



CDSS

JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



ARNOLD SCHWARZENEGGER
GOVERNOR

September 2, 2009

ALL COUNTY LETTER (ACL) 09-41

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL FOOD STAMP COORDINATORS
ALL REFUGEE COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CalWORKs) AND FOOD STAMP PROGRAMS QUARTERLY REPORTING AND
PROSPECTIVE BUDGETING (QR/PB) QUESTIONS AND ANSWERS (Q&A's)

The purpose of this ACL is to transmit a series of Q&A's regarding the QR/PB system in the CalWORKs and Food Stamp programs. This letter reiterates and clarifies current policies that have been routinely found to be difficult and confusing for both counties and recipients of aid.

If you have any questions regarding this letter, please contact your CalWORKs County Consultant or call the CalWORKs Eligibility Bureau at (916) 654-1322. For any Food Stamp Program questions, please call the Food Stamp Branch at (916) 651-8047 and ask to speak to a Policy Consultant.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Enclosure

REASON FOR THIS TRANSMITTAL

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

**CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)
AND FOOD STAMP (FS) PROGRAMS' QUARTERLY REPORTING AND
PROSPECTIVE BUDGETING (QR/PB) QUESTIONS AND ANSWERS (Q&As)**

- 1. Should the county make a follow-up contact with the recipient if no QR 7 is received by the 11th of the month or an incomplete QR 7 is received?**

Answer: Yes. Regulations at MPP §40-181.221(QR) and 63-508.6 explain what the counties are required to do when a client fails to submit a QR 7 or submits a QR 7 that is incomplete. The QR 7 is due by the 5th of the month and is considered late if received after the 11th of the Submit Month.

Discontinuance Notice

If the QR 7 is not received by the 11th of the Submit Month, the county shall send the client a notice of discontinuance effective the end of the Submit Month. If the county initially received an incomplete QR 7 from the client, the worker must inform the recipient what specific information and documentation is needed for the QR 7 to be considered complete and the deadline by which the recipient must submit it to avoid being discontinued. For the Food Stamp Program, this notice must also state that the county is available to assist the recipient in completing the QR 7 (MPP §63-508.616).

The discontinuance notice states that a complete QR 7 must be received in order to avoid termination of benefits, so if a household responds to the notice of an incomplete QR 7 by submitting another QR 7 that does not contain all the listed missing information, the county may discontinue without further notice. If, however, between the two QR 7s the county has sufficient information to determine eligibility, the county shall not discontinue the case. This is true for both the CalWORKs and Food Stamp programs.

Example: The client reports work and a new household member but fails to turn in wage verification. The discontinuance notice states that the QR 7 was incomplete for failure to provide wage verification. The client submits a new QR 7 with the wage verification, but does not report the new household member. Between the two QR 7's, the reporting would be considered complete.

For CalWORKs cases, prior to any discontinuance, the county is required to make a Balderas contact, described below, to inform the clients of the reason for proposed discontinuance and give them the opportunity to submit a complete QR 7.

Balderas Contact

After sending the discontinuance notice (no later than 10 days before the end of the Submit Month), for CalWORKs cases the county shall attempt a personal (Balderas) contact with the client, either in person or by phone, and document

the attempt in the case record. If the worker attempts the contact, but cannot reach the client, then a written reminder shall be sent to the client no later than five days before the end of the month. If the client does not submit a complete QR 7 by the first business day of the next QR Payment Quarter (the extended filing date), the discontinuance remains in effect and the individual must reapply for benefits, unless good cause is established. (For food stamp cases, the Balderas reminder contact is not required in order for counties to discontinue a case for failure to provide a complete QR 7.)

A recipient's CalWORKs termination for incomplete QR 7 is not valid unless an attempted Balderas personal contact is made and documented and a Balderas reminder notice is sent if personal contact cannot be made. For recipients who have indicated a non-English primary language for verbal communications, the county contact must be made in the individual's primary language through a bilingual worker or interpreter (MPP §21-115).

2. What constitutes "good cause" for late filing? When does good cause for late filing exist?

Answer: Per MPP §40-181.23 and 63-508.64, good cause for submitting a late QR 7 exists when the recipient cannot reasonably be expected to fulfill his or her reporting responsibilities due to factors outside of his or her control. Good cause exists only in the following situations:

- 1) The recipient is suffering from a mental or physical disability which prevents timely and complete reporting;
- 2) The recipient's failure to submit a timely and complete report is directly attributable to county error; or
- 3) The county finds other extenuating circumstances.

Per MPP §40-125.941 and 63-508.641, when a recipient requests restoration of aid during the first month after being discontinued for a late QR 7, the county is required to review whether the recipient had good cause for late submission of their QR 7. If good cause is found, the discontinuance shall be rescinded.

If restoration of aid is requested after a month has passed, a good cause exemption shall only be reviewed if specifically requested by the recipient. The burden of proof is on the recipient to prove he or she has good cause for not submitting a complete and timely QR 7, but the county worker has the discretion to decide if each specific situation meets the above criteria for "good cause."

Also, at any time, the county may choose to independently determine good cause, without the recipient's request (MPP §40-181.232 and 63-508.642). For example, counties may determine good cause, without request from the client, when they become aware of a domestic violence situation, when the recipient is suffering from a mental or physical condition which prevents timely and complete reporting, if they become aware of a county error such as when mail is returned as undeliverable and the worker finds the client reported a new address that was

not used for the mailing, or when the county finds other extenuating circumstances.

3. **Often in Part 3 of the QR 7 (anticipated changes), recipients will write that they have “no idea” what income they expect to receive in the next quarter or “\$0” income, when the county knows the recipients often do occasional work. Can the county reject a QR 7 filled out this way as incomplete and tell the recipient that they MUST anticipate something? How do counties treat anticipated income when the recipient’s income fluctuates greatly?**

Answer: Recipients are only required to report income that they reasonably anticipate to receive in the upcoming quarter. “Reasonably anticipated” income is that which the person is reasonably certain as to the amount and payment date to be received (MPP §44-101(c)(1); 44-315.311(a); 63-509(QR)(a)(2)). This means that even when recipients do occasional work, if they can’t anticipate how much they will get paid or that they will get paid within any of the three months of the upcoming quarter, they may be unable to reasonably anticipate that income.

If a recipient reports they have “no idea” of anticipated income, counties should not return the QR 7 to the recipient as incomplete, but should contact the recipient and discuss their potential income for the next few months and decide if any income can be reasonably anticipated. The county has several options for obtaining more reliable information:

- 1) If the recipient is unable to estimate future income with the county’s assistance, then with the recipient’s written permission, the county may contact the employer or source of income.
- 2) If unable to obtain additional source information, counties can also look at past income (current quarter for CalWORKs and past 12 months for Food Stamps per MPP §63-509(a)(6)(B)) and may use this past income as an indicator of income that will be received over the next quarter, as long as no change in income has occurred or is anticipated to occur over the next quarter (MPP §44-315.312; 63-509(a)(2)(C)(3)(f)).

The portion of the assistance unit’s income that is still uncertain or cannot be reasonably anticipated will not be counted when determining benefit amounts (MPP §44-315.313(QR) and 63-509(a)(2)(QR)). The county should explain that if the actual income is less than the anticipated income, the recipient should make a mid-quarter, voluntary report of decreased income so that the county may increase the grant based on the decreased income (MPP §44-316.312(a); 63-509(e)).

Counties should not treat QR 7’s with zero anticipated income as incomplete, unless there is some discrepancy. For example, if the recipient had regular income last quarter and they anticipate zero income this quarter but do not state on the QR 7 that anything has changed since last quarter, then the county should follow-up with the recipient to resolve the discrepancy. However, if the recipient did not have any income during the previous quarter and they report no change,

then a QR 7 with zero anticipated income should not be considered incomplete. Furthermore, if the county rejects the recipient's estimate of anticipated income, the county must document why it is rejecting the recipient's estimate, explain the basis for the estimate the county uses and issue a notice of action to the recipient (MPP §44-313.111(c); 63-509(a)(1)).

Example 1: If a recipient is a waitress and doesn't earn the same amount each month because of extra shift opportunities or shift cut-backs, but states on the QR 7 that the reported Data Month's income is "typical," the county can count that income as reasonably anticipated for the next quarter. If, however, the recipient never has any regular shifts or hours, and the employer or prior income history verifies that there is no minimum amount of income expected, then this income cannot be reasonably anticipated.

Example 2: If the person's income varies between \$200 and \$400 a month and the employer can't confirm the earnings or schedule, but the recipient and the employer both agree that earnings are usually about \$200; the county could list \$200 as reasonably anticipated income. If the person's income varies dramatically (for example someone who is waiting for an on-call substitute position, who doesn't know whether there will be any work or any minimum hours) there is no income that can be reasonably anticipated.

4. Recipients are having problems filling out the QR 7 correctly. This is especially true with Part 3, regarding anticipated income. What can be done to minimize this problem?

Answer: The county must review reporting responsibilities, including a review of the QR 7 form, at application and annually at redetermination (MPP §40-181(1)(e)(1); 63-508.322). In addition, the county must review the reporting responsibilities any time it appears that the person is having problems understanding his or her reporting responsibilities, in order to avoid overpayments and fraud (MPP §20-005.313).

It is important that counties assist recipients in understanding their reporting responsibilities in order to minimize reporting errors. Counties must ensure that appropriate language services are used for limited English proficient recipients, and that reasonable accommodations are provided to those recipients with disabilities requiring assistance (MPP §21-115).

It is also important to work with the recipients to determine whether income can be reasonably anticipated. As indicated in Question 3, recipient earnings sometimes cannot be reasonably anticipated, although they have occasional work.

5. What verification is the recipient required to provide when reporting decreased income mid-quarter?

Answer: No verification is required in order to *report* a decrease in income. However, the recipient must provide verification within 10 days of the voluntary report in order for the county to take action on the report of decreased income. When a participant reports a decrease in income, but does not provide necessary verification, the worker shall send the recipient a written request for verification that informs the recipient that the county needs to receive verification within 10 days.

If the worker does not receive the requested verification, they shall document the report of decreased income in the case file and send a No Change Notice of Action. If verification is received within 10 days of the reported change, then a supplemental payment shall be calculated for the month of the change or the month of the verified report, whichever is later. If verification is received after the 10 days, the date of verification will be considered the new report date (MPP §44-316.311; 63-509(d)).

Acceptable verification includes (but is not limited to): paycheck and benefits stubs (i.e., unemployment or disability benefits stubs), or a letter from the employer (MPP §40-181.24(f)(QR); 63-300.5(h)). If the recipient provides such verification, counties should accept the verification unless there is a documented reason to doubt its validity.

If the recipient is attempting to obtain the verification, but is having trouble, the county must offer to help, per MPP §40-126.33 and 63-300.5(i). The worker, with the recipient's written permission, may contact the employer to verify the recipient's statement. Per MPP §40-115.22 and 63-300.5(e)(1), if verification does not exist, an affidavit or sworn statement is acceptable verification of earnings in both the CalWORKs and Food Stamp programs. Collateral contacts may also be used for Food Stamp households (HH) (MPP §63-300.5(h)(2)).

6. How do counties treat a report of decreased income that is received in the Submit Month (i.e. the month the QR 7 is due)?

Answer: Per MPP §44-316.31 and 63-509(a)(2), the county must treat a report in the Submit Month (either on the QR 7 or a separate report) as a voluntary mid-quarter report, and adjust/supplement the benefit amount for the month the decrease took place if verified timely (see previous question for more information about necessary verification and timeliness for providing it). If the decreased income is expected to continue into the next quarter, the report of decreased income on the QR 7 will also be used to determine the next Payment Quarter's cash aid and food stamp benefit amount.

Example 1: Jan/Feb/Mar quarter. Mom submits a timely and accurate QR 7 on March 4th stating that her actual income for the month of March will be lower than previously anticipated and budgeted for and that this decrease in income will continue through the upcoming Payment Quarter. She provides written

verification of her decreased income on March 7th. The county shall refigure this assistance unit (AU)/HH's cash aid and food stamp benefits for the month of March and make any necessary supplemental payments to the AU/HH. The county shall also use this new reasonably anticipated income to figure the AU/HH's cash aid and food stamp benefits for the upcoming Payment Quarter if it is anticipated to continue.

Example 2: Using the same scenario above, on the QR 7, mom reported the decreased income for the upcoming Payment Quarter, but didn't report that the current month income would also be decreased. If on March 25th, she reports that her March income will also be at the lower amount and provides timely verification on April 2, her March cash aid and food stamp benefits would be redetermined and a supplemental grant must be issued for the difference. When the CalWORKs grant is supplemented, the new CalWORKs grant amount to be used in the food stamp budget will include the original grant, as well as the supplement.

7. **A recipient reports receiving (and provides the county with a copy of) an approval letter for Supplemental Security Income/State Supplementary Payment (SSI/SSP). The letter states the participant will be paid \$661 monthly, but has no other information. Can the county budget this income for the following Payment Quarter?**

Answer: No. SSI/SSP income is not counted as income for the AU, and recipients of SSI/SSP are not eligible to receive CalWORKs or food stamp benefits. (See MPP §44-133.2 and 63-402.226 for treatment of income when an SSI recipient resides in a CalWORKs AU or food stamp HH.) Since the approval letter does not reflect the date the participant will begin receiving SSI/SSP benefits, it cannot be reasonably anticipated, although the worker could attempt to verify with the Social Security Administration (SSA) when the first benefits will be issued. Once the recipient begins receiving SSI/SSP or the beginning date of payment is known, then the SSI/SSP recipient must be discontinued from cash aid and food stamps at the end of the quarter, per QR rules.

It is not considered duplicate aid if a recipient receives CalWORKs, SSI/SSP or food stamps at the same time because the SSA will decrease the SSI/SSP payment level based on the recipient's portion of the CalWORKs grant, and the SSI/SSP payment will increase as soon as the recipient is removed from the AU (see ACIN I-09-04, question 1 for more information on this scenario).

Presuming this was a different type of income (that would not preclude eligibility for CalWORKs and food stamps), such as Unemployment Insurance, it still may not be budgeted unless the county knows when the payment will begin, because the county must know both the amount and payment date before the income may be considered "reasonably anticipated" (MPP §44-315.311; 63-509(a)(2)). The worker must document in the case file regarding why the income was not used in the benefit calculation.

8. **The recipient reported information on the QR 7 that the county wanted to follow up on with the employer. The county could not contact the employer and verify the information prior to issuance of the first payment in the quarter. If during the Payment Quarter, the county confirms that the recipient had income that they had not anticipated should an overpayment be established?**

Answer: There are two different issues here: the reporting of anticipated income and when a county can establish an overpayment. As discussed previously, in order to be budgeted, the recipient must know both the amount of income and when the income will be received. If the recipient timely and correctly listed what income they could reasonably anticipate to be budgeted, then the county cannot use actual income received during the quarter to compute an overpayment (MPP §44-350.18(QR); 63-509(a)(2)). Absent the county confirming with the employer that by the end of the Data Month there was a specific job offer, start date, wage, and estimate of quarterly income, the county cannot determine that there was an overpayment for the following Payment Quarter.

This differs from corrections of county budgeting or client reporting errors, which can be assessed as overpayments and corrected mid-quarter. Client reporting errors occur when the recipient does not report correctly initially. For example, if a client listed only three checks instead of four, but the full income was anticipated, this would be a client reporting error and the county can assess an overpayment. However, this is not the situation if, for example, the client reasonably anticipated only working three weeks and because of an unanticipated schedule change, worked four weeks instead. If it was reasonable for the recipient to have anticipated only three weeks of work, the county must budget for three weeks of work. The fact that it changed later does not result in the county re-computing the budget and assessing an overpayment.

9. **Can you re-clarify when counties use the weekly and bi-weekly conversion multipliers?**

Answer: If the recipient is going to be paid weekly *every week* for the entire quarter, use the weekly multiplier. If they are going to be paid *every other week* for the entire quarter, use the bi-weekly multiplier. If they get a fixed monthly pay, whether in one or more pay periods, use the monthly amount and no multiplier. If the person does not anticipate getting paid regularly for the entire quarter, don't use the multiplier, just count the anticipated income. (Income averaging rules, including conversion multipliers are explained in ACL 04-19 and in MPP §44-315.315(a)).

For example, someone who reports getting \$200 every week for the whole quarter is treated differently than someone who reports that they will work only the first three weeks of each month, and be paid \$200 per week worked. In the first example, the weekly multiplier of 4.33 would be used, for a total of \$866 averaged monthly income; in the latter case, \$600 is budgeted as the monthly

income throughout the quarter. If a recipient reports that they will receive a paycheck every other week in the amount of \$300 for the entire quarter, then the bi-weekly multiplier of 2.167 would be used, for a monthly total of \$650.

The weekly or bi-weekly paychecks do not have to be the same amount every week; however the recipient must expect that the weekly fluctuating income pattern will remain the same. For example, if a recipient receives weekly paychecks, on their QR 7 they report earning four checks in the amounts of: \$100, \$230, \$175 and \$200, and they claim that this income pattern will continue throughout the entire quarter, the income would be budgeted as follows: First, the county would find the average weekly pay by adding all four checks together and dividing by 4 ($\$100 + 225 + 175 + 200 = \700 . $\$700/4 = \175). The average weekly income would then be multiplied by the weekly conversion factor of 4.33, to reach an average monthly income of \$757.75. If however, the client reported receiving four checks in the amounts of: \$100, \$230, \$175 and \$200, and they claim that their weekly checks will continue to be different every week, then the weekly multiplier would not be used.

10. What language services must the county provide to someone if the QR 7 has not been translated into the recipient's primary language?

Answer: Counties are required to offer free interpretive services, without undue delays, to applicants and recipients for both oral and written communications and to document these preferences in the case file. Applicants and recipients can also self-identify the language(s) in which they wish to receive verbal communications and written materials from the county at any time. Applicants and recipients may select a different language preference for both oral and written communications. If the individual has selected a non-English language for written materials, and the state has provided a translation, the county must use the translated forms regardless of whether the participant has received forms in English in the past (MPP §21-115.2). This language requirement exists regardless of the size of the language group in the county or the county's automation system capacities. If the state has not provided a translation of a particular form, the county must provide a county-translated form or verbal interpretive services (MPP §21-115.15). Furthermore, recipients may request interpretive services any time they believe they need help understanding a form, regardless of their English proficiency (please see ACL 08-65 for more information on interpretive services).