

March 25, 2013

## CalWORKs Program Guide Letter No. 284

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**Subject** ANNUAL REPORTING (AR) FOR CERTAIN CHILD ONLY CASES

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**Effective Date** October 1, 2012

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**Reference** All County Letters (ACLs) 12-49 and 12-49 Errata  
Senate Bill (SB) 1041 (Chapter 47, Sections 7-10, Statutes of 2012)  
CalFresh Program Special Notice 13-02

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**Purpose** To provide information and instructions regarding recent changes in CalWORKs (CW) policy due to the implementation of an Annual Reporting (AR) system for certain child-only cases.

Additional guidance will be provided when further instructions are received from California Department of Social Services (CDSS).

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**Policy Change** Senate Bill (SB) 1041 created many changes to the CW program, including the requirement to implement an AR system for certain child-only cases that have no eligible adult in the Assistance Unit (AU).

These CW cases transitioned from a Quarterly Reporting (QR) system to an AR system effective October 1, 2012 and are referred to as AR/CO cases.

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**Implementation** Beginning October 2012, CW AR/CO cases no longer have a periodic reporting requirement and **cannot** be discontinued if a completed QR 7 is not provided.

CW cases assigned to QR Cycle 2 were immediately impacted in October 2012. AUs that met AR/CO criteria at implementation were not required to submit a September QR 7 in October.

The following table shows when AR/CO cases submitted their final QR 7 based on their QR cycle:

Existing QR Cycle	Final Data Month	Final Submit Month
2	June 2012	July 2012

3	July 2012	August 2012
1	August 2012	September 2012

### **CHANGING THE CW GRANT**

The CW grant amount determined by the final QR 7 will remain the same until the end of the annual redetermination month, unless a mandatory mid-year report is made, a county-initiated action is taken, or if the AU makes a voluntary report that results in an increase in CW benefits.

### **ANNUAL REDETERMINATION**

The redetermination date for cases that converted to AR/CO will remain the same. Since the certification period for CF cases cannot be shortened, the CW redetermination date may need to be changed in order to align with the CF recertification date.

When processing an AR/CO case at redetermination, the HSS will use information provided on the Statement of Facts (SOF) and any reasonably anticipated changes to determine continuing eligibility for the upcoming 12-month AR/CO period.

#### **Summary of Updates**

The following new CalWORKs Program Guide (CPG) sections have been posted to the online program guide:

<b>CPG Section</b>	<b>Title</b>
<a href="#">44-260 A.</a>	Annual Reporting (AR) Overview
<a href="#">44-260 B.</a>	Annual Redetermination for AR/CO Cases
<a href="#">44-260 C.</a>	Voluntary Reporting for AR/CO Cases
<a href="#">44-260 D.</a>	Mandatory Reporting for AR/CO Cases
<a href="#">44-260 E.</a>	AR/CO Income Reporting Threshold (IRT)
<a href="#">44-260 F.</a>	County-Initiated Actions for AR/CO Cases
<a href="#">44-260 G.</a>	Budgeting Income for AR/CO Cases
<a href="#">44-260 H.</a>	AR/CO Budgeting Examples
<a href="#">44-260 I.</a>	Overpayments (OPs) for AR/CO Cases
<a href="#">44-260 J.</a>	Transitioning AR/CO Cases
<a href="#">44-260 K.</a>	AR/CO Caseload Management

Additional sections of the CPG will be updated shortly.

**CalFresh (CF)** Effective October 1, 2012, Public Assistance CalFresh (PACF)

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**Program  
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households that are associated with an active CW AR/CO case will be assigned Change Reporting (CR) status until Semi-Annual Reporting (SAR) is implemented. Until SAR is implemented, CalFresh AR/CO households will:

- Not be required to submit a QR 7; however, they are required to report changes mandated by existing CR regulations as specified below;
- Have their benefits calculated using prospective budgeting and reasonably anticipated income without averaging income over a specified period of time (see [CFPG 63-252](#) and [63-262](#) for additional explanation);
- Be assigned a certification period of:
  - 6 months when an unaided CW adult member has earned income, or
  - 12 months, or
  - 24 months when all CW unaided adult members are elderly or disabled and have no earned income.

**CW AR/CO/PACF HOUSEHOLD RECERTIFICATION**

All regulations pertaining to recertification as specified in [CFPG 63-304](#) apply to CW AR/CO/PACF cases.

When the CF household of an AR/CO/PACF case is certified for 24 months, the annual redetermination is still required for the CW portion of the case. If the AU does not comply with the CW redetermination and the CW case is discontinued, the CF household will receive [Transitional CalFresh \(TCF\)](#) benefits.

Additionally, the HSS will consider the CW redetermination to satisfy the mandatory interim contact for households certified for 24 months ([CFPG 63-301.5](#)). The CF household is not required to submit any application forms.

**CW AR/CO/PACF HOUSEHOLD REPORTING REQUIREMENTS**

CalFresh households associated with an active CW AR/CO case are required to report as mandated by existing CR rules per [CFPG 63-261](#). These households are required to report the following changes within 10 days from when the change becomes known:

- Changes in the source of income (starting, stopping, changing job);
- Earned income changes of more than \$100;
- Unearned income changes of more than \$50 (except CW, General Relief (GR), or Social Security Cost of Living Adjustments (COLAs));
- Changes in household composition;

- Change in residence and resulting change in shelter expenses;
- A change in the amount of child support payments made to a non-household member as specified in [CFPG 63-224.15](#), and/or a change in the legal obligation to pay child support; and
- For able bodied adults without dependents (ABAWDs) only, a reduction of work effort to less than 20 hours per week, or averaging less than 80 hours per month, for purposes of determining whether the ABAWD has satisfied the work requirement specified in [CFPG 63-160](#).

Additionally, the CW AR/CO/PACF households are also required to report the following changes within 10 days:

- Any member of the household who is avoiding or running from the law to avoid any felony prosecution, custody or confinement after conviction, or who is found by a court to be in violation of probation or parole;
- Any household member who is convicted of a disqualifying drug-related felony after August 22, 1996, for the manufacture, sale, or distribution of a controlled substance(s), or for any activity in connection with these unlawful acts, or harvesting, cultivating or processing marijuana, or involving a minor in the above activities.

The changes may be reported by telephone, by personal contact, or by mail, or by mail using either the AR 3 or the [DFA 377.5](#), and may be reported by a household member, the household's authorized representative, or any person having knowledge of the household's circumstances.

**NOTE:**

The AR 3 and the DFA 377.5 are not mandatory forms and are not required to report changes.

**Medi-Cal (MC) Program Impact**

No impact.

CW recipients are categorically eligible to cash-based Medi-Cal (MC). Evaluation for continuing MC benefits under the 1931(b) or other MC program is required when a recipient is no longer eligible to CW, even if the recipient fails to complete the CW annual redetermination.

**Automation Impact**

**CW INTERIM SOLUTION**

The CalWIN system was not updated for the October 1, 2012 implementation of AR for child only CW cases. CalWIN functionality is scheduled to be updated with Release 34 in August 2013.

At the directive of CDSS, Welfare Case Data Systems (WCDS or “the CalWIN Project”) began running a monthly SQL (Structured Query Language) for all 18 CalWIN counties as an Interim Solution.

This monthly SQL uses existing CalWIN data entries to:

- Identify active CW cases that meet AR/CO criteria;
- Enter a temporary background code in CalWIN for each identified AR/CO case to suppress the QR 7 from generating for the upcoming Data Month; and
- Add a case-level Special Indicator in CalWIN (***CW Annual Reporting Child Only***) for each identified AR/CO case.

The first AR/CO SQL was run in September 2012. AR/CO cases were identified and QR 7s for Data Month September were suppressed in order to prevent these child-only cases from erroneously discontinuing in the Submit Month October for any QR 7-related reason.

### **OVERRIDING THE CW INTERIM SOLUTION**

Running EDBC and re-authorizing the AR/CO case will remove the background code in CalWIN and then allow a QR 7 to be generated. Once a QR 7 is generated, CalWIN functionality requires the complete report to be processed in order for benefits to continue.

After an AR/CO case is reauthorized, the temporary background code will be re-entered with the next monthly SQL if the AU still meets AR/CO criteria.

### **CF INTERIM SOLUTION AND TEMPORARY CODE FIX**

PACF households that are associated with CW AR/CO cases are assigned CR status until further notice. The CF Interim Solution runs a monthly SQL that marks the adult as a Migrant/Seasonal Farm Worker in the ***Display Individual Attributes*** window in CalWIN in order to trigger the existing CR functionality.

Effective January 2013, a temporary code fix automatically assigns CR status to PACFs households associated with an active CW AR/CO case. The CF temporary code fix will **not** work if the CW case is not active first or if the CW case is not identified as AR/CO.

### **OVERRIDING THE CF INTERIM SOLUTION**

When a CW case loses AR/CO status either by case discontinuance or when an adult becomes eligible to receive CW benefits, the associated PACF case may also lose CR status.

When a CW/PACF case discontinues, the HSS must remove the Migrant/Seasonal Farm Worker entry from the ***Display Individual Attributes*** window. This will prevent the household from being erroneously granted with CR status if the TCF case is recertified or if

the client reapplies for CF benefits.

### QR CYCLES IN CALWIN

The correct case reporting cycle is required to be reflected in the CalWIN system since AR/CO cases that transition back to QR or SAR are required to retain the same reporting cycle.

An OSHD Ticket will be needed if an incorrect cycle has been assigned to the case.

### INCOME BUDGETING IN CALWIN

Since the current CalWIN system does not yet recognize AR income rules for prospective budgeting, HSSs are required to use existing CalWIN functionality when entering income information for the case.

AR/CO reporting requirements and income budgeting rules are different for CW and CF and the existing CalWIN functionality will need to be used accordingly:

- For CW: The eligibility determination will be driven by the Use Effective Month (UEM) entries.
- For CF: The eligibility for associated CR households will be determined using the Effective Begin Month (EBM) entries.

### Correspondence and Document Capture Impact

The following AR/CO correspondence will be accessible via the CalWIN Intranet and/or Xerox Print Center until available in CalWIN:

Form	Document Capture Impact
<b>TEMP AR 1: New Reporting Requirements for CalWORKs and CalFresh</b> <ul style="list-style-type: none"><li>• This AR/CO Informing Notice will be issued to AUs that are no longer subject to the QR 7 requirement.</li></ul>	None
<b>AR 2: Reporting Changes for CalWORKs and CalFresh</b> <ul style="list-style-type: none"><li>• This AR/CO IRT Notice will be issued to AUs to inform them of their responsibility to report within 10 days when their income exceeds their IRT level based on AU size.</li></ul>	Use <a href="#">16-140 Notice of Action (NOA)</a> Template
<b>AR 3: Mid-Year Status Report for CalWORKs and CalFresh</b> <ul style="list-style-type: none"><li>• This is an optional form that an AR/CO AU may provide to report a</li></ul>	Validate using <i>existing</i> QR 3: Mid-Quarter Status Report

change in writing.	
<b>739-AR HHS: AR/CO School Attendance Reminder Letter</b> <ul style="list-style-type: none"> <li>This informing notice reminds AR/CO AUs of the CW requirement to provide school attendance verifications twice a year.</li> </ul>	None

**NOTE:** New templates for document capture will not be created until after the new platform is available.

Additional AR/CO correspondence will be provided when available from CDSS.

### **AR/CO MASS MAILINGS**

Following each monthly SQL, the TEMP AR 1 and 739-AR HHS, if applicable, are sent via mass mailing to CW AR/CO AUs and are completed at the same time as the monthly QR 7 mailing for non-AR/CO cases.

### **ACCESS Impact**

Automated outbound calls are initiated by ACCESS following each monthly SQL. These calls provide a verbal reminder for affected AUs that QR 7s are no longer required.

Once CalWIN functionality becomes available to support program and notification requirements for AR/CO cases, these outbound calls will no longer be needed.

### **Operational Impact**

Eligibility Operations will continue to provide support and guidance to all impacted staff as AR/CO implementation efforts continue.

### **MANAGEMENT REPORTS**

Various AR/CO-related reports are issued on a regular basis to FRCs to assist in the monitoring of this special caseload:

1. AR/CO SQL Report
2. X or Y Suspense Report
3. School Attendance Due Report (when applicable)
4. AR/CO Sanction List
5. AR/CO Discontinuances

### **RESOURCES**

The following resources are available to assist HSSs in processing AR/CO cases:

- CalWIN workaround instructions: **BENDS 6174**

- CW Scratch Budget and Instructions for AR/CO IRT calculation
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**Quality  
Control  
Impact**

Quality Control (QC) will cite the appropriate error when instructions in this material are not followed or are followed incorrectly.

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**Director  
Approval**



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