



CCWRO Welfare News-2021-06

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Counties Erect Barriers To Prevent Needy Californians From Receiving Basic Survival Assistance

In Brief

• **FNS Withdraws Proposed Rule on SNAP Categorical Eligibility** – On June 9, 2021, FNS withdrew the nasty Trump Administration proposed rule that would have limited states' ability to use participation in Temporary Assistance for Needy Families (TANF) to determine eligibility for SNAP. FNS received about 158,000 comments. Most of the comments opposed the proposed rule. FNS states that "Many expressed concerns that this policy would increase the administrative burden on states and potentially jeopardize food security for children, veterans, individuals with disabilities, and the elderly."

• **Los Angeles County Violates CalWORKs Immediate Need and Homeless Assistance Laws** – Ms. B178T58 applied for CalWORKs at the LADPSS Metro Family office on 6-7-21. She received no homeless assistance on 6-7-21. On 6-8-21 she again received no homeless assistance nor did she get her CalWORKs Immediate Need payment. On 6-10-21 she received an EBT card with her \$200 Immediate Need payment, but the worker said she still needed to wait to talk to a homeless worker about homelessness. Homeless assistance should have been issued on 6-7-21, but often family homelessness in California is a direct product of county welfare department violations of state laws and regulations.

• **Bad CalFresh NOA** - On 5-13-21 Santa Clara County mailed a notice of action (NOA) to Ms. 1B0HY80 stating that her CalFresh benefits are being reduced from \$234 to \$19 each month because: "*Your housing cost has changed. When your housing cost changes, the amount of CalFresh benefits you are eligible to received changes. Your medical care deduction changed. When your medical care deduction changes, the amount of CalFresh benefits you are eligible to receive changes.*"

In reality her housing costs increased and did not go down. But how much was her housing cost before? The NOA does not say. What were the current housing cost numbers used by Santa Clara County to reduce the benefits? The NOA does not say. How much were the medical deductions before? The NOA does not say. How much of a medical deduction was allowed? Nothing? Something? The NOA does not say.

• **CalSAWS Building ABAWDS and Delaying Building Legislative Changes Helping the Poor** – CalSAWS, a joint powers body that works in secrecy for

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most part, has been complaining to Legislative staff that CalSAWS does not have the capacity to automate new legislative changes while building a system that would integrate three systems into one. Advocates have said, in writing, that this is a CalSAWS “false statement.” Advocates base this statement on evidence that the CalSAWS Control Board, in a secret April 29, 2021 meeting from which the public was expressly excluded, approved using 8,686 hours to start building automation for an ABAWDS process that has a federal waiver for several years (SCR or system change request CA-207637). The odds that ABAWDS will go into effect statewide before CalSAWS goes live are slim to none. But CalSAWS apparently has enough hours to build something for a premise that may never materialize, but does not have the hours to build automation for legislative changes.

Legal Services Corporation (LSC) 2022 Biden Budget Proposal – The 2021 LSC budget was \$395 million. The 2022 Biden proposed budget is \$600 million. The budget documents published by the Biden Administration “...would make two changes. First, they would permit LSC recipients to operate with boards of directors that have as few as 33% attorneys without requiring appointment by bar associations and suspend the 60% attorney requirement in the LSC Act. This will greatly improve recipients’ ability to have fiscal experts and community representatives on their governing bodies. Second, they would continue to apply the appropriations restrictions on recipients’ use of these appropriated funds while permitting recipients to use funds from other sources as intended by those funders.”

Past Drug Convictions Bar to SNAP benefits to be Repealed - Biden’s 2022 budget proposes “... removing barriers to successful re-entry for those with past drug convictions by removing the ban on their participation in SNAP, supporting these individuals and their families with the food resources they need as they return to their communities.”

CDSS and Counties Help Fight Hunger by Issuing Food Stamps - FNS-46 report shows that in March of

2021 California dispersed 933,042,823 dollars of food stamps.

Most CalFresh Overpayment are “county errors”. The FNS 209 report shows that in second quarter of Fiscal Year 2021 there were 1,716,685 Calfresh over- issuances. 1,662,675 of those over-issuances were not “fraud” over-issuances. In fact, 54% of the over-issuances were “administrative errors”.

- Work requirements for those using public-assistance programs such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) can negatively affect the recipients’ health outcomes and limit their ability to find stable jobs, says a resolution presented at the June 2021 AMA Special Meeting.

Majority of Welfare Fraud Allegations Lack Evidence- Millions of Dollars Wasted

In California, counties refer CalWORKs and CalFresh cases suspected of welfare fraud to investigations by the county welfare fraud investigators. Referrals did not stop during the pandemic. Seemingly in an effort to justify and keep the welfare fraud investigators busy, counties increased referrals that lacked evidence. There is no objective criteria for the welfare fraud referrals, and we suspect that many of the referrals are disproportionately CalWORKs and CalFresh beneficiaries of color given the subjective criteria for making the welfare fraud referrals for investigation. Most of the cases were rejected for lack of evidence to reduce, deny or discontinue benefits.

TABLE #1 on page 3, shows the percentage of welfare fraud investigations with no evidence of fraud and no evidence to even reduce, deny or discontinue benefits. The referrals were frivolous and wasteful and cost taxpayers millions of dollars.

TABLE #1 - Welfare Fraud Wasteful Investigations Conducted

DSS 466 Report	Investigations conducted		Investigations concluded during the quarter with evidence found to reduce, deny, or discontinue benefits		Investigations concluded during the quarter with no evidence found to reduce, deny, or discontinue benefits		Percentage of Investigations with no evidence	
	CalFresh	CalWORKs	CalFresh	CalWORKs	CalFresh	CalWORKs	CalFresh	CalWORKs
4th Q-2019	9192	6834	3915	2200	5277	4634	57%	68%
1stQ-2020	9911	7065	3651	1976	6260	5089	63%	72%
2nd Q-2020	7664	5499	2352	1409	5312	4090	69%	74%

County Failures to Obey Federal & State Law Cause More CalWORKs & CalFresh Overpayments - Now Hidden from The Public

THE LAW – Federal and state law requires counties to act on potential overpayments (also known as “abstract”) to prevent accumulation of overpayments within 45 days of receiving a report of potential overpayment. See 7 CFR §272.8(c)(2) and MPP §§20-006.421.

THE STATE BUDGET GIVES BOUNTIES FOR OVERPAYMENT COLLECTION – The California budget, based on W&IC§11486(j), since 1998, has made “incentive payments made annually to counties for the collection of client-caused CalWORKs overpayments in the previous FY. Each county receives 12.5 percent of the actual amount collected on these overpayments. County incentives are paid with TANF funds and must be used for purposes prescribed under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193). In 2020-2021 it was 4,350,000 and for 2021-2022 it is estimated to yield \$4,408,000.

Thus, if the counties act on overpayments promptly, and prevent overpayment accumulations, then they would collect less and will get less 12.5% of the amounts collected.

POTENTIAL OVERPAYMENT DATA – For decades CDSS reported quarterly on how many IEVS hits reflecting potential overpayments were received and how many were acted upon by the counties. The results were abysmal. **Table #2** below reveals that each quarter only 24% to 27% of the potential overpayments were acted upon by counties. That means about 75% of the potential overpayments were not acted upon by counties, causing overpayments to grow and counties’ 12.5% bounty also grew.

TABLE # 2 - Potential Overpayment Reports Received by Counties and Reports Reviewed That Had No Overpayments - Wasteful Reviews

Year-Quarter	Abstracts on Hand During the Quarter	Abstracts Received During the quarter	Abstracts Acted Upon	Percentage of "on hand" acted upon during the quarter	Percentage of abstracts processed with no discrepancy
2018-Q2	1099833	300884	296933	27%	92%
2018-Q1	1099215	304016	294446	27%	93%
2017-Q4	1069055	285090	262872	25%	93%
207-Q3	1063749	289552	286647	27%	92%

COUNTIES AND CDSS TAKE ACTION TO HIDE DATA SHOWING COUNTY COMPLIANCE WITH THE LAW

-Several years ago we discovered from our public records act requests that CDSS was meeting with counties regarding IEVS. Advocates were excluded, even after seeking inclusion.

In February of 2019 CDSS published ACL 18-121 that states:

“The CDSS Welfare Fraud Bureau and the Data Systems and Survey Design Section (DSSDS) in conjunction with County Welfare Departments (CWDs), participated in a workgroup to redesign and restructure the DPA 482 report. These changes have been made in an effort to improve and simplify data reporting to align with all other required response documents for other IEVS matches. The DPA 482 is used to assess IEVS Integrated Fraud Detection (IFD) wage match processing by the CWDs. As a reminder, the IFD wage match includes wage information from California employers provided by the Employment Development Department.”

Thus, counties in concert with CDSS decided to stop reporting the number of IEVS abstracts received, the total number on hand, and the number acted upon. The reporting was embarrassing for them, exposing county incompetence and neglect of overpayment collection that served to enhance the W&IC§11486(j) bounty. According to CDSS the new “...report will

collect data only on overpayments/overissuances (OP/OI) established, number of cases discontinued, and cases referred to the Special Investigative Unit and/or District Attorney’s office for investigation during the report quarter. Cases with OP/OI established during the report quarter include client-caused and administrative-caused errors by number of cases and dollar amounts.”

In contrast to the information provided by the old DPA 482 report, now no one will know how many potential overpayment reports are lingering on for months or years at the county level accumulating overpayments that the lawful 45-day mandated action timeline would prevent. Many end up in jail facing thousands of dollars in overpayments caused by the county welfare departments’ refusal to do their job – i.e. process the abstract report within 45 days. Parents of CalWORKs and CalFresh beneficiaries, serving time in jail, results in breaking up families and the kids end up in foster care. And all because counties refuse to do their job - process the abstracts in 45 days as required by law.

The counties have yet more reasons to hide this information from the public to avoid embarrassment. Most of the abstracts end up showing no overpayment at all. A blank hit.

Alameda, San Bernardino, Imperial, Siskiyou, Napa and Humboldt counties are a few of the counties that processed less than 10% of their abstracts with potential overpayments. **See TABLE #3** below. But today, this information is intentionally being withheld from the public and policy makers to make sure that counties like Alameda, San Bernardino, Imperial, Siskiyou, Napa, Humboldt, and others are not embarrassed and exposed.

TABLE # 3 - Percentage of Cases Processed by Counties that Found No Overpayment - Wasteful Work

Year/Quarter	County	Percentage of Abstracts on Hand Processed During the Quarter - Found No Overpayment
3 rd Q of 2017	Statewide	27%
3 rd Q of 2017	Napa	1%
3 rd Q of 2017	Alpine	3%
3 rd Q of 2017	Humboldt	4%
3 rd Q of 2017	Imperial	6%
3 rd Q of 2017	San Bernardino	6%
3 rd Q of 2017	Trinity	6%
3 rd Q of 2017	Siskiyou	7%
3 rd Q of 2017	Lassen	8%
3 rd Q of 2017	Alameda	9%

Year/Quarter	County	Percentage of Abstracts on Hand Processed During the Quarter - Found No Overpayment
4 th Q of 2017	Statewide	25%
4 th Q of 2017	Trinity	4%
4 th Q of 2017	Humboldt	4%
4 th Q of 2017	Napa	5%
4 th Q of 2017	Alpine	5%
4 th Q of 2017	Imperial	5%
4 th Q of 2017	Nevada	5%
4 th Q of 2017	Alameda	6%
4 th Q of 2017	Siskiyou	7%
4 th Q of 2017	San Bernardino	7%

Year/Quarter	County	Percentage of Abstracts on Hand Processed During the Quarter - Found No Overpayment
1 st Q of 2018	Statewide	27%
1 st Q of 2018	Alameda	7%
1 st Q of 2018	Mono	0%
1 st Q of 2018	Napa	5%
1 st Q of 2018	San Bernardino	6%
1 st Q of 2018	Imperial	6%
1 st Q of 2018	Trinity	7%
1 st Q of 2018	Nevada	8%

Year/Quarter	County	Percentage of Abstracts on Hand Processed During the Quarter - Found No Overpayment
2 nd Q of 2018	Statewide	27%
2 nd Q of 2018	Alameda	7%
2 nd Q of 2018	Napa	5%
2 nd Q of 2018	Imperial	6%
2 nd Q of 2018	San Bernardino	6%
2 nd Q of 2018	Siskiyou	8%
2 nd Q of 2018	Trinity	8%
2 nd Q of 2018	Humboldt	8%

With no reporting in 2020-2021 and future years, we have no idea how many potential overpayments are not being processed within 45 days as mandated by

federal and state law. And some county and state officials have the audacity to talk about “program integrity”.

FEDERAL AND STATE LAWS

FEDERAL - CFR 7, §272.8.(c)(2) State agencies must initiate and pursue the actions on recipient households specified in [paragraph \(c\)\(1\)](#) of this section so that the actions are completed within 45 days of receipt of the information items. Actions may be completed later than 45 days from the receipt of information if:

- (i) The only reason that the actions cannot be completed is the nonreceipt of verification requested from collateral contacts; and
- (ii) The actions are completed as specified in [§ 273.12](#) of this chapter when verification from a collateral contact is received or in conjunction with the next case action when such verification is not received, whichever is earlier.

STATE - MPP §20-006.421 Current federal rule prescribes that the IEVS match follow-up shall be completed within 45 days of the date the state agency completes the match.

CalSAWS Advocacy Update

CalSAWS System Migration Approaching First Go-Live Date

CalSAWS will go live for California's C-IV counties on September 25, 2021, replacing the current C-IV system for welfare workers. For beneficiaries, the C4Yourself customer portal will be replaced by the new BenefitsCal Portal in those counties.

This date is now less than four months away, but CalSAWS leadership has pushed to limit meetings with advocates to one stakeholder meeting every three months instead of the previous once per month. While a meeting every three months meets the minimum statutory requirement for stakeholder engagement, this move has raised red flags for advocates given continued User Centered Design concerns and the many urgent issues that require resolution prior to the first CalSAWS go-live date.

With such a limited amount of time to go before the rubber hits the road for the statewide computer system, advocates are continuing to push for frequent check-ins with the CalSAWS project team, ongoing meetings with the state contractors in charge of designing the consumer-facing BenefitsCal portal, and frequent communication with CDSS personnel regarding policy decisions. Our hope and goal is to ensure that CalSAWS and BenefitsCal improve on the current systems and provide a better experience for beneficiaries of California's safety net programs.

CalSAWS Advocate Co-Lead Nomination Period

The CalSAWS Advocate Group is now accepting nominations for its co-chair role. The new co-chairs will assist Jenn Tracy by partnering in strategic development, meeting preparation, communications with CDSS and CalSAWS, and participating in stakeholder and public meetings, sharing notes, and seeking resources to build our advocacy efforts.

If you're interested in nominating someone or interested in being part of this ongoing effort to ensure that CalSAWS results in an equitable, effective system for all Californians, please contact Jenn Tracy at jennifer@jenltracy.com or erin.simonitch@ccwro.org for more information.

Protecting Interim Access to GetCalFresh During Migration

Advocates were alarmed by a surprised recent move by the CalSAWS project leads to "sunset" access to Code for America's popular GetCalFresh application during the September go-live of BenefitsCal. Many of our county-level advocate allies reached out to their county staff, who were also unaware of the proposed change and shared ad. Statewide advocates reached out to the Governor's office, CDSS, and legislative staff. Following the alarmed responses from all of these stakeholder groups, including county stakeholders, the CalSAWS leadership issued a clarification and made assurances that they would continue to work with GetCalFresh to maintain access. Advocates will continue to monitor this situation closely, as GetCalFresh remains a crucial functionality for many assisters and CBOs.

Making a Difference with CalSAWS Local Advocacy

The CalSAWS Advocates Group has developed tools and materials to help local advocates reach out to their county decisionmakers in advance of the CalSAWS migration. Counties will be developing new business practices as CalSAWS goes online, and they have a certain amount of discretion when adopting CalSAWS processes and ancillary systems. Therefore, there are huge opportunities for advocates and counties to work together to protect consumers and improve access.

Some big decisions will occur at a statewide level, but individual counties still control many aspects of the migration. For example, CalSAWS will offer new systems for contact center menus/phone trees, BenefitsCal features, and Business Process Redesigns (BPR) that may impact the consumer experience.

Have you been wanting to see a "same day service" model implemented in your county? Would you like your county to make interview scheduling more flexible for consumers? These are the types of improvements you can encourage your county to prioritize by reaching out to county staff, other advocacy groups, or even your county Board of Supervisors. By opening communications now, you can help them understand what is at stake and show them how they can play a role in positive outcomes. In addition, open communications will be very beneficial once CalSAWS goes live in your county, allowing cooperation and information sharing about potential problems and solutions.

Please contact Jenn Tracy at jennifer@jenltracy.com for more information regarding advocate toolkits for local advocacy.

P-EBT 2.0 : The Rubber Hits The Road...Eventually

Well after it was proposed and financed by Congress, and months after California submitted its P-EBT 2.0 plan, that plan has finally been approved and a roll-out of the School Year 2020-2021 Pandemic-EBT program is set to start... slowly.

On the upside, the newly commenced program based on the recently approved USDA/FNS State Plan makes key changes that should provide financial assistance to households with school aged and other young children to replace free and reduced price school meals. Features of the new program

- specifically focuses on children who are part of existing CalFresh households;
- will provide new **reloadable** P-EBT benefit cards for the 2.0 benefits;
- include benefits for children younger than age 6.

The new P-EBT 2.0 program will have a formal roll-out in late June 2021. The new program will stress better co-operation and information sharing between CDSS and local school districts. While a downside is that county welfare departments will not be information resources for this program, CDSS has set up an enhanced telephone information system that will be able to provide better services and address more complicated issues. Parents and caretakers, should make certain that local school districts have their child or children's current correct mailing address in order to make certain that the household receives a new P-EBT 2.0 reloadable benefits card.

Critically there is no application process for P-EBT 2.0. Eligibility is based on whether a child was eligible for free or reduced price school meals for the 2019-2020 school year. That eligibility was categorically extended to the 2020-2021 school year.

In terms of benefits, any eligible child will receive a benefit set at the rate of \$128.00 for any month that a school would have been in session on a full-time remote learning schedule for the time period August 2020 through June 2021. If a school had moved to part-time attendance, the monthly P-EBT payment rate would be \$68.00.

The program's expansion to children younger than age 6 will base those benefits on whether the schools in the county or the district where the child lives were operating on either a distance learning or part-time in-person basis.

Per CDSS staff, the current challenge is the issuance of the new benefit cards which are being issued based on the child's last name beginning hopefully in July 2021. This means that benefits are retroactive payments but a household will have 12 months from the receipt of the benefits to use the allocated funds.

The problems are that there are still no easy solutions for challenges, such as a child who is improperly deemed ineligible or who does not receive a card. Also there are still unresolved language access issues for households where the primary language is not English, Spanish, Mandarin and Cantonese Chinese. And there is the still unresolved issue of disability access.

On the upside, even the delayed disbursement of these funds may have a silver lining: the funds will be distributed after many families may have lost their eligibility for federally enhanced unemployment benefits. And as household food costs are likely to increase as there is more demand for comestibles (a fancy word for edible food) as restaurants reopen, additional money for food will be very welcome, especially to households with kids.

P-EBT generally has increased the recognition that school children need to be well fed, regardless of family resources. State Sen. Nancy Skinner is the author of SB 364, a ground-breaking proposal to provide nutritious school meals to all California school-aged children. The current version of the measure is https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB364. The bill is per Sen. Skinner's website is now a 2-year measure. Some components of the bill may be enacted as part of the 2021-2022 state budget.

Action items: contact your local school district about how it plans to move forward with P-EBT and follow up with your local school board about SB 364 and free lunch for all kids.

by Daphne Macklin