

# CalSAWS

California Statewide Automated Welfare System

## **Design Document**

CA-222827

ACL 20-132 CalFresh Eligible Rules and Reporting  
on Substantial Lottery or Gambling Winnings

CalSAWS	DOCUMENT APPROVAL HISTORY	
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# 1 OVERVIEW

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## 1.1 Current Design

Substantial lottery or gambling winnings added to the system as Property of type winnings are treated as liquid property during EDBC determination and used in the HH resource test if the HH is not eligible for CE or MCE

There is no EDBC logic for failing the CalFresh program when a household reports substantial lottery or gambling winnings which is above the elderly/disabled resources limit.

## 1.2 Requests

1. All members of a household must lose eligibility when a household member has received substantial lottery or gambling winnings, until the household's income and resources do not exceed the federal limits.
2. When a household that failed for receiving substantial lottery or gambling winnings reapplies, eligibility rules must be used to determine the household's eligibility and the household must not be considered categorically eligible or MCE. The CalFresh gross income, net income, and resource test must be applied.
3. Generate a CF Discontinuance NOA with reason 'Lottery or Gambling Winnings' when EDBC fails with same reason.

## 1.3 Overview of Recommendations

1. Update EDBC logic discontinue a household with a new discontinuance reason when the household's 'Winning' property is over the elderly/disabled resources limit.
2. When the program is discontinued with the reason 'Lottery or Gambling Winnings' and reapplied after the discontinuance, then the EDBC rules should not consider the household as Categorically Eligible (CE) or Modified Categorically Eligible (MCE).
3. Generate a CF Discontinuance NOA with reason 'Lottery or Gambling Winnings' when EDBC fails with same reason.
4. Generate a list of cases with a property of type 'Winnings' for an active CF program effective 12/2020

## 1.4 Assumptions

1. There will be no impact on Transitional CalFresh (TCF) program.

2. Treatment of Income 'Winnings' is currently exempt for CalFresh Program and shall remain unchanged.
3. Existing NOAs for 'Over Income' and 'Over Property/Resources' will not require updates with this effort. A new NOA reason will be created specifically for the new EDBC status failure reason of 'Lottery or Gambling Winnings'.

## 2 RECOMMENDATIONS

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### 2.1 Winnings Property Determination EDBC Changes

#### 2.1.1 Overview

Update the EDBC logic to determine when the household's Lottery or Gambling Winnings identified under 'Winnings' property is over the elderly/disabled resources limit and close the program with a new closure reason 'Lottery or Gambling Winnings'.

When the entire household reapplies for CalFresh, the household shall not be considered Categorically Eligible (CE) or Modified Categorically Eligible (MCE).

#### 2.1.2 Description of Changes

1. Update EDBC logic effective 12/01/2020 benefit month to determine if the CalFresh Household's individual 'Winnings' property (CT208\_52) is over the current elderly/disabled resource limit (CT335\_85) for an ongoing CalFresh Program when all the following conditions are met:
  - a. Property of type 'Winnings' is from a benefit month after the CalFresh application BDA month.
  - b. EDBC benefit month after the CalFresh application BDA month.

##### Example1:

CalFresh application BDA 01/01/2023 with PN01 and PN02 as active members, property of type 'Winnings' begin date 01/01/2023 of value \$5000 owned 100% by PN01.

EDBC run for benefit month 01/2023 shall not determine if the property 'Winnings' is over the current elderly/disabled resource limit.

##### Example2:

CalFresh application BDA 01/01/2023 with PN01 and PN02 as active members, property of type 'Winnings' with a begin date 01/01/2023 of value \$5000 owned 100% by PN01. Second property of type 'Winnings' with a begin date 03/01/2023 of value \$3000 owned 100% by PN02. Third property of type 'Winnings' with a begin date 03/01/2023 of value \$4000 owned 100% by PN01.

EDBC run for benefit month 03/2023 shall determine if the property 'Winnings' is over the current elderly/disabled resource limit. Since each individual winnings property is below the current elderly/disabled resource limit, EDBC shall **not** be discontinued with reason 'Lottery or Gambling Winnings'.

##### Example3:

CalFresh application BDA 01/01/2023 with PN01 and PN02 as active members, winnings property begin date 01/01/2023 of value \$5000 owned 100% by PN01. Second winnings property begin date 03/01/2023 of value \$7000 owned 100% by PN01.

EDBC run for benefit month 03/2023 shall determine if the property 'Winnings' is over the current elderly/disabled resource limit. Since an individual winnings property of value \$7000 is above the current elderly/disabled resource limit, EDBC shall be discontinued with reason 'Lottery or Gambling Winnings'.

Example4:

CalFresh application BDA 01/01/2023 with PN01 and PN02 as active members, winnings property begin date 01/01/2023 of value \$5000 owned 100% by PN01. Second winnings property begin date 03/01/2023 of value \$10,000 owned 20% by PN01, and 20% by PN02, and 60% by PN03 (not part of CF HH).

EDBC run for benefit month 03/2023 shall determine if the property 'Winnings' is over the current elderly/disabled resource limit. Since an individual winnings property of value \$4000 (20% from PN01 and 20% from PN02) is below the current elderly/disabled resource limit, EDBC shall **not** be discontinued with reason 'Lottery or Gambling Winnings'.

Example5:

CalFresh application BDA 01/01/2023 with PN01 and PN02 as active members, winnings property begin date 01/01/2023 of value \$5000 owned 100% by PN01. Second winnings property begin date 03/01/2023 of value \$10,000 owned 75% by PN02 and 25% by PN03 (not part of CF HH).

EDBC run for benefit month 03/2023 shall determine if the property 'Winnings' is over the current elderly/disabled resource limit. Since an individual winnings property of value \$7500 (75% from PN02) is above the current elderly/disabled resource limit, EDBC shall discontinued with reason 'Lottery or Gambling Winnings'

2. CTCR to add new program status reason 'Lottery or Gambling Winnings'

Category	Short Description
73	Lottery or Gambling Winnings

**Lottery or Gambling Winnings:** This status reason will be used by EDBC logic to close the program when and individual 'Winnings' property (CT208\_52) is over the current elderly/disabled resource limit (CT335\_85).

Note: Current functionality that includes the winnings under liquid property to determine if the CalFresh household is over resources shall remain unchanged.

3. When the CalFresh Programs latest discontinuance is with the reason 'Lottery or Gambling Winnings' and the same household (Active MEM/FRE) reapplies any time after the discontinuance, then the household is not considered as Categorically Eligible (CE) or Modified Categorically Eligible (MCE).

Note: when the reapplied household is rescinded or restored into the reapplied application, the household shall continue to not be eligible for CE or MCE determination.

When the initial reapplication of the same HH is approved after the discontinuance of the CF HH with reason 'Lottery or Gambling Winnings', the HH shall not be eligible for CE or MCE for the rest of the certification period. The same household shall be eligible to CE or MCE determination at the next Recertification (program going from TCF to CF) or redetermination of the CF program or new application.

Example1:

HH discontinued with reason 'Lottery or Gambling Winnings'	Reapplied HH composition	Eligible for CE or MCE determination
PN01 – Active MEM PN02 – Active MEM PN03 – Active MEM	PN01 – Active MEM PN02 – Active MEM PN03 – Active MEM	No
PN01 – Active MEM PN02 – Active FRE PN03 – Active MEM	PN01 – Active MEM PN02 – Active MEM PN03 – Active MEM	No
PN01 – Active MEM PN02 – Active FRE PN03 – Active MEM	PN01 – Active MEM PN02 – Active MEM PN03 – Active MEM PN04 – Active UP	No
PN01 – Active MEM PN02 – Active FRE PN03 – Active MEM	PN01 – Active MEM PN02 – Active MEM PN03 – Active UP	Yes
PN01 – Active MEM PN02 – Active FRE PN03 – Active MEM	PN01 – Active MEM PN02 – Active MEM PN03 – Active MEM PN04 – Active MEM	Yes

Example2: (Applies to scenarios when the same HH reapplied)

Initial CF program with PN01 and PN02 as active members. Program is discontinued with reason 'Lottery or Gambling Winnings' effective 12/2021 benefit month.

- Scenario1:  
PN01 and PN02 reapply for CF effective 02/2022 benefit month and both applicants are active members, HH is not eligible for CE or MCE determination. HH is active and are eligible for benefits.
- Scenario2:



PN01 and PN02 reapply for CF effective 02/2022 benefit month and both applicants are active members, HH is not eligible for CE or MCE determination. HH denied for over income. Same HH reapplies for 05/2022 benefit month. HH is not eligible for CE or MCE determination since the latest discontinuance for the HH composition is with reason 'Lottery or Gambling Winnings'

- Scenario3:

Starting with scenario 2. HH is now eligible for benefits effective 05/2022. Running EDBC for 08/2022 benefit month HH is discontinued with reason 'Over Income'. HH is rescinded for 08/2022 benefit month, running EDBC for 08/2022 HH is not eligible for CE or MCE determination since the latest discontinuance for the HH composition is with reason 'Lottery or Gambling Winnings'

Note: the scenario above also applies to restoration of aid scenarios.

- Scenario4:

Starting with scenario 2. HH is now eligible for benefits effective 05/2022. RE period is 05/2022 – 04/2023. When reestablishing RE in 05/2023 benefit month, the HH may be eligible for CE or MCE determination.

Note: the scenario above also applies to recertification scenarios when applicant is transitioning from TCF to CF.

### 2.1.3 Programs Impacted

CalFresh

### 2.1.4 Performance Impacts

No impact

## 2.2 Add a new NOA reason for Lottery or Gambling Winnings

### 2.2.1 Overview

Add a new NOA reason to generate when the EDBC fails for the new reason of Lottery or Gambling Winnings. (See Recommendation 2.1)

Note: This verbiage was provided by the State per CRPC 2342.

**State Form/NOA:** Based on ACL 20-132

**NOA Template:** CF 377.4 SAR (CF\_NOA\_TEMPLATE)

**Program(s):** CalFresh

**Action Type(s):** Discontinuance

**Fragment Level:** Program level

**Repeatable:** No

**Include a NA Back 9:** Yes

- **Includes standard NA Back 9 variable population:** Yes

**Forms/NOAs generated with this NOA:** N/A

**Languages:** English and Spanish

Threshold Languages will be added with CA-258864

## 2.2.2 Form/NOA Verbiage

### Create Fragment XDP

Add the following NOA XDP verbiage into CalSAWS. To generate for the new Lottery or Gambling Winnings EDBC program reason.

**NOA Mockups/Examples:** See Supporting Documents #1

Description	Text	Formatting*
Static	<p>On &lt;DATE&gt;, &lt;PERSON_NAME&gt; reported winning an amount equal to or more than \$&lt;ED_RESOURCE_LIMIT&gt; in gambling/lottery winnings in a single hand, bet or ticket. In accordance with federal regulations, this makes &lt;PERSON_NAME&gt;'s entire CalFresh household ineligible to CalFresh.</p> <p>You may choose to reapply at any time. If your household chooses to reapply, in order to be eligible to CF benefits, you must prove that your household's total resources are less than &lt;HH_RESOURCE_LIMIT&gt; and your household meets all income eligibility requirements. If your household chooses to re-apply, your household will not be considered categorically eligible or modified categorically eligible, per federal regulation.</p>	Arial Font Size 10

\*English only, Spanish will generate based on project standards for that language.

## 2.2.3 Form/NOA Variable Population

### 1. Add Fragment Variable Population

The new NOA fragment for 'Lottery or Gambling Winnings' program failure reason will have four variables.

Variable Name	Population	Formatting*
ED_RESOURCE_LIMIT	This will be a variable that populates the current limit value for gambling/lottery winnings. (CT335_85)	Arial Font Size 10
DATE	Populates with current system date.  For example: "02/21/2023"	Arial Font Size 10
PERSON_NAME	Populates with the owner(s) name(s) that are listed in the Property Detail of EDBC. If more than one owner populates with '/' in between names.  Note: EDBC will only pull persons that are currently in the household.  Example of 1 owner: "John Doe"  Example of 2 owners: "John Doe / Jane Doe"	Arial Font Size 10
HH_RESOURCE_LIMIT	Populates with the resource limit for that household  BUDGET.PROP_LIMIT_AMT**  For example: "\$3,750".	Arial Font Size 10

\*English only, Spanish will generate based on project standards for that language.

\*\*CT335\_85 for HH Type of Elderly/Disabled, CT335\_86 for Non Elderly/Disabled

**Variables Requiring Translations:** N/A, all variables are numeric or the name of the owners.

## 2. Add Fragment Regulations

Add the following Regulations when this new NOA Fragment generates on a NOA:

ACL 20-132; 7 CFR 273.8; 7 CFR 273.9; 7 CFR 273.10; 7 CFR 273.11 (r)

Note: The above Regulations will be also used for the Spanish version.

## 3. Add NOA Title and Footer References for new Reason

The new NOA reason for 'Lottery or Gambling Winnings' failure will generate with the following references:

**NOA Reference on Document List Page:** OVER LIMIT WINNINGS

**NOA Title:** CalFresh Discontinuance (existing CF\_TN\_NOA\_TYPE)

*NOA Title Requires Translations: No, already exists in Spanish*

**NOA Footer:** CF 377.4 SAR (6/13)

*NOA Footer Requires Translations: N/A*

### 2.2.4 Form/NOA Generation Conditions

#### Add Fragment Generation

The new NOA reason for 'Lottery or Gambling Winnings' failure will generate when the CalFresh program fails for the new EDBC status reason of 'Lottery or Gambling Winnings' (see Recommendation 2.1).

Note: NOA logic assumes that the new EDBC status reason only applies for Discontinuances. See Recommendation 2.3.

**Action Fragment:** CalFresh Discontinuance Action (CF\_TN\_ACTION1)

**Message Fragment:** N/A

## **2.3 Regression Test Over Property and Over Income NOAs**

### **2.3.1 Overview**

Regression test existing NOAs that generate for Over Income and Over Property/Resources. These should not be impacted with the new addition of the 'Lottery or Gambling Winnings' EDBC failure reason.

### **2.3.2 Description of Change**

Existing NOAs for Over Income and Over Property/Resources need to be validated that they are generating and populating appropriately. Confirm that these existing NOAs will not generate at the same time as the new 'Lottery or Gambling Winnings' NOA reason. See Supporting Documents #2 for list of NOA fragments impacted.

### 3 SUPPORTING DOCUMENTS

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Number	Functional Area	Description	Attachment
1	NOA	Mockup of new NOA for 'Lottery or Gambling Winnings' failure reason	Mockup_CF_Reason_Lottery_Gambling_Winnings.pdf
2	NOA	List of existing NOA fragments that require regression testing	List_of_NOAs_to_Regression_Test.xlsx

### 4 REQUIREMENTS

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#### 4.1 Project Requirements

REQ #	REQUIREMENT TEXT	How Requirement Met
2.18.3.7	The CalSAWS shall identify case actions that require a notice, NOA, form, letter, stuffer, or flyer, and shall generate that appropriate notice, NOA, form, letter, stuffer, or flyer, using variable case-specific information.	With SCR CA-, will have batch generation added to the CalSAWS system..

## 5 OUTREACH

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### 5.1 List

1. Generate a list of Active CalFresh programs that meet the following criteria:
  - a. Currently active CF program.
  - b. Has a property of type 'Winnings' effective for benefit month 12/2020 or later.
  - c. Individual Winnings Property value for the CF HH is over the elderly/disabled resource limit.

**List Name:** List of CalFresh Programs with a Property of type Winnings

**Standard Columns:**

- Case Name
- Case Number
- County
- Unit
- Unit Name
- Office Name
- Worker
- Benefit Month

**Additional Column(s):**

**Frequency:** One-Time

The list will be posted to the following locations:

System	Path
CalSAWS	CalSAWS Web Portal>System Changes>SCR and SIR Lists>2023>CA-222827