

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 16, 2001

ALL COUNTY LETTER NO. 01-29

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS

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: CalWORKs IMPLEMENTATION OF FEDERAL VEHICLE RULES

REFERENCE: ACL 01-24 (dated 4/2/01), MPP 63-501.52, MPP 42-207,  
Welfare and Institutions Code Section 11155

The purpose of this All County Letter (ACL) is to ensure that counties apply the vehicle changes discussed in All County Letter 01-24 (dated April 2, 2001) to the CalWORKs Program. The Food and Nutrition Service (FNS) issued final regulations that include a new resource exclusion for vehicles to the Food Stamp Program (FSP). Since passage of welfare reform legislation in California, statute requires the CalWORKs program to adopt vehicle resource regulations used in the FSP. The above referenced ACL issued by the Food Stamp Branch contains more specific details of all the changes implemented by these final federal regulations.

This ACL only discusses the change that affects the treatment of vehicles in the CalWORKs program. The regulation change is effective June 1, 2001 for CalWORKs applicants and recipients. The new vehicle valuation is required at application and when a new vehicle is reported. However, county welfare departments have until the next redetermination to apply the change to ongoing recipient cases. Once a vehicle has been evaluated, it does not have to be re-evaluated until the next redetermination.

Under the new regulations, vehicles will no longer make CalWORKs families ineligible if the equity in their vehicles is \$1,500 or less. Vehicles with an equity value (fair market value (FMV) minus encumbrances) of no more than \$1,500 are to be exempted as inaccessible resources. This rule applies to both licensed and unlicensed vehicles.

The regulations further simplify the vehicle resource determination by eliminating the equity test for most vehicles. After applying all other vehicle exclusions, each adult household member can have one licensed vehicle exempted from the equity test and counted only to the extent that the vehicle's FMV exceeds \$4650. Additionally, each

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household member under 18 years of age, can have one licensed vehicle, that the minor drives to work, school or training, or to look for work, exempted from the equity test and counted only to the extent that the vehicle's FMV exceeds \$4650. Any additional licensed vehicles that have not been totally excluded or exempted from the equity test are subject to the dual resource valuation at the higher of the excess fair market value or the equity value. Any unlicensed vehicle not otherwise exempted continues to be subject to the equity test only.

For questions regarding treatment of vehicles in the CalWORKs program contact Linda S. Lattimore at (916) 653-5830.

Sincerely,

***Original signed by***

***Bruce Wagstaff***

***On 5/16/01***

BRUCE WAGSTAFF

Deputy Director

Welfare to Work Division

c: CWDA  
CSAC