
CalWORKs Handbook 40-1.10:. Diversion Program In CalWORKs

Revision Date: 5/17/07

Published Date: 7/12/07

Published By: E101

I. General

Assembly Bill (AB) 1542, Chapter 270, Statutes of 1997, created the CalWORKs program in California. Counties were required to create a Diversion Program that would offer a single lump sum payment, instead of continuing CalWORKs benefits. This payment would be made if such a payment could provide the assistance necessary to stabilize the family's situation and divert the family from being on extended time on aid. Counties were given maximum flexibility to develop a program unique to their local needs.

II. Program Purpose

The purpose of the Diversion Program is to provide necessary assistance to stabilize a family's situation and divert the family from the need to receive ongoing CalWORKs assistance. Such payments must be made only when the applicant meets the criteria of a successful diversion from CalWORKs to self-sufficiency. The request will be evaluated in terms of the reasonableness of the dollar amount and will request verification as prudent and necessary.

III. Policy

Eligibility for the Diversion Program

A. Applicants who are determined to be apparently eligible at the time of application for CalWORKs may be offered the choice of the Diversion Program **or** CalWORKs, if it is determined that a lump sum payment would successfully divert the applicant family from receiving extended assistance.

1. Each family's situation and unique circumstances at the time of application will be evaluated on a case-by-case basis. There is no limit to the number of times a family can use the Diversion Program. Generally, those who have previously received a Diversion payment/service(s), and have not demonstrated a period of self-sufficiency will not be eligible for an additional Diversion payment.
2. In determining apparent eligibility, an evaluation will be made based on the information submitted on the Statement of Facts (SAWS2) by the applicant. There are no technical conditions of eligibility that must be met. Verification of eligibility factors is not required, unless questionable.
3. There are no State Appeal Rights for denial of Diversion payments. Diversion denials will be subject to supervisory review.

Areas of Consideration

B. Possible indicators that the Diversion Program may be inappropriate for an applicant may include:

- The parent has no work history or marketable skills. In a two-parent family, at least one parent must provide the needed stability to qualify for the Diversion Program.
- The parent expects an extended period of education or training if completed before self-sufficiency is achieved.
- The family has applied and reapplied for public assistance in a short period of time demonstrating repeated financial crisis.

- In order to renew a driver's license, outstanding fines or past due child support must be paid.
- The parent has a history of multiple job changes in short periods of time.
- The family is experiencing a basic need crisis, i.e., temporary or no housing, transportation, child care, no support system that cannot be resolved immediately.
- The parent has a history of continual injury or illness. Sometimes this can be someone with a disabling severe medical problem or there may be some underlying issue.
- The family indicates previous failure to utilize the Diversion Program according to a prior agreement.

Diversion Payments

C. Examples of some employment/self-sufficiency related expenses that could be paid appropriately through the Diversion Program may include the following:

- Relocation
- Driver license renewals
- Car insurance
- Car repairs
- Union dues
- Uniforms
- Pre-employment physicals
- Emergency housing
- Child care needs
- Transportation needs such as bus passes or car pool fees; and
- Other needs as deemed appropriate

Payment Amount

D. The amount of a Diversion payment is \$2,000. A higher amount may be issued at the discretion of a Program Manager. The amount may be for a single need or a combination of needs.

1. Diversion payments may be paid by vendor pay or directly to the individual as appropriate.
2. The actual amount to be issued will depend on the amount necessary to meet the specific needs identified for the individual family.
3. The amount to be paid to an applicant is not determined by the Maximum Aid Payment (MAP) for the family or the AU.

Application for CalWORKs During Diversion Period

E. If an applicant reapplies after receiving a Diversion payment in the time period represented by the Diversion payment, eligibility will be determined based on the family's current circumstances. The Diversion time period is the whole month figure calculated by dividing the amount of the Diversion payment by the AU MAP at the time the Diversion payment was made. If the applicant is otherwise eligible for aid, the applicant must choose either to have the Diversion time period counted against their CalWORKs 48-month lifetime limit or to repay the amount of the Diversion payment through grant adjustment. Grant reduction must be made at a minimum of 10% of the ongoing grant amount.

F. A CalWORKs Diversion payment that is non recurrent and short term (less than or equal to four months) does not count towards the federal TANF 48-month clock.

Exception: Payments paid to an unemployed family for a period of time that covers over four months or is recurrent.

1. The applicant's choice must be in writing. Form #56-1; Statement Under Penalty of Perjury may be used.
2. A Diversion payment would not be appropriate for the applicant who is reapplying within a diversion period or who has not demonstrated a period of self-sufficiency.

Example 1

Diversion service for AU of 3, mother is employed: Payment is for car repairs. The intended purpose of the car is for transportation, thus, the applicant can continue working at her present job. Her job duties for the Cerebral Palsy Foundation include weekly visits to clients' homes.

Diversion period: For the CalWORKs diversion period calculation, the diversion amount of \$1,788.00 is divided by \$596.00 (MAP for AU of 3) = 3 months.

February, March, and April constitute the three-month diversion period.

CalWORKs 48-month Time Limit: The month of February is counted toward the CalWORKs 48-month time limit. If the individual reapplies for cash aid during the diversion period (February-April), and chooses to have the diversion payment count toward the time limit, then the three months are counted toward the CalWORKs 48-month time limit.

Federal TANF 48-month Time Limit: The diversion payment is not counted toward the Federal TANF 48-month time limit because it does not meet the federal definition of "assistance." Because it is not "assistance," no month of aid is counted toward the federal TANF time limit. Any cash aid payments provided, if a recipient returns to aid, are counted toward both the TANF and CalWORKs 48-month time limits.

Example 2

Diversion service for AU of 2, parent is employed: Payment is for truck payments and future monthly utility bills. The intended purpose is to pay off the balance of the accrued truck payments to prevent repossession by the creditor and to assist with the utility bills for the following five months. The truck is needed for transportation to work. The monthly utility bills equal \$350.00/month for a total of \$1,750.00, and the accrued debt for his truck is \$1,250.00.

Diversion period: For the CalWORKs diversion period calculation, the total diversion amount of \$3,000.00 is divided by \$481.00 (MAP for AU of 2) = 6.24 months.

January, February, March, April, May, and June constitute the six-month period.

CalWORKs 48-month Time Limit: The month of January is counted toward the CalWORKs 48-month time limit. If the individual reapplies for cash aid during the diversion period (January - June), and chooses to have the diversion payment count toward the time limit, then the six months are counted toward the CalWORKs 48-month time limit. (Partial months for diversion services do not count toward the CalWORKs time limit.)

Federal TANF 48-month Time Limit: The diversion service amount for the utility bills is for future needs beyond four months and is not excluded from the federal TANF definition of "assistance." Therefore, the payment for the utilities is considered "assistance" and counts toward the TANF 48-month time limit. The month of January is counted toward the individual's TANF 48-month time limit and other TANF requirements also apply. The past debt for his truck is excluded from the federal TANF definition of "assistance" and is not counted toward the TANF time limit. Any cash aid payments provided, if the recipient returns to aid, are counted toward both the TANF and CalWORKs 48-month time limits.

Application for CalWORKs After the Diversion Period

A. If a Diversion recipient reapplies for CalWORKs after the Diversion period has ended, and is determined eligible for CalWORKs, only one month is counted against the CalWORKs 48-month time limit.

Eligibility for Other Aid Programs

- B. For the food stamp program, lump sum non-recurring diversion payments are treated as a resource.
- C. A diversion vendor payment could be excluded if that payment is for the following:
- Medical assistance
 - Child care assistance
 - Housing assistance payments made to a third party on behalf of a household residing in transitional housing for the homeless; or
 - Emergency assistance provided to a third party on behalf of a migrant or seasonal farmworker household.
- D. For a grant adjustment to recoup a diversion payment, the regulations prohibiting increased food stamp benefits do not apply.
1. Recoupment of a diversion payment is not viewed as a failure of the individual to perform an action required by that program.
- E. Receipt of a Diversion payment does not affect a family's eligibility for Medi-Cal or child care assistance, if otherwise eligible according to the regulation for those programs. All appropriate time frames for processing applications for those programs apply, including households qualifying for Expedited Services in processing a Food Stamp application.
- F. Any child support collected for the Diversion period is payable in full to the applicant, and is not to be used to offset the Diversion payment.

Fraud

A. If an individual received a Diversion payment and is determined to have been ineligible for CalWORKs as a result of having submitted a perjured CalWORKs application, the full amount of the Diversion payment will be considered an overpayment. The overpayment will be processed according to existing CalWORKs overpayment regulations.

IV. Process

The County shall, in its sole discretion, determine if the application would likely avoid the need for extended assistance if provided access to the Diversion Program.

- A. Applicants for CalWORKs will complete SAWS 1 and SAWS 2, Statement of Facts.
1. Welfare to Work (WtW) staff will decide if Diversion is appropriate. Documentation in Case Comments will be required if a determination is made that Diversion is not appropriate for an applicant.
 2. WtW staff will inform the applicant that he or she will benefit from the Diversion Program.
- a. The applicant will have the right to refuse Diversion, if offered, and choose cash aid under the CalWORKs program. Such refusal will be in writing and may be on Form #56-1, Statement of Penalty of Perjury.
- b. The applicant cannot choose Diversion instead of CalWORKs if it is determined that Diversion is inappropriate.
- c. It is the County's decision to offer Diversion payment(s)/service(s).
3. The applicant who accepts Diversion must sign [Form CW 88](#), Diversion Agreement and be given Form [CW 88 coversheet](#).
 4. The payment for Diversion must be processed within 3 - 5 days from the date of request.

V. Questions and Answers

1. Question:	Is the Diversion Program mandatory in all counties?
Answer:	Yes, All counties must have a Diversion Program.

2. Question:	Is the Diversion Program separate from the CalWORKs program?
Answer:	Yes. Once an applicant has opted for the Diversion Program, the CalWORKs application will be denied.
3. Question:	Is a recipient of the Diversion Program eligible for child care?
Answer:	Generally, AB 1542 allows recipients of both Diversion and CalWORKs programs to receive child care. A Diversion recipient is eligible for Stage III child care. If there are no Stage III "slots" available, a Diversion recipient may receive Stage II child care.
4. Question:	Are recipients of the Diversion program categorically linked to Medi-Cal?
Answer:	No. However, the counties should follow the existing procedures to make the Medi-Cal application.
5. Question:	When is the "beginning date of aid" for Diversion recipients who return for aid?
Answer:	If a Diversion recipient returns, the normal beginning date of aid rules apply, either the date of the new application or the day the applicant meets all CalWORKs program eligibility requirements, whichever is later.
6. Question:	For Diversion recipients who return and apply for CalWORKs assistance, do we consider them a new applicant or a restoration case?
Answer:	This person is considered a new applicant for aid, and the regular rules apply regarding applications and the beginning date of aid.
7. Question:	How does the recoupment of the original Diversion payment work?
Answer:	A single mother with two children received a Diversion payment of \$2,000 for significant car repairs. After two months, the woman returns to apply for CalWORKs with the intention of receiving cash aid assistance. With a MAP of \$611, her diversion period is considered 3 months since any fraction of a whole number resulting from this computation is not counted. Additionally, she returned within this 3-month period, she has the option to either repay the \$2,000 by grant reductions as determined by the county or count the four months against her 48-month time limit. If this woman had returned after the 3-month diversion period, then only one month would be counted against the 48-month time limit, and no repayment would be required.
8. Question:	Can we count Diversion payment/services toward the work participation rate?
Answer:	At this time, Diversion payments/services cannot be counted toward the work participation rate since they are not TANF assistance payments by definition.

VI. AID Types

	Aid-Types for the Diversion Program
3J-0	Apparently Eligible for CalWORKs - Deprivation based on Absence, Death or Incapacity of Either Parent - Diversion-FG (Federal)
3K-0	Apparently Eligible for CalWORKs - Deprivation based on Unemployment of a Parent Living in the Home - Diversion-U (Federal)
3X-0	Apparently Eligible for CalWORKs - Deprivation based on Absence, Death, or Incapacity of Either Parent - Diversion-FG (State-Only)*

3Y-0	Apparently Eligible for CalWORKs - Deprivation based on Unemployment of a Parent Living in the Home - Diversion-U (State-Only)*
------	---

*Note: Eligibility requires that Immigrants reside in the United States on or after 8/22/96.

NOTICE OF ACTION (NOA) TABLE	
NOA Code	Description
M81-215D	Grant Increase - Diversion Repayment Stops.
M81-215E	Decrease - Subtracting months from 48-month time limit due to receipt of Diversion.
M81-215F	Decrease - Subtracting one month only from 48-month time due to receipt of Diversion.
M81-215A	Deny - CalWORKs Application - Approve Diversion Payment/Service.

VII. CalWIN Instructions

Step 1: Determine if CalWORKs eligible by first completing Data Collection window queue and running EDBC.

Run EDBC

Case #: 1804747 Case Name: Tree, Willow

Run EDBC

Effective From Date: 06/01/2007 Effective To Date: 07/31/2007

Type

☒ Immediate ☐ Batch

Cash Run Date:

FS Run Date:

Cancel Run EDBC Run EDBC Linking/Non-Linking Dates...

Step 2: From the Display Eligibility Summary window click the [Initiate Wrap Up] button.

Case #: 1B04747 Case Name: Tree, Willow

Program Type	Payment Month	Eligibility Status	Benefit Amt/SOC	AU/Household Size	Eligibility Begin Date	Currently Overridden	Previously Overridden	Authorization Status	Aid Paid Pending
CalWORKs	06/2007	Pass	\$359.00	2	06/01/2007	N	N	Pending	
CalWORKs	07/2007	Pass	\$359.00	2	06/01/2007	N	N	Pending	
Medi-Cal	06/2007	Pass	\$0.00	2	06/01/2007	N	N	Pending	
Medi-Cal	07/2007	Pass	\$0.00	2	06/01/2007	N	N	Pending	

Buttons: Reason... Verification Checklist... **Initiate Wrap up...** Individual Details... Management Indicator... Override Budget Preview Budget Print

Step 3: Select Display CalWORKs Diversion and click [Start Queue] button.

Case #: 1B04747 Case Name: Tree, Willow

Screen Name	View
Display Individual Eligibility Summary	☐
Display Non-Financial Eligibility Summary	☐
Display Sanctions and Penalties	☐
Display Resource	☐
Display Applicant Financial Eligibility Test	☐
Display Recipient Financial Eligibility Test	☐
Display Grants	☐
Display CalWORKs Diversion	☒
Display Employment Services Exemption Results	☐
Maintain Case Issuance Method	☐
Display Benefit Discrepancy	☐
Authorize Eligibility Program Benefit	☐

Display: ☐ All ☒ Selected

Start Queue

Windows taskbar: Start, [Icons], [Inbox - Micro...], [Dvsn - Micro...], [ContentCent...], [Diversion - M...], CalWIN, 6/22/2007 02:51 PM, 2:52 PM

Step 4: Complete the Display CalWORKs Diversion Window

- Select the **Payment Month** from the drop down field.
- Select the **Diversion Condition** from the drop down field.
- Enter the needed dollar amounts in the relevant fields in the "Diversion Need Amount" group box.
- Indicate whether or not this assistance provides for needs that extend over four months.
- Click **[Calculate Diversion Period]**. CalWIN calculates the diversion period and displays the dates in the "Diversion Period" group box.
- Click **[Print CW88]** to locally print the diversion form for the client to complete and sign.
- Indicate whether or not the client completed the CW88 form.
- Enter the date the client signed the CW88 in the **Diversion Signed Date** field.
- Click **[Process Diversion]**.

The screenshot shows the "Display CalWORKs Diversion" window. At the top, it displays "Case #: 1804747" and "Case Name: Tree, Willow". Below this, "Payment Month" is set to "06/2007". The "Diversion Signed Date" is "06/01/2007" and the "Diversion Condition" is "Auto Repair".

The "Diversion Need Amount" section contains a table with three columns: "Cash", "Cash", and "Services".

	Cash	Cash	Services
Housing:	\$0.00	Medical Expenses:	\$0.00
Emergency Relocation:	\$0.00	Auto Repair:	\$1,500.00
Clothing:	\$0.00	Upfront Child Care:	\$0.00
Work Related Expenses:	\$0.00	Transportation:	\$0.00
Utility:	\$0.00	Other:	\$0.00
		Total:	\$1,500.00

Below the table, there are two questions: "Does this diversion assistance (Cash or Services) provide for any needs that extend over 4 months? Y/N" with "N" selected, and "Has the applicant completed form CW88? Y/N" with "Y" selected. A "Print CW88" button is next to the second question.

The "Diversion Period" section shows "From Date: 06/01/2007" and "To: 07/31/2007". There are buttons for "Calculate Diversion Period" and "Process Diversion".

Step 5: The Run EDBC window appears. Select Run EDBC

Case #: 1B04747 Case Name: Tree, Willow

Run EDBC
Effective From Date: 06/01/2007 Effective To Date: 07/31/2007

Type
☒ Immediate
☐ Batch

Cash Run Date:
FS Run Date:

Cancel Run EDBC Run EDBC Linking/Non-Linking Dates...

Step 6: Notice Diversion Payment has passed and CalWORKs has failed. Click on [Initiate Wrap Up] button

Case #: 1B04747 Case Name: Tree, Willow

Program Type	Payment Month	Eligibility Status	Benefit Amt/SOC	AU/Household Size	Eligibility Begin Date	Currently Overridden	Previously Overridden	Authorization Status	Aid Paid Pending
CalWORKs	06/2007	Pass	\$359.00	2	06/01/2007	N	N	Pending	
CalWORKs	07/2007	Pass	\$359.00	2	06/01/2007	N	N	Pending	
Medi-Cal	06/2007	Pass	\$0.00	2	06/01/2007	N	N	Pending	
Medi-Cal	07/2007	Pass	\$0.00	2	06/01/2007	N	N	Pending	

Reason... Verification Checklist... Initiate Wrap up... Individual Details... Management Indicator... Override
Budget Preview Budget Print

Step 7: Review Wrap Up windows.

Initiate Wrap Up

Case #: 1B04747 Case Name: Tree, Willow

Screen Name	View
Display Individual Eligibility Summary	☐
Display Non-Financial Eligibility Summary	☐
Display Sanctions and Penalties	☐
Display Resource	☐
Display Applicant Financial Eligibility Test	☐
Display Recipient Financial Eligibility Test	☐
Display Grants	☐
Display Medi-Cal - SOC / Financial Eligibility Determination	☐
Display Employment Services Exemption Results	☐
Maintain Case Issuance Method	☒
Authorize Eligibility Program Benefit	☒

Display
☐ All
☒ Selected

Start Queue

Step 8: Select Issuance Method, Issuance Type and Pick-up Location

Maintain Case Issuance Method

Case
Number: 1B04747 Name: Tree, Willow Programs
Status: Pending Status Date: 06/01/2007 Pending Alerts: 2 QR Cycle

Program	Issuance Type	Issuance Method	Mailing Designator	Pickup Location	Pickup Day	Payment Frequency
Diversion	Check	Office Pickup		Hayward		One Time

Program: Diversion Issuance Type: Check
Issuance Method: Office Pickup Mailing Designator:
Pick-up Location: Hayward Availability/Pickup Day:
Callup Indicator [Y/N]: Payment Frequency: One Time
EFT Status:
EBT Account Re-Activation Detail... Stagger/EBT Exemption Detail... EFT Detail...

Step 9: Authorize Diversion Payment; Authorize CalWORKs failure

Authorize Eligibility Program Benefit

Case Number: 1B04747 Name: Tree, Willow Programs
 Status: Pending Status Date: 06/01/2007 Pending Alerts: 2 QR Cycle

Program	Payment Month	Payment Type	Gross Benefit /SOC Amt	Recoupment/ Adjusted SOC Amt	Eligibility Status	Authorization Status	Select 1
CalWORKs	06/2007	Initial Benefit	\$359.00	\$0.00	Fail	Pending	☒
Diversion	06/2007	Diversion Cash	\$1,500.00	\$0.00	Pass	Pending	☒
Medi-Cal	06/2007	Initial Benefit	\$0.00	\$0.00	Pass	Pending	☒
CalWORKs	07/2007	Regular Benefit	\$359.00	\$0.00	Fail	Pending	☒

Issuance Type: Issuance Method:
 Pick-up Location: Supervisor Approval Requested [Y/N]:
 Disposition Status: Approved Disposition Date: 00/00/0000
 Payee Name(s): Tree, Willow | 40 | 521-12-6787
 Aid Paid Indicator: N

Discontinuance Date: 00/00/0000

Mail to:
☒ First Payee Address
☐ Second Payee Address

Amount:
 Gross Benefit / Medical SOC: \$0.00
 Recoupment / Adjusted SOC: \$0.00
 Net Benefit / Net SOC: \$0.00

Buttons: Detail... Supervisor Action Authorize Claim...
 Select Provider... Reasons Special Payments

Step 10: Review Client Correspondence. Be sure client completes and signs CW 88.

View/Print Client Correspondence in Print Queue

Client Correspondence Detail

Type: Forms Program: CalWORKs
 Language: English Print Mode: Online
 Corrected NOA [Y/N]: N Action:
 Manual Variables [Y/N]: N Requested Date: 06/22/2007

Correspondence #	Correspondence Name
CW 88	Diversion Services Agreement

NOA Reason Description
A participant is granted a diversion payment.

Buttons: Delete Correspondence NOA Variables... Enter Form/Tandem Variables... Freeform Text... Print... Preview...

Step 11: Record in Case Comments

References:

ACLs 97-68 and 98-19
CDS Newsletter 99-07
ACL 00-48 All Tracking Diversion Payments TANF/CW

Chet P. Hewitt, Director
Social Services Agency