

December 26, 2023

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 23-96**

The purpose of this letter is to provide County Welfare Departments with guidance regarding changes to the California Work Opportunity and Responsibility to Kids continuing financial eligibility test pursuant to Assembly Bill 172 (Chapter 696, Statutes of 2021).



KIM JOHNSON  
DIRECTOR

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GAVIN NEWSOM  
GOVERNOR

December 26, 2023

ALL COUNTY LETTER NO. 23-96

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY CALWORKS PROGRAM SPECIALISTS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL COUNTY REFUGEE COORDINATORS  
ALL COUNTY CONSORTIA REPRESENTATIVES

SUBJECT: IMPLEMENTATION OF ASSEMBLY BILL 172: CHANGES TO  
CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO  
KIDS CONTINUING FINANCIAL ELIGIBILITY TEST

REFERENCE: [AB 172 \(CHAPTER 696, STATUTES OF 2021\)](#); [WELFARE AND INSTITUTIONS CODE \(WIC\) SECTION 11265.3](#), [WIC SECTION 11265.47](#), AND [WIC SECTION 11450.12](#); [MANUAL OF POLICIES AND PROCEDURES \(MPP\) SECTION 44-111](#); [ALL COUNTY LETTER \(ACL\) NO. 23-75](#), [ACL NO. 12-25](#), AND [ACL NO. 12-49](#)

The purpose of this letter is to provide County Welfare Departments (CWDs) with guidance regarding changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) continuing financial eligibility test pursuant to Assembly Bill (AB) 172 (Chapter 696, Statutes of 2021). AB 172 amends [WIC Section 11450.12](#) to require that, effective January 1, 2022, a recipient family be determined financially ineligible for CalWORKs only if Reasonably Anticipated Income (RAI), less exempt income, exceeds the Tier 2 Income Reporting Threshold (IRT).

### **BACKGROUND**

The IRT for a CalWORKs Assistance Unit (AU) is the lower of the following two tiers:

- Tier 1: 55% of the Federal Poverty Level (FPL) for a family of three, plus the amount of income last used to calculate the AU's monthly grant amount, and

- Tier 2: 130% of the FPL

Based on previous guidance, income that must be reported for IRT purposes is the total gross earned and unearned income for the AU. Once a family receives income in excess of the IRT and reports it to the CWD, the CWD must determine if the reported income is reasonably anticipated to continue ([MPP Section 44-316.324\(c\)](#)). If the income is reasonably anticipated to continue and exceeds the Tier 2 IRT, the CWD must determine the AU financially ineligible and discontinue the AU at the end of the month in which timely and adequate notice can be provided.

When an AU's income exceeds the Maximum Aid Payment (MAP), but their income remains below the Tier 2 IRT, the AU may be eligible for a Zero Basic Grant (ZBG), their CalWORKs case may remain open, and they may remain eligible for CalWORKs supportive services even though they are not eligible for a cash grant.

[MPP Section 44-111](#) establishes which payments are excluded or exempt from consideration as income in CalWORKs. MPP Section 44-111.23 establishes that disability-based unearned income (DBI) and earned income disregards are exempt. Per [MPP Section 44-111.231](#) the current DBI disregard is \$600 and the earned income disregard is 50 percent of any remaining earned income.

[MPP Section 44-207.221](#) defines Net Nonexempt Income (NNI) as total gross earned and unearned income for the AU less all applicable income exemptions (listed in [MPP Section 44-111](#)) and income disregards (listed in [MPP Section 44-113](#)).

## **NEW GUIDANCE**

AB 172 added [subdivision \(c\)](#) to WIC Section 11450.12 effective July 1, 2022, which establishes when an AU's RAI, less exempt income, exceeds the Tier 2 IRT, the AU will be determined financially ineligible for CalWORKs.

AUs must continue to report when their total gross earned and unearned income exceeds the IRT, but continuing financial eligibility will be determined based on whether the AU's total gross earned and unearned income, less exempt income, exceeds the Tier 2 IRT and is reasonably anticipated to continue. In other words, the CWD must apply applicable income exemptions and disregards to the total reported income to determine NNI, and the NNI will be used to determine whether the AU remains financially eligible for CalWORKs.

In accordance with this guidance, current automation in the Statewide Automated Welfare System (SAWS) initiates a case discontinuance for financial ineligibility only when an AU's NNI exceeds the Tier 2 IRT.

The [CalWORKs Budget Worksheet \(CW 30\)](#) has been revised to reflect the use of NNI when administering the continuing financial eligibility test in accordance with the statute.

**Example: Recipient Family with Earned Income:**

An AU of 3 reports reasonably anticipated gross earned income of \$2,800 a month.

\$2800	Gross Earned Income
-\$600	Remainder of DBI Disregard
\$2200	Subtotal Earned Income
-\$1100	50 percent Earned Income Disregard
= \$1100	NNI

\$1171	MAP for AU of 3 (Region 1, Non-Exempt)
-\$1100	NNI
= \$ 71	CalWORKs monthly Grant Amount

The recipient family remains financially eligible to CalWORKs since the NNI of \$1100 is less than \$2,694 (Tier 2 IRT for an AU of 3).

**REFUGEE CASH ASSISTANCE (RCA), ENTRANT CASH ASSISTANCE (ECA), AND TRAFFICKING AND CRIME VICTIMS ASSISTANCE PROGRAM (TCVAP)**

The instructions provided in this letter also apply 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 ([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](#).

**COPIES AND TRANSLATIONS**

Forms referenced in this letter are available on the [CDSS Forms/Brochures](#) webpage. When CDSS completes all translations of a form, they are posted on the [Translated Forms and Publications](#) webpage. When made available by CDSS, forms translated into an individual's preferred language must be provided to the individual pursuant to [Manual of Policies and Procedures \(MPP\) Section 21-115.2](#). For questions on translated materials, please contact Language Services at (916) 651-8876. If translations are not available, recipients who have elected to receive materials in languages other than English should be sent the English version of the form or notice along with the [GEN 1365-Notice of Language Services](#) and a local contact number.

Per [Government Code Section 7290, et seq.](#), the County Welfare Departments (CWDs) must ensure that effective bilingual services are provided. This requirement may be met through utilization of paid interpreters, qualified bilingual employees, and qualified employees of other agencies or community resources. These services must be

provided, free of charge, to the applicant/recipient. If CDSS does not provide translations of a form, it is the county's responsibility to read and interpret the form if an applicant or recipient requests it.

Additionally, the CWDs must provide auxiliary aids and services to persons who are deaf or hearing impaired, or persons with impaired speech, vision, or manual skills, where applicable. More information regarding provisions for services to applicants and recipients who have limited English proficiency or who have disabilities can be found in [MPP Section 21-115](#) and [ACL 19-45](#).

If you have any questions regarding this ACL, contact your CalWORKs County Consultant or the CalWORKs Eligibility Bureau at [CWEligibilityPolicy@dss.ca.gov](mailto:CWEligibilityPolicy@dss.ca.gov).

For questions regarding RCA and ECA, contact the Refugee Programs Bureau at [RefugeePolicy@dss.ca.gov](mailto:RefugeePolicy@dss.ca.gov), and for TCVAP, contact [TCVAP@dss.ca.gov](mailto:TCVAP@dss.ca.gov).

Sincerely,

***Original Document Signed By***

ALEXIS FERNÁNDEZ GARCIA  
Deputy Director  
Family Engagement and Empowerment Division