

Assembly Bill No. 2466

CHAPTER 781

An act to amend Section 11322.6 of, and to add Section 11155.6 to, the Welfare and Institutions Code, relating to CalWORKs, and making an appropriation therefor.

[Approved by Governor September 29, 2006. Filed with
Secretary of State September 29, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2466, Daucher. CalWORKs eligibility: welfare-to-work activities and excluded assets.

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 California Work Opportunity and Responsibility to Kids (CalWORKs) program.

Under the CalWORKs program, each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria, including limitations on income and assets generally applicable to public assistance programs.

Under existing law, with certain exceptions, every individual, as a condition of eligibility for aid under the CalWORKs program, is required to participate in welfare-to-work activities. Under existing law, these activities in which a recipient may engage include, among others, job search and job readiness assistance, as described.

This bill would include financial management education within the definition of job search and job readiness assistance.

Existing law exempts from consideration when determining public assistance program eligibility the principal and interest in an individual development account, which is a savings account established in accordance with federal law that may only be used for specified purposes.

This bill would similarly exclude the principal and interest in a 401(k) plan, a 403(b) plan, an IRA, a 457 plan, a 529 college savings plan, or a Coverdell ESA, as these terms are defined in the bill, from consideration as property only when determining eligibility and the amount of CalWORKs assistance for CalWORKs recipients, and not for new program applicants.

Because state funds are continuously appropriated to pay for a share of county aid grant costs, this bill would, by expanding the potential pool of CalWORKs recipients, make an appropriation. In addition, because each county is required to administer the CalWORKs program, by giving

counties new responsibilities, this bill would create a state-mandated local program.

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.

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.

Appropriation: yes.

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

SECTION 1. Section 11155.6 is added to the Welfare and Institutions Code, to read:

11155.6. (a) (1) The principal and interest in a 401(k) plan, 403(b) plan, IRA, 457 plan, 529 college savings plan, or Coverdell ESA, shall be excluded from as property when redetermining eligibility and the amount of assistance for recipients of CalWORKS benefits.

(2) The principal and interest in a 401(k) plan, 403(b) plan, IRA, 457 plan, 529 plan college savings plan, or Coverdell ESA, shall not be excluded from consideration as property when determining eligibility and the amount of assistance only with respect to an applicant for benefits who is not a recipient of CalWORKS benefits.

(b) For purposes of this section, the following terms have the following meanings:

(1) “401(k) plan” means a deferred compensation plan that satisfies the requirements of Section 401(k) of the Internal Revenue Code.

(2) “403(b) plan” means a qualified annuity plan that satisfies the requirements of Section 403(b) of the Internal Revenue Code.

(3) “IRA” means an individual retirement account that satisfies the requirements of Section 408 of the Internal Revenue Code.

(4) “457 plan” means a deferred compensation plan that satisfies the requirements of Section 457 of the Internal Revenue Code.

(5) “529 college savings plan” means a qualified tuition program that satisfies the requirements of Section 529 of the Internal Revenue Code.

(6) “Coverdell ESA” means an education savings account that satisfies the requirements of Section 530 of the Internal Revenue Code.

SEC. 2. Section 11322.6 of the Welfare and Institutions Code is amended to read:

11322.6. The welfare-to-work plan developed by the county welfare department and the participant pursuant to this article shall provide for welfare-to-work activities. Welfare-to-work activities may include, but are not limited to, any of the following:

(a) Unsubsidized employment.

(b) Subsidized private sector employment.

(c) Subsidized public sector employment.

(d) Work experience, which means public or private sector work that shall help provide basic job skills, enhance existing job skills in a position related to the participant's experience, or provide a needed community service that will lead to employment. Unpaid work experience shall be limited to 12 months, unless the county welfare department and the recipient agree to extend this period by an amendment to the welfare-to-work plan. The county welfare department shall review the work experience assignment as appropriate and make revisions as necessary to ensure that it continues to be consistent with the participant's plan and effective in preparing the participant to attain employment.

(e) On-the-job training.

(f) (1) Grant-based on-the-job training, which means public or private sector employment or on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings resulting from employment, or both, is diverted to the employer as a wage subsidy to partially or wholly offset the payment of wages to the participant, so long as the total amount diverted does not exceed the family's maximum aid payment. A county shall not assign a participant to grant-based on-the-job training unless and until the participant has voluntarily agreed to participate in grant-based on-the-job training by executing a voluntary consent form, which shall be developed by the department.

(2) Grant-based on-the-job training shall include community service positions pursuant to Section 11322.9.

(3) Any portion of a wage from employment that is funded by the diversion of a recipient's cash grant, or the grant savings from employment pursuant to this subdivision, or both, shall not be exempt under Section 11451.5 from the calculation of the income of the family for purposes of subdivision (a) of Section 11450.

(g) Supported work or transitional employment, which means forms of grant-based on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings from employment, is diverted to an intermediary service provider, to partially or wholly offset the payment of wages to the participant.

(h) Workstudy.

(i) Self-employment.

(j) Community service.

(k) Adult basic education, which shall include reading, writing, arithmetic, high school proficiency, or general educational development certificate of instruction, and English-as-a-second-language. Participants under this subdivision shall be referred to appropriate service providers that include, but are not limited to, educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code.

(l) Job skills training directly related to employment.

(m) Vocational education and training, including, but not limited to, college and community college education, adult education, regional occupational centers, and regional occupational programs.

(n) Job search and job readiness assistance, which means providing the recipient with training to learn job seeking and interviewing skills, to understand employer expectations, and learn skills designed to enhance an individual's capacity to move toward self-sufficiency, including financial management education.

(o) Education directly related to employment.

(p) Satisfactory progress in secondary school or in a course of study leading to a certificate of general educational development, in the case of a recipient who has not completed secondary school or received such a certificate.

(q) Mental health, substance abuse, and domestic violence services, described in Sections 11325.7 and 11325.8, and Article 7.5 (commencing with Section 11495), that are necessary to obtain and retain employment.

(r) Other activities necessary to assist an individual in obtaining unsubsidized employment.

Assignment to an educational activity identified in subdivisions (k), (m), (o), and (p) is limited to those situations in which the education is needed to become employed.

SEC. 3. 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.