

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



June 1, 2004

ALL COUNTY LETTER NO. 04-19

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM COORDINATORS
ALL FOOD STAMP COORDINATORS
ALL COUNTY DISTRICT ATTORNEYS
ALL CONSORTIUM PROJECT MANAGERS
ALL COUNTY REFUGEE COORDINATORS
ALL QUALITY CONTROL 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: POLICY CHANGES TO CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND FOOD STAMP (FS) PROGRAMS UNDER THE QUARTERLY REPORTING/PROSPECTIVE BUDGETING (QR/PB) SYSTEM

REFERENCE: ASSEMBLY BILL (AB) 444 (CHAPTER 1022, STATUTES OF 2002) and ALL COUNTY LETTER (ACL) 03-18

The California Department of Social Services (CDSS) has received requests from counties to clarify the use of the weekly and bi-weekly conversion factors (4.33 for weekly pay or 2.167 for bi-weekly pay) when income averaging, to determine monthly benefits for each of the months in the next Quarterly Reporting (QR) Payment Quarter. After consultation with the California Welfare Directors Association (CWDA) QR Technical Workgroup, the following policy change is being issued to all counties. This policy differs and supercedes the policy set forth in ACL 03-18 for income averaging over the QR Payment Quarter. The new income averaging policy is effective July 1, 2004. All counties must follow this policy beginning July 1, 2004, but will not be required to make retroactive changes based on this policy change.

Use of Weekly and Bi-Weekly Conversion Factors

- Under the following circumstances the County Welfare Department (CWD) shall add weekly or bi-weekly Data Month income amounts reported on the QR 7 and divide that total by the number of pay periods in the Data Month to arrive at an average monthly amount to which the conversion factors shall be applied.
 1. An Assistance Unit (AU)/household (HH) reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that no changes in income are anticipated in the upcoming payment quarter compared to the

Data Month income actually reported on the QR 7, and the CWD is in agreement with the household's report of no change in income; or

2. An AU/HH reports on the QR 7 that it is paid on a weekly or bi-weekly basis and indicates that it does anticipate changes in income in the upcoming quarter, but the county determines in its follow-up review that the AU's/HH's reasonably anticipated income in the next quarter will not change from what was reported in the Data Month on the QR 7.
- The average weekly and bi-weekly amounts arrived at above shall be converted to a monthly amount by using a 4.33 conversion figure for weekly payments and a 2.167 conversion figure for payments received bi-weekly.
 - The conversion figures can only be used if weekly and bi-weekly payments are paid throughout the entire QR Payment Quarter for each week or for every other week in the payment quarter.
 - The conversion factors are not used for income that is received monthly or semi-monthly.

Examples:

1. The recipient reports on the QR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135 and \$95. The recipient also indicates on the QR 7 that his/her income is not expected to change during the next payment quarter compared to reported income on the QR 7. The CWD will add the four weeks of income together, divide by four and then factor the resultant amount by 4.33 ($\$445 \div 4 = \$111.25 \times 4.33 = \$481.71$). Use the appropriate conversion factor for the payment frequency to arrive at the monthly income amount for the next QR Payment Quarter. If five pay periods were reported in the Data Month on the QR 7, the CWD will add each week together and divide by five and then factor the resultant amount by 4.33.
2. The QR Payment Quarter is January/February/March. The recipient indicated on the QR 7 that weekly income of \$100 was received in the Data Month and marks on the QR 7 that this income amount will not continue during the upcoming QR Payment Quarter. The CWD consults with the recipient and finds out that the recipient anticipated a change in income because he/she hopes to get a new job in the next quarter but has no firm offer. The recipient states that if he/she does not get a new job, he/she will continue at the current job throughout the next quarter making the same amount. Due to the speculative nature of the new job and the recipient's statement regarding the current job, the CWD determines that the income reported in the data month on the QR 7 is reasonably anticipated to continue during the next quarter. Therefore, the CWD would apply the conversion factor of 4.33 to the \$100 weekly amount to arrive at the monthly income amount for the next QR Payment Quarter. (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.)

3. The recipient reports on the QR 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 QR Payment Quarter and will remain unchanged throughout the next QR Payment Quarter. She is typically paid \$115, \$100, and \$135. The CWD will add the three weeks of income together to arrive at a reasonably anticipated monthly income for the next QR Payment Quarter. Since income is not paid every week of the QR Payment Quarter, the income cannot be factored.

If you have any questions regarding this policy clarification, you may contact:

CalWORKs Policy
Food Stamps Policy

Paulette Dreher (916) 654-3386
Leanne Torres (916) 654-2135

Sincerely,

*Original signed by
Bruce Wagstaff on June 1, 2004*

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

c: CWDA
CSAC