

Assembly Bill No. 8

Passed the Assembly July 24, 2009

Chief Clerk of the Assembly

Passed the Senate July 24, 2009

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 11453 and 12201 of, to amend, repeal, and add Sections 11327.5 and 11454 of, and to add Section 11320.2 to, the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

AB 8, Evans. Human services.

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.

Existing law provides for the CalWORKs program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria.

Existing law requires, with certain exceptions, that an individual participate in work activities, as defined, in order to remain eligible for CalWORKs benefits. Existing law requires each county to redetermine eligibility for CalWORKs funds on an annual basis.

This bill would require the county, commencing July 1, 2011, and with specified exceptions, to conduct a self-sufficiency review for CalWORKs recipients, with specified exceptions. The bill would require the county to provide the department with an evaluation of the implementation of the self-sufficiency reviews and would require those evaluations to be sent to the Legislature upon receipt from all counties. Because this bill would impose additional requirements on the counties, it would create a state-mandated local program.

Under existing law, when an individual fails or refuses to comply with specified components of the CalWORKs program without good cause, the individual is subject to prescribed financial sanctions.

Existing law, with certain exceptions, requires removal of a CalWORKs participant after he or she has received aid for a total of 60 months.

This bill would revise procedures for imposing sanctions on specified families receiving cash assistance and other services under the CalWORKs program, by including reductions, at specified intervals, in the grant amount of a family that includes a noncompliant individual, with a maximum grant reduction of 50% of the child-only grant amount. The bill would require a county to review and assess the circumstances of a noncompliant recipient, as specified, in order to determine whether the specified sanctions should be continued. It would also impose various notice and outreach requirements on counties in connection with the imposition of these monetary sanctions. The bill would make the revised sanction provisions operative on July 1, 2011. By imposing additional duties on counties, the bill would create a state-mandated local program.

This bill would provide that computation of the 60-month limit on cash assistance would include a month in which an individual is on sanction status, except with respect to the receipt of designated welfare-to-work services.

This bill would revise the time limits applicable for receipt of aid with respect to adults in assistance units that begin receiving aid on and after July 1, 2011, to provide that the adult may not receive aid for more than 48 cumulative months in any 60-month period. The bill would authorize the adult's return to the assistance unit 12 months after receiving aid for the 48 cumulative months. In the absence of a sanction, the bill would require the assistance unit's full grant to be restored when the adult returns to the assistance unit.

Existing law establishes maximum aid grant amounts to be provided under the CalWORKs program, and provides, with certain exceptions, including the 2007–08, 2008–09, 2009–10 fiscal years for an annual cost-of-living adjustment to be made in the maximum aid payments provided to needy families under the program.

This bill would, for each fiscal year commencing with the 2010–11 fiscal year, prohibit any cost-of-living adjustment from being made unless otherwise specified by statute.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement Supplemental Security Income (SSI)

payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under the SSP are calculated by establishing the maximum level of nonexempt income and federal SSI and state SSP benefits for each category of eligible recipient. The state SSP payment is the amount, when added to the nonexempt income and SSI benefits available to the recipient, which would be required to provide the maximum benefit payment.

Existing state law provides, except in certain calendar years, including the 2006, 2007, 2008, 2009, and 2010 calendar years, for the annual adjustment of the total level of combined state and federal benefits as established by statutory schedule to reflect changes in the cost of living, as defined, except that in any calendar year in which no cost-of-living adjustment is made to the payment schedules, there shall be a pass along of any cost-of-living increase in federal SSI benefits.

This bill would, for each calendar year, commencing with the 2011 calendar year, prohibit any cost-of-living adjustment from being made unless otherwise specified by statute, except for the pass along of any cost-of-living increase in the federal SSI benefits.

This bill would require the State Department of Social Services to collaborate with specified stakeholders on the implementation of the CalWORKs provisions of the bill.

This bill would provide for the implementation of the CalWORKs provisions of the bill through all-county letters or similar instructions, and would provide for the adoption of emergency regulations by April 1, 2011.

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.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on July 1, 2009.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on July 1, 2009, pursuant to the California Constitution.

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

SECTION 1. Section 11320.2 is added to the Welfare and Institutions Code, to read:

11320.2. (a) Commencing July 1, 2011, subject to subdivision (g), the county shall conduct self-sufficiency reviews with all aided caretaker relatives and the adult caretaker or minor parent head-of-household in child-only cases, except for individuals who are exempt from welfare-to-work activities pursuant to Section 11320.3. Reviews shall be conducted every six months, except as otherwise provided in this subdivision. For an assistance unit determined to be eligible under this chapter on or after July 1, 2011, reviews shall be conducted at the end of the assistance unit's second and fourth quarterly reporting periods. The review at the fourth quarterly reporting period shall be conducted with the annual redetermination, on the same day and in the same location. The notice, scheduling, and accommodation requirements used for the annual redetermination shall be utilized uniformly for the self-sufficiency reviews. For an assistance unit determined to be eligible under this chapter prior to July 1, 2011, reviews shall be conducted starting at the end of each assistance unit's second quarterly reporting period and with the next regularly scheduled redetermination, and then annually thereafter.

(b) The county shall provide notification to individuals for whom a review has been scheduled, not less than 60 calendar days prior to the appointment, and provide for a process for rescheduling, if necessary, on a date not to exceed 20 calendar days beyond the scheduled review.

(c) Self-sufficiency reviews shall be conducted by a county social worker or employment services worker.

(d) The purposes of the self-sufficiency review are to determine barriers to participation, including those that may establish the basis for an exemption, to assess needed services and resources, and to provide tools to connect the recipient with the needed services and activities in order to increase his or her work or community service participation pursuant to Section 11320.

(e) (1) If the recipient fails to attend the review, the county shall provide the recipient with a notice that the county shall reduce the recipient's benefits by 50 percent after 30 calendar days, unless the participant has complied or provided good cause. Prior to reducing benefits by 50 percent, the county shall attempt to make personal contact, consistent with current practice as exercised for the annual redetermination, to remind the recipient that attending the self-sufficiency review is required, 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 30-calendar day period. The county may determine at any time prior to reducing benefits by 50 percent for failure to attend the self-sufficiency review, or after the sanction has been imposed, that a recipient had good cause for failing to attend the self-sufficiency review. A notice regarding a 50-percent reduction in benefits shall be rescinded when the self-sufficiency review is completed.

(2) If the participant is found to not comply with the requirement to attend the self-sufficiency review, the benefits shall be reduced by 50 percent.

(3) The county may determine, at any time prior to the end of the 30-calendar day period following the reduction of benefits by 50 percent for failure to attend the self-sufficiency review, or after the sanction has been imposed, that a recipient had good cause for failing to attend the review. If the county finds a recipient had good cause, it shall rescind the reduction in benefits notice. Good cause exists only when the recipient cannot reasonably be expected to fulfill his or her responsibilities, due to factors beyond the recipient's control.

(f) Not later than January 1, 2013, the county shall provide the department with an evaluation of the implementation of the self-sufficiency reviews that addresses the effectiveness of the reviews in meeting the goals stated in subdivision (d). Upon receipt of all of the county evaluations, the department shall forward the evaluations to the relevant fiscal and policy committees of the Legislature for review.

(g) An aided adult who is fully meeting the hours of participation required of CalWORKs recipients under applicable state law shall not be subject to self-sufficiency reviews.

(h) A review conducted in accordance with this section that occurs at either the 42nd or 54th month of aid pursuant to Section

11454 shall include all of the components specified in subdivision (a), and shall also include information and a warning to the individual regarding the upcoming consequences of reaching the 48-month or 60-month time limits, depending on the specific circumstances of the case. The review shall occur six months before the applicable time limit. However, if a recipient returns to aided status when fewer than six months remain before the 60-month time limit, he or she shall receive a review under this section within a reasonable time prior to the 60th month, as determined by the county.

(i) This section shall become operative on July 1, 2011.

SEC. 2. Section 11327.5 of the Welfare and Institutions Code is amended to read:

11327.5. (a) Sanctions shall be imposed in accordance with subdivision (b) or (c), as appropriate, if an individual has failed or refused to comply with program requirements without good cause and conciliation efforts, as described in Section 11327.4, have failed.

(b) The sanctions provided for in subdivisions (c) and (d) shall not apply to an individual who is exempt from the requirements of this article but is voluntarily participating in the program. If that individual engages in conduct that would bring about the actions provided for in subdivisions (c) and (d), except for his or her status as a voluntary program participant, the individual shall not be given priority so long as other individuals are actively seeking to participate.

(c) Financial sanctions for failing or refusing to comply with program requirements without good cause shall cause a reduction in the family's grant by removing the noncomplying family member from the assistance unit for a period of time specified in subdivision (d).

(1) For families that qualify for aid due to unemployment of the family's primary wage earner, the sanctioned parent shall be removed from the assistance unit. Unless the spouse or the family's second parent meets the provisions of subparagraph (A) of paragraph (2), if the sanctioned parent's spouse or the family's second parent is not participating in the program, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit. The county shall notify the spouse of the noncomplying participant or second parent in writing at the

commencement of conciliation of his or her own opportunity to participate and the impact on sanctions of that participation.

(2) (A) Except as provided in subparagraph (B), exemption criteria specified in Section 11320.3, conciliation specified in Section 11327.4, and good cause criteria specified in Section 11320.31 and subdivision (f) of Section 11320.3 shall apply to the sanctioned parent's spouse or the family's second parent.

(B) Exemption criteria specified in paragraphs (5) and (6) of subdivision (b) of Section 11320.3 do not apply to a spouse or second parent who is participating to avoid the sanction of the noncomplying parent.

(C) If the sanctioned parent's spouse or the family's second parent chooses to participate to avoid the noncomplying parent's sanction, subsequently fails or refuses to participate without good cause, and does not conciliate, he or she shall be removed from the assistance unit for a period of time specified in subdivision (d).

(D) If the sanctioned parent's spouse or the family's second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.

(3) For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit.

(4) If the noncomplying individual is the only dependent child in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(5) If the noncomplying individual is one of several dependent children in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(d) An instance of noncompliance without good cause shall result in a financial sanction. This sanction shall terminate at any point if the noncomplying participant performs the activity or activities he or she previously refused to perform.

(e) Sanctions shall become effective on the first day of the first payment-month that the sanctioned individual's needs are removed from aid under this chapter.

(f) In the event this section conflicts with federal law, the department shall adopt regulations to conform to federal law.

(g) This section shall remain in effect only until July 1, 2011, and as of that date is repealed.

SEC. 3. Section 11327.5 is added to the Welfare and Institutions Code, to read:

11327.5. (a) Sanctions shall be imposed in accordance with subdivision (b) or (c), as appropriate, if an individual has failed or refused to comply with program requirements without good cause and conciliation efforts, as described in Section 11327.4, have failed.

(b) The sanctions provided for in subdivisions (c) and (d) shall not apply to an individual who is exempt from the requirements of this article but is voluntarily participating in the program. If that individual engages in conduct that would bring about the actions provided for in subdivisions (c) and (d), except for his or her status as a voluntary program participant, the individual shall not be given priority so long as other individuals are actively seeking to participate.

(c) Financial sanctions for failing or refusing to comply with program requirements without good cause shall cause a reduction in the family's grant, in accordance with subdivision (d).

(1) For families that qualify for aid due to unemployment of the family's primary wage earner, the sanctioned parent shall be removed from the assistance unit. Unless the spouse or the family's second parent meets the provisions of subparagraph (A) of paragraph (2), if the sanctioned parent's spouse or the family's second parent is not participating in the program, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit. The county shall notify the spouse of the noncomplying participant or second parent in writing at the commencement of conciliation of his or her own opportunity to participate and the impact on sanctions of that participation.

(2) (A) Except as provided in subparagraph (B), exemption criteria specified in Section 11320.3, conciliation specified in Section 11327.4, and good cause criteria specified in Section 11320.31 and subdivision (f) of Section 11320.3 shall apply to the sanctioned parent's spouse or the family's second parent.

(B) Exemption criteria specified in paragraphs (5) and (6) of subdivision (b) of Section 11320.3 do not apply to a spouse or

second parent who is participating to avoid the sanction of the noncomplying parent.

(C) If the sanctioned parent's spouse or the family's second parent chooses to participate to avoid the noncomplying parent's sanction, subsequently fails or refuses to participate without good cause, and does not conciliate, he or she shall be removed from the assistance unit for a period of time specified in subdivision (d).

(D) If the sanctioned parent's spouse or the family's second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.

(3) For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit.

(4) If the noncomplying individual is the only dependent child in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(5) If the noncomplying individual is one of several dependent children in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(d) (1) An instance of noncompliance without good cause shall result in a financial sanction, consisting of removing the noncomplying family member from the assistance unit, after the noncompliance persists for three cumulative months. The conciliation process described in Section 11327.4 shall occur during the first 30 days of this three-month period. A sanction under this section shall terminate at any point if the noncomplying participant performs the activity or activities he or she previously refused to perform.

(2) (A) If the instance of noncompliance persists for three cumulative months, the county shall review and assess the circumstances of the noncomplying individual in order to determine and identify potential barriers to participation, assess the need for services or resources, and provide tools to connect the individual with services and activities. The review and assessment shall be conducted by a social worker or employment services worker. The

county shall make a good faith effort to remediate any barriers that are identified. If barriers relating to substance abuse, mental health, or domestic violence are suspected, the county shall schedule assessments with an employment specialist or social worker for the individual in order to assess and review for treatment. This review shall occur within 30 days after the grant reduction made pursuant to paragraph (1).

(B) If the county fails to conduct a review or remediate any issues pursuant to this paragraph, or if the county determines that the individual is in compliance pursuant to paragraph (1), or is exempt from welfare-to-work requirements, the sanction shall terminate. If failure to conduct a review or remediate an issue is the result of the recipient's noncompliance, the sanction shall continue.

(3) (A) If the instance of noncompliance persists for an additional three cumulative months after a grant reduction is made pursuant to paragraph (1), the grant shall be decreased by an amount equal to 25 percent of the child-only grant, which already reflects the removal of the parent.

(B) If the instance of noncompliance persists for an additional three cumulative months after the family's grant is reduced under subparagraph (A), a second review and assessment shall be conducted in accordance with the requirements of paragraph (2). The second review and assessment shall be conducted within 30 days of the most recent grant reduction pursuant to subparagraph (A). After the review and assessment conducted under this paragraph, if the instance of noncompliance persists for an additional three cumulative months after the most recent reduction, the family's aid grant shall be decreased by an amount equal to 50 percent of the child-only grant level that existed prior to the 25-percent reduction.

(C) At any time, if the noncomplying member is determined to be exempt, or comes into compliance with applicable CalWORKs work requirements, the sanction shall terminate and the full aid grant amount shall be restored.

(4) (A) With respect to an assistance unit from which the adult's share of the grant has been terminated due to the expiration of the 60-month period provided for pursuant to Section 11454, the county shall impose the sanctions provided for in this section only if the county makes available to the adult necessary child care

services, and all applicable exemptions. If the Legislature has made a specific appropriation for transportation services for families who have exceeded the 60-month time limit and the county has not made this service available to the adult, as necessary, a sanction shall not be imposed. These cases shall receive a review pursuant to subdivision (g) of Section 11320.2 at the 42nd or 54th month of aid in preparation for this assessment by the county, including reviewing possible exemptions and discussing possible grant reductions if the family is not in compliance after the 60 months with the state participation requirements, as determined by the county. The individual shall receive notice of the review, which shall include informing the individual of the risk of having the grant further reduced by 25 percent if the parent does not comply with CalWORKs requirements after the 48th or 60th month on aid, as well as opportunities to come into compliance and services that may be available from the county.

(B) If the county determines after the 48th or 60th month on aid that the adult is not in compliance and does not otherwise meet exemption criteria, such as SSI eligibility or being an elderly caregiver, and the service requirements of the county as specified in subparagraph (A) have been met, then the aid grant shall be decreased by an amount equal to 25 percent of the child-only portion of the grant, thus resulting in a grant level equal to 75 percent of the child-only grant level in the 47th or 59th month, or the month prior to entering the safety net. Review and assessment pursuant to paragraph (2) shall be scheduled with the adult in this assistance unit at this time.

(C) If the noncompliance persists for three cumulative months after the grant reduction pursuant to subparagraph (B) the review and assessment conducted pursuant to paragraph (2), and the county has met the service requirements specified in subparagraph (A), then the aid grant shall be decreased by an amount equal to 50 percent of the child-only aid grant thus resulting in a grant level equal to 50 percent of the child-only grant level in the 47th or 59th month, or the month prior to entering the safety net.

(D) At any time, if the noncomplying member is determined to be exempt from welfare-to-work activities, or comes into compliance with applicable CalWORKs work requirements, the sanction shall terminate and the full aid grant amount shall be restored.

(5) (A) After 60 full months of aid, with respect to an assistance unit for which there is no adult share due to the adult being (i) not lawfully present in the United States, (ii) a person described by Section 608(a)(9)(A) of Title 42 of the United States Code, or (iii) convicted of any offense classified as a felony by the law of the jurisdiction involved and that has as an element of the possession, use, or distribution of a controlled substance, as defined in Section 802(6) of Title 21 of the United States Code, the county shall apply the sanction provisions contained in subparagraph (B) to the assistance unit allowing for all applicable exemptions. If the county makes available to the adult, at county expense or pursuant to a specific General Fund appropriation, necessary supportive services of child care and transportation, in addition to community service opportunities, and the family is in compliance with work requirements the family shall receive the full child-only grant. These cases shall receive a self-sufficiency review pursuant to subdivision (g) of Section 11320.2 at the 54th month of aid, in preparation for this assessment by the county, including reviewing possible exemptions, and discussing possible grant reductions if the family is not in compliance with the state participation requirements after 60 months, as determined by the county.

(B) If the county determines after the 60 months of aid that the adult does not otherwise meet exemption criteria, including those that acknowledge the adult's inability to work, such as SSI eligibility or being an elderly caregiver, and the service requirements of the county as specified in subparagraph (A) have been met, then the aid grant shall be decreased by an amount equal to 25 percent of the child-only portion of the grant amount, thus resulting in a grant level equal to 75 percent of the child-only grant level in the 59th month or the month prior to entering the safety net. Review and assessment pursuant to paragraph (2) shall be scheduled with the adult in this assistance unit at this time.

(C) If the noncompliance persists for three cumulative months after the review and assessment conducted pursuant to paragraph (2), and the service requirements of the county as specified in subparagraph (A) have been met, the family's aid grant shall be decreased to an amount equal to 50 percent of the child-only portion of the grant amount, thus resulting in a grant level equal to 50 percent of the child-only grant level in the 59th month prior to entering the safety net.

(D) At any time, if the noncomplying member is determined to be exempt from welfare-to-work activities, or comes into compliance with applicable CalWORKs work requirements, the sanction shall terminate and the full aid grant amount shall be restored.

(e) Sanctions shall become effective on the first day of the first payment-month that the sanctioned individual's needs are removed or further reductions are made to aid under this chapter.

(f) The additional monetary sanctions imposed in subdivision (d) shall not apply if the only sanctioned individual in the family is a dependent child.

(g) The county shall send individuals subject to sanction a notice by the end of their second cumulative month on sanction, and a notice by the end of their fifth cumulative month on sanction, reminding them that their aid will further decrease if the sanction is not cured by the end of the third or sixth month, respectively.

(h) In addition to the notice required pursuant to subdivision (d), counties shall attempt to contact the noncompliant individual prior to imposing a sanction reducing the family's aid. This contact may be achieved through telephone calls, letters, home visits, or some combination of these methods.

(i) The review and assessment described in paragraph (2) of subdivision (d) shall be deemed to satisfy the requirements for a self-sufficiency review pursuant to Section 11320.2 if the review and assessment occurs within the same month that a self-sufficiency review under Section 11320.2 would have been scheduled. If failure to conduct the review or assessment is the result of the recipient's noncompliance, the sanction or further reduction shall become effective under this chapter.

(j) Any review or assessment required under this section may be conducted through face-to-face meetings or home visits.

(k) This section shall become operative on July 1, 2011.

SEC. 4. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. (a) Except as provided in subdivision (c), the amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living. These adjustments shall become effective July 1 of each year, unless otherwise specified by the Legislature. For the 2000–01 fiscal year to the 2003–04 fiscal year,

inclusive, these adjustments shall become effective October 1 of each year. The cost-of-living adjustment shall be calculated by the Department of Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food.....	\$ 3,027
Clothing (apparel and upkeep).....	406
Fuel and other utilities.....	529
Rent, residential.....	4,883
Transportation.....	1,757
	<hr/>
Total.....	\$10,602

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding 100 to the applicable

weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

(b) The overall adjustment factor determined by the preceding computation steps shall be multiplied by the schedules established pursuant to Section 11452 and subdivision (a) of Section 11450 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules which shall be filed with the Secretary of State.

(c) (1) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter 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, to reflect any change in the cost of living. For the 1998–99 fiscal year, the cost of living adjustment that would have been provided on July 1, 1998, pursuant to subdivision (a) shall be made on November 1, 1998. No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 2005–06 and 2006–07 fiscal years to reflect any change in the cost-of-living. 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.

(2) No adjustment to the minimum basic standard of adequate care set forth in Section 11452 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91 and 1991–92 fiscal years to reflect any change in the cost of living.

(3) In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is any increase

in tax relief pursuant to the applicable paragraph of subdivision (a) of Section 10754 of the Revenue and Taxation Code, then the increase pursuant to subdivision (a) of this section shall occur. In any fiscal year commencing with the 2000–01 fiscal year to the 2003–04 fiscal year, inclusive, when there is no increase in tax relief pursuant to the applicable paragraph of subdivision (a) of Section 10754 of the Revenue and Taxation Code, then any increase pursuant to subdivision (a) of this section shall be suspended.

(4) Notwithstanding paragraph (3), an adjustment to the maximum aid payments set forth in subdivision (a) of Section 11450 shall be made under this section for the 2002–03 fiscal year, but the adjustment shall become effective June 1, 2003.

(5) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing benefits under this chapter for the 2007–08, 2008–09, and 2009–10 fiscal years.

(6) For the 2010–11 fiscal year and each fiscal year thereafter, no adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section unless otherwise specified by statute.

(d) For the 2004–05 fiscal year, the adjustment to the maximum aid payment set forth in subdivision (a) shall be suspended for three months commencing on the first day of the first month following the effective date of the act adding this subdivision.

(e) Adjustments for subsequent fiscal years pursuant to this section shall not include any adjustments for any fiscal year in which the cost of living was suspended pursuant to subdivision (c).

SEC. 5. Section 11454 of the Welfare and Institutions Code is amended to read:

11454. (a) A parent or caretaker relative shall not be eligible for aid under this chapter when he or she has received aid under this chapter or from any state under the Temporary Assistance for Needy Families program (Part A (commencing with Section 401) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.) for a cumulative total of 60 months.

(b) No month in which aid has been received prior to January 1, 1998, shall be taken into consideration in computing the 60-month limitation provided for in subdivision (a).

(c) Subdivision (a) shall not be applicable when all parent or caretaker relatives of the aided child who are living in the home of the child meet any of the following requirements:

- (1) They are 60 years of age or older.
- (2) They meet one of the conditions specified in paragraph (4) or (5) of subdivision (b) of Section 11320.3.
- (3) They are not included in the assistance unit.
- (4) They are receiving benefits under Section 12200 or Section 12300, State Disability Insurance benefits or Workers' Compensation Temporary Disability Insurance, if the disability significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities.
- (5) They are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities.

(d) This section shall remain in effect only until July 1, 2011, and as of that date is repealed.

SEC. 6. Section 11454 is added to the Welfare and Institutions Code, to read:

11454. (a) A parent or caretaker relative shall not be eligible for aid under this chapter when he or she has received aid under this chapter or from any state under the Temporary Assistance for Needy Families program (Part A (commencing with Section 401) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.) for a cumulative total of 60 months.

(b) No month in which aid has been received prior to January 1, 1998, shall be taken into consideration in computing the 60-month limitation provided for in subdivision (a), or the 48-month limitation provided for in subdivision (e).

(c) Subdivision (a) shall not be applicable when all parent or caretaker relatives of the aided child who are living in the home of the child meet any of the following requirements:

- (1) They are 60 years of age or older.
- (2) They meet one of the conditions specified in paragraph (4) or (5) of subdivision (b) of Section 11320.3.
- (3) They are not included in the assistance unit.
- (4) They are receiving benefits under Section 12200 or Section 12300, State Disability Insurance benefits or Workers'

Compensation Temporary Disability Insurance, if the disability significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities.

(5) They are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities.

(d) A month in which an individual is under sanction for noncompliance pursuant to Section 11327.5 shall be taken into consideration in computing the 60-month time limit on receipt of cash assistance pursuant to subdivision (a), but shall not be counted for purposes of the receipt of welfare-to-work services pursuant to Section 11320.

(e) The 60-month benefit limit provided for in subdivision (a) shall apply, except that aid may not be received for more than 48 cumulative months in any 60-month period. The adult may return to the assistance unit 12 months after receiving aid for the 48 cumulative months. In the absence of a sanction pursuant to Section 11327.5, the full grant shall be restored at the time the adult returns to the assistance unit.

(f) This section shall become operative on July 1, 2011.

(g) Counties shall notify families of the reduction in time limitations specified in this section, within a reasonable time following the effective date of this section.

SEC. 7. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. (a) Except as provided in subdivision (d), the payment schedules set forth in Section 12200 shall be adjusted annually to reflect any increases or decreases in the cost of living. Except as provided in subdivision (e), (f), or (g), these adjustments shall become effective January 1 of each year. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(1) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food.....	\$ 3,027
Clothing (apparel and upkeep).....	406
Fuel and other utilities.....	529
Rent, residential.....	4,883
Transportation.....	1,757
	<hr/>
Total.....	\$10,602

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the 12-month period which ends 12 months prior to the January in which the cost-of-living adjustment will take effect, for each expenditure category specified in paragraph (1) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(3) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(4) Calculate a category adjustment factor for each expenditure category in paragraph (1) by (1) adding 100 to the applicable weighted percentage change as determined in paragraph (2) and (2) dividing the sum by 100.

(5) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in paragraph (4).

(6) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in paragraph (4)

for the current year by (2) the sum of the expenditure amounts as determined in paragraph (4) for the prior year.

(b) The overall adjustment factor determined by the preceding computational steps shall be multiplied by the payment schedules established pursuant to Section 12200 as are in effect during the month of December preceding the calendar year in which the adjustments are to occur, and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in subdivision (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

(c) The department shall adjust any amounts of aid under this chapter to insure that the minimum level required by the Social Security Act in order to maintain eligibility for funds under Title XIX of that act is met.

(d) (1) No adjustment shall be made under this section for the 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 2004, 2006, 2007, 2008, 2009, and 2010 calendar years to reflect any change in the cost of living. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 12201.05, and no further reduction shall be made pursuant to that section.

(2) Any cost-of-living adjustment granted under this section for any calendar year shall not include adjustments for any calendar year in which the cost of living was suspended pursuant to paragraph (1).

(e) For the 2003 calendar year, the adjustment required by this section shall become effective June 1, 2003.

(f) For the 2005 calendar year, the adjustment required by this section shall become effective April 1, 2005.

(g) (1) For the 2011 calendar year and each calendar year thereafter, no adjustment shall be made under this section unless otherwise specified by statute.

(2) Notwithstanding paragraph (1), the pass along of federal benefits provided for in Section 12201.05 shall be effective on January 1 of each calendar year.

SEC. 8. Upon completion of the 2009–10 budget process, the State Department of Social Services shall collaborate with stakeholders on the implementation of Section 11453, as amended by this act, and Sections 11320.2, 11327.5, and 11454 of the Welfare and Institutions Code, as added by this act. Stakeholders shall include, but not be limited to, the County Welfare Directors Association, legislative staff, and stakeholders representing CalWORKs families and children.

SEC. 9. (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), the State Department of Social Services may implement and administer Section 11453, as amended by this act, and Sections 11320.2, 11327.5, and 11454 of the Welfare and Institutions Code, as added by this act through all-county letters or similar instruction from the department until regulations are adopted. The department shall adopt emergency regulations implementing this section no later than April 1, 2011. The department may readopt any emergency regulation authorized by this act that is the same as, or substantially equivalent to, an emergency regulation previously adopted under this act.

(b) The initial adoption of emergency regulations implementing this act and one readoption of emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be exempt from review and approval by the Office of Administrative Law. The initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and each shall remain in effect for no more than 180 days, by which time final regulations may be adopted.

(c) The department shall consult with stakeholders in the formulation and drafting processes of the all-county letters and regulations required under this section prior to their finalization and release.

SEC. 10. 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.

SEC. 11. This act addresses the fiscal emergency declared by the Governor by proclamation on July 1 2009, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

Approved _____, 2009

Governor