



CDSS

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DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

December 19, 2013

ALL COUNTY LETTER NO. 13-99

TO: ALL COUNTY WELFARE DIRECTORS
ALL CaWORKs PROGRAM SPECIALISTS
ALL CALFRESH PROGRAM SPECIALISTS
ALL COUNTY DISTRICT ATTORNEYS
ALL COUNTY CHILD CARE COORDINATORS
ALL COUNTY REFUGEE COORDINATORS
ALL COUNTY WELFARE TO WORK COORDINATORS
ALL COUNTY WELFARE FRAUD CHIEF INVESTIGATORS
ALL CONSORTIA MANAGERS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CaWORKs) PROGRAM: REGULATIONS TO IMPLEMENT THE SEMI-ANNUAL REPORTING (SAR) SYSTEM

REFERENCE: Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011); All County Letter (ACL) No. 12-25; AB 74 (Chapter 21, Statutes of 2013)

The purpose of this letter is to notify County Welfare Departments (CWDs) of new regulatory provisions for the SAR system in the CaWORKs program. These regulations contain SAR provisions already issued in ACL No. 12-25, as well as clarifying provisions added as a result of AB 74 (Chapter 21, Statutes of 2013). These regulations were issued on an emergency basis, were effective July 1, 2013, and are available at the web address listed below. CalFresh SAR regulations will be issued separately.

<http://www.cdss.ca.gov/ord/PG3273.htm>

This regulation package contains a tandem format to allow for the retention of both Quarterly Reporting (QR) and SAR during CWDs' staggered implementation of SAR. The QR regulations become inoperative upon each county's implementation of SAR.

NOTE: While the SAR emergency regulations generally contain provisions already addressed in ACL No. 12-25, *there are additional SAR provisions in the regulations, not contained within ACL No. 12-25, relating to annual redeterminations (RDs)*. The passage of AB 74, which occurred after the SAR emergency regulations were drafted, further modified certain SAR-related provisions. The SAR emergency regulations will be modified to conform with the provisions of AB 74 prior to becoming final, which will occur no later than July 1, 2014. Outside of the instructions already issued in ACL No. 12-25, additional CWD instructions that result from the SAR emergency regulations and the provisions of AB 74 are outlined below.

Annual RDs

Under SAR, the SAWS 2 takes the place of the second SAR 7, which is the Semi-Annual Income Eligibility Report Form. This regulation package contains instructions regarding the timeframes, processing, and treatment of annual RDs under SAR. The rules for the treatment of a late or incomplete RD have also been expanded. The changes are located in the Manual of Policies and Procedures (MPP) section 40-181.2 and are summarized below.

NOTE: As a result of changes resulting from the Affordable Care Act, the California Department of Social Services (CDSS) has eliminated the SAWS 2 as an application for public assistance and as the redetermination/recertification (RD/RC) form for CalWORKs and CalFresh. The SAWS 2 Plus will replace the SAWS 2 and SAWS 1 as the application and will temporarily be the vehicle for completing RDs/RCs (until further notice) after January 1, 2014. Throughout this letter, we will refer to the SAWS 2 Plus as the mechanism for completing CalWORKs RDs.

RD Process

Under SAR, the CWD must complete the annual RD six months after the SAR 7 is submitted. The RD acts as the second income eligibility report. For this reason, a complete SAWS 2 Plus must be received by the 15th day of the month in which it is due, allowing time to calculate benefits and issue notices for the following SAR payment period. Receipt of the SAWS 2 Plus after the 15th of the month may cause a discontinuance or delay in the issuance of benefits.

A complete RD includes a complete SAWS 2 Plus, an interview, and obtaining appropriate verifications. As a best practice, CWDs should schedule interviews and obtain verifications before the 15th of the month in which the RD is due or at least in sufficient time for CWDs to provide a ten day notice if adverse action is needed. Doing so will likely lessen the number of overpayments created due to the inability to provide ten day notice required to reduce benefits.

Alignment of RD with SAR 7 and CalFresh Recertification (RC)

Under SAR, the RD must be aligned with the SAR cycle. The RD must be completed in the sixth month of the SAR cycle in which a SAR 7 is not due.

If, for any reason, an RD happens outside of the normal SAR cycle, the CWD shall act mid-period on information to increase, decrease or discontinue cash aid as appropriate. The CWD must also align the CalWORKs RD period with the CalFresh RC period, as explained in ACL No. 12-25.

Late RDs

Under SAR, if a SAWS 2 Plus is not received by the 15th day of the month in which an RD is due, the CWD must send discontinuance notice M40-181, "SAWS 2 Plus Redetermination of Eligibility," which will be released under separate cover. Additionally, the CWD must attempt to make personal contact **by a county worker** (i.e., an automated phone call is insufficient, although a best practice would be to use automated calls as additional reminders) with the recipient either by telephone or in a face-to-face meeting. During that personal contact, the CWD must remind the recipient that an RD must be completed no later than the last day of the month in which it is due to avoid the discontinuance. The CWD must document in the case file how and when contact was attempted or made. If a recipient submits a complete SAWS 2 Plus by close of business on the last day of the month in which it was due, the CWD will rescind the discontinuance and determine eligibility and grant amounts pursuant to MPP sections 40-181.215(SAR) and 44-315. Ten-day notice is still required for any reduction in benefits.

Note: The "by a county worker" provision above is not contained within the SAR emergency regulations because it was added in AB 74. As stated, the final SAR regulations will be modified to conform with the AB 74 language.

Further, as currently written, the emergency SAR regulations also contain the following RD language in MPP section 40-181.214(b)(1)(SAR): "When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by CDSS, shall be mailed no later than five days prior to the last calendar day of the month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in MPP section 40-181.214(a)." **This language was NOT included in subsequently enacted AB 74, and is not mandated by statute. However, CWDs may send written reminders to recipients if they choose to do so. To conform with AB 74, this language will be removed in the final SAR regulations.**

Processing Late Redeterminations

Under SAR, if an RD is completed after the 15th but on or before the last day of the month, the CWD will:

- (1) Rescind the discontinuance action; and
- (2) Determine eligibility based on the information reported on the SAWS 2 Plus.

If the recipient submits a complete SAWS 2 Plus during the month following the discontinuance, upon recipient request, or on the CWD's initiative as indicated in MPP section 40-181.216(c)(SAR), the CWD will determine if the recipient had good cause for failure to complete the RD in a timely manner. Pursuant to MPP section 40-181.231(a)(SAR), a request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the SAR requirements, including requesting a state hearing regarding the discontinuance.

CWDs are reminded that if staff is aware that a recipient has a disability that may impact their ability to report, the CWD should consider determining good cause exists as a reasonable accommodation, without the client having to make a good cause request.

Good cause exemptions are listed under MPP section 40-181.216(SAR). If the recipient has good cause, the CWD shall rescind the discontinuance. If the recipient is found not to have good cause, the CWD shall determine eligibility based on applicant rules from the date the SAWS 2 Plus is completed and submitted to the CWD. If the SAWS 2 Plus is received more than a month following discontinuance, it shall be treated as a request for restoration of aid, and when redetermining eligibility, the CWD must determine eligibility based on applicant rules from the date the complete SAWS 2 Plus was received.

Completeness Criteria for RDs

Under SAR, an RD is considered complete when the provisions of MPP section 40-181.217(a)(SAR) through (g)(SAR) are met. What follows is an abbreviated summary of those requirements:

1. Recipients have provided the CWD with responses to all CalWORKs eligibility and grant amount questions, and the responses contain information sufficient to answer the question;
2. Evidence is submitted with the SAWS 2 Plus to verify the gross amount of all earned income received and the date of receipt, as well as the initial amount or a change in the amount of unearned income;

3. The address along with other information provided on the SAWS 2 Plus shall be sufficient for county administrative purposes, including the ability to locate the recipient;
4. Information reported on the SAWS 2 Plus is consistent with other information which the county has verified to be accurate;
5. The SAWS 2 Plus is signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see MPP section 82-812);
6. The RD interview is completed;
7. The SAWS 2 Plus includes the SAR 22 (Sponsors, Statement of Facts, Income and Resources) when the recipient is a sponsored noncitizen;
8. The SAWS 2 Plus includes the SAR 23 (Senior Parent Statement of Facts) when a minor parents lives with his/her senior parent (see MPP Section 89-201.5).

Other AB 74 SAR-Related Changes

AB 74 made two other SAR-related changes. First, pursuant to Welfare and Institutions Code (WIC) Section 11265.1(c)(5), when a SAR 7 is not received by the 11th day of the month in which it is due, the CWD shall provide the recipient with a notice that the CWD will terminate benefits at the end of the month unless the recipient submits a complete SAR 7. As previously stated, prior to terminating benefits, the CWD shall attempt a personal contact **by a county worker**. Previously, the “by a county worker” language was not present.

Second, WIC section 11265.3(c)(2) was changed to indicate that when reporting address changes (which is a mandatory mid-period report and must be reported within 10 days), the act of failing to report the address change in and of itself shall not result in any adverse action. This provision does not preclude overpayments from being pursued in instances where, for example, a recipient moved out of state and failed to report this to the CWD in a timely manner. The provision merely indicates the *act* of failing to report an address change, on its own and without any other case discrepancies, shall not result in any adverse action.

As a reminder, CDSS has issued the following ACLs and ACINs to provide implementing instructions and updated forms regarding SAR in the CalWORKs and CalFresh programs:

- ACL No. 12-25: Implementation Of The Semi-Annual Reporting (SAR) System In The California Work Opportunity And Responsibility To Kids (CalWORKs) And CalFresh Programs
- ACL No. 12-59: CalWORKs and CalFresh Programs: New and Revised Forms and Notices of Action (NOAs) for the Semi-Annual Reporting (SAR) System
- ACL No. 13-08: CalFresh Semi-Annual Reporting Waivers
- ACL No. 13-17: Updated Information For Semi-Annual Reporting Implementation For CalFresh
- ACL No. 13-26: CalWORKs and CalFresh Programs: New and Revised Forms and NOAs for the Semi-Annual Reporting (SAR) System
- ACL No. 13-57: CalFresh: New (and Revised) Forms for the Semi-Annual Reporting (SAR) System
- ACL No. 13-74 : CalFresh: New (and Revised) Forms for the Semi-Annual Reporting (SAR) System
- ACIN No. I-58-13: Updated Information For Semi-Annual Reporting Implementation For CalFresh
- ACL No. 13-80: CalWORKs and CalFresh Programs: New and Revised NOA Messages and Forms for the Semi-Annual Reporting System

The CalFresh Branch will also be transmitting CalFresh SAR regulations to CWDs in a separate ACL.

For questions regarding this letter, please contact the CalWORKs Eligibility Bureau main line at (916) 654-1322.

Sincerely,

Original Document Signed By:

TODD. R. BLAND
Deputy Director
Welfare to Work Division