

June 18, 1998

**DRAFT**

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## RESPONSE TO THE 1997-98 GRAND JURY INTERIM FINAL REPORT, WELFARE REFORM

We appreciate the positive and supportive comments regarding Ventura County's welfare reform plan. This letter includes clarification of the examples cited in the conclusions of the report; our response to the recommendations; a summary of CalWORKs program requirements; and a copy of Ventura County's CalWORKs Implementation Plan.

**Grand Jury Conclusion:** There are several loopholes designed to be a safety net which could allow this welfare system to be "business as usual." Three examples are outlined below.

- (1) The welfare department can waive the 25% reduction of an individual grant imposed when a custodial parent refuses to cooperate with the District Attorney's office in collecting support payments if they determined the lack of cooperation was for a good cause.
- (2) The county can waive the five year cumulative lifetime limit if it feels there is no job currently available for the recipient.
- (3) Federal law exempts 20% of the county's cases from the time limit if the county states its caseload is a hardship.

Response: The following are clarifications to the examples described as "loopholes" to TANF requirements.

- (1) Good cause exemptions to the 25% grant reduction for failure to cooperate with District Attorney Child Support may be made by the Human Services Agency only when a circumstance exists which is allowable in state regulation (see attachment).

- (2) The five-year cumulative lifetime limit may not be waived or extended under any circumstances. A six month extension may be granted to the requirement that employment must be obtained within 18 months of approval for CalWORKs, if there is likelihood that the extension will result in employment.
- (3) A maximum of 20% of a county's caseload may be exempt from federal work participation requirements. However, allowable exemptions are specified in the state CalWORKs legislation (see attachment).

***Grand Jury Recommendations:***

- Close Monitoring during the 12 month implementation period to ascertain the new features are producing the desired results. If the plan falls short, both the procedures and the implementation should be reviewed immediately and appropriate adjustments made.
- Further studies be conducted to identify ways to assist recipients not covered with the previously described transportation plans with their transportation needs.
- An agency such as Ventura County Medical Center (VCMC) should consider underwriting the health insurance that could result in an annual income of between \$7 and \$9.6 million.
  - Any profit should be re-invested to upgrade the underwriting agency and improve the medical facilities.

Response: The following are responses to the Grand Jury Recommendations.

- (1) Monitoring and Evaluation of federal and state required performance outcomes as well as desired local outcomes is a critical activity. A Senior Research Psychologist on staff in the Human Services Agency will conduct and oversee all necessary reporting and monitoring responsibilities. Baseline data has been developed over the past two years from which comparisons may be made. Data which indicates that desired results are not being achieved will be the basis of determining necessary program adjustments. Data which confirms successful achievement of program outcomes will be utilized to justify fiscal incentive payments from the state.
- (2) Transportation represents a major barrier for CalWORKs families. Additional strategies to be pursued include van pools, expansion of the car loan program by a community nonprofit agency, state legislation or waiver to exempt the value of a motor vehicle for CalWORKs families when needed for employment.

- Van Pools – In early April, the County submitted a CalWORKs Transportation Program proposal to the Department of Labor in response to the first round of federal competition for federal Welfare-to-Work funds. That proposal called for a combined car sharing and van pool program. Although that proposal received a favorable rating, it was not selected for funding. A new option for that proposal has now become available through funds in the new federal transportation legislation. That is, the proposal may be submitted directly to the Department of Transportation by the Ventura County Transportation Commission.
- Job Opportunity Transportation Program – The Board of Supervisors approved an initial pilot project, which is described in the Grand Jury report. The pilot project has successfully enabled three CalWORKs families to purchase cars through a loan from the County Credit Union. A report on the pilot project will be submitted to the Board of Supervisors in July with a recommendation to transition the continuation of this program to a private nonprofit organization.
- Exemption of a Motor Vehicle – Currently, the value of a car may not exceed \$4650 to be eligible for CalWORKs cash assistance. Ventura County, along with the California County Welfare Directors, is continuing to pursue legislation to exempt one vehicle for a CalWORKs family for employment.

(3) Health Insurance

- All CalWORKs families receiving cash assistance are also eligible for Medi-Cal under the current law. “Transitional” Medi-Cal is available for these families up to one year after cash assistance is terminated due to increased employment income. A medical insurance option will be increasingly important beginning in two years when work requirements begin to force persons off cash assistance.
- A preliminary medical insurance plan design has been completed. It calls for a comprehensive package of outpatient hospital and pharmacy benefits for an entire family. Additional planning and policy discussion is required to define the eligible population. One option includes limiting eligibility to CalWORKs families who become employed and no longer receive cash assistance or Medi-Cal, but are not eligible for medical insurance through their employer. A broader option offers the plan as an incentive to CalWORKs employers, especially small business employers, who do not currently provide health insurance. In this option all employees of these businesses would be eligible for this plan.

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Please contact me at 652-7602 or Helen Reburn at 652-7662 if there are any questions or comments to this letter.

We wish to thank the Grand Jury for their interest in this critical and important program.

HUMAN SERVICES AGENCY -

A handwritten signature in black ink, appearing to read 'B. J. Fitzgerald', written over the typed name.

BARBARA J. FITZGERALD  
Agency Director

Attachments

*Response to  
Recommendation #1*

AFDC RULE	CALWORKS RULE
<p>Good cause exists when cooperation is against the best interest of the child or:</p> <ul style="list-style-type: none"> <li>• Cooperation is reasonably anticipated to result in serious physical or emotional harm to the child or the caretaker relative.</li> <li>• The child was conceived as a result of rape or incest.</li> <li>• Legal proceedings for adoption of the child are pending before a court.</li> <li>• Relinquishment of the child is being considered.</li> <li>• A Child Support Good Cause Claim For Noncooperation, CA 51 must be completed by the individual.</li> </ul>	<p>Good cause shall now be found to exist under these circumstances:</p> <ul style="list-style-type: none"> <li>• Cooperation with the DA would increase the risk of physical, sexual or emotional harm to the child.</li> <li>• Cooperation with the DA would increase the risk of abuse as defined in AB 1542, Domestic Violence Provision.</li> <li>• Evidence can be accepted in support of a claim for good cause. These sources include statements under penalty of perjury.</li> </ul> <p>A domestic abuse situation may also be established based on a sworn statement from the victim, unless the CWD can document that the individual is not credible.</p> <ul style="list-style-type: none"> <li>• If an individual claims children are at risk of abuse, the family must be provided with appropriate domestic abuse referrals.</li> <li>• If good cause has been determined, the CWD or DA may not proceed with the child support enforcement until the individual requests it be resumed.</li> <li>• A Child Support Good Cause Claim For Noncooperation, CA 51 must be completed by the individual.</li> </ul>

## CalWORKs EMPLOYMENT SERVICES EXEMPTIONS

The following individuals are **not required** to participate in CalWORKs Employment Services as long as the condition continues to exist.

EXEMPTION	DESCRIPTION
CalLearn	Pregnant or parenting teen who is participating in the CalLearn Program.
Age Under 16	Children under 16 years of age
School Attendance	Children age 16, 17 or 18 attending an elementary, secondary, vocational or technical school on a full-time basis.
Disability	An individual who has a verified disability that is expected to last at least 30 days and that significantly impairs his/her ability to be employed or participate in welfare-to-work activities
Age 60 or older	Individuals who are age 60 or older
Needy Non-Parent Relative Caring For a Child	The individual is caring for a child who is either a ward of the court or at risk of placement in Foster Care and caring for the child impairs his/her ability to be employed or participate in WTW activities.
Care of an Ill or Incapacitated Member of the Household	An individual whose presence in the home is required because of the illness or incapacity of another member of the household and the caretaking responsibility impairs his/her ability to be employed or participate in WTW activities.
Care of a Child Under Six Months of Age (first occurrence) or Twelve Weeks of Age (second and subsequent occurrences)	<p>The parent or other relative who has primary responsibility for caring for a child six months of age or under. This exemption may be granted one time only.</p> <p>Upon the birth of subsequent children, an individual who has previously received this exemption shall be exempt for a period of 12 weeks after the birth of the child.</p>
Pregnancy	A woman who is pregnant and it has been medically verified that the pregnancy impairs her ability to be regularly employed or participate in welfare-to-work activities.

## CalWORKs PROGRAM FACTS

CalWORKs provides temporary cash assistance and services to families with an eligible needy child(ren). Family caretaker relatives of a foster child(ren) may also be eligible for cash assistance. CalWORKs is governed by federal and state laws and regulations, but the county administers the program.

### Deprivation

Deprivation is defined as the lack of parental support or care by the child's natural or adoptive parent(s). Every CalWORKs case must have deprivation to be eligible for aid. A child is considered deprived of parental support/care when:

1. Either parent is deceased;
2. Either parent is physically or mentally incapacitated;
3. Either parent is continually absent from the home in which the child resides; or
4. The principal earner (PE) is unemployed.

### Eligibility Requirements

The following eligibility requirements must be met for approval and continuation of benefits:

1. **Age**  
A child is eligible until the age of 18. A child age 18 years is eligible if the child will graduate from high school before his/her 19th birthday.
2. **Social Security Numbers**  
Every aided individual must furnish a Social Security Number or provide proof of application for a SSN.
3. **Immunization**  
All children in the assistance unit not required to be enrolled in school must have received all age appropriate immunizations.
4. **School Attendance**  
All school age children in the assistance unit must regularly attend school.
5. **Residence**  
To receive CalWORKs, the assistance unit must reside in the State of California. It is necessary to determine the county of residency in order to establish the county responsible for issuing the assistance.
6. **Citizenship/Alien Status**  
Only U.S. citizens and certain categories of documented aliens are eligible for assistance.
7. **Property**

#### Property Limits

\$3000 for assistance units which include at least one member aged 60 or older

\$2000 for all other assistance units

\$5000 for restricted accounts

Real property is land and improvements.

Personal property is possessions or interest which are not real property but which may be easily transported or stored. This includes cash on hand, savings or checking accounts, revocable trusts, vehicles, etc.

Licensed vehicles worth less than \$4650 are excluded from the property limit. The amount that exceeds the exclusion limit will have the excess counted toward the property limit.

Restricted accounts allow the assistance unit to retain cash reserves totaling up to the maximum at a financial institution. This is in addition to the property limit. The funds must be retained for specific purposes. These are: purchase of a home, business expenses that are directly related to the start up costs of a new business, and education or job training expenses for the account holder or their dependents.

Real and personal property which is actually available is considered when determining eligibility.

#### 8. Cooperation with District Attorney Child Support Division (DACSD)

In any assistance unit where there is a child support order or a child support order is needed, the parent/caretaker relative is required to cooperate with DACSD. The DACSD will take the necessary steps to establish a child support order, or modify or enforce a current support order. If child support is currently received, it must be forwarded to DACSD.

#### Penalties

For some of the eligibility requirements, a penalty will be imposed for failing to cooperate. Failing to cooperate can be failing to provide requested verification and/or not completing certain eligibility requirements. These are: immunization, school attendance and cooperation with DACSD.

Aid will not be authorized to the individual that fails to verify age and citizenship/alien status.

#### Income

Income is any benefit in cash or in-kind which is currently available as a result of labor, services, business activities, contributions, interest in real or personal property, or other assistance agencies.

Examples of income include:

- Earnings
- Unemployment Insurance Benefits
- Disability Insurance Benefits
- Workers' Compensation
- Strike benefits
- Training money
- Social Security Benefits
- Railroad Retirement
- Pensions/retirement benefits
- Self-employment income
- Child support and alimony
- Tax refunds
- Military benefits
- Contributions from persons in or out of the home
- Loans and/or grants
- Money received from rentals or business
- Free housing, utilities or clothing
- Gifts

#### CalWORKs Grants

Grant Levels: There are two different grant levels for CalWORKs families.

To get the higher grant, all parents/caretaker relatives in the home must:

1. Receive Supplemental Security Income/State Supplemental Payments (SSI/SSP);
2. Receive In-Home Supportive Services (IHSS);
3. Receive State Disability Benefits (SDI);
4. Receive Temporary Worker's Compensation (TWC);
5. Receive Temporary Disability Indemnity (TDI); or
6. Be an unaided, non-parent caretaker relative.

All other CalWORKs families are eligible to the lower grant level.



Grant Computation: The grant amount is determined as follows:

1. Determine the total gross income of all family members living in the home;
2. Apply the applicable deductions and disregards;
3. Subtract the net non-exempt income from the Maximum Aid Payment (MAP) for the entire family;
4. Add any special needs.
5. The grant is the lower of the potential grant or the MAP for the assistance unit members only.

### Fleeing Felons

An individual shall not be eligible for aid if he/she is fleeing to avoid felony prosecution, custody or confinement after conviction, or violating a condition of probation or parole.

### Drug Felons

An individual shall not be eligible for aid if he/she has been convicted, after 12/31/97, in any state or federal court of a felony that has as an element the possession, use or distribution of a controlled substance. If a family includes an individual who is ineligible under this rule, CalWORKs benefits shall be issued as vendor payments for at least the rent and utilities.

### Vendor/Voucher Payments

Vendor/voucher payments are mandatory, for at least rent and utility payments, to any assistance unit when a parent or caretaker relative has been sanctioned for not less than three consecutive months, or if it includes a family member who is a convicted drug felon.

### Issuance of Benefits

Warrants are issued to recipients on the first of the month. If the first of the month falls on a weekend then the warrants are available the last working day of the month.

### Time Limits

60-Month Time Limit: CalWORKs imposes a 60 month time limit on the receipt of cash assistance for all non-exempt parents and caretaker relatives of an aided child. The 60 month time limit began in California on January 1, 1998.

18/24 Month Time Limit: All recipients are required to participate in the CalWORKs Employment Services Program, unless they meet an exemption. The Eligibility Officer makes this determination. There is a limited amount of time to get a full-time job that will meet the minimum participation requirements. The time limits are:

24 months for recipients as of December 31, 1997

18 months for applicants as of January 1, 1998

In order to continue to receive assistance after the 18/24 month time limits, recipients who are not working are required to participate in community service.

### Cal-Learn

All teen parents receiving assistance who have not received a high school diploma or its equivalent must participate in Cal-Learn. After completing this program or turning 19, the recipient will be registered with

Employment Services. If the teen fails to comply with the Cal-Learn program, financial penalties will be applied. If the teen is making satisfactory progress and graduates, the teen will receive a bonus.

### **Homeless Assistance**

Homeless Assistance payments are paid as a special need in the CalWORKs program. Homeless Assistance is available to meet the reasonable cost of securing permanent housing and is also available to meet the costs of temporary shelter while the assistance unit is seeking permanent housing. Homeless Assistance is available one-in-a-lifetime with a few exceptions. It is not intended to prevent families from becoming homeless.

### **Diversion Assistance**

The purpose of diversion assistance is to provide one-time assistance which will allow a CalWORKs applicant to obtain employment and avoid the need for CalWORKs assistance for at least 6 months. This assistance may be in the form of either an assistance payment or services. Job-seekers who are apparently eligible for CalWORKs are screened to assess the potential that an up-front one-time payment will meet a need that is preventing the individual from going to work. The process includes an analysis of the likelihood that such a payment will actually lead to employment. The goal is to permanently divert the family from the need for regular CalWORKs cash assistance.

The approval of the office manager is required in the following situations:

1. The value of the diversion assistance will exceed the equivalent of three month's MAP for the family;
2. The diversion payment will be issued as cash to the job seeker rather than as a vendor payment or third-party check;
3. The family has received diversion Assistance at any time in the past.

### **Client Notification Requirements**

Whenever an action is taken to approve, deny or to change/discontinue the cash grant a notice of action (NOA) must be mailed to the client. Most adverse actions, such as discontinuing, suspending or reducing the grant, require a timely notice. The notice must be mailed at least 10 days prior to the effective date of the action.

### **Appeals**

The client can appeal any action taken on their case. The client needs to request the appeal prior to any adverse action in order to receive aid paid pending the hearing. The county has an Appeals Unit of four Appeals Specialists who present the county's position to a state Administrative Law Judge.

### **Fraud**

Fraud prevention is initiated by referrals at application. Ongoing fraud referrals are sent to the District Attorney Welfare Fraud Unit for investigation and possible prosecution.

### **Pending**

**Statewide Fingerprint Imaging System (SFIS):** This system will be used in the determination of eligibility for benefits under the CalWORKs program. All adult applicants and recipients will be required to cooperate as a condition of eligibility.

**Electronic Benefits Transfer (EBT):** This is a system that uses electronic funds transfer, automated teller machines, and point-of-sale technology for the delivery and control of public assistance benefits.