Assembly Bill No. 429

CHAPTER 111

An act to amend Sections 5246, 17306, 17400, 17500, 17704, and 17706 of, to add Sections 17402.1 and 17702.5 to, and to repeal Section 17501 of, the Family Code, to add and repeal Section 12092 of the Government Code, to amend Sections 11756.7 and 127280 of, and to add Section 1776.3 to, the Health and Safety Code, to amend Sections 19271 and 19272 of the Revenue and Taxation Code, to amend Sections 976.6, 1611.5, 10205, 10206, 10212.2, and 10214.5 of, and to add Division 7 (commencing with Section 14000) to, the Unemployment Insurance Code, to amend Sections 366, 366.1, 11203, 11372, 12251, 12306.1, 12500, 12501, 12550, 13002, 13004, 13006, 15204.3, 15204.8, 15763, 16501.1, 18930, 18938, 18940, and 19806 of, to add Sections 10851.5, 12306.21, 12502, 12550.1, and 12552.1 to, and to repeal Section 18257 of, the Welfare and Institutions Code, to amend Provision 8 of Item 5180-101-0001 of Section 2.00 of Chapter 52 of the Statutes of 2000 (Budget Act of 2000), and to amend Section 5 of Chapter 7 of the Statutes of 2001 (First Extraordinary Session), relating to health and welfare, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 28, 2001. Filed with Secretary of State July 30, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 429, Aroner. Health and welfare programs.

Existing law contains criminal record check requirements of applicants for a license, special permit, or certificate for a foster family home or certified family home, and other persons, including nonclients who reside in those homes and staff and employees.

This bill would require the State Department of Social Services to pay for required background checks for any persons applying to adopt a child pursuant to specified provisions.

Existing law requires a local child support agency to transfer child support delinquencies to the Franchise Tax Board in the form and manner and at the time prescribed by the Franchise Tax Board. Existing law also provides that the Franchise Tax Board has responsibility for accounts receivable management of child support delinquencies in support of the child support activities of the Department of Child Support Services and local child support agencies.

This bill would relieve the Franchise Tax Board of the responsibility for accounts receivable management of child support delinquencies in support of these child support activities and would make related changes. The bill would also revise and recast provisions relating to the transfer of child support delinquencies to the Franchise Tax Board.

Existing law authorizes the Franchise Tax Board to collect child support delinquencies in any manner authorized by law for the collection of a delinquent personal income tax liability, except by the issuance of an order and levy in the manner provided for earnings withholding orders for taxes.

This bill would authorize the Franchise Tax Board to collect child support delinquencies in that manner until the California Child Support Automation System is operational in all 58 counties.

The bill would also require the Franchise Tax Board, with the concurrence of the Department of Child Support Services, to establish a process whereby a local child support agency may request and shall be allowed to withdraw, rescind, or otherwise recall the transfer of a child support delinquency account that has been transferred to the Franchise Tax Board.

Existing law establishes the Department of Child Support Services to implement the operation of the child support enforcement program through local agencies.

Existing law requires the director of the department to establish uniform forms, policies, and procedures for local child support agencies, and imposes related regulatory requirements, including various time deadlines for the implementation of these regulatory requirements.

This bill would extend certain regulatory implementation deadlines applicable to the establishment of the above uniform forms, policies, and procedures.

This bill would create the Child Support Collections Recovery Fund, which would be administered by the department, consisting of all public moneys transferred by public agencies to the department for deposit, as permitted by federal statutes and regulations, and any accrued interest, and that would be used, upon appropriation by the Legislature, for purposes of making payments or advances to local child support agencies of the federal share of administrative payments for costs incurred pursuant to the child support enforcement program.

Existing law requires the department to pay to each county a child support incentive for child support collections, and allows the department, after July 1, 2000, to implement an annual incentive program to reward local child support agencies, in accordance with specified criteria.

This bill would revise the performance standards and other criteria for the above incentive programs. This bill would require the department, after July 1, 2001, to pay an additional incentive, from specified county collections, to the counties with the 10 best performance standards, as revised by this bill, to be used by the counties for specified child support-related activities.

Existing law gives the local child support agency the authority to establish liability for child support against the noncustodial parent in any case in which separation or desertion of a parent or parents from a child or children results in aid under the CalWORKs program being granted.

This bill would require each local child support agency, on a monthly basis, to remit to the Department of Child Support Services both the federal and state public assistance child support payments received pursuant to existing law. The imposition of this new duty upon local agencies would result in a state-mandated local program.

Under existing law, the Department of Community Services and Development is required to receive and administer the federal Low-Income Home Energy Assistance Program Block Grant, and allocate the funds from the grant. Existing law also provides for a similar state program funded by a specified appropriation.

This bill would establish the separate California Low-Income Home Energy Assistance Program, referred to as the California LIHEAP, also to be administered by the department. This bill would provide that the program be designed to increase energy conservation and reduce demand for energy services in low-income households, and to ensure that the most vulnerable households cope with high energy costs. This bill would provide for certain means of accomplishing this, and would set certain income and other criteria for program qualification. The department would distribute grants to certain grantee agencies from funds appropriated for that purpose.

This bill would require the department to report on an annual basis to various committees of the Legislature regarding the program.

Under existing law, the State Department of Social Services is responsible for regulating activity relating to continuing care contracts, which are defined as contracts that include promises to provide care to elderly residents for the duration of their lives, or for a period in excess of one year, in exchange for certain charges or fees.

This bill would require the Continuing Care Contracts Branch of the department to enter and review each continuing care retirement community in the state at least once every 3 years to evaluate the financial soundness of the provider, the condition of the facility, and the facility’s compliance with existing law. This bill would also require the branch to issue guidelines that require each provider to adopt a

comprehensive disaster preparedness plan. This bill would also require the branch to respond to complaints by residents within 15 days. This bill would also require the branch to report on the work of the Continuing Care Advisory Committee.

Existing law, until October 31, 2001, requires the State Department of Alcohol and Drug Programs to develop and test a comprehensive, client-centered system of care that is outcome-based and addresses the devastating costs of substance abuse to individuals, families, and communities.

This bill would extend the operation of that provision to July 1, 2003, and would require the department to provide the appropriate committees of the Legislature with a report, by January 1, 2003, on how to apply the program on a statewide basis and to include in the report various aspects of the program.

Existing law requires the Office of Statewide Health Planning and Development, until January 1, 2002, to charge a health facility a fee of not more than 0.035% of the gross operating cost of the health facility for the previous fiscal year, for deposit into the California Health Data and Planning Fund. Existing law includes similar provisions, operative on and after January 1, 2002, requiring the office to charge fees for health facilities and freestanding ambulatory surgery clinics for deposit into the fund. Existing law requires the office to establish the fee to produce revenues equal to the appropriation to pay for the functions required to be performed by the office, area and local planning agencies, and the Advisory Health Council.

This bill would revise the above provisions, including specifying that the appropriation upon which the fee is based is the appropriation in the annual Budget Act or another statute to pay for functions required to be performed by the office and the California Health Policy and Data Advisory Commission in accordance with specified law, and other health-related programs administered by the office.

Existing law requires specified employers to contribute 0.1% of specified wages into the Employment Training Fund. Under existing law, this requirement is repealed on January 1, 2002.

This bill would delete this repeal date.

Existing law authorizes the Legislature to appropriate from the Employment Training Fund specified amounts in specified budget acts to fund the local assistance portion of welfare-to-work activities under the CalWORKs program.

This bill would authorize the Legislature to appropriate $61,650,000 in the Budget Act of 2001 from the Employment Training Fund to fund the local assistance portion of welfare-to-work activities under the CalWORKs program.

Existing law establishes the Employment Training Panel and requires this panel, among other duties, to create a priority list of skills that are in such short supply in this state that employers are choosing to not locate or expand their businesses in the state or are importing labor in response to these skills shortages. Existing law requires this skills priority list to identify those industries in which upgrade training is likely to encourage hiring of the unemployed on a backfill basis.

This bill would delete the requirement that the skills priority list identify those industries in which upgrade training is likely to encourage hiring of the unemployed on a backfill basis.

Existing law requires the Employment Training Panel to prepare a budget to cover necessary administrative costs of the panel, and authorizes the panel to utilize funds in the Employment Training Fund for, among other expenditures, reasonable training costs and administrative costs incurred by contractors performing services for the panel. Existing law also authorizes the panel to allocate up to 10% of its annual training funds to fund training projects that improve the skills and employment security of frontline workers, as defined.

This bill would clarify that participants in these training projects to improve the skills and employment security of frontline workers are not required to meet specified additional requirements. This bill also would make additional technical and clarifying changes to these provisions.

The federal Workforce Investment Act allocates funds to states and local areas for assessment and training of employees.

This bill would make legislative findings regarding the use of these federal funds.

Existing law requires that the status of every dependent child of the court placed in foster care shall be reviewed periodically by the court.

Existing law requires that the report resulting from the periodic review by the court shall project a likely date by which a child in foster care may be returned to, and safely maintained in, the home or placed for adoption, legal guardianship, or in another planned permanent living arrangement.

This bill would also require the court to consider and determine if there is a substantial probability of the child's return to his or her parent's safe home prior to the next 6-month status review hearing.

Existing law requires that the periodic report address what plan, if any, for the return and maintenance of the child in a safe home is recommended to the court by the county welfare department social worker.

This bill would require the report also to address whether there is a substantial probability of the child's return to his or her parent's safe home prior to the next 6-month status review hearing.

By expanding the responsibilities of the counties in the preparation of the report, this bill would result in a state-mandated local program.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states, with California's version of this program being known as the CalWORKs program.

Existing federal law requires that a state receiving federal participation for aid grants for TANF benefits shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent, or parents, or other caretaker relative, of the child to be absent from the home for a period of 45 consecutive days or, at the option of the state, a period of not less than 30 and not more than 180 consecutive days, as the state may provide for in the state plan. Existing federal law authorizes a state to establish good cause exceptions to that limitation that the state considers appropriate if the exceptions are provided for in the state plan.

This bill would require the department to revise the state TANF plan to incorporate the above-described federal option and apply the good cause exceptions authorized by federal law.

By permitting a parent or parents to remain eligible for aid for an increased period of time under certain circumstances, the bill would increase aid payments, thereby constituting an appropriation.

By permitting a parent or parents to remain eligible for aid for an increased period of time under certain circumstances, the bill would increase aid payments and administrative functions of counties, thereby creating a state-mandated local program.

Existing law provides for the provision of payments to meet the needs of recipients of aid under the State Supplementary Program for Aged, Blind, and Disabled under emergency or special circumstances.

This bill would revise the scope of eligibility for emergency or special circumstances aid and the circumstances for which the payments would be made. The bill would increase limits on amounts of aid that may be paid for certain special circumstances.

The bill would authorize counties to transfer funds from their administrative allocation of special circumstance funding to their benefit allocations to the extent that administrative savings are achieved.

Existing law requires persons responsible for the provision of child welfare services to adopt a case plan and specifies that a case plan for a child shall be included in the court report and shall be considered by the court at the initial hearing and each review hearing.

This bill would specify that when out-of-home services are used with the goal of family reunification, the case plan shall consider and describe the application of provisions of this bill that require that a parent or

parents of a needy child shall be considered to be living with the needy child for a certain period preceding the restoration of the family, for purposes of determining aid under the CalWORKs program.

Existing law creates the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which a combination of federal, state, and county funds are used to provide reimbursement to families and facilities providing foster care to eligible children.

Existing law also requires each county to provide child welfare services.

Existing law also provides, until October 1, 2003, for the establishment in all counties, at the county's option and subject to the approval of the State Department of Social Services, a pilot project to continue the provision of intensive wraparound services, as defined, to eligible children in foster care or at imminent risk of this placement.

This bill would indefinitely extend these provisions.

Existing law requires the State Department of Social Services to establish programs to provide food assistance and cash assistance for noncitizens who, due to their immigration status, are not eligible for federal food stamps and for SSI/SSP benefits, and specifies that an applicant who is otherwise eligible for the program but entered the United States after August 22, 1996, and who is not otherwise exempt, shall be eligible for assistance for the period beginning on October 1, 1999, and ending September 30, 2001.

This bill would delete the termination date of eligibility under these assistance programs. This bill would revise the rules and regulations governing these assistance programs related to the period of deeming of a sponsor's income and resources.

Because these programs are administered by each county, the bill would create a state-mandated local program.

Existing law requires the State Department of Social Services and the Health and Welfare Data Center to design, implement, and maintain a statewide fingerprint imaging system for use in connection with the determination of eligibility for benefits under the Aid to Families with Dependent Children (AFDC) program.

This bill would require the Bureau of State Audits to submit, on or before January 1, 2003, to the appropriate committees and the fiscal committees of both houses of the Legislature, an audit of the statewide fingerprint imaging system of the State Department of Social Services.

Under existing law, the Kinship Guardianship Assistance Payment (Kin-GAP) Program provides for financial assistance to children who, after being adjudged dependent children of the juvenile court, are placed in legal guardianship with a relative. Existing law exempts children in receipt of Kin-GAP benefits from any CalWORKs requirements so long

as the exemption would not jeopardize federal financial participation in the payment.

This bill would exempt a person who is a kinship guardian under the Kin-GAP Program from the statewide fingerprint imaging system, unless the guardian is also an applicant for, or recipient of, benefits under the CalWORKs or Food Stamp program.

Existing law provides that during such times as the federal government provides funds for the care of a needy relative with whom a needy child is living, aid to the child for any month includes aid to meet the need of that relative, if CalWORKs payments are made with respect to the child for that month, except as prescribed.

This bill would provide that the parent or parents shall be considered living with the needy child or needy children for a period of up to 180 consecutive days of the needy child's or children's absence from the family assistance unit when the child is receiving child protective services and the county has determined that the provision of assistance is necessary for family reunification.

Existing law appropriates funds for the CalWORKs program and makes provision for the allocation of funds to counties for that program.

This bill would appropriate $3,587,000 from General Fund to appropriations for the CalWORKs program in the Budget Act of 2001, and reappropriate certain unspent amounts from specified CalWORKs appropriations for the 2000–01 fiscal year, to specified items of the Budget Act of 2001 for the purpose of making allocations to under equity counties, as determined by the department.

Existing law requires that each county shall establish and maintain a case record for each public social services case and shall retain the record for a period of 3 years. Existing law requires that the records shall be retained beyond the 3-year retention period when the county is notified by the State Department of Social Services or the State Department of Health Services, whichever has jurisdiction over the records, to retain records for a longer period of time.

This bill would require each county to retain records necessary to determine the number of months each adult recipient has received aid applicable to the time limits required for the CalWORKs program and federal law for a period of time established by the State Department of Social Services.

The bill would also require counties to provide certain record information to the department for tracking time a recipient receives aid under the CalWORKs program, and would impose penalties on counties that fail to provide the information. The bill would require counties to expend funds for any money lost from the county allocation as a result of the imposition of the penalties.

By expanding the responsibilities of counties in the administration of aid programs, this bill would result in a state-mandated local program.

Existing law provides for the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization.

Existing law permits services to be provided under the IHSS program either through the employment of individual providers, a contract between the county and an entity for the provision of services, the creation by the county of a public authority, or a contract between the county and a nonprofit consortium.

Existing law provides that when any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium, the county shall use county-only funds for the state and county share of any increase in the program, unless otherwise provided in the Budget Act or appropriated by statute.

Existing law provides that the state shall participate in funding the IHSS program in certain amounts.

This bill would revise the schedule for state participation in wage increases for individual providers and provider employees of public authorities and nonprofit consortiums.

Existing law establishes a formula with regard to provider wages or benefits increases negotiated or agreed to by a public authority or nonprofit consortium, and specifies the percentages required to be paid by the state and counties, for the 2000–01 fiscal year, with regard to the nonfederal share of any increases.

This bill would specify the percentages required to be paid by the state and counties, for the 2001–02 fiscal year, with regard to the nonfederal share of any increases.

Existing law provides for a state system of social services including in-home supportive services, information and referral services, protective services, and out-of-home care services.

This bill would delete information and referral services from the range of services provided, and would limit out-of-home care services to children.

Existing law provides a schedule for the allocation of federal block grant funds for certain social service and health care programs when there is a reduction in federal funds, and specifies that the allocations shall include funding for the In-Home Supportive Services (IHSS) program services component, child welfare services, protective services and foster care services for adults, and in-home supportive services administration.

Existing law also requires the counties, in expending the County Services Block Grant allocations, to provide protective services and foster care services for adults, information and referral services, and transportation to and from health care facilities under specified circumstances.

This bill would eliminate expenditures, from both the allocation schedule and the County Services Block Grant allocation, for foster care services for adults, for information and referral services, and for the transportation to and from health care facilities.

Existing law requires the State Department of Social Services to promulgate regulations relating to the protective services for adults, including foster care services and information and referral services.

This bill would delete foster care services for adults and information and referral services as components necessitating regulation by the department.

Existing law expresses the intent of the Legislature that the annual Budget Act appropriate state and federal funds in a single allocation to the counties for the support of administrative activities undertaken by the counties to provide benefit payments to CalWORKs recipients and to provide required work activities and supportive services in order to efficiently and effectively carry out the purposes of that program.

Existing law also requires the State Department of Social Services and the County Welfare Directors Association to develop the specific components of the budget methodology, and requires the Welfare Reform Steering Committee to review the efficacy of the proposed methodology and make recommendations for modifications to the methodology.

Existing law also expresses the intent of the Legislature that limited-term housing assistance be considered as part of the cost-based allocation methodology, where appropriate.

This bill would require, beginning in the 2002–03 fiscal year, that any adjustments to the county's CalWORKs single allocations reflect the most recent available county expenditures of funds caused by an overlap pertaining to both the United States Department of Labor Welfare-to-Work Grant funds and state matching funds, including data regarding the expenditures of the funds that offset the funds the counties would have spent from the CalWORKs single allocation.

Existing law also requires that funds appropriated annually from the Budget Act, for support services under CalWORKs welfare-to-work activities for persons with mental or emotional health disabilities, or a substance abuse problem, be made in a separate allocation to the counties.

This bill would require the department, in consultation with stakeholders and other specified departments, to develop the allocation methodology for these funds, including the specific components to be considered in allocating the funds, by no later than September 1, 2001.

Existing law provides that each county establish an emergency response adult protective services program through which the department is to provide in-person response immediately to reports of imminent abuse or danger to an elder or dependent adult or within 10 days to all other reports of danger to an elder or dependent adult in other than a long-term care facility.

Existing law requires that the department submit a report to the Legislature regarding specified circumstances of the program, on or before April 1, 2001, and that specified subdivisions are to become inoperative on January 1, 2001.

This bill would delete the requirement that specified subdivisions are inoperative on January 1, 2001, and would require the State Department of Social Services to submit the report of specified circumstances of the program to the Legislature on or before April 1, 2001, and annually thereafter.

Existing law provides for the allocation of funds for benefits administration and employment services based on certain factors, and requires the Welfare Reform Steering Committee to review the efficacy of the existing methodology and make recommendations, if any, for modification of the methodology by November 1, 2002.

This bill would eliminate the requirement that the Welfare Reform Steering Committee make the review and make recommendations, and would, beginning in the 2002–03 fiscal year, revise the methodology of funding support for all components of the CalWORKs program and all state programs funded with federal Temporary Assistance for Needy Families program funds based on an accounting methodology developed by the State Department of Social Services.

Existing law requires the Department of Rehabilitation to provide assistance and funding to independent living centers for individuals with disabilities. Existing law provides a formula for the allocation of funds appropriated by the Legislature to independent living centers and a nonprofit contractor selected by the department for the purpose of providing assistive technology services.

This bill would revise the formula for the allocation of funds pursuant to this provision.

Existing law authorizes the Director of Finance to approve transfers from the federal Temporary Assistance for Needy Families block grant to, and in augmentation of, any program for which those funds have been appropriated in the Budget Act.

This bill would require the department, by October 1, 2001, to establish a process whereby county welfare departments may request funds from the federal Temporary Assistance for Needy Families reserve as appropriated in the Budget Act of 2001, for CalWORKs program services and administration.

Existing law provides that in order to provide counties with additional incentive to move CalWORKs recipients to employment, each county shall receive the state share of savings, subject to amounts appropriated in the annual Budget Act, resulting from specified outcomes.

Existing law, the State Budget Act of 2000, provides that of certain funds appropriated to the State Department of Social Services for local assistance for CalWORKs services, an amount not to exceed $250,000,000 shall be for payment of county incentives. Existing law requires that these funds be used first for any prior year county incentives are earned but not paid, with any remaining amount prorated for payment of new claims received.

This bill would delete the above requirement and would prohibit any amount from funds appropriated to the department for local assistance for CalWORKs services from being used for payment of county incentives.

The bill would authorize the department to adopt emergency regulations in order to implement specified provisions of the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 5246 of the Family Code is amended to read:

5246. (a) This section applies only to Title IV-D cases where support enforcement services are being provided by the local child support agency pursuant to Section 17400.

(b) In lieu of an earnings assignment order signed by a judicial officer, the local child support agency may serve on the employer a notice of assignment in the manner specified in Section 5232. An order/notice to withhold income for child support shall have the same force and effect as an earnings assignment order signed by a judicial officer. An order/notice to withhold income for child support, when used under this section, shall be considered a notice and shall not require the signature of a judicial officer.

(c) Pursuant to Section 666 of Title 42 of the United States Code, the federally mandated order/notice to withhold income for child support shall be used for the purposes described in this section.

(d) If the underlying court order for support does not provide for an arrearage payment, or if an additional arrearage accrues after the date of the court order for support, the local child support agency may send an order/notice to withhold income for child support that shall be used for the purposes described in this section directly to the employer which specifies the updated arrearage amount and directs the employer to withhold an additional amount to be applied towards liquidation of the arrearages not to exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code.

(e) If the obligor requests a hearing, a hearing date shall be scheduled within 20 days of the filing of the request with the court. The clerk of the court shall provide notice of the hearing to the local child support agency and the obligor no later than 10 days prior to the hearing.

(1) If at the hearing the obligor establishes that he or she is not the obligor or good cause or an alternative arrangement as provided in Section 5260, the court may order that service of the order/notice to withhold income for child support be quashed. If the court quashes service of the order/notice to withhold income for child support, the local child support agency shall notify the employer within 10 days.

(2) If the obligor contends at the hearing that the payment of arrearages at the rate specified in the order/notice to withhold income for child support is excessive or that the total arrearages owing is incorrect, and if it is determined that payment of the arrearages at the rate specified in this section creates an undue hardship upon the obligor or that the withholding would exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code Annotated, the rate at which the arrearages must be paid shall be reduced to a rate that is fair and reasonable considering the circumstances of the parties and the best interest of the child. If it is determined at a hearing that the total amount of arrearages calculated is erroneous, the court shall modify the amount calculated to the correct amount. If the court modifies the total amount of arrearages owed or reduces the monthly payment due on the

arrearages, the local child support agency shall serve the employer with an amended order/notice to withhold income for child support within 10 days.

(f) If an obligor's current support obligation has terminated by operation of law, the local child support agency may serve an order/notice to withhold income for child support on the employer which directs the employer to continue withholding from the obligor's earnings an amount to be applied towards liquidation of the arrearages, not to exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code, until such time that the employer is notified by the local child support agency that the arrearages have been paid in full. The employer shall provide the obligor with a copy of the order/notice to withhold income for child support and a blank form that the obligor may file with the court to request a hearing to modify or quash the assignment with instructions on how to file the form and obtain a hearing date. The obligor shall be entitled to the same rights to a hearing as specified in subdivision (e).

(g) The local child support agency shall retain a copy of the order/notice to withhold income for child support and shall file a copy with the court whenever a hearing concerning the order/notice to withhold income for child support is requested.

(h) The local child support agency may transmit an order/notice to withhold income for child support and other forms required by this section to the employer through electronic means.

SEC. 2. Section 17306 of the Family Code is amended to read:

17306. (a) The Legislature finds and declares all of the following:

(1) While the State Department of Social Services has had statutory authority over the child support system, the locally elected district attorneys have operated their county programs with a great deal of autonomy.

(2) District attorneys have operated the child support programs with different forms, procedures and priorities, making it difficult to adequately evaluate and modify performance statewide.

(3) Problems collecting child support reflect a fundamental lack of leadership and accountability in the collection program. These management problems have cost California taxpayers and families billions of dollars.

(b) The director shall develop uniform forms, policies and procedures to be employed statewide by all local child support agencies. Pursuant to this subdivision, the director shall:

(1) Adopt uniform procedures and forms.

(2) Establish standard caseworker to case staffing ratios, adjusted as appropriate to meet the varying needs of local programs.

(3) Establish standard attorney to caseworker ratios, adjusted as appropriate to meet the varying needs of local programs.

(4) Institute a consistent statewide policy on the appropriateness of closing cases to ensure that, without relying solely on federal minimum requirements, all cases are fully and pragmatically pursued for collections prior to closing.

(5) Evaluate the best practices for the establishment, enforcement, and collection of child support, for the purpose of determining which practices should be implemented statewide in an effort to improve performance by local child support agencies. In evaluating the best practices, the director shall review existing practices in better performing counties within California, as well as practices implemented by other state Title IV-D programs nationwide.

(6) Evaluate the best practices for the management of effective child support enforcement operations for the purpose of determining what management structure should be implemented statewide in an effort to improve the establishment, enforcement, and collection of child support by local child support agencies, including an examination of the need for attorneys in management level positions. In evaluating the best practices, the director shall review existing practices in better performing counties within California, as well as practices implemented by other state Title IV-D programs nationwide.

(7) Set priorities for the use of specific enforcement mechanisms for use by both the local child support agency and the Franchise Tax Board. As part of establishing these priorities, the director shall set forth caseload processing priorities to target enforcement efforts and services in a way that will maximize collections and avoid welfare dependency.

(8) Develop uniform training protocols, require periodic training of all child support staff, and conduct training sessions as appropriate.

(9) Review and approve annual budgets submitted by the local child support agencies to ensure each local child support agency operates an effective and efficient program that complies with all federal and state laws, regulations, and directives, including the directive to hire sufficient staff.

(c) The director shall submit any forms intended for use in court proceedings to the Judicial Council for approval at least six months prior to the implementation of the use of the forms.

(d) In adopting the forms, policies, and procedures, the director shall consult with the California Family Support Council, the California State Association of Counties, labor organizations, custodial and noncustodial parent advocates, child support commissioners, family law facilitators, and the appropriate committees of the Legislature.

(e) (1) Notwithstanding the provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, through June 30, 2002, the department may implement the applicable provisions of this division through family support division letters or similar instructions from the director.

(2) The department shall adopt regulations implementing the forms, policies, and procedures established pursuant to this section not later than July 1, 2002. The director may delay implementation of any of these regulations in any county for such time as the director deems necessary for the smooth transition and efficient operation of a local child support agency, but implementation shall not be delayed beyond the time at which the transition to the new county department of child support services is completed. The department may adopt regulations to implement this division in accordance with the Administrative Procedure Act. The adoption of any emergency regulation filed with the Office of Administrative Law on or before January 1, 2003, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety or general welfare. These emergency regulations shall remain in effect for no more than 180 days.

SEC. 3. Section 17400 of the Family Code is amended to read:

17400. (a) Each county shall maintain a local child support agency, as specified in Section 17304, that shall have the responsibility for promptly and effectively establishing, modifying, and enforcing child support obligations, including medical support, enforcing spousal support orders established by a court of competent jurisdiction, and determining paternity in the case of a child born out of wedlock. The local child support agency shall take appropriate action, including criminal action in cooperation with the district attorneys, to establish, modify, and enforce child support and, when appropriate, enforce spousal support orders when the child is receiving public assistance, including Medi-Cal, and, when requested, shall take the same actions on behalf of a child who is not receiving public assistance, including Medi-Cal.

(b) Notwithstanding Sections 25203 and 26529 of the Government Code, attorneys employed within the local child support agency may direct, control, and prosecute civil actions and proceedings in the name of the county in support of child support activities of the Department of Child Support Services and the local child support agency.

(c) Actions brought by the local child support agency to establish paternity or child support or to enforce child support obligations shall be completed within the time limits set forth by federal law. The local child

support agency's responsibility applies to spousal support only where the spousal support obligation has been reduced to an order of a court of competent jurisdiction. In any action brought for modification or revocation of an order that is being enforced under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.), the effective date of the modification or revocation shall be as prescribed by federal law (42 U.S.C. Sec. 666(a)(9)), or any subsequent date.

(d) (1) The Judicial Council, in consultation with the department and representatives of the California Family Support Council, the Senate Committee on Judiciary, the Assembly Committee on Judiciary, and a legal services organization providing representation on child support matters, shall develop simplified summons, complaint, and answer forms for any action for support brought pursuant to this section or Section 17404. The Judicial Council may combine the summons and complaint in a single form.

(2) The simplified complaint form shall provide the defendant with notice of the amount of child support that is sought pursuant to the guidelines set forth in Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 based upon the income or income history of the defendant as known to the local child support agency. If the defendant's income or income history is unknown to the local child support agency, the complaint shall inform the defendant that income shall be presumed in an amount that results in a court order equal to the minimum basic standard of adequate care for Region I provided in Sections 11452 and 11452.018 of the Welfare and Institutions Code unless information concerning the defendant's income is provided to the court. The complaint form shall be accompanied by a proposed judgment. The complaint form shall include a notice to the defendant that the proposed judgment will become effective if he or she fails to file an answer with the court within 30 days of service. Except as provided in paragraph (2) of subdivision (a) of Section 17402, if the proposed judgment is entered by the court, the support order in the proposed judgment shall be effective as of the first day of the month following the filing of the complaint.

(3) (A) The simplified answer form shall be written in simple English and shall permit a defendant to answer and raise defenses by checking applicable boxes. The answer form shall include instructions for completion of the form and instructions for proper filing of the answer.

(B) The answer form shall be accompanied by a blank income and expense declaration or simplified financial statement and instructions on how to complete the financial forms. The answer form shall direct the defendant to file the completed income and expense declaration or

simplified financial statement with the answer, but shall state that the answer will be accepted by a court without the income and expense declaration or simplified financial statement.

(C) The clerk of the court shall accept and file answers, income and expense declarations, and simplified financial statements that are completed by hand provided they are legible.

(4) (A) The simplified complaint form prepared pursuant to this subdivision shall be used by the local child support agency or the Attorney General in all cases brought under this section or Section 17404.

(B) The simplified answer form prepared pursuant to this subdivision shall be served on all defendants with the simplified complaint. Failure to serve the simplified answer form on all defendants shall not invalidate any judgment obtained. However, failure to serve the answer form may be used as evidence in any proceeding under Section 17432 of this code or Section 473 of the Code of Civil Procedure.

(C) The Judicial Council shall add language to the governmental summons, for use by the local child support agency with the governmental complaint to establish parental relationship and child support, informing defendants that a blank answer form should have been received with the summons and additional copies may be obtained from either the local child support agency or the superior court clerk.

(e) In any action brought or enforcement proceedings instituted by the local child support agency pursuant to this section for payment of child or spousal support, an action to recover an arrearage in support payments may be maintained by the local child support agency at any time within the period otherwise specified for the enforcement of a support judgment, notwithstanding the fact that the child has attained the age of majority.

(f) The county shall undertake an outreach program to inform the public that the services described in subdivisions (a) to (c), inclusive, are available to persons not receiving public assistance. There shall be prominently displayed in every public area of every office of the agencies established by this section a notice, in clear and simple language prescribed by the Director of Child Support Services, that the services provided in subdivisions (a) to (c), inclusive, are provided to all individuals, whether or not they are recipients of public assistance.

(g) (1) In any action to establish a child support order brought by the local child support agency in the performance of duties under this section, the local child support agency may make a motion for an order effective during the pendency of that action, for the support, maintenance, and education of the child or children that are the subject of the action. This order shall be referred to as an order for temporary

support. This order shall have the same force and effect as a like or similar order under this code.

(2) The local child support agency shall file a motion for an order for temporary support within the following time limits:

(A) If the defendant is the mother, a presumed father under Section 7611, or any father where the child is at least six months old when the defendant files his or her answer, the time limit is 90 days after the defendant files an answer.

(B) In any other case where the defendant has filed an answer prior to the birth of the child or not more than six months after the birth of the child, then the time limit is nine months after the birth of the child.

(3) If more than one child is the subject of the action, the limitation on reimbursement shall apply only as to those children whose parental relationship and age would bar recovery were a separate action brought for support of that child or those children.

(4) If the local child support agency fails to file a motion for an order for temporary support within time limits specified in this section, the local child support agency shall be barred from obtaining a judgment of reimbursement for any support provided for that child during the period between the date the time limit expired and the motion was filed, or, if no motion is filed, when a final judgment is entered.

(5) Except as provided in Section 17304, nothing in this section prohibits the local child support agency from entering into cooperative arrangements with other county departments as necessary to carry out the responsibilities imposed by this section pursuant to plans of cooperation with the departments approved by the Department of Child Support Services.

(6) Nothing in this section shall otherwise limit the ability of the local child support agency from securing and enforcing orders for support of a spouse or former spouse as authorized under any other provision of law.

(h) As used in this article, ''enforcing obligations'' includes, but is not limited to, (1) the use of all interception and notification systems operated by the department for the purposes of aiding in the enforcement of support obligations, (2) the obtaining by the local child support agency of an initial order for child support that may include medical support or that is for medical support only, by civil or criminal process, (3) the initiation of a motion or order to show cause to increase an existing child support order, and the response to a motion or order to show cause brought by an obligor parent to decrease an existing child support order, or the initiation of a motion or order to show cause to obtain an order for medical support, and the response to a motion or order to show cause brought by an obligor parent to decrease or terminate an existing medical support order, without regard to whether the child is

receiving public assistance, (4) the response to a notice of motion or order to show cause brought by an obligor parent to decrease an existing spousal support order when the child or children are residing with the obligee parent and the local child support agency is also enforcing a related child support obligation owed to the obligee parent by the same obligor, and (5) the transfer of child support delinquencies to the Franchise Tax Board under subdivision (c) of Section 17500 in support of the local child support agency.

(i) As used in this section, ''out of wedlock'' means that the biological parents of the child were not married to each other at the time of the child's conception.

(j) (1) The local child support agency is the public agency responsible for administering wage withholding for current support for the purposes of Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(2) Nothing in this section shall limit the authority of the local child support agency granted by other sections of this code or otherwise granted by law, except to the extent that the law is inconsistent with the transfer of delinquent child support to the Franchise Tax Board.

(k) In the exercise of the authority granted under this article, the local child support agency may intervene, pursuant to subdivision (b) of Section 387 of the Code of Civil Procedure, by ex parte application, in any action under this code, or other proceeding in which child support is an issue or a reduction in spousal support is sought. By notice of motion, order to show cause, or responsive pleading served upon all parties to the action, the local child support agency may request any relief that is appropriate that the local child support agency is authorized to seek.

(*l*) The local child support agency shall comply with all regulations and directives established by the department that set time standards for responding to requests for assistance in locating noncustodial parents, establishing paternity, establishing child support awards, and collecting child support payments.

(m) As used in this article, medical support activities that the local child support agency is authorized to perform are limited to the following:

(1) The obtaining and enforcing of court orders for health insurance coverage.

(2) Any other medical support activity mandated by federal law or regulation.

(n) (1) Notwithstanding any other law, venue for an action or proceeding under this division shall be determined as follows:

(A) Venue shall be in the superior court in the county that is currently expending public assistance.

(B) If public assistance is not currently being expended, venue shall be in the superior court in the county where the child who is entitled to current support resides or is domiciled.

(C) If current support is no longer payable through, or enforceable by, the local child support agency, venue shall be in the superior court in the county that last provided public assistance for actions to enforce arrearages assigned pursuant to Section 11477 of the Welfare and Institutions Code.

(D) If subparagraphs (A), (B), and (C) do not apply, venue shall be in the superior court in the county of residence of the support obligee.

(E) If the support obligee does not reside in California, and subparagraphs (A), (B), (C), and (D) do not apply, venue shall be in the superior court of the county of residence of the obligor.

(2) Notwithstanding paragraph (1), if the child becomes a resident of another county after an action under this part has been filed, venue may remain in the county where the action was filed until the action is completed.

(o) The local child support agency of one county may appear on behalf of the local child support agency of any other county in an action or proceeding under this part.

SEC. 4. Section 17402.1 is added to the Family Code, to read:

17402.1. (a) Each local child support agency shall, on a monthly basis, remit to the department both the federal and state public assistance child support payments received pursuant to Section 17402.

(b) The department shall promulgate regulations to implement this section.

SEC. 5. Section 17500 of the Family Code is amended to read:

17500. (a) In carrying out its obligations under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.), the local child support agency shall have the responsibility for promptly and effectively collecting and enforcing child support obligations.

(b) The local child support agency is the public agency responsible for administering wage withholding for the purposes of Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(c) The local child support agency shall transfer child support delinquencies to the Franchise Tax Board for collection purposes in the form and manner and at the time prescribed by the Franchise Tax Board. Collection shall be made by the Franchise Tax Board in accordance with Section 19271 of the Revenue and Taxation Code. For purposes of this subdivision, ‘‘child support delinquency’’ means an arrearage or otherwise past due amount that accrues when an obligor fails to make

any court-ordered support payment when due, which is more than 60 days past due, and the aggregate amount of which exceeds one hundred dollars ($100).

(1) If a child support delinquency exists at the time a case is opened by the local child support agency, the responsibility for the collection of the child support delinquency shall be transferred to the Franchise Tax Board no later than 30 days after receipt of the case by the local child support agency.

(2) The transfer of child support delinquencies required by this subdivision is in support of the local child support agency for purposes of efficient and effective child support enforcement and shall not in any manner transfer any responsibilities the local child support agency may have and any responsibilities the Department of Child Support Services may have as the Title IV-D agency.

SEC. 6. Section 17501 of the Family Code is repealed.

SEC. 7. Section 17702.5 is added to the Family Code, to read:

17702.5. (a) The Child Support Collections Recovery Fund is hereby created in the State Treasury, and shall be administered by the department for the purposes specified in subdivision (c).

(b) Except as otherwise provided in this section, the fund shall consist of both of the following:

(1) All public moneys transferred by public agencies to the department for deposit into the fund, as permitted under Section 304.30 of Title 45 of the Code of Federal Regulations or any other applicable federal statutes.

(2) Any interest that accrues on amounts in the fund.

(c) Upon appropriation by the Legislature, all moneys in the fund shall be used to make payments or advances to local child support agencies of the federal share of administrative payments for costs incurred pursuant to this article.

(d) Upon repeal of this section, the Legislature intends that any moneys remaining in the fund shall be returned to the federal agency that provides federal financial participation to the department.

SEC. 8. Section 17704 of the Family Code is amended to read:

17704. (a) For the 1998–99 fiscal year the department shall pay to each county a child support incentive payment. Every county shall receive the federal child support incentive. A county shall receive the state child support incentive if it elects to do both of the following:

(1) Comply with the reporting requirements of Section 17600 while federal financial participation is available for collecting and reporting data.

(2) Comply with federal and state child support laws and regulations, or has a corrective action plan certified by the department pursuant to

Section 17702. The combined federal and state incentive payment shall be 13.6 percent of distributed collections. If the amount appropriated by the Legislature for the state incentives is less than the amount necessary to satisfy each county's actual incentives pursuant to this section, each county shall receive its proportional share of incentives.

(b) (1) Beginning July 1, 1999, the department shall pay to each county a child support incentive for child support collections. Every county shall receive the federal child support incentive. The combined federal and state incentive payments shall be 13.6 percent of distributed collections. In addition to the federal child support incentive, each county may also receive a state child support incentive. Subject to subdivision (c), a county shall receive the state child support incentive if it elects to do both of the following:

(A) Comply with the reporting requirements of Section 17600 while federal financial participation is available for collecting and reporting data.

(B) Be in compliance with federal and state child support laws and regulations, or have a performance improvement plan certified by the department pursuant to Section 17702.

(2) (A) For purposes of paragraph (1), the federal incentive component shall be each county's share of the child support incentive payments that the state receives from the federal government, based on the county's collections.

(B) (i) Effective July 1, 1999, and annually thereafter, state funds appropriated for child support incentives shall first be used to fund the administrative costs incurred by local child support agencies in administering the child support program, excluding automation costs as set forth in Section 10085 of the Welfare and Institutions Code, after subtracting all federal financial participation for administrative costs and all federal child support incentives received by the state and passed on to the local child support agencies. The department shall allocate sufficient resources to each local child support agency to fully fund the remaining administrative costs of its budget as approved by the director pursuant to paragraph (9) of subdivision (b) of Section 17306, subject to the appropriation of funding in the annual Budget Act. No later than January 1, 2000, the department shall identify allowable administrative costs that may be claimed for reimbursement from the state, which shall be limited to reasonable amounts in relation to the scope of services and the total funds available. If the total amount of administrative costs claimed in any year exceeds the amount appropriated in the Budget Act, the amount provided to local child support agencies shall be reduced by the percentage necessary to ensure that projected General Fund expenditures do not exceed the amount authorized in the Budget Act.

(ii) Effective July 1, 2001, and annually thereafter, after allowable administrative costs are funded under clause (i), the department shall use any remaining incentive funds appropriated from the prior fiscal year which are hereby reappropriated to implement an incentive program that rewards up to 10 local child support agencies in each year, based on their performance or increase in performance on one or more of the federal performance standards set forth in Section 458 of the federal Social Security Act (42 U.S.C. Sec. 658), or state performance standards set forth in subdivision (a) of Section 17602, as determined by the department. The department shall determine the number of local agencies that receive state incentive funds under this program, subject to a maximum of 10 agencies and shall determine the amount received by each local agency based on the availability of funds and each local child support agency's proportional share based on the performance standard or standards used.

(iii) Any funds received pursuant to this subdivision shall be used only for child support enforcement activities.

(c) (1) Beginning October 1, 1999, any county whose performance on one or more of the federal performance standards set forth in Section 458 of the federal Social Security Act (42 U.S.C. Sec. 658), or the state performance standards set forth in subdivision (a) of Section 17602, as determined by the department, is in the bottom quartile of all counties and whose rate of improvement over the prior year is less than the rate of improvement of the top quartile of counties in terms of their rates of improvement shall receive its state incentive only upon accepting technical assistance from the department, as set forth in paragraph (2).

(2) The department, in consultation with experts from other counties, as appropriate, shall conduct a program review of the county's child support program, which shall include a review of the county's management practices, and provide technical assistance. If the county chooses to receive its state incentives under this section, the county shall comply with the recommendations of this review.

(d) Each county shall continue to receive its federal child support incentive funding whether or not it elects to participate in the state child support incentive funding program.

(e) The department shall provide incentive funds pursuant to this section only during any fiscal year in which funding is provided for that purpose in the Budget Act.

SEC. 9. Section 17706 of the Family Code is amended to read:

17706. It is the intent of the Legislature to encourage counties to elevate the visibility and significance of the child support enforcement program in the county. To advance this goal, effective July 1, 2000, the counties with the 10 best performance standards pursuant to clause (ii)

of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 shall receive an additional 5 percent of the state's share of those counties' collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) or Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The counties shall use the increased recoupment for child support-related activities that may not be eligible for federal child support funding under Section IV-D of the Social Security Act, including, but not limited to, providing services to parents to help them better support their children financially, medically, and emotionally.

SEC. 11. Section 12092 is added to the Government Code, to read:

12092. (a) This section shall be known, and may be cited, as the California Low Income Home Energy Assistance Program. The California Low Income Home Energy Assistance Program may be referred to as the California LIHEAP.

(b) The Department of Community Services and Development shall implement the California LIHEAP.

(c) The California LIHEAP shall be separate from the federal Low-Income Home Energy Assistance Program Block Grant provided for pursuant to the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. Sec. 8621, et seq.), which is administered by the Department of Community Services and Development pursuant to Sections 16367.5 to 16367.9, inclusive.

(d) The California LIHEAP established pursuant to this section is separate from and independent of the California LIHEAP established in Chapter 7 of the Statutes of 2001, First Extraordinary Session.

(e) Services provided by the California LIHEAP shall be designed to do both of the following:

(1) Increase energy conservation and reduce demand for energy services in low-income households.

(2) Ensure that the most vulnerable households cope with high energy costs.

(f) The California LIHEAP shall include weatherization and conservation services, energy crisis intervention services, and cash assistance payments.

(g) (1) Persons eligible for the California LIHEAP shall be limited to households with incomes that do not exceed the greater of either of the following:

(A) An amount equal to 60 percent of the state median income.

(B) An amount equal to 80 percent of the median income of the county in which the household is located.

(2) In no area shall households whose income is greater than 250 percent of the federal poverty level for the state be eligible.

(3) Notwithstanding paragraphs (1) and (2), licensed community care facilities serving six or fewer adults or children shall be eligible for weatherization and energy education under California LIHEAP.

(h) The department shall examine the penetration of other energy programs, including, but not limited to, those provided by federal grant funds obtained pursuant to the federal LIHEAP, utility companies, and other parties, to identify the adequacy of services to all of the following:

(1) Elderly persons.

(2) Disabled persons.

(3) Limited-English-speaking persons.

(4) Migrant and seasonal farmworkers.

(5) Households with very young children.

(i) The California LIHEAP funds shall be distributed in grant form by the department so as to ensure that vulnerable populations have comparable access to energy programs.

(j) The department shall ensure that services under the California LIHEAP are delivered subject to all of the following requirements:

(1) The department shall establish reasonable limits for expenditures, including up to 15 percent for outreach and training for consumers.

(2) Grantee agencies shall do special outreach to vulnerable households, including outreach to senior centers, independent living centers, welfare departments, regional centers, and migrant and seasonal farmworkers.

(3) Grantee agencies shall be required to coordinate with other low-income energy programs, and to demonstrate plans for using all energy resources efficiently for maximum outreach to low-income households.

(4) Grantee agencies shall spend the maximum feasible amount of the California LIHEAP funds for weatherization assistance, but in no event shall less than 50 percent of the funds available to the grantee be spent for weatherization purposes. The balance shall be used for cash assistance and energy crisis intervention. The department shall provide grantees with maximum flexibility to use energy crisis and cash assistance funds to resolve energy crises for households and to serve the maximum number of households. Cash assistance payments may be used as a supplement to federal LIHEAP cash assistance payments.

(k) The department shall do all of the following in addition to administering the program:

(1) Explore, with grantee agencies, standards for determining effective, efficient intake procedures, and procedures to combine outreach for federal, state, and utility low-income energy programs into a single intake process.

(2) Report to the policy and budget committees of the Legislature on the extent to which increased flexibility in weatherization measures and flexibility in cash assistance and crisis intervention payments have increased service and reduced energy demand. If barriers to flexibility exist, the report shall identify those barriers.

(3) Report to the policy and budget committees of the Legislature on the number of recipients of service, the number of grantees providing service, categories of expenditure, estimated impact of funds on energy demand, estimated unmet need, and plans for automated and routine reporting of this information.

(*l*) The department shall distribute funds in the 2001–02 fiscal year as follows:

(1) Funds shall be distributed to have maximum possible impact on reducing energy demand immediately.

(2) First priority shall be to distribute funds through community-based programs with which the department has existing contracts.

(3) If additional capacity is needed beyond the existing network, or if vulnerable populations cannot be served within the existing contracts, the department may develop a request for proposal process to solicit additional grantees.

(m) The department shall limit administrative costs to not more than 2 1/2 percent of the funds expended. For the purposes of this subdivision, ''administrative costs'' means personnel and overhead costs associated with the implementation of each measure or program. However, ''administrative costs'' does not include costs associated with the marketing or evaluation of a measure or program.

(n) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

SEC. 12. Section 1776.3 is added to the Health and Safety Code, to read:

1776.3. (a) The Continuing Care Contracts Branch of the department shall enter and review each continuing care retirement community in the state at least once every three years to augment the branch's assessment of the provider's financial soundness.

(b) During its facility visits, the branch shall consider the condition of the facility, whether the facility is operating in compliance with applicable state law, and whether the provider is performing the services it has specified in its continuing care contracts.

(c) The branch shall issue guidelines that require each provider to adopt a comprehensive disaster preparedness plan, update that plan at least every three years, submit a copy to the department, and make copies

available to residents in a prominent location in each continuing care retirement community facility.

(d) The branch shall respond within 15 business days to residents' rights, service-related, and financially related complaints by residents, and shall furnish to residents upon request and within 15 business days any document or report filed with the department by a continuing care provider, except documents protected by privacy laws.

(e) The branch shall annually review, summarize and report to the director on the work of the Continuing Care Contracts Advisory Committee, including any issues arising from its review of the condition of any continuing care retirement community or any continuing care retirement community provider, and including any recommendations for actions by the committee, the department, or the Legislature to improve oversight of continuing care retirement community.

SEC. 13. Section 11756.7 of the Health and Safety Code is amended to read:

11756.7. (a) The department shall, in partnership with the County Alcohol and Drug Program Administrators' Association of California, collaborate with providers, constituency groups, and other interested parties, to develop and test a comprehensive, client-centered system of care that is outcome-based and addresses the devastating costs of substance abuse to individuals, families, and communities.

(b) Key elements of the system of care may include:

(1) Definition of services.

(2) Automation of state, county, and provider data collection and capacity management system.

(3) Quality assurance standards.

(4) Assessment and outcome measures.

(c) Involvement in the testing of the various system of care components shall be voluntary for counties and their contract providers. Providers within the selected counties that volunteer and are approved by the county alcohol and drug program administrator shall meet the criteria for application and participation and coordinate services through their county alcohol and drug program administrator. The department shall establish criteria, in partnership with the County Alcohol and Drug Program Administrators' Association of California, and in consultation with providers, constituency groups, and other interested parties.

(d) The department, in consultation with the County Alcohol and Drug Program Administrators' Association of California, may establish terms and conditions, which may include, but need not be limited to, incentives for participation that establish alternate means to satisfy accountability, reporting, or other requirements otherwise required by this division.

(e) The department shall commence planning and implementing the tests on or after January 1, 1999, with the counties that have volunteered to participate in the system of care. The department, in partnership with the County Alcohol and Drug Program Administrators' Association of California, shall report annually to the Legislature during budget hearings as to the status of the tests.

(f) The outcome of the tests shall include automation linkages for the state, counties, and providers, and recommendations for service system improvements.

(g) Findings and recommendations shall be prepared by the department, in partnership with the County Alcohol and Drug Program Administrators' Association of California, and reported to the Legislature by July 1, 2001.

(h) The department shall seek federal funding to support the testing and evaluation of key system elements.

(i) By January 1, 2003, the department shall provide the appropriate committees of the Legislature with a written report on options on how to apply the pilot program developed under this section on a statewide basis. The report shall contain options for redesigning the operation of state and local alcohol and drug programs that reflect the definition of services, quality assurance standards, automation of data collection, capacity management and assessment, and outcome measures developed pursuant to this section.

(j) This section shall become inoperative on July 1, 2003, and shall be repealed on January 1, 2004, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends those dates.

SEC. 14. Section 127280 of the Health and Safety Code, as amended by Section 2 of Chapter 735 of the Statutes of 1998, is amended to read:

127280. (a) Every health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, except a health facility owned and operated by the state, shall be charged a fee of not more than 0.035 percent of the health facility's gross operating cost for the provision of health care services for its last fiscal year ending prior to the effective date of this section. Thereafter the office shall set for, charge to, and collect from all health facilities, except health facilities owned and operated by the state, a special fee, that shall be due on July 1, and delinquent on July 31 of each year beginning with the year 1977, of not more than 0.035 percent of the health facility's gross operating cost for provision of health care services for its last fiscal year that ended on or before June 30 of the preceding calendar year. Each year the office shall establish the fee to produce revenues equal to the appropriation made in the annual Budget Act, to pay for the functions required to be performed

by the office and the California Health Policy and Data Advisory Commission, pursuant to this chapter, Article 2 (commencing with Section 127340) of Chapter 2, or Chapter 1 (commencing with Section 128675) of Part 5, and to pay for any other health-related programs administered by the office.

Health facilities that pay fees shall not be required to pay, directly or indirectly, the share of the costs of those health facilities for which fees are waived.

(b) The California Health Data and Planning Fund is hereby established within the office for the purpose of receiving and expending fee revenues collected pursuant to this chapter.

(c) Any amounts raised by the collection of the special fees provided for by subdivision (a) of this section that are not required to meet appropriations in the Budget Act for the current fiscal year shall remain in the California Health Data and Planning Fund and shall be available to the office and the commission in succeeding years when appropriated by the Legislature in the annual Budget Act or another statute, for expenditure under the provisions of this chapter, and Chapter 1 (commencing with Section 128675) of Part 5 and shall reduce the amount of the special fees that the office is authorized to establish and charge.

(d) No health facility liable for the payment of fees required by this section shall be issued a license or have an existing license renewed unless the fees are paid. New, previously unlicensed health facilities shall be charged a pro rata fee to be established by the office during the first year of operation.

The license of any health facility, against which the fees required by this section are charged, shall be revoked, after notice and hearing, if it is determined by the office that the fees required were not paid within the time prescribed by subdivision (a).

(e) This section shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2002, deletes or extends that date.

SEC. 15. Section 127280 of the Health and Safety Code, as added by Section 3 of Chapter 735 of the Statutes of 1998, is amended to read:

127280. (a) Every health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, except a health facility owned and operated by the state, shall each year be charged a fee established by the office consistent with the requirements of this section.

(b) Every freestanding ambulatory surgery clinic as defined in Section 128700 shall each year be charged a fee established by the office consistent with the requirements of this section.

(c) The fee structure shall be established each year by the office to produce revenues equal to the appropriation made in the annual Budget Act or another statute to pay for the functions required to be performed by the office and the California Health Policy and Data Advisory Commission pursuant to this chapter, Article 2 (commencing with Section 127340) of Chapter 2, or Chapter 1 (commencing with Section 128675) of Part 5, and to pay for any other health-related programs administered by the office. The fee shall be due on July 1 and delinquent on July 31 of each year.

(d) The fee for a health facility that is not a hospital, as defined in subdivision (c) of Section 128700, shall be not more than 0.035 percent of the gross operating cost of the facility for the provision of health care services for its last fiscal year that ended on or before June 30 of the preceding calendar year.

(e) The fee for a hospital, as defined in subdivision (c) of Section 128700, shall be not more than 0.035 percent of the gross operating cost of the facility for the provision of health care services for its last fiscal year that ended on or before June 30 of the preceding calendar year.

(f) (1) The fee for a freestanding ambulatory surgery clinic shall be established at an amount equal to the number of ambulatory surgery data records submitted to the office pursuant to Section 128737 for encounters in the preceding calendar year multiplied by not more than fifty cents ($0.50).

(2) (A) For the calendar year 2002 only, a freestanding ambulatory surgery clinic shall estimate the number of records it will file pursuant to Section 128737 for the calendar year 2002 and shall report that number to the office by March 12, 2002. The estimate shall be as accurate as possible. The fee in the calendar year 2002 shall be established initially at an amount equal to the estimated number of records reported multiplied by fifty cents ($0.50) and shall be due on July 1 and delinquent on July 31, 2002.

(B) The office shall compare the actual number of records filed by each freestanding clinic for the calendar year 2002 pursuant to Section 128737 with the estimated number of records reported pursuant to subparagraph (A). If the actual number reported is less than the estimated number reported, the office shall reduce the fee of the clinic for calendar year 2003 by the amount of the difference multiplied by fifty cents ($0.50). If the actual number reported exceeds the estimated number reported, the office shall increase the fee of the clinic for calendar year 2003 by the amount of the difference multiplied by fifty cents ($0.50) unless the actual number reported is greater than 120 percent of the estimated number reported, in which case the office shall increase the fee of the clinic for calendar year 2003 by the amount of the difference, up

to and including 120 percent of the estimated number, multiplied by fifty cents ($0.50), and by the amount of the difference in excess of 120 percent of the estimated number multiplied by one dollar ($1).

(g) There is hereby established the California Health Data and Planning Fund within the office for the purpose of receiving and expending fee revenues collected pursuant to this chapter.

(h) Any amounts raised by the collection of the special fees provided for by subdivisions (d), (e), and (f) that are not required to meet appropriations in the Budget Act for the current fiscal year shall remain in the California Health Data and Planning Fund and shall be available to the office and the commission in succeeding years when appropriated by the Legislature in the annual Budget Act or another statute, for expenditure under the provisions of this chapter, Article 2 (commencing with Section 127340) of Chapter 2, and Chapter 1 (commencing with Section 128675) of Part 5, or for any other health-related programs administered by the office, and shall reduce the amount of the special fees that the office is authorized to establish and charge.

(i) (1) No health facility liable for the payment of fees required by this section shall be issued a license or have an existing license renewed unless the fees are paid. A new, previously unlicensed, health facility shall be charged a pro rata fee to be established by the office during the first year of operation.

(2) The license of any health facility, against which the fees required by this section are charged, shall be revoked, after notice and hearing, if it is determined by the office that the fees required were not paid within the time prescribed by subdivision (c).

(j) This section shall become operative on January 1, 2002.

SEC. 16. Section 19271 of the Revenue and Taxation Code is amended to read:

19271. (a) (1) For purposes of this article:

(A) ''Child support delinquency'' means a delinquency defined in subdivision (c) of Section 17500 of the Family Code.

(B) ''Earnings'' may include the items described in Section 5206 of the Family Code.

(2) At least 20 days prior to the date that the Franchise Tax Board commences collection action under this article, the Franchise Tax Board shall mail notice of the amount due to the obligated parent at the last known address and advise the obligated parent that failure to pay will result in collection action. If the obligated parent disagrees with the amount due, the obligated parent shall be instructed to contact the local child support agency to resolve the disagreement.

(b) (1) (A) Except as otherwise provided in subparagraph (B), when a delinquency is transferred to the Franchise Tax Board pursuant to

subdivision (c) of Section 17500 of the Family Code, the amount of the child support delinquency shall be collected by the Franchise Tax Board in any manner authorized under the law for collection of a delinquent personal income tax liability. Notwithstanding Sections 5208 and 5246 of the Family Code, the issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes is hereby authorized until the California Child Support Automation System is operational in all 58 California counties. When the California Child Support Automation System is operational in all 58 counties, any levy or other withholding of earnings of an employee by the Franchise Tax Board to collect an amount pursuant to this section shall be made in accordance with Sections 5208 and 5246 of the Family Code. Any other law providing for the collection of a delinquent personal income tax liability shall apply to any child support delinquency transferred to the Franchise Tax Board in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this article, except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to this article.

(B) When a delinquency is transferred to the Franchise Tax Board, or at any time thereafter, if the obligated parent owes a delinquent personal income tax liability, the Franchise Tax Board shall not engage in, or shall cease, any involuntary collection action to collect the delinquent personal income tax liability, until the child support delinquency is paid in full. At any time, however, the Franchise Tax Board may mail any other notice to the taxpayer for voluntary payment of the delinquent personal income tax liability if the Franchise Tax Board determines that collection of the delinquent personal income tax liability will not jeopardize collection of the child support delinquency. However, the Franchise Tax Board may engage in the collection of a delinquent personal income tax liability if the obligor has entered into a payment agreement for the child support delinquency and is in compliance with that agreement, and the Franchise Tax Board determines that collection of the delinquent personal income tax liability would not jeopardize payments under the child support payment agreement.

(C) For purposes of subparagraph (B):

(i) ''Involuntary collection action'' includes those actions authorized by Section 18670, 18670.5, 18671, or 19264, by Article 3 (commencing with Section 19231), or by Chapter 5 (commencing with Section 706.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(ii) ‘‘Delinquent personal income tax liability’’ means any taxes, additions to tax, penalties, interest, fees, or other related amounts due and payable under Part 10 (commencing with Section 17001) or this part.

(iii) ‘‘Voluntary payment’’ means any payment made by obligated parents in response to any notice for voluntary payment mailed by the Franchise Tax Board.

(2) Any compensation, fee, commission, expense, or any other fee for service incurred by the Franchise Tax Board in the collection of a child support delinquency authorized under this article shall not be an obligation of, or collected from, the obligated parent. A transferred child support delinquency shall be final and due and payable to the State of California upon written notice to the obligated parent by the Franchise Tax Board.

(3) For purposes of administering this article:

(A) This chapter and Chapter 7 (commencing with Section 19501) shall apply, except as otherwise provided by this article.

(B) Any services, information, or enforcement remedies available to a local child support agency or the Title IV-D agency in collecting child support delinquencies or locating absent or noncustodial parents shall be available to the Franchise Tax Board for purposes of collecting child support delinquencies under this article, including, but not limited to, any information that may be disclosed by the Franchise Tax Board to the California Parent Locator Service under Section 19548. However, in no event shall the Franchise Tax Board take any additional enforcement remedies if a court has ordered an obligor to make scheduled payments on a child support arrearages obligation and the parent is in compliance with that order.

(C) A request by the Franchise Tax Board for information from a financial institution shall be treated in the same manner and to the same extent as a request for information from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code for purposes of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code (relating to governmental access to financial records), notwithstanding any other provision of law which is inconsistent or contrary to this paragraph.

(D) The amount to be withheld in an order and levy to collect child support delinquencies under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure is the amount required to be withheld pursuant to an earnings withholding order for support under Section 706.052 of the Code of Civil Procedure.

(E) Nothing in this article shall be construed to modify the tax intercept provisions of Article 8 (commencing with Section 708.710) of Chapter 6 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(c) Interest on the delinquency shall be computed pursuant to Section 685.010 of the Code of Civil Procedure.

(d) (1) In no event shall a collection under this article be construed to be a payment of income taxes imposed under this part.

(2) In the event an obligated parent overpays a liability imposed under this part, the overpayment shall not be credited against any delinquency collected pursuant to this article. In the event an overpayment of a liability imposed under this part is offset and distributed to a local child support agency pursuant to Sections 12419.3 and 12419.5 of the Government Code or Section 708.740 of the Code of Civil Procedure, and thereby reduces the amount of the referred delinquency, the local child support agency shall immediately notify the Franchise Tax Board of that reduction, unless the Franchise Tax Board directs otherwise.

(e) (1) The Franchise Tax Board shall administer this article, in conjunction with regulations adopted by the Department of Child Support Services in consultation with the Franchise Tax Board, including those set forth in Section 17306 of the Family Code.

(2) The Franchise Tax Board may transfer to or allow a local child support agency to retain a child support delinquency for a specified purpose for collection where the Franchise Tax Board determines, pursuant to regulations established by the Department of Child Support Services, that the transfer or retention of the delinquency for the purpose so specified will enhance the collectibility of the delinquency. The Franchise Tax Board, with the concurrence of the Department of Child Support Services, shall establish a process whereby a local child support agency may request and shall be allowed to withdraw, rescind, or otherwise recall the transfer of an account that has been transferred to the Franchise Tax Board.

(f) Except as otherwise provided in this article, any child support delinquency transferred to the Franchise Tax Board pursuant to this article shall be treated as a child support delinquency for all other purposes, and any collection action by the local child support agency or the Franchise Tax Board with respect to any delinquency referred pursuant to this article shall have the same priority against attachment, execution, assignment, or other collection action as is provided by any other provision of state law.

(g) Except as otherwise specifically provided in subparagraph (B) of paragraph (1) of subdivision (b), the child support collection activities authorized by this article shall not interfere with the primary mission of

the Franchise Tax Board to fairly and efficiently administer the Revenue and Taxation Code for which it is responsible.

(h) Information disclosed to the Franchise Tax Board shall be considered information that may be disclosed by the Franchise Tax Board under the authority of Section 19548 and may be disseminated by the Franchise Tax Board accordingly for the purposes specified in Sections 17505 and 17506 of the Family Code (in accordance with, and to the extent permitted by, Section 17514 of the Family Code and any other state or federal law).

(i) A local child support agency may not apply to the Department of Child Support Services for an exemption from the transfer of responsibilities and authorities to the Franchise Tax Board under the Family Code or participation under Section 19271.6.

(j) Except in those cases meeting the specified circumstances described in the regulations or in accordance with the process prescribed in paragraph (2) of subdivision (e), a local child support agency shall not request or be allowed to retain, withdraw, rescind, or otherwise recall the transfer of a child support delinquency transferred to the Franchise Tax Board.

SEC. 17. Section 19272 of the Revenue and Taxation Code is amended to read:

19272. (a) Any child support delinquency collected by the Franchise Tax Board, including those amounts that result in overpayment of a child support delinquency, shall be deposited in the State Treasury, after clearance of the remittance, to the credit of the Special Deposit Fund and distributed as specified by interagency agreement executed by the Franchise Tax Board and the Department of Child Support Services, with the concurrence of the Controller. Notwithstanding Section 13340 of the Government Code, all moneys deposited in the Special Deposit Fund pursuant to this article are hereby continuously appropriated, without regard to fiscal years, for purposes of making distributions.

(b) When a child support delinquency, or any portion thereof, has been collected by the Franchise Tax Board pursuant to this article, the local child support agency or other IV-D agency enforcing the order shall be notified that the delinquency or some portion thereof has been collected and shall be provided any other necessary relevant information requested.

(c) The referring local child support agency shall receive credit for the amount of collections made pursuant to the referral, including credit for purposes of the child support enforcement incentives pursuant to Section 17704 of the Family Code. Collection costs incurred by the Franchise

Tax Board shall be paid by federal reimbursement with any balance to be paid from the General Fund.

(d) For collections made pursuant to a referral for administrative enforcement or an interstate case, the IV-D agency in this state shall receive credit for the amount of collections made pursuant to the referral and shall receive the applicable federal child support enforcement incentives.

SEC. 18. Section 976.6 of the Unemployment Insurance Code is amended to read:

976.6. In addition to other contributions required by this division, every employer, except an employer defined by Section 676, 684, or 685, and except an employer that has elected an alternate method of financing its liability for unemployment compensation benefits pursuant to Article 5 (commencing with Section 801), or Article 6 (commencing with Section 821) of Chapter 3, shall pay into the Employment Training Fund contributions at the rate of 0.1 percent of wages specified in Section 930. The contributions shall be collected in the same manner and at the same time as any contributions required under Sections 977 and 977.5.

SEC. 19. Section 1611.5 of the Unemployment Insurance Code is amended to read:

1611.5. Notwithstanding Section 1611, the Legislature may appropriate from the Employment Training Fund sixty-one million six hundred fifty thousand dollars ($61,650,000) in the Budget Act of 2001 to fund the local assistance portion of welfare-to-work activities under the CalWORKs program, provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as administered by the State Department of Social Services.

SEC. 20. Section 10205 of the Unemployment Insurance Code is amended to read:

10205. The panel shall do all of the following:

(a) Establish a three-year plan that shall be updated annually, based on the demand of employers for trained workers, changes in the state's economy and labor markets, and continuous reviews of the effectiveness of panel training contracts. The initial three-year plan shall be submitted to the Governor and the Legislature not later than January 1, 1994. The initial update of the plan shall be submitted not later than July 1, 1994, and annual updates of the plan thereafter shall be submitted not later than July 1 of each year. In carrying out this section, the panel shall review information in the following areas:

(1) Labor market information, including the state-local labor market information program in the Employment Development Department, and economic forecasts.

(2) Evaluations of the effectiveness of training as measured by increased security of employment for workers and benefits to the California economy.

(3) The demand for training by industry, type of training, and size of employer.

(4) Changes in skills necessary to perform jobs, including changes in basic literacy skills.

(5) Changes in the demographics of the labor force and the population entering the labor market.

(6) Proposed expenditures by other agencies of federal Workforce Investment Act funds and other state and federal training and vocational education funds on eligible participants.

(b) The panel shall maintain a system to continuously monitor economic and other data required under this plan. If this data changes significantly during the life of the plan, the plan shall be amended by the panel. Each plan shall include all of the following:

(1) The panel's objectives with respect to the criteria and priorities specified in Section 10200 and the distribution of funds between new-hire training and retraining.

(2) The identification of specific industries, production and quality control techniques, and regions of the state where employment training funds would most benefit the state's economy and plans to encourage training in these areas, including specific standards and a system for expedited review of proposals that meet the standards.

(3) A system for expedited review of proposals that are substantially similar with respect to employer needs, training curriculum, duration of training, and costs of training, in order to encourage the development of proposals that meet the needs identified in paragraph (2).

(4) The panel's goals and operational objectives with respect to meeting the needs of small employers.

(5) The research objectives of the panel that contribute to the effectiveness of this chapter in benefiting the economy of the state as a whole.

(6) A priority list of skills that are in such short supply that employers are choosing to not locate or expand their businesses in the state or are importing labor in response to these skills shortages.

(c) Solicit proposals and write contracts on the basis of proposals made directly to it. Contracts for the purpose of providing employment training may be written with any of the following:

(1) An employer or group of employers.

(2) A training agency.

(3) A local workforce investment board with the approval of the appropriate local elected officials in the local workforce investment area.

(4) A grant recipient or administrative entity selected pursuant to the federal Workforce Investment Act of 1998, with the approval of the local workforce investment board and the appropriate local elected officials.

These contracts shall be in the form of fixed-fee performance contracts. Notwithstanding any provision of law to the contrary, contracts entered into pursuant to this chapter shall not be subject to competitive bidding procedures. Contracts for training may be written for a period not to exceed 24 months for the purpose of administration by the panel and the contracting employer or any group of employers acting jointly or any training agency for the purpose of providing employment training.

(d) Fund training projects that best meet the priorities identified annually. In doing so, the panel shall seek to facilitate the employment of the maximum number of eligible participants.

(e) Establish minimum standards for the consideration of proposals, which shall include, but not be limited to, the identification of employers who have been contacted by the contractor and who have provided reasonable assurance that they will employ successful trainees, the number of jobs available, the skill requirements for the identified jobs, the projected cost per person trained, hired, and retained in employment, the wages paid successful trainees upon placement, and the curriculum for the training. No proposal shall be considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.

(f) Develop a process by which local workforce investment boards may apply for marketing resources for the purpose of identifying local employers that have training needs that reflect the priorities of the panel. The panel may delegate its authority to approve contracts for training to local workforce investment boards, provided that no contract approved exceeds fifty thousand dollars ($50,000) per project without prior approval of the panel and all contracts meet the provisions of this chapter and are consistent with the annual priorities identified by the panel.

(g) Ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded by this chapter.

(h) Provide for evaluation of projects funded by this chapter. The evaluations shall assess the effectiveness of training previously funded by the panel to improve job security and stability for workers, and benefit participating employers and the state’s economy, and shall compare the wages of trainees in the 12-month period prior to training as well as the

12-month period subsequent to completion of training, as reflected in the department's unemployment insurance tax records. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.

(i) Report annually to the Legislature, by November 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of all of the following:

(1) Projects completed during the year, including their individual and aggregate performance and cost.

(2) Projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole, and identifying any projects in which funds are expected to be disencumbered.

(3) Projects terminated prior to completion and the reasons for the termination.

(4) A description of the amount, type, and effectiveness of literacy training funded by the panel.

(5) Results of complete project evaluations.

In addition, based upon its experience in administering job training projects, the panel shall include in these reports policy recommendations concerning the impact of job training and the panel's program on economic development, labor-management relations, employment security, and other related issues.

(j) Conduct ongoing reviews of panel policies with the goal of developing an improved process for developing, funding, and implementing panel contracts as described in this chapter.

(k) Expedite the processing of contracts for firms considering locating or expanding businesses in the state, as determined by the Trade and Commerce Agency, in accordance with the priorities for employment training programs set forth in subdivision (b) of Section 10200.

(*l*) Coordinate and consult regularly with business groups and labor organizations, the California Workforce Investment Board, the State Department of Education, the office of the Chancellor of the California Community Colleges, the Employment Development Department, and the Trade and Commerce Agency.

(m) Adopt by regulation procedures for the conduct of panel business, including the scheduling and conduct of meetings, the review of proposals, the disclosure of contacts between panel members and

parties at interest concerning particular proposals, contracts or cases before the panel or its staff, the awarding of contracts, the administration of contracts, and the payment of amounts due to contractors. All decisions by the panel shall be made by resolution of the panel and any adverse decision shall include a statement of the reason for the decision.

(n) Adopt regulations and procedures providing reasonable confidentiality for the proprietary information of employers seeking training funds from the panel if the public disclosure of that information would result in an unfair competitive disadvantage to the employer supplying the information. The panel may not withhold information from the public regarding its operations, procedures, and decisions that would otherwise be subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(o) Review and comment on the budget and performance of any program, project, or activity funded by the panel utilizing funds collected pursuant to Section 976.6.

SEC. 21. Section 10206 of the Unemployment Insurance Code is amended to read:

10206. (a) The panel may allocate money in the fund for any of the following purposes:

(1) Reimbursement of reasonable training costs, and administrative costs incurred by contractors. In making a determination of costs to be reimbursed under this paragraph, the panel may allocate funds in accordance with any of the following methods:

(A) For purposes of providing simplified fixed-fee performance contracts, a flat rate per hour for categories of training that are substantially similar with respect to content, methodology, and duration, as determined by the panel, not to exceed the reasonable and normal costs for the training. The panel shall periodically adjust the standardized rates established pursuant to this paragraph to reflect changes in training costs.

(B) A complete review of the proposal and its costs, including a budget listing the planned costs of training, including personnel, fringe benefits, equipment, supplies, fees for consulting or administrative services, and other costs attributable to training; the services provided by subcontractors; the length and complexity of the training; the method of training; the wages and occupations following training; whether the trainees are new hires or retrainees; and the cost of similar training that the panel has funded previously. The cost of administration shall not exceed 15 percent of the training costs under this paragraph, except that for new hire training the panel may fund administrative costs of up to 25 percent of the training cost.

(C) The panel may modify the specific requirements of this paragraph as they apply to employers or contractors proposing projects that involve training for a significant number of small employers in the same project.

(D) A contractor is prohibited from utilizing any funds earned or paid as advances or progress payments for the purpose of making payments to any other individual or entity, either directly or indirectly, for costs incurred as a finder's fee or for other compensation related to the predevelopment or development phase of a training program, which is based on a percentage of the preliminary or final panel award to the contractor for the training project.

(2) (A) Costs of program administration incurred under this chapter. These costs shall be reviewed annually by the Department of Finance and the Legislature and determined through the normal budgetary process.

(B) The panel's administrative costs, exclusive of the cost of administering Section 976.6, shall not exceed 15 percent of the total amount annually appropriated for expenditure by the panel. Expenditures for marketing, research, and evaluations provided under the contract to the panel that otherwise would have been provided directly by the panel shall not be included in this limitation.

(3) Service related to the purposes of this chapter provided by the Small Business Development Centers pursuant to an interagency agreement with the Trade and Commerce Agency.

(b) For all training contracts, the panel shall establish requirements for in-kind contributions by either the contractor or the employer that reflect a substantial commitment on the part of the contractor or the employer to the value of the training. In developing these requirements, the panel shall take into account the ability of the contractor or the employer, because of size or financial condition, to make any contribution, and the ability of the Employment Training Fund to meet the demand for training authorized by this chapter. In developing policies regarding in-kind contributions, the panel shall hold public hearings.

SEC. 22. Section 10212.2 of the Unemployment Insurance Code is amended to read:

10212.2. (a) The panel shall prepare a budget covering necessary administrative costs of the panel. The budget shall not be subject to change by the director except as agreed to by the panel. In the event that agreement cannot be reached, the Secretary of the California Health and Human Services Agency shall attempt to reach a mutual agreement. In the event a mutual agreement cannot be reached, the final decision shall rest with the Governor.

(b) The director shall furnish at the request of the panel equipment, supplies, and housing unless specified otherwise in this code, and nonpersonal and housekeeping services required by the panel and shall perform any other mechanics of administration as the panel and the director may agree upon.

SEC. 23. Section 10214.5 of the Unemployment Insurance Code is amended to read:

10214.5. (a) The panel may allocate up to 10 percent of the annually available training funds for the purpose of funding special employment training projects that improve the skills and employment security of frontline workers, as defined in subdivision (a) of Section 10200. Notwithstanding any other provision of this chapter, participants in these projects are not required to meet the eligibility criteria set forth in paragraph (1) of subdivision (a) of Section 10200 or subdivision (c) of Section 10201.

(b) The panel shall, on an annual basis, identify industries and occupations that shall be priorities for funding under this section. Training shall be targeted to frontline workers who earn at least the state average weekly wage.

(c) The panel may waive the minimum wage provisions pursuant to subdivision (f) of Section 10201 for projects in regions of the state where the unemployment rate is significantly higher than the state average, and may waive the employment retentions provisions specified in subdivision (f) of Section 10209 and instead require that the trainee has been retained in employment for a minimum of 90 days out of 120 consecutive days after the end of training with no more than three employers.

(d) The panel shall adopt minimum standards for consideration of proposals to be funded pursuant to this section.

(e) The panel may select contracts funded under this section based on competitive bidding.

(f) It is the intent of the Legislature in providing the authority for these projects that the panel allocate these funds in a manner consistent with the objectives of this chapter as provided in Section 10200.

SEC. 24. Division 7 (commencing with Section 14000) is added to the Unemployment Insurance Code, to read:

DIVISION 7. CALIFORNIA WORKFORCE INVESTMENT ACT

CHAPTER 1. GENERAL PROVISIONS

14000. (a) The Legislature finds and declares that California should deliver comprehensive workforce preparation services to

jobseekers, students, and employers through a system of one-stop career centers.

(b) Universal access to services should be available to residents of the state regardless of income, education, employment barriers, or other eligibility requirements, to the extent allowed by the federal Workforce Investment Act (29 U.S.C. Sec. 2801 et seq.).

(c) Given California's diverse population, each one-stop career center should have the capacity to provide the appropriate services to the full range of languages and cultures represented in the community served by the one-stop career center.

14002. (a) The Legislature finds and declares that screening designed to detect unidentified disabilities, including learning disabilities, improves workforce preparation and enhances the use of employment and training resources.

(b) Section 134(d)(2) of the federal Workforce Investment Act (29 U.S.C. Sec. 2864(d)(2)) allows for the use of funds for initial assessment of skill levels, aptitudes, abilities and support services, and Section 134(d)(3) of that act (29 U.S.C. Sec. 2864(d)(3)) allows for comprehensive and specialized assessments of skill levels and service needs, including, but not limited to, diagnostic testing and the use of other assessment tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(c) The Legislature encourages one-stop career centers to maximize the use of Workforce Investment Act resources and other federal and state workforce development resources for screening designed to detect unidentified disabilities, and if indicated, appropriate diagnostic assessment.

SEC. 25. Section 366 of the Welfare and Institutions Code is amended to read:

366. (a) (1) The status of every dependent child in foster care shall be reviewed periodically as determined by the court but no less frequently than once every six months, as calculated from the date of the original dispositional hearing, until the hearing described in Section 366.26 is completed. The court shall consider the safety of the child and shall determine all of the following:

(A) The continuing necessity for and appropriateness of the placement.

(B) The extent of the agency's compliance with the case plan in making reasonable efforts to return the child to a safe home and to complete any steps necessary to finalize the permanent placement of the child.

(C) Whether the child has other siblings under the court's jurisdiction, and, if any siblings exist, all of the following:

(i) The nature of the relationship between the child and his or her siblings.

(ii) The appropriateness of developing or maintaining the sibling relationships pursuant to Section 16002.

(iii) If the siblings are not placed together in the same home, why the siblings are not placed together and what efforts are being made to place the siblings together, or why those efforts are not appropriate.

(iv) If the siblings are not placed together, the frequency and nature of the visits between siblings.

(v) The impact of the sibling relationships on the child's placement and planning for legal permanence.

(vi) The continuing need to suspend sibling interaction, if applicable, pursuant to subdivision (c) of Section 16002.

The factors the court may consider in making a determination regarding the nature of the child's sibling relationships may include, but are not limited to, whether the siblings were raised together in the same home, whether the siblings have shared significant common experiences or have existing close and strong bonds, whether either sibling expresses a desire to visit or live with his or her sibling, as applicable, and whether ongoing contact is in the child's best emotional interests.

(D) The extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care.

(2) The court shall project a likely date by which the child may be returned to and safely maintained in the home or placed for adoption, legal guardianship, or in another planned permanent living arrangement. The court shall consider and determine if there is a substantial probability of the child's return to his or her parent's safe home prior to the next six-month status review hearing pursuant to Section 11203.

(b) Subsequent to the hearing, periodic reviews of each child in foster care shall be conducted pursuant to the requirements of Sections 366.3 and 16503.

(c) If the child has been placed out of state, each review described in subdivision (a) and any reviews conducted pursuant to Sections 366.3 and 16503 shall also address whether the out-of-state placement continues to be the most appropriate placement selection and in the best interests of the child.

(d) A child shall not be placed in an out-of-state group home, or remain in an out-of-state group home, unless the group home is in compliance with Section 7911.1 of the Family Code.

SEC. 26. Section 366.1 of the Welfare and Institutions Code is amended to read:

366.1. Each supplemental report required to be filed pursuant to Section 366 shall include, but not be limited to, a factual discussion of each of the following subjects:

(a) Whether the county welfare department social worker has considered child protective services, as defined in Chapter 5 (commencing with Section 16500) of Part 4 of Division 9, as a possible solution to the problems at hand, and has offered those services to qualified parents if appropriate under the circumstances.

(b) What plan, if any, for the return and maintenance of the child in a safe home is recommended to the court by the county welfare department social worker and whether there is a substantial probability of the child's return to his or her parent's safe home prior to the next six-month status review hearing pursuant to Section 11203.

(c) Whether the subject child appears to be a person who is eligible to be considered for further court action to free the child from parental custody and control.

(d) What actions, if any, have been taken by the parent to correct the problems that caused the child to be made a dependent child of the court.

(e) Whether the child has any siblings under the court's jurisdiction, and, if any siblings exist, all of the following:

(1) The nature of the relationship between the child and his or her siblings.

(2) The appropriateness of developing or maintaining the sibling relationships pursuant to Section 16002.

(3) If the siblings are not placed together in the same home, why the siblings are not placed together and what efforts are being made to place the siblings together, or why those efforts are not appropriate.

(4) If the siblings are not placed together, the frequency and nature of the visits between siblings.

(5) The impact of the sibling relationships on the child's placement and planning for legal permanence.

The factual discussion shall include a discussion of indicators of the nature of the child's sibling relationships including, but not limited to, whether the siblings were raised together in the same home, whether the siblings have shared significant common experiences or have existing close and strong bonds, whether either sibling expresses a desire to visit or live with his or her sibling, as applicable, and whether ongoing contact is in the child's best emotional interests.

SEC. 28. Section 10851.5 is added to the Welfare and Institutions Code, to read:

10851.5. (a) Notwithstanding Section 10851, each county shall retain all records that are necessary to determine the number of months each adult recipient has received aid subject to the time limits provided

in Section 11454 and Section 608(a)(7) of Title 42 of the United States Code. The county shall retain the records for the period of time established by the department by regulation.

(b) Each county shall provide case record information to the department's automated system for tracking the period of time a recipient has received aid. Each county shall provide information, as determined by the department, to the department's automated system that is sufficient to allow reliable determinations of the number of months each adult recipient of aid has received aid for purposes of Section 11454 and Section 608(a)(7) of Title 42 of the United States Code. The department shall, pursuant to the adoption of emergency regulations, specify the case record information that each county shall provide under this section.

(c) Notwithstanding subdivision (b), if a county cannot provide sufficient information to the automated system, the county shall maintain the information in a nonautomated format, and shall promptly provide that information to any county requesting this information to accurately determine time on aid and enforce time limits.

(d) Any county that fails to provide information required by subdivision (b) or (c) shall be subject to the following:

(1) To the extent that the failure to provide or maintain reliable time clock information results in an audit exception, the costs associated with that exception shall be passed on to the county responsible for the exception unless the county can demonstrate that the costs would have been incurred if the county had provided the information in subdivision (b). In such a case, this amount shall be applied as a reduction in the county's single allocation under Section 15204.2.

(2) Increased program costs resulting from a court order requiring the department to provide additional months of eligibility to any adult aid recipient due to the failure to reliably determine the number of months each adult recipient has received aid for purposes of Section 11454 shall be passed on to the county responsible for the failure unless the county can demonstrate that the costs would have been incurred if the county had provided the information required in subdivision (b). The county's single allocation under Section 15204.2 shall be reduced by an amount of the increased program costs resulting from a court order that is proportionate to the responsible county's caseload.

(e) The department, by regulation, shall establish good cause standards and an appeal process.

(f) In any fiscal year in which a county is assessed a cost under subdivision (d), the county shall expend additional funds to replace any reduction in the single allocation resulting from the penalty.

(g) The department shall adopt regulations to implement this section in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of any emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. The initial emergency regulations and one readoption of those regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations.

SEC. 30. Section 11203 of the Welfare and Institutions Code is amended to read:

11203. (a) During those times as the federal government provides funds for the care of a needy relative with whom a needy child or needy children are living, aid to the child or children for any month includes aid to meet the needs of that relative, if money payments are made with respect to the child or children for that month, and if the relative is not receiving aid under Chapters 3 (commencing with Section 12000) or 5 (commencing with Section 13000) of this part or Part A of Title XVI of the Social Security Act for that month. Needy relatives under this chapter include only natural or adoptive parents, the spouse of a natural or adoptive parent, and other needy caretaker relatives.

(b) (1) The parent or parents shall be considered living with the needy child or needy children for a period of up to 180 consecutive days of the needy child's or children's absence from the family assistance unit and the parent or parents shall be eligible for services under this chapter including services funded under Sections 15204.2 and 15204.8 if all of the following conditions are met:

(A) The child has been removed from the parent or parents and placed in out-of-home care.

(B) When the child was removed from the parent or parents, the family was receiving aid under this section.

(C) The county has determined that the provision of services under this chapter including services funded under Sections 15204.2 and 15204.8, is necessary for reunification.

(2) For purposes of this subdivision, the parent or parents shall not be eligible for any payment of aid under Section 11450.

(c) The department shall revise its state Temporary Assistance for Needy Families plan to incorporate the provisions of subdivision (b) and to incorporate the good cause exception provisions authorized by paragraph (10) of subsection (a) of Section 608 of Title 42 of the United States Code with respect to cases where reunification occurs after 180

consecutive days from the date of the removal of the child or children from the home.

SEC. 33. Section 11372 of the Welfare and Institutions Code is amended to read:

11372. (a) Notwithstanding any other provision of law, the Kinship Guardianship Assistance Payment Program implemented under this article is exempt from the provisions of Chapter 2 (commencing with Section 11200) of Part 3, except Sections 11253.5, and 11265.8, as long as these exemptions would not jeopardize federal financial participation in the payment.

(b) A person who is a kinship guardian under this article, and who has met the requirements of Section 361.4, shall be exempt from Chapter 4.6 (commencing with Section 10830) of Part 2 governing the statewide fingerprint imaging system. A guardian who is also an applicant for or a recipient of benefits under the CalWORKs program, Chapter 2 (commencing with Section 11200) of Part 3, or the Food Stamp program, Chapter 10 (commencing with Section 18900) of Part 6 shall comply with the statewide fingerprint imaging system requirements applicable to those programs.

(c) Any exemptions exercised pursuant to this section shall be implemented in accordance with Section 11369.

SEC. 35. Section 12251 of the Welfare and Institutions Code is amended to read:

12251. As used in this article, and Article 7 (commencing with Section 12300), the term ''social services'' includes in-home supportive services, protective services, and children's out-of-home care services as such services are defined by the department in order to secure maximum federal financial participation. Availability of these services shall be based upon the eligibility criteria set forth by the department and shall include, at a minimum, provision for eligibility based on income and linkage to other public assistance programs. Nothing in this section shall be construed as limiting eligibility for protective services and children's out-of-home care services on the basis of income and linkage to other public assistance programs, to the extent these services are not presently limited on these bases.

SEC. 36. Section 12306.1 of the Welfare and Institutions Code is amended to read:

12306.1. (a) When any increase in provider wages or benefits is negotiated or agreed to by a public authority or nonprofit consortium under Section 12301.6, then the county shall use county-only funds to fund both the county share and the state share, including employment taxes, of any increase in the cost of the program, unless otherwise provided for in the annual Budget Act or appropriated by statute. No

increase in wages or benefits negotiated or agreed to pursuant to this section shall take effect unless and until, prior to its implementation, the department has obtained the approval of the State Department of Health Services for the increase pursuant to a determination that it is consistent with federal law and to ensure federal financial participation for the services under Title XIX of the federal Social Security Act, and unless and until all of the following conditions have been met:

(1) Each county has provided the department with documentation of the approval of the county board of supervisors of the proposed public authority of nonprofit consortium rate, including wages and related expenditures. The documentation shall be received by the department before the department and the State Department of Health Services may approve the increase.

(2) Each county has met department guidelines and regulatory requirements as a condition of receiving state participation in the rate.

(b) Any rate approved pursuant to subdivision (a) shall take effect commencing on the first day of the month subsequent to the month in which final approval is received from the department. The department may grant approval on a conditional basis, subject to the availability of funding.

(c) The state shall pay 65 percent, and each county shall pay 35 percent, of the nonfederal share of wage and benefit increases negotiated by a public authority or nonprofit consortium pursuant to Section 12301.6 and associated employment taxes, only in accordance with subdivisions (d) to (f), inclusive.

(d) (1) The state shall participate as provided in subdivision (c) in wages up to seven dollars and fifty cents ($7.50) per hour and individual health benefits up to sixty cents ($0.60) per hour for all public authority or nonprofit consortium providers. This paragraph shall be operative for the 2000–01 fiscal year and each year thereafter unless otherwise provided in paragraphs (2), (3), (4), and (5), and without regard to when the wage and benefit increase becomes effective.

(2) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to nine dollars and ten cents ($9.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the nine dollars and ten cents ($9.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative for the 2001–02 fiscal year and each fiscal year thereafter, unless otherwise provided in paragraphs (3), (4), and (5).

(3) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to ten dollars and ten cents ($10.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the ten dollars and ten cents ($10.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenue, excluding transfers, for the year in which paragraph (2) became operative.

(4) The state shall participate as provided in subdivision (c) in a total of wages and individual health benefits up to eleven dollars and ten cents ($11.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the eleven dollars and ten cents ($11.10) per hour shall be used to fund wage increases or individual health benefits, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (3) became operative.

(5) The state shall participate as provided in subdivision (c) in a total cost of wages and individual health benefits up to twelve dollars and ten cents ($12.10) per hour, if wages have reached at least seven dollars and fifty cents ($7.50) per hour. Counties shall determine, pursuant to the collective bargaining process provided for in subdivision (c) of Section 12301.6, what portion of the twelve dollars and ten cents ($12.10) per hour shall be used to fund wage increases above seven dollars and fifty cents ($7.50) per hour or individual health benefit increases, or both. This paragraph shall be operative commencing with the next state fiscal year for which the May Revision forecast of General Fund revenue, excluding transfers, exceeds by at least 5 percent, the most current estimate of revenues, excluding transfers, for the year in which paragraph (4) became operative.

(e) (1) On or before May 14 immediately prior to the fiscal year for which state participation is provided under paragraphs (2) to (5), inclusive, of subdivision (d), the Director of Finance shall certify to the Governor, the appropriate committees of the Legislature, and the

department that the condition for each subdivision to become operative has been met.

(2) For purposes of certifications under paragraph (1), the General Fund revenue forecast, excluding transfers, that is used for the relevant fiscal year shall be calculated in a manner that is consistent with the definition of General Fund revenues, excluding transfers, that was used by the Department of Finance in the 2000–01 Governor's Budget revenue forecast as reflected on Schedule 8 of the Governor's Budget.

(f) Any increase in overall state participation in wage and benefit increases under paragraphs (2) to (5), inclusive, of subdivision (d), shall be limited to a wage and benefit increase of one dollar ($1) per hour with respect to any fiscal year. With respect to actual changes in specific wages and health benefits negotiated through the collective bargaining process, the state shall participate in the costs, as approved in subdivision (c), up to the maximum levels as provided under paragraphs (2) to (5), inclusive, of subdivision (d).

SEC. 37. Section 12306.21 is added to the Welfare and Institutions Code, to read:

12306.21. (a) Notwithstanding any other provision of law, for the 2001–02 fiscal year, the state shall pay 65 percent and each county shall pay 35 percent of the nonfederal share of any increase to individual provider wages a county chooses to grant, up to 5.31 percent above the statewide minimum wage.

(b) This section shall not apply to providers who are employees of a public authority or nonprofit consortium pursuant to Section 12301.6.

(c) This section shall become operative on July 1, 2001.

SEC. 38. Section 12500 of the Welfare and Institutions Code is amended to read:

12500. (a) The purpose of this chapter is to provide payment to meet the needs of recipients under Chapter 3 (commencing with Section 12000), under emergency or special circumstances in the event that the federal government makes no provision for that category payment or in the event that the payment from the federal government program is lost, stolen, or likely to be delayed beyond four days.

(b) The payments provided for under this chapter are also available to the recipients of programs provided for under Article 7 (commencing with Section 12300) of Chapter 3 and Chapter 10.3 (commencing with Section 18937) of Part 6.

SEC. 39. Section 12501 of the Welfare and Institutions Code is amended to read:

12501. (a) To the extent permitted by federal law, payments made pursuant to this chapter for special circumstances shall be excluded in determining the income of an individual for the purposes of the federal

supplemental security income program and the state supplementary payment program administered by the Commissioner of Social Security and shall be considered as assistance based on need and furnished by the state as described in Section 1616(a) of Title XVI of the Social Security Act.

(b) Payments made pursuant to this chapter for special circumstances shall be excluded in determining the income of an applicant for or recipient of benefits under the program provided for under Article 7 (commencing with Section 12300) of Chapter 3 and Chapter 10.3 (commencing with Section 18937) of Part 6.

SEC. 39.5. Section 12502 is added to the Welfare and Institutions Code, to read:

12502. There shall not be additional income and resource limits for the program provided for under this chapter other than those applicable to the categorical program mentioned in Section 12500 that provides eligibility for the program provided for in this chapter.

SEC. 40. Section 12550 of the Welfare and Institutions Code is amended to read:

12550. (a) For the purposes of this article, ''special circumstances'' means those which are not common to all recipients and which arise out of need for certain goods or services, and physical infirmities or other conditions peculiar, on a nonrecurring basis, to the individual's situation. Special circumstances shall include purchase, repair, and replacement of essential household furniture, equipment, or clothing, necessary moving expenses, required housing repairs, and unmet shelter needs, subject to limits set by the department.

(b) This section shall become operative on July 1, 1998.

SEC. 41. Section 12550.1 is added to the Welfare and Institutions Code, to read:

12550.1. (a) Effective July 1, 2001, and notwithstanding any other provision of law, the following benefits shall be provided under this article:

(1) The maximum amount for purchase, repair, or modification of housing or to prevent foreclosures or for relocation expenses shall be one thousand five hundred dollars ($1,500).

(2) The maximum amount of payment for the purchase, repair or replacement of equipment, including appliances, shall be six hundred dollars ($600).

(3) The maximum amount of payment for the purchase, repair, or replacement of bedding and mattresses shall be three hundred dollars ($300).

(4) The maximum amount of payment for the purchase, repair, or replacement of clothing shall be two hundred fifty dollars ($250).

(b) The department may adopt emergency regulations to implement this section.

SEC. 42. Section 12552.1 is added to the Welfare and Institutions Code, to read:

12552.1. (a) A county may transfer funds received for the implementation of this chapter from its administrative allocation to its benefit allocation for the purposes of providing additional benefits to clients to the extent that administrative savings are achieved.

(b) This section shall become operative on July 1, 2001.

SEC. 43. Section 13002 of the Welfare and Institutions Code is amended to read:

13002. From the funds described in Section 13001 each county shall receive three allocations. The first allocation shall be for support of Child Welfare Services as defined in Chapter 5 (commencing with Section 16500 of Part 4). This allocation shall be known as the Child Welfare Services Grant. The second allocation shall be for support of protective services for adults, and other services directed at the five national goals specified in Section 13003. This allocation shall be known as the County Services Block Grant. The third allocation shall be for in-home supportive services administration. The notice of such action must be provided at least seven days prior to the meeting at which such action is to be taken. Such notice shall be provided in the same manner as the county provides notice for its regularly scheduled meetings. Funds from the Child Welfare Services Grant and the County Services Block Grant and the in-home supportive services administration allocations shall be available only when matched by county funds pursuant to the provisions of Part 1.5 (commencing with Section 10100).

SEC. 44. Section 13004 of the Welfare and Institutions Code is amended to read:

13004. Counties, in expending the County Services Block Grant allocation shall provide protective services for adults pursuant to Section 12251.

SEC. 45. Section 13006 of the Welfare and Institutions Code is amended to read:

13006. Regulations promulgated by the department relating to protective services for adults shall provide counties with maximum flexibility in determining the type and level of services and use of funds for such services.

SEC. 46. Section 15204.3 of the Welfare and Institutions Code is amended to read:

15204.3. (a) Beginning in the 2000–01 fiscal year, allocation of funds provided under Section 15204.2 shall be made, in the case of funds

for benefits administration and employment services, based on projected county costs and subject to funds appropriated in the annual Budget Act for operating the CalWORKs program under Chapter 2 (commencing with Section 11200). By November 1, 1999, the department and the County Welfare Directors Association shall jointly develop the specific components of this budgeting methodology, including a process for ensuring that costs funded under the methodology are reasonable and consistent with the requirements of this chapter. It is the intent of the Legislature that limited-term housing assistance be considered as part of the cost-based allocation methodology, where appropriate.

(b) Beginning in the 2002–03 fiscal year, funding in support of all components of the CalWORKs program and all state programs funded with federal Temporary Assistance for Needy Families funding shall be based on a budgeting methodology developed by the department in consultation with the counties, the California State Association of Counties, the County Welfare Directors Association, and other stakeholders, and subject to funds appropriated in the annual Budget Act for administration of the CalWORKs program under Chapter 2 (commencing with Section 11200). In developing the new methodology, the department shall consider, among other factors, the availability of state and federal funds, projected caseload, and the need for basic supportive and employment services. The department shall submit the new methodology to the policy and fiscal committees of both houses of the Legislature by November 15, 2001.

(c) Beginning in the 2002–03 fiscal year, any adjustments to the county CalWORKs single allocations, determined pursuant to Section 15204.2, for funding overlaps pertaining to both United States Department of Labor Welfare-to-Work Grant funds and state matching funds, shall reflect the most recent available data regarding the expenditures of those funds that offset the funds that counties would have otherwise spent from the CalWORKs single allocations.

(d) In the 1997–98 fiscal year, additional funds for welfare-to-work administration above GAIN allocation in the 1996–97 fiscal year shall be distributed among the counties with two-thirds allocated to all counties based on each county's share of adults aided under Chapter 2 (commencing with Section 11200). The remaining one-third shall be allocated among only those counties that in the prior year received an allocation per average aided adult at a level less than the statewide average, and shall be distributed among those counties so that they each receive the same overall allocation per average aided adult for welfare-to-work administration.

(e) For purposes of this section, and subject to funds appropriated in the annual Budget Act, no county shall receive less for employment

services than what was received in the 1997–98 fiscal year allocation for welfare-to-work administration unless a county projects that its cost will be less than its 1997–98 fiscal year allocation for employment services.

(f) (1) In the 2001–02 fiscal year, the sum of three million five hundred eighty-seven thousand dollars ($3,587,000) in state matching funds for federal welfare-to-work block grant funds appropriated by Item 5180-101-0001 of the Budget Act of 2001 is for the purpose specified in paragraph (3).

(2) (A) No later than 30 days after the receipt of fourth-quarter claims submitted by counties in accordance with this section, the department shall determine the amount of unspent funds appropriated for the 2000–01 fiscal year for the CalWORKs single allocation and the CalWORKs mental health and substance abuse allocations. The department shall also determine the amount of those funds that were appropriated from the General Fund and the amount that was appropriated from the Federal Trust Fund.

(B) The amount determined pursuant to subparagraph (A) to have been appropriated from the General Fund shall be reappropriated to Item 5180-101-0001 of the Budget Act of 2001.

(C) The amount determined pursuant to subparagraph (A) to have been appropriated from the Federal Trust Fund shall be reappropriated to Item 5180-101-0890 of the Budget Act of 2001.

(3) No later than 60 days after the receipt of fourth-quarter claims, all funds appropriated to Item 5180-101-0001 and Item 5180-101-0890 of the Budget Act of 2001 pursuant to this subdivision shall be allocated to the counties that are under equity with respect to the single allocation (excluding child care and Cal-Learn) for the 2001–02 fiscal year, according to a methodology developed by the Department, in consultation with the County Welfare Directors Association.

SEC. 47. Section 15204.8 of the Welfare and Institutions Code is amended to read:

15204.8. (a) The Legislature may appropriate annually in the Budget Act funds to support services provided pursuant to Sections 11325.7 and 11325.8.

(b) Funds appropriated pursuant to subdivision (a) shall be allocated to the counties separately and shall be available for expenditure by the counties for services provided during the budget year. A county may move funds between the two accounts during the budget year for expenditure if necessary to meet the particular circumstances in the county. Any unexpended funds may be retained by each county for expenditure for the same purposes during the succeeding fiscal year. By November 20, 1998, each county shall report to the department on the use of these funds.

(c) Beginning January 10, 1999, the Department of Finance shall report annually to the Legislature on the extent to which funds available under subdivision (a) have not been spent and may reallocate the unexpended balances so as to better meet the need for services.

(d) No later than September 1, 2001, the department in consultation with relevant stakeholders, which may include the County Welfare Directors Association, the California Association of Mental Health Directors, and the County Alcohol and Drug Program Administrators Association, shall develop the allocation methodology for these funds, including the specific components to be considered in allocating the funds.

SEC. 48. Section 15763 of the Welfare and Institutions Code is amended to read:

15763. (a) Each county shall establish an emergency response adult protective services program that shall provide in-person response, 24 hours per day, seven days per week, to reports of abuse of an elder or a dependent adult, for the purpose of providing immediate intake or intervention, or both, to new reports involving immediate life threats and to crises in existing cases. The program shall include policies and procedures to accomplish all of the following:

(1) Provision of case management services that include investigation of the protection issues, assessment of the person's concerns, needs, strengths, problems, and limitations, stabilization and linking with community services, and development of a service plan to alleviate identified problems utilizing counseling, monitoring, followup, and reassessment.

(2) Provisions for emergency shelter or in-home protection to guarantee a safe place for the elder or dependent adult to stay until the dangers at home can be resolved.

(3) Establishment of multidisciplinary teams to develop interagency treatment strategies, to ensure maximum coordination with existing community resources, to ensure maximum access on behalf of elders and dependent adults, and to avoid duplication of efforts.

(b) (1) A county shall respond immediately to any report of imminent danger to an elder or dependent adult residing in other than a long-term care facility, as defined in Section 9701 of the Welfare and Institutions Code, or a residential facility, as defined in Section 1502 of the Health and Safety Code. For reports involving persons residing in a long-term care facility or a residential care facility, the county shall report to the local long-term care ombudsman program. Adult protective services staff shall consult, coordinate, and support efforts of the ombudsman program to protect vulnerable residents. Except as specified in paragraph (2), the county shall respond to all other reports of danger

to an elder or dependent adult in other than a long-term care facility or residential care facility within 10 calendar days or as soon as practicably possible.

(2) An immediate or 10-day in-person response is not required when the county, based upon an evaluation of risk, determines and documents that the elder or dependent adult is not in imminent danger and that an immediate or 10-day in-person response is not necessary to protect the health or safety of the elder or dependent adult.

(3) Until criteria and standards are developed to implement paragraph (2), the county's evaluation pursuant to paragraph (2) shall include and document all of the following:

(A) The factors that led to the county's decision that an in-person response was not required.

(B) The level of risk to the elder or dependent adult, including collateral contacts.

(C) A review of previous referrals and other relevant information as indicated.

(D) The need for intervention at the time.

(E) The need for protective services.

(4) On or before April 1, 2001, and annually thereafter, the State Department of Social Services shall submit a report to the Legislature regarding the number of cases, by county, out of the total number of cases reported to the counties, that were determined not to require an immediate or 10-day in-person response pursuant to paragraph (2), and the disposition of those cases.

(c) A county shall provide case management services to elders and dependent adults who are determined to be in need of adult protective services for the purpose of bringing about changes in the lives of victims and to provide a safety net to enable victims to protect themselves in the future. Case management services shall include the following, to the extent services are appropriate for the individual:

(1) Investigation of the protection issues, including, but not limited to, social, medical, environmental, physical, emotional, and developmental.

(2) Assessment of the person's concerns and needs on whom the report has been made and the concerns and needs of other members of the family and household.

(3) Analysis of problems and strengths.

(4) Establishment of a service plan for each person on whom the report has been made to alleviate the identified problems.

(5) Client input and acceptance of proposed service plans.

(6) Counseling for clients and significant others to alleviate the identified problems and to implement the service plan.

(7) Stabilizing and linking with community services.
(8) Monitoring and followup.
(9) Reassessments, as appropriate.

(d) To the extent resources are available, each county shall provide emergency shelter in the form of a safe haven or in-home protection for victims. Shelter and care appropriate to the needs of the victim shall be provided for frail and disabled victims who are in need of assistance with activities of daily living.

(e) Each county shall designate an adult protective services agency to establish and maintain multidisciplinary teams including, but not limited to, adult protective services, law enforcement, home health care agencies, hospitals, adult protective services staff, the public guardian, private community service agencies, public health agencies, and mental health agencies for the purpose of providing interagency treatment strategies.

(f) Each county shall provide tangible support services, to the extent resources are available, which may include, but not be limited to, emergency food, clothing, repair or replacement of essential appliances, plumbing and electrical repair, blankets, linens, and other household goods, advocacy with utility companies, and emergency response units.

SEC. 49. Section 16501.1 of the Welfare and Institutions Code is amended to read:

16501.1. (a) The Legislature finds and declares that the foundation and central unifying tool in child welfare services is the case plan.

(b) The Legislature further finds and declares that a case plan ensures that the child receives protection and safe and proper care and case management, and that services are provided to the child and parents or other caretakers as appropriate in order to improve conditions in the parent's home, to facilitate the safe return of the child to a safe home or the permanent placement of the child, and to address the needs of the child while in foster care. A case plan shall be based upon the principles of this section and shall document that a preplacement assessment of the service needs of the child and family, and preplacement preventive services, have been provided, and that reasonable efforts to prevent out-of-home placement have been made. In determining the reasonable services to be offered or provided, the child's health and safety shall be the paramount concerns. Reasonable services shall be offered or provided to make it possible for a child to return to a safe home environment, unless, pursuant to subdivisions (b) and (e) of Section 361.5, the court determines that reunification services shall not be provided. If reasonable services are not ordered, or are terminated, reasonable efforts shall be made to place the child in a timely manner in

accordance with the permanent plan and to complete all steps necessary to finalize the permanent placement of the child.

(c) When out-of-home placement is used to attain case plan goals, the decision regarding choice of placement shall be based upon selection of a safe setting that is the least restrictive or most familylike and the most appropriate setting that is available and in close proximity to the parent's home, consistent with the selection of the environment best suited to meet the child's special needs and best interest, or both. The selection shall consider, in order of priority, placement with relatives, tribal members, and foster family, group care, and residential treatment pursuant to Section 7950 of the Family Code.

(d) A written case plan shall be completed within 30 days of the initial removal of the child or of the in-person response required under subdivision (f) of Section 16501 if the child has not been removed from his or her home, or by the date of the dispositional hearing pursuant to Section 358, whichever occurs first. The case plan shall be updated, as the service needs of the child and family dictate. At a minimum, the case plan shall be updated in conjunction with each status review hearing conducted pursuant to Section 366.21, and the hearing conducted pursuant to Section 366.26, but no less frequently than once every six months. Each updated case plan shall include a description of the services that have been provided to the child under the plan and an evaluation of the appropriateness and effectiveness of those services.

(e) The child welfare services case plan shall be comprehensive enough to meet the juvenile court dependency proceedings requirements pursuant to Article 6 (commencing with Section 300) of Chapter 2 of Part 1 of Division 2.

(f) The case plan shall be developed as follows:

(1) The case plan shall be based upon an assessment of the circumstances that required child welfare services intervention.

(2) The case plan shall identify specific goals and the appropriateness of the planned services in meeting those goals.

(3) The case plan shall identify the original allegations of abuse or neglect, as defined in Article 2.5 (commencing with Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code, or the conditions cited as the basis for declaring the child a dependent of the court pursuant to Section 300, or all of these, and the other precipitating incidents that led to child welfare services intervention.

(4) The case plan shall include a description of the schedule of the social worker contacts with the child and the family or other caretakers. The frequency of these contacts shall be in accordance with regulations adopted by the State Department of Social Services. If the child has been placed in foster care out of state, the county social worker or a social

worker on the staff of the social service agency in the state in which the child has been placed shall visit the child in a foster family home or the home of a relative at least every 12 months and submit a report to the court on each visit. For children in out-of-state group home facilities, visits shall be conducted at least monthly, pursuant to Section 16516.5.

(5) When out-of-home services are used, the frequency of contact between the natural parents or legal guardians and the child shall be specified in the case plan. The frequency of those contacts shall reflect overall case goals, and consider other principles outlined in this section.

(6) When out-of-home placement is made, the case plan shall include provisions for the development and maintenance of sibling relationships as specified in subdivisions (b), (c), and (d) of Section 16002. If appropriate, when siblings who are dependents of the juvenile court are not placed together, the social worker for each child, if different, shall communicate with each of the other social workers and ensure that the child's siblings are informed of significant life events that occur within their extended family. Unless it has been determined that it is inappropriate in a particular case to keep siblings informed of significant life events that occur within the extended family, the social worker shall determine the appropriate means and setting for disclosure of this information to the child commensurate with the child's age and emotional well-being. These significant life events shall include, but shall not be limited to, the following:

(A) The death of an immediate relative.

(B) The birth of a sibling.

(C) Significant changes regarding a dependent child, unless the child objects to the sharing of the information with his or her siblings, including changes in placement, major medical or mental health diagnoses, treatments, or hospitalizations, arrests, and changes in the permanent plan.

(7) When out-of-home placement is made in a foster family home, group home or other child care institution that is either a substantial distance from the home of the child's parent or out of state, the case plan shall specify the reasons why that placement is in the best interest of the child. When an out-of-state group home placement is recommended or made, the case plan shall, in addition, specify compliance with Section 7911.1 of the Family Code.

(8) When out-of-home services are used, or when parental rights have been terminated and the case plan is placement for adoption, the case plan shall include a recommendation regarding the appropriateness of unsupervised visitation between the child and any of the child's siblings. This recommendation shall include a statement regarding the child's and the siblings' willingness to participate in unsupervised visitation. If the

case plan includes a recommendation for unsupervised sibling visitation, the plan shall also note that information necessary to accomplish this visitation has been provided to the child or to the child's siblings.

(9) When out-of-home services are used and the goal is reunification, the case plan shall describe the services to be provided to assist in reunification and the services to be provided concurrently to achieve legal permanency if efforts to reunify fail. The plan shall also consider the importance of developing and maintaining sibling relationships pursuant to Section 16002.

(10) When out-of-home services are used, the child has been in care for at least 12 months, and the goal is not adoptive placement, the case plan shall include documentation of the compelling reason or reasons why termination of parental rights is not in the child's best interest. A determination completed or updated within the past 12 months by the department when it is acting as an adoption agency or by a licensed adoption agency that it is unlikely that the child will be adopted, or that one of the conditions described in paragraph (1) of subdivision (c) of Section 366.26 applies, shall be deemed a compelling reason.

(11) (A) Parents and legal guardians shall have an opportunity to review the case plan, sign it whenever possible, and then shall receive a copy of the plan. In any voluntary service or placement agreement, the parents or legal guardians shall be required to review and sign the case plan. Whenever possible, parents and legal guardians shall participate in the development of the case plan.

(B) Parents and legal guardians shall be advised that, pursuant to Section 1228.1 of the Evidence Code, neither their signature on the child welfare services case plan nor their acceptance of any services prescribed in the child welfare services case plan shall constitute an admission of guilt or be used as evidence against the parent or legal guardian in a court of law. However, they shall also be advised that the parent's or guardian's failure to cooperate, except for good cause, in the provision of services specified in the child welfare services case plan may be used in any hearing held pursuant to Section 366.21 or 366.22 as evidence.

(12) The case plan shall be included in the court report and shall be considered by the court at the initial hearing and each review hearing. Modifications to the case plan made during the period between review hearings need not be approved by the court if the casework supervisor for that case determines that the modifications further the goals of the plan. When out-of-home services are used with the goal of family reunification, the case plan shall consider and describe the application of subdivision (b) of Section 11203.

(13) When the case plan has as its goal for the child a permanent plan of adoption or placement in another permanent home, it shall include documentation of the steps the agency is taking to find an adoptive family or other permanent living arrangements for the child; to place the child with an adoptive family, an appropriate and willing relative, a legal guardian, or in another planned permanent living arrangement; and to finalize the adoption or legal guardianship. At a minimum, the documentation shall include child specific recruitment efforts, such as the use of state, regional, and national adoption exchanges, including electronic exchange systems, when the child has been freed for adoption.

(g) If the court finds, after considering the case plan, that unsupervised sibling visitation is appropriate and has been consented to, the court shall order that the child or the child's siblings, and the child's prospective adoptive parents, if applicable, be provided with information necessary to accomplish this visitation. Nothing in this section shall be construed to require or prohibit the social worker's facilitation, transportation, or supervision of visits between the child and his or her siblings.

(h) The case plan documentation on sibling placements required under this section shall not require modification of existing case plan forms until the Child Welfare Services Case Management System is implemented on a statewide basis.

(i) The department, in consultation with the County Welfare Directors Association and other advocates, shall develop standards and guidelines for a model relative placement search and assessment process based on the criteria established in Section 361.3. These guidelines shall be incorporated in the training described in Section 16206. These model standards and guidelines shall be developed by March 1, 1999.

SEC. 50. Section 18257 of the Welfare and Institutions Code is repealed.

SEC. 52. Section 18930 of the Welfare and Institutions Code is amended to read:

18930. (a) The State Department of Social Services shall establish a Food Assistance Program to provide assistance for those persons described in subdivision (b). The department shall enter into an agreement with the United States Department of Agriculture to use the existing federal Food Stamp Program coupons for the purposes of administering this program. Persons who are members of a household receiving food stamp benefits under this chapter or under Chapter 10 (commencing with Section 18900), and are receiving CalWORKs benefits under Chapter 2 (commencing with Section 11200) of Part 3 on September 1, 1998, shall have eligibility determined under this chapter without need for a new application no later than November 1, 1998, and

the beginning date of assistance under this chapter for those persons shall be September 1, 1998.

(b) (1) Except as provided in paragraphs (2), (3), and (4) and Section 18930.5, noncitizens of the United States shall be eligible for the program established pursuant to subdivision (a) if the person's immigration status meets the eligibility criteria of the federal Food Stamp Program in effect on August 21, 1996, but he or she is not eligible for federal food stamp benefits solely due to his or her immigration status under Public Law 104-193 and any subsequent amendments thereto.

(2) Noncitizens of the United States shall be eligible for the program established pursuant to subdivision (a) if the person is a battered immigrant spouse or child or the parent or child of the battered immigrant, as described in Section 1641(c) of Title 8 of the United States Code, as amended by Section 5571 of Public Law 105-33, or if the person is a Cuban or Haitian entrant as described in Section 501(e) of the federal Refugee Education Assistance Act of 1980 (Public Law 96-122).

(3) An applicant who is otherwise eligible for the program but who entered the United States on or after August 22, 1996, shall be eligible for aid under this chapter only if he or she is sponsored and one of the following apply:

(A) The sponsor has died.

(B) The sponsor is disabled as defined in subparagraph (A) of paragraph (3) of subdivision (b) of Section 11320.3.

(C) The applicant, after entry into the United States, is a victim of abuse by the sponsor or the spouse of the sponsor if the spouse is living with the sponsor.

(4) An applicant who is otherwise eligible for the program but who entered the United States on or after August 22, 1996, who does not meet one of the conditions of paragraph (3), shall be eligible for aid under this chapter beginning on October 1, 1999.

(5) The applicant shall be required to provide verification that one of the conditions of subparagraph (A), (B), or (C) have been met.

(6) For purposes of subparagraph (C) of paragraph (2), abuse shall be defined in the same manner as provided in Section 11495.1 and Section 11495.12. A sworn statement of abuse by a victim, or the representative of the victim if the victim is not able to competently swear, shall be sufficient to establish abuse if one or more additional items of evidence of abuse is also provided. Additional evidence may include, but is not limited to, the following:

(A) Police, government agency, or court records or files.

(B) Documentation from a domestic violence program, legal, clinical, medical, or other professional from whom the applicant or recipient has sought assistance in dealing with abuse.

(C) A statement from any other individual with knowledge of the circumstances that provided the basis for the claim.

(D) Physical evidence of abuse.

(7) If the victim cannot provide additional evidence of abuse, then the sworn statement shall be sufficient if the county makes a determination documented in writing in the case file that the applicant is credible.

(c) In counties approved for alternate benefit issuance systems, that same alternate benefit issuance system shall be approved for the program established by this chapter.

(d) (1) To the extent allowed by federal law, the income, resources, and deductible expenses of those persons described in subdivision (b) shall be excluded when calculating food stamp benefits under Chapter 10 (commencing with Section 18900).

(2) No household shall receive more food stamp benefits under this section than it would if no household member was rendered ineligible pursuant to Title IV of Public Law 104-193 and any subsequent amendments thereto.

(e) This section shall become operative on September 1, 1998.

SEC. 53. Section 18938 of the Welfare and Institutions Code is amended to read:

18938. (a) (1) Subject to paragraphs (2) and (3), an individual, upon application, shall be eligible for the program established pursuant to Section 18937 if his or her immigration status meets the eligibility criteria of the Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled (SSI/SSP) in effect on August 21, 1996, but he or she is not eligible for SSI/SSP benefits solely due to his or her immigration status under Title IV of Public Law 104-193 and any subsequent amendments thereto.

(2) An applicant who is otherwise eligible for the program, but who entered the United States on or after August 22, 1996, shall be eligible for aid under this chapter only if he or she is sponsored and one of the following conditions is met:

(A) The sponsor has died.

(B) The sponsor is disabled, as defined in subparagraph (A) of paragraph (3) of subdivision (b) of Section 11320.3.

(C) The applicant, after entry into the United States, is a victim of abuse by the sponsor or the spouse of the sponsor if the spouse is living with the sponsor.

(3) An applicant who is otherwise eligible for the program but who entered the United States on or after August 22, 1996, and who does not meet one of the conditions of paragraph (2) shall be eligible for aid under this chapter beginning on October 1, 1999.

(4) The applicant shall be required to provide verification that one of the conditions of subparagraphs (A), (B), or (C) of paragraph (2) has been met.

(5) (A) For purposes of subparagraph (C) of paragraph (2), abuse shall be defined in the same manner as provided in Section 11495.1 and Section 11495.12. A sworn statement of abuse by a victim, or the representative of the victim if the victim is not able to competently swear, shall be sufficient to establish abuse if one or more additional items of evidence of abuse is also provided. Additional evidence may include, but is not limited to, the following:

(i) Police, government agency, or court records or files.

(ii) Documentation from a domestic violence program, legal, clinical, medical, or other professional from whom the applicant or recipient has sought assistance in dealing with abuse.

(iii) A statement from any other individual with knowledge of the circumstances that provided the basis for the claim.

(iv) Physical evidence of abuse.

(B) If the victim cannot provide additional evidence of abuse, then the sworn statement shall be sufficient if the county makes a determination documented in the case file that the applicant is credible.

(b) The department shall periodically redetermine the eligibility of each individual.

(c) The department shall take all steps necessary to qualify any benefits paid under this section to be eligible for reimbursement as federal Interim Assistance including requiring a repayment agreement.

SEC. 54. Section 18940 of the Welfare and Institutions Code is amended to read:

18940. (a) Except as otherwise provided in this chapter, the federal and state laws and regulations governing the SSI/SSP program shall also govern the program provided for under this chapter.

(b) Federal deeming rules and exemptions governing the SSI/SSP program, including all federal and state laws and regulations designed to protect SSI/SSP recipients and their resources, shall also govern the program provided for under this chapter, except that for immigrants described in paragraph (3) of subdivision (a) of Section 18938 who do not meet exemptions from deeming, the period for deeming of a sponsor’s income and resources shall be 10 years from the date of the sponsor’s execution of the affidavit of support or the date of the immigrant’s arrival in the United States, whichever is later.

(c) Notwithstanding any other provision in this chapter, immigrants who are victims of abuse by their sponsor or sponsor’s spouse shall be exempt from deeming. Abuse shall be defined in the same manner as provided in Section 11495.1 and Section 11495.12. A sworn statement

of abuse by a victim, or the representative of the victim if the victim is not able to competently swear, shall be sufficient to establish abuse if one or more additional items of evidence of abuse is also provided. Additional evidence may include, but is not limited to, the following:

(1) Police, government agency, or court records or files.

(2) Documentation from a domestic violence program, or from a legal, clinical, medical, or other professional from whom the applicant or recipient has sought assistance in dealing with abuse.

(3) A statement from any other individual with knowledge of the circumstances that provided the basis for the claim.

(4) Physical evidence of abuse.

(5) If the victim cannot provide additional evidence of abuse, then the sworn statement shall be sufficient if the county makes a determination documented in writing in the case file that the applicant is credible.

SEC. 55. Section 19806 of the Welfare and Institutions Code is amended to read:

19806. (a) An independent living center shall not be required to provide any matching funds through private contributions as a condition of receiving state funds except to acquire state incentive funds.

(b) Each independent living center, except those centers which have been both established and maintained using federal funding under Title VII(c) of the federal Rehabilitation Act of 1973 as amended as their primary base grant, as determined by the department, shall receive to the extent funds are appropriated by the Legislature, at least two hundred thirty-five thousand dollars ($235,000) in base grant funds allocated by the department. The department shall allocate to those centers with Title VII(c) base grant funds of less than two hundred thirty-five thousand dollars ($235,000) an amount that, when combined with the Title VII(c) grant, equals two hundred thirty-five thousand dollars ($235,000).

(c) State funds may be replaced by reimbursements under the Supplemental Security Disability Insurance and the Supplemental Security Income programs provided for under Titles II and XVII of the Federal Social Security Act, Subchapter II (commencing with Section 401) and Subchapter XVII (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code to the extent appropriated by the Legislature and allocated by the department to independent living centers under this chapter. Beginning with the 1998–99 fiscal year, and each year thereafter, to the extent these funds from the Social Security Act are not appropriated by the Legislature as were appropriated in the 1997–98 fiscal year, an amount equal to the combined state and federal fund allocation to independent living centers in the Budget Act of 1997 shall be appropriated to, and allocated by, the department to independent living centers under this chapter.

(d) (1) Available state incentive funds shall be allocated at the beginning of each fiscal year based upon the average amount of private contributions received by the independent living center in the second and third preceding fiscal years.

(2) The maximum amount of incentive funds that may be allocated to any independent living center in any single fiscal year shall be computed as follows:

(A) ''Pool One'' is defined as 60 percent of all state incentive funds. ''Pool Two'' is defined as 40 percent of all state incentive funds. Each independent living center shall be entitled to an equal portion of Pool One, not to exceed the amounts raised pursuant to paragraph (1).

(B) Incentive funds from Pool One not used after the initial allocation pursuant to subparagraph (A) shall be added to Pool Two for allocation among all centers that had unmatched private contributions after distribution of Pool One funds. Pool Two funds shall be awarded in direct proportion to each center's percentage of the total remaining unmatched private contributions raised by those independent living centers.

(3) For the purpose of determining eligibility for state incentive funds, any independent living center that uses a fiscal year other than the state fiscal year may elect to use a different fiscal year so long as the closing date of the fiscal year so elected does not precede the closing date of the equivalent state fiscal year by more than 11 months.

(4) The amount of private contributions claimed by an independent living center for each fiscal year shall be verified by the department by utilizing appropriate financial records including, but not limited to, independent audits. Audits may be performed by the department up to three years from the close of the fiscal year during which state incentive funds were received by the independent living center being audited.

(5) State incentive funds that are not distributed to independent living centers shall not be allocated or retained by the department for distribution as state incentive funds in later fiscal years.

(e) For purposes of this section:

(1) ''Private funds'' does not include any funds originating from any entity of the federal, state, city, or county government or any political subdivision thereof. Notwithstanding the provisions of this section, fees from any source for services provided may be included as private contributions by an independent living center for purposes of determining its allocation of incentive funds.

(2) ''State incentive funds'' means state funds appropriated by the Legislature for purposes of this chapter, except those funds allocated by the department pursuant to subdivisions (b) and (g) of this section.

(f) Any funds allocated under this chapter to any independent living center, other than as part of the initial allocation for each fiscal year, shall be made by contract amendment. Any contract amendment shall require the provision of services in addition to those required by the contract being amended. All those services required by contract amendment shall not be performed prior to the date the contract amendment is approved by the state.

(g) To the extent funds are appropriated by the Legislature for the purpose of providing assistive technology services described in subdivision (d) of Section 19801, three hundred thousand dollars ($300,000) of those funds shall be allocated to the nonprofit contractor selected by the Department of Rehabilitation to coordinate delivery of assistive technology services and the remainder shall be allocated equally among independent living centers. The nonprofit contractor shall provide statewide assistive technology information and referral and serve as a resource to the independent living centers' assistive technology service programs.

(h) To the extent funds are appropriated by the Legislature, after allocation of base grant and incentive funds and assistive technology funds, remaining funds shall be allocated by the department among independent living centers on the basis of the ratio of the total of the general population in an independent living center's geographic service areas as compared to the total of the general population in all independent living centers geographic services area statewide. The department shall adopt regulations for the distribution of population funds by June 30, 1999.

SEC. 56. Provision 8 of Item 5180-101-0001 of Section 2.00 of Chapter 52 of the Statutes of 2000 (Budget Act of 2000) is amended to read:

8. Of the funds appropriated in Schedule (a)(2), 16.30.020–Services, no amount shall be for payment of county incentives authorized by Section 10544.1 of the Welfare and Institutions Code.

SEC. 57. Section 5 of Chapter 7 of the Statutes of 2001 (First Extraordinary Session) is amended to read:

Sec. 5. In order to achieve a total reduction in peak electricity demand of not less than 2,585 megawatts, the sum of seven hundred eight million nine hundred thousand dollars ($708,900,000) is hereby

appropriated from the General Fund to the Controller for allocation according to the following schedule:

(a) In order to achieve a reduction in peak electricity demand and meet urgent needs of low-income households, two hundred forty-six million three hundred thousand dollars ($246,300,000) for allocation by the Public Utilities Commission for the customers of electric and gas corporations subject to commission jurisdiction, to be expended in the following amounts:

(1) Fifty million dollars ($50,000,000) to encourage the purchase of energy efficient equipment, and retirement of inefficient appliances and improvements in the efficiency of high-efficiency heating, ventilating, and air-conditioning (HVAC) equipment insulation or other efficiency measures. Any funds expended pursuant to this paragraph for the purchase of refrigerators, air-conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:

(A) Priority for the expenditure of funds shall be given for the purchase or retirement of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.

(B) Any retirement of residential equipment and appliances undertaken pursuant to this paragraph shall be undertaken in a manner that protects public health and the environment. Nothing in this paragraph affects the requirements of Article 10.1 (commencing with Section 25211) of Chapter 6.5 of Division 20 of the Health and Safety Code and Chapter 3.5 (commencing with Section 42160) of Part 3 of Division 30 of the Public Resources Code.

(2) One hundred million dollars ($100,000,000) to provide immediate assistance to electric or gas utility customers enrolled in, or eligible to be enrolled in, the California Alternative Rates for Energy (CARE) program established pursuant to Section 739.1 of the Public Utilities Code. Funds appropriated pursuant to this paragraph shall be expended to increase and supplement CARE discounts and to increase enrollment in the CARE program. These funds shall be available to assist those customers enrolled or eligible for CARE who are on payment arrangements or have current or pending overdue notices due to increases in energy rates. Not more than 10 percent of the funds appropriated in this subdivision shall be allocated for mass marketing to increase enrollment. The funding provided in this subdivision is intended to supplement, but not replace, surcharge-generated revenues utilized to fund the CARE program.

(3) Twenty million dollars ($20,000,000) to augment funding for low-income weatherization services provided pursuant to Section 2790

of the Public Utilities Code, and to fund other energy efficient measures to assist low-income energy users.

(4) Sixteen million three hundred thousand dollars ($16,300,000) for high-efficiency and ultra-low-polluting pump and motor retrofits for oil or gas, or both, producers and pipelines. For the purposes of this paragraph, ''ultra low polluting'' means retrofit equipment which exceeds the requirements for best available control technology within the air district in which the pump or motor is located.

(5) Sixty million dollars ($60,000,000) to provide incentives to encourage replacement of low-efficiency lighting with high-efficiency lighting systems.

(b) In order to achieve a reduction in peak electricity demand, two hundred eighty-two million six hundred thousand dollars ($282,600,000) to the State Energy Resources Conservation and Development Commission (hereafter the Energy Commission), to be expended in the following amounts for the following purposes:

(1) Sixty million dollars ($60,000,000) for allocation by the Energy Commission to locally owned public utilities for energy efficiency, peak demand reduction, and low-income assistance measures in the service areas of the locally owned public utilities analogous to those measures and programs funded in the service areas of the electric and gas corporations subject to the jurisdiction of the Public Utilities Commission pursuant to subdivision (a).

To the extent that any of the funds allocated to the locally owned public utilities are used to encourage the purchase of energy efficiency equipment and retirement of inefficient appliances and improvements in the efficiency of high-efficiency heating, ventilating, and air-conditioning (HVAC) equipment insulation, and other efficiency measures, funds expended pursuant to this paragraph for the purchase of refrigerators, air-conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:

(i) Priority for expenditure of funds shall be given for the purchase of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.

(ii) Any retirement of residential equipment and appliances undertaken pursuant to this paragraph shall be undertaken in a manner that protects public health and the environment. Nothing in this paragraph affects the requirements of Article 10.1 (commencing with Section 25211) of Chapter 6.5 of Division 20 of the Health and Safety Code and Chapter 3.5 (commencing with Section 42160) of Part 3 of Division 30 of the Public Resources Code.

(2) Thirty-five million dollars ($35,000,000) to implement programs to improve demand-responsiveness in heating, ventilation,

air-conditioning, lighting, advanced metering of energy usage, and other systems in buildings. Of the amount appropriated pursuant to this paragraph, ten million dollars ($10,000,000) shall be used to encourage the purchase and installation of advanced metering and telemetry equipment for agricultural and water pumping customers in order to improve load management and demand responsiveness techniques particularly applicable to this sector.

(3) Thirty-five million dollars ($35,000,000) to implement a low-energy usage building materials program, and other measures to lower air-conditioning usage in schools, colleges, universities, hospitals, and other nonresidential buildings. These funds shall not be available for community college facilities if Assembly Bill No. 29 of the First Extraordinary Session is enacted, becomes effective, and provides funding for energy efficiency measures to the community college from the Proposition 98 Reversion Account.

(4) Fifty million dollars ($50,000,000) to implement a program to encourage third parties to implement innovative peak demand reduction measures.

(A) Of the amount appropriated pursuant to this paragraph, ten million dollars ($10,000,000) shall be used for the California Agricultural Pump Energy Program to facilitate the efficiency testing of existing agricultural water pumps and to provide incentives for the retrofitting of pumps to increase efficiency as necessary. Up to one million dollars ($1,000,000) of those funds shall be used for grants to local public agencies to enhance and expedite the testing of agricultural water pumps.

(B) Of the amount appropriated pursuant to this paragraph, not more than one million dollars ($1,000,000) shall be expended by the commission to fund one-time startup costs for innovative voluntary programs to reduce air emissions through energy conservation and related actions pursuant to programs authorized by law in effect on the effective date of this act.

(5) Seventy-five million dollars ($75,000,000) to implement programs to reduce peak load electricity usage, encourage biogas digestion power production technologies, enhance conservation and encourage the use of alternative fuels, including, but not limited to in-state natural gas resources for the agricultural and water pumping sector. These funds shall be allocated by the Energy Commission, in the form of rebates or grants, in the following amounts for the following purposes:

(A) Forty-five million dollars ($45,000,000) to encourage the purchase of high-efficiency electrical agricultural equipment, installed, on or after January 1, 2001, and incentives for overall electricity

conservation efforts. Eligible equipment shall include, but not be limited to, lighting, refrigeration, or cold storage equipment. Any agricultural energy conservation incentive program shall recognize the increased demand due to currently reduced water supply conditions.

(B) Fifteen million dollars ($15,000,000) to offset the costs of retrofitting existing natural gas powered equipment to burn alternative fuels, including, but not limited to, in-state produced ''non-spec'' or ''off-spec'' natural gas.

(C) Fifteen million dollars ($15,000,000) in grants to be used for pilot projects designed to encourage the development of biogas digestion power production technologies.

(i) Ten million dollars ($10,000,000) of these funds shall be used to provide grants for the purpose of encouraging the development of manure methane power production projects on California dairies.

(ii) Five million dollars ($5,000,000) of these funds shall be used to provide grants to reduce peak usage in southern California by revision of system operations to produce replacement energy as a byproduct of the anaerobic digestion of biosolids and animal wastes.

(6) Ten million dollars ($10,000,000) to provide incentives for installation of light-emitting diode (LED) traffic signals.

(7) Seven million dollars ($7,000,000) to implement a program to teach school children about energy efficiency in the home and at school.

(8) Ten million dollars ($10,000,000) for incentives for the retrofit of existing distributed generation owned and operated by municipal water districts to replace diesel and natural gas generation with cleaner technology that reduces oxides of nitrogen emissions. Funds expended pursuant to this paragraph shall be expended exclusively for retrofit equipment that meets or exceeds the requirements for best available control technology within the air district in which the distributed generation owned and operated by a municipal water district is located, or with standards adopted by the state Air Resources Board pursuant to Section 41514.9 of the Health and Safety Code upon the effective date of those standards. Technologies eligible pursuant to this paragraph include natural gas reciprocating engines, microturbines, fuel cells, and wind and solar energy renewable technologies.

(9) Six hundred thousand dollars ($600,000) for four personnel-years to improve the ability of the Energy Commission to provide timely and accurate assessments of electricity and natural gas markets.

(c) Except for funds expended to implement programs established pursuant to Section 25555 of the Public Resources Code, for which the Public Utilities Commission or the Energy Commission has adopted and published guidelines pursuant to that section, funds appropriated pursuant to subdivisions (a) and (b) shall be expended pursuant to

guidelines adopted by each commission. The guidelines shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of the Division 3 of Title 2 of the Government Code and shall do all of the following:

(1) Establish cost effectiveness criteria for programs funded. Within 10 days from the date of the adoption of criteria pursuant to this paragraph, each commission shall provide a copy of the criteria to the Chairperson of the Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.

(2) Limit administrative costs to not more than $2^1/_2$ percent of the amount of the funds expended. For the purposes of this paragraph, ''administrative costs'' means commission personnel and overhead costs associated with the implementation of each measure or program. However, ''administrative costs'' does not include costs associated with marketing or evaluation of a measure of a program, including any two-year limited positions, as approved by the Department of Finance, necessary to implement the programs.

(3) Allow reasonable flexibility to shift funds among program categories in order to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

(4) Establish matching fund criteria that, except for funds appropriated pursuant to paragraphs (2) and (3) of subdivision (a), ensure that entities eligible to receive funds appropriated pursuant to subdivisions (a) and (b) pay an appropriate share of the cost of acquiring or installing measures to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

(5) Establish mechanisms and criteria that ensure that funds expended pursuant to this section through electric and gas corporations are not seized by the creditors of those corporations in the event of a bankruptcy. In implementing this paragraph, the commissions shall adopt mechanisms such as the segregation of funds by the electric or gas corporation, the holding of those funds in trust until they are expended, and the reversion of funds to the General Fund in the event of bankruptcy.

(6) Establish tracking and auditing procedures to ensure that funds are expended in a manner consistent with this act.

(d) Within six months of the effective date of this section, each commission shall contract for an independent audit of the expenditures made pursuant to subdivisions (a) and (b) for the purpose of determining whether the funds achieved demonstrable energy peak demand reduction while limiting administrative costs associated with expenditures made

pursuant to those subdivisions. Within one year of the effective date of this section, each commission shall submit the audit prepared pursuant to this paragraph to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.

(e) Ten million dollars ($10,000,000) to the Department of Consumer Affairs to implement a public awareness program to reduce peak electricity usage. Any public awareness program to reduce peak electricity usage conducted by the Department of Consumer Affairs after November 30, 2001, shall be conducted pursuant to a contract in accordance with Article 4 (commencing with Section 10335) of Chapter 2 of the Public Contract Code. The department shall ensure that the program includes the use of nontraditional mass media, including, but not limited to, the use of community based organizations, mass media in different languages, and media targeted to low-income and ethnically diverse communities.

(f) Fifty million dollars ($50,000,000) to the Department of General Services to be expended for the purposes of implementing Chapter 3.5 (commencing with Section 4240) of Division 5 of Title 1 of the Government Code. The department shall limit its administrative costs to not more than $2^1/_2$ percent of the funds expended. For the purposes of this paragraph, ''administrative costs'' means personnel and overhead costs associated with implementation of each measure or program. However, ''administrative costs'' does not include costs associated with marketing or evaluation of a measure or program.

(g) One hundred twenty million dollars ($120,000,000) to the Department of Community Services and Development for the purpose of supplementing the Low-Income Home Energy Assistance Program (LIHEAP). The department may also use these funds for the purposes of increasing participation in the LIHEAP program. The department shall use funds appropriated pursuant to this paragraph in the following manner:

(1) The department shall implement a California Low-Income Home Energy Assistance Program (LIHEAP). Services provided by California's LIHEAP shall be designed to do both of the following:

(A) Increase energy conservation and reduce demand for energy services in low-income households.

(B) Assure that the most vulnerable households cope with high energy costs.

(2) The program shall include weatherization and conservation services, energy crisis intervention services, and cash assistance payments.

(3) (A) Eligibility for California LIHEAP shall include households with incomes that do not exceed the greater of either of the following:

(i) An amount equal to 60 percent of the state median income.

(ii) An amount equal to 80 percent of the county median income.

(B) In no area shall eligibility be provided to households whose income is greater than 250 percent of the federal poverty level for this state.

(C) Notwithstanding subparagraphs (A) and (B), licensed community care facilities serving six or fewer adults or children shall be eligible for weatherization and energy education under California LIHEAP.

(4) The department shall examine the penetration of other energy programs, including, but not limited to, those provided through federal LIHEAP, utility companies, and other parties, to identify the adequacy of services to elderly persons, disabled persons, limited-English-speaking persons, migrant and seasonal farmworkers and households with very young children. California LIHEAP funds shall be distributed so as to ensure that vulnerable populations have comparable access to energy programs.

(5) The department shall ensure that services under California LIHEAP are delivered using all of the following requirements:

(A) The department shall establish reasonable limits for expenditures, including up to 15 percent for outreach and training for consumers.

(B) Grantee agencies shall do special outreach to vulnerable households, including outreach to senior centers, independent living centers, welfare departments, regional centers, and migrant and seasonable farmworkers.

(C) Grantee agencies shall be required to coordinate with other low-income energy programs, and to demonstrate plans for using all energy resources efficiently for maximum outreach to low-income households.

(D) Grantee agencies shall spend the maximum feasible amount of California LIHEAP funds for weatherization assistance, but in no event less than 50 percent of the funds available by grantee. The balance shall be used for cash assistance and energy crisis intervention. The department shall provide grantees with maximum flexibility to use energy crisis and cash assistance funds to resolve energy crisis for households and to serve the maximum number of households. Cash assistance payments may be used as a supplement to federal LIHEAP cash assistance payments.

(6) The department shall do the following in addition to administering the program:

(A) Explore, with grantee agencies, standards for determining effective, efficient intake, and procedures to combine outreach for federal, state, and utility low-income energy programs into a single intake process.

(B) Report to the policy and budget committees of the Legislature on the extent to which increased flexibility in weatherization measures and flexibility in cash assistance and crisis intervention payments have increased service and reduced energy demand. If barriers to flexibility exist, the report should identify those barriers.

(C) Report to the policy and budget committees of the Legislature on the number of recipients of service, the number of grantees providing service, categories of expenditure, estimated impact of funds on energy demand, estimated unmet need, and plans for automated reporting of this information routinely.

(7) For any funds distributed in 2001, the department shall distribute funds as follows:

(A) Funds shall be distributed to have maximum possible impact on reducing energy demand immediately.

(B) First priority shall be to distribute funds through community-based programs with whom it has existing contracts.

(C) If additional capacity is needed beyond the existing network, or if vulnerable populations cannot be served within the existing contracts, the department may develop and RFP process to solicit additional grantees.

(8) The department shall limit administrative costs to not more than $2^{1}/_{2}$ percent of the funds expended. For the purposes of this paragraph, ''administrative costs'' means personnel and overhead costs associated with the implementation of each measure or program. However, ''administrative costs'' does not include costs associated with the marketing or evaluation of a measure or program.

(h) Each state agency receiving funds appropriated pursuant to this section shall ensure, where appropriate, not less than 85 percent of the funds shall be expended for direct rebates, purchases, direct installations, buy-downs, loans, or other incentives that will achieve reductions in peak electricity demand and improvements in energy efficiency.

(i) On or before January 1, 2002, each state agency receiving funds appropriated pursuant to this section shall provide quarterly reports to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor, which include all of the following information:

(1) The amount of funding expended.

(2) The measures, programs, or activities that were funded.

(3) A description of the effectiveness of the measures, programs, or activities funded in reducing peak electricity demand and improving energy efficiency, as measured in kilowatthours of electricity reduced per dollar expended.

(j) To the extent that local government entities may apply for, and receive funds pursuant to this section, and to the extend they otherwise qualify for the funds, federally recognized California Indian tribes may apply for funds appropriated pursuant to this section on behalf of their tribal members, and the applications shall be considered on their merits. Each commission shall ensure that its efforts to provide public information on programs funded pursuant to this section shall include outreach to California Indian tribes.

SEC. 58. By October 1, 2001, the State Department of Social Services shall establish a process whereby county welfare departments may request funds from the Temporary Assistance for Needy Families reserve as described in Item 5180-403 of the Budget Act of 2001, for CalWORKs program services and administration.

SEC. 59. The Bureau of State Audits shall submit on or before January 1, 2003, to the appropriate committees and the fiscal committees of both houses of the Legislature an audit of the Statewide Fingerprint Imaging System of the State Department of Social Services. The audit shall address the level of fraud detected through the system, the level of fraud deterrence resulting from the system, whether the system deters eligible applicants, especially immigrant populations, from applying for public benefits, and the cost effectiveness of the system.

SEC. 60. (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), through June 30, 2002, the State Department of Social Services may implement the applicable provisions of this act through all county letter or similar instructions from the director.

(b) The director shall adopt regulations, as otherwise necessary, to implement the applicable provisions of this act no later than July 1, 2002. Emergency regulations to implement the changes made by this act to Sections 366, 366.1, 11203, and 16501.1 of the Welfare and Institutions Code may be adopted by the director in accordance with the Administrative Procedure Act. The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

Initial emergency regulations and the first readoption of those emergency regulations shall be exempt from review by the Office of

Administrative Law. The initial emergency regulations and one readoption of those emergency regulations shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall each remain in effect for no more than 180 days.

SEC. 61. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 62. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2001 at the earliest possible time, it is necessary that this act take effect immediately.

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