

Higher Gross Income Limit Presents Growing Opportunity to Increase CalFresh Participation

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9.07.16 According to the California Department of Social Services (CDSS) Local Assistance Estimates for the FY 2016-17 state budget, the number of low-income households in California who are likely to enroll in CalFresh due to the state's adoption of Modified Categorical Eligibility (MCE) is predicted to rise substantially in FY 2016-17. CDSS estimates that the projected average monthly caseload enrolled in CalFresh through MCE will grow from 26,032 in FY 2015-16 to 36,752 for FY 2016-17, an increase of 41.2%.¹

This means that households with gross incomes between 130% and 200% of the Federal Poverty Level (FPL), potentially eligible for CalFresh per the state's adoption of MCE, represent a growing opportunity to increase CalFresh participation, which at 66% continues to lag far behind the national average of 85%.²

Background: MCE Raises the Gross Income Limit for CalFresh

The 2014-15 State Budget included a provision to increase the gross income limit to 200% of the FPL for the TANF-funded service that confers categorical eligibility for all CalFresh households. Practically speaking, this change raised the CalFresh gross income limit from 130% FPL to 200% FPL. The net income limit of 100% still applies, though not to households containing a senior or disabled member.

Opportunities to Leverage the Growing CalFresh-Eligible Population

Opportunity #1: Increasing Uptake of Allowable Deductions

The change was enacted to allow households with high need and high expenses, such as childcare or housing costs, to receive the critical nutrition benefits CalFresh provides to over 4 million Californians. Since many of these newly eligible households will have relatively higher incomes, in order to meet the net income limit of 100% FPL they will need to claim allowable deductions.

¹ Local Assistance Estimates for the 2016-17 Governor's Budget, available at: <http://www.dss.cahwnet.gov/cdssweb/entres/localassistanceest/Jan2016/EstimateMethodologies.pdf>

² Cunnyngham, Karen. United States Department of Agriculture Food and Nutrition Service, Reaching Those in Need: State Supplemental Nutrition Assistance Participation Rates in 2013, available at: <http://www.fns.usda.gov/sites/default/files/ops/Reaching2013.pdf>

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What are Allowable Deductions?

Households can deduct earned income and certain expenses from their gross income to determine their net monthly income. Claiming these expenses will increase the likelihood that a household is able to meet the net income limit. For those households that do meet the net income limit, deductions can also result in an increase to their monthly benefit amount, allowing them to put more nutritious food on the table for themselves and their families.

Allowable Income and Expense Deductions for CalFresh Households

- Standard deduction (applied to all households)
- Earned income deduction for working households
- Dependent care deduction for working households
- Medical expense deduction (for seniors and disabled persons with out-of-pocket medical expenses)
- Excess shelter cost deduction
- Homeless shelter deduction (for homeless persons not receiving free shelter)
- Utility deduction

Program administrators and eligibility workers should ensure effective screening and verification of all allowable deductions, particularly in circumstances where an applicant household has gross income between 130% and 200% FPL and deductions could help meet the net income limit.

Opportunity #2: Linking Nutrition and Health Coverage

Since the adoption of the Affordable Care Act (ACA), more than 4.7 million Californians have enrolled in health coverage through Medi-Cal.³ Since the income eligibility limit for Medi-Cal is 138% FPL, lower than the CalFresh gross income limit of 200% as of July 1, 2014, many more households that qualify for health coverage will also be eligible for nutrition assistance through CalFresh. There are a number of actions the state and county welfare departments can take to support efforts to promote dual enrollment in health and nutrition programs for low-income Californians, including:

³ <http://www.dhcs.ca.gov/individuals/Pages/AffordableCareActLinks.aspx>

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- Increasing outreach to Medi-Cal enrollees not receiving CalFresh to make them aware of their likely eligibility and benefit amount for CalFresh;
- Maximizing the effectiveness of the Covered California application “checkbox” referral process by ensuring that relevant data from health coverage applicants requesting referral to CalFresh is shared with and acted upon by county CalFresh administrators;
- Standardizing county-level best practices such as cross-training staff in Medi-Cal and CalFresh programs and implementing “no wrong door” policies to create a seamless, simultaneous enrollment and reporting process for CalFresh and MediCal.

Read more about increasing CalFresh participation at [CFPA’s CalFresh Page](#).

Access CFPA’s CalFresh State Administrative Agenda. [PDF](#)

Have Questions? Contact Jared Call at 213.482.8200 ext 201 or jared@cfpa.net