### **SUMMARY**

Los Angeles County (county) shall abide by its stipulation to rescind its April 16, 2019 notice of action terminating the claimant's CalFresh benefits; evaluate the claimant's correct CalFresh benefits, effective May 1, 2019 using the claimant's income and other information and verifications provided in April 2019; restore the claimant's CalFresh benefits as otherwise eligible effective May 1, 2019; and notify the claimant in writing of its actions.

[227-4][260-4]

### **FACTS**

On April 17, 2019, Los Angeles County (county) sent a notice of action to the claimant terminating her CalFresh benefits effective April 30, 2019 on the basis that the claimant had not completed the SAR 7 reporting process.

On December 19, 2019, the claimant filed her request for this appeal.

The claimant and the county representative appeared by telephone at the May 28, 2020 hearing.

The county submitted a statement of position setting forth the county's factual allegations and legal arguments, which was admitted into evidence.

## Jurisdiction

On May 8, 2020, the county submitted a pre-hearing request for bifurcation or administrative dismissal on the basis that the claimant had not filed her hearing request within 90 days of the notice of action, or within 180 days with good cause.

On May 13, 2020, the Presiding Judge made a pre-hearing ruling denying the county's request for bifurcation or administrative dismissal, on the basis that the county notice of action does not provide reason for county action with sufficient specificity, and the notice does not cite specific legal citations for county action.

At the hearing, the county representative testified that she had reviewed the case further, and was no longer seeking a dismissal for lack of jurisdiction, because she had determined that the claimant was correct on the merits and she was prepared to proceed on the merits.

### Stipulation on the Merits

The county representative testified that a closer review of the case showed that the claimant did fully comply with the semi-annual reporting requirements by turning in her SAR 7 timely, and by providing her missing verifications in April 2019 before the April

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30, 2019 termination date. She testified that the claimant had turned in everything the county needed to process the ongoing CalFresh benefit amount for the payment period of May 2019 through October 2019. She testified that the county failed to act upon the claimant's completed SAR 7 and verifications, and she offered to correct this.

The county representative stipulated to rescind the county's April 16, 2019 notice of action terminating the claimant's CalFresh benefits; evaluate the correct level of CalFresh benefits for the claimant effective May 1, 2019; restore the claimant's CalFresh benefits as otherwise eligible, effective May 1, 2019 using the claimant's income and other information and verifications provided in April 2019; restore the claimant's CalFresh benefits as otherwise eligible effective May 1, 2019; and notify the claimant in writing of its actions.

The claimant agreed to this stipulation.

The county representative testified that this stipulation would turn the claimant's CalFresh benefits back on for at least the May 2019 through October 2019 six-month payment period, but she did not know whether the county would ask for a September 2019 annual recertification or the March 2020 SAR 7, because both of those time periods had passed. She advised the claimant should watch for requests to update her information for ongoing benefits, and that she could report changes to income or rent or medical expenses anytime to be evaluated for an increase in benefits.

The claimant testified that she did have a rent increase, and her hours had decreased, and she would report this to the county.

The county representative testified that the claimant's CalFresh allotment in April 2019 was \$15.00 per month, that it might change for the period beginning May 2019 based upon the information the claimant submitted in April once the county completes that evaluation , and that a rent increase or decrease in income for a later time period could also potentially increase the claimant's CalFresh allotment, so the claimant should provide those updates for later periods to the county, both when the county sends additional reports and by making voluntary reports to the county herself. The claimant agreed she would do so.

There were no further issues on appeal.

#### LAW

All the regulations cited refer to the Manual of Policies and Procedures (MPP), unless otherwise noted.

A state hearing shall be available to a claimant who is dissatisfied with a county action and requests a state hearing. (§22-003.1)

State hearings under the CalFresh Program shall be conducted in accordance with the provisions of Division 22. (§63-804.1)

# Semi-Annual Reporting

# Data Reporting

The Semi-Annual Reporting (SAR) system uses the following terms:

- SAR Data Month the month for which the recipient reports all information necessary to determine eligibility. The SAR Data Month is the fifth month of each semi-annual period.
- SAR Submit Month the month in which the SAR 7 or the recertification forms are required to be submitted to the County. This is the month after the SAR Data Month, and is the sixth month of each semi-annual period.
- SAR Payment Period the period in which benefits are paid/issued. The SAR Payment Period is the six-month period after the beginning date of aid, recertification, or submittal of the SAR 7.

(All County Letter No. 12-25 (May 17, 2012), p. 10)

Under SAR, recipients will no longer be required to report an exact amount of anticipated monthly income for each month of the SAR period. Instead, recipients will be required to provide information for the data month and any anticipated changes in the six months following the submit month. The income received in the data month will be considered reasonably anticipated and will be used in the budget calculation unless the recipient reports that they anticipate a change in the upcoming SAR Period. (§ 40-181.241; All County Letter No. 12-25, May 17, 2012, pp. 25-26.)

If income from the data month will remain the same in the upcoming payment period the county shall compute the CalWORKs allotment based on income reported for the data month. If income is received weekly it shall be converted to monthly by using a 4.33 conversion factor. If it is received bi-weekly, it shall be converted to monthly by using a 2.167 conversion factor. The conversion figures may only be used if income is received weekly or bi-weekly throughout the payment period. (§ 44-315.315 (b).)

# <u>"Frozen" Benefits During Payment Period</u>

Benefits will be "frozen" for the six months of the semi-annual period, except under specified circumstances. Circumstances under which benefits may be adjusted during the period include:

- Increases based on recipient mid-period reports, including reports of decreased income:
- Decreases or discontinuances based on mandatory recipient mid-period reports, including reports of income over the IRT;

- Decreases or discontinuances based on county-initiated, mid-period actions, as described in this All County Letter and Attachments; or
- Discontinuances at the individual or household's request.
- For CalFresh, if a report is considered Verified Upon Receipt (see All County Letter 13-17 and All County Information Notice I-58-13).

For mandatory reports to another public assistance program that are not acted upon, CalFresh will not act on the change. (All County Letter 12-25E (December 16, 2013) p. 2, 12-13)

# **Stipulation**

The county representative shall have authority at the state hearing to make binding agreements and stipulations on behalf of the County Welfare Department. (§ 22-073.37.)

#### CONCLUSION

### Jurisdiction

Although the Los Angeles County (county) representative testified that the county no longer disputed jurisdiction regarding the notice of action dated April 17, 2020, the administrative law judge reviewed the notice of action and determined the notice to be inadequate, because it did not cite to the regulations regarding the semi-annual reporting requirement sufficiently to provide the basis for the county's action. Because the notice of action at issue was inadequate, the 90-day time limit to request the hearing did not begin.

Therefore, the claimant's December 19, 2019 request for hearing was timely.

## Merits

The county representative has the authority to make binding stipulations on behalf of the county at the hearing.

The county representative stipulated to rescind the county's April 16, 2019 notice of action terminating the claimant's CalFresh benefits; evaluate the claimant's correct CalFresh benefits, effective May 1, 2019 using the claimant's income and other information and verifications provided in April 2019; restore the claimant's CalFresh benefits as otherwise eligible effective May 1, 2019; and notify the claimant in writing of its actions.

The claimant agreed with this stipulation. Therefore, it is determined that the county shall abide by these stipulations.

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## ORDER

The claim is granted.

Los Angeles County shall rescind the county's April 16, 2019 notice of action terminating the claimant's CalFresh benefits; evaluate the claimant's correct CalFresh benefits, effective May 1, 2019 using the claimant's income and other information and verifications provided in April 2019; restore the claimant's CalFresh benefits as otherwise eligible effective May 1, 2019; and notify the claimant in writing of its actions.