

## **Assembly Bill No. 2062**

### **CHAPTER 795**

An act to amend Sections 11265.3 and 11265.47 of the Welfare and Institutions Code, relating to CalWORKs.

[Approved by Governor September 29, 2016. Filed with  
Secretary of State September 29, 2016.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 2062, Lopez. CalWORKs: income or household composition reporting: benefit redetermination.

Existing law establishes the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which each county provides cash assistance and other benefits to qualified low-income families using a combination of federal, state, and county funds. Existing law requires the State Department of Social Services to establish an income reporting threshold for CalWORKs recipients, including CalWORKs assistance units that do not include an eligible adult, and requires a recipient to notify the county, within 10 days, if the recipient's household income exceeds the reporting threshold. Existing law requires a CalWORKs assistance unit that does not include an eligible adult to also notify the county, within 10 days, of any change in the recipient's household composition. Under existing law, if the county determines that the recipient is ineligible for CalWORKs or the recipient's grant amount should be reduced based on an increase in income or a change in household composition, the county is required to discontinue the recipient from CalWORKs or reduce the recipient's grant, with timely and adequate notice, as specified. Existing law provides that current and future grants may be reduced because of prior overpayments.

This bill would prohibit the county from assessing an overpayment for the month following a change in income for a recipient of CalWORKs, or following a change in household composition for a CalWORKs assistance unit that does not include an eligible adult, if the recipient has reported the change and the county was unable, before the first of the month following the change in income or household composition, to provide 10 days' notice of the termination or reduction in benefits. By increasing the administrative duties of counties, this bill would impose a state-mandated local program. The bill would require the State Department of Social Services to issue an all-county letter or similar instruction by July 1, 2017, and adopt regulations by July 1, 2018, as necessary to implement these provisions.

Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would instead provide that the continuous appropriation would not be made for purposes of implementing the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 11265.3 of the Welfare and Institutions Code is amended to read:

11265.3. (a) In addition to submitting the semiannual report form as required in Section 11265.1, the department shall establish an income reporting threshold for recipients of CalWORKs.

(b) The CalWORKs income reporting threshold shall be the lesser of the following:

(1) Fifty-five percent of the monthly income for a family of three at the federal poverty level, plus the amount of income last used to calculate the recipient's monthly benefits.

(2) The amount likely to render the recipient ineligible for CalWORKs benefits.

(3) The amount likely to render the recipient ineligible for federal Supplemental Nutrition Assistance Program benefits.

(c) A recipient shall report to the county, orally or in writing, within 10 days, when any of the following occurs:

(1) The monthly household income exceeds the threshold established pursuant to this section.

(2) The household address has changed. The act of failing to report an address change shall not, in and of itself, result in a reduction in aid or termination of benefits.

(3) An incidence of an individual fleeing prosecution or custody or confinement, or violating a condition of probation or parole, as specified in Section 11486.5.

(d) At least once per semiannual reporting period, counties shall inform each recipient of all of the following:

(1) The amount of the recipient's income reporting threshold.

(2) The duty to report under this section.

(3) The consequences of failing to report.

(e) When a recipient reports income exceeding the reporting threshold, the county shall redetermine eligibility and the grant amount as follows:

(1) If the recipient reports the increase in income for the first through fifth months of a current semiannual reporting period, the county shall verify the report and determine the recipient's financial eligibility and grant amount.

(A) If the recipient is determined to be financially ineligible based on the increase in income, the county shall discontinue the recipient with timely

and adequate notice, effective at the end of the month in which the income was received.

(B) If it is determined that the recipient's grant amount should decrease based on the increase in income, the county shall reduce the recipient's grant amount for the remainder of the semiannual reporting period with timely and adequate notice, effective the first of the month following the month in which the income was received.

(C) If a recipient has reported a change in income in accordance with subdivision (c), an overpayment shall not be assessed for the following month if the county was unable to provide 10 days' notice of the termination or reduction in benefits before the first of the month following the month in which the change occurred.

(2) If the recipient reports an increase in income for the sixth month of a current semiannual reporting period, the county shall not redetermine eligibility for the current semiannual reporting period, but shall consider this income in redetermining eligibility and the grant amount for the following semiannual reporting period, as provided in Sections 11265.1 and 11265.2.

(f) Counties shall act upon changes in income voluntarily reported during the semiannual reporting period that result in an increase in benefits, only after verification specified by the department is received. Reported changes in income that increase the grants shall be effective for the entire month in which the change is reported. If the reported change in income results in an increase in benefits, the county shall issue the increased benefit amount within 10 days of receiving required verification.

(g) (1) When a decrease in gross monthly income is voluntarily reported and verified, the county shall recalculate the grant for the current month and any remaining months in the semiannual reporting period pursuant to Sections 11265.1 and 11265.2 based on the actual gross monthly income reported and verified from the voluntary report for the current month and the gross monthly income that is reasonably anticipated for any future months remaining in the semiannual reporting period.

(2) When the anticipated income is determined pursuant to paragraph (1), and a grant amount is calculated based upon the new income, if the grant amount is higher than the grant currently in effect, the county shall revise the grant for the current month and any remaining months in the semiannual reporting period to the higher amount and shall issue any increased benefit amount as provided in subdivision (f).

(h) During the semiannual reporting period, a recipient may report to the county, orally or in writing, any changes in income and household circumstances that may increase the recipient's grant. Except as provided in subdivision (i), counties shall act only upon changes in household composition voluntarily reported by the recipients during the semiannual reporting period that result in an increase in benefits, after verification specified by the department is received. If the reported change in household composition is for the first through fifth month of the semiannual reporting period and results in an increase in benefits, the county shall recalculate the

grant effective for the month following the month in which the change was reported. If the reported change in household composition is for the sixth month of a semiannual reporting period, the county shall not redetermine the grant for the current semiannual reporting period, but shall redetermine the grant for the following reporting period as provided in Sections 11265.1 and 11265.2.

(i) During the semiannual reporting period, a recipient may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request is verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's request is in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously issue a notice informing the recipient of the discontinuance.

(j) (1) This section shall become operative on April 1, 2013. A county shall implement the semiannual reporting requirements in accordance with the act that added this section no later than October 1, 2013.

(2) Upon implementation described in paragraph (1), each county shall provide a certificate to the director certifying that semiannual reporting has been implemented in the county.

(3) Upon filing the certificate described in paragraph (2), a county shall comply with the semiannual reporting provisions of this section.

SEC. 2. Section 11265.47 of the Welfare and Institutions Code is amended to read:

11265.47. (a) The department shall establish an income reporting threshold for CalWORKs assistance units described in subdivision (a) of Section 11265.45.

(b) The income reporting threshold described in subdivision (a) shall be the lesser of the following:

(1) Fifty-five percent of the monthly income for a family of three at the federal poverty level, plus the amount of income last used to calculate the recipient's monthly benefits.

(2) The amount likely to render the recipient ineligible for federal Supplemental Nutrition Assistance Program benefits.

(3) The amount likely to render the recipient ineligible for CalWORKs benefits.

(c) A recipient described in subdivision (a) of Section 11265.45 shall report to the county, orally or in writing, within 10 days, when any of the following occurs:

(1) The monthly household income exceeds the threshold established pursuant to this section.

(2) Any change in household composition.

(3) The household address has changed.

(4) An incidence of an individual fleeing prosecution or custody or confinement, or violating a condition or probation or parole, as specified in Section 11486.5.

(d) When a recipient described in subdivision (a) of Section 11265.45 reports income or a household composition change pursuant to subdivision (c), the county shall redetermine eligibility and grant amounts as follows:

(1) If the recipient reports an increase in income or household composition change for the first through 11th months of a year, the county shall verify the report and determine the recipient's financial eligibility and grant amount.

(A) If the recipient is determined to be financially ineligible based on the increase in income or household composition change, the county shall discontinue the recipient with timely and adequate notice, effective at the end of the month in which the change occurred.

(B) If it is determined that the recipient's grant amount should decrease based on the increase in income, or increase or decrease based on a change in household composition, the county shall increase or reduce the recipient's grant amount for the remainder of the year with timely and adequate notice, effective the first of the month following the month in which the change occurred.

(C) If a recipient has reported a change in income or household composition in accordance with subdivision (c), an overpayment shall not be assessed for the following month if the county was unable to provide 10 days' notice of the termination or reduction in benefits before the first of the month following the month in which the change occurred.

(2) If the recipient reports an increase in income for the 12th month of a grant year, the county shall verify this report and consider this income in redetermining eligibility and the grant amount for the following year.

(e) During the year, a recipient described in subdivision (a) of Section 11265.45 may report to the county, orally or in writing, any changes in income that may increase the recipient's grant. Increases in the grant that result from reported changes in income shall be effective for the entire month in which the change is reported and any remaining months in the year. If the reported change in income results in an increase in benefits, the county shall issue the increased benefit amount within 10 days of receiving required verification.

(f) During the year, a recipient described in subdivision (a) of Section 11265.45 may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request is verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's request is in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously shall issue a notice informing the recipient of the discontinuance.

(g) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or October 1, 2012, whichever is later.

SEC. 3. (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State

Department of Social Services shall implement this act through an all-county letter or similar instruction issued by the Director of Social Services no later than July 1, 2017.

(b) The department shall adopt regulations necessary to implement this act no later than July 1, 2018.

SEC. 4. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of this act.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.