

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 23, 2003

ALL COUNTY LETTER NO. 03-22

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL COUNTY FISCAL OFFICERS  
 ALL CalWORKs PROGRAM COORDINATORS  
 ALL FOOD STAMP PROGRAM COORDINATORS

**REASON FOR THIS TRANSMITTAL**

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

SUBJECT: INTERCOUNTY COLLECTION (ICC) OF CALIFORNIA WORK  
 OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)  
 OVERPAYMENTS AND FOOD STAMP OVERISSUANCES

REFERENCE: MANUAL OF POLICIES AND PROCEDURES (MPP) – DIVISION 40  
 ELIGIBILITY AND ASSISTANCE MANUAL AND DIVISION 63, FOOD  
 STAMP MANUAL

The purpose of this All County Letter (ACL) is to notify you of changes to the CalWORKs Intercounty Transfer (ICT) and Food Stamp Program Intercounty Claims Collection regulations. These regulations change the procedure by which CalWORKs cash aid overpayments and food stamp overissuances are collected when recipients move from one county to another. The attached regulations have been filed with the Office of Administrative Law and became effective May 1, 2003.

**BACKGROUND**

Under prior policy, when a CalWORKs family moved from County A to County B, County B collected the overpayment originating in the prior county of residence and reimbursed that county for any amount collected. These regulations modify and put into regulation a process for the collection of overpayments that allows the county that collects the overpayment to retain the amount collected and any resulting incentive funds.

These regulations also modify the procedure for the recovery of food stamp overissuances when recipients move from one county to another. Under the prior procedure, when a family moved from County A to County B, County A initiated or continued the overissuance collection. If County A was unable to initiate an action, then County B initiated collection procedures and received the resulting incentive. These amendments require in all instances, that County B initiate or continue the collection action until the overissuance is fully repaid or the family moves to a subsequent county.

The county that collects the overissuance will report the collection and be entitled to any collection incentive.

## **SUMMARY OF REGULATION CHANGES**

### Division 40 (Eligibility And Assistance Manual)

- Section 40-187.1 – amended to specify that the definitions that follow also pertain to ICC procedures.
- Section 40-188.139 – adds the overpayment repayment record to the list of documents the first county must send to the second county when an overpayment balance exists that will continue beyond the end of the transfer period.
- Section 40-190.51 – amended to require the first county to transmit the overpayment recoupment record to the second county and clarifies that the second county is to assume responsibility for the overpayment adjustment at the end of the transfer period.
- Section 40-190.52 - .523 – specifies that the second county is to continue to recoup the overpayment by grant adjustment until it is repaid in full, the recipient moves to a subsequent county, or aid is discontinued. It also instructs the second county to continue the recoupment of an outstanding overpayment after aid has been discontinued, through appropriate collection procedures.
- Section 40-190.53 – adds a provision that allows the county that collects the overpayment to retain the amount collected and to receive any incentive funds regardless of where the overpayment occurred.
- Handbook – adds a cross-reference to the overpayment recovery and recoupment regulation sections.

### Division 63 (Food Stamp Manual)

- Section 63-801.782(a) – amended to modify the procedure for the collection of food stamp overissuances to require the former county of residence to provide, in all instances, overissuance collection documentation to the new county of residence. This section also instructs the current county to initiate or continue the collection until repaid in full or the recipient moves to a subsequent county.

- Section 63-801.782(b) – adds a provision to specify that for households no longer receiving food stamp benefits, the last county welfare department that provided benefits is to continue to collect the overissuance until repaid in full.
- Handbook – adds an example to illustrate the overissuance collection procedure for households that re-apply for benefits and are subject to an overissuance collection previously established in a different county.
- Section 63-801.783 – adds a provision that claim collection incentives will be paid to the county welfare department for the overissuances collected by that county.

### **PROGRAM CONTACTS**

For questions related to CalWORKs intercounty collections, contact Paulette Dreher at (916) 654-3386, for general questions regarding CalWORKs overpayments, contact Eden Eulingborough at (916) 653-4992, and for questions related to food stamp overissuance collections, contact Rosemary Ahkidenor at (916) 654-2116.

Sincerely,

*Original signed by  
Bruce Wagstaff on 5/23/03*

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachments

c: CSAC  
CWDA

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 4-99)

OAL FILE NUMBERS:	NOTICE FILE NUMBER <b>Z-02-1015-02</b>	REGULATORY ACTION NUMBER <b>03-0225-04s</b>	EMERGENCY NUMBER
-------------------	---	--	------------------

For use by Office of Administrative Law (OAL) only

NOTICE	REGULATIONS
--------	-------------

ENDORSED FILED IN THE OFFICE OF 2003 MAR 27 PM 2:21

Kevin Spelley KEVIN SPELLEY SECRETARY OF STATE

AGENCY WITH RULEMAKING AUTHORITY California Department of Social Services	AGENCY FILE NUMBER (if any) ORD #0702-16
--	---

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 <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER <b>02-113-2</b>	PUBLICATION DATE <b>10-25-2002</b>

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Intercounty Collection of CalWORKs Overpayments and FS Overissuances	b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
--	---

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)	ADOPT
	AMEND 40-187, 40-188, 40-190, and 63-801
	REPEAL
TITLE(S) MPP	

Regular Rulemaking (Gov. Code, § 11346)  Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code, §§ 11349.3, 11349.4)  Emergency (Gov. Code, § 11346.1(b))  Emergency Readopt (Gov. Code, § 11346.1(h))  Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1)

Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Government Code §§ 11346.2 - 11346.9 prior to, or within 120 days of, the effective date of the regulations listed above

Print Only  Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100)  Other (specify) \_\_\_\_\_

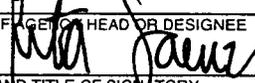
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §§ 44 and 45)

5. EFFECTIVE DATE OF REGULATORY CHANGES (Gov. Code, §§ 11343.4, 11346.1(d))  
 Effective 30th day after filing with Secretary of State  Effective on filing with Secretary of State  Effective other (Specify) May 2003

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY  
 Department of Finance (Form STD. 399) (SAM §6660)  Fair Political Practices Commission  State Fire Marshal  
 Other (Specify) \_\_\_\_\_

7. CONTACT PERSON Anthony J. Velasquez, Chief, ORD	TELEPHONE NUMBER (916) 657-2586	FAX NUMBER (Optional) (916) 654-3286	E-MAIL ADDRESS (Optional)
---	------------------------------------	---	---------------------------

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  
  
 TYPED NAME AND TITLE OF SIGNATORY  
 Rita Saenz, Director

DATE  
 3-21-03

Amend Section 40-187 to read:

40-187 INTERCOUNTY TRANSFER

40-187

.1

The following definitions pertain to intercounty transfer (ICT) and intercounty collection (ICC) procedures in Sections 40-188 through 40-197.  
(Continued)

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

Reference: Sections 10553, 10554, 10604, 11450.018(a) and (b) and 11452.018(a), Welfare and Institutions Code.

Amend Section 40-188 to read:

40-188 TRANSFER PROCEDURE

40-188

.1 First County

The first county shall: (Continued)

.13 Provide Documentation

Provide the second county with copies of the most recent: (Continued)

.139

Overpayment repayment record for overpayment(s) that will not be repaid before the end of the transfer period and will continue to be recouped by the second county through grant adjustment. (Continued)

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

Reference: Sections 10553, 10554, and 10605, Welfare and Institutions Code; and Nickols v. Saenz Court Order Case Number 310867.

Amend Section 40-190 to read:

40-190 COUNTY RESPONSIBILITY (Continued)

40-190

.5 Overpayment Adjustment During Transfer Period

When the grant has been reduced to recoup an overpayment:

.51 First County

If the overpayment adjustment will continue beyond the transfer period, then the first county shall transmit the current repayment record and notify the second county to continue the overpayment adjustment until repaid in full or aid is discontinued upon expiration of the transfer period.

.52 Second County

~~The second county shall continue to recoup the overpayment until it is repaid in full, the recipient moves to a subsequent county, or payment of aid is discontinued.~~ When the intercounty transfer is completed, the second county shall continue to recoup the overpayment by grant adjustment until:

.521 Repaid in Full

The overpayment is repaid in full, or

.522 Intercounty Transfer

The recipient moves to a subsequent county and, pursuant to an intercounty transfer, that county assumes responsibility for collection of the overpayment, or

.523 Aid is Discontinued

Payment of aid is discontinued, at which time the second county is responsible for recouping the balance of the overpayment through appropriate collection procedures.

.53 Retain Collections

Regardless of where the overpayment originated, the county that collects the overpayment will retain the amount collected and receive any collection incentives.

HANDBOOK BEGINS HERE

See Sections 44-351 and 44-352, overpayment recovery and recoupment.

HANDBOOK ENDS HERE

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

Reference: Sections 10553, 10554, ~~and~~ 10604, and 11004, Welfare and Institutions Code.

Amend Section 63-801 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)

63-801

.7 Method of Collecting Payments (Continued)

.78 Interstate/Intercounty Claims Collection (Continued)

.782 In cases where a household moves from one county to another within the state, and

- (a) The household continues to receive food stamp benefits, the CWD in the former county of residence where the overissuance occurred shall initiate or continue collection action against the household. If the CWD in the county where the household was overissued benefits is unable to take action to collect, then the CWD in the county of the household's new residence shall initiate action to collect the overissuance. However, prior to initiating action to collect such overissuances, the CWD in the household's new county of residence shall contact the CWD in the county where the overissuance occurred to ascertain that it is unable to pursue collection action. The claim collection incentive is retained by the CWD which collects the overissuance shall promptly transmit all overissuance information to the current county of residence. The current CWD shall initiate or continue the overissuance collection until repaid in full or the recipient moves to a subsequent county and that CWD takes responsibility for the collection of the overissuance, or
- (b) The household no longer receives food stamp benefits, the last CWD responsible for the initiation or collection of the overissuance shall continue to collect the overissuance until repaid in full.

HANDBOOK BEGINS HERE

A household resides in County A and is not currently receiving food stamp benefits. However, there is an outstanding overissuance claim in which County A has established and is collecting against the household. Subsequently, the household moves to County B, applies for and receives food stamp benefits. County A still has an outstanding claim against the household. Upon issuance of food stamp benefits to the household by County B, County A promptly transmits all overissuance information to County B. County B shall now collect any outstanding overissuance in accordance with Section 63-801.

HANDBOOK ENDS HERE

.783 Claim collection incentives shall be paid to the CWD only for the overissuances recovered by that county. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 273.18, 7 CFR 273.18(a), (a)(1)(ii), and (a)(2); 7 CFR 273.18(b)(3); 7 CFR 273.18(c)(1)(i), (c)(1)(ii), (ii)(b), and (c)(2)(ii) (Federal Register, Vol. 58, No. 209, pp. 58454 and 58455, dated November 1, 1993); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(e)(3)(iv); 7 CFR 273.18(e)(3)(v); 7 CFR 273.18(e)(5)(v); 7 CFR 273.18(e)(6)(ii); 7 CFR 273.18(e)(7)(i); 7 CFR 273.18(f); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(g)(6); 7 CFR 273.18(g)(8); 7 CFR 273.18(g)(9); 7 CFR 273.18(h)(4); 7 CFR 273.18(i); 7 CFR 273.18(k)(5); 7 CFR 273.18(n)(1)(i); 7 U.S.C. 2022(a)(1); U.S.D.A., Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; P.L. 104-193, Sections 809 and 844 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and Lomeli v. Saenz, Sacramento Superior Court, Case #98CS01747.