



CDSS

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DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

December 29, 2017

ALL COUNTY LETTER (ACL) NO. 17-125

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 CALFRESH SPECIALISTS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY CONSORTIUM PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs): IMPLEMENTATION OF SENATE BILL (SB) 570 (CHAPTER 463, STATUTES OF 2017)

REFERENCES: SENATE BILL [\(SB\) 570](#) (CHAPTER 463 STATUTES OF 2017); WELFARE AND INSTITUTIONS CODE (W&IC) SECTIONS [11250.8](#), [11250.9](#), [11451.5](#); MANUAL OF POLICIES AND PROCEDURES (MPP) SECTIONS [44-111.23](#), [44-111.43](#), [42-201](#) and [63-301.72](#)

The purpose of this letter is to provide guidance to County Welfare Departments (CWDs) regarding the implementation of SB 570, Chapter 463, signed by the Governor on October 3, 2017. The SB 570 exempts benefits and related allowances received from the United States Department of Veterans Affairs (VA) for *education, training, vocation or rehabilitation* from consideration as income when determining CalWORKs eligibility and calculating grant amounts for veterans, dependents of veterans and spouses, under specified circumstances.

EXISTING RULE

According to Welfare and Institutions Code (W&IC) Section [11250.8](#), current law exempts many educational loans and grants from consideration as income when determining CalWORKs eligibility. In addition, the Manual of Policies and Procedures

(MPP) Section [44-111.23](#) exempts specified educational loans and grants from consideration as income (when certification from the student's school is provided and indicates the financial aid was awarded based on need), as well as educational expenses from non-exempt educational loans and grants. This does not include all *educational, training, and vocational and rehabilitation* benefits and related allowances received through the VA.

The Galvanized Iron (GI) Bill is a program for *educational, training, vocation and rehabilitation* benefits and related allowances for veterans, their dependents and spouses of veterans. The GI Bill provides a range of benefits, including tuition assistance and a books and supplies stipend, as well as related allowances, such as a monthly housing allowance. Under existing law, pursuant to MPP Section [44-111.435](#), educational expenses are exempt from consideration as income for CalWORKs eligibility and benefits determination, but the monthly housing allowance is considered unearned income.

NEW RULE

Effective January 1, 2018, Section [11250.9](#) will be added to the W&IC creating an income exemption (for purposes of determining CalWORKs eligibility and/or calculating grant amounts) of benefits and related allowances received from the VA for *education, training, vocation or rehabilitation*. The benefits and related allowances are exempt for veterans and dependents of veterans, as well as for the spouse of a veteran who either died in the line of duty or has a service-connected disability.

Property, or asset, rules for these benefits remain unchanged under SB 570 and are located at MPP Section [42-201](#).

While SB 570 only makes changes to CalWORKs, due to current policy which requires all eligible CalWORKs households to be considered categorically eligible (CE) for CalFresh (pursuant to MPP Section [63-301.72](#)), these payments will also be exempt as income when determining CalFresh eligibility. As a reminder, eligibility factors accepted for CalFresh eligibility without verification for CE households are as follows: resources, income, social security number information, sponsored noncitizen information and residency. For CalFresh only households, CalFresh eligibility rules still apply and are not impacted by SB 570.

TYPES OF VETERANS ASSISTANCE INCLUDED

The VA offers many types of *educational, training, vocational and rehabilitation* benefits and related allowances, which are exempt under SB 570. If documentation provided by the client does not clearly indicate whether the program is an *educational, training, vocational or rehabilitation* benefit or related allowance, the CWD shall use current business practices to determine if the benefit or related allowance is intended for one of these purposes.

Many, but not all, benefits and related allowances exempt under SB 570 are included in the GI Bill. The GI Bill was originally passed in 1944 to assist veterans with education and home loan benefits. When revised in 1984, the GI Bill was named the Montgomery GI Bill. When revised in 2008 to provide benefits to veterans after September 11, 2001, the GI Bill was renamed as the Post-9/11 GI Bill. Most recently, on August 16, 2017 the Harry W. Colmery Veterans Educational Assistance Act was signed into law and the GI Bill was renamed the Forever GI Bill. All versions of the GI Bill are eligible for the income exemption under SB 570.

While GI Bill education expenses are exempt under existing law, under SB 570, the monthly housing allowance portion of the GI Bill is exempt as a related allowance. In addition, the Vocational Rehabilitation and Employment Services program provides a subsistence allowance and for the purposes of SB 570, it is also considered a related allowance. Since these related allowances are intended to promote attendance in *education, training, vocation or rehabilitation* programs, the allowances are exempt from consideration as income for CalWORKs eligibility and benefits determination.

Examples of benefits and related allowances received from the VA and exempt under SB 570 *include, but are not limited to the following:*

- ☐ Yellow Ribbon Program
- ☐ Survivors and Dependent Assistance Program
- ☐ Tutorial Assistance
- ☐ License and Certification Reimbursement
- ☐ Vocational Rehabilitation and Employment Services
- ☐ National Call to Service Program
- ☐ Compensated Work Therapy (CWT)
- ☐ Work Study

AUTOMATION

Each CWD shall create a manual business process until its respective consortium is automated to implement SB 570.

SCENARIO

The following is a sample scenario of how VA benefits will be considered, pursuant to SB 570.

An exempt assistance unit (AU) of 3 (one adult and two children) in Region 1 receives Veterans Disability Compensation (VDC) of \$500 monthly. In addition, the adult participates in the CWT program, a vocational and rehabilitation program administered by the VA. The adult receives \$11 per hour in compensation and participates 5 hours per week. The adult also takes courses full-time at a community college and receives the GI Bill to pay for tuition assistance and other expenses, which includes \$552 per

semester for tuition and fees, \$2,108 for a monthly housing allowance and \$500 per semester for a book stipend.

The CWT and GI Bill benefits and allowances are exempt and not considered income for CalWORKs eligibility or grant calculation purposes. Therefore, only the portion of the monthly VDC income, after the disability-based unearned income disregard, is considered for eligibility, pursuant to MPP Section [44-111.23](#) and W&IC [11451.5](#). Any unused amount received for *education, training, vocational and rehabilitation* programs is exempt as income. Property rules remain unchanged for these benefits and if unused related allowances (under SB 570) are treated as property in future months, according to Semi-Annual Reporting rules.

<u>Amount</u>	<u>Source</u>
	Veterans Disability Compensation
\$ 500	Disability-Based Unearned Income
<u>- 225</u>	<u>Disability-Based Income Disregard</u>
\$ 275	<i>Nonexempt Disability-Based Income</i>
	Compensated Work Therapy (CWT) Program
\$ 11	Per Hour
<u>x 5</u>	<u>Hours</u>
\$ 55	<i>Compensation received per week (Exempt)</i>
	GI Bill
\$ 552	Tuition and Fees (Per Semester)
2,108	Monthly Housing Allowance
<u>+ 500</u>	<u>Book Stipend</u>
\$3,160	<i>Total GI Bill Amount (Exempt)</i>
	Grant Calculation (Exempt)
\$ 799	Maximum Aid Payment (MAP) for AU of 3, Region 1
<u>- 275</u>	<u>Nonexempt Disability-Based Income</u>
\$ 524	<i>Monthly CalWORKs Grant Amount</i>

If CWDs have questions regarding this ACL, please contact the CalWORKs Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

TODD R. BLAND
Deputy Director
Family Engagement and Empowerment Division

c: CWDA