

July 5, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

The purpose of this letter is to provide instructions to County Welfare Departments regarding the treatment of funds paid to recipients of the Low-Income Housing Water Assistance Program (LIHWAP).



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

July 5, 2022

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: JENNIFER HERNANDEZ, DEPUTY DIRECTOR
FAMILY ENGAGEMENT AND EMPOWERMENT DIVISION

SUBJECT: CALFRESH AND CALIFORNIA WORK OPPORTUNITY AND
RESPONSIBILITY TO KIDS (CALWORKS) TREATMENT OF
INCOME RECEIVED FROM THE LOW-INCOME HOUSEHOLD
WATER ASSISTANCE PROGRAM

REFERENCE: [H.R.133 CONSOLIDATED APPROPRIATIONS ACT, 2021; ASSEMBLY BILL \(AB\) 135 \(Chapter 85, STATUTES OF 2021\); 2021 LIHWAP STATE PLAN; LIHWAP PROGRAM GUIDELINES, TITLE 7 OF THE CODE OF FEDERAL REGULATIONS \(CFR\) SECTION 273.9\(c\)\(1\)\(vii\); GOVERNMENT CODE \(GOV\) SECTION 12087.2; MANUAL OF POLICIES AND PROCEDURES \(MPP\) 63-502.2\(b\) AND 44-111.3\(o\)](#)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide County Welfare Departments (CWDs) with guidance regarding the exclusion of income received by recipients of the Low-Income Household Water Assistance Program (LIHWAP) when determining eligibility for CalFresh and CalWORKs benefits.

BACKGROUND

Established by the United States Congress in December 2020 through the [Consolidated Appropriations Act of 2021](#), LIHWAP will help low-income Californians pay down their outstanding water bills. California has been

allocated \$116 million in one-time funding to provide LIHWAP assistance to low-income households.

[Assembly Bill 135 \(Chapter 85, Statutes of 2021\)](#) designated the Department of Community Services and Development (CSD) as the administering agency for LIHWAP in California. The [2021 LIHWAP State Plan](#) states that one-time water payments will be made to water systems by CSD on behalf of eligible households, with priority given to customers with drinking water and wastewater arrearages that are in jeopardy of being disconnected or who have been disconnected. The [LIHWAP Guidelines](#) state that CSD will work with a network of Local Service Providers and a third-party funds disbursement partner, Horne LLP, to make these payments.

CALFRESH POLICY GUIDANCE

Per [7 CFR 273.9\(c\)\(1\)\(vii\)](#), if a person or organization makes a payment to a third party on behalf of a household using funds that are not owed to the household, the payment must be excluded from income for CalFresh. Additionally, per [MPP 63-502.2\(b\)](#), third-party vendor payments must be excluded from household income when determining CalFresh eligibility. For CalFresh, the one-time LIHWAP benefit payment made to water utilities on behalf of eligible households is excluded when determining CalFresh eligibility.

CALWORKS POLICY GUIDANCE

[GOV Section 12087.2](#) gives the CSD the authority to implement state guidelines and as provided in the [LIHWAP Guidelines](#), LIHWAP is modeled on existing Low Income Home Energy Assistance Program (LIHEAP) procedures, systems, and practices. Therefore, all payments from the LIHWAP program shall be treated in the same manner for the purposes of CalWORKs eligibility determination and grant calculation as the LIHEAP program, which are exempt pursuant to [MPP section 44-111.3\(o\)](#).

If you have questions or need additional guidance regarding the information in this letter, contact the CalFresh Policy and Employment Bureau at CalFreshPolicy@dss.ca.gov.

For questions related to information in this letter about the CalWORKs program, contact the CalWORKs Early Engagement and Eligibility Bureau at CWEligibilityPolicy@dss.ca.gov.