

January 20, 2021

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 21-04**

The purpose of this All County Letter (ACL) is to inform County Welfare Departments (CWDs) of statutory changes enacted by Senate Bill (SB) 1232. These changes impact California Work Opportunity and Responsibility to Kids (CalWORKs), Welfare to Work (WTW) participants enrolled in publicly funded postsecondary education, effective January 1, 2021.



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DIRECTOR

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GAVIN NEWSOM  
GOVERNOR

January 20, 2021

ALL COUNTY LETTER NO. 21-04

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALWORKS PROGRAM SPECIALISTS  
ALL COUNTY WELFARE-TO-WORK COORDINATORS  
ALL COUNTY CONSORTIA PROJECT MANAGERS  
ALL COUNTY REFUGEE COORDINATORS  
ALL TRIBAL TANF ADMINISTRATORS

SUBJECT: **IMPACTS OF SB 1232 ON CALWORKS WELFARE TO WORK  
POSTSECONDARY EDUCATION ACTIVITY PARTICIPATION  
REQUIREMENTS AND ASSOCIATED ANCILLARY SERVICES**

REFERENCE: [SENATE BILL \(SB\) 1232 \(CHAPTER 366, STATUTES OF 2020\);](#)  
[WELFARE AND INSTITUTIONS CODE \(WIC\) SECTION 11322.8,](#)  
[WIC SECTION 11322.84,](#) AND [WIC SECTION 11323.21; MANUAL](#)  
[OF POLICIES AND PROCEDURES \(MPP\) SECTION 42-711, MPP](#)  
[SECTION 42-711.53, MPP SECTION 42-711.55, AND MPP](#)  
[SECTION 42-750.](#)

The purpose of this All County Letter (ACL) is to inform County Welfare Departments (CWDs) of statutory changes affecting California Work Opportunity and Responsibility to Kids (CalWORKs), Welfare to Work (WTW) participants enrolled in publicly funded postsecondary education. Pursuant to [Senate Bill \(SB\) 1232 \(Chapter 366, Statutes of 2020\)](#), [Welfare and Institutions Code \(WIC\) Section 11322.84](#) and [WIC Section 11323.21](#) are added to codify these changes to postsecondary education participation regulations.

## IMPLEMENTATION

[SB 1232](#) is effective January 1, 2021; CWDs should implement each provision detailed in this ACL as soon as administratively possible, no later than the Fall 2021 school term. In circumstances where county practice is in the process of being adjusted in response to SB 1232, or the county awaits additional guidance, counties are encouraged to

creatively and with maximum flexibility support educational pathways in accordance with SB 1232.

Counties that currently use book voucher or other means of payment to a store or stores that carry the books required for the WTW participant may continue to do so in the same manner, so long as all vouchers and other means of payment be available to the WTW participant at least 10 days before the start of the semester or quarter. A participant must have notified the county and provided proof of enrollment prior to the 10 days in order to allow the CWD to comply with this requirement.

### **SUMMARY OF SB 1232 CHANGES**

- WTW participants enrolled in a publicly funded postsecondary education institution shall be entitled to receive a standard payment as described in this letter.
- WTW participants enrolled in a publicly funded postsecondary education institution shall not be required to participate in the initial job search activity.
  - OCAT remains a component of the WTW engagement process per current rules. Students already enrolled in school at the time of appraisal are not required to complete an OCAT.
- WTW participants enrolled in a publicly funded postsecondary education institution will receive standard, advanced ancillary service payments for required books and college supplies.
- WTW participants enrolled in a publicly funded postsecondary education institution shall receive three hours of study time for each academic unit enrolled for purposes of calculating WTW hourly requirements.

### **CALWORKS PARTICIPANTS AFFECTED BY SB 1232**

[SB 1232](#) applies to WTW participants who meet either of the following conditions. They must be:

1. A WTW participant enrolled in a publicly funded postsecondary educational institution full-time, as shown in chart below.
- or
2. A WTW participant enrolled in a publicly funded postsecondary educational institution part-time, as shown in chart below, and one of the following conditions applies:

- a. the WTW participant's hours of class time and three hours of study time per hour of class time meet the hourly participation requirement.
- b. if the WTW participant's hours of class time and three hours of weekly study time per hour of class time do not meet the total number of hours required under [WIC Section 11322.8](#), the county shall assist the WTW participant in meeting the required hours of participation by allowing the WTW participant to submit a proposal for meeting those hours based on the full array of WTW activities available to the WTW participant, found at [MPP Section 42-716](#).

For purposes of the policy described in this ACL, the following definitions are applicable:

- Proof of enrollment is in accordance with the practices of the publicly funded postsecondary educational institution, such as a class schedule, a welcome letter or acceptance email from the school, and shall serve as sufficient verification of enrollment and must be provided to the county at the beginning of each term or as soon as that information is made available by the institution.
- Satisfactory progress is determined by current standards of the educational institution. Since institutions will not allow an individual to enroll if the individual is not meeting the satisfactory progress standards set by the educational program, then proof of admission is by definition sufficient to demonstrate satisfactory progress for the purposes of SB 1232.
- Publicly funded postsecondary educational institution excludes for-profit schools; is otherwise inclusive of a wide range of educational institutions, including community colleges, state colleges, occupational schools, trade and technical schools, and universities.
- Academic Unit includes credit and non-credit classes. For example, English-Language Learner for U.S. Citizenship, and Basic Math Computation are non-credit courses but the classes and the counting of homework time are allowable under SB 1232.
- Homework Time, also known as study time, is currently counted as participation up to the hours required or advised by the education program. The changes imposed by SB 1232 create consistency by counting a standard three hours per academic unit; counties are not required to obtain verification from the school to count the standard three hours of homework time towards CalWORKs participation requirements. A county may continue to use the time prescribed by the educational program as long as it is not less than that allowed by SB 1232.

## **SB 1232 POLICY IMPACTS**

### **Impacts to WTW Requirements**

WTW participants enrolled in a publicly funded postsecondary education institution shall not be required to complete job search, or job club, as their initial engagement activity, as provided in [MPP Section 42-711.53](#).

Additionally, assessments for WTW participants enrolled in a publicly funded postsecondary education institution, as provided for in [MPP Section 42-711.55](#), shall be conducted only for the purpose of identifying any barriers to participation in education, such as domestic violence, substance abuse, mental health, learning disability, or other barriers. Assessment may be conducted through a telephone or virtual interview, unless the participant requests an in-person assessment. Counties are encouraged to conduct remote assessments whenever possible. WTW participants enrolled in a publicly funded postsecondary education institution cannot be disallowed from attending the institution due to a barrier or refusal to attend an assessment, if otherwise eligible under [SB 1232](#), nor may assessment results be used to limit or restrict a WTW participant's choice in educational or training goal. Further guidance will be provided regarding potential application of sanctions for clients who do not participate in an assessment.

### **Impact on Work Participation Rate (WPR)**

Since CalWORKs was established in 1998, there has existed a difference between state policy, and how the WPR is calculated. Many characteristics of the CalWORKs program are directly related to reduced WPR outcomes; for example, in California, exempt adults are not required to participate in WTW activities, even though these adults count in the federal WPR calculation. CalWORKs 2.0 and the CalWORKs Outcomes and Accountability Review (Cal-OAR) initiatives represent a further shift away from a WPR compliance-oriented approach to services and supports.

Regarding WPR penalties, successful implementation of statewide strategies, including the Work Incentive Nutritional Supplement (WINS) program, has resulted in the state achieving the all-families WPR since 2015. California continues to fail the unrealistic 90 percent two-parent WPR, but the associated penalty is much less than failing the all-families rate; for example, in 2019, California achieved the all-families rate and so zero (\$0) penalty was applied, but failed the two-parent rate and was assessed a penalty of approximately \$4 million (as with all penalties, CDSS has appeals pending with the federal Administration for Children and Families). As a result, the impact of any potential pass-on of the penalty to counties is greatly reduced and so counties' ability to

continue shifting focus away from WPR towards the principles of CalWORKs 2.0 and Cal-OAR is enhanced. Further, in the event that CDSS appeals are unsuccessful and a federal penalty is ever assessed, which has not yet happened, regulations at [MPP Section 91-100](#) provide counties penalty relief based on the differences between state rules and the federal WPR calculation.

Federal WPR Calculation (ACL 18-70 and the California TANF Work Verification Plan)  
Educational activities can count as a federal core activity for a lifetime maximum of 12 months. Once 12 months of federally countable education is exhausted, educational activities may continue to count towards the WPR as a non-core activity.

Actual hours spent in supervised homework time and up to one hour of unsupervised homework time for each hour of class time will be counted. A statement from the educational program indicating the amount of homework required must be included in the case file. Total homework time counted for participation will not exceed the hours required or advised by the educational program. The federal government will continue to use this rule for the purpose of calculating the state's work participation rate.

CalWORKs Policy/SB 1232

Counties are required to implement CalWORKs policy, including all programmatic services and flexibilities for clients, regardless of the differences between state rules and the federal WPR calculation.

SB 1041 (Chapter 47, Statutes of 2012), which established the WTW 24 Month Time Clock, eliminated the "core" vs "non-core" distinction for WTW activities, for 24 months. As a result, CalWORKs rules allow for an education-focused WTW plan for longer than the federally countable 12-months. [Assembly Bill \(AB\) 79 \(Chapter 11, Statutes of 2020\)](#) fully eliminates the distinction between "core" and "non-core" activities, beginning May 2022; therefore, all CalWORKs activities, including educational activities, can be incorporated into a WTW Plan as appropriate without regard for time-limits or meeting a "core" hours requirement currently for 24 months, and starting May 2022 for clients entire time on aid. Until AB 79 is effective in May 2022, some clients may encounter the end of WTW 24 Month Time Clock. In these situations, counties should grant WTW 24 Month Time Clock extensions, as described in [ACL 14-09](#).

CalWORKs regulations at [MPP Section 42-716.611](#) and [MPP Section 42-716.612](#) define countable homework time in alignment with the federal WPR Calculation, as follows:

*"Hours spent in supervised homework time and up to one hour of unsupervised homework time for each hour of class time may be assigned as participation in the*

*assigned activity in the individual's welfare-to-work plan. Total homework time counted as participation must not exceed the hours required or advised by the education program."*

As relates to WPR impact, SB 1232 is not significantly more, or less, impactful than current CalWORKs policy, which is already misaligned with the federal WPR calculation. The following chart highlights differences:

<b><u>WTW Subject Area</u></b>	<b><u>Federal WPR Calculation</u></b>	<b><u>CalWORKs Regulations</u></b>	<b><u>SB 1232</u></b>
Educational Activity Time-limits	12-months as a "core" activity. After 12-months, countable as "non-core."	None	None
Homework Time <sup>1</sup>	Actual hours spent in supervised homework time and up to one hour of unsupervised homework time for each hour of class time will be counted. A statement from the educational program indicating the amount of homework required must be included in the case file. Total homework time counted for participation will not exceed the hours required or advised by the educational program.	Hours spent in supervised homework time and up to one hour of unsupervised homework time for each hour of class time may be assigned as participation in the assigned activity in the individual's welfare-to-work plan. Total homework time counted as participation must not exceed the hours required or advised by the education program.	For purposes of calculating whether a recipient is meeting the hourly participation requirement, the number of hours for study time shall be three hours of study time for each academic unit. The WPR will continue to be calculated by the federal government as described in the first column of this chart.

<sup>1</sup> The most common recommendation provided by educational institutions is three hours of homework time for each hour in class. SB 1232 eliminates the distinction between supervised vs. unsupervised homework time for the purpose of counting toward CalWORKs participation requirements.

## Impact on SIPs

SB 1232 did not make any changes to statute associated with Self-Initiated Programs (SIP) participants; therefore, the rules applicable to SIP participants are unchanged.

SIPs rules address clients who are enrolled in an educational program prior to the WTW Appraisal. In these cases, it is the underlying intent of SIP rules to encourage the completion of that educational program by developing a WTW Plan consistent with the client's status as an enrolled student, including to by-pass initial WTW engagement activities and move directly into the education-focused WTW Plan.

SIPs are entitled to the advanced, standard ancillary service payments as prescribed in this letter. The below chart highlights the differences between SIP and SB 1232 rules:

**SIP vs. SB 1232 Comparison**

<b><u>WTW Subject Area</u></b>	<b><u>SIPs</u></b>	<b><u>SB 1232</u></b>
<b>Homework Time:</b>	Total hours of assigned homework time, supervised and unsupervised, may not exceed the hours required or advised by the education program. Hours assigned as unsupervised homework time may not exceed one hour for each hour of class time, as detailed in <a href="#">MPP Section 42-716.61</a> .	Three hours of study time for each academic unit without distinction between supervised and unsupervised.
<b>Barrier Removal:</b>	If classroom, laboratory, internship do not equal total hourly requirements the difference must be made up with work or work-like activities (e.g., employment, community service, WEX)	Clients can participate in any concurrent WTW activities, including barrier removal.
<b>WTW Plan:</b>	SIPs bypass "assessment" and move directly into a WTW Plan.	Clients must be assessed, for the purpose of identifying barriers.
<b>Program Length:</b>	SIPs are approved until the program is complete; potentially 48-months.	Clients can participate in education for 48-months.

### **Advanced, Standard Ancillary Service Payments**

WTW participants who are enrolled in a publicly funded postsecondary educational institution and making satisfactory progress as defined in this letter shall receive an advanced, standard payment for required books and college supplies pursuant to [WIC Section 11323.21](#). The advanced ancillary service payments are provided for the purpose of preventing a lack of needed school materials as a barrier to education for those attending publicly funded postsecondary educational institutions. They shall be considered standard payments of fixed amounts as detailed below and shall be issued at least 10 days before the beginning of the academic semester or quarter to the extent possible.

WTW participants must provide proof of enrollment as verification that they are participating in an educational activity full-time at a publicly funded postsecondary educational institution in accordance with [WIC Section 11322.84](#) prior to receiving the standard payment of five hundred dollars (\$500) for the semester or three hundred fifty dollars (\$350) for the quarter of enrollment. WTW participants who provide proof of enrollment as verification that they are participating in an educational activity part-time at a publicly funded postsecondary educational institution, in accordance with [WIC Section 11322.84](#), shall receive a payment of two hundred fifty dollars (\$250) for the semester or one hundred seventy-five dollars (\$175) for the quarter of enrollment.

Participants may also request reimbursement for the actual costs associated with attending their postsecondary educational institution if the WTW participant provides verification of expenses for books and college supplies that are required for the classes in which the individual is enrolled which exceed the applicable standard payments described above (see also [MPP Section 42-750](#)). In these instances, the county shall issue payment within 20 calendar days of the WTW participant's request and provision of verification of expenses.

CWDs may elect to provide standard, advanced ancillary service payments in the form of a voucher or other means of payment to a store(s) that carries the books or college supplies required for participation or enrollment. Counties that already have an existing voucher or other payment process that would meet this requirement may continue operating in the same manner. The county may only exercise this option if the county ensures vouchers are available to the WTW participant at least 10 days before the start of the semester or quarter to ensure that the WTW participant has the required books on the first day of class.

Please note: This standard payment is not in addition to, but replaces ancillary payments currently offered to participants in publicly funded postsecondary education

programs. The intent is to provide students money for books and supplies prior to the start of the semester, without having to request reimbursement or to receive payment after the semester has started. Reimbursement for costs in excess of the standard payment must comply with current policy and regulations for ancillary supportive service payments.

<b><u>Student Enrollment Status</u></b>	<b><u>Units Enrolled</u></b>	<b><u>Ancillary Service Advanced Payment</u></b>	<b><u>WTW Plan Impact for Advanced Payment</u></b>	<b><u>Verification Required for Advanced Payment</u></b>
Full-time	12 academic units or more per semester or quarter.	Participant is eligible for an advance payment ancillary service of \$500 if enrolled in semester academic units or \$350 if enrolled in quarter academic units.	If the participant receives the advance payment ancillary service then they must complete the WTW 2 as detailed below.	Proof of enrollment as defined by the postsecondary institution. Counties may obtain proof of enrollment from the student or directly from a community college.
Part-time	Less than 12 academic units per semester or quarter.	Participant is eligible for an advance payment of \$250 if enrolled in semester academic units or \$175 if enrolled in quarter academic units.	If the participant receives the advance payment ancillary service then they must complete the WTW 2 as detailed below.	Proof of enrollment as provided by the postsecondary institution.

### **WTW Plans for Postsecondary Education Participants**

An individual who meets the requirements of this section and receives an advanced, standard payment ancillary service for required books or college supplies shall be required to sign a [Welfare-to-Work Plan Activity Assignment \(WTW 2\) form](#). The individual must continue to provide proof of enrollment and the proper verifications of expenses, as appropriate, at the beginning of each term. If the participant continues attending the same institution at the same full-time or part-time level and does not require additional supportive services, an updated WTW 2 is not required, if allowed for in current county practice.

The county shall provide the WTW 2 to the individual 30 days prior to registration for each semester or quarter. The WTW 2 shall be provided to the participant by mail, or electronically if the county has the capacity to securely make the plan electronically available and the individual has the ability to receive and review the plan. Over the course of an educational pathway, students may change their educational goals, e.g., switching majors, or deciding on a different field of study. While changing educational goals may not always be advisable, counties cannot disallow a client from doing so per SB 1232.

If the individual requests changes to the WTW 2, or if the county otherwise requires a new signature, the individual shall return the WTW 2 to the county after enrollment for that semester or quarter. If the county requires the WTW 2 to be returned by mail, the county shall include a postage-prepaid envelope for that purpose. The WTW participant may request to meet with a county employee to receive assistance with completing the WTW 2.

If the county does not provide the WTW 2 to the individual 30 days prior to registration for the next semester or quarter, ancillary services shall continue at the same level for that semester or quarter until the county receives the individual's updated WTW 2.

### **Additional Guidance**

Implementation of SB 1232 is a significant policy change impacting the areas of supportive services, participation hours and homework time in education, the WTW flow of activities, and county interaction with clients, to name a few. CDSS received an extensive list of questions from county partners which will help to shape additional guidance in a subsequent ACL planned for release by March 2021. The subsequent ACL will consider the following areas based on stakeholder feedback:

- Counting participation hours and homework time
- Timing of payment when there are obstacles to timely/advance issuance
- Documentation of enrollment, attendance, and satisfactory progress
- Impact to SIPs
- Failure to attend school and possible noncompliance
- Standard payments versus other ancillary payments (e.g. in excess of the standard payment)
- Differentiating between books, supplies, equipment and fees
- The possibility of overpayments
- SB 1232 and federal reporting

The provisions of SB 1232 are intended to encourage and facilitate educational pathways for CalWORKs clients and will require operational changes to county business processes. Counties are encouraged to contact CDSS for technical assistance regarding the guidance in this letter as needed.

## **CONTACT**

If you have any questions or need additional guidance regarding the information in this letter, contact the CalWORKs Engagement Bureau at (916) 654-2137 or [Damien.Ladd@dss.ca.gov](mailto:Damien.Ladd@dss.ca.gov).

Sincerely,

### ***Original Document Signed By***

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