



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



EDMUND G. BROWN JR.
GOVERNOR

April 8, 2011

ALL COUNTY LETTER NO. 11-34

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL COUNTY WELFARE-TO-WORK COORDINATORS
ALL CONSORTIUM PROJECT MANAGERS
ALL REFUGEE PROGRAM COORDINATORS
ALL CHILD CARE COORDINATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) SHORT-TERM CHANGES EXTENSION AND EXPANSION IMPLEMENTATION GUIDELINES/REPEAL OF PRIOR POLICIES-CalWORKs LONG-TERM REFORMS

REFERENCE: SENATE BILL (SB) 72 (CHAPTER 8, STATUTES OF 2011) SECTIONS 9, 14, and 29; WELFARE AND INSTITUTIONS CODE W&I CODE SECTIONS 11320.3, 11325.71, AND 11454, ALL COUNTY LETTER (ACL) 09-46, AND ALL COUNTY INFORMATION NOTICE (ACIN) I-60-10

The purpose of this letter is to inform the County Welfare Departments (CWDs) of changes to the CalWORKs program pursuant to SB 72 (Chapter 8, Statutes of 2011) which was signed by the Governor on March 24, 2011. This letter includes instructions to be used in the implementation of the expansion and extension of the CalWORKs Short-Term exemptions. The extension and expansion of the short-term changes include the following:

- The extension of counties' option to redirect mental health and substance abuse funding to and from other employment services;
- The extension of the time limit exemption and Welfare-to-Work (WTW) participation exemptions for eligible adults with young children;

- The extension of the time limit exemption for good cause due to lack of supportive services; and
- A new exemption option for adults with children between 24 and 35 months of age.

This letter also provides guidance on informing requirements, transmits temporary forms, and supplies counties with the Welfare Data Tracking Implementation Project (WDTIP) codes for the temporary time limit exemptions.

SB 72 directs the California Department of Social Services (CDSS) to implement the statute initially through All County Letter (ACL) followed by emergency regulations. These CalWORKs changes created by SB 72 go into effect on July 1, 2011.

Separate letters are being issued containing instructions on the other provisions of SB 72, which are as follows:

- a new 48-month time limit for aided adults;
- an eight percent reduction to the Maximum Aid Payment levels (ACL 11-29);
- additional grant reductions for certain child-only cases;
- the suspension of the Cal-Learn Program; and
- changes to the AB 98 (Chapter 589, Statutes of 2007) subsidized employment program (ACL 11-32).

The CalWORKs Long-Term Reforms, which were due to be implemented on July 1, 2011, have been repealed as a result of SB 72. The following provisions will *not* be implemented:

- Work participation requirements for the Safety Net program;
- A 12-month "sit-out" period for the adult after the 48th month on aid;
- A 60-month time limit on the receipt of aid for certain child-only cases;
- Graduated sanctions for failing or refusing to comply with work requirements without good cause; and
- A semi-annual self-sufficiency review process for adults.

Please see attached summary of all the SB 72 provisions.

CDSS will distribute a statewide mailer to all CalWORKs recipients in May 2011 containing information regarding these changes. CWDs can use this mailer as an additional tool to inform adults of these new rules at intake and at annual redetermination.

Background

The passage of SB 72 impacted the CalWORKs program significantly. This bill included an approximate reduction of \$427 million to the CalWORKs single allocation in the 2011-2012 fiscal year. This is an additional reduction of approximately \$50 million over the previous year's reduction and may result in insufficient resources to provide the full array of WTW services in the 2011-2012 fiscal year.

To address the reduction to the counties' single allocation, the statutory changes included in SB 72 authorized a continuation of the statutory changes that occurred in Assembly Bill (AB) X4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009). SB 72 also provided a new exemption option for adults with children between 24 and 35 months of age. The continuation and expansion of the short-term changes will continue until July 1, 2012.

County Flexibility to Redirect Mental Health and Substance Abuse Funding

SB 72 has extended the flexibility to temporarily redirect CalWORKs mental health and substance abuse treatment services funding to and from other employment services, as created by AB X4 4, until July 1, 2012. This flexibility has given counties the ability to use resources from their county's mental health and substance abuse services allocations to pay for other critical CalWORKs services, and vice versa.

As a reminder, if the shifting of mental health and substance abuse funds to cover other CalWORKs employment services expenses causes mental health and substance abuse treatment services to become unavailable, eligible adults whose need for these activities has been identified and included in their WTW plan must be granted good cause. Providing good cause to these eligible adults will remove the requirement to participate in CalWORKs due to a situation "that temporarily prevents or significantly impairs the client's ability to be regularly employed or to participate in Welfare-to-Work activities," pursuant to W&I Code Section 11320.3, subdivision (f) and will stop their 48-month time clock. If employment services funds are redirected from the CalWORKs Single Allocation, they can only be used for non-medical substance abuse and mental health treatment services.

48-month Time Limit and WTW Exemptions

SB 72 provides for a continuance of the temporary CalWORKs young child(ren) time limit exemptions originally established by AB X4 4, until July 1, 2012. These exemptions apply to eligible adults who are caring for young children and to eligible adults who may be granted good cause from WTW participation due to a lack of supportive services. These exemptions do not stop the federal Temporary Assistance for Needy Families (TANF) time clock.

Continuation and Expansion of Time Limit and WTW Exemptions for Eligible Adults with Young Children

SB 72 amended W&I Code Section 11320.3 which provides for the continuation of the exemption from the CalWORKs time limit and WTW activities for a parent or caretaker relative who has primary responsibility for personally providing care to one child who is from 12 months to 23 months of age, or two or more children who are under six years of age. Single parent or two-parent households who qualify for these new exemptions must be exempted per procedures established in ACIN I-60-10. In two-parent cases in which both parents are contributing toward meeting the 35-hour per week requirement, one parent must receive the exemption and have his or her CalWORKs 48-month time clock stopped. These eligible adults are not required to participate in WTW and will have their CalWORKs 48-month time clock stopped until they no longer meet these criteria, or until July 1, 2012, whichever comes first.

Additionally, SB 72 created a new exemption that can be provided at county option, for a parent or caretaker relative who has primary responsibility for personally providing care to a child who is from 24 to 35 months of age, when the county has made a finding that it is necessary to extend the young child exemption in order to implement its portion of the \$427 million reduction to the CalWORKs program single allocation. When a county has determined that there is not enough funding to provide the full array of WTW services to mandatory participants, it must establish written policies for granting this new exemption prior to implementation. Counties must provide adequate notice to all eligible adults affected by this policy. The written policies regarding the expansion of this exemption must be submitted to your CalWORKs Employment Bureau county consultant so that a copy can be posted on the CDSS' website.

Eligible adults in the assistance unit meeting the time limit or WTW exemption criteria have the option to volunteer if funding is available to meet their service needs. There is no participation requirement for exempt clients, and their CalWORKs 48-month time clock must remain stopped even if volunteering. Exempt WTW eligible adults are allowed to volunteer to participate in whatever activities are established in their WTW plan, which must include identification of necessary supportive services.

Counties should allow volunteers to participate on a first-come, first-serve basis with priority to existing participants over new applicants, consistent with the legislative intent regarding these changes, to the extent that funds are available to serve *all* of their needs (See section below for lack of funding for supportive services). If a client makes a request to volunteer, counties are advised to confirm the client's current need for supportive services. If a county does not have funds available to cover all of a participant's necessary supportive services those eligible adults will remain in exempt status. Once the client's temporary exemption ends and the eligible adult no longer qualifies for *any* WTW exemption, he/she will be required to participate in WTW

activities as required by Manual of Policies and Procedures Section 42-712, and may need to sign a new Welfare-to-Work plan (WTW 2) based on the client's assessment.

Counties should note that the short-term young child(ren) exemptions from the CalWORKs time limit and WTW activities do not apply to pregnant and parenting teens under the age of 20 who have not earned a high school diploma or equivalent.

Time Limit Exemptions for Good Cause Due to Lack of Supportive Services

If a county has determined they have insufficient funds to serve all WTW participants, they must establish written policies with their priorities for granting good cause for lack of supportive services. Eligible adults who receive good cause from WTW participation for lack of supportive services will have their CalWORKs 48-month time clock stopped until the county is able to provide those services, or until July 1, 2012, whichever comes first.

As stated in AB X4 4, ACL 09-46, and ACIN I-60-10, it was not the intent to disrupt current participants; therefore, good cause must first be given to applicants of the CalWORKs program and current participants must be given priority for available services. However, this does not preclude counties from granting these exemptions to current eligible adults if there is inadequate funding to fully meet their service needs. Prioritization is allowed based on a logical and consistent rationale that could include factors such as high cost of supportive services. However, in no instance can the prioritization criteria focus on any protected class of people (e.g. disabled, non-English speaking, etc.), and the criteria must be applied on a county wide basis.

Providing Notice to Clients of the Temporary Exemptions

Counties must provide timely and adequate notices to eligible adults who will be affected by the continuation and expansion of the short-term changes. Counties' written notification should include the following suggested language below; however, counties may modify the language to include appropriate reference to individual county WTW programs:

Notice for 12-23 Month Age Related Exemption:

You are excused from Welfare-to-Work activities under a new state law because you have young children. This is known as an exemption.

__You are exempt because you have a child between the age of 12 months and 23 months. This exemption will last until June 30, 2012 or until the child turns two, whichever comes first.

__You are exempt because you have two or more children under the age of six. This exemption will last until June 30, 2012 or until you do not have two children under age six, whichever comes first.

You are excused from welfare-to-work activities, but you can choose to volunteer for Welfare-to-Work activities. If you volunteer, we may be able to pay for transportation, child care and other costs such as work clothing or tools, books, and supplies, if funding allows.

These exemptions stop your CalWORKs 48-month time clock to get cash aid. If you are currently sanctioned, your sanction will stop and you will get your part of the family's cash aid back.

Call your worker for more information. If you do not know how to contact your worker, call your county at _____.

Notice for the New 24-35 Month Age Related Exemption:

For those counties that have determined that in order to implement its portion of the reduction, it is necessary to extend the time limit and WTW participation exemption to additional cases with young children., the following suggested language should be included:

__You live in a county that has excused you from Welfare-to-Work activities under new state law because you have a child between the ages of 24 to 35 months of age.

Notice for Lack of Supportive Services

The county does not have money to pay for your supportive services such as child care, books, and tools at this time. For this reason we are excusing you from Welfare-to-Work activities until we contact you again, or until June 30, 2012, whichever comes first.

While you are excused from Welfare-to-Work activities, your CalWORKs 48-month time clock to get cash aid is stopped.

Call your worker for more information. If you do not know how to contact your worker, call your county at _____.

WDTIP Tracking Recipients Across California (TRAC) Codes

Counties must ensure eligible adults with these time limit exemptions are identified and appropriately tracked on the WDTIP TRAC system. Counties must use the following codes:

Exemption Type	Program Exception Code (PEC)	Program Exception Reason Code (PERC)
Providing Care for Young Children Ages 12-23 Months or Two Children Under Six Years of Age	03	316
Providing Care for Young Children Ages 24-35 Months	03	317
Good Cause for Lack of Supportive Services	04	407

Forms:

TEMP CW 2186A

Counties should continue their use of the TEMP CW 2186A CalWORKs Time-Limit and Welfare-to-Work Participation Exemption Form. Revisions to the TEMP CW2186A will be forthcoming under a separate ACL.

CW 2186B

The CW 2186B CalWORKs and Welfare-to-Work Time Limit Exemption Determination form is attached and has been updated to reflect the new 48-month time limit. Counties shall use this form to notify applicants or eligible adults of their 48-month time limit and WTW participation exemptions. The reference to Cal-Learn as an exemption has been removed from this form due to suspension of the program

For camera-ready copies in English, contact the Forms Management Unit at fmudss@dss.ca.gov. If your office has Internet access you may obtain these forms from the CDSS webpage at:

http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm. When all translations are completed per MPP Section 21-115.2, including Spanish forms, they are posted on an on-going basis on our website. Copies of the translated forms can be obtained at http://www.dss.cahwnet.gov/cdssweb/FormsandPu_274.htm. For questions on translated materials, please contact Language Services at (916) 651-8876. Until translations are available, clients who have elected to receive Spanish, Russian, Vietnamese, and written Chinese materials should be sent the GEN 1365 interpretation informing notice with a local contact number.

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If you have questions or need additional information regarding this ACL, contact your CalWORKs Employment Bureau county consultant at (916) 654-2137 or your CalWORKs Eligibility consultant at (916) 654-1322.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Attachments

SUMMARY OF CalWORKs CHANGES EFFECTIVE JULY 1, 2011

Eight Percent Maximum Aid Payment (MAP) Reduction

All CalWORKs MAP levels will be reduced by eight percent. This reduction will affect Regions 1 and 2 and exempt and non-exempt MAP levels.

CalWORKs 48-Month Time Limit

The CalWORKs time limit for adults is reduced from 60 months to 48 months. All months on aid received in California since January 1, 1998 will count unless the adult has/had a time limit exemption. The federal Temporary Assistance for Needy Families (TANF) 60-month time clock does not change. All current time clock exemptions, domestic abuse waivers, and extenders, continue to apply. Children of time-expired adults will continue to receive aid in the Safety Net program, if otherwise eligible.

Incremental Grant Reductions (IGRs) for Certain Child-Only Cases

Grants for certain Child-Only cases will be reduced by five, 10, and 15 percent at months 61, 73 and 85, respectively. All months in which the aided member of the Assistance Unit (AU) who has received CalWORKs the longest since January 1, 1998 will count towards these time limits. The cases subject to IGRs are: Safety Net families and AUs with a non-needy caretaker relative or a caretaker relative who is an undocumented non-citizen, drug or fleeing felon, or is in sanction status. Child-Only cases in which the parent(s) or caretaker relatives are unaided due to their SSI/SSP status are not subject to these IGRs.

Changes to the Earned Income Disregard

The \$225 disregard for Disability-Based Unearned Income (DBI) has not changed. However, the disregard for non-exempt earned income is changed. If the DBI does not exceed \$225, the disregard for the non-exempt earned income will be the lesser of the remainder of the DBI or \$112. After that calculation is made, 50 percent of the remaining non-exempt earned income is disregarded.

Changes to the Cal-Learn Program

The Cal-Learn Program is suspended for a one-year period. Counties are required to transition pregnant and parenting teens currently participating in Cal-Learn into the Welfare-to-Work (WTW) program. Under WTW, the teen's primary requirement is to attend school, make satisfactory progress, and graduate or obtain a high school diploma or its equivalent. These teens are entitled to receive bonus payments for satisfactory attendance, progress and high school graduation. Pregnant and parenting teens who fail to comply with their new WTW requirements are subject to WTW sanctions, rather than the sanctions imposed under Cal-Learn.

Changes to Mental Health and Substance Abuse Funding

Counties shall continue to have the option to redirect funding, both from and to, the CalWORKs mental health and substance abuse allocations and from and to other CalWORKs employment services. This funding change will become inoperative on July 1, 2012.

SUMMARY OF CalWORKs CHANGES EFFECTIVE JULY 1, 2011

Changes to the Subsidized Employment Program

The state's maximum contribution (outside of the Single Allocation) toward wage subsidies under the AB 98 subsidized employment program has been increased to 100 percent of the computed grant for the participant's AU in the month prior to participation in subsidized employment. The population that is eligible for AB 98 has been expanded to include individuals in the Safety Net program and to individuals in WTW sanction status. Counties may also continue AB 98 subsidized employment for the duration of the placement to participants who become ineligible for CalWORKs due to the subsidized employment income. The duration of the subsidized position placement can also be extended for up to 12 months, if determined by the county to be beneficial to the employer and the participant. However, entry into subsidized employment positions is limited to individuals who are not otherwise employed at the time of entry into the subsidized employment position.

Extension and Expansion of the CalWORKs Short-Term Changes and Reengagement Strategies Workgroup

The CalWORKs Short-Term changes (STC), also known as the young children exemptions have been extended and will remain in effect until July 1, 2012. The 48-month time clock exemption for good cause for Lack of Supportive Services is also extended through July 1, 2012.

An expansion of the young children exemption has been created for counties that have made a finding that, in order to implement its portion of the reduction to the CalWORKs program single allocation, it is necessary to extend the WTW participation exemption for clients with young children between 24 and 35 months of age. This exemption will expire on July 1, 2012. However, counties may rescind this extended age exemption at any time, with the proper noticing, if they determine that it is no longer necessary. Counties are reminded that they must have written criteria for the insufficient funding exemptions.

The reengagement strategies workgroup will be convened by CDSS no later than January 1, 2012.

CalWORKs Long-Term Reforms (LTRs)

The LTRs that were created by ABX4 8 in 2009 have been repealed as a result of SB 72.

CalWORKs Child Care Changes, Senate Bill 70

Effective July 1, 2011, all license-exempt provider payment rates will be reduced from 80 to 60 percent of the Regional Market Rate payment ceilings established for family child care homes; eligibility for subsidized child care services will be limited to children who are 10 years of age or younger, with specific exceptions; families who are otherwise eligible for subsidized child care will continue to be eligible until their income reaches 70 percent of the State Median Income; and the existing family fee schedule is being increased by 10 percent, but shall not exceed 10 percent of the family's monthly income.

CalWORKs and WELFARE TO WORK TIME LIMIT EXEMPTION DETERMINATION

COUNTY	
CASE NAME	
CASE NO.	OTHER ID NO.
WORKER NAME	

Questions? Ask your worker.

Date _____

On _____, _____ requested an exemption, and the county made the following determination: (DATE) (NAME)

A. WELFARE TO WORK PARTICIPATION (WTW) EXEMPTIONS

1. The exemption is APPROVED.
He/she will not be required to participate in Welfare to Work. His/her exemption will end on _____. If (DATE)
his/her exemption should continue, he/she must provide information to show that it should continue, before the ending date above, or he/she will be expected to participate in Welfare to Work.
He/she can ask to volunteer to participate in Welfare to Work and will be told what activities and/or services are available.
Reason for exemption from Welfare to Work participation: _____

His/her condition may be looked at again to see if he/she continues to be exempt. If he/she is no longer exempt, he/she will be expected to participate in Welfare to Work.

2. The exemption is DENIED.
He/she is required to participate in Welfare to Work. He/she will get a notice from the county telling him/her when to attend the Welfare to Work activities and/or services.
Reason for Denial: _____

B. CalWORKs 48-MONTH TIME LIMIT EXEMPTIONS

1. The exemption is APPROVED.
Each month of aid for the period that his/her condition or circumstance lasts will not count toward the CalWORKs 48-month time limit. His/her exemption will end on _____. If his/her exemption should continue, he/she must (DATE)
provide information to show that it should continue, before the ending date above, or he/she will be expected to participate in Welfare to Work.
Reason for exemption: _____

His/her condition may be looked at again to see if he/she continues to be exempt. If he/she is no longer exempt, each month of aid will count toward the 48-month time limit.

2. The exemption is DENIED.
Each month of aid will continue to count toward the CalWORKs 48-month time limit.
Reason for Denial: _____

CONTACT YOUR WORKER IF YOU THINK THIS NOTICE IS WRONG. YOU MAY ALSO ASK FOR A STATE HEARING. "YOUR HEARING RIGHTS" FORM ON THE BACK SIDE OF THIS PAGE TELLS YOU HOW TO ASK FOR A STATE HEARING.

Rules: These rules apply; you may review them at your welfare office: MPP 42-302.1, 42- 302.2, 42-302.21, 42-302.3 - .34, 42-710, 42-712, and Senate Bill 72 (Chapter 8, Statutes of 2011).