

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



December 24, 2003

ALL COUNTY INFORMATION NOTICE NO. I-84-03

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS  
ALL FOOD STAMP COORDINATORS  
ALL COUNTY DISTRICT ATTORNEYS  
ALL COUNTY CHILD CARE COORDINATORS  
ALL CAL-LEARN COORDINATORS  
ALL COUNTY REFUGEE COORDINATORS  
ALL COUNTY WELFARE TO WORK COORDINATORS  
ALL COUNTY WELFARE FRAUD CHIEF INVESTIGATORS  
ALL CAL-LEARN CASE MANAGEMENT AGENCIES  
ALL CONSORTIUM PROJECT 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 (CalWORKs) AND FOOD STAMP (FS) PROGRAMS QUARTERLY REPORTING AND PROSPECTIVE BUDGETING (QR/PB) QUESTIONS AND ANSWERS

REFERENCE: ASSEMBLY BILL (AB) 444, CHAPTER 1022, STATUTES OF 2002; AB 692, CHAPTER 1024, STATUTES OF 2002; ALL COUNTY LETTER (ACL) 03-18 DATED APRIL 29, 2003; ALL COUNTY INFORMATION NOTICE 1-54-03 DATED AUGUST 27, 2003

The purpose of this letter is to transmit another series of Questions and Answers (Q&As) regarding the QR/PB system in the CalWORKs and FS programs. As questions are submitted by county and consortia representatives, the California Department of Social Services (CDSS) program and management staff review the questions and develop QR/PB policies and responses with input from members of the California Welfare Directors Association (CWDA) who participated with staff from the CDSS in a Quarterly Reporting Workgroup. As additional QR/PB questions are received by CDSS, they will be released in additional All County Information Notices as they are developed and posted on the Quarterly Reporting (QR) website which allows counties to view responses to questions they have regarding QR.

If you have any questions regarding the QR/PB system, you may contact the following CDSS staff:

QR/PB Qs & As  
CalWORKs Policy  
CalWORKs Forms, Notices  
Food Stamps Policy  
FSP Forms and Notices  
Fraud Policy  
IEVS Matches  
FSET/ABAWDs  
WTW Program  
Work Support Services (WSS)  
Cal-Learn/Teen Programs  
Child Care  
Refugee Cash Assistance

Rosie Avena (916) 654-1514  
Paulette Dreher (916) 654-3386  
Shawn Bradley (916) 653-8675  
LeAnne Torres (916) 654-2135  
Frederick Hodges III (916) 653-7973  
Mark Gagnon (916) 263-5735  
Nanci O'Brien (916) 263-5713  
Robert Nevins (916) 654-1408  
Audrey King (916) 654-0946  
WSS analyst (916) 654-1424  
Consultants (916) 657-4249  
Suzanne McNamee (916) 657-3815  
Camille Ancona (916) 653-7785

Sincerely,

***Original Document Signed by***

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Attachment

c: CWDA  
CSAC

**CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)  
AND FOOD STAMP (FS) PROGRAMS QUARTERLY REPORTING AND  
PROSPECTIVE BUDGETING (QR/PB) QUESTIONS AND ANSWERS**

- 1. How do you determine monthly income at the time of application? ACL 03-18 instructs counties to average income for recipients. Are we also supposed to average income for applicants? Would the applicant test apply in the first two months of aid?**

Answer: **CalWORKs:** At the initial application the applicant test would be applied using actual income for the initial (application) month only. If the Assistance Unit (AU) passes the applicant test based upon the first month's actual income level, go on to determine the monthly grant amount for each month of the quarter, using the average monthly income (that includes all reasonably anticipated future income and actual income).

Yes. The financial eligibility test shall be applied to both applicant and recipient cases. If the family is financially ineligible for the first month, but the County Welfare Department (CWD) determines that the family will become financially eligible within 60 days of the application date, the CWD must do another applicant test using the second month's reasonably anticipated income. If eligible, the CWD would pend the application and approve aid effective the first of the second month. If the QR payment quarter is established based on the application date, the grant amount must be based on the average of the second and third month's reasonably anticipated income.

**Public Assistance Food Stamp (PAFS) recipient:** If the companion CalWORKs case is determined to be eligible for cash aid after applying the applicant financial eligibility test, the federal FS Household (HH) is considered categorically eligible and no applicant test is necessary for FS purposes. The CWD would go on to determine the FS benefits for each month of the quarter by using the average monthly income in the benefit calculation. If there is no eligibility for CalWORKs benefits, determine NAFS eligibility as stated below.

**Non-Assistance Food Stamp (NAFS) recipient:** A state only, mixed, or a FS HH that does not have a companion CalWORKs cash aid case will have to pass the 130 percent gross income test. The CWD must determine the average monthly reasonably anticipated income for the quarter and compare it to 130 percent of the Federal Poverty Level to determine if the FS HH is eligible for benefits.

- 2. When an individual applies for aid and reports \$300 income for the future month and the worker enters it incorrectly as \$200, can the CWD change benefits for the future month or is the CWD required to freeze those benefits for that quarter and compute an overpayment/overissuance?**

Answer: Correction of administrative and client reporting errors is a mid-quarter county-initiated action under QR. If the CWD worker makes an error in the budget calculation for CalWORKs and/or FS, the worker must take action immediately to correct the error with adequate and timely notice. The worker should not wait until the beginning of the next quarter. This action is categorized as a mid-quarter county-initiated action. Also, if the reverse were to take place, that is, the worker enters \$300 when the recipient reported \$200, immediate action must be taken to supplement the AU/HH through a corrective underpayment or restore benefits. In addition, if the recipient makes an error on the QR 7 and later comes in and corrects the QR 7, any resulting change in benefits should be made mid-quarter with adequate and timely notice.

**3. When an optional person is requesting to be included in or removed from the AU, when should the individual and/or his income be added and/or discontinued from the case?**

Answer: Refer to question #6 in All County Information Notice 1-54-03, which states that the CWD must treat the addition/removal of an optional person and his/her income the same way as it would treat a person who is required to be mandatorily included in the AU. The CWD would add an optional person to the AU the first of the month following the report of the change (if it results in an increase) or effective the first of the upcoming QR Payment Quarter (if adding him/her would result in a decrease) once eligibility has been established. If an optional person requests to be discontinued verbally, the CWD shall discontinue benefits at the end of the month in which timely and adequate notice can be provided. If the information is received in writing, the CWD shall discontinue at the end of the month with adequate notice.

**4. What action can we take mid-quarter when the AU/HH makes a voluntary mid-quarter report of a new HH member and fails to provide necessary verification to add the new person if the CWD is unable to determine if the addition would result in an increase or not? A) Should the CWD wait to take negative action until the end of the quarter? B) What if the addition of the new AU/HH member is reported on a late QR 7, or the deadline to provide verification extends into the new quarter, and they fail to provide the verification?**

Answer: A) The CWD must wait until the end of the quarter (at the earliest) to take an action for the existing AU/HH that would decrease benefits. The action to decrease benefits must be based on information reported and verified on a QR 7. The CWD cannot take any mid-quarter action on an existing case based on the report of a new AU/HH member in the home without receipt of required verification by the established deadline. Consequently, the CWD would send a No Change NOA to the AU/HH indicating that their benefits will not increase after the deadline for verification has past.

**Example:** In a January/February/March quarter, an AU/HH reports on January 6 that Dad moved into the home (with no income) on January 5. The CWD interviews the AU/HH on January 10 and requests that he provide verification regarding a bank account by January 20, but he fails to do so by the deadline. The CWD must send a No Change NOA to the AU/HH indicating that their reported change did not result in an increase to their benefits. Since Dad didn't provide necessary documentation, benefits continue for the remaining AU/HH members at the same level, and the CWD must wait until the QR 7 is submitted in March to see if Dad is reported as having moved into the home. Note: If Dad is reported on the QR 7 submitted in March, and despite being notified of the need to provide verification within 10 days following CWD's receipt of QR 7, fails to provide needed verification, the CWD shall discontinue the entire AU/HH's benefits effective March 31, because it is unable to establish continuing eligibility for the entire AU/HH.

Answer: B) We outline below through an example, the steps the CWD would take when a person has been reported on a late QR 7 and verification was not received to add that new person. In this scenario, the payment quarter is January/February/March, and the QR 7 was received too late in the Submit Month to determine eligibility for the upcoming QR Payment Quarter, based on pending verification. The CWD initially sent a discontinuance notice effective the end of the month, because the CWD had not received the QR 7.

1) If the recipient provides the CWD with a complete QR 7 on or before the first working day of the next month but does not provide verification, the CWD shall rescind the discontinuance and reinstate benefits at the prior level without consideration of the new HH member.

(2) If the recipient provides the CWD with a complete QR 7 on or before the first working day of the next month and verification is received within the 10-day verification timeframe and the CWD determines the case is eligible for an increase in benefits for April, the CWD will issue a supplement for April and establish the new benefit amount for the remaining months of the quarter.

(a) If the CWD determines benefits should have been decreased effective April 1 the CWD must establish an overpayment/overissuance for the month of April. Benefits for May will be decreased and the CWD will provide timely notice of this decrease to the recipient. This decrease is a consequence of late QR 7 reporting not a mid-quarter action based on receipt of a mid-quarter report.

(b) If the CWD determines benefits should have been discontinued, the CWD shall discontinue the entire AU/HH's benefits effective March 31 because the CWD is unable to establish continuing eligibility for the entire AU/HH. This discontinuance is a consequence of late QR 7 reporting and not providing verification within the 10-day verification timeframe.

- (3) If the recipient provides the CWD with a complete QR 7 and verification is not received until after the 10-day verification timeframe, the CWD will propose a discontinuance of benefits effective April 30. Verification that comes in after the 10-day deadline is treated as a new voluntary report, and is effective the first of the following month. If verification is received in March, but outside of the 10-day timeframe, the AU is continued on aid at the new level in April. A NOA is sent and a supplement or Overpayment/Overissuance (OP/OI) is provided, based upon whether benefits have increased or decreased. If verification is received after the end of the 10-day verification timeframe but before the end of April, benefits would be reinstated for the AU including the new member, if eligible, effective May 1. When verification is received and the benefits have been decreased or discontinued, an OP/OI would be assessed for the month of April.

If the recipient fails to provide the required verification, the county will issue a discontinuance NOA effective April 30 and assess overpayments/overissuances for April.

5. **Is the statement "If you applied for cash aid, and it has not yet been approved, your Food Stamp benefits may be lowered or stopped without another notice if your cash aid is approved," on the DFA 377.1 (Notice for Informing QR HH of their Approval for FS Benefits and Certification Period) still applicable?**

Answer: Yes, this language still applies. This action is taken only during the application process when a joint CalWORKs and FS application is taken and Public Assistance (PA) eligibility is pending. If CalWORKs is granted after FS has been paid, the CWD must consider the new CalWORKs income and 1) recompute FS benefits; 2) another notice is not required to be sent. This is only true at application when the CalWORKs grant is still pending an eligibility determination. When the next QR 7 is received, the CWD will recalculate FS benefits based on the information on the QR 7 and the CalWORKs grant amount at that time.

6. **What action do we take if a person dies mid-quarter? Can you take adverse action on: 1) An AU/HH of one (only aided person dies); or an AU/HH of more than one (one person dies); 2) Decrease in benefits.**

Answer: If the CWD is notified mid-quarter, that a recipient has died, the CWD shall treat this information as a voluntary recipient report for discontinuance of benefits for the deceased individual. If the information was received verbally, the CWD shall discontinue benefits at the end of the month in which timely and adequate notice can be provided. If the information was received in writing, the CWD shall discontinue at the end of the month with only adequate notice.

7. **How is timely reporting defined for voluntary reports like add-a-person? Is the report considered “late” only when it has not been reported on the upcoming QR 7?**

Answer: The requirement to report changes within 10-days of the occurrence, only applies to mandatory reports, e.g. the Income Reporting Threshold (IRT). A voluntary report can never be late. However, the information that could have been voluntarily reported must be reported on the QR 7 if it's still current in the data month. The QR 7 timeliness is addressed in detail in ACL 03-18.

8. **If a family is currently receiving NAFS, and they apply for and are granted cash aid in the middle of the NAFS quarter, how should the county budget the new CalWORKs grant when determining ongoing FS benefits?**

Answer: When a CalWORKs grant changes or a new CalWORKs grant is approved, these changes are "known to county" information, and the CWD would take action to calculate a new food stamp budget using the CalWORKs grant as income. If the CalWORKs grant change would increase food stamp benefits, the county would supplement and/or increase food stamp benefits for the current month. If the CalWORKs grant change would result in a decrease in food stamp benefits mid-quarter, the CWD will not take action to decrease benefits. When the next QR 7 is received, the county will recalculate FS benefits based on the information in the QR 7 and the CalWORKs grant at that time.

9. **Does CDSS have any guidelines or parameters for the requirement to inform recipients of their individual QR cycle and QR 7 due dates?**

Answer: CDSS does not plan to establish guidelines for this informing requirement and will allow counties to develop their own method of informing recipients of their reporting cycles and QR 7 Submit Months. As long as counties ensure that recipients are adequately informed as to what their reporting cycle and due dates are, CDSS will not dictate any special language or format.

10. **What actions can be taken if an individual loses their job and must apply for Unemployment Insurance Benefits (UIB)? Can we discontinue CalWORKs mid-quarter if they don't apply for UIB?**

Answer: When someone fails to cooperate or fails to provide mandatory information, the CWD would not discontinue the recipient until the end of the quarter.

**Example:** When an individual loses his/her job; the recipient would still be required to apply for UIB as a condition of eligibility. However, if the recipient fails to apply for UIB, the CWD cannot take action to discontinue him/her until the end of the quarter, with timely notice.

- 11. If the only eligible child moves out and is otherwise eligible for aid in another case is the CWD required to discontinue the first AU, or should they continue to aid the parent(s)?**

Answer: The CWD shall take action to discontinue aid to the existing AU/HH at the end of the month in which timely and adequate notice can be provided. The CWD shall aid the child in the new AU effective the first of the following month. Cash aid cannot be approved until the child has been discontinued from the first AU/HH. The county would delete the child out of the FS HH at the same time the child is discontinued from the first CalWORKs AU. Food Stamp benefits would continue for the adult(s) at least until the end of the quarter.

- 12. Do we have a 120-day Quality Control hold harmless period?**

Answer: No, not at this time.

- 13. Can the "Statement of Facts Cash Aid Food Stamps and Medical Assistance (SAWS) 2A-QR" form replace the "DFA 285-A3 QR" Form?**

Answer: No. The DFA 285-A3-QR contains a complete certification for the FS program which is not present on the SAWS 2A-QR. Therefore, the DFA 285-A3-QR must be used in addition to the SAWS 2A-QR to provide recipient affirmation that the recipient received the FS 22 and 23. Once QR is implemented statewide, forms will again be reviewed for updated changes.