



CDSS

WILL LIGHTBOURNE  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.  
GOVERNOR

October 18, 2013

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: TODD R. BLAND  
Deputy Director  
Welfare-to-Work Division

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS  
(CalWORKs) CalFresh DIVERSION SUBSIDIZED EMPLOYMENT INQUIRY

REASON FOR THIS TRANSMITTAL

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

The California Department of Social Services (CDSS) released All County Letter (ACL) 13-81 on September 30<sup>th</sup> implementing the Expanded Subsidized Employment Program as a result of the passage of Assembly Bill (AB) 74 (Chapter 21, Statutes of 2013). CDSS is interested in considering other potential expansions to subsidized employment and would like to determine if County Welfare Departments (CWDs) are interested in diverting CalFresh grants to help increase employment subsidies for interested clients. Title 7, Part 273.7(l) of the Code of Federal Regulations explains that grants diverted from the Supplemental Nutrition Assistance Program (SNAP) may be used to supplement Temporary Assistance for Needy Families (TANF) employment subsidies.

Subsidized Employment Overview

As explained in ACL 13-81, the Expanded Subsidized Employment Program provides a new funding allocation for subsidized employment separate from and in addition to counties' Single Allocations. The AB 98 Subsidized Employment Program also continues to be available, but Expanded Subsidized Employment funding cannot be combined with AB 98 subsidies. CWDs may also continue subsidized employment activities and programs funded by the Single Allocation. The Single Allocation may also be used to supplement AB 98 subsidies and Expanded Subsidized Employment funding.

CalWORKs currently offers several different types of subsidized employment activities. The following list includes information for both Welfare-to-Work (WTW) 24-Month Time Clock Activities and CalWORKs Federal Activities:

- Private Sector and Public Sector Subsidized Employment: Employment in the private and public sectors, respectively, for which the employer is partially or wholly reimbursed for wage costs from TANF or other public funds.
- Work Study: Subsidized employment through a college or university; this income cannot be considered when determining the CalWORKs grant.
- Grant-Based On-the-Job Training: Voluntary subsidized employment in which the recipient's cash grant is diverted to the employer for wage costs.
- Supported or Transitional Employment: Grant-based on-the-job training in which the grant is diverted to an intermediary service provider and/or the participant is disabled.
- On-the-Job Training: For WTW 24-Month Time Clock Activities, On-the-Job Training is defined by the CWD; for CalWORKs Federal Activities, this activity is subsidized training for a participant as a paid employee engaged in productive work.
- AB 98 Subsidized Employment: Private or public sector subsidized employment with specific eligibility and claiming requirements.
- Expanded Subsidized Employment: A new funding allocation for private or public sector subsidized employment introduced in state fiscal year 2013-14.

#### SNAP Grant Diversion Work Supplementation

In order to implement SNAP/CalFresh grant diversion for subsidized employment, CDSS would need to submit a work supplementation plan to the federal Food and Nutrition Service (FNS) for approval. Upon approval, CDSS must incorporate the work supplementation program plan into its state SNAP plan, and the program's budget must be included in the CDSS budget. Client participation in the SNAP Work Supplementation would be completely voluntary. Potential client benefits include receiving a higher wage and the related federally funded earned income tax credit. Following are the primary requirements of the SNAP grant diversion work supplementation program:

1. Participants in a work supplementation program must not already be employed by the employer at the time the individual enters the program.
2. The portion of the wage subsidy received under the SNAP work supplementation program must be excluded from household income.
3. The household cannot receive a separate SNAP allotment while participating in the work supplementation program.
4. A participant in a work supplementation program is excused from meeting any other SNAP work requirements.
5. Counties must make benefit and administrative cost reports to the state for reporting to FNS.

If your CWD is interested in or has questions about SNAP/CalFresh grant diversion and would like CDSS to pursue the option of a work supplementation program for California, please contact your county's Employment Bureau consultant or call the Employment Bureau at (916) 654-2137 no later than December 6, 2013. CWDs that do not respond by this date will be considered "not interested" in this program.