

January 16, 2020

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY INFORMATION NOTICE NO. I-03-20

The purpose of this All County Information Notice is to provide clarification to County Welfare Departments regarding California Work Opportunity and Responsibility to Kids (CalWORKs) regulations concerning mandatory inclusion for determining Assistance Unit (AU) composition.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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GAVIN NEWSOM
GOVERNOR

January 16, 2020

ALL COUNTY INFORMATION NOTICE NO. I-03-20

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALWORKS PROGRAM SPECIALISTS
ALL CALFRESH PROGRAM SPECIALISTS
ALL COUNTY WELFARE-TO-WORK COORDINATORS
ALL COUNTY REFUGEE PROGRAM COORDINATORS
ALL CONSORTIA PROJECT MANAGERS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS
(CALWORKS): CLARIFICATION OF MANDATORY INCLUSION
REGULATIONS FOR ASSISTANCE UNIT (AU) COMPOSITION

REFERENCE: [MANUAL OF POLICIES AND PROCEDURES \(MPP\) SECTIONS 40-107\(c\); MPP 40-118; MPP 41-405.11; MPP 44-316.324\(c\); MPP 80-301; MPP 82-820; MPP 82-828; MPP 82-832; ALL COUNTY INFORMATION NOTICE \(ACIN\) I-36-07](#)

The purpose of this All County Information Notice (ACIN) is to provide clarification to County Welfare Departments (CWDs) regarding California Work Opportunity and Responsibility to Kids (CalWORKs) regulations concerning mandatory inclusion for determining Assistance Unit (AU) composition.

Background

Household composition requirements for members mandatorily required to be included in public assistance programs predate the CalWORKs program. Title IV of the Social Security Act of 1935 established the Aid to Dependent Children (ADC) program to provide financial assistance to needy children. At that time, the ADC program specified that the child must live with a parent or other close relative to be eligible for federal aid but provided no assistance for the adult's needs. It was not until 1950 when the program began to address the needs of the caretaker relative. The program continued to expand the mandatory inclusion requirements from the 1960s to the 1990s.

In 1962, the ADC program became known as the Aid to Families with Dependent Children (AFDC) program. The federal Temporary Aid for Needy Families (TANF) program replaced the AFDC program in July 1997 and the CalWORKs program, which began January 1, 1998, is California's implementation of TANF.

The MPP Section 80-301(m)(1), defines the term “Mandatory Inclusion” to mean the requirement that a parent, sibling or half-sibling be included in a *Filing Unit* and the requirement that an *eligible* parent, sibling or half-sibling be included in the *AU* with the applicant or eligible child. The “Filing Unit” is defined in MPP Section 80-301(f)(1) as a group of persons required to be on the Statement of Facts; whereas, an “AU” is defined in MPP Section 80-301(a)(8), as a group of related persons living in the same home who have been determined eligible for CalWORKs and for whom cash aid has been authorized.

A CalWORKs eligible child must be both deprived and needy, meaning that the child meets the requirements of all necessary linking and non-linking eligibility factors as specified in MPP Section 40-107(c). Linking eligibility factors are those single conditions that link an applicant to a categorical aid program. These factors are: blindness and deprivation of parental care or support. Non-linking eligibility factors are those factors that establish whether an individual is entitled to assistance under the program to which the applicant is linked. The non-linking eligibility factors are: age, property, residence, financial status and institutional status.

The Filing Unit

Pursuant to MPP Section 40-118.1, individuals who are required to be included on the Statement of Facts are considered the Filing Unit. In addition, optional persons (MPP Section 82-828) must be included on the Statement of Facts when aid is requested for them and they are living in the home of applicant child per MPP Section 40-118.2.

Mandatorily Included Persons in the Filing Unit	Optional Persons in the Filing Unit
<ul style="list-style-type: none">• Applicant child;• Siblings and half-siblings of the applicant child;• Parents of mandatorily included children;• A pregnant person, in a one-person unit;• The following adults, if seeking aid, when there is a child receiving Supplemental Security Income (SSI) or the child is sanctioned by the Welfare to Work (WTW) program: the child's parent(s), caretaker relative, stepparent or domestic partner of the child's parent;• Senior parent of minor parent seeking aid for the minor parent's child;• Sponsor of a documented noncitizen;• Spouse or California domestic partner of persons mandatorily included in the filing unit	<ul style="list-style-type: none">• A nonparent relative who has been determined to be the caretaker relative of the eligible child(ren);• Other eligible children, including but not limited to a grandchild, niece or nephew;• Alternatively Sentenced Parent (ASP)

The Assistance Unit

After the Filing Unit has been established, the CWD will then determine who will be in the AU. Pursuant to MPP Section 82-820, an AU shall be established when all eligibility factors have been met, including those individuals who meet the mandatory inclusion and optional person requirements. If a person, not otherwise excluded, is found to meet the eligibility requirements, they are considered an eligible person who must be added to the AU if not considered an optional person. These eligible individuals must be living in the same home at the time of initial family application, mid-period if their addition has no negative action to the grant amount, at the beginning of the Semi-Annual Reporting (SAR) payment period for SAR cases, or the first of the month following the month the change was reported for Annual Reporting/Child-Only (AR/CO) cases.

Minimum Person Requirements	Mandatorily Included Persons in the Assistance Unit	Optional Persons in the Assistance Unit
Each AU shall have at least one of the following: <ul style="list-style-type: none">• An eligible child;• A non-minor dependent in their own AU of one;• A caretaker relative of an SSI child, Kin-GAP child or of a child receiving federal, state or local foster care maintenance payments;• A pregnant person;• A relative of a 16 or 17 years-old teen who is sanctioned by WTW	<ul style="list-style-type: none">• Applicant child;• <u>Eligible</u> sibling or half-sibling of the applicant child who meets the age requirement;• Any parent, except for ASP, of:<ul style="list-style-type: none">▪ Applicant child;▪ Eligible sibling or half-sibling of applicant child who meets the age requirement	<ul style="list-style-type: none">• A nonparent relative who has been determined to be the caretaker relative of the child;• Other eligible children, including but not limited to a grandchild, niece or nephew;• Essential persons (stepparent, California domestic partner of the eligible child's parent, or ASP) who meet the requirements of MPP Section 44-209.3

The MPP Section 82-832 also lists persons who are excluded from the AU by law. A person identified as an excluded person cannot be in the AU even if previously identified as a mandatorily included or optional person.

Determining the AU

The CWD is reminded that they shall determine who is mandatorily included and excluded from the AU. The CWD and the CalWORKs applicant/recipient shall determine whether or not an optional person will be included in the AU based in part on the CWD explaining the effect of including or excluding the optional person and its review of the person's eligibility and grant amount pursuant to MPP Sections 82-820.4 and 82-828.12. The CWD shall use the mandatory

inclusion regulations based on the circumstances unique to that family when determining an AU, ensuring no conflicts with other CalWORKs regulations, statutes and references.

A child may be deprived of parental care or support for more than one reason. Before identifying a sibling or half-sibling as an eligible child, the CWD must evaluate non-linking factors. A sibling or half-sibling may meet a basis of deprivation, but remain an ineligible child for inclusion in the AU.

AU Composition Due to Changes of Income

The CWD is also reminded that circumstances may change over time and this may result in a different AU composition mid-period, at SAR, or annual redetermination, than the AU determined at the time of initial application.

When the AU reports income in excess of the Income Reporting Threshold (IRT) in any month except the last month of the current payment period, the CWD shall determine if the reported income is reasonably anticipated to continue and whether the AU's net nonexempt monthly income determined for the remainder of the current payment period will result in a lower grant amount or will exceed the income eligibility limits for CalWORKs. If the income is reasonably anticipated to continue and will result in a lower grant amount for the remainder of the payment period, the CWD shall recalculate the AU's grant amount for the remainder of the payment period. If the income is reasonably anticipated to continue to exceed the AU's income eligibility limits for the remainder of the payment period, the county shall determine the AU financially ineligible and shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice.

When an AU is determined no longer financially eligible to CalWORKs due to a mandatory mid-period report of income over the CalWORKs limits, the CWD shall discontinue the AU at the end of the month in which the AU first received the income that exceeded the AU's eligibility limits, with timely and adequate notice per MPP Section 44-316.324(c)(1). If the income reported is not reasonably anticipated to continue, the report of income over the IRT will not affect ongoing benefits for the current payment period.

When an AU reports income in excess of the IRT in the last month of the current payment period, the CWD shall determine if the reported income is reasonably anticipated to continue. If the income will continue, the CWD shall use that information together with the SAR 7 or SAWS 2 PLUS information to prospectively determine eligibility and cash aid amount for the next payment period, per MPP Section 44-316.324(c)(2). If the AU's new income is reasonably anticipated to continue and will make the current AU ineligible, the CWD shall determine if continued eligibility exists for any of the members of the current AU. Any change in deprivation reported on the SAR 7 or the SAWS 2 PLUS and any change in eligibility or the grant amount that results from the new AU shall also be effective the first day of the next payment period, per MPP Section 41-405.11.

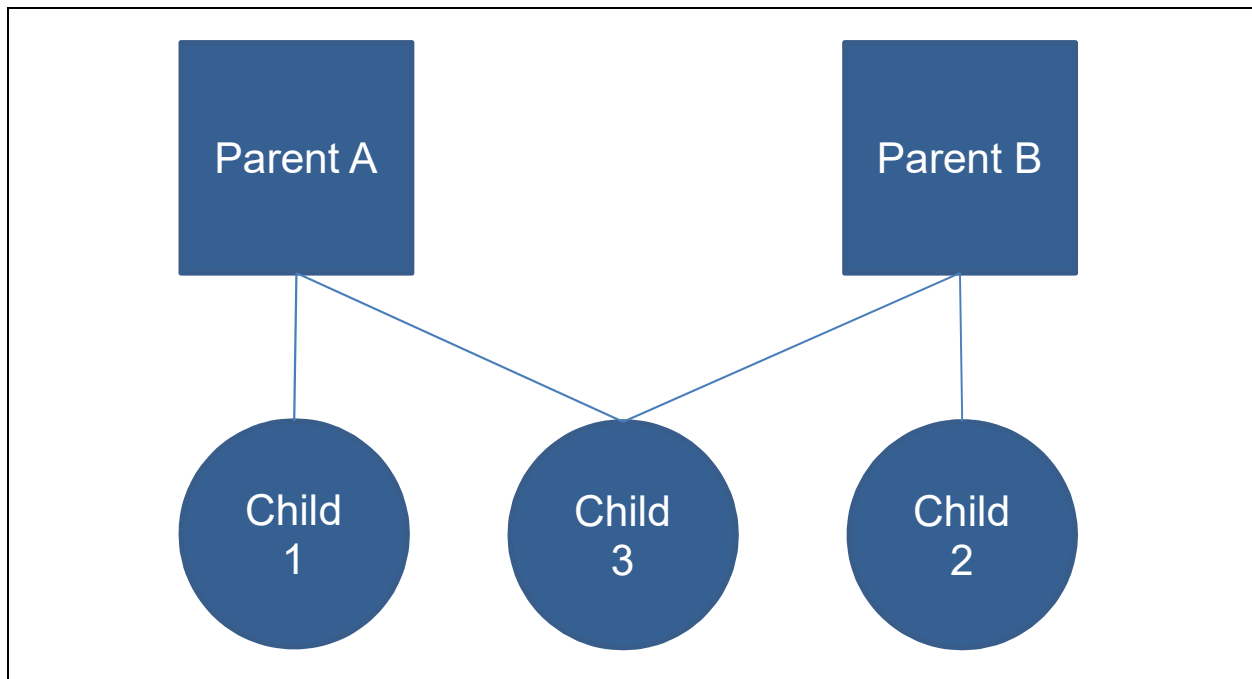
Scenario examples

Scenario 1: Two-Parent Unmarried Blended Family Household at Application

The household consisting of two unmarried adults, identified as Parent A and Parent B, and three children respectively identified as Child 1, Child 2 and Child 3 apply for CalWORKs. All household members live in the same home and there is no biological relationship between Child 1 and Child 2.

- Child 1's parent is Parent A.
- Child 2's parent is Parent B.
- Child 1 and Child 2 are half-siblings to Child 3.
- Child 3 is the common child of both parents.

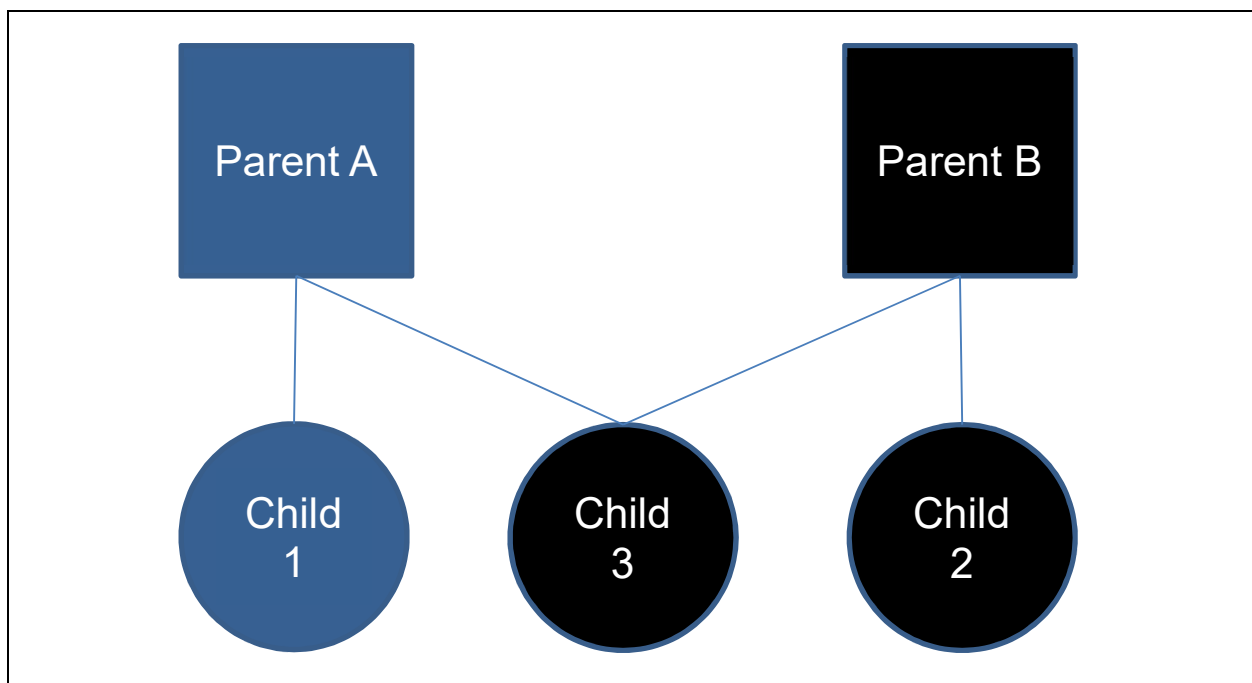
Using the principles of mandatory inclusion, all household members are required to be in the Filing Unit and reported on the Statement of Facts. The CWD then reviews for linking and non-linking eligibility factors. Both Parent A and B are not working and the CWD determines that all children meet the linking and non-linking criteria.



The CWD evaluates the household circumstances and determines all members are eligible for cash aid and approved CalWORKs for an AU of five individuals.

Scenario 2: A Change in Income

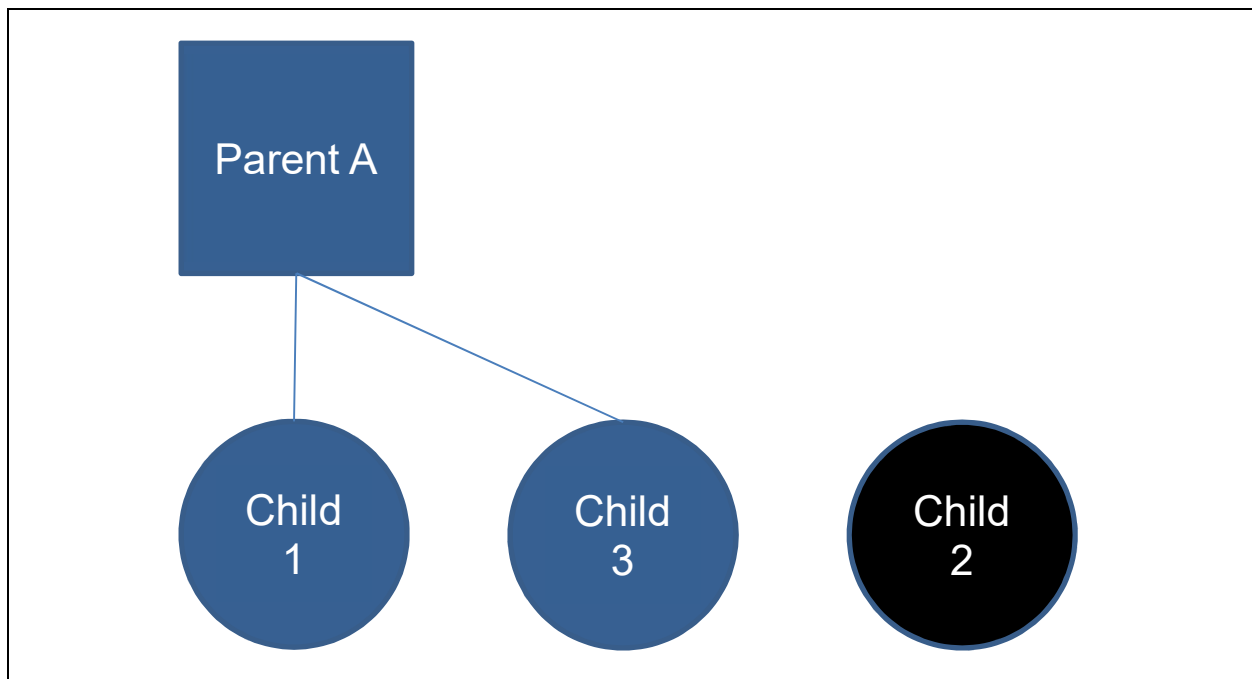
On the SAR 7, the same family from Scenario 1 consisting of two unmarried adults identified as Parent A and Parent B with three children respectively identified as Child 1, Child 2 and Child 3, timely reports that both Parent A and Parent B have become employed and the household earnings exceeds the CalWORKs recipient income limit for an AU of five. In reviewing the income verification and consulting with the family, the CWD determines that the monthly Reasonably Anticipated Income (RAI) will continue to exceed the CalWORKs income limits and the AU in its current composition is no longer eligible for continued benefits.



The CWD determines Parent B is only legally responsible for Child 2 and Child 3 and Parent B's income deems Child 2 and Child 3 ineligible. Parent A's income is under the CalWORKs recipient income limits and only Child 1 meets the linking and non-linking factors to maintain CalWORKs eligibility. CalWORKs benefits are continued for Parent A and Child 1 based on the newly reported earnings in a two-person AU, maintaining the same reporting cycle and redetermination month of the original five-person AU. Parent B must continue to participate in future CalWORKs redeterminations as a mandatory member of the Filing Unit.

Scenario 3: A Change in Circumstances Due to an Individual Leaving the Home

During the CalWORKs redetermination interview, Parent A from the previous scenarios reports that Parent B no longer lives in the home and Child 2 continues to live with the other household members. Before approving benefits for the next SAR payment period, the CWD must evaluate the change in AU composition.

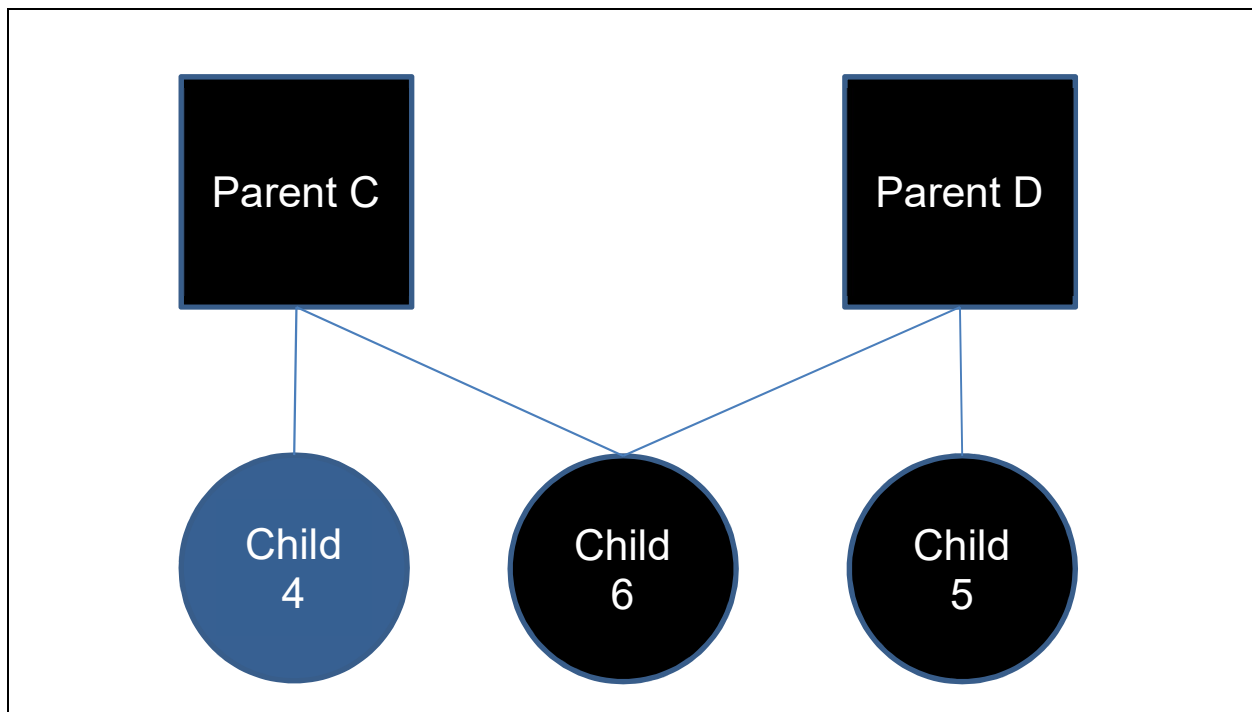


The CWD determines Child 3 is now mandatorily included in the AU as the child meets the requirement of being an eligible half-sibling. The CWD further determines that while Child 2 has deprivation and is financially needy, the child is not an eligible child since no one in the home meets the CalWORKs caretaker relative requirements (MPP Section 82-808) for Child 2. The AU of three consists of Parent A, Child 1 and Child 3.

CWDs should refer to ACIN No. I-36-07 for guidance on the treatment of children who are no longer eligible for CalWORKs due to living with a non-relative caretaker rather than a relative caretaker.

Scenario 4: A Child with Multiple Deprivation Bases

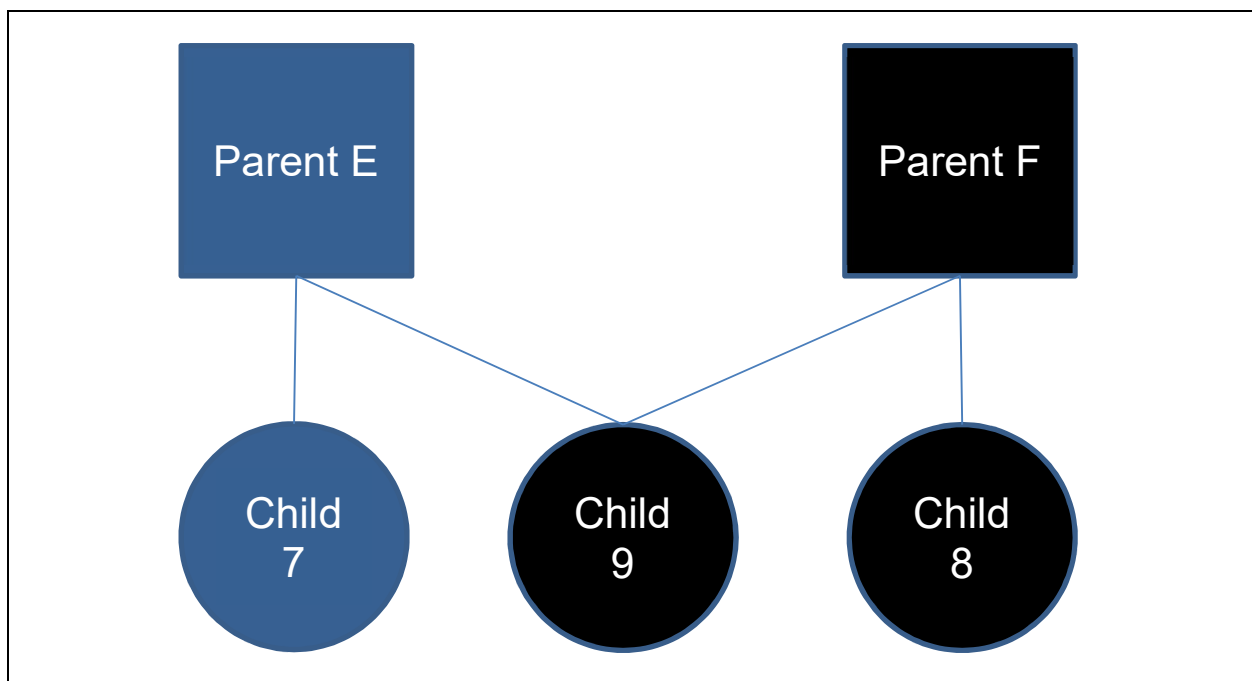
The household consisting of two unmarried adults, identified as Parent C and Parent D, and three children respectively identified as Child 4, Child 5 and Child 6 apply for CalWORKs. All household members live in the same home and there is no biological relationship between Child 4 and Child 5. Parent C is also receiving SSI benefits and the CWD previously determined the AU consists of four members: Parent D and all three children, as Parent C is excluded by law.



During the redetermination interview, Parent D reports new employment and it is determined the RAI exceeds the CalWORKs recipient income limit for an AU of four persons. The CWD approves continued CalWORKs benefits to Child 4 only, the only household member to meet both linking and non-linking factors of eligibility and the CalWORKs case transitions from SAR to AR/CO. Both parents must continue to participate in future CalWORKs redeterminations as mandatory members of the Filing Unit.

Scenario 5: Unemployed Primary Wage Earner with Income at Application

The household consisting of two unmarried adults, identified as Parent E and Parent F, and three children respectively identified as Child 7, Child 8 and Child 9 apply for CalWORKs. All household members live in the same home and there is no biological relationship between Child 7 and Child 8. The CWD determines Parent F is the Primary Wage Earner (PWE) and he is receiving monthly Unemployment Insurance Benefits (UIBs) which exceed the Minimum Basic Standards of Adequate Care (MBSAC) for a family of five. No other income is available to the family.



The CWD determines Parent F is only legally responsible for Child 8 and Child 9 and Parent F's unearned income deems Child 8 and Child 9 ineligible. As Child 7 meets the linking and non-linking factors for CalWORKs eligibility, benefits are approved for Parent E and Child 7 based on a two-person AU. Parent F must continue to participate in future CalWORKs redeterminations as a mandatory member of the Filing Unit.

If you have any questions or need additional guidance regarding the information in this letter, contact the Early Engagement & Eligibility Bureau at (916) 654-1322.

Sincerely,

Original Document Signed By:

NATASHA NICOLAI, Chief
CalWORKs and Family Resilience Branch