

Assembly Bill No. 2844

Passed the Assembly August 30, 2008

Chief Clerk of the Assembly

Passed the Senate August 20, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 11020, 11450, 11450.12, 11450.13, and 11451.5 of, and to repeal and add Sections 11004.1, 11265.1, 11265.2, 11265.3, and 18910 of, the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL’S DIGEST

AB 2844, Laird. Public social services: CalWORKs and the Food Stamp Program: redetermination and recertification.

Existing law requires each county to provide cash assistance and other social services to needy families through the California Work Opportunity and Responsibility to Kids (CalWORKs) program using federal Temporary Assistance to Needy Families (TANF) block grant program, state, and county funds. Under existing law, the county is required to annually redetermine eligibility for CalWORKs benefits. Existing law additionally requires the county to implement a recipient monthly reporting system, consistent with federal law until the Director of Social Services makes a specified declaration, at which time the county would be required to redetermine recipient eligibility and grant amounts on a quarterly basis, using prospective budgeting, and to prospectively determine the grant amount that a recipient is entitled to receive for each month of the quarterly reporting period. Under existing law, a CalWORKs recipient is required to report to the county, orally or in writing, specified changes that could affect the amount of aid to which the recipient is entitled. Existing law requires the quarterly redetermination report form to be signed by the recipient under penalty of perjury. Under existing law, the CalWORKs quarterly reporting system is also implemented by the State Department of Social Services in administering the federal Food Stamp Program.

This bill would repeal the requirements relating to quarterly redetermination and prospective determination grant amounts, and would, instead, impose similar requirements for a semiannual redetermination, operative July 1, 2010, to be implemented no later than January 1, 2011. The bill would also require the department to establish an income reporting threshold for CalWORKs recipients, as specified. The bill would make various

related conforming changes, including revising provisions relating to the collection of CalWORKs grant overpayments. The bill would authorize counties to adopt staggered semiannual reporting requirements, as specified. This bill would require the redetermination report form to be signed under penalty of perjury, thus creating a new crime and imposing a state-mandated local program. The bill would authorize the department to implement the semiannual reporting provisions through all-county letters until the adoption of implementing regulations, as prescribed.

Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would instead provide that the continuous appropriation would not be made for purposes of implementing the bill.

This bill would incorporate additional changes in Section 11450 of the Welfare and Institutions Code proposed by SB 1341, that would become operative only if SB 1341 and this bill are both chaptered and become effective on or before January 1, 2009, and this bill is chaptered last.

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 no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 11004.1 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 11004.1 is added to the Welfare and Institutions Code, to read:

11004.1. (a) In addition to Section 11004, this section shall apply to the CalWORKs program.

(b) The amount of any CalWORKs grant overpayment shall be the difference between the grant amount the assistance unit actually received and the grant amount the assistance unit would have received under the semiannual reporting, prospective budgeting system if no county error had occurred and if the recipient had timely, completely, and accurately reported as required under

Sections 11265.1 and 11265.3. No overpayment shall be established based on any differences between the amount of income the county prospectively determined for the recipient for the semiannual reporting period and the income the recipient actually received during that period, provided the recipient's report was complete and accurate.

(c) No CalWORKs grant underpayment shall be established based on any differences between the amount of income the county prospectively determined for the recipient for the semiannual reporting period and the income the recipient actually received during that period.

SEC. 3. Section 11020 of the Welfare and Institutions Code, as amended by Section 26 of Chapter 1022 of the Statutes of 2002, is amended to read:

11020. (a) Where a recipient under a categorical aid program other than CalWORKs has received aid in good faith but in fact owned excess property, he or she shall be considered to have been ineligible for aid during the period for which any excess property would have supported him or her at the rate of the aid granted to him or her. Under these circumstances, the recipient or his or her estate shall repay the aid he or she received during this period of ineligibility.

(b) With respect to recipients under Chapter 3 (commencing with Section 12000) of this part, overpayments shall be collected by the federal government pursuant to federal law.

(c) Where a CalWORKs recipient has received aid in good faith, but in fact owned excess property, the recipient shall have an overpayment equal to the lesser of the amount of the excess property or the aid received during the period the recipient owned the excess property and the grant was not accurately determined under the semiannual reporting, prospective budgeting system due to the excess property.

SEC. 4. Section 11265.1 of the Welfare and Institutions Code, as amended by Section 1 of Chapter 826 of the Statutes of 1999, is repealed.

SEC. 5. Section 11265.1 of the Welfare and Institutions Code, as added by Section 30 of Chapter 1022 of the Statutes of 2002, is repealed.

SEC. 6. Section 11265.1 is added to the Welfare and Institutions Code, to read:

11265.1. (a) In addition to the requirement for an annual redetermination of eligibility, counties shall redetermine recipient eligibility and grant amounts on a semiannual basis in a prospective manner, using reasonably anticipated income consistent with Section 5 of the federal Food Stamp Act (7 U.S.C. Sec. 2014(f)(3)(A)), implementing regulations, and any waivers obtained by the department pursuant to subdivision (g) of Section 11265.2. Counties shall use the information reported on a recipient's semiannual report form to prospectively determine eligibility and grant amount for the following semiannual reporting period.

(b) A semiannual reporting period shall be six consecutive calendar months. The recipient shall submit one semiannual report form for each semiannual reporting period. Counties shall provide a semiannual report form to recipients at the end of the fifth month of the semiannual reporting period, and recipients shall return the completed semiannual report form with required verification to the county by the 11th day of the sixth month of the semiannual reporting period.

(c) The semiannual report form shall be signed under penalty of perjury, and shall include only the information necessary to determine CalWORKs and food stamp eligibility and calculate the CalWORKs grant amount and food stamp allotment, as specified by the department. The form shall be as comprehensible as possible for recipients and shall require recipients to provide the following:

(1) Information about income received during the fifth month of the semiannual reporting period.

(2) Any other changes to facts required to be reported. The recipient shall provide verification as specified by the department with the semiannual report form.

(d) A semiannual report form shall be considered complete if the following requirements, as specified by the department, are met:

(1) The form is signed no earlier than the first day of the sixth month of the semiannual reporting period by the persons specified by the department.

(2) All questions and items pertaining to CalWORKs and food stamp eligibility and grant amount are answered.

(3) Verification required by the department is provided.

(e) If a recipient fails to submit a complete semiannual report form, as defined in subdivision (d), by the 11th day of the sixth month of the semiannual reporting period, the county shall provide the recipient with a notice that the county will terminate benefits at the end of the month. Prior to terminating benefits, the county shall attempt to make personal contact to remind the recipient that a completed report is due, or, if contact is not made, shall send a reminder notice to the recipient no later than five days prior to the end of the month. Any discontinuance notice shall be rescinded if a complete report is received by the first working day of the first month of the following semiannual reporting period.

(f) The county may determine, at any time prior to the last day of the calendar month following discontinuance for nonsubmission of a semiannual report form, that a recipient had good cause for failing to submit a complete semiannual report form, as defined in subdivision (d), by the first working day of the month following discontinuance. If the county finds a recipient had good cause, as defined by the department, it shall rescind the discontinuance notice. Good cause exists only when the recipient cannot reasonably be expected to fulfill his or her reporting responsibilities due to factors outside of the recipient's control.

(g) Any projected administrative savings associated with the implementation of the semiannual, prospective budgeting requirements in this chapter shall be calculated in relation to the actual costs to counties of administering the Food Stamp Program. There shall be no reduction in county administrative funding associated with the calculated savings, except to the extent that the projected county administrative savings associated with the implementation of this section exceed any underfunding of the actual costs to counties. Any savings that are assumed shall be reconciled against actual data collected through a survey of a representative sample of counties.

(h) Counties may establish staggered semiannual reporting cycles for individual recipients, based on factors established or approved by the department, including, but not limited to, application date or case number. If a county elects to stagger the reporting periods for individuals, this section shall apply to an individual recipient on the first day of the month assigned to the recipient, but in no event later than July 1, 2011. Up to and until the establishment of a semiannual system, counties shall operate

a quarterly system, as established by law and regulation applicable immediately prior to the establishment of the semiannual reporting system.

SEC. 7. Section 11265.2 of the Welfare and Institutions Code is repealed.

SEC. 8. Section 11265.2 is added to the Welfare and Institutions Code, to read:

11265.2. (a) The grant amount a recipient shall be entitled to receive for each month of the semiannual reporting period shall be prospectively determined, using reasonably anticipated income, and calculated in a manner consistent with Section 5 of the federal Food Stamp Act (7 U.S.C. Sec. 2014(f)(3)(A)), implementing regulations, and any waivers obtained by the department pursuant to subdivision (g).

(b) Grant calculations pursuant to subdivision (a) shall not be revised to adjust the grant amount during the semiannual reporting period, except as provided in Section 11265.3 and subdivisions (c), (d), (e), and (f), and as otherwise established by the department.

(c) Notwithstanding subdivision (b), statutes and regulations relating to the 60-month time limit, age limitations for children under Section 11253, and sanctions and financial penalties affecting eligibility or grant amount shall be applicable as provided in those statutes and regulations. Eligibility and grant amount shall be adjusted during the semiannual reporting period pursuant to those statutes and regulations effective with the first monthly grant after timely and adequate notice is provided.

(d) Notwithstanding Section 11056, if an applicant applies for assistance for a child who is currently aided in another assistance unit, and the county determines that the applicant has care and control of the child, as specified by the department, and is otherwise eligible, the county shall discontinue aid to the child in the existing assistance unit and shall aid the child in the applicant's assistance unit effective as of the first of the month following the discontinuance of the child from the existing assistance unit.

(e) If the county is notified that a child for whom CalWORKs assistance is currently being paid has been placed in a foster care home, the county shall discontinue aid to the child at the end of the month of placement. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

(f) If the county determines that a recipient is no longer a California resident, pursuant to Section 11100, the recipient shall be discontinued. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

(g) The department shall take all necessary steps to implement this section in the simplest manner possible for both county human services departments and recipients of aid under this chapter, including, but not limited to, exploring the feasibility of accumulating reported changes, acting on changes once per month rather than multiple times, and whether additional flexibility is available under federal food stamp rules to simplify the consideration of reasonably anticipated income when setting grant levels for the upcoming semiannual reporting period.

SEC. 9. Section 11265.3 of the Welfare and Institutions Code is repealed.

SEC. 10. Section 11265.3 is added to the Welfare and Institutions Code, to read:

11265.3. (a) In addition to submitting the semiannual report form as required in Section 11265.1, the department shall establish an income reporting threshold for recipients of CalWORKs.

(b) The CalWORKs income reporting threshold shall be the lesser of the following:

(1) One-half of the monthly income for a family of four at the federal poverty level, plus the amount of income last used to calculate the recipient's monthly benefits.

(2) The amount likely to render the recipient ineligible for federal food stamp benefits.

(c) A recipient shall report to the county orally or in writing, within 10 days, when any of the following occurs:

(1) The monthly household income exceeds the threshold established pursuant to this section.

(2) The household address has changed.

(3) A drug felony conviction, as specified in Section 11251.3.

(4) An incidence of an individual fleeing prosecution or custody or confinement, or violating a condition of probation or parole, as specified in Section 11486.5.

(d) At least once per semiannual reporting period, counties shall inform each recipient of all of the following:

(1) The duty to report under this section.

(2) The consequences of failing to report.

(3) The amount of the recipient's income reporting threshold.

(e) When a recipient reports income exceeding the reporting threshold, the county shall redetermine eligibility and grant amounts as follows:

(1) If the recipient reports the increase in income for the first through fifth months of a current semiannual reporting period, the county shall verify the report and determine the recipient's financial eligibility and grant amount.

(A) If the recipient is determined to be financially ineligible based on the increase in income, the county shall discontinue the recipient with timely and adequate notice, effective at the end of the month in which the income was received.

(B) If it is determined that the recipient's grant amount should decrease based on the increase in income, the county shall reduce the recipient's grant amount for the remainder of the semiannual reporting period with timely and adequate notice, effective the first of the month following the month in which the income was received.

(2) If the recipient reports an increase in income for the sixth month of a current semiannual reporting period, the county shall not redetermine eligibility for the current semiannual reporting period, but shall consider this income in redetermining eligibility and grant amount for the following semiannual reporting period, as provided in Section 11265.2.

(f) Counties shall act upon changes in income voluntarily reported during the semiannual reporting period that result in an increase in benefits, only after verification specified by the department is received. Reported changes in income that increase the grants shall be effective for the entire month in which the change is reported. If the reported change in income results in an increase in benefits, the county shall issue the increased benefit amount within 10 days of receiving required verification.

(g) (1) When a decrease in gross monthly income is voluntarily reported and verified, the county shall redetermine the grant for the current month and any remaining months in the semiannual reporting period by averaging the actual gross monthly income reported and verified from the voluntary report for the current month and the gross monthly income that is reasonably anticipated for any future month remaining in the semiannual reporting period.

(2) When the average is determined pursuant to paragraph (1), and a grant amount is calculated based upon the averaged income, if the grant amount is higher than the grant currently in effect, the county shall revise the grant for the current month and any remaining months in the semiannual reporting period to the higher amount and shall issue any increased benefit amount as provided in subdivision (f).

(h) During the semiannual reporting period, a recipient may report to the county, orally or in writing, any changes in income and household circumstances that may increase the recipient's grant. Except as provided in subdivision (i), counties shall act only upon changes in household composition voluntarily reported by the recipients during the semiannual reporting period that result in an increase in benefits, after verification specified by the department is received. If the reported change in household composition is for the first through fifth month of the semiannual reporting period and results in an increase in benefits, the county shall redetermine the grant effective for the month following the month in which the change was reported. If the reported change in household composition is for the sixth month of a semiannual reporting period, the county shall not redetermine the grant for the current semiannual reporting period, but shall redetermine the grant for the following reporting period as provided in Section 11265.2.

(i) During the semiannual reporting period, a recipient may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request was verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's report was in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously issue a notice informing the recipient of the discontinuance.

SEC. 11. Section 11450 of the Welfare and Institutions Code, as amended by Section 2 of Chapter 726 of the Statutes of 2007, is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter

3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family’s income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, determined for the prospective semiannual period pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

| Number of eligible needy persons in the same home | Maximum aid |
|--|----------------|
| 1..... | \$ 326 |
| 2..... | 535 |
| 3..... | 663 |
| 4..... | 788 |
| 5..... | 899 |
| 6..... | 1,010 |
| 7..... | 1,109 |
| 8..... | 1,209 |
| 9..... | 1,306 |
| 10 or more..... | 1,403 |

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94,

1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount that would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child, if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child, if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460,

11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping services, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant, or which is otherwise available to the county welfare department, and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A family is also considered homeless for the purpose of this section if the family has received a notice to pay rent or quit. The family shall demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that could result in homelessness if preventative assistance is not provided.

(A) (i) A nonrecurring special need of sixty-five dollars (\$65) a day shall be available to families of up to four members for the costs of temporary shelter, subject to the requirements of this paragraph. The fifth and additional members of the family shall each receive fifteen dollars (\$15) per day, up to a daily maximum of one hundred twenty-five dollars (\$125). County welfare departments may increase the daily amount available for temporary shelter as necessary to secure the additional bedspace needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of a housing search shall be required for the initial extension of

benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, when these payments are a reasonable condition of preventing eviction.

The last month's rent or monthly arrearage portion of the payment (i) shall not exceed 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size and (ii) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size.

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (ii) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to

provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency, except that domestic violence may also be verified by a sworn statement by the victim, as provided under Section 11495.25. Homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. In addition, if the domestic violence is verified by a sworn statement by the victim, the homeless assistance payments shall be limited to two periods of not more than 16 consecutive calendar days of temporary assistance and two payments of permanent assistance. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility

for homeless assistance benefits. The county welfare department shall immediately inform recipients who verify domestic violence by a sworn statement pursuant to clause (iii) of the availability of domestic violence counseling and services, and refer those recipients to services upon request.

(iv) If a county requires a recipient who verifies domestic violence by a sworn statement to participate in a homelessness avoidance case plan pursuant to clause (iii), the plan shall include the provision of domestic violence services, if appropriate.

(v) If a recipient seeking homeless assistance based on domestic violence pursuant to clause (iii) has previously received homeless avoidance services based on domestic violence, the county shall review whether services were offered to the recipient and consider what additional services would assist the recipient in leaving the domestic violence situation.

(vi) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations ensuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) of Chapter 2, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child’s income, is equal to the rate specified in Section 11364.

SEC. 11.5. Section 11450 of the Welfare and Institutions Code, as amended by Section 2 of Chapter 726 of the Statutes of 2007, is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family’s income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, determined for the prospective semiannual period pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

| | |
|---|----------------|
| Number of eligible needy persons in | Maximum aid |
|---|----------------|

the same home

| | |
|-----------------|--------|
| 1..... | \$ 326 |
| 2..... | 535 |
| 3..... | 663 |
| 4..... | 788 |
| 5..... | 899 |
| 6..... | 1,010 |
| 7..... | 1,109 |
| 8..... | 1,209 |
| 9..... | 1,306 |
| 10 or more..... | 1,403 |

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount that would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child, if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible

for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child, if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping services, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), with the exception of funds deposited in a restricted account described in subdivision (a) of Section 11155.2, the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant, or which is otherwise available to the county welfare department, and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A family is also considered homeless for the purpose of this section if the family has received a notice to pay rent or quit. The family shall demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that could result in homelessness if preventative assistance is not provided.

(A) (i) A nonrecurring special need of sixty-five dollars (\$65) a day shall be available to families of up to four members for the costs of temporary shelter, subject to the requirements of this paragraph. The fifth and additional members of the family shall

each receive fifteen dollars (\$15) per day, up to a daily maximum of one hundred twenty-five dollars (\$125). County welfare departments may increase the daily amount available for temporary shelter as necessary to secure the additional bedspace needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of a housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, when these payments are a reasonable condition of preventing eviction.

The last month's rent or monthly arrearage portion of the payment (i) shall not exceed 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size and (ii) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's total monthly household income

without the value of food stamps or special needs for a family of that size.

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (ii) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency, except that domestic violence may also be verified by a sworn statement by the victim, as provided under Section 11495.25. Homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. In addition, if the domestic violence is verified by a sworn statement by the victim, the homeless assistance payments shall be limited to two periods of not more than 16 consecutive calendar days of temporary assistance and two payments of permanent assistance. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for homeless assistance benefits. The county welfare department shall immediately inform recipients who verify domestic violence by a sworn statement pursuant to clause (iii) of the availability of domestic violence counseling and services, and refer those recipients to services upon request.

(iv) If a county requires a recipient who verifies domestic violence by a sworn statement to participate in a homelessness avoidance case plan pursuant to clause (iii), the plan shall include the provision of domestic violence services, if appropriate.

(v) If a recipient seeking homeless assistance based on domestic violence pursuant to clause (iii) has previously received homeless avoidance services based on domestic violence, the county shall review whether services were offered to the recipient and consider what additional services would assist the recipient in leaving the domestic violence situation.

(vi) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations ensuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) of Chapter 2, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child's income, is equal to the rate specified in Section 11364.

SEC. 12. Section 11450.12 of the Welfare and Institutions Code, as amended by Section 39 of Chapter 1022 of the Statutes of 2002, is amended to read:

11450.12. (a) An applicant family shall not be eligible for aid under this chapter unless the family's income, exclusive of the

first ninety dollars (\$90) of earned income for each employed person, is less than the minimum basic standard of adequate care, as specified in Section 11452.

(b) A recipient family shall not be eligible for further aid under this chapter if the monthly income determined for the semiannual period pursuant to Sections 11265.2 and 11265.3, less exempt income and exclusive of amounts exempt under Section 11451.5, equals or exceeds the maximum aid payment specified in Section 11450.

SEC. 13. Section 11450.13 of the Welfare and Institutions Code, as amended by Section 40 of Chapter 1022 of the Statutes of 2002, is amended to read:

11450.13. In calculating the amount of aid to which an assistance unit is entitled in accordance with Section 11320.15, the maximum aid payment, adjusted to reflect the removal of the adult or adults from the assistance unit, shall be reduced by the gross monthly income of the adult or adults removed from the assistance unit, determined for the semiannual period pursuant to Sections 11265.2 and 11265.3, and less any amounts exempted pursuant to Section 11451.5. Aid may be provided in the form of cash or vouchers, at the option of the county.

SEC. 14. Section 11451.5 of the Welfare and Institutions Code, as amended by Section 329 of Chapter 62 of the Statutes of 2003, is amended to read:

11451.5. (a) Except as provided by subdivision (f) of Section 11322.6, the following income, determined for the semiannual period pursuant to Sections 11265.2 and 11265.3, shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All disability-based unearned income plus any amount of not otherwise exempt earned income equal to the amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars (\$225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars (\$225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.

(2) Disability-based unearned income means state disability insurance benefits, private disability insurance benefits, temporary workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

SEC. 15. Section 18910 of the Welfare and Institutions Code is repealed.

SEC. 16. Section 18910 is added to the Welfare and Institutions Code, to read:

18910. (a) To the extent permitted by the federal Food Stamp Act, including Section 2015(c) of Title 7 of the United States Code, implementing regulations, and any waivers obtained by the department pursuant to subdivision (g) of Section 11265.2, the department shall implement a prospective budgeting, semiannual reporting system for recipients of food stamps.

(1) Food stamp households that also receive CalWORKs benefits shall be subject to the CalWORKs semiannual reporting procedures established in Sections 11265.1, 11265.2, and 11265.3.

(2) Food stamp households not receiving CalWORKs shall not be required to report within the semiannual reporting period unless specifically required by federal food stamp law. Otherwise, food stamp households not receiving CalWORKs shall be subject to semiannual reporting procedures established in Sections 11265.1, 11265.2, and 11265.3, excluding the CalWORKs income reporting threshold and any provisions not permitted under federal food stamp law, regulation, or waivers obtained by the department pursuant to subdivision (g) of Section 11265.2.

(b) For recipients of food stamps who also are Medi-Cal beneficiaries and who are subject to the Medi-Cal midyear status reporting requirements, counties shall seek to align the timing of

reports required under this section with midyear status reports required by the Medi-Cal program.

(c) The requirements of subdivisions (h) and (i) of Section 11265.1 and subdivision (g) of Section 11265.2 shall apply to the implementation of this section.

(d) The department shall seek all necessary waivers from the United States Department of Agriculture to implement this section.

(e) Counties may establish staggered, semiannual reporting cycles for individual recipients, based on factors established or approved by the department, including, but not limited to, application date or case number. If the county elects to stagger the reporting periods for individual recipients, this section shall apply to an individual recipient on the first day of the month assigned to the recipient, but in no event later than July 1, 2011. Up to and until the establishment of the semiannual reporting system, counties shall operate a quarterly system, as established by law and regulation applicable immediately prior to the establishment of the semiannual reporting system.

SEC. 17. (a) Except as to the changes made to subdivision (f) of Section 11450 of the Welfare and Institutions Code, the changes made to the Welfare and Institutions Code by this act shall become operative in a county on the date that the county implements the semiannual reporting provisions referred to in those sections. A county may implement the semiannual reporting provisions as early as July 1, 2010, but in no event later than January 1, 2011.

(b) Notwithstanding subdivision (a), if a county elects to stagger the reporting periods for individuals pursuant to subdivision (h) of Section 11265.1 of the Welfare and Institutions Code or subdivision (e) of Section 18910 of the Welfare and Institutions Code, as added by this act, this act shall apply to an individual recipient on the first day of the month assigned to that recipient, but in no event later than July 1, 2011.

SEC. 18. (a) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the State Department of Social Services may implement the changes made by this act through all-county letters or similar instructions from the director. The department shall adopt emergency regulations, as necessary to implement those changes no later than January 1, 2011.

(b) The adoption of regulations pursuant to subdivision (a) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section 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 shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

SEC. 19. Section 11.5 of this bill incorporates amendments to Section 11450 of the Welfare and Institutions Code proposed by both this bill and SB 1341. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2009, (2) each bill amends Section 11450 of the Welfare and Institutions Code, and (3) this bill is enacted after SB 1341, in which case Section 11 of this bill shall not become operative.

SEC. 20. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of this act.

SEC. 21. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2008

Governor