2022 Categorical Eligibility Study

A Report to the California Investor-Owned Utilities

Submitted by Evergreen Economics

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Table of Contents

1 Executive Summary

1.1 Background and Objectives

California's investor-owned utilities (IOUs) hired Evergreen Economics to review and assess means-tested programs that could qualify households categorically for three utility programs for low-income households. These programs are the California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and the Family Electric Rate Assistance (FERA) programs.

1.1.1 Background

CARE and ESA currently allow households to receive a discounted energy rate or services if they meet specified income guidelines or are enrolled in one of nine third-party programs[1] that have been approved as categorical eligibility programs as a proxy for income eligibility. FERA provides discounted electric rates for some households whose incomes exceed CARE thresholds; the program does not currently offer categorical eligibility.

Categorical eligibility was approved in a California Public Utilities Commission (CPUC) decision in 2006. The intent was to provide a way for income-qualified households to apply for low-income utility programs that was seen as easier than providing the household's income level. In 2008, the CPUC expanded the list of CARE and ESA categorical eligibility programs to match those used by the CPUC's LifeLine program at the time.

Current categorical eligibility programs are:

- Bureau of Indian Affairs General Assistance
- CalFresh (Food Stamps/Supplemental Nutrition Assistance Program)
- CalWORKs/Temporary Assistance for Needy Families (TANF) or Tribal TANF
- Head Start Income Eligibility (Tribal Only)
- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid/Medi-Cal for Families A & B
- National School Lunch Program (NSLP)
- Supplemental Security Income (SSI)
- Women, Infants, and Children Program (WIC)

[1] Some programs on our list are identified by prior names or sub-program categories in IOU documents, resulting in a longer list of programs in some documents (depending on how they refer to programs and subprograms).

To receive a discounted CARE energy rate, households can self-certify their income or participation in an approved categorical program; proof is not required unless the household is later selected for post-enrollment verification, which is conducted on between 3 and 6 percent of participating households. These same options apply to recertification once the initial qualification period of two years (or longer for some customer groups) expires. FERA operates similarly, except that categorical enrollment is not available. Households receiving one-time ESA energy efficiency services do need to provide verification of income or categorical eligibility to the program contractor providing in-home services.

1.1.2 Study Objectives and Approach

This primary purpose of this study is to update the IOUs' understanding of how well current categorical programs are aligned with the intended eligibility criteria for low-income energy programs to ensure proper vetting of applicants' eligibility while ensuring low barriers to the application process and to recommend any needed updates in the use of categorical eligibility programs. Specific study objectives are to:

1. Assess how well the eligibility requirements of current categorical eligibility programs match with those of CARE, ESA, and FERA;
2. Identify other means-tested programs that could serve as proxies for eligibility;
3. Recommend practical criteria for selection of programs to be used to provide categorical eligibility and recommend which programs should provide categorical eligibility going forward; and
4. Inform potential future auto-enrollment of participants from recommended categorical eligibility programs.

This report addresses the first three study objectives by providing a list of recommended categorically eligible programs, criteria for their evaluation, and data that inform their fit and suitability. (Evergreen Economics has also provided a separate database that documents detailed parameters for each program we reviewed.) A separate discussion in this report that is dedicated to auto-enrollment addresses the fourth objective.

The core part of the study entailed a review of 17 third-party programs provided by the IOU study team and by study stakeholders. To assess the degree of alignment and their potential use for categorical eligibility into CARE, ESA, and FERA, Evergreen:

- Reviewed the categorical eligibility study conducted previously, as well as applicable regulatory decisions;
- Reviewed CARE, ESA, and FERA processes including;
    - Regulatorily required guidelines and decisions; and
    - Utility operating practices;

- Collected data about the 17 third-party programs in two phases:
    1. Gathering publicly available information presented by the programs in public-facing information;
    2. Conducting interviews with program representatives to confirm program details, including eligibility requirements, alternate paths to entry, and verification processes;
- Developed a database for analysis of program parameters and comparisons to ESA, CARE, and FERA requirements;
- Developed criteria for categorizing the 17 third-party programs into six different categories of program alignment;
- Conducted analysis and synthesis to categorize the degree of alignment for each of the 17 third-party programs; and
- Interviewed IOU program, data, and legal staff and reviewed documents related to auto-enrollment, including an evaluation of relevant LifeLine pilot efforts, a Universal Application System working group report, and related regulatory findings.

1.2 Key Findings and Recommendations

Study findings and recommendations address the continued use of categorical eligibility for CARE and ESA, the possible use of categorical eligibility for FERA, and observations concerning auto-enrollment as an additional mechanism for providing CARE and FERA rates to eligible households served by the IOUs.

1.2.1 Continued Use of Categorical Enrollment for CARE and ESA

Evergreen recommends that the California IOUs continue to use participation in CalFresh, WIC, and LIHEAP as options to certify eligibility for enrollment in CARE and ESA. Participation in one of these "categorical" programs can qualify a customer for the low-income programs without providing household income. The IOUs may also consider using American Indian and Alaska Native (AIAN) Head Start, California Head Start, CalWORKs, SSI, and LifeLine, but with safeguards that only income-qualified participants use categorical enrollment to enroll in the IOU programs since these programs have alternative paths to entry that are not income-based. Other programs that are currently being used for categorical enrollment that would deviate from CPUC guidelines for eligibility are Medi-Cal and the National School Lunch Program. The research team was not able to obtain sufficient information about the Bureau of Indian Affairs (BIA) General Assistance program to provide a recommendation.

These recommendations are based on the following criteria:

- **Assurance of eligibility:** the degree to which the income of participants of third-party programs is verified upon enrollment and after enrollment.

- **Unit of qualification:** the degree to which the unit of qualification for participants of third-party programs is comparable to the household-level standard for IOU programs.
- **Comparable income levels:** the extent to which income requirements align with 200 percent of the federal poverty level (FPL) for CARE and 250 percent for ESA.
- **Alternative paths to entry:** the relevance of alternate, non-financial ways to qualify for the program.

None of the recommendations would preclude any income-eligible household from receiving reduced rates under CARE or energy-saving measures under ESA. Households may still apply through another accepted categorically eligible program or self-certify their income without needing to find or provide documentation upon application. Additionally, readers should note that almost all of the third-party programs investigated in this study use more rigorous validation of income than CARE uses, for which income is self-certified, and are at least equivalent to ESA's verification processes.

Program interviews revealed several other means-tested programs that were not part of this study but may be worth further exploration. They are:

- Refugee Programs Bureau services
- The US Department of Housing and Urban Development's (HUD's) Family Unification program
- HUD's Veterans Affairs Supportive Housing program
- HUD's Foster Youth to Independence program
- Migrant or Seasonal Head Start program

1.2.2 Use of Categorical Eligibility for FERA

The IOUs do not currently use categorical eligibility for FERA, which provides reduced rates for households with three or more people whose income falls just above the threshold for CARE. Use of categorical eligibility for FERA is a lower priority in large part because enrollment in FERA is much lower than enrollment in CARE. While the adoption of categorical eligibility for FERA is technically feasible, it is not practical given the current slate of categorical programs for two reasons:

1. None of the categorical programs uses income thresholds that would distinguish between CARE and FERA eligibility. In other words, all households that would be found to be eligible for FERA would also qualify for CARE, which provides greater rate reductions and is more advantageous to participants.

2. None of the third-party programs uses a minimum household size of three individuals, so enrollment in categorical programs would still require separate certification of a key non-income requirement for participation.

1.2.3 Considerations for Auto-Enrollment

Evergreen evaluated the benefit and relevance of auto-enrollment for CARE and FERA. Auto-enrollment is a feasible process for the IOUs that takes time and effort to set up but can be operationalized to function mostly automatically once it is established. Concerns about auto-enrollment center mostly around data-related legal liability for utilities when they maintain additional data about individuals and households that are not core to their energy and account transactional needs. Despite auto-enrollment's feasibility, the ultimate benefit of providing it is unclear as estimated CARE penetration is already very high and past efforts to auto-enroll water utility customers in CARE and CARE customers in LifeLine have yielded only small numbers of new enrollees. We recommend that the anticipated and desired number of new enrollments (or another value of auto-enrollment) be specified more clearly before needed processes and costs are examined further and more quantitatively.

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2 Introduction

Income eligible customers of California investor-owned utilities[2] (IOUs) may apply for the California Alternate Rates for Energy (CARE) or the Family Electric Rate Assistance (FERA) programs to receive discounted energy rates. They may apply for Energy Savings Assistance (ESA) services to receive free one-time energy efficiency improvements for the home. These programs exist to help ensure that low-income households can meet their in-home energy needs and to reduce energy burdens.

Application procedures differ among these three programs. Two of the programs offer the option to use categorical programs in lieu of income to show eligibility. Categorical programs are local, state, or federal means-tested programs that serve as a proxy for vetting income qualification and have been approved for use by the California Public Utilities Commission (CPUC). There are currently nine such “categorical eligibility” programs for use by IOU low-income programs. The intent behind the use of categorical programs is to reduce the burden of and barriers to applying for lower rates or services.

To receive a discounted CARE rate, households can self-certify their eligibility by indicating their income on the application or noting any categorical programs in which the household participates without providing any proof or documentation. In contrast to CARE, ESA applicants do need to show proof of income or categorical program participation, and FERA applicants can apply using income qualification only but are not required to show proof when enrolling.

These same options apply to recertification as well. Recertification for CARE and FERA occurs every two, four, or six years and may occur by self-certification of income or categorical enrollment, or by showing proof of income or categorial enrollment (if selected for verification). Verification of income or participation in categorical programs is requested only from 3 to 6 percent of participants in CARE or FERA while they are already enrolled and receiving the discounted rates. Recertification does not apply to ESA because the services are not on-going.[3]

[2] California’s IOUs are Southern California Edison (SCE), Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E).

[3] Additional detail about requirements and procedures for CARE, ESA, FERA, and the third-party programs reviewed for this study is included in the study, in Appendix A, and in a stand-alone program database that complements this report. The database has been provided to the IOUs.

Auto-enrollment and cross-program data sharing are additional procedures designed to ease enrollment processes across low-income programs, though these procedures are not as prevalent as categorical eligibility.

To ensure an efficient and sufficiently thorough application and verification process for the IOUs, it is essential that categorical eligibility programs align with eligibility criteria of CARE, ESA, and FERA (if categorical eligibility is used for FERA in the future). The primary purpose of this study is to update the IOUs' understanding of how well current categorical programs are aligned with the intended eligibility criteria for low-income energy programs to ensure proper vetting of applicants' eligibility while ensuring low barriers to the application process and to recommend any needed updates in the use of categorical eligibility programs. Specific study objectives are to:

1. Assess how well the eligibility requirements of current categorical eligibility programs match with those of CARE, ESA, and FERA;
2. Identify other means-tested programs that could serve as proxies for eligibility;
3. Recommend practical criteria for selection of programs to be used to provide categorical eligibility and recommend which programs should provide categorical eligibility going forward; and
4. Inform potential future auto-enrollment of participants from recommended categorical eligibility programs.

The following regulatory background offers context on the relevance of this study.

2.1 Regulatory Background

The CPUC has made a series of changes and expansions to the eligibility criteria for CARE and ESA over the years. In 2005, the CPUC increased the income threshold option for CARE eligibility to 200 percent of the federal poverty level (FPL). Additionally, the LifeLine program expanded its eligibility standards to include income eligibility or categorical eligibility. Categorical eligibility was approved in a 2006 decision for use by the low-income programs offered by SCE, PG&E, SoCalGas, and SDG&E. The intent was to provide a way for income-qualified households to apply for low-income utility programs that was seen as easier than providing the household's income level.

In 2008, the CPUC expanded the list of CARE and ESA categorical eligibility programs to match the LifeLine program, resulting in 11 eligible programs. In 2012, the IOUs initiated a study to evaluate categorical eligibility programs.[4] That study found that some programs aligned with then-existing eligibility requirements for the IOU programs, but that none did so completely.

[4] See: ICF International. 2013. *CARE and ESA Program Categorical Eligibility Study*. Southern California Gas Company.

In 2019, the IOUs filed budget applications for the low-income programs for the period from 2021 to 2026. At this time, the IOUs requested approval for a study to review programs used for categorical eligibility enrollment into CARE and ESA. In D. 21-06-015, the CPUC approved funding for this statewide categorical eligibility study. The decision additionally directed the IOUs to include FERA and add research on auto-enrollment into CARE and FERA programs as an additional topic in the authorized Categorical Eligibility Study.

2.2 Program Overview

Table 1 lists the 17 third-party programs assessed by this study, presents their California and associated federal program names (where applicable), and lists the shortened name used for each in this report. We also provide the approximate number of California-wide participants where available from our third-party research and the approximate number of CARE enrollees in the most recently completed year who cited participation in the program as a basis for eligibility.[5]

[5] We chose data on categorical enrollment in CARE rather than ESA as an indicator of categorical eligibility because CARE is the larger program, and the CARE application process allows the listing of multiple categorical programs. As such, CARE data provide the more comprehensive indication of cross-program participation.

Table 1: Third-Party Programs

Third-Party Program Name	Related Federal Program	Shortened Program Name	Approximate Enrollment in California	Approximate Number of Categorical Participants in CARE
Bureau of Indian Affairs General Assistance*	-	BIA General Assistance	Unable to determine	712
CalFresh Program*	Supplemental Nutrition Assistance Program (SNAP)	CalFresh	2,684,296 households 4,741,370 individuals	247,358
California LifeLine Program	Lifeline Program	LifeLine	1,239,134 households	Not Applicable[6]
California's Military Family Relief Fund	-	California's Military Family Relief Fund	10 households	Not Applicable
California Work Opportunity and Responsibility to Kids*	Temporary Assistance for Needy Families (TANF)	CalWORKs	290,488 households	32,494
Chafee Foster Care Independence Program	John H. Chafee Foster Care Program for Successful Transition to Adulthood	Chafee Foster Care Independence Program	4,100 individuals (ETV)	Not Applicable
Child Care and Development Block Grant (CCDBG)	Child Care and Development Block Grant (CCDBG)/Child Care and Development Fund (CCDF)***	Child Care and Development Block Grant	147,504 households 246,345 individuals	Not Applicable

[6] The approximate number of categorical participants in CARE is only available for current categorical programs.

Third-Party Program Name	Related Federal Program	Shortened Program Name	Approximate Enrollment in California	Approximate Number of Categorical Participants in CARE
Children's Health Insurance Program	-	Children's Health Insurance Program	1,289,472 individuals	Not Applicable
Head Start Income Eligible (Non-Tribal)	Head Start	California Head Start	87,819 individuals	Not Applicable
Head Start Income Eligible (Tribal Only)*	American Indian and Alaska Native Head Start (AIAN Head Start)	AIAN Head Start	825 individuals[7]	2,028
Housing Choice Voucher Program	California Public Housing and Housing Choice Vouchers	Section 8**	304,540 households	Not Applicable
Low Income Home Energy Assistance Program*	-	LIHEAP	159,095 households	36,176
Medi-Cal*	Medicaid	Medi-Cal	12,560,382 individuals	482,672
National School Lunch Program for California*	National School Lunch Program	National School Lunch Program	3,075,107 individuals	96,321
Supplemental Security Income*	-	SSI	1,192,888 individuals	83,369

[7] The number of individuals supported by Head Start funds at any one time during the program year (also known as “funded enrollment”) is 825. This does not count the total number of participants as it does not include individuals who have left the program and those who have filled their spaces over the entire program year (this would be captured in “cumulative enrollment”). Due to this turnover, the number of individuals served may be greater than 825. We do not currently have the cumulative enrollment for AIAN Head Start in California.

Third-Party Program Name	Related Federal Program	Shortened Program Name	Approximate Enrollment in California	Approximate Number of Categorical Participants in CARE
Supportive Housing for the Elderly Program	-	Section 202	77,213 individuals	Not Applicable
Women, Infants, and Children Program*	-	WIC	947,788 individuals	82,845

* Current categorical program for CARE and ESA

** Not to be confused with Section 8 Projects

*** CCDBG is an act that reauthorized CCDF

3 Methodology

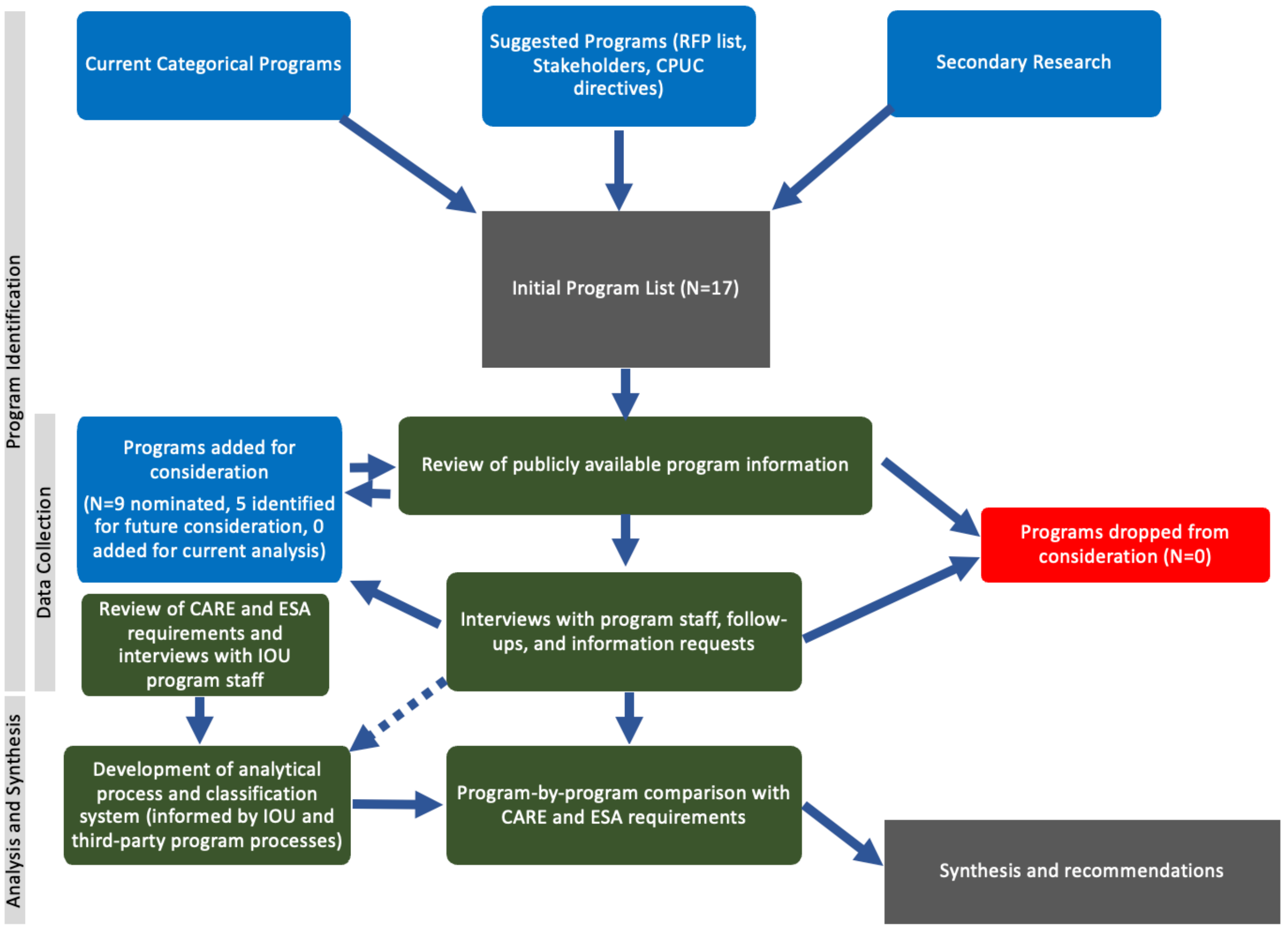
Evergreen's methodology for assessing potential categorical eligibility was based on a comparison of key characteristics of eligibility criteria, enrollment processes, and verification processes for the California Alternate Rates for Energy (CARE) and the Energy Savings Assistance (ESA) programs with those of the selected third-party programs that are either currently available for categorical eligibility or that have been suggested to us for inclusion. We compared each third-party program to CARE and to ESA separately and classified each third-party program into one of the six categories of alignment for each of the IOU programs. The differences in CARE and ESA program implementation did not affect the analysis of categorical eligibility programs. None of the programs we reviewed fell in-between the requirements or processes for CARE and ESA (where the two IOU offerings differ), so all of the programs align with both CARE and ESA similarly.

The overall approach involved:

- Identification of third-party programs for review;
- Creation of a database that included fields based on key eligibility criteria, informed by interviews with IOU program staff on CARE, ESA, and FERA;
- Review of publicly available information to populate database fields;
- Interviews with representatives associated with the third-party programs, including public affairs specialists, section chiefs of eligibility, and outreach team members. The interviews explored database elements that were not available via the public documents and confirmed our understanding of publicly available requirements and processes;
- Analysis and synthesis, which included the development of an analytical approach and a database of program variables and data;
- Development of a classification system;
- Comparisons of third-party programs to CARE and ESA criteria; and
- Synthesis of results.

Figure 1 presents our study approach visually in even more detail. Although not illustrated here, we also reviewed CARE and ESA program requirements and interviewed IOU program staff as part of our study initiation activities. This work provided the basis on which we compared third-party programs to CARE and ESA.

Figure 1: Study Approach for Third-Party Programs



3.1 Program Identification

We assessed the potential fit of 17 third-party programs for potential categorical eligibility use for CARE and ESA. The list of third-party programs was provided to us by the IOU study team. The programs on the list were either already categorical eligibility programs or had been identified by the IOUs, the CPUC, or stakeholders as needing exploration. We did ask the program staff we interviewed (representing the 17 third-party programs) whether there were additional programs we should consider. Altogether, these interviewees suggested nine additional programs, five of which appeared to us to warrant future consideration and exploration (see Section 4.4.1). We made that determination based on a review of the number of people served by the programs, the targeted populations, and whether the programs had the potential to provide the categorical eligibility enrollment option for CARE and ESA-eligible households not already included in existing categorical programs. We did not analyze these additional programs recommended by interviewees so that we could stay within the scope, timeline, and budget of the study.

3.2 Data Collection

Evergreen reviewed CARE and ESA program requirements and interviewed IOU program staff as part of our study initiation activities in order to ensure a thorough understanding of the key details of enrollment and subsequent processes. This information served as the basis for formulating the variables we gathered about third-party programs and the nature of our comparisons of third-party program requirements and processes with those of the IOU programs. Specific information we covered included:

- ***Eligibility requirements***, including types of applying entities allowed, income requirements, categorical enrollment options, account types and statuses permitted;
- ***Application and enrollment processes***, including outreach efforts, application modes, verification practices, and documentation requirements; and
- ***Post-enrollment processes,*** such as duration of enrollment, reapplication/recertification processes, post-enrollment verification practices, and documentation requirements.

Data collection on third-party programs consisted of two steps. First, we examined publicly available information about each program, usually relying on the website associated with the program, the program's implementer, or the agency overseeing the program funding to obtain formally documented information. Second, we reached out to program staff for interviews to confirm the information we had already gathered and to inquire about program information we had not yet found. As needed, we made information requests or followed up with our program contacts to fill in any remaining gaps. These data collection efforts occurred primarily in November and December 2022 with follow-ups extending into early 2023.

Our data collection was guided by a program database that we developed for the study analysis. The database lists the various variables and data elements we sought to collect whenever relevant and available. Table 2 describes and lists these data.

These metrics were used to screen the programs for alignment, contribute to our overall assessment of the program, and provide information and logistical context. For each element, we first looked at publicly available information and, where necessary, asked program representatives. During our data collection, we prioritized understanding the services provided, the target audiences, the unit of qualification, financial eligibility standards, non-financial paths to qualification, duration of services before a reapplication or recertification would be required, and documentation requirements. To the extent feasible, we gathered the additional information identified in the table once we had covered the core data elements.

Table 2: Data Elements Collected About Third-Party Programs

Data Category	Data Element
Program Details	Program Name
	Description of Primary Outreach and Enrollment Paths
	Unit of Qualification
	Duration of Eligibility Until Recertification
	Maximum Duration of Benefits
	Recertification Frequency and Process
	Repercussions of Receiving Benefits When Not Qualified
	Program Participant Removal Process
Financial Eligibility Details	Household Income Limit
	Description of Income Limit Metric
	Other Financial Requirements
	Household Income Limit Function of FPL
	Frequency/Triggers for Updates to Eligibility Criteria
Non-Financial Eligibility Details	Non-Financial Eligibility Qualifiers
	Non-Financial Eligibility Requirements
	Citizenship Requirements
	Categorical Eligibility Programs Used
	Frequency/Triggers for Updates to Eligibility Criteria
Application Details	Description of Application/Enrollment Process
	Proof of Income Required with Application
	Non-Financial Documents Required with Application
	Application Modes
	Application Number of Pages
	Application - Ease of Completing
Verification Details	Description of Verification Process
	Verification on Enrollment
	Verification Post-Enrollment – process and details
	Types of Proof of Income Accepted
	Time Period that Proof of Income is Accepted

3.3 Analysis and Synthesis

The analytical phase of the study consisted of comparing third-party program requirements and processes to those of CARE and ESA and determining the extent to which participation in the third-party programs can serve as a substitute for income-based qualification. The core question we sought to address here was: Does enrollment in the third-party program essentially ensure that applying households would qualify for CARE and ESA if they applied on the basis of household characteristics?

3.3.1 Process

The process for answering the core question of third-party suitability as categorical enrollment options involved program-by-program comparisons of the third-party programs with CARE and ESA. We examined the following key characteristics for each program:

- ***Unit of Eligibility:*** Does the third-party program eligibility apply to an individual or a group of individuals? Are households defined similarly to the IOUs' definition?[8]
    - Both CARE and ESA qualify households, meaning the household income cannot be higher than the threshold.
    - Minimum standard to be classified into "good alignment"[9]: Third-party program applies income requirements to a household rather than just the applicant or a served individual.
- ***Income Eligibility Thresholds:*** Do the *maximum income thresholds* for the third-party program align with those of CARE and ESA or ensure that non-qualified enrollment would be minimal? If so, is income defined similarly?
    - CARE uses an income limit of 200 percent of the currently established federal poverty level for the applying household's size. ESA uses an income limit of 250 percent of the same federal poverty level.
    - Minimum standard to be classified into "good alignment": Third-party program income thresholds are no higher than those of CARE or ESA (considered separately) if using federal poverty level or reasonably well matched and intending to serve the

[8] This question addresses the fact that the IOU program information refers to household-based qualification and eligibility, but the two rate programs—CARE and FERA—functionally address those served by an account linked to a meter in most cases, while ESA serves housing units. The account-based approach mirrors households in most cases, but not completely. The same is true of some third-party programs that define their served unit as a group of people who live together and share a common expense (such as food). Here too, the program definition serves households, but not completely. We explored whether the intent and approach behind serving eligible groups of people that resemble technical definitions of households were sufficiently and practically similar.

[9] Good alignment refers to categories 1 or 2 (defined below) or program-qualified participant groups within categories 3 or 4.

same income groups if using an income standard different than federal poverty level.

- ***Other Non-Income Eligibility Criteria:*** Does the third-party program allow *alternate paths to entry* (or qualification) for benefits that do not require income eligibility, such as alternative characteristics that qualify applicants for services or categorical enrollment options? If so, how do these alternate paths to entry compare to CARE and ESA requirements? How potentially substantial are they?
    - CARE and ESA each allow a list of third-party programs to be used for categorical enrollment. Categorical enrollment by third-party program using these same programs as a path to entry would be consistent with CARE and ESA.
    - Minimum standard to be classified into "good alignment": All significant paths to eligibility meet the income threshold either directly (through consideration of income as part of the application process) or indirectly (by ensuring that income thresholds are met through other means, such as categorical eligibility with programs that ensure income eligibility).
- ***Duration of Program Participation:*** Does the third-party program offer program benefits for a limited amount of time?
    - CARE enrollment requires recertification every two, four, or six years (depending on customer characteristic). ESA offers one-time weatherization. For CARE participants selected for post-enrollment verification, proper documentation must be received or the participant is removed from the rate.
    - Minimum standard to be classified into "good alignment": Third-party programs require review of eligibility at least as often as the IOU program (for which we used a two-year standard).
- ***Assurance of Eligibility:*** Does the third-party program *ensure eligibility* by requiring documentation of income qualification on a schedule and through processes that are at least as thorough as those of CARE and of ESA?
    - CARE allows applicants to simply state that they are eligible without requiring documentation unless the household is selected for post-enrollment verification (which comprises between 3 and 6 percent of enrolled households). ESA requires proof of income and allows a variety of documents specified in its policy and procedures manual.
    - Minimum standard to be classified into "good alignment": Third-party programs provide at least as much rigor in ensuring that applicants actually meet eligibility standards as do the IOU programs.

We classified each of the third-party programs as meeting or not meeting the standards for CARE and ESA for its participants along each of these dimensions and overall.[10] We then classified each third-party program into one of the following categories:

Category 1 – Best-aligned programs. These programs are best aligned both in how key criteria, such as income and served clientele, are defined and how well the definitions and processes align with those of the IOU programs.

Category 2 – Next-best aligned programs. Similar to category 1, but income eligibility is based on a different metric than the federal poverty level, resulting in misalignment for some household sizes (e.g., area median income). Future alignment is less assured because the metrics used by the IOU programs for the third-party programs in this category could deviate over time.

Category 3 – Partially aligned programs. The third-party programs in this group generally have multiple paths to entry, most of which align with IOU program requirements and some that do not. May be more feasible to include as a categorical eligibility program than category 4 programs.

Category 4 – Partially aligned programs. The third-party programs in this group generally have multiple paths to entry, many of which do not align with IOU program requirements. May be less feasible to include as a categorical eligibility program.

Category 5 – Least aligned programs. The third-party programs in this group generally have fundamentally weak alignment.

Category 6 – Programs that could not be vetted sufficiently due to lack of publicly available information.

As noted in the *Challenges and Nuances* discussion below, program requirements and processes rarely align precisely. We allowed some variation from a total fit. See also Attachment A for a description of how each program aligned or did not align and for our program-specific determinations of potential fit.

3.3.2 Challenges and Nuances

We note here some of the challenges we encountered and our thought processes in addressing them during our analysis, synthesis, and development of recommendations:

[10] When standards were met for an identifiable subset of program participants, we noted that as well and assessed how well that subset of participants could be singled out for categorical enrollment into CARE or ESA.

Use of varied metrics of poverty and income

Third-party programs use a variety of ways to define income thresholds. Some use the federal poverty level (FPL), which is also the metric used by the CPUC in defining IOU program eligibility. Others use area median income, state median income, or fixed income amounts per applicant, household, or household size category. Where possible, we compared the income thresholds of third-party programs to those of the CARE and ESA scales, which are based on 200 percent and 250 percent of the FPL, respectively.

We treated the third-party program as consistent with the IOU programs if they used effectively stricter or comparable income thresholds for most of the common household sizes (one through five-person households) and as inconsistent if they used more generous income thresholds for most of the common household sizes. When the comparison was more nuanced, we flagged the program as one that could potentially serve as a categorical eligibility option for only some household sizes. In the case of programs that use area median income, we substituted state median income as a proxy. Our comparisons of these various income scales are shown in Attachment B.

We recognize that differing scales, such as the FPL and area or state median income, could diverge over time, creating a risk of further misalignment that might otherwise go unnoticed. This possibility caused us to avoid classifying any programs that do not use the FPL in category 1. However, we did allow otherwise well-matched programs to be placed in category 2 (and below).

Definitions of households and participants served

The IOU programs define eligibility for CARE and ESA as a served household, but functionally enroll customers into CARE at the *utility account* level (except for master-metered buildings) and treat *housing units* with ESA services. Third-party programs vary in their definitions of who is served. At the most basic level, most programs treat households, individuals, or a combination of the two.

Generally, we treated programs that serve households as being aligned, even though they may differ from the IOUs on technical definitions of who is included. For example, while the IOUs seek to serve groups of people who live together, use energy delivered to their housing unit, and pay for it together, programs that provide food-related assistance may define households as people who live together and buy or prepare meals together. We treated these nuances as being fundamentally equal.

In contrast, programs that specify unique “assistance units” or other served entities that are designed to deviate from households for some participants presented themselves as a misalignment. If these alternative definitions were a fundamental part of the program, we treated the program as being not aligned with CARE and ESA. In those cases, as well as for programs serving individuals or couples who could be either the entire household or part of a household with unspecified income levels, we categorized the third-party program in categories 3, 4, or 5 (not aligned). If there were meaningful opportunities to separate households that are income qualified and served in their entirety from those that are not, we flagged the program as providing a possible nuanced categorical enrollment option.

Multiple paths to entry

Several third-party programs offer multiple parallel ways for how participants can qualify, including income-based eligibility and needs or characteristics that are independent of income. Others use categorical enrollment with programs that may or may not meet IOU standards. At least one program uses income-based eligibility to initially qualify but will keep serving households with needs that no longer meet the entry criterion. All of these scenarios pose risks to the IOUs that participants in these third-party programs may not be income qualified, even if the financial thresholds of the program are consistent with those of CARE and/or ESA. In these cases, we categorized the third-party programs in categories 3 or 4 if the alternative path to entry was presented as a substantial part of the program design.

Ambiguity concerning numbers of third-party program participants that would qualify for ESA and CARE

As noted above, we identified household sizes that do and do not align if income scales used by the third-party programs differ from those of CARE and ESA. These comparisons, as well as a chart showing the number of low-income and total households in California by household size, are included in Attachment B.

In contrast, when the source of misalignment was based on alternative paths to entry, we were generally unable to get specific participation numbers for each of the various participant subgroups, either because the program representatives did not have them or because the programs are delivered at a local level (either with uniform or varied implementation), and attempting to gather statewide data would have been prohibitively complex. Instead, we relied on two factors in deciding how to classify programs.

If the source of the misalignment was the program's use of categorical enrollment options, we examined which programs were used in that capacity and whether they are currently categorical enrollment options for the IOU programs as well. If the source of the misalignment was based on non-financial household characteristics, we considered whether the alternative path to entry was a seemingly fundamental component of the program or a rare or unusual exception. If it appeared to be a fundamental component, we classified the program as category 4 or lower even without quantitative information on the number of participants affected.

Our rationale in making these classifications was that categorical eligibility for CARE and ESA is a convenience, and applications based on income eligibility are only slightly more difficult than those based on categorical eligibility. In the case of CARE, the application could be considered as effectively similar for most who apply based on categorical eligibility and those who apply based on income eligibility. Households that apply for CARE based on income eligibility self-certify their income without needing to provide documentation as proof.

3.4 Auto-Enrollment Investigation

In addition to assessing categorical eligibility, we were asked to review opportunities and challenges related to possible auto-enrollment of third-party program participants into CARE and FERA. We evaluated the benefit and relevance of auto-enrollment from the perspective of CARE and ESA enrollment. This study's primary purpose of assessing alignment of programs and suitability for categorical enrollment is a substantial part of understanding possible auto-enrollment. To answer additional study questions on auto-enrollment, we:

- Conducted three exploratory interviews with contacts from SCE, PG&E, and SoCalGas to develop a high-level understanding of what auto-enrollment would look like from the perspective of the IOUs and any partner program, including what requirements would need to be met and what opportunities and challenges exist.
- Held an email discussion with program contacts at LifeLine to gain more context on data sharing between the IOU programs and LifeLine.
- Reviewed a LifeLine data sharing pilot evaluation report and an MOU/NDA from the IOU data sharing efforts with water utilities, as well as relevant CPUC decisions related to data sharing initiatives to further inform our understanding of related efforts.

4 Results

Study results are broken out into five components: third-party programs' alignment and usability for categorical eligibility by CARE and ESA, the programs' alignment with FERA, use of categorical enrollment among third-party programs, additional observations concerning categorical eligibility, and insights concerning auto-enrollment. Discussions of alignment with CARE and ESA are combined because the third-party programs align with these two IOU programs equally despite the latter's differences in eligibility and verification requirements.[11] For readers desiring more detailed information, the appendices provide a program-by-program discussion of alignment and classifications. A database developed for this study was delivered to the IOUs separately as a reference tool with more complete information about each third-party program and sources.

4.1 Third-Party Program Alignment with CARE and ESA

Figure 2 summarizes the results of our analysis, showing that two of the 17 third-party programs included in this study could be classified as having the strongest alignment with both CARE and ESA (category 1) and a third programs follows close behind (having fallen into category 2). The remaining programs are distributed among the remaining categories with lesser degrees of alignment. The figure illustrates these results on the far right, while also illustrating how the programs fared individually and collectively when compared to CARE and ESA for key factors that are important for categorical eligibility.

Table 3 following the figure summarizes the classification system and provides the rationale for subsequent recommendations about which programs should be used as categorical programs for both CARE and ESA.

[11] While CARE and ESA have different income thresholds and income verification processes, third-party programs aligned equally well with both. No third-party programs we reviewed set their income threshold in-between those of CARE and ESA, and all meet the verification requirements of the stricter of the two (ESA). Hence, our classification groupings are the same for both CARE and ESA and can be presented as a single result for both programs.

Figure 2: Third-Party Program Classifications

	Assurance of eligibility *Compare to self-certification for CARE with limited post-enrollment verification**	**Unit of qualification** *Compare unit of qualification to household-level standard for IOU programs*	**Comparable income levels** *Compare to income limits of 200% FPL for CARE; allow comparable income scales*	**Alternative paths to entry** *Examine relevance of alternate, non-financial ways to qualify for the program*
Meets or exceeds IOU program standards*	AIAN Head Start California Head Start CalFresh CalWORKs CCDBG CHIP LIHEAP LifeLine Medi-Cal NSLP Section 8 Section 202 SSI WIC	AIAN Head Start California Head Start CalFresh CalWORKs CCDBG CHIP CMFRF LifeLine LIHEAP Medi-Cal NSLP Section 8 Section 202 WIC	AIAN Head Start California Head Start CalFresh CalWORKs LifeLine NSLP Section 8 Section 202 WIC	CalFresh WIC LIHEAP
Hybrid situation; potentially identifiable participants meet IOU standards; others do not			LIHEAP SSI	AIAN Head Start California Head Start CalWORKs CHIP Lifeline Medi-Cal NSLP Section 8 Section 202 SSI
Does not meet IOU program standards	BIA General Assistance CFCIP CMFRF	BIA General Assistance CFCIP SSI	BIA General Assistance CCDBG CFCIP CHIP CMFRF Medi-Cal	BIA General Assistance CFCIP CMFRF CCDBG

Category 1
CalFresh
WIC

Category 2
LIHEAP

Category 3
AIAN Head Start
California Head Start
CalWORKs
Lifeline
SSI

Category 4
CHIP
Medi-Cal
NSLP
Section 8
Section 202

Category 5
CMFRF
CFCIP
CCDBG

Category 6
BIA General Assistance

Legend: Meets or exceeds IOU program standards* | Hybrid situation; potentially identifiable participants meet IOU standards; others do not | Does not meet IOU program standards

*IOU program standards for verification and income thresholds differ between CARE, ESA, and FERA. This diagram shows comparisons to CARE. Resulting categorizations for ESA were the same as CARE. (See far right column.)

Category 1
Align structurally. Low likelihood of including ineligible participants

Category 2
Appear to serve similar set of household. Modest likelihood of including ineligible participants

Category 3
Partial alignment, lend themselves to some nuanced inclusion

Category 4
Partial alignment, more challenging for nuanced inclusion

Category 5
Structural differences. Considerable risk that many ineligible households served

Category 6
Could not be suitably vetted

Table 3: Definition of Categories

Category	Alignment	Recommendation	Notes
1	Best	Recommended	Programs' income thresholds use the same metrics and equal or more restrictive income levels. While not a perfect match in other respects, these programs seek to serve the same (or a more limited) set of households as CARE and ESA.
2	Next best	Recommended with an option	Program is reasonably well aligned in most respects, but defines income thresholds differently than CARE or ESA, resulting in tighter income standards for some household sizes and more generous ones for others (e.g., FPL vs. AMI). There is modest risk that a significant number of ineligible households would be served by ratepayers.
3	Partial alignment	Option to use partially	Programs align with CARE or ESA requirements in substantial ways for identifiable groups of participants but align poorly for other participants due to multiple paths to entry. Options to use programs on a partial basis depend on how feasible it is to differentiate between participants who qualified based on income and those who are in the program based on other paths to entry.
4	Partial alignment	Not recommended	Similar alignment as category 3, but with less apparent opportunities for partial use.
5	Least alignment	Not recommended	Programs align with CARE and ESA only partially with a substantial risk that a significant number of ineligible households could be served by ratepayers.
6	Unclear	No recommendation possible	Cannot be vetted due to lack of publicly available information.

4.2 Third-Party Program Alignment with FERA

The IOUs do not currently use categorical eligibility for FERA, which provides reduced rates for families whose income falls just above the threshold for CARE.[12] Use of categorical eligibility for FERA is a lower priority in large part because enrollment in FERA is much lower than enrollment in CARE.[13] While the adoption of categorical eligibility for FERA is technically feasible, it is not practical given the current slate of categorical programs for two reasons.

First, none of the categorical programs uses income thresholds that would distinguish between CARE and FERA eligibility. In other words, none of the third-party programs examined for this study would allow identification of households that fit specifically into the FERA income limits of 200 to 250 percent of the federal poverty level. As a result, all households that would be found to be eligible for FERA due to participation in categorical programs identified by this study would also qualify for CARE, which provides greater rate reductions and is more advantageous to participants.

Second, none of the third-party programs uses a minimum household size of three individuals, so enrollment in categorical programs would still require separate certification of a key non-income requirement for participation.

4.3 Use of Categorical Eligibility Among Third-Party Programs

Third-party programs use categorical eligibility with each other, both among the 17 third-party programs included in this study and with other programs that have not been reviewed for potential fit with CARE and ESA. Figure 3 shows which third-party programs use each other as a categorical eligibility option. The rows indicate programs' use of categorical eligibility, and the columns indicate programs that are used as indicators of eligibility. Programs that are categorical for CARE and ESA are labeled with asterisks. Two asterisks indicate that the program is both a current categorical program for CARE and ESA and falls into our categories 1 or 2. CARE and ESA are not categorical programs for other third-party programs. At least five of the nine current categorical eligibility programs have categorical eligibility among other third-party programs.

The colored boxes indicate which third-party programs use each other as a categorical eligibility option, with the colors indicating the following:

- **Green:** Indicates programs that are currently used for categorical enrollment into CARE and ESA and that we are recommending for continued use. These are current categorical programs that are in category 1, category 2, or category 3.

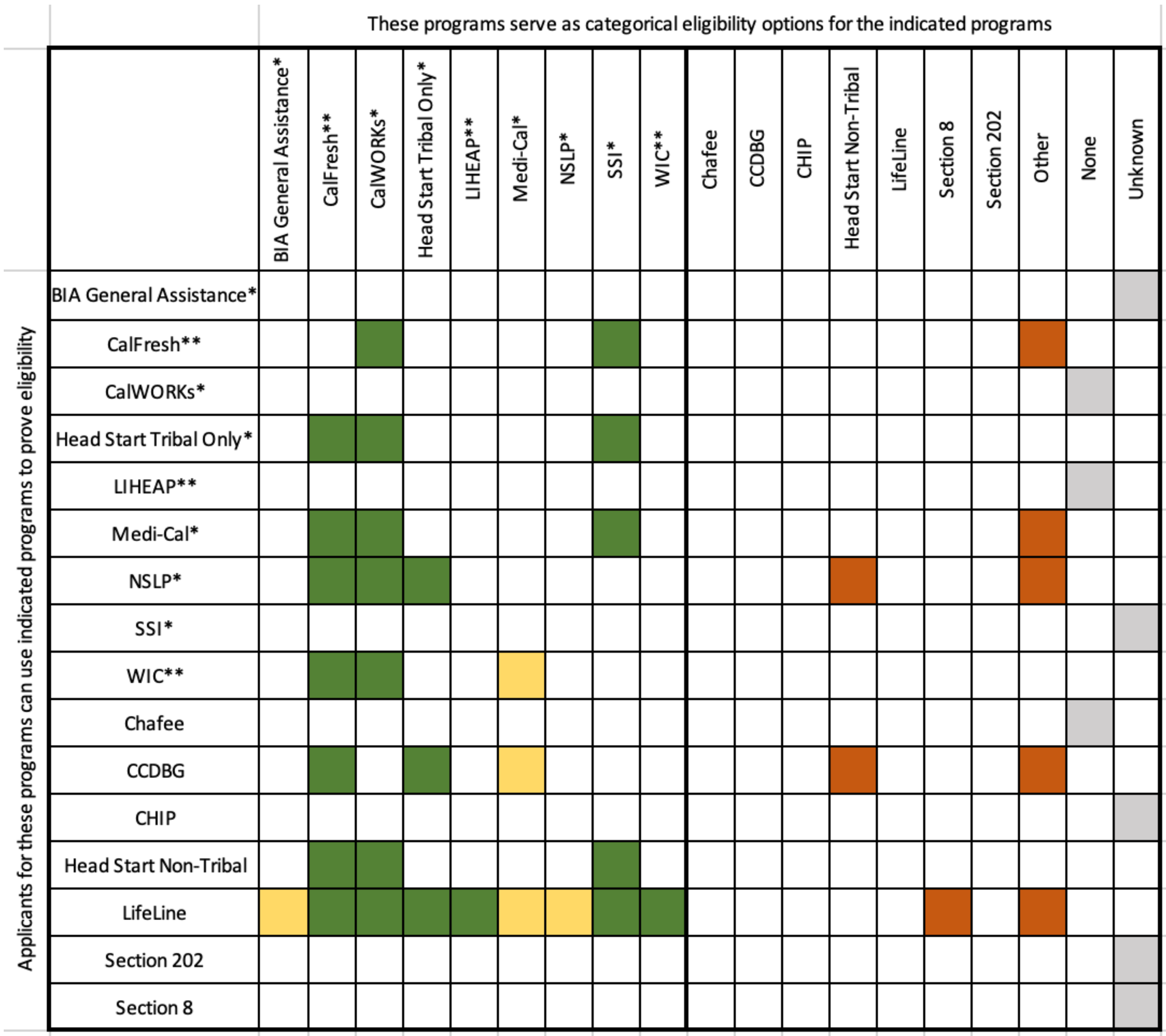
[12] Electric customers with at least three household members and incomes between 200 and 250 percent of FPL qualify for discounted rates under FERA.

[13] In 2021, the IOUs' new enrollments for CARE were over 700,000, but only 16,927 were for FERA.

- **Yellow:** Indicates programs that are currently used for categorical enrollment into CARE and ESA that we are not recommending for continued use. These are current categorical programs that are in category 4 or category 5.
- **Red:** Indicates programs that are not currently used for categorical enrollment into CARE or ESA. These are programs that are not current categorical programs.
- **Grey:** Indicates that these programs either have no categorical programs or have unknown categorical programs.

Illustrative Example: LifeLine allows applicants to show eligibility through participation in any of 11 categorical programs. Six of these programs are current IOU categorical programs that we identified for complete or partial continued use (indicated by green squares), three are current IOU categorical programs that we do not recommend for continued use (yellow squares), and two are programs that are not used for IOU program categorical eligibility (red squares).

Figure 3: Categorical Eligibility Among Third-Party Programs[14]



* Current categorical program for CARE and ESA

** Category 1 and 2 programs

For all programs except CalFresh and Medi-Cal, categorical eligibility is determined if a member of the household is enrolled in one of the other public assistance programs. For CalFresh, every member of the household must be enrolled in CalWORKs, SSI, or other general assistance to be

[14] "Other" indicates that there are programs that were not included in this analysis used as categorical programs for these third-party programs. "Unknown" indicates that we were unable to determine whether these programs had categorical eligibility as an option for enrollment

deemed categorically eligible. Categorical eligibility for Medi-Cal is only applied if the individual is enrolled in one of the other programs.

The programs in the “Other” column are programs that were not investigated in this study, but were flagged as alternative paths to entry:

- **CalFresh** uses General Assistance as an indicator of eligibility.
- **The Child Care and Development Block Grant (CCDBG)** uses the Food Distribution Program on Indian Reservations, the California Food Assistance Program, and any other designated means-tested government program as determined by the Department.
- **LifeLine** uses the Federal Veterans and Survivors Pension Benefit Program.
- **Medi-Cal** uses Refugee Assistance and the Foster Care or Adoption Assistance Program.
- The **National School Lunch Program** uses the Food Distribution Program on Indian Reservations.

4.4 Further Observations Concerning Categorical Eligibility

Evergreen notes the following additional information we gathered during our research and analysis. This includes additional programs nominated by interviewees for future consideration, observations about substantial differences in the verification process between the IOU programs and most of the public assistance programs we examined, and a review of the nature and degree of difference between categorical and income-based qualification for applicants to CARE.

4.4.1 Additional Nominated Programs

At the conclusion of interviews with third-party program representatives, Evergreen interviewers asked program staff to list other programs that serve the same households as IOU low-income programs. Interviewees suggested the additionally nominated programs and program providers:

- Refugee Programs Bureau (RPB)
- Mainstream Special Purpose Voucher (SPV) Program
- Non-Elderly Disabled (NED) SPV Program
- Family Unification Program SPV Program
- Veterans Affairs Supportive Housing SPV Program
- Emergency Housing Voucher SPV Program
- Foster Youth to Independence SPV Program
- Migrant or Seasonal Head Start
- Sacramento Employment and Training Agency Head Start

- Low Income Household Water Assistance Program[15]

Programs were examined to identify whether they reach targeted groups of households that current categorical programs do not and thus would supplement current categorical programs to fill any potential gaps. We identified five programs that may be worth further exploration in the future because they serve a distinct population group that may not already be served and that do so in potentially meaningful numbers. These programs are:

- Refugee Programs Bureau services
- HUD's Family Unification Program
- HUD's Veterans Affairs Supportive Housing Program
- HUD's Foster Youth to Independence Program
- Migrant or Seasonal Head Start

A deeper review of these programs was beyond the core scope of this study.

4.4.2 Degree of Verification (Third-Party Programs vs. IOU Programs)

Analysis of the alignment between third-party programs and IOU programs revealed differences in the standards and complexities of eligibility requirements, and we focused on those in the discussion above. We also examined verification processes and found that nearly all third-party programs use stricter and more rigorous validation than CARE and at least equivalent standards to ESA. Hence, alignment of verification processes was not a concern.

In fact, 15 of the third-party programs[16] we reviewed verify eligibility at the time of enrollment, and eligibility is often verified again every year for **all** participants. For some programs such as CalWORKs and WIC, enrollment requires an in-person intake interview. This is a marked difference from CARE, which relies on self-certification at the time of initial enrollment and only conducts post-enrollment verification of at least 3 percent and no more than 6 percent of participants on an on-going basis.

Table 4 explains in more detail the degree of verification for each third-party program compared to CARE and ESA. The column *Verification at Enrollment* indicates whether programs require verification of participant income before enrollment in the program. *Proof After Enrollment* outlines if participant income is verified after enrollment at a point other than reapplication or recertification. *Proof at Reapplication/Recertification* lists the frequency, if any, of participant

[15] PG&E staff identified this program for consideration.

[16] The one clear exception is the National School Lunch Program, which uses self-certification. As noted elsewhere, we were not able to gather enough information to assess the BIA General Relief program.

income verification when they reapply for the program or go through the program's standardized recertification of eligibility. *Mandatory Change Reporting* indicates whether participants are required to report any changes that may affect eligibility before reapplication or recertification.

Overall, the third-party programs accept a variety of income, tax, and third-party program participation documents to demonstrate either current financial eligibility or categorical enrollment. All programs require that these documents are current or no more than a year old.

Table 4: Third-Party Program Summaries and Comparison to CARE for Assurance of Eligibility

Program Name	Verification at Enrollment	Proof After Enrollment (Verification)	Proof at Reapplication/ Recertification	Mandatory Change Reporting
CARE	No	Yes (Monthly for 3-6% of participants)	Every 2, 4, or 6 years	No
ESA	Yes	No	Not Applicable	Not Applicable
AIAN Head Start	Yes	No	Every 2 years	No
BIA General Assistance	Could not verify	Could not verify	Could not verify	Could not verify
California Head Start	Yes	No	Every 2 years	No
California Military Family Relief Fund	Yes	Not Applicable	Not Applicable	Not Applicable
CalFresh	Yes	No	Every 6-12 months	Yes
CalWORKs	Yes	No	Every 6-12 months	Yes
Chafee Foster Care Independence Program	Yes	Not Applicable	Not Applicable	Not Applicable
Child Care and Development Block Grant	Yes	No	Every year	Yes
Children's Health Insurance Program	Yes	No	12-24 months	Yes
LifeLine	Yes	No	Every year	No
LIHEAP	Yes	No	Not Applicable	No
Medi-Cal	Yes	No	12-24 months	Yes
National School Lunch Program	No	Yes (Annually for ~3% of participants)	Every year	No
Section 8	Yes	No	Every year	Yes
Section 202	Yes	No	Every year	Yes
SSI	Yes	No	Every 1-6 years	Yes
WIC	Yes	No	Every 3-6 months	Yes

The differences between the verification processes for the third-party programs and CARE are potentially important for three reasons:

1. Program processes should instill confidence that ratepayer funds are directed at and spent on those who are targeted for lower rates or free efficiency services. The CPUC and the IOUs can be confident that households enrolled in third-party programs included in this study do qualify for those programs and that their eligibility has been vetted. Hence, when those programs' eligibility requirements align with those of the IOU low-income programs, allowing categorical eligibility without further vetting of eligibility of individual program applicants maintains program integrity.
2. The difference in documentation requirements between CARE and most third-party programs highlights differing standards being applied for low-income IOU programs than for public assistance programs. The IOU programs are more deferential to people who are potentially in need and strive to be less onerous than the publicly funded safety nets provided by public assistance programs, most of which verify income at enrollment and some of which require in-person intake interviews. However, in doing so, the IOU programs incur a higher risk of using ratepayer funds to serve ineligible households both through intentional and unintentional misreporting of eligibility.
3. The possibility of unintentional misreporting of eligibility is a factor that the CPUC and the IOUs should bear in mind when considering which category 3 programs should be included as categorical programs. Misunderstandings and errors do occur when applicants complete enrollment forms. The more complex the instructions or nuances are, the greater the chance of misunderstanding and erroneous self-reporting. For example, IOU program staff reported that customers confused free lunches provided by the State of California with their children's eligibility for the National School Lunch Program. Without a review of documentation, such errors are unlikely to be detected.

4.4.3 Difference Between Income and Categorical Self-Certification

As noted, the intent behind categorical eligibility is to ensure application processes do not pose a significant barrier to enrollment for eligible households. Because CARE enrollment is based on self-certification, the relevant components of the application form for income-based enrollment and categorical enrollment are both relatively short. Figure 4 illustrates the applicable eligibility question that applicants to SDG&E's CARE rate need to answer if they apply based on categorical eligibility, while Figure 5 illustrates the applicable question applicants need to answer if they apply based on income eligibility. These illustrations allow the reader to gauge the differences between categorical and income-based eligibility and the degree to which categorical enrollment alleviates any burdens inherent in applying via income-based eligibility.

ESA applications differ from CARE applications in that proof of categorical program participation or income is required. Such documentation is also required for 3 to 6 percent of CARE participants who are selected for post-enrollment verification.

Figure 4: SDG&E CARE Application Question for Categorical Enrollment

2A Public assistance programs: (For CARE Program Only)

If you or someone in your household receives benefits from any of the following public assistance programs check all that apply. Fill out section 2A or 2B. You do not need to complete both sections.

- ☐ Bureau of Indian Affairs General Assistance
- ☐ CalFresh/Supplemental Nutrition Assistance Program (SNAP)
- ☐ CalWORKs/Temporary Assistance for Needy Families (TANF)
- ☐ Low-income Home Energy Assistance Program (LIHEAP)
- ☐ Medicaid/Medi-Cal for Families A & B
- ☐ National School Lunch Program (NSLP)
- ☐ Supplemental Security Income (SSI)
- ☐ Tribal TANF
- ☐ Women, Infants, and Children Program (WIC)
- ☐ Head Start Income Eligible (Tribal Only)

If you do not participate in any of the above programs, please complete Section 2B.

Figure 5: SDG&E CARE Application Question for Income-Based Enrollment

2B Household income eligibility: (For CARE or FERA Programs)

If your household does not participate in a public assistance program, please check all sources of household income for all members of the household and write the total income in the spaces provided.

You must check (✔) all sources of your household's income, including:

- ☐ Wages and/or profits from self employment
- ☐ Rent or royalty income
- ☐ Pensions
- ☐ Social Security
- ☐ SSP or SSDI
- ☐ Disability or workers' compensation payments
- ☐ Unemployment benefits
- ☐ Scholarships, grants or other aid for living expenses
- ☐ Interest/dividends from savings, stocks, bonds or retirement accounts
- ☐ Spousal or child support
- ☐ Insurance or legal settlements
- ☐ Cash or other income

Total annual household income: $ __ __ , __ __ __ . 0 0

4.5 Insights About Auto-Enrollment

Establishing auto-enrollment between CARE and FERA and third-party programs that are aligned in their eligibility requirements is feasible; there is precedent that suggests that its operation can be done smoothly. There is limited institutional history about the cost of establishing agreements and processes with partner programs at initial set-up, however. The primary, but not sole, issue that calls into question the desirability of setting up such enrollment efforts is uncertainty about its value.

We discuss here insights about identifying appropriate programs, requirements to make auto-enrollment work,[17] logistical constraints and challenges, and limits to the benefits of auto-enrollment. Readers should note that this discussion applies to both CARE and FERA in concept, but there is a key pragmatic difference. While there are several options among the 17 third-party programs we reviewed that lend themselves to identify potential CARE participants for either categorical enrollment or auto-enrollment, none would identify potential FERA participants. For this reason, the rest of this discussion focuses on auto-enrollment into CARE.

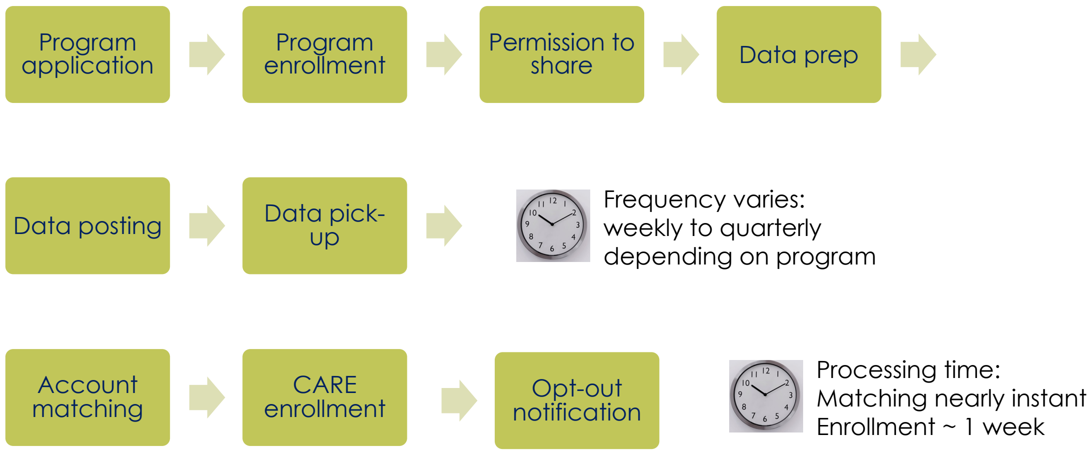
To put this discussion in context, Table 5 lists the existing auto-enrollment relationships among the IOUs that facilitate enrollment of shared customers into CARE. Figure 6 illustrates the current process for auto-enrollment efforts in which the IOUs are already engaged, such as inter-utility data sharing to enroll CARE customers who are served by one utility for electricity and a second utility for natural gas.

Table 5: Auto-Enrollment Relationships Among IOUs

		Receive Peer Utility Data and Enroll Customers in CARE			
		Pacific Gas and Electric	San Diego Gas & Electric	Southern California Edison	Southern California Gas
Receive CARE Applications and Share Data with Peer Utilities	Pacific Gas and Electric			X	X
	San Diego Gas & Electric				X
	Southern California Edison	X			X
	Southern California Gas	X	X	X	

[17] Based on input from interviews with applicable program and IOU staff.

Figure 6: Current Typical Auto-Enrollment Process



Timing notes based on SoCalGas experiences

Program identification: The bulk of this report covers issues of program alignment. As noted, perfect alignment is rare, but several programs could be considered for use as categorical enrollment options because of their near alignment for most participants or identifiable subgroups of participants. Third-party programs that are suitable for categorical enrollment in this way (i.e., category 1 and 2 programs presented above) can also be used to identify eligible households that may not have chosen to apply for CARE on their own and could be enrolled through an auto-enrollment process.

Legal/procedural requirements: The main legal requirements interviewees noted about auto-enrollment relate to data security and liability, permission to share data, and permission to enroll applicants. The data issues pertain to the requirements that the IOUs must follow to share customer data and what they are required to do when they maintain customer data. One-way auto-enrollment in which IOUs enroll third-party program participants in CARE involves only the receipt of data without any two-way sharing, so the responsibility to ensure that customer data can be shared would rest with the third-party program. As noted by IOU legal staff, the IOUs are required by state mandates and federal law to ensure data they receive and maintain is secure, and they incur potential financial liability risks with any security incident. Interviewees noted that potential financial risk is greatly increased whenever any compromised data includes medical information of any sort.

Current practice by the IOUs for sharing data concerning commonly held customers with each other and with regulated water utilities shows that this process is feasible and already practiced regularly. Interviewees did not leave the impression that it is problematic. Two interviewees did indicate that the burden for maintaining data is less onerous if kept by a government agency such as the CPUC, and it may make more sense for them to be the keeper and aggregator of data. This would be the case even more if multiple entities regulated by the CPUC are involved.

Permission to enroll applicants whose information was received from a third party tends to be handled through application forms currently in intra-CARE data sharing arrangements. One IOU noted that the current CARE form includes a statement that gives them permission to transfer data to water utilities and to enroll customers who applied to CARE with a program by another energy utility or a water utility. Nevertheless, there appears to be a preference to verify the customer's desire to enroll through an opt-out letter, so customers are not surprised that they were shifted to a CARE rate without having applied. Hence, auto-enrollments from third-party programs would either need to include a statement on the application form that the applicant may be enrolled in CARE if deemed eligible, an outreach process to verify customer interest, or both. The ease or difficulty of making stipulations about CARE enrollment on application forms could vary among the third-party programs if funding grants and authorizing laws differ.

Costs: Past data sharing efforts provide a sense of the scale of effort involved, but specific costs associated with those efforts were not available from the IOUs. As noted, costs are primarily in the set-up of any new data sharing arrangements, which includes the establishment of memoranda of understanding, non-disclosure agreements, data sharing systems, the establishment of a process to match incoming data with account information of existing customers, and any notification procedures to allow customers to opt out of enrollment in rates for which they did not apply. Day-to-day implementation of the systems entails a relatively modest effort.

Logistical/practical challenges: Interviewees discussed the challenge of matching records across programs. Applicants to a third-party program may be different household members than the account holders of a utility account, and the way addresses and home locations are denoted may differ as well. IOUs currently face this challenge in the existing data sharing arrangements and overcome it through soft matching. Some records match completely or almost completely, some match closely, and some are too different to allow for the establishment of a match. The IOUs currently use matching algorithms to identify strong matches for matching applicants to one another's programs and, on occasion, for matching applicants to water utility programs. These algorithms make it possible to auto-enroll some customers, but not others. If auto-enrollment were established with third-party programs, these challenges could be exacerbated to the extent that third-party programs are intended to appeal to or serve household members who may not be the ones who hold the utility accounts. However, these challenges can be ameliorated somewhat through education and information, including revisions to application forms that request the name of the IOU account holder.

Auto-enrollment benefit: Despite the apparent feasibility of auto-enrollment, it is not clear just how much benefit the effort would provide. As noted by interviewees, the CARE penetration rate among eligible households in California is already very high. For example, SoCalGas program staff noted that their CARE enrollment rate is *higher than the estimated number of eligible households* among their customer base (based on Athens data[18]). Experiences with attempting to enroll water utility program participants by PG&E suggested that about 96 percent of those in water utility low-income programs were already enrolled in CARE. Furthermore, efforts to share CARE enrollment data with the LifeLine program[19] resulted in very few new enrollments, and that pilot data sharing effort was ended.[20] The CPUC's conclusion that new enrollments were insufficient to continue the effort supports the notion that there may not be a pressing need to auto-enroll customers who are not already applying directly. Upcoming efforts to explore related issues such as uniform application processes and one-stop shop arrangements could investigate further what need any administrative processes for auto-enrollment would seek to address and the degree of potential value and benefit from establishing those processes.

[18] Athens data refers to statewide data used by the IOUs to assess the degree to which households eligible for low-income programs exist in the state, their service areas, and specific geographies within their served areas. These data provide an estimate of the total population size to which the IOUs compare their enrollments for a computation of program penetration.

[19] In response to CPUC directive D. 18-12-019 and D. 19-04-21. These directives and data sharing from the IOUs to the LifeLine program were intended to develop and test strategies to increase participation in the LifeLine program in similar ways that auto-enrollment is intended to boost and ease enrollment in CARE and FERA.

[20] Rottman, Mary, and Caleb Jones. March 2021. *Boost/CARE Pilot Evaluation Report*. California Public Utilities Commission.

5 Conclusions and Recommendations

In response to CPUC Decision 21-06-015, California's investor-owned utilities (IOUs) commissioned this study to address several questions concerning categorical eligibility for the California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) programs and related issues concerning alternate enrollment options for the IOU's low-income programs. This study addresses how well categorical eligibility programs match eligibility requirements for CARE, ESA, and Family Electric Rate Assistance (FERA), identifies other means-tested programs that could serve as proxies for eligibility, recommends practical criteria for the selection of programs to be used for categorical eligibility, recommends which programs should provide categorial eligibility going forward, and provides information to inform future considerations of auto-enrollment of participants from recommended categorical eligibility programs.

In Table 6 below, Evergreen offers recommendations to California's IOUs concerning the use of third-party program participation as categorical paths to program qualification. The recommendations are organized by alignment categories for the third-party programs.

It is important to note that none of our recommendations would preclude any income-eligible household from receiving reduced rates under CARE or energy-saving measures under ESA. The impact of the recommendations is on *how* eligible households would apply for the programs and not on *whether* they are eligible. The elimination of a categorical program does *not* change any income-eligible household's access to CARE or ESA. Households may still apply through another accepted categorically eligible program or self-certify their income. (Readers can review the effective difference between these enrollment options in Section 4.4.3 above.) The only households that may not qualify or potentially lose access to CARE would be those whose incomes exceed the CPUC-specified guidelines.

Table 6: Recommendations for Categorical Eligibility by Alignment Category

Alignment Category	Recommendation	Programs
Category 1	Allow the use of these programs for categorical eligibility either as a continuing or new categorical program	CalFresh WIC
Category 2	Allow the use of these programs for categorical eligibility; consider, optionally, extending categorical eligibility to only a subset of participants for better alignment of income limits	LIHEAP
Category 3	Consider these programs for partial categorical eligibility if logistical challenges can be overcome[21]	AIAN Head Start California Head Start CalWORKs LifeLine SSI
Category 4	Do not use these programs for categorical eligibility; there may be partial alignment for categorical eligibility, but there are significant structural differences	Children's Health Insurance Program Medi-Cal National School Lunch Program Section 8 Section 202
Category 5	Do not use these programs for categorical eligibility; including these programs would create substantial risk of serving income-ineligible households	California's Military Family Relief Fund Chafee Foster Care Independence Program Child Care and Development Block Grant
Category 6	Cannot make a recommendation for this program; could not suitably vet	BIA General Assistance

[21] Use of Category 3 programs that are listed as *consider for partial categorical eligibility* may or may not be practical. The logistics of their use would need to be considered further by IOU program staff.

We recommend that the appropriateness of categorical eligibility programs be reviewed periodically. Appropriate review cadences will vary by category. We suggest the following:

- Every 10 years for category 1 programs;
- Every five years for category 2 programs; and
- After the first full year of implementation for category 3 programs for which subsets of participants are enrolled categorically, and then every five years thereafter.

Further, we recommend that upcoming considerations related to auto-enrollment specify the anticipated and desired number of new enrollments (or other value of auto-enrollment) more clearly before needed processes and costs are examined further and more quantitatively.

Appendix A: Program-Specific Comparisons

We present below a narrative description of each third-party program we examined together with an explanation for why we categorized the program the way we did. This information is for the reader's context. The program interviewees were given the opportunity to review the high-level program descriptions below; about half provided edits and feedback, which we incorporated. For more detail about the programs, please see a separate database created as part of this study and provided to the IOUs.

The programs are listed alphabetically within our six category groupings. As noted in the body of this report, the categories are numbered in order from strongest to weakest alignment with CARE and ESA. Our recommendations are aligned with these categories. Specifically:

Category 1 – We recommend category 1 programs for use as categorical eligibility programs.

Category 2 – We recommend the lone category 2 program on our list for use as a categorical eligibility program. However, we present the *option* to use it as a partial categorical program, whereby only an identifiable subset of participants that aligns best with the IOU programs' eligibility criteria would qualify for categorical enrollment and all others would need to qualify based on income eligibility.

Category 3 – We recommend category 3 programs for use of categorical eligibility on a *partial basis* if an identifiable subset of participants could be selected for categorical enrollment for IOU programs. All other participants would still need to qualify based on income eligibility.

Category 4 – We do not recommend category 4 programs for use as categorical eligibility programs. The programs in this category align with IOU programs in substantial ways, but each has some form of misalignment.

Category 5 – We do not recommend category 5 programs for use as categorical eligibility programs.

Category 6 – We cannot make a recommendation for the lone category 6 program on our list for use as a categorical eligibility program. We could not access enough publicly available information to suitably vet the program's eligibility criteria.

Each program description below begins with a summary table. Participation counts in these summary tables have been rounded; for more precise values, please see Table 1. References to alternate paths to entry comprise either (1) eligibility options based on *non-financial* characteristics of the applicant (thereby enabling the program to serve applicants who are not financially qualified) or (2) through the use of categorical eligibility via third-party programs that are not currently also categorical paths to entry for CARE or ESA (i.e., unvetted categorical eligibility usage).

Category 1 Programs

CalFresh

CalFresh

- Current categorical eligibility program
- Category 1 (recommended)
- Provides food benefits
- 4.7 million participating individuals
- 247,000 categorical eligibility CARE participants
- Qualifying requirements apply to households
- 200% FPL income threshold
- Alternative paths to entry (unvetted categorical eligibility usage)
- 6-to-12-month duration before recertification

CalFresh, federally known as the Supplemental Nutrition Assistance Program (SNAP), provides monthly food benefits to low-income individuals and families. These food benefits are provided through an Electronic Benefit Transfer (EBT) card that participants may use to purchase food at any grocery store or farmers markets that accepts EBT cards. Households are eligible for CalFresh if their household income is less than 200 percent of the FPL or if all members of the household are enrolled in CalWORKs, SSI, or General Assistance. Participating households must recertify their eligibility each year, with some households required to immediately report any change in circumstances that could affect their eligibility or benefit amount. As of June 2022, CalFresh served 4,741,370 individuals.

The unit of qualification for CalFresh is the applicant's "household," which can be an individual or a group of people who live together and buy food and make meals together. Conceptually, this could be different from groups of people who share an energy account.

We have approached the treatment of households, defined in terms of the service being provided, as fundamentally the same between the IOU energy programs and this third-party program, and do not expect that there would be materially significant differences in eligibility. As a result, we recommend that CalFresh continue to be used for categorical eligibility.

WIC

WIC

- Current categorical eligibility program
- Category 1 (recommended)
- Provides nutrition services and food assistance
- 948,000 participating individuals
- 83,000 categorical eligibility CARE participants
- Qualifying requirements apply to households (family economic units)
- 185% FPL income threshold
- No alternative paths to entry
- 6-to-12-month duration before recertification

The Women, Infants, and Children Program (WIC) helps families across the state by providing nutrition education, breastfeeding support, healthy foods, and referrals to health care and other community services. WIC serves low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, as well as infants and children up to age five who are found to be at nutritional risk. The program served approximately 948,000 California residents in fiscal year 2021.

The program's income threshold is 185 percent of FPL. The program's unit of qualification is "family economic unit," which is a group of related or nonrelated people who live together as one household/economic unit. These individuals share income and consumption of goods or services. Unborn children are counted in the household size. Income is verified upon application. WIC recipients must reapply for benefits every six months to a year, depending on the category they are in. Renewal and verification of eligibility for benefits may occur as soon as three months after initial certification if the recipient frequently meets with WIC staff. Recipients are required to report changes in income if they occur.

We recommend continuing the use of WIC for categorical eligibility. The program's income requirements are more restrictive than those of CARE and ESA. We have approached the program's treatment of family economic unit, defined in terms of the service being provided, as fundamentally the same between the IOU energy programs and this third-party program, and do not expect that there would be materially significant differences in eligibility. WIC has thorough application and verification processes. The nature of the program requires frequent interactions between the staff and recipients, which supports recertification processes. As a result, we recommend that WIC continue to be used for categorical eligibility.

Category 2 Programs

LIHEAP

LIHEAP

- Current categorical eligibility program
- Category 2 (recommended)
- Provides financial assistance to cover utility bills
- 159,000 participating households
- 36,000 categorical eligibility CARE participants
- Qualifying requirements apply to households
- 60% SMI threshold
- No alternative paths to entry
- One-time payment, so no standardized recertification process. Applicants may reapply, but not mandated

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible low-income households with their heating and cooling energy costs, bill payment assistance, energy crisis assistance, weatherization, and energy-related home repairs. LIHEAP provides one-time financial assistance to help balance an eligible household's utility bill. LIHEAP Weatherization provides free energy efficiency upgrades to low-income households to lower monthly utility bills. The weatherization component of the program has the same income eligibility requirements as LIHEAP. In 2021, LIHEAP served 159,095 households in California.

LIHEAP serves households that pay a high portion of their income to meet their energy needs; the LIHEAP income requirement is 60 percent of the state median income (SMI). The 60 percent SMI threshold has implications for categorical eligibility. Our income comparison between 60 percent SMI and 200 percent and 250 percent FPL found that 200 percent FPL is greater than 60 percent SMI for households with one, five, six, or seven members. Two-hundred and fifty (250) percent FPL is greater than 60 percent SMI for households with one, four, five, six, or seven members. We could not obtain program enrollee distribution across household sizes.

We recommend using LIHEAP for categorical eligibility due to its general alignment and intent to serve the same population with their energy needs, but we recognize the fact that LIHEAP aligns with IOU program criteria for only some household sizes. We provide an *option* whereby only the aligned household sizes would be allowed for categorical eligibility while others would still need to qualify based on income eligibility. For example, If an IOU customer marks LIHEAP as a categorical program, CARE/ESA program staff would need to double check that the applicant's household size meets eligibility criteria.

Category 3 Programs

Category 3 programs are ones where an identifiable subset of participants is eligible for CARE and could be treated as such, while other participants would not have needed to show income eligibility that simultaneously establishes eligibility for the IOU programs. When this is due to parallel processes and multiple paths of entry, there is an opportunity to identify the participants who are income-eligible compared to the group of participants who enrolled in the program based on other qualifiers. In some cases, this may be identifiable based on the eligibility letter. In other cases, participants in these programs may not know how they qualified for the program making certification more difficult and likely requiring additional information from the programs. Category 3 programs present this complexity and afford a potential opportunity for categorical eligibility if the IOUs can establish processes that distinguish between third-party program enrollees whose application processes vetted CARE eligibility and those that did not, most likely based on self-reporting of the manner in which the household applied to the third-party program.

AIAN Head Start

AIAN Head Start

- Current categorical eligibility program
- Category 3 (potential partial categorical eligibility)
- Provides early learning resources
- 825 participating individuals[22]
- 2,000 categorical eligibility CARE participants
- Qualifying requirements apply to households
- 130% FPL income threshold
- Alternative paths to entry (non-financial path in)
- 2-year duration before recertification

[22] 825 is the number of individuals supported by Head Start funds at any one time during the program year (also known as "funded enrollment"). This does not count the total number of participants as it does not include individuals who have left the program and those who have filled their spaces over the entire program year (this would be captured in "cumulative enrollment"). Due to this turnover, the number of individuals served may be greater than 825. We do not currently have the cumulative enrollment for AIAN Head Start in California.

The AIAN (American Indian and Alaskan Native) Head Start program is administered by tribes. AIAN Head Start programs operate locally to help young children from low-income families prepare for success in school by promoting children's development through early learning, health, and family well-being. Head Start preschool services work with families with children ages three to five.

Enrollment is not limited to tribal members—tribal member status adds points (to acceptance into the program) when calculating eligibility. In 2021, funded enrollment by AIAN Head Start in California totaled 825 participants.

AIAN Head Start grantees must adhere to all requirements that all California Head Start grantees follow. This means, generally, that the AIAN Head Start program serves households at income levels below 130 percent FPL. AIAN grantees have exemptions that allow acceptance of greater numbers of children above income thresholds based on community needs assessments.

AIAN Head Start prioritizes serving children eligible for services under the Individuals with Disabilities Education Act (IDEA). Specifically, AIAN Head Start programs must ensure that at least 10 percent of their total funded enrollment is filled by children eligible for services under IDEA. Children eligible for AIAN Head Start under IDEA may come from higher income families as they are not required to meet income requirements. Program directives also consider and prioritize serving youth who are homeless or in foster care; it is unlikely that these individuals will have a gas or electricity account in their name. The proportion of AIAN Head Start children enrolled based on this non-financial eligibility criteria is set at the recipient level; the proportion is based on their local community needs assessment outcomes (which occur every year). The numbers available are self-reported by recipients in the Head Start Program Information Report. The numbers are not necessarily an 'actual' count but represent a reported count at a specific time.

We have identified AIAN Head Start as a program that could be continued as a categorical eligibility option, but we note the distinction between participants who qualified based on income and those who qualified through alternative paths. To ensure income-based eligibility for the IOU programs, categorical eligibility would need to be limited to participants who qualified for AIAN Head Start based solely on income eligibility.

California Head Start

California Head Start

- Not a categorical program; identified for consideration in regulatory directives
- Category 3 (potential partial categorical eligibility)
- Provides early learning resources
- 122,000 participating individuals
- Qualifying requirements apply to households
- 130% FPL income threshold
- Alternative paths to entry (non-financial path in)
- 2-year duration before recertification

Head Start programs operate locally and are funded by the federal government to help young children from low-income families prepare for success in school and life by promoting children's development through quality early learning, health, and family well-being. Head Start services work with families with children prenatal through age five or entering into TK/K.[23] In 2019, approximately 122,000 children were served by Head Start in California.

California Head Start programs serve households at income levels below 130 percent FPL. Program grantees are expected to prioritize applicants with income levels at or below 100 percent FPL. Grantees may enroll up to 35 percent of children at 101 percent to 130 percent of FPL.

Head Start prioritizes serving children eligible for services under the Individuals with Disabilities Education Act (IDEA). Specifically, Head Start programs must ensure that at least 10 percent of their total funded enrollment is filled by children eligible for services under IDEA. Children eligible for California Head Start under IDEA may come from higher income families as they are not required to meet income requirements. Program directives also consider and prioritize serving youth who are homeless or in foster care; it is unlikely that these individuals will have a gas or electricity account in their name. The proportion of California Head Start children enrolled based on this non-financial eligibility criteria is set at the recipient level; the proportion is based on their local community needs assessment outcomes (which occur every year). The numbers available are

[23] Please note that children prenatal through age three are served by Early Head Start, a related program that this evaluation did not cover. We analyzed Head Start's eligibility criteria, which serves families with children ages three through five.

self-reported by recipients in the Head Start Program Information Report; the numbers are not necessarily an 'actual' count but represent a reported count at a specific time.

We have identified California Head Start as a program that could be added as a categorical eligibility option, but we note the distinction between participants who qualified based on income and those who qualified through alternative paths. To ensure income-based eligibility for the IOU programs, categorical eligibility would need to be limited to participants who qualified for California Head Start based solely on income eligibility.

CalWORKs

CalWORKs

- Current categorical eligibility program
- Category 3 (potential partial categorical eligibility)
- Provides cash assistance
- 290,000 participating assistance units
- 32,000 categorical eligibility CARE participants
- Qualifying requirements apply to assistance units
- Minimum Basic Standard of Adequate Care (MBSAC) income threshold
- No alternative paths to entry
- Semi-annual recertification

CalWORKs is the California-specific program name for the Temporary Assistance for Needy Families (TANF) program. The program provides cash aid and services to eligible families that have children. CalWORKs uses "assistance units" (AUs) as its unit of qualification. An AU is defined as a group of related persons living in the same household who have been determined eligible for CalWORKs and for whom cash aid has been authorized. Assistance units must have income below the Minimum Basic Standard of Adequate Care (MBSAC) to be eligible for CalWORKs. There is also a resource limit of $10,211 for assistance units, and a resource limit of $15,317 if the assistance unit includes someone with a disability or someone over the age of 60. Participants must recertify their eligibility every six to 12 months, and adults are only eligible for 60 months of cash aid through CalWORKs. In the fourth quarter of the 2020-2021 fiscal year, there were 290,488 CalWORKs participants.

Tribal TANF has similarities to CalWORKs but provides substantially more flexibility to individual tribes in how it is administered, what eligibility criteria are used, and the nature and duration of services or assistance provided. As a result, individual Tribal TANF programs may align with CARE and ESA less than CalWORKs does, and tribal programs would need to be assessed individually.

With the unit of qualification being assistance units, it is possible for multiple AUs to exist in one household or parts of a household to be in an AU and others to not be in CalWORKs, making AUs systematically different than households. In addition, children served by CalWORKs can receive benefits when adults in their assistance unit do not because (a) they have exhausted their 60-month limit of cash aid, do not meet work participation requirements, or (b) they do not meet citizenship requirements.

We have identified CalWORKs as a program that could be continued as a categorical eligibility option because most current participants are likely to qualify for CARE and ESA on an income basis, but we note that, ideally, households with more than one assistance unit and households in which only minors are served would be excluded from categorical enrollment. These households would require income-based qualification to ensure eligibility for the IOU programs.

LifeLine

LifeLine

- Additional program identified by study team
- Category 3 (potential partial categorical eligibility)
- Provides phone service discounts
- 1.2 million participating households
- Qualifying requirements apply to households
- Customized income levels (aligns to 157% FPL for 2-person households)
- Alternative paths to entry (unvetted categorical eligibility usage)
- 12-month duration before recertification

The California LifeLine Program is administered by the California Public Utilities Commission (CPUC) and provides discounted telephone services to low-income households. LifeLine participants receive one telephone discount per household and must recertify their eligibility every year to retain benefits. In the 2021-2022 fiscal year, 1,239,134 households in California participated in the LifeLine program. Households are eligible if their income is below a customized set of income thresholds that are based on the household size or if any member of the household is enrolled in one of 13 public assistance programs including Medi-Cal, SSI, Section 8, and CalFresh

(Figure 3). The income thresholds for LifeLine are more restrictive than those of the IOU programs—the two-person threshold equates to 157 percent of FPL. LifeLine participants recertify their income every year through a renewal process and are not required to provide proof of income or enrollment in a categorical program. There is considerable overlap of categorical eligibility programs between CARE and LifeLine, though some of the third-party programs available for categorical eligibility for LifeLine are not vetted for categorical eligibility by CARE or ESA.

While the income threshold for eligibility is more restrictive than the income thresholds for both CARE and ESA, one additional potential complication with the LifeLine program is that it allows the use of tax-based definitions of income. Applicants can provide either pay stubs or tax forms as proof of income. To the degree that applicants choose to use tax forms, certain investment losses could offset income and result in qualifying income levels for households with high income streams. The degree to which households with above-threshold incomes report losses that make them appear eligible on their tax forms is unknown, but likely low in number.

LifeLine presents unique opportunities and challenges as a potential categorical eligibility option for IOU programs. As LifeLine is designed currently, participants who qualify based on income thresholds meet the criteria of CARE and ESA, but those who qualify based on categorical eligibility may not. The CPUC could support the alignment of eligibility between LifeLine and the IOU programs and then use the programs as categorical enrollment options for one another. In its present state, LifeLine participants who qualified based on income could be qualified as categorical enrollees for CARE and ESA, but those who qualified for LifeLine based on categorical eligibility should enroll based on income eligibility only.

SSI

SSI

- Current categorical eligibility program
- Category 3 (potential partial categorical eligibility)
- Provides cash assistance
- 1.2 million participating individuals
- 83,000 categorical eligibility CARE participants
- Qualifying requirements apply to individuals and couples
- Customized income levels
- Alternative paths to entry (non-financial path in)
- 12-month duration before recertification

Supplemental Security Income (SSI) provides monthly payments to adults and children with a disability or blindness who have limited income and resources. SSI also provides payments to people aged 65 or older without disabilities who meet financial requirements. Program participants must recertify eligibility every one to six years, and as of December of 2020, 1,192,888 individuals were receiving program benefits.

SSI program participants can qualify as either an individual or a couple. Although the income eligibility requirements for individuals and couples are more stringent than those for CARE and ESA, households as defined by the IOU programs could contain some members who are enrolled in SSI and others who are not. Another consideration is that children with disabilities can receive SSI benefits without being subject to an income or resource limit.

We have identified SSI as a program that could be continued as a categorical eligibility option, but we note that, ideally, this enrollment option would be restricted to one- and two-person households to ensure that SSI participants are eligible for the IOU programs. Larger households would not have been vetted at the household level by SSI and could include household members with higher incomes or include situations in which the SSI participant lives with higher-earning relatives who care for the individual.

Category 4 Programs

Medi-Cal (aka Healthy Families A&B) and CHIP

Medi-Cal

- Current categorical eligibility program (Medi-Cal), additional program identified by study team (CHIP)
- Category 4 (not recommended)
- Provides health insurance coverage
- 13.8 million participants
- 483,000 categorical eligibility CARE participants
- Qualifying requirements apply to individuals
- 317% FPL income threshold
- Alternative paths to entry

  (unvetted categorical eligibility usage)
- 12-month duration before recertification

We describe Medi-Cal (California's version of Medicaid) and CHIP (Children's Health Insurance Program) together because they are two forms of joint federal and state health coverage with linkages across them. The programs serve approximately 13,849,800 Californians.

Medi-Cal has an income threshold of 138 percent FPL for adults and up to 266 percent of the FPL for children with program options that increase the FPL threshold for some households to 317 percent. A 2012 Centers for Medicare & Medicaid Services approval provided California the authority to transition Healthy Families A&B (HFP) into Medi-Cal under the shorthand MCHIP. HFP, which was a former categorical eligibility option for the IOU programs, no longer exists. This is because of federal policy that allows states to administer CHIP funding in three different ways: Option to Expand Medicaid, Option to Create a Separate Program, or a Combination of Options. California administers CHIP funding through a Combination of Options. California's Option to Expand Medicaid administration of CHIP is known as MCHIP. MCHIP includes children with household incomes up to 266 percent of FPL. In parallel, the Create a Separate Program component of California's CHIP comprises four separate programs, collectively referred to as SCHIP.

There are four SCHIP programs in the state of California:

1. **County Children's Health Initiative Program (CCHIP):** Serves children in Santa Clara, San Francisco, and San Mateo counties. Administered by the State, for households with income above 261 percent of the FPL up to and including 317 percent of the FPL.
2. **Upper income unborn option, Medi-Cal Access Program (for pregnant women) (MCAP):** Provides health benefits for unborn children in low-income households with incomes above 208 percent up to and including 317 percent of the FPL.
3. **Medi-Cal Access Infant Program (MCAIP):** Provides health benefits for infants up to age two born to MCAP mothers with incomes above 261 percent of the FPL through 317 percent of the FPL.
4. **Lower income unborn option:** Offers prenatal care, prescriptions, labor and delivery, dental care, and other services to pregnant women whose incomes are between 0 and 208 percent of the FPL.

In sum, adults are eligible for Medi-Cal if their monthly income is 138 percent or less of the FPL. Pregnant individuals may receive CHIP benefits with incomes up to 317 percent of FPL. For dependents under the age of 19, the income threshold is 317 percent of FPL for insurance coverage (either through Medicaid, MCHIP, or SCHIP funding streams). To the participant, MCHIP and SCHIP are no different than Medi-Cal—insurance coverage is provided without the need to differentiate between funding streams.

There are two methods for determining Medi-Cal income eligibility: Modified Adjusted Gross Income (MAGI) and Non-MAGI. Both MCHIP and SCHIP use MAGI income and household determination rules. MAGI uses modified tax rules to determine who is in the household and whose income counts. Non-MAGI uses rules based on related cash programs to calculate an individual's household size and income. This method of income determination could also mean that some people living in participating households may not be part of the Medi-Cal income calculations (e.g., stepparents/stepchildren). Some participating households are considered "mixed," meaning that some members receive different methodologies for determining household size or income. For example, children may receive coverage under Medi-Cal, while an adult could receive coverage from the health benefit exchange, Covered California.

We do not recommend Medi-Cal or CHIP for categorical eligibility. Although some participants are likely to qualify for CARE and ESA on an income basis, households would be challenging to include as categorical enrollees and maintain confidence in alignment and eligibility. Households would need to provide nuances about their proof of enrollment that are not easily accessible. Households could also be covered by multiple types of publicly supported health insurance, all of which could have different eligibility requirements.

National School Lunch Program

National School Lunch Program

- Current categorical eligibility program
- Category 4 (not recommended)
- Provides free and reduced-price lunch
- 3.0 million participating individuals
- 96,000 categorical eligibility CARE participants
- Qualifying requirements apply to individuals and households
- 185% FPL income threshold
- Alternative paths to entry (non-financial path in)
- 12-month duration before recertification

About three million California school children are eligible for free or reduced-price lunches through the National School Lunch Program (NSLP), which provides the lunches through three parallel mechanisms: individual applications, direct certification, or attending a school that is on a provision.

For individual applications, households complete meal applications and qualify through income-based eligibility with (a) households with income of less than 130 percent of the FPL qualifying for free meals and (b) households with income between 130 and 185 percent of the FPL qualifying for reduced-price meals. Income is not verified at enrollment, but a subset of applications is selected every year for verification. Households must also recertify each year to continue receiving benefits if they qualify through a meal application.

For direct certification, households are eligible based on their participation in a public assistance program and therefore do not have to submit a meal application or any proof of income. Children who are homeless, migrants, in foster care, or runaways also qualify through direct certification.

For eligibility based on school participation, students attending a school on a provision can receive free meals, regardless of income-based eligibility or direct certification of individual students. All schools with a high poverty designation (where 40% of the student body would qualify for the National School Lunch Program through direct certification) are required to offer a provision; this is specific to California. There are also federal provisions that do not require a high-poverty designation. Schools on provisions collect meal applications from the entire student body once every few years.

We do not recommend the NSLP as a categorical eligibility option because of the nuances in the program's eligibility. If IOUs and policy makers wanted to include this program as categorically eligible, applicants to CARE and ESA would need to provide self-certification or proof of *individual applications* for NSLP benefits, and a substantial share of low-income households would be unable to provide such documentation.

Section 202 and Section 8

Section 202 and Section 8

- Additional programs identified by the study team
- Category 4 (not recommended)
- Provides housing assistance
- Unknown number of participating households (Section 202); 305,000 participating households (Section 8)
- Qualifying requirements apply to households
- 50% AMI income threshold
- No alternative paths to entry
- 12-month duration before recertification

Section 202 is the Supportive Housing for the Elderly Program. The Department of Housing and Urban Development (HUD) provides capital advances to finance the construction, rehabilitation, or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. Project rental assistance funds are provided to cover the difference between the HUD-approved operating costs for the project and the tenants' contribution towards rent. The program expects recipients to pay no more than 30 percent of adjusted gross income for housing. Operating subsidies will cover the remainder of building inhabitants' housing costs. For example, if none of the senior residents had any income, HUD would pay housing costs in whole to ensure that the building's operating costs are paid. The primary non-financial eligibility criterion for Section 202 is that applicants must be over the age of 62. The income eligibility threshold for Section 202 is that household income must be less than 50 percent of the area median income (AMI), with enrollment priority given to extremely low-income households (households with income below 30% AMI).

The point at which participants are no longer eligible for benefits is not a strict income threshold. Participants stop receiving program benefits when either (1) 30 percent of the family’s monthly adjusted income equals or exceeds the amount of assistance they receive or (2) 30 percent of the family’s monthly adjusted income equals or exceeds the gross rent (which consists of the rent to owner and a utility allowance). At this point, households are considered able to pay the full rent to the owner and any utilities for which they are responsible. Once a household reaches this point of no assistance, Section 202 participants are eligible to receive the subsidy again, if needed at a later time.

The Section 8 Housing Choice Voucher (HCV) program is a rental subsidy program that provides rental assistance to participating families. The rental subsidy is paid directly to the landlord by the public housing agency (PHA) on behalf of the participating family. The family then pays the difference between the rent charged by the landlord and the subsidy that the PHA pays, known as the Housing Assistance Payment (HAP). Families receive rental assistance either in the form of tenant-based or project-based assistance. If the subsidy is tenant-based, the subsidy stays with the family. If the subsidy is project-based, then the subsidy stays with the housing unit. The target households for the Section 8 HCV program are very low-income families, the elderly, and the disabled, with income thresholds for the program being at 50 percent of AMI. Priority is given to families with incomes of less than 30 percent of AMI.

The point at which participating families are no longer eligible for assistance is not a strict income threshold. The family must be able to pay the full amount of rent on their own without any assistance being provided by the PHA for at least six months. This is the point in which typically 30 percent of the family’s monthly adjusted income equals or exceeds the gross rent, and the PHA makes zero HAP payments to the landlord.

To reiterate, the PHA conducts annual recertification of family income, but it is how family income relates to the rent charged by the landlord and the payment assistance provided by the PHA that determines continued enrollment in the program, not just a hard income threshold.

The inclusion of participant-paid utilities also adds a unique dimension to this program. Section 202 and Section 8 participants who are also on CARE (or FERA) receive two separate benefits to help them cover utility costs.

We do not recommend the use of Section 202 or Section 8 for categorical eligibility. While participants at enrollment would also qualify for CARE and ESA, participants' income at any point after enrollment is much less certain.

Category 5 Programs

California Military Family Relief Fund

California Military Family Relief Fund

- Additional program identified by study team
- Category 5 (not recommended)
- Provides financial assistance to California National Guard members
- Approximately 10 participating households
- Qualifying requirements apply to individuals and households
- No set income threshold
- Alternative paths to entry
- One-time grant, no standardized recertification process

The California Military Family Relief Fund (CMFRF) was established to provide short-term financial assistance in the form of one-time grants to California National Guard members and/or families impacted by mobilization. The private fund also sponsors some morale welfare recreation services, such as homecomings or barbecues. In 2021-2022, CMFRF served approximately 10 families.

CMFRF has no set financial thresholds for qualification. Applicants must establish dire financial need. Dire financial need may entail a service member's family salary decreasing by 10 percent of household income or a 10 percent loss in income compared to pre-deployment income due to deployment. To apply, service members must approach a local-level representative, be interviewed, and then be referred to the External Affairs Office, where they must fill out an application for the CMFRF. At some point in this process, applicants are required to present proof of income, but the documents are not used as the basis for eligibility; rather, the proof of income is used to confirm changes in income status. The Board of Directors, which manages the CMFRF, reviews applications and decides where to allocate funding.

We do not recommend the use of CMFRF for categorical eligibility because the program does not use income thresholds for eligibility.

Chafee Foster Care Independence Program

Chafee Foster Care Independence Program

- Additional program identified in regulatory directives
- Category 5 (not recommended)
- Provides education and living resources to foster youth
- 4,100 – 4,200 participating individuals (ETV Program); unknown number of participating individuals in ILP
- Qualifying requirements apply to individuals
- No set income threshold
- Alternative paths to entry (non-financial path in)
- No post-enrollment recertification of income

The Chafee Foster Care Independence Program provides grants to states and tribes that submit a plan to help current and former foster care youth achieve self-sufficiency. In California there are two programs that receive Chafee funding: the Education and Training Voucher Program (ETV) and the Independent Living Program (ILP). The ETV Program provides grants of up to $5,000 annually for education and training needs, while the ILP operates at the county level and provides resources to prepare foster youth to live independently. The ETV program serves around 4,100 to 4,200 individuals annually, and program participants can receive benefits for up to five years.

Chafee ETV eligibility processes consider applicants that have experienced any of the following between the ages of 16 and 18: being a current or former foster youth who was a dependent or ward of the court, living in foster care; being a youth who is or was in the Kin-GAP[24] program; or placed in out-of-home care by a tribe or tribal organization. Applicants must not have reached their 26th birthday as of July 1 of the award year, nor have participated in the program for more than five years. Applicants may only receive the Chafee Grant if attending a school that is either a

[24] The Kin-GAP program is a permanency option for children in long-term placement with relatives, which provides a monthly payment to the relative guardian. This program is intended to enhance family preservation and stability by providing relatives with an alternative route to permanency. We included this program in our assessment of Chafee and offer this description for context.

qualification institution for participation in the Cal Grant Program, or an institution with certain cohort default and graduation rates.

There are no income-based eligibility requirements; however, recipients of the ETV must demonstrate financial need. Foster care determinations are based on the receipt of an application. School enrollment does not have an impact on foster care determinations.

We do not recommend the Chafee Foster Care Independence Program for categorical eligibility, because the program is open to current and former foster care youth with no regard to income.

Child Care and Development Block Grant

Child Care and Development Block Grant

- Program considered by past categorical eligibility study
- Category 5 (not recommended)
- Provides funding for child care and development services
- 148,000 participating households
- Qualifying requirements apply to individuals and households
- 85% SMI income threshold
- Alternative paths to entry
- 12-month duration before recertification

The Child Care and Development Block Grant Act of 2014 (CCDBG) reauthorized the law governing the Child Care and Development Fund (CCDF) program. CCDF is a funding source that is used to provide child care and development services to families who meet certain needs and eligibility requirements. The purpose of the CCDF is to increase the availability, affordability, and quality of child care services. The funding serves low-income families who need child care due to work, work-related training, and/or attending school. During the 2021 federal fiscal year, California served 246,345 children in 147,504 families with CCDF funds.

CCDF's income eligibility criterion is 85 percent of the state median income (SMI). We could not obtain enrollee distribution across household sizes. The first priority for enrollment is given to children who are identified as neglected or abused and who are recipients of Child Protective Services, or children who are at risk of being neglected, abused, or exploited upon written referral from a legal, medical, or social services agency. The second priority for enrollment is for income-eligible families, with families who have the lowest gross monthly income in relation to family size receiving the highest priority. If two or more families are in the same priority in relation to income, the family that has a child with exceptional needs shall be admitted first. If there is no family of the same priority with a child with exceptional needs, the family of the same priority in which the primary home language is a language other than English shall be admitted first. If there is no family of the same priority in which the primary home language is a language other than English, the family of the same priority that has been on the waiting list for the longest time shall be admitted first. For purposes of determining order of admission, grants of public assistance recipients shall be counted as income.

We do not recommend the use of CCDF for categorical eligibility because income thresholds meet IOU requirements for only one household size – those with six members—and only for ESA. (We note above that the income threshold is met for one-person households as well, but these would be unlikely participants in a program designed to serve minors.) Furthermore, CCDF has a significant alternative route to eligibility; first priority is given to families with children who meet certain non-financial eligibility criteria. The program interviewee stated that CCDF grantees do not track the share of participants who qualify for funding through non-financial eligibility.

Category 6 Programs

BIA General Assistance

BIA General Assistance

- Unknown number of participating individuals
- 712 categorical eligibility CARE participants
- Unknown unit of qualification, income thresholds, alternative paths to entry, and recertification timing.

The Bureau of Indian Affairs (BIA) General Assistance provides financial assistance payments to eligible American Indians and Alaska Natives for essential needs such as food, clothing, and utilities. To be eligible for General Assistance, all applicants must apply concurrently for financial assistance from other state, tribal, county, local or other federal agency programs for which they might be eligible.

There is very little publicly available information about this program and its processes. We attempted to reach BIA General Assistance from late October 2022 to early January 2023. Despite robust outreach efforts, we did not make successful contact with program staff; we were unable to verify eligibility and process related questions. Given the lack of available information, we cannot vet its fit or alignment for use as a categorical program.

Appendix B: Comparisons of Standardized Income Thresholds Used by Low-Income Programs

Table 7 shows the distribution of household sizes in California among all households and low-income households. Low-income is defined here as having a household income of 200 percent or less of the federal poverty level (FPL). Over half (55%) of all California households are one- or two-person households. The largest portion of low-income households are households with one member (39%).

The number of low-income and total households by household size is provided for context that is useful in interpreting the income comparison charts.

Table 7: Distribution of Household Sizes in California Among All Households and Low-Income Households

Number of Household Members	Number of Households in California (% of total)	Number of Low-Income Households (% of total)
1	3,014,517 (24%)	1,267,496 (39%)
2	3,885,996 (31%)	641,419 (20%)
3	2,117,308 (17%)	388,086 (12%)
4	1,915,026 (15%)	393,664 (12%)
5	989,878 (8%)	291,115 (9%)
6	435,779 (3%)	147,149 (5%)
7	172,685 (1%)	59,936 (2%)
8	76,113 (1%)	28,228 (1%)
9	35,219 (0%)	11,538 (0%)
10	19,904 (0%)	7,747 (0%)

Analysis of Census PUMS, 2019

As noted in the report, several third-party programs use state median income (SMI) or area median income (AMI) to define eligibility for means-tested services. These metrics serve the same intent as the FPL-based standard used by CARE and ESA upon direction of the California Public Utilities Commission (CPUC), but they do not align precisely. Below, we provide comparisons of state median incomes at various levels used by third-party programs to the federal poverty standards used by CARE and ESA. The comparisons show the degree to which these various standards align or provide more or less generous income allowances for each household size.

We made the judgment that the intent of the IOU FPL thresholds is served even if some household sizes are provided a numerically higher income limit as long as households overall are held to income limits that are approximately in line with the FPL standard. We show these comparisons grouped together below. If the alternative metric treats most household sizes more generously, we made the judgment that the intent of the FPL limits was not served. We show these comparisons grouped together below as well, but separated from the comparisons we treated as serving the intent of the FPL limits.

Finally, we note that some programs use AMI, which is a much more challenging and laborious comparison to make. For these programs, we have used SMI as a proxy in our comparison. We recognize that income thresholds will be higher in higher income areas and lower in lower income areas.

Comparison Tables

Below is a table for the Child Care and Developmental Block Grant. This program uses 85 percent of the SMI as the income threshold for eligibility. Given that CARE income thresholds are more stringent only for households of one, and ESA income thresholds are more restrictive only for households of six, we considered the income thresholds for the Child Care and Developmental Block Grant to be less restrictive.

Child Care and Development Block Grant (CCDBG)/Child Care and Development Fund (CCDF)					
Household Size	200% FPL	250% FPL	85% of California Median Household Income	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	35,996	624	(2,021)
2	36,620	44,775	77,295	(40,675)	(32,520)
3	46,060	57,575	86,359	(40,299)	(28,784)
4	55,500	69,375	97,463	(41,963)	(28,088)
5	64,940	81,175	87,283	(22,343)	(6,108)
6	74,380	92,975	89,078	(14,698)	3,897
7	83,820	104,775	105,471	(21,651)	(696)

LIHEAP uses an income threshold of 60 percent of the SMI. When compared to income requirements for CARE and ESA, LIHEAP requirements are generally equal.

LIHEAP					
Household Size	200% FPL	250% FPL	60% California Median Household Income	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	25,409	11,211	8,566
2	36,620	44,775	54,561	(17,941)	(9,786)
3	46,060	57,575	60,959	(14,899)	(3,384)
4	55,500	69,375	68,797	(13,297)	578
5	64,940	81,175	61,612	3,328	19,563
6	74,380	92,975	62,879	11,501	30,096
7	83,820	104,775	74,450	9,370	30,325

The Section 8 and Section 202 income requirement is less than 50 percent of the AMI, with the target participants those at 30 percent or less than the AMI. We estimate AMI using the SMI. Thirty percent of the SMI is less than 200 and 250 percent of the FPL for households with one to seven members. Fifty percent of the state median income is less than the CARE requirements for households with one, five, six, and seven members. Fifty percent of the SMI is less than the ESA income requirements for households with one, three, four, five, six, and seven members.

Section 8 and Section 202 (income limit)					
Household Size	200% FPL	250% FPL	50% California Median Household Income	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	21,174	15,446	12,801
2	36,620	44,775	45,468	(8,848)	(693)
3	46,060	57,575	50,800	(4,740)	6,776
4	55,500	69,375	57,331	(1,831)	12,044
5	64,940	81,175	51,343	13,597	29,832
6	74,380	92,975	52,399	21,981	40,576
7	83,820	104,775	62,042	21,778	42,733

Section 8 and Section 202 (target audience; majority of participants)					
Household Size	200% FPL	250% FPL	30% California Median Household Income	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	12,704	23,916	21,271
2	36,620	44,775	27,281	9,340	17,495
3	46,060	57,575	30,480	15,580	27,095
4	55,500	69,375	34,399	21,101	34,976
5	64,940	81,175	30,806	34,134	50,369
6	74,380	92,975	31,439	42,941	61,536
7	83,820	104,775	37,225	46,595	67,550

CalWORKs provides different income requirements dependent on county (Region 1 contains more urban counties and Region 2 contains more rural counties). The CARE and ESA income requirements are greater than the income requirements for CalWORKs for both regions for households of one to seven members.

CalWORKS Region 1					
Household Size	200% FPL	250% FPL	Minimum Basic Standard of Adequate Care	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	9,684	26,936	24,291
2	36,620	44,775	15,888	20,732	28,887
3	46,060	57,575	19,692	26,368	37,883
4	55,500	69,375	23,364	32,136	46,011
5	64,940	81,175	26,652	38,288	54,523
6	74,380	92,975	29,988	44,392	62,987
7	83,820	104,775	32,952	50,868	71,823

CalWORKS Region 2					
Household Size	200% FPL	250% FPL	Minimum Basic Standard of Adequate Care	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	9,192	27,428	24,783
2	36,620	44,775	15,084	21,536	29,691
3	46,060	57,575	18,684	27,376	38,891
4	55,500	69,375	22,212	33,288	47,163
5	64,940	81,175	25,404	39,536	55,771
6	74,380	92,975	28,524	45,856	64,451
7	83,820	104,775	31,260	52,560	73,515

We created a table similar to the AMI/FPL tables for California LifeLine to show alignment and misalignment by household size. LifeLine income requirements are more restrictive than income requirements for CARE and ESA in households of one to seven members.

California Lifeline Program					
Household Size	200% FPL	250% FPL	California Lifeline Program Income Limits	Difference (200% FPL)	Difference (250% FPL)
1	36,620	33,975	28,700	7,920	5,275
2	36,620	44,775	33,300	3,320	11,475
3	46,060	57,575	40,600	5,460	16,975
4	55,500	69,375	47,900	7,600	21,475
5	64,940	81,175	55,200	9,740	25,975
6	74,380	92,975	62,500	11,880	30,475
7	83,820	104,775	69,800	14,020	34,975

Appendix C: Third-Party Program Summaries and Comparisons to CARE and ESA

Table 8 below summarizes the ***basic*** eligibility characteristics for the third-party programs we examined, including those for CARE and ESA. Eligibility characteristics are the unit of qualification and income thresholds. We do not present exceptions and program complications here. These are discussed in the report and included in the program database. The rightmost column in the table lists our initial determination of alignment for each program with CARE and ESA. These determinations factored into our categorizations, but the categorizations may have been subsequently adjusted based on program details, nuances, and exceptions.

Table 8: Third-Party Program Comparison to CARE for Eligibility Characteristics

Program Name	Unit of Qualification	Income Requirement	Category Assignment
CARE	Household	200% FPL	Not Applicable
ESA	Household	250% FPL	Not Applicable
AIAN Head Start	Household	130% FPL	Category 3
BIA General Assistance	Could not verify	Could not verify	Category 6
California Head Start	Household	130% FPL	Category 3
California Military Family Relief Fund	Household	Not Applicable	Category 5
CalFresh	Household	200% FPL	Category 1
CalWORKs	Assistance unit	Minimum Basic Standard of Adequate Care (MBSAC)	Category 3
Chafee Foster Care Independence Program	Individual	Not Applicable	Category 5
Child Care and Development Block Grant	Household	85% State Median Income	Category 5
Children's Health Insurance Program	Individual	317% FPL	Category 4
LifeLine	Household	Other Requirements	Category 3
LIHEAP	Household	60% State Median Income	Category 2

Program Name	Unit of Qualification	Income Requirement	Category Assignment
Medi-Cal	Individual	138% FPL for adults, 266% FPL for children	Category 4
National School Lunch Program	Individual or Household	130% FPL for free meals, 130-185% FPL for reduced-price meals	Category 4
Section 8	Household	50% Area Median Income	Category 4
Section 202	Household	50% Area Median Income	Category 4
SSI	Individual or Couple	Individual: < $1,767 Couple: < $2,608 monthly earned income	Category 3
WIC	Individual	185% FPL	Category 1