



STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: TODD R. BLAND, Assistant Director
Automaton, Integrity, and Client Initiatives Branch

SUBJECT: IMPROVEMENTS TO THE ANNUAL RECIPIENT INCOME AND
ELIGIBILITY VERIFICATION SYSTEM (IEVS)

The purpose of this All County Welfare Directors Letter (ACWDL) is to notify county welfare departments (CWD) of the improvements the California Department of Social Services (CDSS) has made to the recipient Income and Eligibility Verification System (IEVS) process. Specifically, these improvements have been made to the two-annual asset IEVS match reports: Internal Revenue Service (IRS) and Franchise Tax Board (FTB).

Background

In 1984 [Senate Bill \(SB\) 1379](#) was passed into law ([WIC 11025](#)) requiring both the CDSS and California Department of Health Care Services (DHCS) to implement an FTB asset match system. Also, in 1984, the CDSS began providing IRS Asset match data in addition to FTB asset data. The IRS Asset match data became a requirement in 1986, with [Title 45](#) of the [Code of Federal Regulations \(CFR\)](#), [Part 205.55](#), which requires states to obtain unearned income under [Internal Revenue Code section 6103\(l\)\(7\)](#) to determine eligibility for any amount of public aid. Both the CDSS and the DHCS have provided FTB data to counties, but in different formats.

The CDSS provides both FTB and IRS data in paper match reports annually whereas the DHCS provides counties with FTB data in its Applicant IEVS system, which is entirely electronic, on a continuous and as-needed basis. In 2017, statewide, CDSS shipped over 100,000 paper abstracts to CWDs. The timeframe for processing these records is 45 days from the date of receipt in the CWD office. Consequently, this has created a back log of unprocessed FTB and IRS Asset match records. Moreover,

processing the IEVS data is labor-intensive and results in a high percentage of non-discrepant IEVS records that find *no* indication of household errors or fraudulent activity.

The CDSS and the CWD recipient IEVS workgroup worked together to evaluate the efficacy of recipient IEVS matches not only to reduce the volume of paper abstracts but to analyze the value of the information provided by the two state agencies given its latency and effect on continuing eligibility for clients in both the CalWORKs and CalFresh programs.

Improvements to Recipient IEVS Asset Matches

To meet the needs of CWDs and provide the most valuable information related to recipient eligibility in the CalWORKs and CalFresh programs, the CDSS has taken actions on the IRS and FTB Asset matches to reduce county workload and streamline IEVS processing:

- The FTB Asset match has been discontinued effective June 2018.
- A higher income threshold will be implemented for the IRS Asset Match for the tax year (TY) 2016.

These changes to the two asset matches will not affect the delivery method, schedule of delivery, or the volume of the other eight recipient IEVS match reports that are currently provided to CWDs. However, the CDSS is continuing to work with the CWD recipient IEVS workgroup to improve the other eight matches.

County Impact

Recipient IEVS county workers will no longer receive and process the Recipient IEVS FTB match. To meet the federal requirements in [SB 1379](#), CWDs must continue to process the Applicant IEVS FTB match at application and recertification/redetermination. The CWDs are expected to process any remaining recipients' IEVS FTB asset matches in accordance with the timeframes outlined in [ACL 17-41](#). The CDSS, in collaboration with county partners, is developing an ACL instructing CWDs to run Applicant IEVS at recertification/redetermination. This ACL will be released under a separate cover following stakeholder review.

By increasing the income threshold of the IRS Asset match, the CWDs will be provided with more relevant information that can be utilized to determine ongoing eligibility. The CWDs will see a significant reduction in the volume of IRS Asset matches delivered by paper starting December 2018 for TY 2016. CDSS will follow its regular IRS Asset match schedule for TY 2017 and will be delivered to the CWDs in June 2019.

If you have any questions or need additional information please contact Analyn Deloso, Fraud Detection Unit Manager at analyn.deloso@dss.ca.gov.