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DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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EDMUND G. BROWN JR.  
GOVERNOR

October 12, 2011

ALL COUNTY INFORMATION NOTICE NO. I-59-11

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALWORKs PROGRAM SPECIALISTS  
ALL CALFRESH COORDINATORS  
ALL CONSORTIUM PROJECT MANAGERS  
ALL REFUGEE PROGRAM COORDINATORS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS  
(CalWORKs) PROGRAM: CHANGES TO RESTRICTED ACCOUNTS

REFERENCE: SENATE BILL (SB) 1341 (CHAPTER 485, STATUTES of 2008);  
WELFARE AND INSTITUTIONS CODE SECTIONS 11450  
AND 11155.2; AND MANUAL OF POLICIES AND PROCEDURES  
SECTIONS 42-207.2, 44-211.5, AND 42-213.23

<p><u>REASON FOR THIS TRANSMITTAL</u></p> <p><input checked="" type="checkbox"/> State Law Change</p> <p><input type="checkbox"/> Federal Law or Regulation Change</p> <p><input type="checkbox"/> Court Order</p> <p><input type="checkbox"/> Clarification Requested by One or More Counties</p> <p><input type="checkbox"/> Initiated by CDSS</p>
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The purpose of this letter is to inform County Welfare Departments (CWDs) of the changes resulting from the passage of SB 1341 in regard to Restricted Accounts for CalWORKs and CalFresh recipients. These changes establish a new allowable purpose for restricted accounts and change the spend down rules for eligibility to Homeless Assistance (HA) payments. These changes enacted by SB 1341 became effective on January 1, 2009. The California Department of Social Services (CDSS) is in the process of filing implementing regulations. Until implementing regulations are released, CWDs are strongly advised to follow the rules described below.

Background

Existing regulations allow applicants/recipients to retain up to \$2,000 in real and personal property (this increases to \$3,000 for the assistance unit which includes at least one member who is 60 or older, or disabled), including savings accounts, in order to be eligible for aid under the CalWORKs program. In addition, per Manual of Policies and Procedures (MPP) Section 42-213, CalWORKs and recipients are allowed to maintain an unlimited amount of savings in restricted accounts for the following purposes:

- Education/job training expenses;
- Purchase of a new home; or
- Starting a business.

CalWORKs regulations also include provisions to help families who are homeless or who are in danger of becoming homeless. Per MPP Section 44-211.5, special need payments in the form of HA benefits are available to help eligible CalWORKs recipients prevent eviction and/or secure permanent housing.

### Amended Statute

SB 1341 adds a new allowable purpose for recipients to spend funds held in restricted accounts. Effective January 1, 2009, families are also able to spend funds held in restricted accounts to help pay for costs associated with securing permanent rental housing or to pay for rent arrearages to avoid becoming homeless. In addition, any savings that are held in a restricted account are now considered exempt from being counted toward the \$100 limit when determining eligibility for HA.

We encourage CWDs to refer to the amended Welfare & Institutions (W&I) Code Sections 11155.2 and 11450 (provided as an attachment to this letter) and follow the new rules as specified in those sections of the law. CWDs should ensure that no CalWORKs recipients have been discontinued from January 1, 2009, forward, due to withdrawing funds to pay for costs associated with securing permanent rental housing or to pay rent arrearages to avoid becoming homeless. If discontinuances are discovered, they should be rescinded and eligibility re-determined retroactively, as necessary.

### Forms

Before an account can be designated as "restricted," the caretaker relative shall sign the CW 86 Agreement - Restricted Account form, which sets forth the restrictions and penalties specified in MPP Section 42-213.231. The recipient shall provide verification to the county of each account within 30 calendar days from the date of the written agreement. Failure to comply will result in termination of the agreement. The recipient is allowed 30 calendar days from the date of a withdrawal to expend funds for one or more of the allowable expenses. If the recipient fails to expend funds or to provide verification of a withdrawal or expenditure within the required time limit the county shall calculate a period of ineligibility, unless good cause exists for exceeding the time limit, as specified in Section 42-213.231(j).

The CW 86 Agreement-Restricted Account coversheet and form have been revised to reflect the changes made by SB 1341. CWDs shall use this new form immediately. Since the passage of SB 1341, California has opted to implement Modified Categorical Eligibility (MCE) in the CalFresh program. MCE allows the state to no longer take into account resources in determining eligibility for CalFresh. Therefore, for CalFresh Non-Assistance households, counties will no longer need to use forms FS 28, FS 28A, and FS 28B. These CalFresh Non-Assistance forms are now obsolete and more information will be transmitted under separate cover.

### Camera Ready Copies and Translations

For a camera-ready copy of the English version of the CW 86, contact the Forms Management Unit at [fmudss@dss.ca.gov](mailto:fmudss@dss.ca.gov). If your office has internet access, you may obtain this form from the CDSS web page at:

[http://www.dss.cahwnet.gov/cdssweb/FormsandPu\\_271.htm](http://www.dss.cahwnet.gov/cdssweb/FormsandPu_271.htm). When all forms translations are completed per Section MPP 21-115.2, including Spanish forms, they are posted on an on-going basis on our web site. Copies of the translated forms and publications can be obtained at:

[http://www.dss.cahwnet.gov/cdssweb/FormsandPu\\_274.htm](http://www.dss.cahwnet.gov/cdssweb/FormsandPu_274.htm). For questions on translated materials, please contact the CDSS Language Services Bureau at (916) 651-8876.

### Contacts

If you have any questions regarding this letter, please contact the CalWORKs Eligibility Bureau at (916) 654-1322. For any questions regarding the CalFresh Non-Assistance program and Restricted Accounts, please call (916) 651-8047.

Sincerely,

### ***Original Document Signed By:***

KÄREN DICKERSON, Chief  
Employment and Eligibility Branch

Attachments