

**DEPARTMENT
POLICY****FAP Only**

Categorically eligible groups automatically meet **asset**, gross and 100% net **income** limits for food assistance. Categorical eligibility applies to groups, **not** individuals. Group composition **must** be determined prior to determining categorical eligibility.

DEFINITION

FAP groups are categorically eligible based on enhanced authorization for Domestic Violence Prevention Services. Although applicants/recipients are authorized for this service via PUB 859, "Domestic Violence Waivers Informational Brochure", **only** households with gross income at or below 200% of the poverty level receive additional authorizations.

Exception: A group is **not** categorically eligible for FAP if **any** member of the group is FAP **disqualified** for:

- Intentional program violation (IPV),
- Child support non-cooperation,
- Trafficking,
- Parole and probation violation,
- Fugitive felons, or
- Employment-related activity.

**APPLICATION
PROCESSING**

The categorically eligible group is certified in accordance with all of the requirements for any other FAP group.

Verification

If questionable, you **must** verify that the group:

- Meets all of the group composition requirements of PEM 212.
- Includes all persons who purchase and prepare food together in one FAP group, **and**
- Includes **no** persons who have been FAP **disqualified** for IPV, non-cooperation with child support, trafficking, parole and probation violations, fugitive felons and employment related activity.

If categorically eligible, do **not** verify for FAP purposes:

- Assets [See PEM 400](#),
- That the group's income is within gross and 100% net income limits,
- Social security numbers,
- Sponsored alien information, **or**
- Residency.

Postponing Denial	Postpone the denial of benefits for a potential categorically eligible group until the 30th day if it is likely that the group will be categorically eligible.
Benefits for Previously Denied Group	<p>If the group meets FAP categorical eligibility criteria within 30 days of application, FAP eligibility is effective the date of application. If the group meets FAP categorical eligibility criteria after 30 days, the FAP eligibility is effective on the date eligibility is met.</p> <p>Update the original application from available information or through mail or phone contact with the group or authorized representative. Ask the client or authorized representative to initial any changes and sign the updated application again.</p> <p>Note: Another interview is not required unless there are significant changes or the original application is over 60 days old.</p>
ISSUING BENEFITS	<p>LOA2 and CIMS will compute net income for all categorically eligible groups.</p> <p>One and two member categorical FAP groups that exceed the gross and/or 100% net income limit, but whose gross income is at or below 200% of the poverty level are automatically eligible for a \$10 benefit amount.</p> <p>Exception: Benefits are prorated in the initial month of application.</p> <p>Three or more member categorical FAP groups that exceed the gross and/or 100% net income limit, but whose gross income is at or below 200% of the poverty level may be eligible for benefits as low as \$2 as determined by the Food Assistance Issuance Tables in Program Reference Tables (PRT), Item 260.</p> <p>A case with zero benefits cannot be opened on CIMS. Therefore, three or more member categorical FAP groups must be denied or closed if net income results in a zero benefit amount based on the Food Assistance Issuance Tables.</p>
TERMINATION OF CATEGORICAL ELIGIBILITY	When the group is no longer categorically eligible due to imposing a FAP disqualification, review all FAP eligibility requirements to determine whether the group remains eligible. Send a DHS-176 to inform the client of any change in eligibility or benefit level.
LEGAL BASE	<p>FAP</p> <p>7 CFR 273.2(j)</p>

Subject: RE: FS Cat El policy

From: "[REDACTED]" <[REDACTED]>

Date: Wed, 8 Aug 2007 13:40:53 -0400

To: <emilycollins@povertylaw.org>

Emily – I am not even seeing the boilerplate anymore... it probably was deleted because someone probably forgot why it was there. It basically just said that families with income below 200% of FPL were eligible for domestic violence prevention services. DHS offices are supposed to give out a DV pamphlet with their eligibility applications (we have a single app for MA, FS, TANF, etc) that explains the eligibility for those services. I will let you know if the other folks in my office are aware of any other legal authority for the Cat el.

[REDACTED]

From: [REDACTED]

Sent: Wednesday, August 08, 2007 1:26 PM

To: 'emilycollins@povertylaw.org'

Subject: FS Cat El policy

Emily- Link to policy:

<http://www.mfia.state.mi.us/olmweb/ex/pem/213.pdf>

I'll look for the boilerplate section—

[REDACTED]

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Categorical Eligibility and Food Stamps Proposed Cuts Would Hurt Working Households

What is the Proposal?

The Administration's recent budget proposals and Farm Bill proposal would dramatically restrict an option known as "**categorical eligibility.**" The administration would restrict the option so applies only to people getting cash welfare or SSI.

How does Michigan use the Categorical Eligibility Option?

This option allows Michigan to provide Food Assistance ("food stamps") to families who are *not* on welfare, but who have expenses that reduce their "net" countable income below 130% of the federal poverty limit. Over 80% of Michigan's Food Assistance recipients do not receive welfare and many of them would be affected by this proposal.

The categorical eligibility option allows Michigan to consider whether households with gross income under 200% of the federal poverty level could still qualify for food stamps after certain expenses are deducted (see below). Their net income would have to be below 130% of the federal poverty level (the same test used for people who are not working).

If the proposal passes, Michigan would lose the option to give Food Assistance to thousands of working households based on their "net income" after certain expenses (see below) are considered

Who will lose benefits?

Households that:

- Receive Food Assistance ("food stamps") and whose gross income is above 130% of the federal poverty limit, AND
- Do not include any members who are either at least age 60 or who receive federal disability benefits

What will happen if Michigan loses this option?

DHS estimates **26,000 households in Michigan** would lose Food Assistance entirely because they have income between 130% and 200% of poverty.

Thousands more would lose benefits because of non-cash assets such as a car, even if that car is needed to look for or go to work.

Impact on Michigan Families?
What expenses would no longer be deducted from "gross income" of affected households?

- **Shelter** – mortgage, rent, property taxes, utility expenses
- **Child care** - Out of pocket work-related costs (up to a capped amount)
- **Child support** – out of pocket child support paid for a child not living in the home.
- **Other** – a standard but modest deduction from gross income to account for income taxes, work expenses.

What would be the new gross income limits?

<u>Household Size</u>	<u>Gross weekly income limit if cuts are approved – 130% of Poverty (2005)</u>
1 -----	\$241* = \$6.05+ per hr @ 40 hrs per week
2-----	\$323 = \$8.08+ “ “
3-----	\$405 = \$10.13+ “ “
4-----	\$487 = \$12.18 + “ “
5-----	\$569 = \$10.35+ per hr @55 hrs per week
6-----	\$651 = \$11.84+ per hr @55 hrs per week \

For each additional person add \$82 per week

Example

Consider a family of 4 with 2 parents and 2 children.

Income: Both parents work 40 hours a week at \$6.25 per hour.

Expenses: They pay \$550 per month for rent, plus heat and electricity.

Current benefits: Currently, this family could receive \$48 per month in food stamps. They are likely to receive more if they paid for work related child care.

Benefits if option eliminated: This family would receive \$0 in food stamps because their gross income is over \$487 per week and they do not receive cash welfare benefits.