21. Shelter Deductions

21.1 Housing

21.1.1 Allowable Expenses [63-502.362]

Include the following expenses in the housing deduction.

<table>
<thead>
<tr>
<th>Allowable expenses</th>
<th>Additional information or restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>Allow rent only for the month the expense is billed, regardless of when the rent is actually paid to the landlord. Even though a household may pay for the first and last month of rent in the first month, only the first month rent is allowed in that month as a shelter deduction. The last month rent will be allowed in the last month, even though it was paid in the first month. EXAMPLE: A client chooses to pay a few months of rent in advance. The shelter deduction is allowed for each month that the rent is billed, regardless of when the rent was actually paid to the landlord. EXAMPLE: The rental agreement requires that the client must pay for both the first and last month, when moving into their new apartment. Even though the client is paying for the last month in the first month, the last month rent deduction will be allowed in the last month. EXAMPLE: The client cannot afford to pay both the first and last month’s rent, which is required by the rental agreement. As a result, the landlord allows the client to pay the last month’s rent in installments. Even though the client is paying the rent for the last month in installments, the expense for the last month will be allowed in the last month of the rental agreement. Include rent billed for the old and new address when the household moves in the middle of the month. Include rent paid with a loan or other exempt income. (Exception: Expenses paid by an exempt reimbursement, vendor payment or income-in-kind are not allowable.) Include rent paid with a nonexempt GA vendor payment. <strong>Note:</strong> For Change Reporting and Quarterly Reporting households, the income conversion factor is applied to expenses billed on a weekly or bi-weekly basis.</td>
</tr>
</tbody>
</table>
### Allowable expenses

<table>
<thead>
<tr>
<th>Allowable expenses</th>
<th>Additional information or restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Payments</td>
<td>Include principal and interest billed on mortgage payments. Include a second mortgage payment, regardless of the use of the money obtained from the mortgage.</td>
</tr>
<tr>
<td>Loan Repayments for a Mobile Home Purchase</td>
<td>Include principal and interest billed on these payments.</td>
</tr>
<tr>
<td>Property Tax</td>
<td>Include state and local taxes.</td>
</tr>
<tr>
<td>Insurance on the Structure</td>
<td>Only on the structure; not for separate costs on furniture or personal belongings</td>
</tr>
<tr>
<td>Mandatory Homeowners Association Fees</td>
<td>Only if the household:</td>
</tr>
<tr>
<td></td>
<td>• Owns the dwelling, or</td>
</tr>
<tr>
<td></td>
<td>• Rents the dwelling and the fees are included in the rent. Do not allow homeowners fees for a renter who pays the fees separate and apart from the rent.</td>
</tr>
<tr>
<td>Home Repairs</td>
<td>Only when homes have been substantially damaged or destroyed due to a natural disaster, such as fire, flood, or earthquake; and the costs have not or will not be reimbursed by private or public relief agencies, insurance companies, or any other source.</td>
</tr>
<tr>
<td>Vacant Residence</td>
<td>Only when the home is temporarily unoccupied by the entire household due to:</td>
</tr>
<tr>
<td></td>
<td>• Employment away from home, or</td>
</tr>
<tr>
<td></td>
<td>• Training away from home, or</td>
</tr>
<tr>
<td></td>
<td>• Illness, or</td>
</tr>
<tr>
<td></td>
<td>• Abandonment caused by natural disaster or casualty loss.</td>
</tr>
<tr>
<td>To allow a deduction:</td>
<td>• The household must intend to return to the home, and</td>
</tr>
<tr>
<td></td>
<td>• Any current occupants cannot be claiming the same shelter cost(s), and</td>
</tr>
<tr>
<td></td>
<td>• The home must not be rented or leased in the household's absence.</td>
</tr>
</tbody>
</table>

### 21.1.2 Nonallowable Expenses [63-502.35]

Do not allow the following expenses as a housing deduction.

<table>
<thead>
<tr>
<th>Do not allow</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late Charges</td>
<td></td>
</tr>
</tbody>
</table>
### Shelter Deductions

<table>
<thead>
<tr>
<th>Do not allow</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security or Cleaning Charges/Deposits</td>
<td>Defined as a loan which uses the property as collateral, but which is not used to purchase property. (This is different from a second mortgage, which is allowable.)</td>
</tr>
<tr>
<td>Home Equity Loan</td>
<td>When rental expenses are broken out with a separate charge for the garage, only the expense for living quarters is allowable.</td>
</tr>
<tr>
<td>Garage Rental</td>
<td>When expense for appliances are broken out as an identifiable cost, these are not allowable.</td>
</tr>
<tr>
<td>Appliance Rental</td>
<td>EXAMPLE: A recipient pays $250 each month for rent and has a separate agreement (and provides a separate receipt or identification on the rent receipt) to pay an additional $35 each month for the use of a refrigerator, dishwasher and the laundry room. Only the $250 is allowed.</td>
</tr>
<tr>
<td></td>
<td>NOTE: A recipient provides verification that his/her rent is $285 each month (without the breakdown of the cost for the refrigerator, dishwasher and laundry room use). $285 is used to compute the shelter deduction.</td>
</tr>
<tr>
<td>Insurance on the Dwelling’s Contents</td>
<td>Allow insurance only on the structure itself. Insurance on the furniture and personal belongings within the dwelling is not allowable.</td>
</tr>
<tr>
<td>Housing Costs Claimed as a Business Expense</td>
<td>The PORTION of the total housing costs that is being claimed as a self-employment business expense is not allowable as part of the household’s shelter expense.</td>
</tr>
<tr>
<td></td>
<td>EXAMPLE: Client rents a 4-room apartment for $700 per month. She is self-employed as a manicurist and uses one of the bedrooms as her salon. She chooses actual business expenses.</td>
</tr>
<tr>
<td></td>
<td>Total rent $700 divided by 4 rooms x 1 room used for business = $175 allowed as a business expense. Total rent ($700) minus amount claimed as a business expense ($175) = Allowable housing expense ($525) to be used in the CalFresh budget.</td>
</tr>
<tr>
<td>Paid by Exempt Income-in-Kind</td>
<td>EXAMPLE: The head of HH works as an apartment manager and receives free rent in addition to his salary. The free rent is exempt as income-in-kind. Do not allow a rent deduction.</td>
</tr>
</tbody>
</table>
21.1.3 Homeless Households

Households which are homeless and incur, or reasonably expect to incur housing costs during the month may choose between:

- The Homeless Shelter Deduction, OR

- The actual cost of housing and SUA, LUA or TUA. In order for one of these utility deductions to be allowed the homeless household must verify shelter costs.

[Refer to “Homeless Households,” page 12-1 for further information.]

Example:
A 4-person HH’s only income is $1000 UIB. They are evicted and temporarily move into a kitchenette motel, where they must pay $200 weekly. Since they are now considered homeless, they may claim their actual housing costs.

The following chart shows the computation of their excess shelter deduction based on their actual housing costs.

<table>
<thead>
<tr>
<th>STEPS</th>
<th>Computation of Excess Shelter Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>$1000 UIB minus $134 Standard Deduction equals $866</td>
</tr>
<tr>
<td>(2)</td>
<td>$866 divided by 2 = $433 (1/2 of income)</td>
</tr>
<tr>
<td>(3)</td>
<td>$866 ($200 x 4.33) rent minus $433 equals $433 actual excess shelter deduction ($417 MAXIMUM excess shelter deduction).</td>
</tr>
</tbody>
</table>
21.2 Utilities

21.2.1 Definition [63-502.351c]

Utility expenses are defined as the costs billed for:

- Heating and cooking fuel; cooling and electric, such as:
  - Gas,
  - Electricity,
  - Butane,
  - Propane (and tank rental),
  - Coal oil,
  - Coal, or
  - Firewood.
- Water.
- Sewage.
- Garbage and trash collection fees.
- Basic service for one telephone. This includes tax on basic service and telephone rental fee. However, telephone purchase costs are not allowable.

21.2.2 Homeless Households

- Homeless households which choose the Homeless Shelter Deduction are not entitled to a separate deduction for utilities (i.e. SUA, LUA or TUA). [Refer to “Homeless Households,” page 12-1 for further information.]

21.2.3 SUA [63-502.363(a)]

The Standard Utility Allowance (SUA) is allowed for ALL households which incur heating or cooling costs when that expense is:

- Separate and apart from the household’s rent or mortgage payment.
- Billed to the household (the cost does not have to be paid to allow the deduction).
Shelter Deductions

- Verified, if questionable, before allowing the deduction.
- Based on actual metered utility usage.

Metered usage means that the actual amount of utility services used at a residence is measured by an individual meter.

Households which choose to average these costs over a period of months, and to pay the same amount each month with a periodic adjustment based on metered usage, are eligible to SUA.

Example:

The household pays PG&E and telephone separately from its rent payment. The PG&E bill is determined each month by measuring the amount of gas and electricity used which is shown on a meter. The household is eligible to receive SUA.

If the house or apartment complex provides a primary heating source and the cost is included in the rent, the household's decision to use a different or supplemental source of heating does not qualify the household for SUA. A household which chooses to use only one heat source still qualifies for SUA if it is responsible for paying for both heat services.

Example:

A household lives in a cottage behind the landlord's house. The cottage has a gas furnace and a stove fueled by wood. If the household has a separate gas meter, is billed for gas separately from rent, and is responsible for paying for the gas used, the household qualifies for SUA even though it only uses the wood stove. If, however, there is not a separate gas meter and the household does not receive a separate bill for the gas, the household is not entitled to SUA.

If the household is responsible for the cost of heating and/or cooling separate and apart from the rent and the HH’s only heat source is an alternative or non-traditional source, the household is entitled to SUA.

Example:

A household lives in a cottage behind the landlord’s house. The cottage’s only heat source is a wood burning stove. The household is responsible for providing the firewood per the rental contract. The household chooses to cut its own firewood. Since the household is responsible for the heating/cooling costs, it is entitled to SUA.
21.2.4 Energy Assistance Vendor Payments [63-502.363]

SUA is allowed for households which receive payments (either direct or by vendor) made under an Energy Assistance Program funded by LIHEAA (Low Income Home Energy Assistance Act of 1981). Households receiving these payments are automatically entitled to SUA for the period of time the payment is intended to cover.

SUA may be allowed for households which receive Energy Assistance vendor payments, other than LIHEAA, only if:

• The household incurs out-of-pocket expenses for heating or cooling.

To determine if out-of-pocket expenses are incurred, both the actual expenses and the energy assistance payment must be verified when the deduction is first allowed. The payment is prorated over the time it is intended to be covered. This amount is then compared with the actual expenses.

Example:
A household receives $300 in Energy Assistance payments from REACH for a three-month heating period.

$300 divided by 3 = $100 per month

The actual heating bill for one of the three months was $150. Therefore, the household is eligible to SUA.

Thorough documentation is required to substantiate the calculation.

• Most energy assistance payments are intended to cover the entire year.

21.2.5 LUA [63-502.363(d)]

The Limited Utility Allowance (LUA) is allowed for households that are not eligible for the SUA, but incur expenses for at least two separate types of utilities (other than heating and cooling). Allowable utilities include telephone, water, sewage, and garbage or trash collection.
The Telephone Utility Allowance (TUA) of $20 is allowed for households that are not eligible for either the SUA or LUA, but incur telephone costs only. The TUA must only be used in instances where the household has a telephone or in its absence, an equivalent form of communication (i.e. cell phone, pre-paid phone cards, $10/month to use the neighbor’s home phone, etc.).

If the telephone or cell phone bill is not in the client’s name, the household is still entitled to TUA as long as the household incurs the cost.

### 21.3 SUA vs. LUA vs. TUA

#### 21.3.1 Decision Chart

Follow the chart below to determine whether to allow SUA, LUA or TUA for a household.

<table>
<thead>
<tr>
<th>SITUATION (assume verification, if required, is on file unless stated otherwise)</th>
<th>ALLOW SUA, LUA or TUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>HH is billed for heating or cooling separate &amp; apart from rent</td>
<td>ALLOW SUA</td>
</tr>
<tr>
<td>HH receives Energy Assistance direct/vendor payments funded by Low Income Home Energy Assistance Act (LIHEA)</td>
<td>ALLOW SUA</td>
</tr>
<tr>
<td>HH receives Energy Assistance vendor payments &amp; incurs out-of-pocket expenses for heating or cooling</td>
<td>ALLOW SUA</td>
</tr>
<tr>
<td>HH claims billed for heating/cooling costs. There is no verification of heating or cooling costs on file, but there is verification of other utilities</td>
<td>ALLOW SUA, UNLESS QUESTIONABLE</td>
</tr>
<tr>
<td>Heating or cooling costs are included in the cost of housing, but HH is billed for at least two other utility costs</td>
<td>ALLOW LUA</td>
</tr>
<tr>
<td>HH lives in public/rental housing with one central utility meter and is only billed for excess utility costs (which include heating/cooling expenses)</td>
<td>ALLOW SUA</td>
</tr>
<tr>
<td>HH lives in public/rental housing with one central utility meter and is only billed for excess utility costs (which include only garbage and water expenses)</td>
<td>ALLOW LUA</td>
</tr>
</tbody>
</table>
21.4 State Utility Assistance Subsidy (SUAS) Payment

21.4.1 Overview

The enactment of the Agricultural Act of 2014 (aka Farm Bill) mandated that households receive a payment greater than $20 annually in energy assistance payment in order to automatically qualify for the Standard Utility Assistance (SUA) in the computation of their CalFresh allotment. Previously, there was no restriction on the amount of the LIHEAP payment and California paid the nominal payment of 10 cents.

In compliance with the federal mandate, the State Utility Assistance Subsidy (SUAS) program is created in California and replaced the Low Income Home Energy Assistance Program (LIHEAP) effective July 1, 2014.

The receipt of a SUAS payment during the certification period entitles households to receive the SUA deduction used in their computation of their CalFresh allotment.

21.4.2 Eligibility

The SUAS cash payment ($20.01) is only to be provided to those households who would receive additional CalFresh benefits or become eligible for CalFresh as a result of receiving the payment. These are households who:

<table>
<thead>
<tr>
<th>SITUATION (assume verification, if required, is on file unless stated otherwise)</th>
<th>ALLOW SUA, LUA or TUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>All utilities are included in the cost of housing except for the household’s telephone or cell phone expense</td>
<td>ALLOW TUA</td>
</tr>
<tr>
<td>All utilities are included in the cost of housing</td>
<td>DO NOT ALLOW SUA, LUA or TUA; INCLUDE UTILITIES IN HOUSING</td>
</tr>
<tr>
<td>HH is homeless</td>
<td>USE $143 HOMELESS SHELTER DEDUCTION</td>
</tr>
</tbody>
</table>

**Note:** If the Homeless Shelter Deduction is not allowed, then SUA, LUA or TUA may be allowed.
Shelter Deductions

- Are otherwise not eligible for the SUA
- Are not receiving the maximum CalFresh allotment for their household size, or
- Are not receiving the maximum shelter deduction (only for those household which contain no elderly or disabled members).

Note:
If the homeless household is entitled to the Homeless Shelter Deduction (HSD) and HSD gives more CalFresh benefits than the SUA deduction, HSD must be granted. The household is not entitled to the SUAS payment.

Example:
A homeless household with income applied for CalFresh on July 5, it was verified that the household incurs shelter expenses. The budget computation indicates that SUA gives more CalFresh benefits than HSD. The household will receive SUAS instead of HSD.

Households are NOT entitled to SUAS if they receive:

- The maximum CalFresh allotment, or
- SUA based on incurred heating or cooling expense, or
- The maximum shelter deduction (Excluding Elderly/Disabled households)

21.4.3 Issuance of SUAS

If the household is eligible for SUAS, the SUAS payment must be issued in the month the household is approved for CalFresh and the SUA applies prospectively from the month the SUAS payment is issued until the end of the certification period. The SUA cannot be applied for any month prior to the issuance of the SUAS payment.

Example:
A household files a CalFresh application on July 17. The household does not incur heating or cooling costs and is determined eligible for SUAS. The case is approved on July 25 and the SUAS payment is issued to the household on July 27. Since the SUAS payment was issue in July, the household is eligible for the SUA for the month of July and for the remainder of the certification period. If the household remains eligible, the next SUAS payment must be aligned with the households’ next certification.

Example:
A household files a CalFresh application on July 17, the case is approved on August 5, and the SUAS payment is issued on August 27. Since the case was approved and the SUAS payment was not issued until August, the household
is eligible for the SUA for the month of August and for the reminder of the certification period. The household is not eligible for the SUA for the month of July, even though they are eligible to CalFresh benefits in July.

21.4.4 Expedited Service

At the time of screening the application for entitlement to ES, SUAS determination is not used. When the entitlement to ES is determined by calculating if rent/mortgage and utilities are more than income/resources, use:

- The SUA deduction only if the household is billed separately for heating or cooling costs.
- Limited Utility Allowance (LUA) or Telephone Utility Allowance (TUA) if the not eligible for SUA but billed separately for other utilities.
- Rent/mortgage only if the household is not billed separately for utilities.

Upon approval of ES, the household may be eligible for the SUAS payment and the SUA if it meets the eligibility criteria as described in [Refer to “Eligibility,” page 21-9].

21.4.5 Changes during Certification

When a change in utility is reported during the certification period, SUAS eligibility must be evaluated and the change must taken place effective the month it is reported. If determined that issuing the SUAS payment and allowing SUA to the household will result in an increase in the household’s allotment, the SUAS payment must be issued and the SUA should be allowed effective the first of the month in which the change is reported.

Example:
A household applies for CalFresh on August 10, 2014 and is not eligible for the SUAS payment because the household is already receiving the maximum shelter deduction. The household does not incur separate heating or cooling expenses. The household is certified for 12 months (August 2014 to July 2015.) The household submits a SAR 7 in January 2015 reporting a change in household circumstances resulting in the household no longer being eligible for the maximum shelter deduction. The household still does not incur separate heating or cooling expenses. The EW determines that issuing the SUAS payment to the household will result in an increase in the household’s allotment and issues the SUAS payment in January, 2015. The SUA should be added to the household's benefit calculation in January 2015 and a supplemental allotment should be issued for the month of January. When the household is recertified in July,
2015, the SUAS payment should be issued again (if the household is eligible for the payment) thus aligning the SUAS payment with the household’s certification period.

21.4.6 Multiple SUAS in a 12-Month Period

Households meeting the SUAS eligibility may receive a SUAS payment of $20.01 for each certification period. Multiple SUAS payments can be made within a 12-month period for the following situations:

- For cases that have a certification period short than 12 months
- When a household reapplies within 12 months after discontinuance of CalFresh.

Example:
A household was originally certified from March 2014 to February, 2015 and received the SUAS payment. In August 2014 the household is discontinued for failure to submit the July SAR 7. The household reappears for CalFresh in October and is approved in the same month the application is filed. The household is certified for 12 months (October 2014 through September, 2015). The household is eligible for the SUAS payment and can receive SUAS in October 2014.

Example:
A household was originally certified from July 2014 to June 2015. On December 31, 2014 the household is discontinued for failure to submit the November SAR 7. The household reapplies for CalFresh in April, 2015 and it is approved in May, 2015. The household is certified for 12 months (April, 2015 through March, 2016). The household is eligible for the SUAS payment which should be issued in May, 2015. It is not eligible for the SUA in April because SUA eligibility cannot be applied retroactively prior to the month in which the SUAS payment is made.

Restorations

SUAS payments should not be issued to the household when the case is restored within the same certification period.

Example:
A household applies and is approved for CalFresh in August 2014. The household is certified for 12 months (August 2014 through July, 2015). The household is eligible for the SUAS payment which is issued in August 2014. In December 2014 the household is discontinued for not submitting its SAR 7 by the extended filing date. The case is discontinued effective December 31. On January 15, the household submits the completed SAR 7. The case is restored
effective January 15 (with January benefits prorated effective that date) and the existing certification period is maintained through July 2015. No new SUAS payment should be made to the household because they received it at the time their case was initially approved. The household, if eligible, would receive its next SUAS payment when the case is recertified.

### 21.4.7 24 Month Certification Period

For those households certified for 24 months, the county must ensure that the household is evaluated for the $20.01 SUAS payment at the time of the required 12-month contact with the household. If the SUAS payment is not issued at least once every 12 months, the household is not eligible for the SUA based on the SUAS payment.

### 21.4.8 Transitional CalFresh (TCF)

A household’s eligibility for TCF does not qualify the household for the SUAS payment. As stated in Manual of Policy and Procedures section 63-504.132(a), TCF benefits will be issued in an amount equal to the allotment received in the last month of CalWORKs eligibility, adjusted for the change in household income as a result of the termination of the CalWORKs grant. The TCF households that transition back to regular CalFresh are to be evaluated for SUAS and the SUA eligibility at that time.

### 21.4.9 Overissuance

No overissuance should be computed for the issuance of the $20.01 SUAS payment or for CalFresh benefits issued in error due to the SUAS payment having been issued.

### 21.4.10 Inter-County-Transfer (ICT)

In the event of an ICT, counties are responsible for reviewing if a household has previously received the SUAS payment within the current certification period. The sending county must notify the receiving county if and when the household received the SUAS payment during the current certification period. It is critical that counties communicate with each other to ensure that duplicate SUAS payments are not issued in a certification period.
Shelter Deductions

21.4.11 CalWIN

Intake Cases
All intake cases which are authorized for November benefits and thereafter, will have the SUAS issued in batch the night they are authorized. The SUAS will be issued that night for the cases that are eligible in the month they are authorized.

Recertification
For cases that are determined eligible to SUAS at RC, the SUAS payment will be issued on the 11th (or first business day after the 11th) of the first month of the new certification period, if eligible.

Example:
For the November 2014 RRRs that are determined eligible for their new certification period starting in December 2014, the SUAS will be issued on December 11.

21.5 Shared Living Expenses Deduction

21.5.1 Definition [63-502.37]

Shared living expenses include allowable shelter expenses that the CalFresh eligible household member(s) shares with:

- Excluded member(s)
  - SSI recipient or ineligible student,
  - Ineligible non-citizen, SSN disqualified, Ineligible ABAWD
  - IPV or work requirement disqualified, or

- Another separate household which may or may not be participating in CalFresh.

21.5.2 Proration Method Steps

When SEPARATE households and excluded household member(s) living in the residence share living expenses, there are TWO steps required in the proration:

- Determine each separate household’s share of the shelter and utility costs [Refer to “Separate Households,” page 21-15], and
• Determine the amount allowable to the CalFresh eligible household members. [Refer to “Shelter Proration - Within CalFresh HH,” page 21-17 for the steps in this determination.]

21.6 Separate Households

21.6.1 Separate Household Status Determination

To determine the number of households (HHs) living in the residence, the HH composition rules apply (i.e. blood/marriage and customarily purchase and prepare food together). [Refer to “HH Decision,” page 9-19 for an overview chart.]

A determination must be made for any individual residing in the home who is receiving SSI, an ineligible student, ABAWD or non-citizen, IPV or work disqualified to determine if he/she would be an otherwise eligible member of the CalFresh HH per HH composition rules.

If he/she would be a mandatory CalFresh HH member, then the individual is considered an EXCLUDED member of the CalFresh household (i.e. within the CalFresh HH).

If he/she would NOT be a mandatory CalFresh HH member, then the individual is considered a separate household.

Example:
CalWORKs mom and her 3-year old SSI daughter. The SSI child would be a member of the CalFresh household if she were not receiving SSI. Therefore, she is an excluded member of the CalFresh HH (within the CalFresh HH) and NOT a separate household.

Example:
CalWORKs mom with 2 children on CalWORKs. Her 19-year old son works part-time (15 hours per week) and is a full-time college student. He states he buys and prepares food separately. He pays $150 for rent and utilities monthly.

Per regulations, children under age 22 cannot be granted separate CalFresh household status. If the 19-year old were not an ineligible student, he would be a mandatory member of the CalFresh HH even though he purchases and prepares food separately. Therefore, he is an excluded member of the CalFresh HH (within the CalFresh HH) and NOT a separate household.
Example:
25-year old CalWORKs mom and her two children live with her parents who are receiving SSI. Her parents buy and prepare their food separately. Since the parents buy and prepare food separate and are not required to be included in their daughter CalFresh HH (under the blood/marriage rules), they are a SEPARATE household. The fact that the parents receive SSI is irrelevant.

Example:
A mom and her 2 children are on CalWORKs. Her 19-year old brother moves into the apartment and sleeps on the couch. He works part-time (15 hours per week) and is a full-time college student. He states he buys and prepares food separately. He pays $150 for rent & utilities monthly.

Per regulations, since he buys and prepares food separately and is not required to be included in his sister’s CalFresh HH (under blood/marriage rules), he is a SEPARATE household. The fact that he is an ineligible student is irrelevant.

21.7 Shelter and Utility Deductions - Separate Households

21.7.1 Allowable Shelter Expense

When two or more SEPARATE households share a residence:

- Allow the actual shelter amount paid by the CalFresh HH as its deduction.

Exception:
If the actual shelter cost CAN NOT be differentiated (i.e. pooled income), the shelter expense is prorated. Divide the total shelter expense by the number of HOUSEHOLDS (HHs) contributing to the expense.

21.7.2 Allowable Utility Expenses

When a CalFresh household lives with and shares shelter and/or utility expenses with another separate household (which may or may not be participating in CalFresh), each household will be allowed the full SUA.
21.8 Shelter Proration - Within CalFresh HH

Within the CalFresh household, proration of rent is based on the number of contributors to the expense.

Contributors are those household members:

• Who share the residence and the expenses of that residence by paying or obligating money from their separate income or resources, or

• Who per regulations are automatically considered contributors.

A determination must be made if an excluded member is a contributor. There are three separate categories of excluded household members. The treatment of each of these types of contributors is different and is as follows:

21.8.1 SSI or Ineligible Student Excluded Members

[63-502.373(c)]

If the CalFresh eligible household members share expenses with members who are excluded because they are SSI recipients or ineligible students, fixed amounts contributed by these excluded members MUST be deducted from the allowable expense. Only the remaining dollar amount shall be allowed as the CalFresh household’s deduction. If an individual pays a fixed amount, he/she is:

• NOT considered a contributor, and
• NOT included in the count if proration is required due to the presence of other excluded CalFresh HH members.
Example:
Two separate households share a house. Only one of the households receives CalFresh. Total rent: $1000 - each household pays 1/2 of the rent. CalFresh HH share of rent is $500. SUA is allowed in the CalFresh budget.

The CalFresh HH consists of an SSI grandmother, her daughter who is working and is an ineligible non-citizen and her citizen granddaughter. They purchase and prepare food together. SSI grandmother pays $200 of the rent and $25 of the PG&E bill.

CalFresh HH Rent: $500 minus $200 rent paid by SSI grandmother equals $300.
$300 rent divided by 2 contributors (mother and daughter) = $150 rent allowed in the CalFresh budget.

SUA is allowed in the CalFresh budget.

If payments or contributions made by these excluded members CAN NOT be differentiated (i.e. pooled income), the expense is prorated evenly among the members contributing to the expense and only the eligible members and IPV/work requirement sanctioned members prorated share is counted as the deduction. In this situation, the excluded SSI recipient/Ineligible student member is:

• Considered a contributor, and
• Included in the count for the proration.

Example:
CalWORKs mom, one child (age 3) and one SSI child (age 2). Mom deposits the CalWORKs and SSI checks into her checking account to pay the family’s expenses (i.e. pooled income). They live with and share rent & PG&E with another separate household.
Their share of rent is $600. CalFresh HH Rent of $600 is divided by 3 contributors (mother and 2 children)= $200 x 2 eligible CalFresh HH members= $400 (amount allowed in the CalFresh budget).
SUA is allowed in the CalFresh budget.

Example:
If an SSI and/or excluded student/ABAWD household member does NOT contribute to the expense, he/she is:

• NOT considered a contributor, and
• NOT counted in the proration.
Example:
Woman with child (age 5) lives with her SSI boyfriend and they buy and prepare food together. The SSI boyfriend would be a member of his girlfriend’s CalFresh household if he were not receiving SSI, therefore he is considered an excluded member of the CalFresh HH. He does not contribute to the rent and utility expenses of the residence.

They share a house with another couple. The two households split the cost of rent and utilities (including PG&E). $800 rent divided by 2 households living in the residence = $400 per household. $400 rent allowed in the CalFresh budget. SUA is allowed in the CalFresh budget.

21.8.2 Ineligible Non-citizen/ABAWD or SSN Disqualified Excluded Members

1. Excluded non-citizen/ABAWD and SSN disqualified household members with their own income are AUTOMATICALLY considered contributors and MUST be included in the proration of expenses.

   • If the individual is acting solely as an agent or payee for another household member, he/she would NOT be considered a contributor.

Example:
An ineligible undocumented non-citizen mom receives CalWORKs for her children. The CalWORKs is NOT considered her income even though she is the payee. She has no income or resources of her own. Therefore she is NOT considered a contributor.

2. If an ineligible non-citizen/ABAWD or SSN disqualified excluded member pays part or all of the deductible expenses from their separate resources, he/she is considered a contributor.

3. If any ineligible non-citizen member has income or contributes to the household expense from his/her separate resources, all ineligible non-citizens of that household are counted in the proration.
Shelter Deductions

Example:
HH composition: Father (undocumented non-citizen); Mother (legal PRUCOL non-citizen), and their 3 citizen children. CalWORKs Assistance Unit (AU) includes mother and the 3 children - one of the children is a maximum family grant (MFG) child - CalWORKs grant is $752. Only the 3 children are on CalFresh. Rent which includes utilities is $400 per month.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Divide the combined undifferentiated payment by the number of persons for whom it was issued. $752 divided by 4 equals $188. (Note: The father is NOT included in the proration of the CalWORKs grant since the grant does not include him. The MFG child is included in the proration of the CalWORKs grant since he/she is a member of the Assistance Unit.)</td>
</tr>
<tr>
<td>2.</td>
<td>Multiply the prorated amount from STEP 1 by the number of CalFresh eligible members for whom the payment was issued. $188 times 3 equals $564</td>
</tr>
<tr>
<td>3.</td>
<td>Count the amount determined in STEP 2 in the CalFresh budget.</td>
</tr>
<tr>
<td>4.</td>
<td>Divide the rent by the number of contributors. $400 divided by 5 equals $80.00 (Note: The father is considered a contributor due to the rule that if one excluded non-citizen has income, count all non-citizens in the proration of expenses.)</td>
</tr>
<tr>
<td>5.</td>
<td>Multiply the prorated amount from STEP 4 by the number of CalFresh eligible members. $80.00 times 3 equals $240.00</td>
</tr>
<tr>
<td>6.</td>
<td>Count the amount determined in STEP 5 in the CalFresh budget.</td>
</tr>
</tbody>
</table>

4. If any SSN disqualified member contributes to the household expense, all SSN disqualified members of that household are counted in the proration.

Example:
HH composition: Father (SSN Disqualified); Mother (eligible) and their daughter (SSN disqualified). The father and mother are apartment managers. They receive a free apartment and a combined undifferentiated payment of $500 for all services performed per their contract. They pay their own utilities and are eligible to SUA. The father does the gardening and maintenance and the mother cleans & shows vacant apartments and does the record keeping. Only the mother receives CalFresh.
**Step** | **Action**
--- | ---
1. | Divide the combined undifferentiated payment by the number of persons for whom it was issued.
   $500 divided by 2 equals $250
   (Note: The daughter is NOT included in the proration of the combined undifferentiated payment since the contract does not include her.)
2. | Multiply the prorated amount from STEP 1 by the number of CalFresh eligible members for whom the payment was issued.
   $250 times 1 equals $250
3. | Count the amount determined in STEP 2 in the CalFresh budget.
4. | SUA is allowed in the CalFresh budget.
   As long as the CalFresh household, including excluded or ineligible members, incur heating/cooling costs separate from the housing cost, the eligible CalFresh HH members are entitled to SUA for the household.

**Note:**
These three groups (i.e non-citizens/ABAWDs, and SSN disqualified) are now considered three separate categories for proration of DEDUCTIONS.

**EXAMPLE:**
CalFresh HH composition: Ineligible non-citizen mother, ineligible non-citizen father, CalFresh eligible citizen child, and excluded SSN disqualified (citizen) child.

Father works and earns $1200 monthly. Rent is $600 and they pay PG&E. The family has no other income or resources.

There are three contributors (Ineligible non-citizen father, mother and the CalFresh eligible child). Expenses are divided by 3 and only the CalFresh eligible member’s prorated share is allowed in the CalFresh budget. The SSN disqualified child is NOT considered a contributor since he/she does not have income or resources and there is no other SSN disqualified member who contributes.

5. Even if the ineligible non-citizen/ABAWD or SSN disqualified excluded member pays a fixed amount, the known contribution is NOT deducted. The expenses MUST be prorated allowing the CalFresh HH its prorated share.
Example:
CalWORKs mother and her three children live with her ineligible non-citizen boyfriend. They purchase and prepare food together. He pays $150 per month for rent and utilities. Total rent: $400; CalFresh HH is eligible for SUA.

$400 rent divided by 5 contributors times 4 CalFresh eligible HH members = $320 prorated rent allowed in CalFresh budget.

SUA allowed in CalFresh budget.

Known contribution ($150) of ineligible non-citizen is not deducted. The expenses are prorated, and the CalFresh HH is allowed all but the ineligible non-citizen’s portion of the expenses.

21.8.3 IPV/Work Disqualified Excluded Members

The Intentional Program Violation (IPV) / Work Disqualified excluded member category included individuals excluded as:

- Intentional Program Violators
- Work Requirement Disqualified
- Fleeing Felons
- Parole Violators
- Probation Violators,
- Convicted Drug Felons.

In prorating expenses, an IPV/work requirement disqualified excluded member is AUTOMATICALLY considered a contributor and included in the proration.

Count the eligible CalFresh HH members and excluded IPV/work requirement disqualified members’ share of the expense in the CalFresh budget.

Example:
HH consists of: Mother (IPV disqualified) who has no income or resources, her 2 CalWORKs children, and SSI boyfriend who eats with the family and pools income with them. They all meet the definition of a contributor. Total rent: $600; eligible for SUA.

$600 rent divided by 4 contributors x 3 (2 eligible CalFresh HH members + 1 IPV excluded member) = $450 prorated rent allowed in the CalFresh budget. SUA allowed in the CalFresh budget.
21.9 Contributors - Within the CalFresh HH

The following chart gives an overview of how to determine the number of contributors to use in the proration of expenses when the eligible members share expenses with excluded members of the CalFresh HH.

<table>
<thead>
<tr>
<th>CONTRIBUTORS</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>All eligible members of the CalFresh HH and IPV / work requirement disqualified excluded members</td>
<td>If at least one CalFresh HH member contributes to the expense from their separate income or resources, or If the CalFresh HH has income from an excluded (IPV/Work requirement disqualified or Ineligible non-citizen/SSN disqualified) member, or If an excluded (IPV/work requirement disqualified or Ineligible non-citizen/SSN disqualified) member contributes to the expense using his/her separate resources. COUNT ALL ELIGIBLE MEMBERS OF THE CalFresh HH AND ALL IPV / WORK DISQUALIFIED EXCLUDED MEMBERS.</td>
<td>No one in the CalFresh HH contributes to the expense from their separate income or resources, and The CalFresh HH does NOT receive income from an excluded (IPV, work requirement disqualified, ineligible non-citizen, or SSN disqualified) member, and There is no excluded member(s) (IPV/work requirement disqualified/ineligible non-citizen or SSN disqualified) who contributes to the expense from his/her separate resources.</td>
</tr>
<tr>
<td>SSN disqualified excluded CalFresh HH member</td>
<td>When at least one excluded SSN disqualified CalFresh HH member has income or contributes to the expense from his/her separate resources, count all SSN excluded members as contributors. [Refer to “Excluded and Non-household Members,” page 10-1.</td>
<td>When none of the excluded SSN disqualified CalFresh HH members: • Have income, or • Contribute to the expenses from their separate resources.</td>
</tr>
</tbody>
</table>
### Shelter Deductions

| Ineligible ABAWD excluded CalFresh HH member | When at least 1 excluded Ineligible ABAWD CalFresh HH member has income or contributes to the expenses from his/her separate resources, count ALL ineligible ABAWD excluded members as contributors. | When none of the excluded ineligible ABAWD CalFresh HH members:  
• Have income or  
• Contribute to the expense from their separate resources. |
| --- | --- | --- |
| Non-citizen excluded CalFresh HH member | When at least one excluded non-citizen CalFresh HH member has income or contributes to the expense from his/her separate resources, count all non-citizen excluded members as contributors. | When none of the excluded non-citizen CalFresh HH members:  
• Have income, or  
• Contribute to the expense from their separate resources. |
| SSI recipients and/or Ineligible students | When an SSI recipient/Ineligible student contribution cannot be differentiated (i.e. pooled income), he/she is considered a contributor and included in the proration count. (Count only those individuals who actually contribute.) | Each SSI recipient/Ineligible student who:  
• Does not personally pay, or pool income to pay the expense, or  
• Pays a fixed or flat rate for the expense.  
These individuals are NOT considered contributors and are NOT included in the proration count. |

* If an Ineligible student is also excluded as an ineligible non-citizen, treat that person as an excluded non-citizen for the purpose of determining contributors.
21.10 Overview - Shared Living Situations

<table>
<thead>
<tr>
<th>Within Residence</th>
<th>Within the CalFresh Household - Excluded Members</th>
<th>Ineligible Non-Citizen/AB AWD / SSN Disqualified</th>
<th>SSI Recipient / Ineligible Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate Households</td>
<td>IPV/Work Requirement Disqualified</td>
<td>YES, as determined by CalFresh HH composition rules. If yes, then items below apply.</td>
<td>YES, as determined by CalFresh HH composition rules. If yes, then items below apply.</td>
</tr>
<tr>
<td>Household Composition Test: Would the person(s) be an otherwise eligible HH member(s) per HH composition rules? (M.S. 63-402.1)</td>
<td>NO If no, then items below apply.</td>
<td>Prorate expense: • Divide evenly among eligibles/IPV/Work requirement disqualified excluded members and these excluded members. • Count total of eligibles IPV/Work requirement disqualified excluded members’ shares of the shelter expense in the CalFresh budget.</td>
<td>Count total of eligibles and IPV/work requirement disqualified excluded members shares by the shelter expense in the CalFresh budget.</td>
</tr>
<tr>
<td>SHELTER (M.S. 63-502.35)</td>
<td>Allow actual amount paid by CalFresh HH as its deduction. If contribution CAN NOT be differentiated, prorate by the number of CONTRIBUTING HOUSEHOLDS.</td>
<td>Allow SUA.</td>
<td>Allow SUA.</td>
</tr>
<tr>
<td>SUA</td>
<td>Allow SUA.</td>
<td>Allow SUA.</td>
<td>Allow SUA.</td>
</tr>
</tbody>
</table>
21.11 Overissuances

21.11.1 Failure to Pay Billed Expenses

There is no overissuance if a household fails to pay billed expenses which have been allowed as a deduction, unless those expenses were paid by an exempt vendor payment. (Expenses paid with an exempt vendor payment are not allowable as a deduction.)

21.12 Summary Chart

<table>
<thead>
<tr>
<th>RESOURCES (M.S. 63-501.1)</th>
<th>Not available to CalFresh HH</th>
<th>Count all.</th>
<th>Count all.</th>
<th>Not available to CalFresh HH.</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME (M.S. 63-502.1)</td>
<td>Not available to CalFresh HH. (If person makes a cash contribution to CalFresh HH, apply normal income standards.)</td>
<td>Count all.</td>
<td>Prorate income: • Divide evenly among eligibles, IPV/Work disqualified excluded members and these excluded members. • Count total of eligibles and IPV/Work disqualified excluded members share.</td>
<td>Not available to CalFresh HH. (If person makes a cash contribution to CalFresh HH, apply normal income standards.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOUSING</th>
<th>SUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHEN TO ALLOW</td>
<td>At application or reapplication</td>
</tr>
<tr>
<td>• HH pays/is billed.</td>
<td>• HH pays/is billed.</td>
</tr>
<tr>
<td>• Verification provided if required.</td>
<td>• Verification provided if required.</td>
</tr>
<tr>
<td>• Prospectively budget.</td>
<td>• Prospectively budget.</td>
</tr>
</tbody>
</table>
### Shelter Deductions

<table>
<thead>
<tr>
<th>HOUSING</th>
<th>SUA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VERIFICATION TYPE</strong></td>
<td>At application or reapplication</td>
</tr>
<tr>
<td>• Rent receipt.</td>
<td></td>
</tr>
<tr>
<td>• Loan or mortgage payment book.</td>
<td></td>
</tr>
<tr>
<td>• Property tax bill.</td>
<td></td>
</tr>
<tr>
<td>• Homeowners insurance.</td>
<td></td>
</tr>
</tbody>
</table>

| **WHEN TO REQUEST VERIFICATION** | No need to verify |
| • If questionable | |
| For detailed information on what is considered questionable [Refer to “Questionable Information [63-300.5(g)],” page 6-8.] | |

| **HOW MUCH TO ALLOW** | • Current standard. |
| • Amount paid/billed for regular monthly payment. | |

| **SHARED WITH SEPARATE HOUSEHOLD** | SUA is never prorated. |
| [Refer to “Shelter and Utility Deductions - Separate Households,” page 21-16]. | |

| **SHARED WITH EXCLUDED MEMBER (Ineligible non-citizen/ABAWD, SSN disqualified)** | SUA is never prorated. |
| [Refer to “Excluded and Non-household Members,” page 10-1 & [Refer to “Ineligible Non-citizen/ABAWD or SSN Disqualified Excluded Members,” page 21-19]. | |

| **SHARED WITH EXCLUDED MEMBER (SSI, Ineligible Student Pooled Income)** | SUA is never prorated. |
| [Refer to “SSI or Ineligible Student Excluded Members [63-502.373(c)],” page 21-17] & [Refer to “SSI Recipient/Ineligible Student Excluded Members,” page 10-9.] | |

| **SHARED WITH EXCLUDED MEMBER (SSI / Ineligible Student)** | SUA is never prorated. |
| Set amount contributed by excluded member | |
| [Refer to “SSI or Ineligible Student Excluded Members [63-502.373(c)],” page 21-17] & [Refer to “SSI Recipient/Ineligible Student Excluded Members,” page 10-9]. | |

| **SHARED WITH EXCLUDED MEMBER (IPV, work registration sanctioned)** | SUA is never prorated. |
| [Refer to “IPV/Work Disqualified Excluded Members,” page 21-22] & [Refer to “Excluded and Non-household Members,” page 10-1]. | |