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**DEPARTMENT OF SOCIAL SERVICES**

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November 2, 2012

ALL COUNTY LETTER 12-62

REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CALFRESH COORDINATORS  
ALL CaWORKs PROGRAM SPECIALISTS  
ALL CONSORTIUM PROJECT MANAGERS  
ALL QUALITY CONTROL PROGRAM COORDINATORS

SUBJECT: EXAMPLES OF MODIFIED CATEGORICAL  
ELIGIBILITY/BROAD-BASED CATEGORICAL ELIGIBILITY  
HOUSEHOLDS FOR CALFRESH

REFERENCE: WELFARE AND INSTITUTIONS CODE (WIC) SECTION  
18901.5, ALL COUNTY LETTER NO. 11-11, ALL COUNTY  
LETTER NO. 09-24

The purpose of this All County Letter (ACL) is to provide County Welfare Departments (CWDs) with clarification and examples regarding Modified Categorical Eligibility (MCE) as defined in the All County Letters (ACL) referenced above. It has become apparent through Quality Control reviews that the application of Modified Categorical Eligibility (MCE) has not been consistent with federal Broad-based Categorical Eligibility (BBCE) rules. This information is the result of direction received from the United States Department of Agriculture, Food and Nutrition Service (FNS).

The FNS identifies three types of categorical eligibility:

1. *Broad-based categorical eligibility* (BBCE): The BBCE refers to the policy that makes most households eligible for CalFresh benefits because the household receives a Temporary Assistance to Needy Families (TANF)/Maintenance of Effort (MOE)-funded service, such as a brochure or pamphlet.
2. *Narrow categorical eligibility*: Narrow categorical eligibility refers to the policy that makes a smaller number of households eligible through the receipt of a TANF/MOE-funded service such as child care or counseling. Both BBCE and Narrow categorical eligibility are for households not

receiving a cash benefit, such as California Work Opportunity and Responsibility to Kids (CalWORKs).

3. *Traditional categorical eligibility* (CE): The CE refers to the mandatory policy that makes households eligible for CalFresh benefits because the household receives TANF (CalWORKs), or General Assistance.

On July 1, 2009, California implemented MCE for households with children under the age of 18 who would otherwise be eligible for CalFresh benefits, except for their exceeding the resource limit. MCE was conferred by providing the household with a TANF/MOE-funded service. The TANF/MOE-funded service for MCE is the “Family Planning – PUB 275” brochure. MCE was expanded to all Non-Assistance CalFresh (NACF) households on February 1, 2011, thus making the program a MCE/BBCE.

As stated in ACL 09-24 (dated May 27, 2009), receipt of the PUB 275 exempts all resources in the determination of eligibility for households **who meet all other CalFresh eligibility requirements**. In California, 130% of the Federal Poverty Level (FPL) has been established as the maximum gross income that a household can have in order to have MCE/BBCE conferred through receipt of the PUB 275. It must be documented by the CWDs that the income requirement (130% FPL) for the TANF-funded service is satisfied before MCE/BBCE can be conferred. Receipt of the PUB 275 does not, in itself, confer MCE/BBCE to a household.

The following examples illustrate various case situations and how they should be treated under MCE/BBCE.

### **Intake Non-Assistance CalFresh Applications**

#### **Example 1**

A CalFresh applicant (non-Elderly/Disabled) comes into the CWD and receives an application packet (or completes an online application). Included in the application packet (or on a linked web-site) is the PUB 275 (Family Planning brochure).

During the intake interview, it is determined that the household has gross income that **does not exceed** 130% of the FPL for its household size. Therefore, because the household has received the PUB 275, it can be considered to be MCE/BBCE-eligible because the gross income did not exceed the maximum allowable for the TANF-funded service.

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) the PUB 275 was provided to the household and (3) that MCE/BBCE was conferred.

## **Example 2**

A CalFresh applicant (non-Elderly/Disabled) comes into the CWD and receives an application packet (or completes an online application). Included in the application packet (or on a linked web-site) is the PUB 275.

During the intake interview, it is determined that the household has gross income that **exceeds** 130% of the FPL for its household size. Therefore, even though the household has received the PUB 275, it cannot be considered to be MCE/BBCE-eligible because the gross income exceeds the maximum allowable for the TANF-funded service. It must be established in the CWD's procedures that the income requirement (130 % of FPL) for the TANF-funded service must be satisfied before MCE/BBCE can be conferred.

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/BBCE was not conferred, even if the PUB 275 was provided to the household. As a result of the household not being entitled to MCE/BBCE, the CalFresh application would be denied because the household's gross income exceeded the CalFresh gross income limit.

## **Continuing Cases**

### **Example 3**

It is discovered that a continuing CalFresh case (that previously received or had on-line access to the PUB 275) has gross income exceeding 130% of the FPL. Because the gross income limit for MCE/BBCE (130% of the FPL for its household size) has been exceeded, the household is no longer considered eligible for the TANF-funded service, and is no longer MCE/BBCE eligible. 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/BBCE status no longer exists, even if the PUB 275 was provided to the household.

- For change-reporting households, the CWD shall issue a timely notice of action within 10 days of the date the change was reported and terminate the case no later than the end of the month for which the timely notice was issued. The household cannot be terminated for exceeding the gross income limit for CalFresh until the MCE/BBCE status has been removed.
  - For example, a household reported an increase in earned income on October 12. The CWD sent a notice of action to the household on October 20 stating the household would be terminated on October 31 because their gross income for the household was over the threshold and their MCE/BBCE status was removed. *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/BBCE*

*status no longer exists, even if the PUB 275 was provided to the household.*

- For Quarterly Reporting (QR) households, the case should be terminated at the end of the current payment quarter. It is critical that the case record reflects that MCE/BBCE eligibility no longer exists, and that the household's CalFresh eligibility has ended, in that chronological order. The household cannot be terminated for exceeding the gross income limit for CalFresh until the MCE/BBCE status has been removed.
  - For example, a QR household's payment quarter is January through March. The household reports an increase in income on February 7 which makes the household ineligible for MCE/BBCE because the gross income for the household has been exceeded for its size. The CWD will send a notice of action stating the case will be terminated as of March 31 because their gross income for the household was over the threshold and their MCE/BBCE status was removed. *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/BBCE status no longer exists, even if the PUB 275 was provided to the household.*

#### **Example 4**

A household of one or two persons comes into the County Welfare Department and receives an application packet (or completes an online application). Included in the application packet (or on a linked web-site) is the PUB 275.

During the intake interview, it is determined that the household has gross income that **does not exceed 130%** of the FPL for its household size. In California, 130% of the FPL has been established as the maximum gross income (for the TANF-funded service, the PUB 275) that a household can have in order to have MCE/BBCE conferred through the receipt of the PUB 275. Therefore, because the household has received the PUB 275, it can be considered to be MCE/BBCE-eligible as the gross income does not exceed the maximum allowable for the TANF-funded service.

During the determination of the household's benefit allotment, it is determined that the household's **net** income exceeds the maximum amount allowable for its household size. Households of one or two persons that have been conferred MCE/BBCE status will be entitled to the minimum CalFresh benefit (\$16) even though the household's net income exceeds the maximum amount allowable for their household size. The same is true for Traditional CE households. The individual case record must first document the household's gross income did not exceed the limit for the TANF-funded service (PUB 275) and that MCE/BBCE was conferred and the PUB 275 was provided to the household.

### **Example 5**

A household of three or more persons comes into the County Welfare Department and receives an application packet (or completes an online application). Included in the application packet (or on a linked web-site) is the PUB 275.

During the intake interview, it is determined that the household has gross income that **does not exceed 130%** of the FPL for its household size. Therefore, because the household has received the PUB 275, it can be considered to be MCE/BBCE-eligible as the gross income does not exceed the maximum allowable for the TANF-funded service.

During the determination of the household's benefit allotment, it is determined that the household's **net** income exceeds the maximum amount allowable for its household size. Households of three or more persons that have been conferred MCE/BBCE status will be entitled to the allotment amount indicated in the tables of benefit issuance by household size even if the household's **net** income exceeds the maximum amount allowable. The individual case record must first document the household's gross income did not exceed the limit for the TANF-funded service (PUB 275) and that MCE/BBCE was conferred and that the PUB 275 was provided to the household.

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

Sincerely,

***Original Document Signed By:***

TODD R. BLAND  
Deputy Director  
Welfare to Work Division