

November 6, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 23-93

The purpose of this letter is to provide guidance to County Welfare Departments regarding implementation of Assembly Bill 207 (Chapter 573, Statutes of 2022) pertaining to the treatment of support for former California Work Opportunity and Responsibility to Kids recipients and families currently receiving aid under the K1 and 3F aid codes.



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GAVIN NEWSOM
GOVERNOR

November 6, 2023

ALL COUNTY LETTER NO. 23-93

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CONSORTIA PROJECT MANAGERS
ALL CHILD SUPPORT SPECIALISTS

SUBJECT: IMPLEMENTATION OF ASSEMBLY BILL 207 (CHAPTER 573, STATUTES OF 2022): TREATMENT OF SUPPORT FOR FORMER CALWORKS RECIPIENTS & FAMILIES CURRENTLY RECEIVING AID UNDER THE K1 AND 3F AID CODES

REFERENCE: [TITLE 7 OF THE CODE OF FEDERAL REGULATIONS \(7 CFR\) SECTION 273.9\(b\)\(2\)\(iii\); 20 CFR SECTIONS 416.1207\(D\) AND 416.1201\(A\); ASSEMBLY BILL \(AB\) 207 \(CHAPTER 573, STATUTES OF 2022\); WELFARE AND INSTITUTIONS CODE \(WIC\) SECTION 11477 AND WIC SECTION 11157.1; FAMILY CODE SECTION 17504.2; TITLE 22 OF THE CALIFORNIA CODE OF REGULATIONS \(22 CCR\) SECTION 110144; ALL COUNTY LETTER \(ACL\) 07-31, ACL 14-78 AND ACL 20-115](#)

The purpose of this letter is to provide guidance to County Welfare Departments (CWDs) regarding implementation of Assembly Bill ([AB](#)) [207 \(Chapter 573, Statutes of 2022\)](#) pertaining to the treatment of support. Effective July 1, 2024 or the date when automation in the Statewide Automated Welfare System (SAWS) is complete, whichever is later, AB 207 requires that any amount of child support collected must be passed through to a former recipient of California Work Opportunity and Responsibility to Kids (CalWORKs), and that any amount of child support received by a family currently aided under the K1 or 3F aid codes be exempt from consideration as income or resources when determining CalWORKs eligibility or grant amount.

Further, this letter provides guidance on existing policy regarding the treatment of child support income for CalFresh, the California Food Assistance Program (CFAP), the Refugee Cash Assistance (RCA)/Entry Cash Assistance (ECA)/Trafficking and Crime Victims Assistance Program (TCVAP), the Supplemental Security Income/State Supplementary Payment (SSI/SSP) programs, and the Cash Assistance Program for Immigrants (CAPI).

DEFINITIONS

Arrears: “Arrears” (also “arrearage” or “arrearages”) means the unpaid support payments for past periods owed by a parent who is obligated to pay by court order. Arrears include interest and are adjusted for the amount of any partial satisfactions of the judgment ([22 CCR Section 110064](#)). “Assigned arrears” refers to any unpaid support for past periods during which CalWORKs assistance was provided that are assigned to the state to reimburse the cost of aid (Welfare and Institutions Code Section 11477).

Support: “Support” means the support obligation owed on behalf of a child, spouse, or family, or an amount owed pursuant to [Family Code \(FAM\) Section 17402](#). It also includes past due support or arrearage when it exists. “Support,” when used with reference to a minor child or a child described in [FAM Section 3901](#), includes maintenance and education.

Child Support: “Child support” means an amount required to be paid under a judgment, decree, or order for the support and maintenance of a child or children, which provides for any or all of the following: monetary support, health insurance coverage, arrears, and may include interest on delinquent child support obligations ([22 CCR Section 110144](#)). “Child support” may include both current child support obligations and arrears. A current child support obligation is collected pursuant to a court order for a given month. CalWORKs applicants and recipients are required to assign their child support rights to the State of California as a condition of receiving CalWORKs benefits.

Child Support Disregard: “Child support disregard” means the amount of passthrough that is disregarded from consideration as income when determining CalWORKs eligibility or grant amount.

CalWORKs Support Passthrough: “CalWORKs support passthrough” means the assigned support amount the State collects and forwards to the CalWORKs family, rather than using it to reimburse prior months of aid. For currently assisted CalWORKs families (that are not receiving aid under the K1 and 3F aid codes) with one child, up to \$100 is passed through, and for a family with two or more children, up to \$200 is passed through. For formerly assisted CalWORKs cases, all current child support is sent to the family under the court order because the current support obligation is not assigned to the State. After the implementation of the support passthrough for former recipients and

K1/3F families, although there will still be an assignment, collections towards assigned arrears will be passed through to former CalWORKs families.

Formerly Assisted CalWORKs Families: “Formerly assisted CalWORKs families” means families who received CalWORKs in the past but whose CalWORKs cases are now closed.

K1/3F Families: K1/3F families are families who are applying for or are currently receiving CalWORKs assistance under the K1 or 3F aid codes. The K1 and 3F aid codes apply to State-funded, safety net, and child-only cases in which the parent(s) is not aided but at least one child continues to be eligible for CalWORKs cash assistance. K1 is used for single parent/caretaker relative cases, and 3F is used for two-parent/caretaker relative cases.

BACKGROUND

Existing state and federal law require the assignment of support rights to the State as a condition of receiving CalWORKs benefits ([Title 42 of the United States Code \(42 USC\) Section 608\(a\)\(3\)](#) and [WIC Section 11477](#)). Formerly assisted CalWORKs families and current K1/3F families are not required to assign support rights to the State and therefore receive 100% of current child support paid; however, in accordance with [All County Letter \(ACL\) 14-78](#), if arrearages that accrued while the family was aided under CalWORKs are collected, they are retained by the State to reimburse the corresponding months of aid paid to the assistance unit (AU), as these support obligations were assigned to the state prior to the family’s transition to the K1 or 3F aid code or leaving aid.

For K1/3F families, up to \$100 for an AU with one eligible child or up to \$200 for an AU with two or more eligible children is disregarded from consideration as income but any remaining child support is counted dollar for dollar against the AU’s grant ([ACL 20-115](#)).

GUIDANCE

AB 207 makes the following changes to CalWORKs child support policy:

1. Exemption of All Support Income for K1/3F Families:

Effective January 1, 2024, or the date automation in the SAWS is complete, whichever is later, all support payments for K1/3F families must be exempt from consideration as income and resources for purposes of determining CalWORKs eligibility and grant amount. Once automation is complete, CWDs must not count any amount of support received by a K1 or 3F family when establishing eligibility or calculating the maximum aid payment (MAP) while the family is receiving aid. Therefore, all support, including direct support payments already being received by any family receiving aid under the K1/3F aid codes will be exempt from CalWORKs when determining eligibility and calculating the grant.

AB 207 does not otherwise impact non-K1/3F AUs in CalWORKs and the current child support processes for these AUs, including cooperation with the local child support agency (LCSA) and the good cause exemptions for non-cooperation with the LCSA outlined in MPP Section 82-512.5.

2. Support Passthrough for Former Recipients and K1/3F Families:

Effective the date automation in the Department of Child Support Services' (DCSS) automated child support system is complete, the LCSA must pass through any amount of collected support to former CalWORKs recipients and current K1/3F families for any periods where they have received CalWORKs in the past under non-K1/3F aid codes referable to LCSAs.

- a. Upon implementation of the full passthrough of arrears to former CalWORKs recipients and current K1/3F families that have received CalWORKs under non-K1/3F aid codes referable to LCSAs in the past, any passthrough payments that cannot be delivered to a former CalWORKs recipient (i.e., because the recipient could not be found, a paper check made out to the recipient is uncashed and expired, or there is no direct deposit account or electronic payment card on file) for a period of six months must still be used to recoup aid paid on behalf of the former recipient. A former CalWORKs recipient or K1/3F family that has received CalWORKs under non-K1/3F aid codes referable to LCSAs in the past may make a claim for these passthrough payments within 12 months of the payment being sent to recoupment. The 12-month claim period begins after funds have been recouped to repay CalWORKs (after the initial 6-month delivery period has expired). This request must be made by the former CalWORKs recipient or K1/3F family and cannot be made by a third party. The CWD is not required to notify families of the outcome of their recouped child support claims. Former CalWORKs recipients or K1/3F families should be referred to their LCSA for additional information.

For more information about the implementation of the full passthrough of support arrears for former CalWORKs recipients, including K1/3F families that have received CalWORKs under non-K1/3F aid codes referable to LCSAs in the past, please reach out to DCSS at: Policy.Branch@dcss.ca.gov.

TREATMENT OF CHILD SUPPORT INCOME IN OTHER PROGRAMS

CalFresh & California Food Assistance Program

Per [Title 7 of the Code of Federal Regulations \(7 CFR\) Section 273.9\(b\)\(2\)\(iii\)](#), child support payments received by a CalFresh household, including any CalWORKs disregards, are counted as unearned income when determining CalFresh eligibility and benefit levels. Therefore, any child support income, including arrears, that is passed through to a formerly or currently assisted CalWORKs family that is still receiving

CalFresh must be considered when determining initial and ongoing CalFresh eligibility and in calculating the food benefit amount, if it can be reasonably anticipated.

Furthermore, per [MPP 63-403.2](#), CalFresh rules and regulations apply to CFAP, unless otherwise stated. Therefore, per [ACL 07-31](#), [ACL 12-25](#), and [7 CFR 273.9\(b\)\(2\)\(iii\)](#), any reasonably anticipated child support income that is passed through to CFAP recipients must be counted as unearned income for CFAP eligibility purposes and benefit calculation.

Refugee Cash Assistance /Entry Cash Assistance/Trafficking and Crime Victims Assistance Program

The guidance provided in this letter also applies to RCA/ECA and TCVAP applicants and recipients. For RCA, ECA, and TCVAP, MPP Sections [69-201.4](#) and [69-301](#) provide that CalWORKs regulations relating to financial eligibility and payments apply to RCA, ECA, and TCVAP unless specifically superseded by RCA, ECA, and TCVAP regulations (i.e., [MPP Section 69-206](#)), which exempt specific income and resources from the income eligibility determination process. For TCVAP, [MPP Section 70-105.1](#) provides that eligible TCVAP clients are entitled to benefits and services to the same extent as refugees as defined in MPP Sections [69-202.1](#) and [.2](#).

Supplemental Security Income/State Supplementary Payment Program & Cash Assistance Program for Immigrants

Child Support Arrearage Payments as Income:

Child support arrearage payments are considered unearned income of the child in the month received for SSI/SSP and CAPI applicants and recipients. For SSI/SSP and CAPI purposes, support and alimony payments are considered unearned income of the child ([Program Operations Manual System \(POMS\) SI 00810.015](#)), whether voluntary or court-ordered ([20 CFR Section § 416.1121](#)).

Child Support Arrearage Payments as a Resource:

Any unspent child support arrears will be considered a resource and count towards the resource limit in the month after receipt for SSI/SSP and CAPI recipients per [20 CFR Section 416.1201\(a\)](#) and [416.1207\(d\)](#). If unused or not spent, the accumulated child support income may put the SSI/SSP or CAPI recipient over the resource limit, making them ineligible for continued benefits in accordance with [20 CFR Section 416.1324](#).

Per [SI 01110.100](#), resources are cash and any other personal property (including real property) that an individual or spouse:

- Owns;
- Has the right, authority, or power to convert to cash (if not already cash); and

- Is not legally restricted from using for their support and maintenance.

CONTACTS

If you have any questions regarding this ACL, please contact your CalWORKs County Consultant or the following contacts:

- CalWORKs: CWEligibilityPolicy@dss.ca.gov
- CalFresh: CalFreshPolicy@dss.ca.gov
- RCA/ECA/TCVAP: RefugeePolicy@dss.ca.gov
- SSI/SSP and CAPI: CAPI@dss.ca.gov
- DCSS: Policy.Branch@dcss.ca.gov

Sincerely,

Original Document Signed By

ALEXIS FERNÁNDEZ GARCIA
Deputy Director
Family Engagement & Empowerment Division