

October 21, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**ALL COUNTY LETTER NO. 22-83**

The purpose of this All County Letter is to provide County Welfare Departments with guidance regarding payments issued under the California Arrearages Payment Program issued to eligible CalWORKs, Refugee Cash Assistance, Entrant Cash Assistance, Trafficking and Crime Victims Assistance Program, CalFresh, California Food Assistance Program, Cash Assistance Program for Immigrants and Medi-Cal recipients.



**KIM JOHNSON**  
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
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**GAVIN NEWSOM**  
GOVERNOR

October 21, 2022

ALL COUNTY LETTER NO. 22-83

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY CALWORKS PROGRAM SPECIALISTS  
ALL CALFRESH PROGRAM SPECIALISTS  
ALL COUNTY REFUGEE COORDINATORS  
ALL COUNTY CONSORTIA REPRESENTATIVES

SUBJECT: CALIFORNIA ARREARAGES PAYMENT PROGRAM (CAPP):  
GUIDANCE FOR CALIFORNIA WORK OPPORTUNITY AND  
RESPONSIBILITY TO KIDS (CALWORKS), REFUGEE CASH  
ASSISTANCE (RCA), ENTRANT CASH ASSISTANCE (ECA),  
TRAFFICKING AND CRIME VICTIMS ASSISTANCE PROGRAM  
(TCVAP), CALFRESH, CALIFORNIA FOOD ASSISTANCE  
PROGRAM (CFAP), CASH ASSISTANCE PROGRAM FOR  
IMMIGRANTS (CAPI), AND MEDI-CAL PROGRAMS

REFERENCE: [ASSEMBLY BILL \(AB\) 205 \(CHAPTER 61, STATUTES OF 2022\);](#)  
[GOVERNMENT CODE \(GOV\) SECTION 16429.10; 7 CODE OF](#)  
[FEDERAL REGULATIONS \(CFR\) SECTIONS 273.8\(c\) AND 7 CFR](#)  
[273.9\(c\)\(1\)\(vii\); 45 CFR SECTION 400.66\(a\); 22 CODE OF](#)  
[CALIFORNIA REGULATIONS \(CCR\) SECTIONS 50481 AND 22 CFR](#)  
[50535.5; WELFARE AND INSTITUTIONS CODE \(WIC\) SECTION](#)  
[11004; MANUAL OF POLICIES AND PROCEDURES \(MPP\)](#)  
[SECTIONS 44-115, MPP 44-111.61\(I\), MPP 49-035.64, MPP 69-](#)  
[201.4, MPP 69-301 AND MPP 70-105; PROGRAM OPERATIONS](#)  
[MANUAL SYSTEM \(POMS\) SI 01130.676](#)

The purpose of this All County Letter (ACL) is to provide County Welfare Departments (CWDs) with guidance regarding the payments issued under the California Arrearages Payment Program (CAPP) issued to eligible California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), Trafficking and Crime Victims Assistance Program (TCVAP), CalFresh, California Food Assistance Program (CFAP), Cash Assistance Program for Immigrants (CAPI), and Medi-Cal recipients.

## **BACKGROUND**

Assembly Bill (AB) 205 (Chapter 61, Statutes of 2022) established the CAPP program to help pay customer's eligible past due energy bills that increased during the COVID-19 pandemic. The CAPP is administered by the Department of Community Services and Development (DCSD) and dedicates \$1 billion dollars from federal American Rescue Plan Act funding to address California's energy needs.

Per the [DCSD](#), if a customer account is eligible, a credit will be automatically applied to the customer's bill. Energy utilities apply for CAPP assistance on behalf of customers who incurred a past due balance of 60 days or more on their energy bill during the COVID-19 pandemic relief period covering March 4, 2020 through June 15, 2021.

## **TREATMENT OF CAPP PAYMENTS IN CALWORKS, CALFRESH, MEDI-CAL, AND IMMIGRANT PROGRAMS**

### **CalWORKs**

In accordance with Government Code (GOV) Section 16429.10(n), a payment authorized under CAPP is treated the same as the federal Earned Income Tax Credit (EITC) for programs under Division 9 of the Welfare and Institutions Code (WIC). Pursuant to the [Manual of Policies and Procedures \(MPP\) Section 44-111.61\(I\)](#), federal EITC payments are exempt from consideration as income in CalWORKs. CAPP payments thus do not count as income when determining eligibility and/or grant amount for the CalWORKs program and do not count against the resource limit for 12 months from receipt of the payment. Therefore, a payment authorized under CAPP is not subject to the in-kind income regulations outlined in the [MPP Section 44-115](#) for CalWORKs recipients.

### **CalFresh and California Food Assistance Program**

Per title [7 Code of Federal Regulations \(CFR\) Section 273.9\(c\)\(1\)\(vii\)](#), third-party payments that are not owed to the household are excluded from income. Because the CAPP payments are third-party payments not owed to the household, they are not counted as income for CalFresh or the California Food Assistance Program (CFAP) for eligibility and benefit determination purposes. In addition, credits are not considered to be resources as defined in [7 CFR 273.8\(c\)](#). Therefore, CAPP payments must also be excluded from resources entirely for CalFresh and CFAP.

### **Medi-Cal**

Regarding Medi-Cal, DHCS' policy is to treat the CAPP payment for Modified Adjusted Gross Income (MAGI) Medi-Cal as a qualified disaster relief payment similar to other disaster payments that the Internal Revenue Service (IRS) exempts from gross income pursuant to [Publication 3833](#) of the IRS. Therefore, this payment is not counted in the MAGI Medi-Cal eligibility determination. For Non-MAGI Medi-Cal, the payment would be considered exempt disaster and emergency assistance and would not be counted as income or a resource per [Title 22 of the California Code of Regulations \(CCR\) Sections 50481](#) and

**Refugee Cash Assistance, Entrant Cash Assistance, and Trafficking and Crime Victims Assistance Program**

A payment authorized under CAPP does not count as income for RCA, ECA, and the TCVAP programs and does not count against the resource limit for 12 months from receipt of the payment.

RCA follows the CalWORKs administrative rules, with certain exceptions not applicable here. As defined in [45 CFR 400.66\(a\)](#) and [MPP Section 69-201.4](#), CalWORKs program regulations apply to financial eligibility and payments for the RCA program, unless specifically superseded by RCA regulations. Unless otherwise provided, ECA and TCVAP recipients must be provided cash assistance under the same conditions and to the same extent as the RCA program per [MPP Section 69-301](#) and [MPP Section 70-105](#), respectively. Therefore, consistent with the CalWORKs analysis above, a payment authorized under CAPP does not count as income for RCA/ECA/TCVAP and does not count against the resource limit for 12 months from receipt of the payment.

**Cash Assistance Program for Immigrants**

For the purposes of determining CAPI eligibility, a payment authorized under CAPP is to be treated in the same manner as the federal earned income refund ([Government Code \(GOV\) Section 16429.10\(n\)](#)). Accordingly, pursuant to [MPP Section 49-035.64](#), income tax refunds are excluded from being counted as income in CAPI, and under [Program Operations Manual System \(POMS\) Section SI 01130.676](#), are excluded from being counted as a resource for 12 months after month of receipt. Therefore, a payment authorized under CAPP does not count as income for CAPI or against the resource limit for 12 months from receipt of payment.

If you have any questions or need additional guidance regarding CalWORKs, contact the Early Engagement and Eligibility Bureau at [CWEligibilityPolicy@dss.ca.gov](mailto:CWEligibilityPolicy@dss.ca.gov).

If you have any questions or need additional guidance regarding CalFresh or CFAP, contact the CalFresh Policy and Employment Bureau at [CalFreshPolicy@dss.ca.gov](mailto:CalFreshPolicy@dss.ca.gov).

If you have any questions or need additional guidance regarding RCA, ECA or TCVAP, contact the Refugee Programs Bureau at [RefugeePolicy@dss.ca.gov](mailto:RefugeePolicy@dss.ca.gov).

If you have any questions or need additional guidance regarding CAPI, contact the Benefit Programs and Program Integrity Bureau at [CAPI@dss.ca.gov](mailto:CAPI@dss.ca.gov).

If you have any questions or need additional guidance regarding Medi-Cal, please contact [Janis.Kimball@dhcs.ca.gov](mailto:Janis.Kimball@dhcs.ca.gov).

Sincerely,

***Original Document Signed By:***

JENNIFER HERNANDEZ  
Deputy Director Family Engagement and Empowerment Division