

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



November 3, 2006

ALL COUNTY LETTER NO. 06-51

TO: ALL COUNTY WELFARE DIRECTORS
 ALL CalWORKs PROGRAM SPECIALISTS
 ALL FOOD STAMP COORDINATORS
 ALL COUNTY REFUGEE COORDINATORS
 ALL COUNTY 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): RETROACTIVE COST OF LIVING ADJUSTMENT (COLA) INCREASE TO THE MINIMUM BASIC STANDARD OF ADEQUATE CARE (MBSAC) LEVELS

REFERENCE: WELFARE & INSTITUTIONS (W&I) CODE SECTIONS 11450, 11452, and 11453

MBSAC INCREASE

The purpose of this letter is to inform counties of an increase to the CalWORKs MBSAC levels effective July 1, 2006, and to issue instructions for the implementation of retroactive MBSAC levels. W&I Code Section 11453 provides that the CalWORKs MBSAC levels shall be adjusted annually to reflect any increases or decreases in the cost of living. This year's COLA increases the MBSAC and Income In-Kind (IIK) levels by 3.75 percent. Due to the two-year COLA suspension of Maximum Aid Payment (MAP) levels, (pursuant to SB 68, Chapter 78, Statutes of 2005), the current MAP levels will remain in effect through June of 2007. Because the MAP COLA had been suspended, the Department inadvertently overlooked updating the MBSAC based on COLA increases. We apologize for the delay and additional workload that this may cause.

The new CalWORKs MBSAC Payment Standards Chart for Region 1 and 2 is included as Attachment 1, and is provided to assist in implementing these changes. New Income In Kind (IIK) levels are included in this chart as these amounts also increased as a result of the COLA. IIK changes shall be implemented prospectively. Please note that the columns containing the figures for 80 percent of MAP are not included in the chart. These figures are no longer necessary due to the changes in Homeless Assistance regulations that went into effect on July 12, 2006.

RETROACTIVE ELIGIBILITY FOR DENIED APPLICATIONS

The new MBSAC levels are to be used in determining applicant financial eligibility for those families that applied for CalWORKs on or after July 1, 2006. Counties are instructed to review only those applications that were previously denied solely due to failing the applicant financial eligibility income test from July 1, 2006, through the point in time when the new MBSAC standards are prospectively implemented in the county. Counties must make any necessary retroactive and all prospective changes effective as soon as administratively possible to implement the increase in the MBSAC levels and retroactively approve those applications, if appropriate.

RETROACTIVE ELIGIBILITY AND QUARTERLY REPORTING (QR)

If the initial application is re-evaluated and still denied due to excess income, the county has no further action to take. However, to establish eligibility for any QR Payment Quarter following the approval of the original/initial application, the applicant will be required to provide the necessary information and documentation for each individual QR Payment Quarter. Under QR, eligibility and cash aid for the QR Payment Quarter are based on the QR 7 information and on mid-quarter reports and mid-quarter county initiated actions. For scenarios and examples on how to determine retroactive eligibility in the QR system, see Attachment 2.

MBSAC RETROACTIVE PAYMENTS

As specified in Manual of Policies and Procedures (MPP) Section 44-340.13, the county shall take all reasonable steps necessary to promptly correct any underpayment that comes to the county's attention. The amount of the retroactive corrective underpayment is equivalent to the amount of CalWORKs cash aid to which the applicant would have been entitled had the increased MBSAC levels been applied beginning July 1, 2006.

In accordance with MPP Section 44-340.6, CalWORKs corrective underpayments are not considered income or property in the month received or the following month for purposes of determining continued eligibility and cash aid payments. (See next page for Food Stamp (FS) treatment of these payments.)

When a recipient receives a corrective underpayment, the payment shall be counted against both recipient's TANF and CalWORKs 60-month time limit for each month the retroactive payment was intended to cover. For example, if a recipient receives retroactive payments for July, August and September, but they are paid in November, the recipient's TANF and CalWORKs 60-month time limit will count for July, August and September.

OVERPAYMENT RECOVERY

Retroactive corrective underpayments made to the CalWORKs recipients as head of their own Assistance Unit, are to be offset against existing cash aid overpayments, as required by MPP Section 44-351.3. However, counties must not use these payments

to offset supportive service overpayments. MPP Section 42-751.4 (e) for transportation and ancillary overpayments and Section 47-440.12 for child care overpayments permit a recipient to voluntarily have supportive service overpayments repaid through grant adjustment.

FOOD STAMPS (FS)

In accordance with MPP Section 63-501.111, FS does count retroactive lump sum payments from the CalWORKs program as a resource in the month received. As a reminder, in both CalWORKs and FS, property and resources are determined only once per quarter based on the QR 7 information.

REFUGEE CASH ASSISTANCE (RCA)

These implementation instructions for the MBSAC COLA shall also apply to RCA applicants and recipients.

FISCAL CLAIMING INSTRUCTIONS

Any approved underpayments are to be reported on the appropriate assistance claim form as a prior month supplemental payroll.

CONTACTS

If you have any questions or need additional information regarding this ACL please contact your CalWORKs county consultant at (916) 654-1322.

Sincerely,



CHARR LEE METSKER
Deputy Director
Welfare to Work Division

cc: CWDA
CSAC

Attachments