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**CSD PROGRAM NOTICE - CSBG**

**CPN-C-16-01**

**ISSUE DATE** May 19, 2016

**EXPIRATION DATE** Until Rescinded or Revoked

**FROM:**   
Linné Stout, Director

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**SUBJECT** Eligibility for Households Receiving CalWORKs Benefits

**PURPOSE** The purpose of this Notice is to provide local agencies with guidance on client eligibility for Community Services Block Grant (CSBG)-funded services, when receiving benefits under the Temporary Assistance to Needy Families (TANF) program, known as California Work Opportunity and Responsibility to Kids (CalWORKs) program in California (hereinafter TANF/CalWORKs).

**SCOPE** This Notice applies to all CSBG eligible entities and organizations designated to receive CSBG funds.

**REFERENCE** CSBG Act, 42 USC §§9901(1), 9902(2)  
CA Gov. Code §12730(h)  
45 CFR §96.30 (a)

**EFFECTIVE DATE** Upon Issuance

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**GENERAL**

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**Background** Agencies have requested guidance on the issue of eligibility for applicants/households that apply for CSBG-funded services and receive TANF/CalWORKs assistance, but have a monthly income exceeding 100% of the Federal Poverty Level (FPL). Federal law states that individuals/households must not exceed 100% of the FPL to be eligible for CSBG services. According to State law, however, TANF/CalWORKs participants are automatically eligible to receive CSBG-funded services,

despite the potential to exceed the income eligibility criteria. This Program Notice resolves the conflict between Federal and State law and ensures both purposes are not overlooked.

TANF/CalWORKs is a program that provides cash aid and education, employment, and training programs to California families with low or very low incomes who are either under-employed, unemployed, or about to become unemployed to move toward self-sufficiency. One of the CSBG Act's key purposes [42 USC §9901(1)] is to support activities that help remove obstacles to self-sufficiency, particularly for families "attempting to transition off" of TANF, also known as CalWORKs in California.

## Analysis

Federal Law states that the poverty line (100 percent of the FPL) "shall be used as criterion of eligibility in the community services block grant program." (42 USC §9902 (2)). The Federal law does provide some flexibility to states when determining the eligibility levels for CSBG-funded programs. "Whenever a State determines that it serves the objectives of the block grant program... the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph." (42 USC §9902 (2)).

State CSBG law considers (without using the terminology 'categorical eligibility') CalWORKs recipients as automatically eligible for CSBG-funded services:

(h) "Eligible beneficiaries" means all of the following:

- (1) All individuals living in households with incomes not to exceed the official poverty line according to the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services, as defined in Section 9902 of Title 42 of the United States Code, as amended.
- (2) All individuals eligible to receive Temporary Assistance for Needy Families under the state's plan approved under Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code) or assistance under Part A of Title IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.).
- (3) Residents of a target area or members of a target group having a measurably high incidence of poverty and that is the specific focus of a project financed under this chapter.

[Cal. Gov. Code §12730(h)]

For the purpose of determining CSBG household eligibility, "household" is defined in accordance with the United States Department of Health

and Human Services poverty guidelines. The poverty guidelines provide the official poverty measure for persons in families/households of 1 or more persons. Using this measure, the CSBG household is defined as 1 or more persons.

This language creates a potential conflict between Federal and State CSBG laws, as Federal law does not provide categorical eligibility for CSBG-funded services to TANF/CalWORKs participants, who may exceed 100 percent of the FPL, as provided in California's CSBG law. Federal statute, however, does grant authority to increase the eligibility level for CSBG-funded programs to 125 percent of the FPL (42 U.S.C. § 9902(2)).

To resolve potential conflicts between state and federal laws, CSD must take legal and policy implications into account when creating guidelines. If there is a conflict between federal and state law, CSD is required to adhere to federal law, as it is considered the "supreme law of the land" and supersedes state law. Therefore, the foundational rule in this case must be that CSBG applicants' income shall not exceed 100% of the FPL. While this initial rule resolves potential federal challenges, it does not fully capture State law, TANF/CalWORKs and CSBG programs' mission: to reduce poverty and assist applicants gain self-sufficiency.

Both the Federal and State CSBG statutes make an explicit connection between CSBG and TANF or CalWORKs and the purpose of self-sufficiency by providing resources to those individuals moving away from poverty. This purpose seems to be defeated if a family that receives CalWORKs is unable to receive CSBG-funded services, some of which provide opportunities for CalWORKs recipients to fulfill/comply with the program's work participation requirements. CSD has the authority to allow CalWORKs participants to participate in CSBG-funded programs if the household income does not exceed 125 percent of the FPL, in accordance with the Federal statute's flexibility to states.

## **Conclusion**

To accomplish the purpose of the CSBG and CalWORKs programs, and to comply with both state and federal law, agencies administering CSBG shall consider an applicant/household who does not receive CalWORKs and does not exceed 100% of the FPL eligible for CSBG-funded programs. An applicant/household who receives CalWORKs and exceeds 100% of the federal poverty level, but does not exceed 125% of the FPL is also eligible for CSBG services.

The increase in income eligibility for CSBG applicants is limited to participants of the CalWORKS program. Participants in other federally or state funded programs such as SSI, CalFresh, or Head Start, must qualify at the 100% FPL to be eligible for CSBG-funded programs.