



CDSS

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EDMUND G. BROWN JR.
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June 30, 2014

ALL COUNTY WELFARE DIRECTORS LETTER

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

FROM: TODD R. BLAND
Deputy Director
Welfare to Work Division

SUBJECT: STATE UTILITY ASSISTANCE SUBSIDY (“HEAT AND EAT”)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide information regarding the new State Utility Assistance Subsidy (SUAS) program in California. SUAS replaces the Low Income Home Energy Assistance Program (LIHEAP)-based Heat and Eat Program. Please refer to All County Letters 12-61, 13-35, and 14-54, dated October 30, 2012, April 24, 2013, and May 29, 2014, respectively. The SUAS program, although replacing the program referenced in those letters, will continue to be commonly referred to as “Heat and Eat.”

Background

On February 7, 2014, President Obama signed H.R. 2642, the Agricultural Act of 2014 (the Farm Bill) into law. Section 4006 of the Farm Bill mandated that the minimum energy assistance payment required to allow a Supplemental Nutrition Assistance Program (called CalFresh in California) recipient to qualify for the Standard Utility Allowance (SUA) in the computation of their CalFresh allotment, be an amount greater than \$20. Previously, there was no minimum amount required. The Farm Bill specifies that the payment must be made under the Low-Income Home Energy Assistance Act of 1981 or other **similar energy assistance program**.

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

Effective January 1, 2013, CDSS, in partnership with the Department of Community Services and Development (CSD) provided **all** CalFresh recipients with an annual LIHEAP payment of \$0.10 in order to qualify for the SUA and promote awareness of LIHEAP benefits. This program was commonly referred to as "Heat and Eat." To continue "Heat and Eat", and to comply with the above referenced mandate in the Farm Bill, the California Legislature and Governor Brown approved Senate Bill (SB) 855 (Chapter 29, Statutes of 2014), on June 24, 2014, with an effective date of July 1, 2014. SB 855 repealed LIHEAP-based Heat and Eat and established SUAS as summarized below:

This bill repeals provisions pertaining to the existing utility assistance initiative to provide applicants and recipients of CalFresh a \$0.10 Low Income Home Energy Assistance Program (LIHEAP) benefit out of the federal LIHEAP block grant. Effective July 1, 2014, this bill creates SUAS, a state-funded energy assistance program, and requires the Department of Community Services and Development to delegate authority over the program to CDSS. CDSS must design, implement, and maintain the SUAS program, to provide households that do not currently qualify for, or receive, a standard utility allowance with a SUAS benefit, as specified, if the household would become eligible for CalFresh benefits or would receive increased benefits if the standard utility allowance was provided. This bill conditions the implementation of these provisions on an appropriation of funds by the Legislature in the annual Budget Act or related legislation.

Implementation of SUAS

The SUAS payment (\$20.01) is **only** to be provided to those households who will actually receive additional CalFresh benefits as a result of receiving the payment. These are households who are otherwise not eligible for the SUA, are not already receiving the maximum CalFresh allotment for their household size, are not already receiving the maximum shelter deduction, or are receiving an increased allotment due to the Homeless Shelter Deduction as opposed to the SUA.

New Applications

For new applications received on or after July 1, 2014, counties are to begin issuing the \$20.01 SUAS payment as soon as possible (but no later than November 30, 2014) to all of those CalFresh households (as identified above) that will receive additional CalFresh benefits or become eligible for CalFresh as a result of receiving the SUAS payment. Households receiving the SUAS payment are eligible for the SUA effective the month in which the SUAS payment is issued and for the remainder of their certification period. Therefore, the SUA cannot be applied for any month prior to the issuance of the SUAS payment.

Example 1

A household files a CalFresh application on July 17 and the case is approved on July 25 and the SUAS payment is issued to the household on July 27. Since the SUAS payment was issued in July, the household is eligible for the SUA for the month of July and for the remainder of the certification period.

Example 2

A household files a CalFresh application on July 17, the case is approved on August 5, and the SUA payment is issued on August 27. Since the case was approved and the SUAS payment was not issued until August, the household is eligible for the SUA for the month of August and for the remainder of the certification period. The household is not eligible for the SUA for the month of July, even though they are eligible to CalFresh benefits in July.

Ongoing Cases

United States Department of Agriculture, Food and Nutrition Service Administrative Notice 14-22, dated April 11, 2014, gave states several options for implementing the new Heat and Eat provisions contained in the Farm Bill of 2014 for ongoing households. California has selected the option allowing states to choose a **date certain** for all ongoing households that have been recertified since the effective date of the Farm Bill. The date certain is November 1, 2014. Therefore, in November 2014, all SUAS-eligible continuing cases that are recertified between June 1, 2014 and November 30, 2014 must be provided with the SUAS payment no later than November 30, 2014 in order to have the SUA used in the evaluation of their CalFresh eligibility and allotment amount. All other households will be issued the SUAS at recertification thereafter, beginning with recertifications in December, 2014. All ongoing households should continue to receive the SUA based on the prior LIHEAP-based Heat and Eat program until the SUAS payment is made.

Automation

Automation of the SUAS process must be completed no later than November, 2014. Until that time, counties are to utilize manual processes to evaluate household's eligibility for the SUAS and issuance of the SUAS payment.

EBT Benefit Type

Counties are to continue using existing Heat and Eat benefit type when issuing the SUAS benefit in the EBT system.

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This ACWDL is issued due to the immediate effective date of July 1, 2014 and will be followed with an All-County Letter.

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