



CDSS

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GOVERNOR

August 22, 2014

ALL COUNTY LETTER (ACL) NO. 14-56

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CONSORTIA MANAGERS
ALL QUALITY CONTROL COORDINATORS

SUBJECT: CALFRESH MODIFIED CATEGORICAL ELIGIBILITY

REFERENCE: ALL COUNTY WELFARE DIRECTORS LETTER, DATED JUNE 30, 2014; SENATE BILL (SB) 855 (CHAPTER 29, STATUTES OF 2014); ACL NO. 13-108 DATED DECEMBER 31, 2013; ALL COUNTY INFORMATION NOTICE (ACIN) NO. I-52-13 DATED SEPTEMBER 12, 2013; ACL NO. 13-32 DATED APRIL 24, 2013; ACL NO. 12-62E DATED JUNE 28, 2013; ACL NO. 12-62 DATED NOVEMBER 2, 2012; ACL NO. 11-11 DATED JANUARY 27, 2011; ACL NO. 09-24 DATED MAY 27, 2009

<u>REASON FOR THIS TRANSMITTAL</u>	
<input checked="" type="checkbox"/>	State Law Change
<input type="checkbox"/>	Federal Law or Regulation Change
<input type="checkbox"/>	Court Order
<input type="checkbox"/>	Clarification Requested by One or More Counties
<input type="checkbox"/>	Initiated by CDSS

The purpose of this ACL is to provide comprehensive information regarding CalFresh Broad-based Categorical Eligibility (BBCE) known in California as Modified Categorical Eligibility (MCE). Effective July 1, 2014, all households (with certain exceptions as cited in this letter) with gross income at or below 200 percent of the Federal Poverty Level (FPL), must be conferred MCE status if they are issued or have online access to the Temporary Assistance to Needy Families (TANF)-funded “Family Planning – PUB 275” brochure.

Background

Assembly Bill (AB) 433, (Chapter 625, Statutes of 2008), established a program of categorical eligibility for CalFresh to promote nutrition as well as the retention and development of assets and resources for needy households who met all other conditions of eligibility for CalFresh. Beginning July 1, 2009, MCE was implemented to confer MCE to those households with children under 18 with a maximum gross income of 130 percent of the FPL.

Effective February 1, 2011, the MCE program was expanded to include all Non-assistance CalFresh Households (NACF).

On April 24, 2013, the California Department of Social Services (CDSS) issued ACL 13-32, for Elderly/Disabled (E/D) households, clarifying that E/D households are never subject to a gross income test for actual program eligibility and also have a higher gross income level to be eligible for MCE. Therefore, E/D households with gross income at or below 200 percent of the FPL were to be conferred MCE status if they were issued or had online access to the "Family Planning - PUB 275" brochure.

Effective January 1, 2014, AB 191 (Chapter 669, Statutes of 2013) required that any household including a member who receives Medi-Cal be conferred MCE status if the household's gross income does not exceed 200 percent of the FPL (see ACL No. 12-62).

With the passage of SB 855 (Chapter 29, Statutes of 2014), effective July 1, 2014, **all households** with gross income at or below 200 percent of the FPL, must be conferred MCE status if they are issued or have online access to the TANF-funded "Family Planning – PUB 275" brochure and meet all other conditions of eligibility for CalFresh. In addition, the provisions of MCE for Medi-Cal recipients, as outlined in AB 191, became inoperative as of June 30, 2014.

Implementation

All counties must immediately implement a 200 percent FPL gross income level for MCE for all NACF households. Until automation is programmed, this must be done manually. For any case pending as of July 1, 2014, if automation indicates ineligibility for a non-aged/disabled CalFresh applicant household because of the 130 percent FPL gross income limit, the county must pull the case and manually verify whether eligibility under MCE status exists because of gross income at or under 200 percent FPL. Additionally, counties must check any applications that were denied for exceeding gross income since July 1, 2014, as well as applications denied in June where the 30 day processing would have gone into July. Corrective action must be taken on any cases that would have been eligible under the MCE 200 percent FPL gross income test.

Automation

The CDSS is currently working with the Statewide Automated Welfare Systems to develop an automated procedure for processing households based on the 200 percent FPL for MCE. The automation is to be completed by November 2014. In the interim, a manual workaround at the county level is necessary, effective July 1, 2014.

Conferring MCE

In California, 200 percent of the FPL has been established as the maximum gross income that a household (for the TANF-funded service, the PUB 275) can have in order to have MCE conferred through receipt of, or online access to, the PUB 275. If a household's gross income does not exceed 200 percent of the FPL, receipt of the PUB 275 exempts all resources in the determination of eligibility for households who meet all other CalFresh eligibility requirements. Receipt of the PUB 275, in and of itself, does not confer MCE status. Counties must document the case record, or otherwise identify the case, as MCE for quality control purposes. In addition, the case must be re-evaluated and documented for MCE at intake and recertification.

Ineligibility for MCE

The NACF households that have been approved for CalFresh as MCE are subject to the same conditions that result in ineligibility as all other Categorically Eligible (CE) households. Federal guidance and regulations [7 CFR 273.2(j)(2)(vii)] and State regulations (MPP Section 63-301.74) state that households are not CE and are subject to all CalFresh eligibility requirements in the following scenarios:

- Any household member who is disqualified for an intentional program violation (IPV).
- The head of household does not comply with work requirements.
- Any member of a household who has been convicted of a drug-related felony (refer to MPP Section 63-402.229). [Note: With the passage of AB 1468 (Chapter 26, Statutes of 2014) which removes the drug felon ban in California effective April 1, 2015, this may no longer apply. CDSS will address this issue in subsequent guidance.]

A household may be conferred MCE status once it is determined that the sanction period has expired and the household meets all other conditions of MCE eligibility.

Example #1 – Non E/D Household with Gross Income Below 200 Percent FPL

A household comes into the CWD and receives an application packet (or completes an online application). Included in the application packet (or on a linked website) is the PUB 275 (Family Planning brochure).

During the intake interview, it is determined that the household's gross income does not exceed 200 percent of the FPL for its household size. Therefore, the household can be considered MCE-eligible because the gross income did not exceed the maximum allowable for the TANF-funded service and they have received the PUB 275. All other conditions of eligibility must be met before CalFresh benefits can be issued.

The individual case record must first document (1) that the household's gross income did not exceed the limit for the TANF-funded service (PUB 275), (2) that the PUB 275 was provided to the household and (3) that MCE was conferred.

Example #2 – Non E/D Household with Gross Income Over 200 Percent FPL

A household comes into the CWD and receives an application packet (or completes an online application). Included in the application packet (or on a linked website) is the PUB 275 (Family Planning brochure).

During the intake interview, it is determined that the household's gross income exceeds 200 percent of the FPL for its household size. Therefore, even though the household has received the PUB 275, it cannot be considered to be MCE-eligible because the gross income exceeds the maximum allowable for the TANF-funded service.

The individual case record must first document that the household's gross income exceeded the limit for the TANF-funded service (PUB 275) and that MCE was not conferred, even though the PUB 275 was provided to the household. As a result of the household not being entitled to MCE, the CalFresh application would be denied because the household's gross income exceeded the CalFresh gross income limit.

NOTE: The example is for a non-E/D household, but if the household contained at least one elderly/disabled individual, the county must determine whether the household is eligible based on net income and resource limit (ACL 13-32).

Continuing Cases

Effective July 1, 2014, if it is discovered that a continuing CalFresh case (that was conferred MCE) has gross income exceeding 130 percent of the FPL but not over 200 percent, the household is still MCE-eligible. This may occur, for example, when a household reports a change that is considered Verified Upon Receipt (VUR). The household must be reevaluated to determine if the net income meets the eligibility standards for the household size. If so, the case file must be updated to document the MCE requirements (that the household received the PUB 275 and is under the 200 percent FPL). If it is a household of three or more, and the household's net income exceeds the maximum amount allowable, and there is no corresponding amount listed in the benefit of issuance table, the household must be discontinued.

NOTE: Households of one or two persons that have been conferred MCE status will be entitled to the minimum CalFresh benefit even though the household's net income exceeds the maximum allowable regardless of the bracketed amounts displayed in the benefit of issuance tables. An MCE household of one or two persons will never have a "zero" benefit – they will always be allowed the minimum benefit (currently set at \$15). In addition, households of three or more persons that have been conferred MCE status will be entitled to the allotment amount indicated in the benefit of issuance tables by household size even if the household's net income exceeds the maximum amount allowable, even if this amount is under \$10. At the point where there is no corresponding "bracketed amount", the household would be considered having a "zero" benefit. See the "Zero Benefit Cases" section in this ACL for further clarification.

200 Percent Federal Poverty Level (FPL)

The table below displays the 200 percent FPL for Federal Fiscal Year (FFY) 2014. The table will be updated and issued annually in the Cost of Living Adjustment ACIN.

<u>Household Size</u>	<u>Gross Monthly Income</u>	<u>Annual Gross Income</u>
1	1,915	22,980
2	2,585	31,020
3	3,255	39,060
4	3,925	47,100
5	4,595	55,140
6	5,265	63,180
7	5,935	71,220
8	6,605	79,260
Each Additional Member	670	8,040

Income Reporting Thresholds (IRTs)

The United States Department of Agriculture, Food and Nutrition Service (FNS) allows states the option to set their income reporting threshold to equal the gross income limit of the program that triggers categorical eligibility. The following table displays the different IRTs for various household types. The CDSS will release further guidance on informing households of their IRT in a subsequent ACL.

Household Type	NACF CalFresh No Ineligible or Excluded Household Member	NACF CalFresh Sanctioned Individual* Not Categorically Eligible	Public Assistance CalFresh (PACF) All members are PACF Receiving CalFresh	Mixed Household Some members receive PACF All members receive CalFresh
IRT Level	200%	130%	CalWORKs IRT	2 IRTs (one for CalWORKs; one for CalFresh)

Note: If an MCE PACF household in which all members are receiving CalFresh reports income in excess of the CalWORKs IRT and CalWORKs is terminated, the household is eligible for Transitional CalFresh.

* A Sanctioned Individual may include:

- Any household member disqualified for an IPV.
- The head of household does not comply with work requirements.
- Any member of a household who has been convicted of a drug-related felony (refer to MPP Section 63-402.229). [Note: With the passage of AB 1468 (Chapter 26, Statutes of 2014) which removes the drug felon ban in California effective April 1, 2015, this may no longer apply. CDSS will address this issue in subsequent guidance.]

Quality Control (QC) Procedures

As noted above, counties must document the case record, or otherwise identify the case, as MCE for quality control purposes. Since MCE is currently being used to exclude resources from a household's CalFresh determination, the same QC procedures will apply to this new form of MCE. CWDs shall document that a household has been given the "Family Planning – PUB 275" brochure and is an MCE household. No other special procedures are required for these cases. The QC staff will continue reviewing cases using standard review procedures in addition with the policy transmitted in this letter.

Retroactive Benefits

If the CWD is unable to make necessary changes to implement MCE for all NACF applicants and continuing cases on July 1, 2014, CWDs must restore, where appropriate, lost benefits as soon as administratively feasible. In order to be able to correct the action, the county must flag the case.

Benefit Issuance

As a reminder, no issuance of less than \$10 shall be made in the month of application for all households, including those that are considered MCE, regardless of the size of the household and the amount shown in the Tables of Benefit Issuance. This includes, but is not limited to, a household whose benefit is prorated and results in a CalFresh allotment of less than \$10.

Zero Benefit Cases

For households of three or more members which are entitled to no benefits, FNS allows states the option of denying the application or certifying the household and carrying the zero benefit case. California has opted to deny these household who are otherwise CE or MCE and entitled to no benefits.

If a CE or MCE household of three or more has made a mandatory or VUR reported change in gross income and/or allowable expenses that causes their net income to increase to the point where they no longer qualify to receive any benefits, the county will discontinue the household's participation as a result of the net income exceeding the level at which benefits are issued.

For those CE households being recertified that would receive no benefits due to their net income, the county will deny the recertification application because the household's net income exceeds the level at which benefits are issued. As stated previously, if the household has an E/D member in it, the county must determine regular CalFresh eligibility (including countable resources, but with no gross income test).

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If you have any questions regarding this letter, please contact your CalFresh county consultant or call the CalFresh Policy Bureau at (916) 654-1896.

Sincerely,

Original Document Signed By:

TODD R. BLAND

Deputy Director

Welfare to Work Division