



CDSS

JOHN A. WAGNER
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



ARNOLD SCHWARZENEGGER
GOVERNOR

REASON FOR THIS TRANSMITTAL

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

May 27, 2009

ALL COUNTY LETTER NO. 09-24

TO: ALL COUNTY WELFARE DIRECTORS
ALL FOOD STAMP PROGRAM COORDINATORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL CONSORTIUM PROJECT MANAGERS
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: MODIFIED CATEGORICAL ELIGIBILITY FOR THE FOOD STAMP PROGRAM; QUESTIONS AND ANSWERS

REFERENCE: ASSEMBLY BILL (AB) NO. 433, Chapter 625, Statutes of 2008

The purpose of this All County Letter (ACL) is to transmit implementing instructions and questions and answers (Qs&As) to County Welfare Departments (CWDs) regarding modified categorical eligibility (MCE) for the Food Stamp Program (FSP). This change is expected to increase participation in the FSP in California, particularly among working poor families; and it may reduce the workload and case processing time for CWDs because workers will no longer need to act on resource information for MCE households(HH), as the resource information will not impact FSP eligibility under MCE.

Under current FSP regulations, Non-Assistance Food Stamps (NAFS) applicant households that have countable resources in excess of \$2,000 (\$3,000 for a household with an elderly or disabled member) would be ineligible to participate in the FSP. However, in the wake of the welfare reform of the late 1990s, federal interpretation of regulations has allowed states significantly greater flexibility in determining which households receiving Temporary Assistance for Needy Families (TANF) or TANF/Maintenance of Effort (MOE) benefits or services may be considered categorically eligible for the FSP.

Currently, the California Department of Social Services (CDSS) provides a program of categorical eligibility (CE) as specified in MPP Sections 63-301.6,.7, and .8 that applies

to food stamp (FS) households in which all members are authorized or receiving cash aid benefits, such as California Work Opportunity and Responsibility to Kids or General Assistance/General Relief. These households are not subject to the gross income test (130 percent of federal poverty level), the net income test (100 percent of federal poverty level), or the FS resource test. As the income levels and resource limits for these cash aid programs are equal to or stricter than the requirements for the FSP, the FSP accepts eligibility determinations made by the cash aid programs and other information, such as sponsored non-citizen information, county residency, and social security number information.

AB 433, Chapter 625, Statutes of 2008, requires CDSS to establish a program of categorical eligibility for food stamps in accordance with Section 5(a) of the federal Food Stamp Act of 1977 [7 U.S.C. Sec. 2014(a)] (renamed the Food and Nutrition Act of 2008 effective October 1, 2008) to improve nutrition and promote the retention and development of assets and resources for needy households who meet all other FSP eligibility requirements. This results in resources not being considered for purposes of FSP eligibility. This change is expected to increase participation in the FSP and may alleviate the administrative burden on CWDs associated with evaluating resource eligibility for the FSP. CDSS is required to establish an MCE program by July 1, 2009, and to fully implement it as to new food stamp applicants no later than January 1, 2010.

Effective July 1, 2009 for the existing NAFS caseload and no later than January 1, 2010 for new FS applicants, CWDs shall confer MCE to those households with children under 18 who would otherwise be eligible for food stamps--except for their exceeding the resource limit--by providing the household with a TANF/MOE-funded service. This service will be in the form of the "Family Planning – PUB 275" brochure (sample attached). The brochure contains information on locating family planning services providers and the benefits of family planning services available to assist households in need. At the time of implementation, counties must apply this process on a county-wide basis.

CWDs shall have the option of providing the PUB 275 in all NAFS application packets for households with a child under 18 at intake and recertification or at such time it is discovered that such a household is ineligible due to excess resources. This can be accomplished by presenting the head of household or authorized representative with the PUB 275 during the face-to-face interview or by mail in the case of a telephone or other out-of-office interview. Receipt of this brochure by a household with a child under 18 will confer MCE for the FSP. CWDs should order a quantity of "Family Planning – PUB 275" brochures from the CDSS Warehouse in sufficient number for all households with children under 18 to which the county plans to distribute the brochure. Additionally,

the brochure is available on the CDSS Internet website.

SYSTEMS IMPLICATIONS

Counties shall implement MCE beginning July 1, 2009 for the existing NAFS caseload. MCE can be implemented for new applicants beginning July 1, 2009 and must be fully implemented no later than January 1, 2010. Counties need to work with their consortia representatives to ensure that their systems are capable of processing MCE cases.

QUALITY CONTROL (QC)

As MCE is a new program in which resources are excluded from a household's FSP eligibility determination, 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. QC staff will continue reviewing cases using standard review procedures.

FORMS/CAMERA-READY COPIES

For camera-ready copies of the English language version of the PUB 275, contact the CDSS Forms Management Unit at (916) 657-1907. If your office has internet access, you may obtain this form from the CDSS web page at:

<http://www.dss.cahwnet.gov/cdssweb/entres/forms/English/PUB275Eng.pdf>

When all translations are completed per MPP 21-115.2, they will be posted on an ongoing basis on our web site. The PUB 275 is currently translated and available in Cambodian, Chinese, Hmong, Lao, Russian, Spanish, and Vietnamese. Copies of translated forms and publications can be obtained at:

http://www.dss.cahwnet.gov/cdssweb/FormsandPu_274.htm.

The camera-ready copies of the Spanish language version of the PUB 275 SP are currently on the CDSS web site at:

<http://www.dss.cahwnet.gov/cdssweb/entres/forms/Spanish/PUB275SP.pdf>

For questions on translated materials, please contact Language Services at (916) 651-8876.

All County Letter No. 09-24
Page Four

RETROACTIVE BENEFITS

If the CWD is unable to effect necessary changes to implement MCE by July 1, 2009 for the existing NAFS caseload or by January 1, 2010 for new applicants, lost benefits must be restored as soon as is administratively feasible.

If you have any questions regarding this letter, please contact Tiffany Jones at (916) 654-1905 or via e-mail at Tiffany.Jones@dss.ca.gov.

Sincerely,

Original Document Signed By:

CHARR LEE METSKER
Deputy Director
Welfare to Work Division

Attachments

**Questions and Answers on AB 433 Modified Categorical Eligibility
for the Food Stamp Program**

1. **Question:** Which households will meet the definition of “families” for the purpose of qualifying for Modified Categorical Eligibility (MCE)?

Answer: Non-Assistance Food Stamp (NAFS) applicant households with children under 18 who would otherwise be eligible for food stamps (FS) except that the household (HH) would be resource ineligible.

- A. Must a child be FS eligible? (What if the only child is receiving SSI/SSP or is an ineligible non-citizen?)

Answer: No, but the family must meet all other Food Stamp Program eligibility requirements except resources.

- B. Does the fact that a household member is pregnant make the household a “family”?

Answer: No, because there is not yet a child in the household.

- C. Does the degree of relationship between the adult(s) and the child matter?

Answer: No, as long as they are purchasing and preparing food together.

2. **Question:** Once a family has been provided with a TANF-funded brochure, does the family’s MCE status remain through future recertifications?

Answer: Yes, as long as the household’s MCE status remains unchanged. A PUB 275 only needs to be provided to households with children whose resources might make them ineligible for food stamp benefits.

3. **Question:** When the only child turns 18, when will we need to reevaluate eligibility based upon regular resource limits?

Answer: For all households, reevaluate eligibility for MCE at recertification.

Questions and Answers on AB 433 Modified Categorical Eligibility for the Food Stamp Program

4. **Scenario:** A household is receiving NAFS benefits and consists of mother, 35 years old, and son, 17 years old. The household has excess resources, but has been determined eligible under MCE. The QR Payment Quarter is April/May/June. On April 15, the 17-year-old leaves the home.

Question: When would the mother be discontinued, since there is no more MCE eligibility, end of the current quarter or end of current recertification period? What would be the reason for termination and what text would the CWD use in the notice of action? What would be the results if the household was change reporting?

Answer: Once the household is determined MCE, that determination continues until the end of the certification period. Therefore, the CWD discontinues the mother at recertification. The reason for termination is that the household is no longer MCE, since the child left the home and excess resources apply.

5. **Question:** Are clients expected to declare (in an application) and report (QR 7) resource changes?

Answer: Reporting requirements have not changed with the implementation of MCE. Clients are expected to declare resources on the current application, at recertification, and on the QR 7.

6. **Question:** How are discontinuing CalWORKs (CW) households (due to resources) addressed in relationship to Transitional Food Stamps (TFS) and MCE? For example, CW discontinued for excessive resources: Does the household roll over to TFS first and then the HH can reapply after the TFS period as an MCE HH, or should the HH be evaluated for MCE at the time of CW discontinuance and determine which HH type is more beneficial to the client in terms of allotment amounts?

Answer: The household should be transferred to TFS. The household may reapply if the household wants to receive regular FS benefits.

7. **Question:** What type of client noticing is expected with MCE households?

Answer: Counties would be expected to provide a change/termination notice and add the appropriate language, as needed, on the notice to cover various situations.

Questions and Answers on AB 433 Modified Categorical Eligibility for the Food Stamp Program

8. **Question:** How do the policy changes as a result of AB 433 impact the current FS regulations regarding resources for current CE households receiving cash aid?

Answer: AB 433 does not impact the current FS regulations regarding resources for the current CE households receiving cash aid.

9. **Question:** When a household has MCE status (due to exclusion of excess resources) does the CWD have legal authority to send back a QR 7 as 'incomplete' if the family does not answer the resource questions?

Answer: Yes, the QR 7 must be completed in its entirety, including the *resources* question.

10. **Question:** Is there any money budgeted for automation costs?

Answer: No, the Governor's budget does not include automation costs.

11. **Question:** Should an aid code be used to identify the MCE population?

Answer: No new aid code will be used for the MCE population. All consortia indicated that MCE cases can be flagged or have an indicator placed on the cases. Counties are to flag or indicate MCE cases.

12. **Question:** Are the counties going to be required to report on this new category of MCE? If so, will a new state report be created or will an existing one be used?

Answer: All consortia indicated that MCE cases can be flagged or have an indicator placed on the cases. The state will be requesting information on the MCE cases at least during the first year of implementation.

13. **Scenario:** Case is a mother and child eligible for MCE in County 'A' in August 2009 (County 'A' implemented MCE for existing recipients and new applicants in July 2009). Mother and child move to County 'B' in September 2009 and apply for food stamps with resources still over the limit. County 'B' has not implemented the MCE for new applicants and does not plan on doing so until January 1, 2010.

Question: Is client now ineligible for Food Stamps in County 'B'?

Answer: Yes, provided the household has excess resources, the household is ineligible for food stamp benefits in County 'B'.

**Questions and Answers on AB 433 Modified Categorical Eligibility
for the Food Stamp Program**

14. **Question:** Is an MCE household subject to QC review?

Answer: Yes

15. **Question:** Is there a hold harmless period?

Answer: No, there is no hold harmless period.

16. **Question:** Counties are giving a TANF-funded brochure in order to qualify families for MCE, however a family for MCE does not include a pregnant woman-only household, yet the pregnant woman-only household can have cash aid in her last trimester. Should she, being TANF funded (CW-like family), also get MCE in her last trimester of pregnancy?

Answer: If she is receiving cash aid, she is already CE and is not eligible for MCE. If she is not receiving cash aid, she does not meet the definition of an MCE household because she is not considered to have a child under 18 in the household.

17. **Question:** Once a family has been provided with a TANF-funded brochure, does the family's MCE status remain through future breaks in aid?

Answer: Yes, as long as the household's MCE status remains unchanged. A PUB 275 only needs to be provided to households with children whose resources might make them ineligible for food stamp benefits.

18. **Question:** If a family with a child under 18 has excess resources but is determined to be eligible to modified categorical eligibility, are resources considered in determining entitlement to expedited service?

Answer: The resource exemption as a result of MCE would impact program eligibility and not entitlement to the expedited service process. Therefore, the resources of an MCE household would be used when determining entitlement to expedited service in accordance with MPP Section 63-301.51.