



CDSS

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September 12, 2013

ALL COUNTY INFORMATION NOTICE I-58-13

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 CalFRESH COORDINATORS
ALL CaWORKs PROGRAM SPECIALISTS
ALL CONSORTIUM PROJECT MANAGERS
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: CALFRESH: IMPLEMENTATION OF THE SEMI-ANNUAL REPORTING (SAR) SYSTEM QUESTIONS AND ANSWERS (Q&A)

REFERENCE: ASSEMBLY BILL (AB) 6 (Chapter 501, Statutes of 2011), ALL COUNTY LETTER (ACL) 12-25; ACL13-08; ACL 13-17

The purpose of this letter is to provide responses to questions received by the California Department of Social Services (CDSS) regarding implementation of the CalFresh semi-annual reporting rules.

If you have any questions regarding this letter, please contact your CalFresh county consultant or call the CalFresh Policy Bureau at (916) 654-1896.

Sincerely,

Original Document Signed By:

LINDA PATTERSON
Branch Chief
CalFresh Branch

Attachment

Attachment
CALFRESH SEMI-ANNUAL REPORTING (SAR) QUESTIONS AND ANSWERS

Anticipation of Income over the Certification Period

1. All County Letter (ACL) 13-17 page two, second bullet, states: “For CalFresh recipients, CWDs must use anticipated and averaged household income and expenses over the length of the certification period, and revise at mid-period when the household submits its periodic report form or a voluntary report that results in increased benefits. Could this cause different budgets for CalWORKs and CalFresh?”

Answer: Yes, when the SAR 7 is received reflecting a change in the amount of income that was previously budgeted and the income is anticipated to continue, the amount of anticipated or averaged income shall be revised for the remainder of the certification period. In the case of a voluntary mid-period report that is verified upon receipt (VUR), the CalFresh budget must be revised to reflect the change in income for the remainder of the certification period regardless of whether or not CalWORKs takes an action.

2. A household reports a change that is required to be reported to CalWORKs or another public assistance program and the report is considered VUR. Does CalFresh act upon the change?

Answer: CalFresh always acts on reports considered VUR for all households. The exception is when the household was required to report the change to another public assistance program and that program does not act, then CalFresh does not act.

3. With the denial of the waiver to allow projecting and averaging of household income and expenses over the 6-month SAR period, CWDs are to anticipate or average income (when appropriate) and expenses over the length of the certification period and revise mid-period when the household submits a SAR 3 or SAR 7. When the SAR 3 or SAR 7 is submitted and there is no change to the income and expenses do the averaged income and expenses remain unchanged for the remaining months of the certification period?

Answer: Yes. Income and expenses remain averaged for the length of the certification period and the amount would be unchanged.

Forms, Notices and Informing Households

4. ACL 12-25 pages 44-45 states that a timely Notice of Action (NOA) is required when the household moves out of state. For NACF, 63-504.266(b) exempts the CWD from providing a NOA when the household has moved out of county. (An Inter County Transfer (ICT) would be done if the household remains in California.) Must the CWD provide a timely NOA for a NACF household that moves out of state?

Answer: In accordance with Manual of Policies and Procedures (MPP) section 63-504.266(b), no notice is required if there is reliable information that the household moved out of state. ACL 12-25 is not definitive in this area and on page 45 under 'CalFresh Only' the paragraph specifies a notice is not needed pursuant to MPP section 63-504.267.

5. ACL 12-25 page 50 states: "If verification does not exist or is not available, an affidavit or sworn statement is acceptable verification of earnings in both CalWORKs and CalFresh. The CWD shall accept the SAR 7 as an affidavit since it is signed under penalty of perjury, if it contains the necessary information." Does this mean that if the CWD has no reason to question the information on the SAR 7 and verification is not provided with the SAR 7, the SAR 7 should be sufficient to verify changes reported, including income (new/changed/terminated)?

Answer: Income verification, e.g. pay stubs, is not required to be included with the SAR 7 if information on the SAR 7 is consistent with what was previously reported. If new, changed, or terminated income is reported then verification is required. Additionally, the SAR 7 is not an affidavit of income and does not count as attestation. It is an affidavit of the change in income, therefore, the household needs to verify the change in income in addition to reporting it on the SAR 7. Just like at application, there needs to be a verifying document accompanying each income source.

6. ACL 12-25 Page 63 states that "... the CWD must also send a notice to the assistance unit/household (AU/HH) denying cash aid, CalFresh, and Medi-Cal for the new person" when the new member causes discontinuance for the upcoming period. Is this in addition to a discontinuance NOA for the AU/HH?

Answer: For CalFresh the household is sent a discontinuance NOA for the AU/HH only.

7. ACL 12-25 page 89 states: "The CWD must inform recipients in writing of their individual SAR cycles and must clearly indicate to the household when the initial

SAR 7 or RD/RC forms are due and for which SAR Data Month they will be responsible for reporting information.” Is this requirement only for cases that are approved after the SAR implementation? Or is this informing requirement also applicable for cases that are converted to SAR?

Answer: This is a requirement for all cases.

8. What will be used to inform recipients? Has anything been developed by CDSS? If not, will something be developed?

Answer: The SAR 7 clearly communicates the SAR reporting month and due date on top of the form. The CWD must also inform households at initial intake and recertification.

9. It was suggested that the above informing requirement be included in the CalFresh approval notice (CF 377.1). However, the CF 377.1 is used for all CalFresh households, CR and QR/SAR. Is it appropriate to use the approval notice to inform the client of SAR cycles, the initial SAR 7 due date or RD/RC due date? If so, will the CF 377.1 be revised by CDSS?

Answer: The state will not revise the approval notice (CF 377.1) to include this SAR information as it is included in the SAR 7. The CF 377.1 is an approval form and will remain for that purpose.

10. The Code of Federal Regulations (CFR) seems to allude that the household should be provided with a form in order for them to be able to report the two mandatory items (the CalFresh IRT and ABAWD work hours). Will CDSS be creating such a form?

Answer: Yes, this form is the CF 377.5 SAR for NACF cases and was transmitted with ACL 13-57. For PACF cases, households can utilize either the SAR 3 or the CF377.5 SAR to report these changes. Additionally, households can make this report via phone or in person.

11. Pages 35-36 in ACL 12-25 state: “The Mid-Quarter Report Form (QR 3) will be revised and renamed the SAR Mid-Period Report Form (SAR 3).CWDs may provide the SAR 3 to recipients who wish to report a mid-period change in writing.” Is the statement saying that if the household is in the office, we would offer the form if they wish to report in writing? Wouldn't the form be provided to the household at intake/recertification to have at home for them to use at their

option?

Answer: The SAR 3 is not a required form so it is up to the CWD to decide to use or it not. The form may be provided at intake or recertification.

12. ACL 12-25, page 16 states: “The 10-day noticing requirements do not apply to increases in benefits.” A 10-day notice is not required, but an adequate notice must still be issued so that it is received by when the household would get the benefit, correct?

Answer: There is no requirement stated in regulations that the notice be received by the household before the household receives the increase in benefits. However, the household must be sent an adequate notice of the change.

13. Per 7 CFR 273.12(a)(5)(iii)(C), regarding filing a complete report, if the household fails to provide sufficient information or required verification regarding a deductible expense, the agency will not terminate the household, but will instead determine benefits without regard to the deduction.

Does the above policy mean that counties would not send a 960Y NOA to stop aid because of an incomplete report if the household does not provide sufficient information or verification on the SAR 7, but instead process the report without the deduction?

Answer: Yes.

Income, Supplements, Deductions, IRT, and Household Composition

14. ACL 12-25, on page 51, example #2, discusses a scenario in which the AU/HH reports in late June that the income for that month decreased (and is expected to continue). The June grant would not be supplemented since the verification is received after the 10-day due date, on July 8, which becomes the new report date. The example also states that the July CalFresh benefits would not be recalculated. If the reduced income had not yet been reflected in July’s CF budget it should at this point. Should July’s CF allotment reflect the decreased income that was reported initially on the SAR 7?

Answer: Yes, the decrease was reported prior to July and verified in July and is expected to continue. The July benefits would be recalculated and a supplement issued as appropriate.

15. Do the IRT limits for NACF households apply to households with prorated income such as the earnings of an ineligible noncitizen?

Answer: Yes, the IRT limits apply to all members of the household, however exceeding the IRT will not always result in ineligibility (see examples below).

Example One: A household of four with one non-citizen has no income and an IRT of \$2552 (effective 10/1/13). The household reports their income is now \$2800 earned by the non-citizen. The CWD prorates 3/4 of the non-citizen income to be \$2100 and adds it to the eligible income. The household is not over the IRT and the CWD adjusts benefits.

Example Two: Same household situation as above. However, an eligible member earns \$600/month. The household reports their income is now \$3400 with the non-eligible citizen earning \$2800. The CWD prorates 3/4 of the non-citizen income to be \$2100 and adds it to the eligible income of \$600 which is now over the IRT and the CWD will discontinue the household.

16. ACL 12-25, on page 34 states ‘... CalFresh households are required to report mid-period changes of address, but the accompanying shelter costs changes are considered voluntary and only used if they result in an increase in benefits (contingent upon federal waiver approval).’ However, per 7 CFR 237.12(a)(1)(iii), “changes in residence and resulting changes in shelter cost” are a required report. Are CalFresh participants required to report changes in their shelter cost, when their residence changes?

Answer: Changes in residence are mandatory reports on the periodic report form (SAR 7). CalFresh recipients are not required to report changes of address mid-period. If the household voluntarily reports a change of address and the result would be an increase in benefits (due to increased shelter costs), then they must verify the change. However, if the household does not verify the change in shelter costs associated with the reported address change, CalFresh benefits would be recalculated without the shelter deduction per 7 CFR 273.12(c)(4).

17. ACL 12-25 on page 30, the third bullet states, “If the AU/household reports that their income fluctuates significantly month to month so that they cannot reasonably anticipate any income, and that in some months they don’t receive any income, barring any information to the contrary, the CWD should accept this statement and no income should be budgeted.” Shouldn’t some income be used instead of disregarding income that is received? Why is there no income being used in example one? How is information in example three different from example one?

Answer: Semi-annual rules, like QR rules, use reasonably anticipated income to determine budgeting for the prospective payment period. Only income which can be reasonably anticipated can be budgeted. Receipt of past income which is not anticipated to continue cannot be budgeted. Thus, in the ACL, for example one, there is no amount that can be reasonably anticipated so no amount is budgeted. In example three, there are a minimum amount of hours that can be anticipated so that base amount would be reasonably anticipated and budgeted.

18. Example one on page 33 indicates that, even though the income is only being used for December and January, the CWD should tell the recipient to report when the job has ended. If the income is only being used for those two months, why would the recipient report when the job has ended?

Answer: If the county has verified that the income will definitely end after two months, the household would not be required to report the information again. However, if the county cannot determine that the income will definitely end, the county should let the household know that it could be to their advantage to voluntarily report that their job has ended.

19. ACL 12-25, in the last paragraph on page 48, states that held over changes regarding income or household composition must be listed on the budget computation on the No Change NOA. Is that the current budget, the budget that would reflect the change that was held over, or both budgets? If automation is not ready, is it acceptable to send the budget *with*, rather than on, the No Change NOA?

Answer: CalFresh is not requiring a budget to be sent on the No Change NOA.

20. Per page 86 of ACL 12-25, "If a new household member is reported after the date of application but before aid has been granted, the beginning date of aid for the new household member will be the date they were reported in the home." 7 CFR 273.10(a)(iii)(A), provides a formula for the entire household allotment proration, but no proration for adding individuals from report date and/or mid-month.

How are CalFresh benefits to be calculated for new household members added after the application date but before the application is approved?

Answer: The new household member is included in the household effective the date of the household's application. The exception is in circumstances in which the new household member comes into the home in the month following the month of application. In that case, the new household member is added effective the first of the month following the month of application. If the report of the new

household member occurs subsequent to the application being approved, the new household member would be added the first of the following month.

21. Page 35 of ACL 12-25, the NOTE states that multipliers will be used to convert expenses. However, under QR/PB in ACIN I-96-06 question #5, child support payments were excluded from the conversion. Under SAR, does the conversion apply to child support payments?

Answer: Child support is an income exclusion and not a deduction, therefore multipliers are not used. Whatever amount is legally obligated and is paid is the amount allowed as the income exclusion. Multipliers as referred to 7 CFR 273.10(a)(5) only apply to deductions. The title of the section will be amended in an errata to clarify the section is referring to child care expenses.

22. When a CalFresh household is approved for CalWORKs mid-certification period, when is the CalFresh allotment adjusted to reflect the receipt of the CalWORKs benefit?

Answer: The receipt of a CalWORKs benefit is considered known to the county and the CWD should include the CalWORKs payment in the CalFresh budget on the first of the month for which timely notice can be provided to the household.

Verified Upon Receipt (VUR)

23. For those Income Eligibility and Verification System (IEVS) matches that are considered verified upon receipt, is the income only acted on if it exceeds the IRT?

Answer: No, the CWD will act on IEVS matches that are considered VUR, if they are over or under IRT (for the definition and description of VUR, see ACL 13-17).

24. Would the state consider determining that no other information, even when reported by the household, other than what is already established, will be considered verified upon receipt?

Answer: No. If the household reports something with the required proof and the report is not questionable, it is considered VUR and the CWD must act on the voluntary report. For example, a mid-period report of a household member leaving the home is considered VUR when reported by the head of household or other responsible adult household member.

25. ACL 13-08 defines VUR as “information that is not questionable, the provider is the primary source of the information, and CWDs need no further information to

take action.” If verification is received with the voluntary report, and meets the above criteria is it considered VUR? If CWDs request verification of a voluntary report, and the received verification meets the above mentioned criteria, is it considered VUR?

Answer: Both of the scenarios cited above are considered VUR. In the second scenario, the report would not be considered VUR until the requested verification is received.

26. ACL 13-17 on page 5, example one states, “Send out a ‘No Change NOA’ and note the case record for the SAR 7 report. Is this only true if the report was unverified? Verified mid-period reports will then become part of the case record, and are not required to be listed on the SAR 7, correct?”

Answer: The referenced example in ACL 13-17 is incorrect. Example one cites a circumstance in which the head of household reports that a household member has left the home. As defined, this is considered VUR. This voluntary report for CalWORKs is considered VUR for CalFresh and must be acted upon. Per FNS guidance, state agencies have the option to disregard reported changes that are **required** for another public assistance program that do not affect the other program but would decrease the CalFresh allotment. Therefore since a report of a household member leaving the home is a voluntary report for CalWORKs, CalFresh is required to act on the voluntarily reported change.

27. In ACL 13-17 example three, will the same action be taken for both PACF and NACF cases to reduce CalFresh benefits with 10-day notice?

Answer: No action is taken on the CalFresh case if no action is taken on the PA case. If the case is a NACF case, the information is considered VUR and must be acted upon.

28. In ACL 13-17 example four, are CWDs permitted to request verification for voluntary mid-period reports? Or does VUR only exist when the participant provides verification at the time of the mid-period voluntary report?

Answer: CWDs are permitted to request information anytime the household’s eligibility is in question. A voluntary mid-period report that is not considered VUR should be noted in the case record and a No Change NOA issued to the household. However, if the household reports a decrease in income that would result in an increase in the household’s allotment, the CWD must ask for

verification of the decrease and act to increase benefits if the verification is received. If the household's eligibility is not in question, no additional request for verification of the voluntarily reported information should be pursued. As stated earlier, anytime the household reports that a household member has left the home, that report is considered VUR and no further verification is needed.

29. ACL 13-17 states household composition changes that are reported by the household are VUR and gives an example of a report of someone leaving the home. A household reports a new mandatory household member that has income but provides no verification of the income. Since further information is needed (income verification, etc.), is this considered VUR?

Should the CWD request verification of income and act on the change? Shall the CWD discontinue the case mid-period if the household fails to provide verification of income?

Answer: The definition of VUR is that the information comes from the primary source (in this case the household), is not questionable, and no further information is needed. As stated in ACL 13-17, a change in household composition is considered VUR. Once the CWD has been made aware of the change in household composition, the household's eligibility is now in question and further information is needed to determine continuing eligibility.

First, the CWD must confirm that the new person is a mandatory household member. Next, if the new member has income, the CWD should inquire if the new income, combined with the household's current income, exceeds the IRT. If the new member does not have income or their income does not exceed the IRT, the CWD must inform the household on the CF377.6 (see ACL 13-57) of the action necessary to add the new household member and note such action in the case record. If the household does not respond to add the new household member, no case action is taken and there is no QC error because the CWD acted appropriately and noted the reported change in the case record. The household must report the change on the next SAR 7 or recertification, whichever comes first. If the household responds with all needed verifications, add the new member and their income and adjust benefits accordingly.

If the income is over the IRT, this is considered a mandatory report. Likewise if the amount of income is not certain, the CWD must send a Request for Contact (RFC, form CF 32) requesting all required verification for the new member and their income and document the case record (refer to ACL 13-57). If the RFC is not returned or is returned incomplete, discontinue the household for failing to

respond to the RFC and issue a CF 377.4 SAR (refer to ACL 13-57). If the RFC is returned complete, add the new member to the household their income. Determine if the household's income exceeds the IRT for the larger household size, the household is ineligible and shall be terminated. If the income is under the next IRT, add the new member and calculate benefits.

Please give examples and clarify the policy for reports of household composition considered VUR.

Answer: For a PA case, if the report of the new household member is over the IRT, a Request for Contact (CF 32) must be sent to the household requesting necessary information needed to determine the household's eligibility status. If the household provides the necessary information and confirms the new member is a mandatory household member and has income over the IRT, the case shall be discontinued. For an NA case, the case should be discontinued for being over the IRT at the end of the month in which timely notice can be provided.

For a PA CalFresh case, if the report of the new household member with income is under the IRT, CWDs shall only act on changes that result in an increase of benefits. When the change is reported but not verified, the CWD shall send a Request for Verification (CF 377.6) asking for the required verification within 10 days. If verification is not received within 10 days, the CWD shall send a No Change NOA to the household reminding them to report and provide the needed verification regarding the new household member on the next SAR 7 or at recertification. For a NA case, if adding the new person and their income would increase benefit amounts, the CWD should add the new person and their income to the household effective the first of the month following the month when the new member was reported assuming all needed verification has been submitted. If benefits will decrease, the CWD shall send a No Change NOA and add the person and their income effective the first month of the next semi-annual period.

30. When a CalFresh household is approved for a CalWORKs grant mid-period (not a joint application), is that income considered Verified Upon Receipt (VUR) and would the county adjust benefits mid-period? Under QR, that is not a County initiated action or a mandatory report according to 63-509(h)(3)(C) and no decrease is taken until the next quarter.

Example: When a currently certified CalFresh household with an RC date of December 2014 applies and approved for CalWORKs in March. When would the county budget the CalWORKs grant for CalFresh? Would the grant be budgeted in April with a 10-day NOA or not until the first month of the next SAR period (July)?

Answer: The CalWORKs grant approved mid period is considered as VUR and used in the CalFresh budget effective the following month (April in this example). The approval of a CalWORKs application would be considered known to the county and would result in a county-initiated mid-period action. Refer to page 66 of ACL 12-25.

31. ACL 13-17, page four (Mid-Period Household Composition Changes) states, “A voluntary report of a household composition change by the head of household or responsible adult member is considered VUR and must be acted on. For reports of household composition change by another source, CWDs must contact the household to verify eligibility.”

In example two on page five, a neighbor (third party) reports that the CalFresh household’s child left the home. The letter states that the CWD will not act on the change because the information was not reported by the head of household and is not VUR. This contradicts the second statement above that the CWD will contact the household to verify eligibility when the change in household composition is reported by another source. Please, clarify. Which statement is correct?

Answer: The neighbor’s report of a child having left the home is not considered as VUR and no case action is taken. However, if the household’s eligibility is in question because of the report of the child leaving, CWDs may take appropriate action to confirm eligibility. The statement in ACL 13-17 that the county “must” contact the household is incorrect. The county “may” contact the household at its discretion. Examples include, but are not limited to, Children’s Protective Services reporting the removal of a child from a household, or someone else applying for benefits for a child in the household.

SAR Conversion/Alignment

32. Do we align CalFresh cases to active Medi-Cal, CalWORKs, General Assistance/General Relief (GA/GR) cases at application, recertification and SAR 7 processing?

Answer: As stated in ACL 13-17, CalFresh certification periods can be shortened at any time to align with the certification periods of other programs. Per FNS guidance, in these circumstances CWDs are not required to send a Notice of Action notifying the household of the shortening of the certification period.

33. If a CalFresh recertification is due in November and the Medi-Cal redetermination is due in December, would the worker align the CalFresh recertification for 13 months or must they do another recertification in December? Or would the Medi-Cal redetermination be aligned with the CalFresh recertification?

Answer: CalFresh certification periods cannot exceed 12 months other than for elderly/disabled households. Therefore, the CWD should shorten the CalFresh certification period in accordance with the response to Question 31 and recertify the household again in December to align. Medi-Cal has informed CDSS that they do not shorten certification periods under any circumstances.

34. When a CalFresh certification period is shortened to align with a Medi-Cal or GA/GR case, will the household receive the SAR7 in the 6th month even if the RC is in the 7th or 8th month instead of the 12th month?

Answer: The SAR 7 is to be submitted in the 6th month. The certification period would be shortened subsequent to the submission of the SAR 7.

Other Related Policy Issues

35. ACL 12-25 page 44, speaks to Late Mandatory Report for CalWORKs and a drug related felony conviction. The ACL states that late reporting may result in a CalWORKs over payment, but not a PACF overissuance. Such methodology may enable an AU/HH that fails to meet CalWORKs mandatory reporting requirements to be entitled to more CalFresh benefits than an AU/HH that meets its reporting requirements. Has FNS or CDSS reversed this policy and directed CWDs to look at potential PACF overissuances in such instances?

Answer: No.

36. How will Modified Categorical Eligibility/Broad Based Categorical Eligibility (MCE/BBCE) impact the 130% of FPL rule? If PUB 275 is provided and participant reports income over the IRT, does the case need to be discontinued? MCE/BBCE households are not subject to the gross income test.

Answer: MCE/BBCE households [other than elderly/disabled households, which have an MCE/BBCE gross income limit of 200 percent of the Federal Poverty Limit (FPL)] are subject to the gross income test (130% of the FPL) for the TANF-funded service (PUB 275) that confers MCE status. Therefore, if an MCE/BBCE household's income exceeds that limit, it is no longer considered an MCE/BBCE household. The case record must be documented to reflect the loss of MCE/BBCE status. Subsequently, the non-aged/disabled household can be terminated for having income over the 130% CalFresh gross income limit.

37. How will the restoration process change under SAR regulations when the SAR 7 is incomplete or not submitted timely?

Answer: The restoration process will not change.

38. In the example on page 87 of ACL 12-25, it states, "The application is put on hold and re-evaluated..." Holding the application can put the county out of compliance for timeliness of processing. Wouldn't it be more appropriate to deny the first month and approve the second month forward?

Answer: Yes, deny the first month and approve the second month. The same application is used.

39. On pages 19/20 of ACL 12-25, it states that Redetermination/Recertification must be scheduled early enough in the month to be able to establish the next SAR payment period's benefits, keeping the 10-day noticing requirements in mind. Our understanding has always been that a CalFresh recertification is an application to be granted or denied and that as an application there was no 10 day notice requirement needed to decrease benefits.

Answer: 10-day notice is only required for adverse actions **during** the certification period. At recertification, an approval or denial notice is what is appropriate and are not subject to 10-day noticing requirements.

40. Per page 34 of ACL 12-25, 'Shelter costs will be determined at application and recertification and shall remain fixed at the determined amount unless the household reports a change.' However, per 7 CFR 237.12(a)(1)(iii), "changes in residence and resulting changes in shelter cost" are a required report on the periodic report (SAR 7). Please clarify, if CalFresh participants are required to report changes in their shelter cost when their residence changes?

Answer: Since the waiver request that would have required that households report changes of address (other than at application, recertification, and on the periodic report) was denied by FNS, households are not required to report an address change until the SAR 7 or recertification. However, when a household reports a change in residence, the CWD must investigate and take action on potential changes in shelter costs arising from this reported change. If the household fails to provide information regarding the associated changes in shelter costs within 10 days of the report, the CWD should send a notice to the household that the allotment will be calculated without the deduction.

Once the verification is provided (or if the change is verified at the time of the report), the benefit will be increased effective no later than the first allotment issued 10 days after the date the change was verified. Example: If verification is received on May 15th; the allotment for June would be increased. If it was received after May 25th, the allotment for July would be increased. If the shelter costs will result in a decrease, decrease the allotment effective in the month for which a 10-day NOA is provided.

If shelter expense is questionable, and verification is requested with 10 days to provide, if not provided, is the shelter cost removed from the budget?

Answer: Yes

How does it impact what information must be reported on the periodic report?

Answer: The household does not need to report the address change again. They would only need to report if there was another change in residence.

41. For CalFresh, the earned income of a child is counted once they turn 18. Under QR, the income was counted if they were already 18 in the data month. When is the income counted under SAR?

Answer: Count the income at the beginning of the payment period based on the SAR 7 or at the most recent certification if they are already 18 (they would have had to turn 18 the month before the data month).

42. For CalFresh, page 45 of ACL 12-25 states, "An OI may be established if the recipient was residing out of state and continued to receive benefits from California. If a hearing officer determines there is an OI claim, the household must be re-notified of the claim, and delinquency is based upon the due date of the subsequent notice and not the initial pre-hearing demand letter sent to the household." If the household is not required to report an address change until the SAR 7 or recertification, why would a claim be established?

Answer: There should not be a claim. Since FNS denied our waiver request to make mid-period changes of address mandatory, the household is not obligated to report the change of address until the SAR-7 or recertification. However, an OI would be established in the event that the household was receiving benefits from both California and the other state. If the county is aware that a household has moved out of state due to information that is considered VUR, a claim could be established. If the county is not aware of the change in residency, no claim can be established if the household is in fact otherwise ineligible. This question will be addressed in an errata of ACL 12-25.

43. Aren't household caused claims (IHE) established only when items that are mandatory are not reported?

Answer: Yes.

44. ACL 12-25, page 67, in the list of bullets for CalFresh, it lists, “Discontinuance due to the termination of CalWORKs inter-county transfer as described in 63-503.7. Was this item listed in error since CalFresh would be inter-county transferred?”

Answer: Yes, it should not have been listed. This refers to a circumstance in which an inter-county transfer is terminated during the transfer period, not subsequent to the transfer being completed. If the sending county becomes aware, during the transfer period, that the ICT is no longer valid (this could be for a variety of reasons) and has no information to establish continued eligibility, the case should be terminated.

45. What are the QC implications of QR budgeting rules applying to some cases subsequent to the October 1, 2013 implementation date of SAR?

Answer: Counties can use QR rules on a household’s case until a budgeting action occurs without any QC implications. For households using QR budgeting after October 1, 2013 during conversion, the household must be converted to SAR budgeting rules when the county adjusts a household’s budget for any reason, including but not limited to: a household turning in their first periodic report, a household reporting a change mid-period, COLA adjustments.

46. ACL 12-25, on page 36, states ‘...recipients are mandated to report specified changes to the CWD within 10 calendar days of the date the change becomes known to the household.’ For CalFresh QC purposes, when is the change considered ‘known to the household’ for household reports and when are county actions taken?

Answer: Households are required to report income that exceeds the IRT within 10 days of when the change becomes known to the household. The date the change becomes known to the household is defined as either the date the household becomes aware of new employment or an increase in pay, the start date of employment, or when the household first receives the income exceeding the IRT.

When the household reports income in excess of the IRT, the county shall determine if the reported income is reasonably anticipated to continue. If the income is reasonably anticipated to continue to exceed the household’s income eligibility limits for the remainder of the certification period, the county shall determine the household financially ineligible. If the household is financially eligible, the CWD shall discontinue the household at the end of the month in

which the household reasonably anticipates receiving the income that exceeded the household's eligibility limits, with timely and adequate notice.

Example: A household member is offered a job that will trigger a mandatory report of income over IRT. The household starts the job on July 15, is first paid on August 15, and reasonably anticipates the income will continue. If the household reports the change in income on August 16, the CWD will discontinue the case effective August 31. If the household reported the income on August 23, the CWD shall discontinue the case by September 30 allowing for timely and adequate notice. In either circumstance, the household has met their reporting requirement because the report is made within 10 days from when the change was known to the household. There is no overissuance for August or September because the household met their reporting requirement and the county took the appropriate action.