CalSAWS

California Statewide Automated Welfare System

Design Document

CA 213480 | CIV-1207

CW Treatment of Unregistered Motor Vehicles

CalSAWS	DOCUMENT APPROVAL HISTORY	
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DATE	DOCUMENT VERSION	REVISION DESCRIPTION	AUTHOR
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1 OVERVIEW

The ACL 13-111 describes the changes in the rule's logic for vehicle's treatment in the CalWORKs and related programs. The ACL mandates updates to the evaluation treatment when determining the CW EDCB with applicants with unregistered vehicles. The changes are intended to reduce the workload on the CWD worker. When processing the CW EDBC the system's logic treats registered vehicles differently comparing to unregistered vehicles. The exclusion limit's logic should be the same for both registered and unregistered vehicles, the first $25,000 (as of 06/01/2020) is disregarded, and any amount that exceeds the $25,000 (as of 06/01/2020) is attributable toward the Assistance Unit's maximum resource limit.

1.1 Current Design

The system determines the license status based on "Registered" field for CW/CF, the same field is used for other programs others than CW. When a CW EDBC is run for a participant who has an unregistered motor-vehicle valued at more than the equity exclusion limit ($25,000) and a Non-Acquisition type has not been selected, the full equity value (FMV – encumbrances) will be applied to the AU which is causing the EDBC to fail. The unregistered vehicles are being disregarded from the EDBC process only when a Non-Purchase Acquisition type is selected.

If the same participant has a registered motor-vehicle, the amount used is the greater of excess value (FMV – $25,000- Equity Exclusion disregards) or equity value (FMV – encumbrances) which will be counted towards the AU and EDBC passes.

1.2 Requests

1. Apply the $25,000 Motor Vehicle Equity Value Exclusion Limit to unregistered motor vehicles which a *Non-Purchase Acquisition* type has not been selected.
2. Update CW motor vehicle Excess of Equity value logic to include encumbrances.
3. Remove the comparison between the excess value and equity value when calculating the countable value for both registered and unregistered motor - vehicle.

1.3 Overview of Recommendations

1. Update the EDBC logic for CW and related programs to set the countable amount for unregistered vehicles to the Excess of Equity value.
2. Update EDBC logic for CW and related programs to the Excess of Equity value calculation to account for the equity (including encumbrances).
3. Update the calculation for countable value to remove the comparison between Excess value and Equity value
4. Generate a list of all CW and related programs cases that were denied, discontinued or ineligible for 'Over Resources' due to unregistered motor vehicles that did not qualify for exclusion limit 12 months prior to the release date of this SCR.

1.4 Assumptions

1. N/A

2 RECOMMENDATIONS

2.1 Update the CW and Related Programs EDBC Logic for Unregistered Vehicles to be Treated With the Same Logic as Registered Vehicles

2.1.1 Overview

Per ACL -1311, SB 98 clarified that the changes in statute apply to all motor vehicles, both licensed and unlicensed. The same CW EDBC logic that is used to treat registered vehicle will also be used to unregistered motor-vehicles.

2.1.2 Description of Changes

1. Update EDBC logic for unregistered vehicles to treat the registered motor-vehicle same as registered vehicles.

2.1.3 Programs Impacted

1. CW, RCA, DV, IN, KG

2.2 Update CW and Related Programs EDBC Logic for the Excess of Equity To Account for Encumbrances.

2.2.1 Overview

The existing logic to calculate the motor vehicle excess value does not include any encumbrances. The encumbrance is present in the equity value calculation logic (Equity Value = FMV- Encumbrances (if any)). For the Excess value, the EDBC logic is only counting the FMV subtracting the disregards (vehicle exemption amount).

2.2.2 Description of Changes

1. Update CW EDBC logic to use the following formula for the Excess value:
   i. Excess value = Equity Value – Motor Vehicle Disregards ($25000 as of 06/01/2020)

Examples #1 (ACL 13-111)

An AU self-certifies that they own a non-exempt motor vehicle with a FMV of $3,500. The AU still owes $1,450 on the vehicle (the encumbrance), resulting in a total equity value of $2,050 for this vehicle. Since the total equity value is less

than $25,000, the value is excluded from resource consideration, and the equity of the vehicle will not be counted as a resource toward the AU's maximum resource limit. The equity (FMV -encumbrance) is less than $25,000.

$3,500	FMV of the motor vehicle
- $1,450	Less Encumbrances
= $2,050	Total Equity Value
$ 0	Amount Counted Toward Resource Limit

Examples #2 (ACL 13-111)

The applicant or recipient owns a non-exempt vehicle with an equity value that exceeds $25,000. The AU self-certifies that the FMV is $29,500, and they owe $3,000. After subtracting the amount owed on the vehicle from the FMV, the CWD determines the equity value of the motor vehicle is $26,500. In this case, the equity value of the vehicle exceeds the $25,000 limit by $1,500. The $1,500 is counted toward the AU's maximum resource limit. If the AU's total assets, including the $1,500, fall below the $10,000 (or $15,000 for families with aged/disabled household members) maximum resource limit (effective June 1, 2020), the AU is resource-eligible:

$29,500	FMV of the motor vehicle
- $ 3,000	Less Encumbrances
$26,500	Total Equity Value
- $ 25,000	Disregard
=$ 1,500	Amount Counted Toward Resource Limit

2.3 Update The Calculation for Countable Value for Registered and Unregistered Motor Vehicle to Remove the Comparison Between Excess Value and Equity Value

2.3.1 Overview

1. The existing logic to calculate the countable value for registered motor-vehicle is selecting the greater between the excess value and the equity value.
2. The existing logic to calculate the countable value for unregistered motor-vehicles is selecting the equity value.

2.3.2 Description of Changes

1. Update the logic for the countable value for both registered and unregistered motor vehicle to use the excess value logic when the determining the amount to be counted against the vehicle and asset limit.

Note: This makes the rules that specifically calls out for the excess value to be applicable to motor-vehicles for all eligible adults over 18 years of age. This logic obsoletes the logic that sets the highest excess value that has the countable amount set to the excess value for each eligible adult.

2.4 Automated Regression Test

2.4.1 Overview

Update existing automated regression test scripts to account for the new EDBC logic. Create new automated regression test scripts to verify the motor vehicle calculations for the related programs.

2.4.2 Description of Changes

1. Update the existing CW – Property Limits script to have both a registered and a non-registered vehicle. Run EDBC and verify that both vehicles are treated equally when accounting for the vehicle disregard and encumbrances.
2. Create new scripts to create cases with each of the following programs, and both registered and non-registered vehicles. Run EDBC and verify that both vehicles are treated equally when account for the vehicle disregard and encumbrances.
   a. Diversion
   b. Homeless - Perm (CalSAWS only)
   c. Homeless - Temp (CalSAWS only)
   d. Immediate Need
   e. Kin-GAP
   f. RCA

3   REQUIREMENTS

3.1   Project Requirements

REQ #	REQUIREMENT TEXT	How Requirement Met
2.8.2.11	The LRS shall treat income and resources based on program-specific rules.	Updating the Business Rule's logic to count the excess of the equity for the unregistered motor vehicle

4 OUTREACH

4.1 Lists

This list includes all the CW cases that were denied, discontinued or ineligible due to over resources (Unregistered Motor Vehicle) with more than $25,000 in equity value. The same cases would have passed the CW and related programs program if the $25,000 exclusion limit rule was in place.

List Name: CW Cases Over Resources Due to Unregistered Motor Vehicle

List Criteria:

Generate a list of All CW cases that were denied, discontinued or ineligible for benefit month on or after 12 months prior to the release date of this SCR due to 'Over Resources' due to unregistered motor vehicles that did not qualify for exclusion limit.

1. The Program was Denied, Discontinued or ineligible
2. The EDBC run date is set to on or after 12 Months prior to the implementation of this SCR.
3. The programs impacted are CW, RCA, DV, IN, KG
4. The EDBC type is regular
5. The Property category is motor vehicle
6. The motor vehicle is not registered
7. The EDBC has been accepted and Saved
8. The Budget type is Regular or Prorated
9. The Property Benefit limit is less than or equal to benefit property amount minus the $25,000 (Vehicle exclusion limit) multiplied by the number of unregistered vehicles

Standard Columns:
- Case Name
- Case Number
- County
- Unit
- Unit Name
- Office Name
- Worker

Frequency: One-time

The list will be posted to the following locations:

System	Path
CalSAWS	CalSAWS Web Portal>System Changes>SCR and SIR Lists>2020>CA-213480
C-IV	CalSAWS Web Portal>System Changes>SCR and SIR Lists>2020>CIV-1207