVS match that the AU got income that exceeded the IRT beginning on January 5 of the previous AR/CO Payment Period. The AU is still receiving the same level of income in the current AR/CO Payment Period and has never reported the income. The county determines that the AU should have reported this change by January 15, and should have had their grant decreased due to the increased income effective January 31. The AU's grant shall be decreased on November 1, with a 10-day notice, and an overpayment would be established for February through October.

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(b) (Continued)

.125 The total overpayment is the sum of all amounts calculated in Section 44-352.124.

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EXAMPLES

<u>Factors</u>		<u>Computations</u>	
	<u>Aid</u>	(.121) Correct	(.125)
	<u>Paid</u>	<u>Grant</u>	<u>Overpayment</u>
1. Earned Income		\$1,025	
Reported Income		1,025	
Income Disregard		<u>- 225</u>	
Subtotal		800	
50% Earned Income Disregard		<u>- 400</u>	
Total Net Nonexempt Income		400	
MAP for Five	\$909	\$ 909	
Total Net Nonexempt Income		<u>- 400</u>	
Aid Payment	\$909	\$ 509	
Potential Overpayment (Aid Paid Less Correct Grant)			\$ 909 <u>- 509</u> \$ 400

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

2. Earned Income		\$ 500	
Reported Income		\$ 500	
Income Disregard		<u>- 225</u>	
Subtotal		275	
50% Earned Income Disregard*		<u>- 137</u>	
Total Net Nonexempt Income*		137	
MAP for Three	\$670	\$ 670	
Total Net Nonexempt Income*		<u>- 137</u>	
Aid Payment	\$670	<u>533</u>	
Overpayment (Aid Paid Less Correct Grant)*			\$ 670 <u>-533</u> \$ 137

* 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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.2 Amount That Can Be Recovered (Continued)

.4 Methods of Recovery

All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery.

.41 Grant Adjustments

(SAR) Under SAR, recoupment by grant adjustment shall only be initiated at the beginning of a SAR Payment Period. Grant adjustment shall be discontinued mid-period when the debt is paid in full. A new overpayment collection may continue mid-period by grant adjustment if the new collection of the overpayment does not decrease aid mid-period.

(AR/CO) Under AR/CO, recoupment by grant adjustment shall be initiated mid-period. Grant adjustment shall be discontinued mid-period when the debt is paid in full.

.42 (Continued)

Authority cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11004, 11004.1, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11265.1, 11265.2, 11265.45, 11265.47, 11450, 11450.5, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Section 48-001 to read:

48-001 COUNTY DEPARTMENT RESPONSIBILITY FOR RECORDS 48-001

.1 The county shall maintain a record for each applicant and recipient which identifies each individual and family, their address and household composition for CalWORKs. The record shall identify each child and his/her parents, their address and household composition. (See Section 20-005 on record requirements for fraud cases.) The record shall also include:

.11 Records - Eligibility and Grant (Continued)

.114 The basis for county action granting, denying, changing, not changing following a recipient mid-period report, delaying, cancelling, or discontinuing aid. (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.3, Welfare and Institutions Code.

	(AR/CO) Mid-Period Reports	"Mid-Period Reports" means any change reported during the AR/CO Payment Period outside of the SAWS 2 reporting process.
	(5) Minor Parent	(Continued)
(s)	(1) Sanction	(Continued)
(SAR)	(3) Semi-Annual Report	Under the Semi-Annual Reporting system, a semi-annual eligibility report is due every six months: one SAR 7 and one SAWS 2 per year. A SAR 7 is due in the sixth (6th) month of the SAR Payment Period after the application or annual redetermination of eligibility (SAWS 2) is completed.
(SAR)	(4) Semi-Annual Reporting (SAR)	SAR is the reporting system that replaced Quarterly Reporting. Under SAR, in addition to certain mandatory mid-period reports, recipients are required to submit an eligibility report every six months (one SAWS 2 and one SAR 7 per year). (Continued)
(v)	(1) Voluntary Recipient Reports	"Voluntary Recipient Reports" means mid-period reports that recipients may make to the county pursuant to Section 44-316.31. (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: Sections 10054, 10058, 10063, 10553, 10554, 10604, 10830, 11008.13, 11008.14, 11023.5, 11051, 11054, 11201, 11203, 11250, 11250.4, 11265.2, 11265.3, 11265.45, 11266, 11269, 11320, 11400, 11450, 11486, 16501.1, and 16507, Welfare and Institutions Code; Sections 297, 297.5, 298.5, and 299.2, Family Code; 8 CFR 213a. and 299; 45 CFR 201.3, 206.10, 224.51, 232.12, 233.10, 233.106, 233.20, 233.51, 233.60, 233.90, 237.50, 255, and 266.10; 42 USC 402(a)(6) and 606(a); and SSA-AT-86-01; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 80-310 to read:

80-310 DEFINITIONS - FORMS

80-310

The following forms apply to the regulations in Divisions 40 through 50 and 80 through 89.

(a)

(AR/CO)(1) AR 2

The "Reporting Changes for CalWORKs and CalFresh" (Rev. 11/13) may be used to inform the recipient under AR/CO in CalWORKs and those with CalFresh Change Reporting responsibilities of their Income Reporting Threshold (IRT) and reporting responsibilities.

(AR/CO)(2) AR 2 SAR

The "Reporting Changes for CalWORKs and CalFresh" (Rev 11/13) may be used to inform the recipient under AR/CO in CalWORKs and those with CalFresh Semi-Annual Reporting responsibilities of their Income Reporting Threshold (IRT) and reporting responsibilities.

(AR/CO)(3) AR 3

The "Mid-Year Status Report for CalWORKs and CalFresh" (Rev. 12/12) may be used by recipients to report mandatory and/or voluntary mid-period changes in writing. Clients are not mandated to use this form and counties shall also accept mid-period reports that are submitted in a manner other than on the AR 3.

(b) (Reserved)

(c) (1) CCP 1

(Continued)

(9) CW 25A

The "Payee Agreement For Minor Parent" (Rev. 2/13) is used in minor parent cases to delegate an adult payee. This form replaces the QR 25A.

(10) CW 29

The "Applicant Test" (Rev. 1/13) is used to determine if the applicant is eligible for Cash Aid. This form replaces the QR 29.

(11) CW 30

The "CalWORKs Budget Worksheet" (Rev. 4/13) is used to determine the aid payment amount for the AU. This form replaces the QR 30.

- (12) CW 42 The "Statement of Facts – Homeless Assistance (Rev. 11/06)" is used to gather information to determine eligibility for non-recurring special need for homeless assistance. This form replaces the CA 42.
- (13) CW 371 The "Referral to Local Child Support Agency (LCSA)" (Rev. 7/01) is used to refer cases to the Local Child Support Agency for child support enforcement purposes. This form replaces the CA 371.
- (14) CW 2103 The "Reminder for Teens Turning 18 Years Old" (Rev. 2/13) is used to inform recipient children who will be turning 18 within 60 days of the requirements for continued eligibility. This form replaces the QR 2103.
- (15) CW 2211 The "Your CalWORKs Reporting Rules Have Changed" (9/13) form is used to inform recipients when their case is moving from SAR to AR/CO. It includes a description of the basic differences between the two reporting systems and describes the mandatory reporting requirements under AR/CO.
- (16) CW 2212 The "The Rules for Your CalWORKs Case Have Changed" (9/13) form is used to inform recipients when their case is moving from AR/CO to SAR. It includes a description of the basic reporting requirements under SAR.
- (d) (1) DHS 6110 (Continued)
- (q) (Reserved)
- (r) (Reserved)
- (s) (Continued)
- (6) SAR 22 The "Sponsor's Statement of Facts Income and Resources (Supplement to the SAWS 2, Application For CalFresh And Cash Aid)" (Rev. 3/13) is used to collect necessary information about a noncitizen's sponsor for determining eligibility for the noncitizen. The SAR 22 must be completed in addition to the SAWS 2 when a recipient is a

sponsored non-citizen. This form replaces the QR 22.

- (7) SAR 23 The "Senior Parent Statement of Facts" (Rev. 3/13) is used to collect information about the senior parent/legal guardian's income to determine a minor parent's eligibility. This form replaces the CW 23. (Continued)
- (12) SAWS 2A SAR The "Rights, Responsibilities and Other Important Information" (Rev. 4/13) is used to inform applicants and recipients of their rights and responsibilities. (Continued)
- (t) (1) TEMP 2189 (Continued)
- (ARCO)(5) TEMP AR 1 The "New Reporting Requirements for CalWORKs and CalFresh" (Rev. 2/13) is a mass informing notice sent to recipients prior to the implementation of AR/CO. The informing notice shall be given to all applicants who apply during the reporting transition and recipients child-only cases. This notice explains the change from quarterly reporting to annual reporting.
- (SAR) (6) TEMP SAR 1 The "New Reporting Requirements for Cash Aid and CalFresh " (Rev. 9/13) is a mass informing notice sent to recipients prior to the implementation of SAR. The informing notice shall be given to applicants who apply during the reporting transition. This notice explains the change from quarterly reporting to semi-annual reporting.
- (7) TLR 1 (Continued)

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(8); Sections 10553, 10950, 11054, 11265.1, 11265.2, 11265.3, 11450(b), 12300, 12300.2, 12304, 12304.5, and 14132.95, Welfare and Institutions Code; Judgment Re: Tyler v. Anderson, Sacramento Superior Court Case No. 376230, dated January 22, 1999; 8 USC Section 1631; and 1798.17, Civil Code.

Amend Section 82-612 to read:

82-612 UNEMPLOYMENT INSURANCE BENEFITS (UIB) (Continued) 82-612

(SAR)

.3 Date of Discontinuance The county shall discontinue the AU at the end of the SAR Payment Period in which a person who is required to apply for or accept UIB fails to do so, or fails to meet one of the eligibility conditions in Section 82-612.7. (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11265.2 and 11270, Welfare and Institutions Code and 45 CFR 233.20(a)(3)(ix).

Amend Section 82-812 to read:

82-812 TEMPORARY ABSENCE (Continued) 82-812

.6 Exceptions to One Full Calendar Exceptions include: (Continued)
Month Time Limitation

.68 Children Receiving Out-of-Home Care (Continued)

.687 The following are eligibility and reporting
requirements that will apply to the family
reunification parent.

(SAR) (a) Semi-Annual eligibility reporting requirements for
reunification cases are set forth in Section 40-
181.223(SAR). (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 11203, 11269, 11323.4, 11327.5(d), and 11454, Welfare and
Institutions Code; and 42 USC 608(a)(10).

Amend Section 82-820 to read:

82-820 INCLUDED PERSONS (Continued)

82-820

.3 Mandatory Inclusion
(SAR)

The AU shall include the following persons when living in the same home and eligible at the time of initial family application (see Section 44-317) or at the beginning of the SAR Payment Period following the mandatory reporting of the individual on the SAR 7 or SAWS 2 (see Section 44-318(SAR)):

(ARCO)

The AU shall include the following persons when living in the same home and eligible at time of initial family application (see section 44-317) or the first of the month following the month the change was reported (see section 44-318(AR/CO)):

.31 Applicant Child

(Continued)

Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code.

Reference: 42 USCA 606; 45 CFR 206.10(a)(1); 45 CFR 233.10(a)(1), (a)(1)(iv) and (vii); 45 CFR 233.90(c)(1)(v)(A); 45 CFR 237.50(b)(5); 45 CFR 250.34; SSA-AT-86-01; Section 242, California Civil Code; Edwards v. Healy, Civ. S. 91-1473 DFL (1992); Sections 10553, 10554, 10604, 11000, 11254, 11265.3, 11265.47, 11400, 11450, and 11450.16, Welfare and Institutions Code; and ACF-AT-94-5; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 82-824 to read:

82-824 ASSISTANCE UNITS THAT SHALL BE COMBINED 82-824

.1 Combining AUs Two or more AUs in the same home shall be combined into one AU when: (Continued)

.14 Combining AUs Mid-Period

.141 When a voluntary report is made that would combine separate AUs mid-period, the county shall determine if the mid-period action of combining the AUs would increase or decrease aid for the separate AUs.

.142 The county shall compare the monthly grant for the combined AUs to the total combined monthly grants of the separate AUs.

.143 If the combined AU's monthly grant would be higher than the total combined monthly grant of two separate AUs, the county shall take mid-period action to combine the AUs the first of the month following the voluntary report.

.144 If the combined AU's monthly grant does not result in an increase to the total combined monthly grant of the separate AUs, the county shall not take mid-period action to combine the AUs. The combining of the separate AUs shall be effective the first of the next SAR Payment Period, after the change(s) is reported on the SAR 7 or SAWS 2.

[Previous Cite: 44-205.3]

Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

Reference: 45 CFR 206.10(a)(1); 45 CFR 233.90; 45 CFR 237.50(b)(5); United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. SSA-AT-86-1; Section 242, California Civil Code; Anderson v. Edwards 115 S.Ct. 1291 (1995); and Sections 10553, 10554, 10604, 11000, 11265.3, and 11450, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 82-832 to read:

82-832 EXCLUDED PERSONS (Continued)

82-832

(SAR)

.3 Add a Person Who Becomes Ineligible Prior to Authorization of Aid

A new person who has been mandatorily reported on the SAR 7 and determined eligible based on the information provided, shall be treated as an excluded person for the next SAR Payment Period when ineligibility occurs after the SAR Data Month but prior to the authorization of aid (see Section 40-171.221). This person's income and needs, as reported on the SAR 7, shall be treated in accordance with Section 44-133.5 for the next SAR Payment Period and the AU shall be discontinued at the end of that SAR Period in which the individual was treated as an excluded person, if the following SAWS 2 establishes that ineligibility continues to exist for the AU.

(SAR) (a)

If a new person is mandatorily reported on the SAWS 2 and ineligibility occurs before the redetermination is processed and aid is authorized, the new person shall not be added to the AU. Furthermore, if the new person is found to make the entire AU ineligible, aid will be discontinued for the entire AU at the end of the SAR Payment Period in which the new person was mandatorily reported. (See section 40-105.1 for applicant and recipient reporting responsibilities and county action.)

(ARCO)

If a new person is mandatorily reported on the SAWS 2 and ineligibility occurs before the redetermination is processed and aid is authorized, the new person shall not be added to the AU. Furthermore, if the new person is found to make the entire AU ineligible, aid will be discontinued for the entire AU at the end of the month in which the new person was mandatorily reported.

(ARCO)

If a new person is mandatorily reported mid-period and ineligibility occurs before the application for the new person is processed and aid is authorized, the new person shall not be added to the AU. Furthermore, if the new person is found to make the

entire AU ineligible, aid will be discontinued for the entire AU at the end of the month in which the new person was mandatorily reported.

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(SAR) Example 1:

An AU is aided based on absent parent deprivation. The current SAR Payment Period is January through June. In March, the absent father returned to the home and is reported for the first time on the SAR 7 for the Data Month of May. The father, who was determined to be the principal earner, was receiving UIB in the Data Month and was initially determined eligible as an unemployed parent based on the SAR 7 information. However, when the county completed the interview in the Submit Month, it was learned that the father had accepted a full-time job in the Submit Month of June. Since the principal earner has accepted full-time employment and deprivation due to unemployment was not established prior to the authorization of aid for the father, the county shall deny aid to the father in accordance with Section 40-171.221(g) and instruct the AU to report the father's full-time employment on the SAWS 2 due in December (for November). Because ineligibility for the father has occurred after the SAR Data Month but prior to the authorization of aid, his reasonably anticipated income as reported on the SAR 7 for May, and his needs shall be treated as those of an excluded person in accordance with Section 44-133.5 for the next SAR Payment Period. The existing AU's deprivation is not affected until the father's full-time employment that occurred mid-period (in June) is reported on the subsequent SAWS 2. If the subsequent SAWS 2 establishes that ineligibility exists for the AU, the county shall discontinue cash aid at the end of that SAR Period once timely and adequate notice has been provided.

(SAR) Example 2:

An AU is aided based on absent parent deprivation. The current SAR Payment Period is January through June. In March, the absent father returned to the home and is reported for the first time on the SAWS 2 in June. The father, who was determined to be the principal earner, was receiving UIB at the time the SAWS 2 was completed and was initially determined eligible as an unemployed parent based on the SAWS 2 information. However, when the county completed the interview in the Submit Month, it was learned that the father had accepted a full-time job. Since the principal earner has accepted full-time employment and deprivation due to unemployment was not established prior to the authorization of aid for the father, the county shall deny aid to the father in accordance with Section 40-171.221(g). Furthermore, since the AU no longer meets the deprivation requirements to be eligible for aid, the entire AU will be discontinued effective June 30, with timely and adequate notice.

(AR/CO) Example 1:

An AU is aided based on absent parent deprivation. The current AR/CO Payment Period is January through December. In March, the absent father returned to the home and is reported to the County. The father, who was determined to be the principal earner, was receiving UIB at the time the report was made that he returned to the home and was initially determined eligible as an unemployed parent based on the information completed on the Statement of Facts to Add an Additional Person (CW 8). However, when the county completed the interview with the father, it was learned that the father had accepted a full-time job. Since the principal earner has accepted full-time employment and deprivation due to unemployment was not established, the county shall deny aid to the father in accordance with Section 40-171.221(g). Furthermore, since the AU no longer meets the deprivation requirements to be eligible for aid, the entire AU will be discontinued effective March 31, with timely and adequate notice.

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[Previous cite: 44-206]

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; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 89-110 to read:

89-110 MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION 89-110

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.1 MAP Amount See Section 44-315.321, Handbook for the MAP levels in effect as of 3/1/2014.

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.2 Exempt and Nonexempt AUs The CWD shall determine whether an AU is an Exempt or Nonexempt AU for purposes of the MAP amounts specified in Section 44-315.311 by using the rules in this section. (Continued)

.26 Review of AU Exemption Status The CWD shall review AU exemption status when: (Continued)

(SAR) .262 Semi-Annual Eligibility Report Received The county processes the SAR 7 or the SAWS 2 submitted by the AU. (Continued)

(SAR) .28 Use of Exempt/Nonexempt Amount The county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status that is reasonably anticipated for the SAR Payment Period. (Also see Sections 89-110.291(SAR) and 89-110.292(SAR).)

(ARCO) Use of Exempt/Nonexempt Amount The county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status that is reasonably anticipated for the AR/CO Payment Period. (Also see Sections 89-110.291 (AR/CO) and 89-110.292(AR/CO).)

.29 When the AU status changes between exempt and nonexempt, the county shall change the MAP status effective as follows:

(SAR) .291 If the change is reported on the SAR 7 or the SAWS 2, the change in status shall be effective the first day of the next SAR Payment Period.

(AR/CO) If the change is reported on the SAWS 2, the change in status shall be effective the first day of the next AR/CO Payment Period.

(SAR) .292 If the change is reported mid-period and the change in status will increase cash aid as specified in Section 44-316.31(SAR), the change in status shall be effective the first day of the month following the report of the change when verification has been provided.

(AR/CO) If the change is reported mid-period and the change in status will increase cash aid as specified in Section 44-316.31(AR/CO), the change in status shall be effective the first day of the month following the report of the change when verification has been provided.

(AR/CO)(a) If a change in household composition is reported mid-period and the change results in a change in MAP status which will increase or decrease cash aid, the change in status effective date shall be determined pursuant to section 44-316.325 (AR/CO).

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.3 Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, MAP Status Determination, and Mid-Period MAP Status Changes

.31 Examples of Exempt and Nonexempt AUs

(SAR) Example 1 – Exempt AU – Receipt of SDI and SSI/SSP

The family consists of two parents and their two children with eligibility based upon incapacity. One parent receives SDI and the second parent receives SSI/SSP. Since each parent receives one of the benefits specified in Section 89-110.22, the CWD uses the Exempt MAP.

(SAR) Example 2 – Exempt AU – Disabled Pregnant Woman Only (PWO)

Because a pregnant woman is the only member of her AU and receives one of the benefits specified in 89-110.22, the CWD uses the Exempt MAP.

(SAR) Example 3 – Nonexempt AU – Receipt of Private Disability Insurance

The AU consists of a parent and his aided child. The parent receives private insurance benefits from his employer; however, this income is not one of the benefits specified in Section 89-110.22 and the parent does not meet any other criterion to receive an exemption. The CWD uses the Nonexempt MAP.

(ARCO) Example 4 – Exempt AU – Unaided Non-Parent Caretaker Relative

An aunt is receiving aid for her nephew. The AU consists of the child only. The CWD uses the Exempt MAP as the aunt meets the exemption in 89-110.23; she is an unaided non-parent caretaker relative.

(SAR) Example 5 – Nonexempt AU – Parent with SSI/SSP Child

The AU consists of a mother and her child, who receives SSI/SSP. The mother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because the parent in the AU must meet the criteria in Section 89-110.21 and .22, the CWD uses the Nonexempt MAP.

(ARCO) Example 5a – Exempt AU – SSI/SSP Parent with Child.

The AU consists of a father who receives SSI/SSP and his child. The father receives one of the benefits in Section 89-110.22. The CWD uses the Exempt MAP.

(SAR) Example 6 – Nonexempt AU – Minor Parent

The AU consists of a senior parent and her children. One of the senior parent's children is a 17-year-old minor parent. The minor parent's child is also in the AU. The senior parent receives SDI. The minor parent aided as an eligible child in the senior parent's case is considered to be a parent as specified in Section 89-110.251. The minor parent does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because both senior parent and minor parent are considered parents in determining exempt status, and all parents in an AU must receive one of the benefits in Section 89-110.22, the CWD uses the Nonexempt MAP

(SAR) Example 7 – Nonexempt AU – Aided Stepparent

The AU consists of a father, the father's children, and an aided stepmother. The stepmother is pregnant, but she is not the parent or caretaker relative of any of the aided children. The father receives temporary workers compensation (TWC). The aided stepmother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The CWD uses the

Nonexempt MAP as both the parent and the aided stepmother must meet an exemption as required by Section 89-110.211.

(AR/CO) Example 8 – Exempt AU – Unaided Stepparent

The family consists of a mother, the mother's children and an unaided stepfather. The mother receives SSI/SSP and is not in the AU. The stepfather, who is not the parent of any of the aided children, is unaided; therefore, he is not considered in determining the AU's exemption status. The CWD uses the Exempt MAP.

(SAR) Example 9 – Nonexempt AU – Undocumented Immigrant Father

The family consists of a mother, the mother's children, and the father, who is an undocumented immigrant. Eligibility is based on unemployment. The mother receives SDI. The father does not receive one of the benefits specified in Section 89-110.22 or meet any other exemption criterion. The CWD uses the Nonexempt MAP, as each parent must meet one of the criterion to receive an exemption even if they are not aided due to exclusion.

(SAR) Example 10 – Request for Review of AU Status by the AU

The AU consists of two parents and their two children, with deprivation based on unemployment. The AU receives the Nonexempt MAP. In June, the father requests a review of the AU status, as he has been determined to be exempt from welfare-to-work participation due to disability as specified in Section 42-712.44. The wife's application for IHSS was denied and she does not meet any other criterion for an exemption. Since both the father and the mother must receive one of the benefits specified in Section 89-110.22 or meet one other criterion to receive an exemption, the CWD uses the Nonexempt MAP.

.32 Determining MAP Status for Applicants

(SAR) Example 11 – Determining MAP Status for Applicants

(SAR) An initial application is made January 4 for an AU consisting of a father and two children. The applicant AU is placed in a January through June SAR Payment Period. When applying for aid, the father was in receipt of SSI/SSP. The SSI/SSP ends on February 28. Since the MAP status is determined prospectively for the entire period based on the applicant's status at the time application is approved, the county uses the Exempt MAP to determine financial eligibility and cash aid for the entire SAR Payment Period.

(AR/CO) Example 11 – Determining MAP Status for Applicants

(AR/CO) An initial application is made January 4 for an AU consisting of two children (father is unaided). The applicant AU is placed in a January through December

AR/CO Payment Period. When applying for aid, the father was in receipt of SSI/SSP. The SSI/SSP ends on February 28. Since the MAP status is determined prospectively for the entire period based on the applicant's status at the time application is approved, the county uses the Exempt MAP to determine financial eligibility and cash aid for the entire AR/CO Payment Period.

.33 Determining MAP Status for Recipients

(SAR) Example 12 – Determining Status for Recipients

(SAR) An existing AU is in a July through December SAR Payment Period. On the November SAR 7, the recipient reports the receipt of SDI in the Data Month. The county verifies the recipient's SAR 7 information and uses the Exempt MAP status to determine financial eligibility and cash aid for the January through June SAR Payment Period.

(ARCO) Example 12 – Determining Status for Recipients

(ARCO) An existing AU is in a July through June AR/CO Payment Period. On the June SAWS 2, the recipient reports the receipt of SDI in the Data Month. The county verifies the recipient's SAWS 2 information and uses the Exempt MAP status to determine financial eligibility and cash aid for the July through June AR/CO Payment Period.

(SAR) Example 13 – Late Discovery Due to Client's Failure to Timely Report

(SAR) The AU consists of a parent and his child. The AU is in an April through September SAR Payment Period. The father starts receiving SDI in the Data Month of August but does not report the information on the SAR 7. On October 2, the father voluntarily requests mid-period review of his status and provides the appropriate verification of his exempt status. The first month the Exempt MAP status is effective is November. Section 89-110.271 provides that the MAP status change shall not be effective for any months prior to a request for review when the status change results from a request for review and Section 89-110.292(SAR) provides that increases to aid due to a recipient mid-period voluntary report are not effective until the first of the month following the report.

(ARCO) Example 13 – Late Discovery Due to Client's Failure to Timely Report

(ARCO) The AU consists of a child only. The AU is in an April through March AR/CO Payment Period. The father starts receiving SDI in August but does not report the information. On October 2, the father voluntarily requests mid-period review of his status and provides the appropriate verification of his exempt status. The first month the Exempt MAP status is effective is November. Section 89-110.271 provides that the MAP status change shall not be effective for any months prior to a request for review when the status change results from a request for review and

Section 89-110.292(AR/CO) provides that increases to aid due to a recipient mid-period voluntary report are not effective until the first of the month following the report.

(SAR) Example 14 – Late Discovery Due to Administrative Error

(SAR) The AU consists of a mother and her child. The AU is in a January through June SAR Payment Period. The mother's SDI benefits end on May 11 and the mother no longer qualifies for the Exempt MAP status. The AU reports the information correctly on their May SAR 7 due in June. However, the county incorrectly processes the SAR 7 and continues to use the Exempt MAP status for the July through December SAR Payment Period. In July, the county discovers the error. Since the effective date of the MAP status change for the SAR Payment Period was July 1, the county shall take mid-period action to correct the error. The county shall recompute eligibility and cash aid for the entire SAR Payment Period using the nonexempt status. The county shall recompute aid for the remaining months of the SAR Payment Period and shall make an overpayment or underpayment determination for the month of July.

(ARCO) Example 14 – Late Discovery Due to Administrative Error

(ARCO) The AU consists of a child only. The AU is in a January through December AR/CO Payment Period. The mother's SDI benefits end on May 11 and the mother no longer qualifies for the Exempt MAP status. The AU reports the information correctly on their SAWS 2 due in December. However, the county incorrectly processes the SAWS 2 and continues to use the Exempt MAP status for the following January through December AR/CO Payment Period. In February, the county discovers the error. Since the effective date of the MAP status change for the AR/CO Payment Period was January 1, the county shall take mid-period action to correct the error. The county shall recompute eligibility and cash aid for the entire AR/CO Payment Period using the nonexempt status. The county shall recompute aid for the remaining months of the AR/CO Payment Period and shall make an overpayment or underpayment determination for the months of January and February.

(SAR) Example 15 – Mid-Period Status Review Request

(SAR) An existing AU, a father and his child, is in a January through June SAR Payment Period. Eligibility and cash aid for this period has been determined using the December SAR 7 information. On April 15, the recipient voluntarily reports mid-period that they began receiving SDI in lieu of their full time job on April 7. The recipient provides the necessary verification within 10 days of the report. The county determines that this voluntary mid-period report will increase cash aid (see Section 44-316.31(SAR)). The county changes the recipient's MAP status for the AU from Nonexempt MAP to Exempt MAP beginning in May and will continue

to use the exempt MAP status until the AU reports a status change on either the SAR 7, SAWS 2 or a mid-period report.

(AR/CO) Example 15 – Mid-Period Status Review Request

(AR/CO) An existing AU, a child only case, is in a January through December AR/CO Payment Period. Eligibility and cash aid for this period has been determined using the December SAWS 2 information. On April 15, the recipient voluntarily reports mid-period that they began receiving SDI in lieu of their full time job on April 7. The recipient provides the necessary verification within 10 days of the report. The county determines that this voluntary mid-period report will increase cash aid (see Section 44-316.31(AR/CO)). The county changes the recipient's MAP status for the AU from Nonexempt MAP to Exempt MAP beginning in May and will continue to use the exempt MAP status until the AU reports a status change on either the SAWS 2 or a mid-period report.

(SAR) Example 16 – Mid-Period Voluntary Report to Add a Person

(SAR) An AU of one, a pregnant woman only case, is in an October through March SAR Payment Period. The AU has been receiving aid based on exempt MAP status in accordance with Section 89-110.213. On November 5, the mother voluntarily reports the birth of the child and requests aid for the child. When determining the eligibility to add the child December 1, the county determines that the potentially "new AU" (the existing AU and the added person) does not meet exempt MAP status. The county uses the Nonexempt MAP status to determine if the child is CalWORKs eligible and if the newborn's addition into the existing AU increases the grant. If the newborn increases cash aid for the existing AU, the Nonexempt MAP status shall be effective December 1 and will continue until a change in status is reported on the SAR 7, SAWS 2, or a mid-period report.

(SAR) If the newborn's addition into the AU would decrease cash aid, the baby will be added to the AU and the Nonexempt MAP status shall not be effective until the first day of the next SAR Payment Period and will continue until a change in status is reported on the SAR 7, SAWS 2, or a mid-period report.

(AR/CO) Example 17 – Mid-Period Mandatory Report to Add a Person

An AU of one consists of a timed-out mother receiving State Disability Insurance, with one child, and is in an October through September AR/CO Payment Period. The AU has been receiving aid based on exempt MAP status in accordance with Section 89-110.22. On January 5, the child's father, who was previously on aid and is now timed out, returns to the home and reports he is not receiving any income. When determining eligibility, per section 44-316.31, the county determines that the father does not receive one of the benefits specified in Section 89-110.22 or meet any criteria in Section 89-110.21 and .22, therefore, the county

uses the Nonexempt MAP to determine eligibility. The Nonexempt MAP status shall be effective February 1.

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.4 Relocation Family Grant (Continued)

Authority cited: Sections 10553, 10554, 11209, and 11450(g), Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.01, 11450.015, 11450.03, and 11450.5, Welfare and Institutions Code; 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; and Memorandum of Decision and Order in Green v. Anderson, (Civ. S-92-2118) dated January 28, 1993; 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; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

Amend Section 89-201 to read

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

- .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: (Continued)
- .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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(ARCO)(a) Example: The persons residing together are the senior parent, Eligible Minor her minor daughter (minor parent) and her minor Parent in own daughter's child. The senior parent is not in the AU. 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
- 225	\$225 Earned Income Disregard
<u>\$ 800</u>	
- 400	50% Earned Income Disregard
<u>\$ 400</u>	Net Nonexempt Income
\$ 670	MAP for an AU of Three
- 400	Total Net Nonexempt Income
<u>\$ 270</u>	Potential Grant
\$ 542	MAP for an AU of Two
\$ 270	Actual Grant Amount (lesser of potential grant or AU MAP)

(SAR) (b) Example: Minor parent lives with both her parents. The Eligible Minor Parent in AU of Senior Parent(s) 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	Net Nonexempt Earned Income
+ 0	Other Nonexempt Unearned Income
<u>\$ 600</u>	Total Net Nonexempt Income
\$ 800	MAP for an AU of Four
- 600	Net Nonexempt Income
<u>\$ 200</u>	Grant Amount

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.6 Minor Meets Exemption (Continued)

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).