

ASSEMBLY BILL

No. 1400

**Introduced by Committee on Human Services (Beall (Chair),
Ammiano, Hall, and Portantino)**

March 1, 2011

An act to amend Sections 8499.5 and 49561 of the Education Code, to amend Sections 17508 and 17600 of the Family Code, to amend Sections 6276.08, 6276.18, 16265.2, and 16367.5 of the Government Code, to amend Sections 104585, 104601, 123310, and 123325 of the Health and Safety Code, to amend Sections 396.5 and 1203.049 of the Penal Code, to amend Sections 6373, 17053.34, 17053.46, 17053.74, 23622.7, 23634, and 23646 of the Revenue and Taxation Code, to amend Section 9802 of the Unemployment Insurance Code, to amend Sections 10069, 10072, 10614, 10618.5, 10790, 10791, 10823, 10824, 10830, 10840, 10842, 10850.31, 10980, 11006.6, 11023.5, 11053.2, 11104.1, 11155, 11155.3, 11265.1, 11265.5, 11265.6, 11265.7, 11266, 11266.5, 11322.6, 11372, 11390, 11450, 11450.9, 11453.1, 11486, 12200.5, 14005.37, 14011.1, 14011.2, 14107.12, 14154, 15125, 15204.4, 15204.5, 15525, 18900, 18901.3, 18901.4, 18901.5, 18901.6, 18901.7, 18901.8, 18904.1, 18904.25, 18904.3, 18904.35, 18905, 18906, 18906.5, 18906.55, 18907, 18908, 18910, 18911, 18914, 18915, 18918, 18923, 18925, 18926, 18930, and 18931 of, to amend the heading of Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of, and to add Section 18900.2 to, the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1400, as introduced, Committee on Human Services. CalFresh.

Existing federal law provides for the federal Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, under which nutrition assistance benefits, formerly referred to as food stamps, are allocated to each state by the federal government. Under existing state law, pursuant to the Food Stamp program, California’s federal allocation is distributed to eligible individuals by each county.

Existing law required the State Department of Social Services to propose a new name for the Food Stamp program in California by July 1, 2009, with the new name to reflect one or more designated concepts relating to the operation and significance of the program. Pursuant to this statutory authorization, the department has renamed the Food Stamp program in California as CalFresh.

This bill would delete statutory references to the Food Stamp program and instead refer to CalFresh, and also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The United States Congress passed the Food, Conservation,
- 4 and Energy Act of 2008 (Public Law 110-246), that included a
- 5 provision that renamed the federal Food Stamp Program as the
- 6 Supplemental Nutrition Assistance Program, also known as SNAP.
- 7 (b) States could use this federal name or choose another.
- 8 California, like many other states, chose to explore other naming
- 9 options. In 2008, the Legislature passed Assembly Bill 433
- 10 (Chapter 625 of the Statutes of 2008), that required the State
- 11 Department of Social Services, with the assistance of stakeholders,
- 12 to develop a name for the Food Stamp program in California. As
- 13 a result, in 2010, the department changed the name of the program
- 14 to CalFresh.
- 15 (c) It is the purpose of this act to modify state statutes to reflect
- 16 the name change in the program made by the department.
- 17 SEC. 2. Section 8499.5 of the Education Code is amended to
- 18 read:
- 19 8499.5. (a) The department shall allocate child care funding
- 20 pursuant to Chapter 2 (commencing with Section 8200) based on
- 21 the amount of state and federal funding that is available.

1 (b) By May 30 of each year, upon approval by the county board
2 of supervisors and the county superintendent of schools, each local
3 planning council shall submit to the department the local priorities
4 it has identified that reflect all child care needs in the county. To
5 accomplish this, each local planning council shall do all of the
6 following:

7 (1) Conduct an assessment of child care needs in the county no
8 less than once every five years. The department shall define and
9 prescribe data elements to be included in the needs assessment and
10 shall specify the format for the data reporting. The needs
11 assessment shall also include all factors deemed appropriate by
12 the local planning council in order to obtain an accurate picture of
13 the comprehensive child care needs in the county. The factors
14 include, but are not limited to, all of the following:

15 (A) The needs of families eligible for subsidized child care.

16 (B) The needs of families not eligible for subsidized child care.

17 (C) The waiting lists for programs funded by the department
18 and the State Department of Social Services.

19 (D) The need for child care for children determined by the child
20 protective services agency to be neglected, abused, or exploited,
21 or at risk of being neglected, abused, or exploited.

22 (E) The number of children in families receiving public
23 assistance, including ~~food stamps~~ *CalFresh benefits*, housing
24 support, and Medi-Cal, and assistance from the Healthy Families
25 Program and the Temporary Assistance to Needy Families (TANF)
26 program.

27 (F) Family income among families with preschool or schoolage
28 children.

29 (G) The number of children in migrant agricultural families
30 who move from place to place for work or who are currently
31 dependent for their income on agricultural employment in
32 accordance with subdivision (a) of, and paragraphs (1) and (2) of
33 subdivision (b) of, Section 8231.

34 (H) The number of children who have been determined by a
35 regional center to require services pursuant to an individualized
36 family service plan, or by a local educational agency to require
37 services pursuant to an individualized education program or an
38 individualized family service plan.

39 (I) The number of children in the county by primary language
40 spoken pursuant to the department's language survey.

- 1 (J) Special needs based on geographic considerations, including
2 rural areas.
- 3 (K) The number of children needing child care services by age
4 cohort.
- 5 (2) Document information gathered during the needs assessment
6 which shall include, but need not be limited to, data on supply,
7 demand, cost, and market rates for each category of child care in
8 the county.
- 9 (3) Encourage public input in the development of the priorities.
10 Opportunities for public input shall include at least one public
11 hearing during which members of the public can comment on the
12 proposed priorities.
- 13 (4) Prepare a comprehensive countywide child care plan
14 designed to mobilize public and private resources to address
15 identified needs.
- 16 (5) Conduct a periodic review of child care programs funded
17 by the department and the Department of Social Services to
18 determine if identified priorities are being met.
- 19 (6) Collaborate with subsidized and nonsubsidized child care
20 providers, county welfare departments, human service agencies,
21 regional centers, job training programs, employers, integrated child
22 and family service councils, local and state children and families
23 commissions, parent organizations, early start family resource
24 centers, family empowerment centers on disability, local child care
25 resource and referral programs, and other interested parties to
26 foster partnerships designed to meet local child care needs.
- 27 (7) Design a system to consolidate local child care waiting lists,
28 if a centralized eligibility list is not already in existence.
- 29 (8) Coordinate part-day programs, including state preschool
30 and Head Start, with other child care and development services to
31 provide full-day child care.
- 32 (9) Submit the results of the needs assessment and the local
33 priorities identified by the local planning council to the board of
34 supervisors and the county superintendent of schools for approval
35 before submitting them to the department.
- 36 (10) Identify at least one, but not more than two, members to
37 serve as part of the department team that reviews and scores
38 proposals for the provision of services funded through contracts
39 with the department. Local planning council representatives may
40 not review and score proposals from the geographic area covered

1 by their own local planning council. The department shall notify
2 each local planning council whenever this opportunity is available.

3 (c) The department shall, in conjunction with the Department
4 of Social Services and all appropriate statewide agencies and
5 associations, develop guidelines for use by local planning councils
6 to assist them in conducting needs assessments that are reliable
7 and accurate. The guidelines shall include acceptable sources of
8 demographic and child care data, and methodologies for assessing
9 child care supply and demand.

10 (d) The department shall allocate funding within each county
11 in accordance with the priorities identified by the local planning
12 council of that county and submitted to the department pursuant
13 to this section, unless the priorities do not meet the requirements
14 of state or federal law.

15 SEC. 3. Section 49561 of the Education Code is amended to
16 read:

17 49561. (a) The department shall create a computerized
18 data-matching system using existing databases from the department
19 and the State Department of Health Care Services to directly certify
20 recipients of ~~the Food Stamp Program~~ *CalFresh*, the California
21 Work Opportunity and Responsibility to Kids program (the
22 CalWORKs program) (Chapter 2 (commencing with Section
23 11200) of Part 3 of Division 9 of the Welfare and Institutions
24 Code), and other programs authorized for direct certification under
25 federal law, for enrollment in the National School Lunch and
26 School Breakfast Programs.

27 (b) The department shall design a process using an existing
28 agency database that will conform with data from the State
29 Department of Health Care Services to meet the direct certification
30 requirements of the National School Lunch Act, as amended,
31 pursuant to Chapter 13 (commencing with Section 1751) of Title
32 42 of the United States Code, and the federal Child Nutrition Act
33 of 1966, as amended, pursuant to Chapter 13A (commencing with
34 Section 1771) of Title 42 of the United States Code.

35 (c) The department shall design a process using computerized
36 data pursuant to subdivision (a) that will maximize enrollment in
37 school meal programs and improve program integrity while
38 ensuring that pupil privacy safeguards remain in place. The State
39 Department of Health Care Services shall conduct the data match
40 of local school records and return a list to the department, including

1 only the data fields submitted by the department and an indicator
2 of program eligibility, as required by federal law.

3 (d) (1) Each state agency identified in subdivision (a) is
4 responsible for the maintenance and protection of data received
5 by their respective agency. The state agency that possesses the
6 data shall follow privacy and confidentiality procedures consistent
7 with all applicable state and federal law. To the extent permitted
8 by state and federal law, the department and the State Department
9 of Health Care Services may review the data only for the purposes
10 of improving the effectiveness of the data matches made pursuant
11 to this section and Section 49562.

12 (2) Notwithstanding Section 10850 of the Welfare and
13 Institutions Code, data that identify applicants for, or recipients
14 of, public social services, may be transferred from existing
15 databases maintained by the State Department of Health Care
16 Services, in order to directly certify recipients of ~~the Food Stamp~~
17 ~~Program~~ *CalFresh*, the CalWORKs program, and other programs
18 authorized for direct certification under federal law, in compliance
19 with subdivision (a). The Legislature hereby finds and declares
20 that this paragraph is declaratory of existing law.

21 (e) The department shall determine the availability of and
22 request or apply for, as appropriate, federal funds to assist the state
23 in implementing new direct certification requirements mandated
24 by federal law.

25 (f) This section shall become operative upon receipt of federal
26 funds to assist the state in implementing new direct certification
27 requirements mandated by federal law.

28 SEC. 4. Section 17508 of the Family Code is amended to read:

29 17508. (a) The Employment Development Department shall,
30 when requested by the Department of Child Support Services local
31 child support agency, or, the Franchise Tax Board for purposes of
32 administering Article 5 (commencing with Section 19271) of
33 Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation
34 Code, the federal Parent Locator Service, or the California Parent
35 Locator Service, provide access to information collected pursuant
36 to Division 1 (commencing with Section 100 of the Unemployment
37 Insurance Code to the requesting department or agency for purposes
38 of administering the child support enforcement program, and for
39 purposes of verifying employment of applicants and recipients of
40 aid under this chapter or ~~food stamps~~ *CalFresh* under Chapter 10

1 (commencing with Section 18900) of Part 6 of Division 9 of the
2 Welfare and Institutions Code.

3 (b) (1) To the extent possible, the Employment Development
4 Department shall share information collected under Sections 1088.5
5 and 1088.8 of the Unemployment Insurance Code immediately
6 upon receipt. This sharing of information may include electronic
7 means.

8 (2) This subdivision shall not authorize the Employment
9 Development Department to share confidential information with
10 any individuals not otherwise permitted by law to receive the
11 information or preclude batch runs or comparisons of data.

12 SEC. 5. Section 17600 of the Family Code is amended to read:
13 17600. (a) The Legislature finds and declares all of the
14 following:

15 (1) The Legislative Analyst has found that county child support
16 enforcement programs provide a net increase in revenues to the
17 state.

18 (2) The state has a fiscal interest in ensuring that county child
19 support enforcement programs perform efficiently.

20 (3) The state does not provide information to counties on child
21 support enforcement programs, based on common denominators
22 that would facilitate comparison of program performance.

23 (4) Providing this information would allow county officials to
24 monitor program performance and to make appropriate
25 modifications to improve program efficiency.

26 (5) This information is required for effective management of
27 the child support program.

28 (b) Except as provided in this subdivision commencing with
29 the 1998–99 fiscal year, and for each fiscal year thereafter, each
30 county that is participating in the state incentive program described
31 in Section 17704 shall provide to the department, and the
32 department shall compile from this county child support
33 information, monthly and annually, all of the following
34 performance-based data, as established by the federal incentive
35 funding system, provided that the department may revise the data
36 required by this paragraph in order to conform to the final federal
37 incentive system data definitions:

38 (1) One of the following data relating to paternity establishment,
39 as required by the department, provided that the department shall
40 require all counties to report on the same measurement:

1 (A) The total number of children in the caseload governed by
2 Part D (commencing with Section 451) of Title IV of the federal
3 Social Security Act (42 U.S.C. Sec. 651 et seq.), as of the end of
4 the federal fiscal year, who were born to unmarried parents for
5 whom paternity was established or acknowledged, and the total
6 number of children in that caseload, as of the end of the preceding
7 federal fiscal year, who were born to unmarried parents.

8 (B) The total number of minor children who were born in the
9 state to unmarried parents for whom paternity was established or
10 acknowledged during a federal fiscal year, and the total number
11 of children in the state born to unmarried parents during the
12 preceding calendar year.

13 (2) The number of cases governed by Part D (commencing with
14 Section 451) of Title IV of the federal Social Security Act (42
15 U.S.C. Sec. 651 et seq.) during the federal fiscal year and the total
16 number of those cases with support orders.

17 (3) The total dollars collected during the federal fiscal year for
18 current support in cases governed by Part D (commencing with
19 Section 451) of Title IV of the federal Social Security Act (42
20 U.S.C. Sec. 651 et seq.) and the total number of dollars owing for
21 current support during that federal fiscal year in cases governed
22 by those provisions.

23 (4) The total number of cases for the federal fiscal year governed
24 by Part D (commencing with Section 451) of Title IV of the federal
25 Social Security Act (42 U.S.C. Sec. 651 et seq.) in which payment
26 was being made toward child support arrearages and the total
27 number of cases for that fiscal year governed by these federal
28 provisions that had child support arrearages.

29 (5) The total number of dollars collected and expended during
30 a federal fiscal year in cases governed by Part D (commencing
31 with Section 451) of Title IV of the federal Social Security Act
32 (42 U.S.C. Sec. 651 et seq.).

33 (6) The total amount of child support dollars collected during
34 a federal fiscal year, and, if and when required by federal law, the
35 amount of these collections broken down by collections distributed
36 on behalf of current recipients of federal Temporary Assistance
37 for Needy Families block grant funds or federal foster care funds,
38 on behalf of former recipients of federal Temporary Assistance
39 for Needy Families block grant funds or federal foster care funds,

1 or on behalf of persons who have never been recipients of these
2 federal funds.

3 (c) In addition to the information required by subdivision (b),
4 the department shall collect, on a monthly basis, from each county
5 that is participating in the state incentive program described in
6 Section 17704, information on the local child support agency for
7 each federal fiscal year, and shall report semiannually on all of the
8 following performance measurements:

9 (1) The percentage of cases with collections of current support.
10 This percentage shall be calculated by dividing the number of cases
11 with an order for current support by the number of those cases
12 with collections of current support. The number of cases with
13 support collected shall include only the number of cases actually
14 receiving a collection, not the number of payments received. Cases
15 with a medical support order that do not have an order for current
16 support may not be counted.

17 (2) The average amount collected per case for all cases with
18 collections.

19 (3) The percentage of cases that had a support order established
20 during the period. A support order shall be counted as established
21 only when the appropriate court has issued an order for child
22 support, including an order for temporary child support, or an order
23 for medical support.

24 (4) The total cost of administering the local child support
25 agency, including the federal, state, and county share of the costs,
26 and the federal and state incentives received by each county. The
27 total cost of administering the program shall be broken down by
28 the following:

29 (A) The direct costs of the program, broken down further by
30 total employee salaries and benefits, a list of the number of
31 employees broken down into at least the following categories:
32 attorneys, administrators, caseworkers, investigators, and clerical
33 support; contractor costs; space charges; and payments to other
34 county agencies. Employee salaries and numbers need only be
35 reported in the annual report.

36 (B) The indirect costs, showing all overhead charges.

37 (5) In addition, the local child support agency shall report
38 monthly on measurements developed by the department that
39 provide data on the following:

40 (A) Locating obligors.

- 1 (B) Obtaining and enforcing medical support.
- 2 (C) Providing customer service.
- 3 (D) Any other measurements that the director determines to be
- 4 an appropriate determination of a local child support agency's
- 5 performance.

6 (6) A county may apply for an exemption from any or all of the
7 reporting requirements of this subdivision for a fiscal year by
8 submitting an application for the exemption to the department at
9 least three months prior to the commencement of the fiscal year
10 or quarter for which the exemption is sought. A county shall
11 provide a separate justification for each data element under this
12 subdivision for which the county is seeking an exemption and the
13 cost to the county of providing the data. The department may not
14 grant an exemption for more than one year. The department may
15 grant a single exemption only if both of the following conditions
16 are met:

17 (A) The county cannot compile the data being sought through
18 its existing automated system or systems.

19 (B) The county cannot compile the data being sought through
20 manual means or through an enhanced automated system or
21 systems without significantly harming the child support collection
22 efforts of the county.

23 (d) After implementation of the statewide automated system,
24 in addition to the information required by subdivision (b), the
25 Department of Child Support Services shall collect, on a monthly
26 basis, from each county that is participating in the state incentive
27 program described in Section 17704, information on the county
28 child support enforcement program beginning with the 1998–99
29 fiscal year or a later fiscal year, as appropriate, and for each
30 subsequent fiscal year, and shall report semiannually on all of the
31 following measurements:

32 (1) For each of the following support collection categories, the
33 number of cases with support collected shall include only the
34 number of cases actually receiving a collection, not the number of
35 payments received.

36 (A) (i) The number of cases with collections for current support.

37 (ii) The number of cases with arrears collections only.

38 (iii) The number of cases with both current support and arrears
39 collections.

40 (B) For cases with current support only due:

- 1 (i) The number of cases in which the full amount of current
2 support owed was collected.
- 3 (ii) The number of cases in which some amount of current
4 support, but less than the full amount of support owed, was
5 collected.
- 6 (iii) The number of cases in which no amount of support owed
7 was collected.
- 8 (C) For cases in which arrears only were owed:
- 9 (i) The number of cases in which all arrears owed were collected.
- 10 (ii) The number of cases in which some amount of arrears, but
11 less than the full amount of arrears owed, were collected.
- 12 (iii) The number of cases in which no amount of arrears owed
13 were collected.
- 14 (D) For cases in which both current support and arrears are
15 owed:
- 16 (i) The number of cases in which the full amount of current
17 support and arrears owed were collected.
- 18 (ii) The number of cases in which some amount of current
19 support and arrears, but less than the full amount of support owed,
20 were collected.
- 21 (iii) The number of cases in which no amount of support owed
22 was collected.
- 23 (E) The total number of cases in which an amount was due for
24 current support only.
- 25 (F) The total number of cases in which an amount was due for
26 both current support and arrears.
- 27 (G) The total number of cases in which an amount was due for
28 arrears only.
- 29 (H) For cases with current support due, the number of cases
30 without orders for medical support and the number of cases with
31 an order for medical support.
- 32 (2) The number of alleged fathers or obligors who were served
33 with a summons and complaint to establish paternity or a support
34 order, and the number of alleged fathers or obligors for whom it
35 is required that paternity or a support order be established. In order
36 to be counted under this paragraph, the alleged father or obligor
37 shall be successfully served with process. An alleged father shall
38 be counted under this paragraph only once if he is served with
39 process simultaneously for both a paternity and a support order

1 proceeding for the same child or children. For purposes of this
2 paragraph, a support order shall include a medical support order.

3 (3) The number of new asset seizures or successful initial
4 collections on a wage assignment for purposes of child support
5 collection. For purposes of this paragraph, a collection made on a
6 wage assignment shall be counted only once for each wage
7 assignment issued.

8 (4) The number of children requiring paternity establishment
9 and the number of children for whom paternity has been established
10 during the period. Paternity may only be established once for each
11 child. Any child for whom paternity is not at issue shall not be
12 counted in the number of children for whom paternity has been
13 established. For this purpose, paternity is not at issue if the parents
14 were married and neither parent challenges paternity or a voluntary
15 paternity declaration has been executed by the parents prior to the
16 local child support agency obtaining the case and neither parent
17 challenges paternity.

18 (5) The number of cases requiring that a support order be
19 established and the number of cases that had a support order
20 established during the period. A support order shall be counted as
21 established only when the appropriate court has issued an order
22 for child support, including an order for temporary child support,
23 or an order for medical support.

24 (6) The total cost of administering the local child support
25 agency, including the federal, state, and county share of the costs
26 and the federal and state incentives received by each county. The
27 total cost of administering the program shall be broken down by
28 the following:

29 (A) The direct costs of the program, broken down further by
30 total employee salaries and benefits, a list of the number of
31 employees broken down into at least the following categories:
32 attorneys, administrators, caseworkers, investigators, and clerical
33 support; contractor costs; space charges; and payments to other
34 county agencies. Employee salaries and numbers need only be
35 reported in the annual report.

36 (B) The indirect costs, showing all overhead charges.

37 (7) The total child support collections due, broken down by
38 current support, interest on arrears, and principal, and the total
39 child support collections that have been collected, broken down
40 by current support, interest on arrears, and principal.

1 (8) The actual case status for all cases in the county child support
2 enforcement program. Each case shall be reported in one case
3 status only. If a case falls within more than one status category, it
4 shall be counted in the first status category of the list set forth
5 below in which it qualifies. The following shall be the case status
6 choices:

7 (A) No support order, location of obligor parent required.

8 (B) No support order, alleged obligor parent located and
9 paternity required.

10 (C) No support order, location and paternity not at issue but
11 support order must be established.

12 (D) Support order established with current support obligation
13 and obligor is in compliance with support obligation.

14 (E) Support order established with current support obligation,
15 obligor is in arrears, and location of obligor is necessary.

16 (F) Support order established with current support obligation,
17 obligor is in arrears, and location of obligor's assets is necessary.

18 (G) Support order established with current support obligation,
19 obligor is in arrears, and no location of obligor or obligor's assets
20 is necessary.

21 (H) Support order established with current support obligation,
22 obligor is in arrears, the obligor is located, but the local child
23 support agency has established satisfactorily that the obligor has
24 no income or assets and no ability to earn.

25 (I) Support order established with current support obligation
26 and arrears, obligor is paying the current support and is paying
27 some or all of the interest on the arrears, but is paying no principal.

28 (J) Support order established for arrears only and obligor is
29 current in repayment obligation.

30 (K) Support order established for arrears only, obligor is not
31 current in arrears repayment schedule, and location of obligor is
32 required.

33 (L) Support order established for arrears only, obligor is not
34 current in arrears repayment schedule, and location of obligor's
35 assets is required.

36 (M) Support order established for arrears only, obligor is not
37 current in arrears repayment schedule, and no location of obligor
38 or obligor's assets is required.

39 (N) Support order established for arrears only, obligor is not
40 current in arrears repayment, and the obligor is located, but the

1 local child support agency has established satisfactorily that the
 2 obligor has no income or assets and no ability to earn.

3 (O) Support order established for arrears only and obligor is
 4 repaying some or all of the interest, but no principal.

5 (P) Other, if necessary, to be defined in the regulations
 6 promulgated under subdivision (e).

7 (e) Upon implementation of the statewide automated system,
 8 or at the time that the department determines that compliance with
 9 this subdivision is possible, whichever is earlier, each county that
 10 is participating in the state incentive program described in Section
 11 17704 shall collect and report, and the department shall compile
 12 for each participating county, information on the county child
 13 support program in each fiscal year, all of the following data, in a
 14 manner that facilitates comparison of counties and the entire state,
 15 except that the department may eliminate or modify the
 16 requirement to report any data mandated to be reported pursuant
 17 to this subdivision if the department determines that the local child
 18 support agencies are unable to accurately collect and report the
 19 information or that collecting and reporting of the data by the local
 20 child support agencies will be onerous:

21 (1) The number of alleged obligors or fathers who receive
 22 CalWORKs benefits, ~~food stamp~~ CalFresh benefits, and Medi-Cal
 23 benefits.

24 (2) The number of obligors or alleged fathers who are in state
 25 prison or county jail.

26 (3) The number of obligors or alleged fathers who do not have
 27 a social security number.

28 (4) The number of obligors or alleged fathers whose address is
 29 unknown.

30 (5) The number of obligors or alleged fathers whose complete
 31 name, consisting of at least a first and last name, is not known by
 32 the local child support agency.

33 (6) The number of obligors or alleged fathers who filed a tax
 34 return with the Franchise Tax Board in the last year for which a
 35 data match is available.

36 (7) The number of obligors or alleged fathers who have no
 37 income reported to the Employment Development Department
 38 during the third quarter of the fiscal year.

39 (8) The number of obligors or alleged fathers who have income
 40 between one dollar (\$1) and five hundred dollars (\$500) reported

1 to the Employment Development Department during the third
2 quarter of the fiscal year.

3 (9) The number of obligors or alleged fathers who have income
4 between five hundred one dollars (\$501) and one thousand five
5 hundred dollars (\$1,500) reported to the Employment Development
6 Department during the third quarter of the fiscal year.

7 (10) The number of obligors or alleged fathers who have income
8 between one thousand five hundred one dollars (\$1,501) and two
9 thousand five hundred dollars (\$2,500) reported to the Employment
10 Development Department during the third quarter of the fiscal
11 year.

12 (11) The number of obligors or alleged fathers who have income
13 between two thousand five hundred one dollars (\$2,501) and three
14 thousand five hundred dollars (\$3,500) reported to the Employment
15 Development Department during the third quarter of the fiscal
16 year.

17 (12) The number of obligors or alleged fathers who have income
18 between three thousand five hundred one dollars (\$3,501) and four
19 thousand five hundred dollars (\$4,500) reported to the Employment
20 Development Department during the third quarter of the fiscal
21 year.

22 (13) The number of obligors or alleged fathers who have income
23 between four thousand five hundred one dollars (\$4,501) and five
24 thousand five hundred dollars (\$5,500) reported to the Employment
25 Development Department during the third quarter of the fiscal
26 year.

27 (14) The number of obligors or alleged fathers who have income
28 between five thousand five hundred one dollars (\$5,501) and six
29 thousand five hundred dollars (\$6,500) reported to the Employment
30 Development Department during the third quarter of the fiscal
31 year.

32 (15) The number of obligors or alleged fathers who have income
33 between six thousand five hundred one dollars (\$6,501) and seven
34 thousand five hundred dollars (\$7,500) reported to the Employment
35 Development Department during the third quarter of the fiscal
36 year.

37 (16) The number of obligors or alleged fathers who have income
38 between seven thousand five hundred one dollars (\$7,501) and
39 nine thousand dollars (\$9,000) reported to the Employment

1 Development Department during the third quarter of the fiscal
2 year.

3 (17) The number of obligors or alleged fathers who have income
4 exceeding nine thousand dollars (\$9,000) reported to the
5 Employment Development Department during the third quarter of
6 the fiscal year.

7 (18) The number of obligors or alleged fathers who have two
8 or more employers reporting earned income to the Employment
9 Development Department during the third quarter of the fiscal
10 year.

11 (19) The number of obligors or alleged fathers who receive
12 unemployment benefits during the third quarter of the fiscal year.

13 (20) The number of obligors or alleged fathers who receive state
14 disability benefits during the third quarter of the fiscal year.

15 (21) The number of obligors or alleged fathers who receive
16 workers' compensation benefits during the third quarter of the
17 fiscal year.

18 (22) The number of obligors or alleged fathers who receive
19 Social Security Disability Insurance benefits during the third
20 quarter of the fiscal year.

21 (23) The number of obligors or alleged fathers who receive
22 Supplemental Security Income/State Supplementary Program for
23 the Aged, Blind and Disabled benefits during the third quarter of
24 the fiscal year.

25 (f) The department, in consultation with the Legislative
26 Analyst's Office, the Judicial Council, the California Family
27 Support Council, and child support advocates, shall develop
28 regulations to ensure that all local child support agencies report
29 the data required by this section uniformly and consistently
30 throughout California.

31 (g) For each federal fiscal year, the department shall provide
32 the information for all participating counties to each member of a
33 county board of supervisors, county executive officer, local child
34 support agency, and the appropriate policy committees and fiscal
35 committees of the Legislature on or before June 30, of each fiscal
36 year. The department shall provide data semiannually, based on
37 the federal fiscal year, on or before December 31, of each year.
38 The department shall present the information in a manner that
39 facilitates comparison of county performance.

1 (h) For purposes of this section, “case” means a noncustodial
2 parent, whether mother, father, or putative father, who is, or
3 eventually may be, obligated under law for support of a child or
4 children. For purposes of this definition, a noncustodial parent
5 shall be counted once for each family that has a dependent child
6 he or she may be obligated to support.

7 (i) This section shall be operative only for as long as Section
8 17704 requires participating counties to report data to the
9 department.

10 SEC. 6. Section 6276.08 of the Government Code is amended
11 to read:

12 6276.08. Cable television subscriber information,
13 confidentiality of, Section 637.5, Penal Code.

14 *CalFresh, disclosure of information, Section 18909, Welfare*
15 *and Institutions Code.*

16 California AIDS Program, personal data, confidentiality, Section
17 120820, Health and Safety Code.

18 California Apple Commission, confidentiality of lists of persons,
19 Section 75598, Food and Agricultural Code.

20 California Apple Commission, confidentiality of proprietary
21 information from producers or handlers, Section 75633, Food and
22 Agricultural Code.

23 California Asparagus Commission, confidentiality of lists of
24 producers, Section 78262, Food and Agricultural Code.

25 California Asparagus Commission, confidentiality of proprietary
26 information from producers, Section 78288, Food and Agricultural
27 Code.

28 California Avocado Commission, confidentiality of information
29 from handlers, Section 67094, Food and Agricultural Code.

30 California Avocado Commission, confidentiality of proprietary
31 information from handlers, Section 67104, Food and Agricultural
32 Code.

33 California Cherry Commission, confidentiality of proprietary
34 information from producers, processors, shippers, or
35 grower-handlers, Section 76144, Food and Agricultural Code.

36 California Children’s Services Program, confidentiality of factor
37 replacement therapy contracts, Section 123853, Health and Safety
38 Code.

39 California Cut Flower Commission, confidentiality of lists of
40 producers, Section 77963, Food and Agricultural Code.

- 1 California Cut Flower Commission, confidentiality of proprietary
2 information from producers, Section 77988, Food and Agricultural
3 Code.
- 4 California Date Commission, confidentiality of proprietary
5 information from producers and grower-handlers, Section 77843,
6 Food and Agricultural Code.
- 7 California Egg Commission, confidentiality of proprietary
8 information from handlers or distributors, Section 75134, Food
9 and Agricultural Code.
- 10 California Forest Products Commission, confidentiality of lists
11 of persons, Section 77589, Food and Agricultural Code.
- 12 California Forest Products Commission, confidentiality of
13 proprietary information from producers, Section 77624, Food and
14 Agricultural Code.
- 15 California Iceberg Lettuce Commission, confidentiality of
16 information from handlers, Section 66624, Food and Agricultural
17 Code.
- 18 California Kiwifruit Commission, confidentiality of proprietary
19 information from producers or handlers, Section 68104, Food and
20 Agricultural Code.
- 21 California Navel Orange Commission, confidentiality of
22 proprietary information from producers or handlers and lists of
23 producers and handlers, Section 73257, Food and Agricultural
24 Code.
- 25 California Pepper Commission, confidentiality of lists of
26 producers and handlers, Section 77298, Food and Agricultural
27 Code.
- 28 California Pepper Commission, confidentiality of proprietary
29 information from producers or handlers, Section 77334, Food and
30 Agricultural Code.
- 31 California Pistachio Commission, confidentiality of proprietary
32 information from producers or processors, Section 69045, Food
33 and Agricultural Code.
- 34 California Salmon Commission, confidentiality of fee
35 transactions records, Section 76901.5, Food and Agricultural Code.
- 36 California Salmon Commission, confidentiality of request for
37 list of commercial salmon vessel operators, Section 76950, Food
38 and Agricultural Code.
- 39 California Seafood Council, confidentiality of fee transaction
40 records, Section 78553, Food and Agricultural Code.

1 California Seafood Council, confidentiality of information on
2 volume of fish landed, Section 78575, Food and Agricultural Code.

3 California Sheep Commission, confidentiality of proprietary
4 information from producers or handlers and lists of producers,
5 Section 76343, Food and Agricultural Code.

6 California State University contract law, bids, questionnaires
7 and financial statements, Section 10763, Public Contract Code.

8 California State University Investigation of Reported Improper
9 Governmental Activities Act, confidentiality of investigative audits
10 completed pursuant to the act, Section 89574, Education Code.

11 California Table Grape Commission, confidentiality of
12 information from shippers, Section 65603, Food and Agricultural
13 Code.

14 California Tomato Commission, confidentiality of lists of
15 producers, handlers, and others, Section 78679, Food and
16 Agricultural Code.

17 California Tomato Commission, confidentiality of proprietary
18 information, Section 78704, Food and Agricultural Code.

19 California Tourism Marketing Act, confidentiality of information
20 pertaining to businesses paying the assessment under the act,
21 Section 13995.54.

22 California Victim Compensation and Government Claims Board,
23 disclosure not required of records relating to assistance requests
24 under Article 1 (commencing with Section 13950) of Chapter 5
25 of Part 4 of Division 3 of Title 2, Section 6254.17.

26 California Walnut Commission, confidentiality of lists of
27 producers, Section 77101, Food and Agricultural Code.

28 California Walnut Commission, confidentiality of proprietary
29 information from producers or handlers, Section 77154, Food and
30 Agricultural Code.

31 California Wheat Commission, confidentiality of proprietary
32 information from handlers and lists of producers, Section 72104,
33 Food and Agricultural Code.

34 California Wheat Commission, confidentiality of requests for
35 assessment refund, Section 72109, Food and Agricultural Code.

36 California Wine Commission, confidentiality of proprietary
37 information from producers or vintners, Section 74655, Food and
38 Agricultural Code.

1 California Wine Grape Commission, confidentiality of
2 proprietary information from producers and vintners, Section
3 74955, Food and Agricultural Code.

4 SEC. 7. Section 6276.18 of the Government Code, as amended
5 by Section 10 of Chapter 584 of the Statutes of 2009, is amended
6 to read:

7 6276.18. Family Court, records, Section 1818, Family Law
8 Code.

9 Farm product processor license, confidentiality of financial
10 statements, Section 55523.6, Food and Agricultural Code.

11 Farm product processor licensee, confidentiality of grape
12 purchases, Section 55601.5, Food and Agricultural Code.

13 Fee payer information, prohibition against disclosure by Board
14 of Equalization and others, Section 55381, Revenue and Taxation
15 Code.

16 Financial institutions, issuance of securities, reports and records
17 of state agencies, subdivision (d), Section 6254.

18 Financial statements of insurers, confidentiality of information
19 received, Section 925.3, Insurance Code.

20 Financial statements and questionnaires, of prospective bidders
21 for the state, confidentiality of, Section 10165, Public Contract
22 Code.

23 Financial statements and questionnaires, of prospective bidders
24 for California State University contracts, confidentiality of, Section
25 10763, Public Contract Code.

26 Firearms, centralized list of exempted federal firearms licensees,
27 disclosure of information compiled from, Section 12083, Penal
28 Code.

29 Firearms, centralized list of dealers and licensees, disclosure of
30 information compiled from, Section 12071, Penal Code.

31 Firearm license applications, subdivision (u), Section 6254.

32 Firearm sale or transfer, confidentiality of records, Section
33 12082, Penal Code.

34 Fishing and hunting licenses, confidentiality of names and
35 addresses contained in records submitted to the Department of
36 Fish and Game to obtain recreational fishing and hunting licenses,
37 Section 1050.6, Fish and Game Code.

38 ~~Food stamps, disclosure of information, Section 18909, Welfare
39 and Institutions Code.~~

1 Foreign marketing of agricultural products, confidentiality of
2 financial information, Section 58577, Food and Agricultural Code.
3 Forest fires, anonymity of informants, Section 4417, Public
4 Resources Code.
5 Foster homes, identifying information, Section 1536, Health and
6 Safety Code.
7 Franchise Tax Board, access to Franchise Tax Board information
8 by the State Department of Social Services, Section 11025, Welfare
9 and Institutions Code.
10 Franchise Tax Board, auditing, confidentiality of, Section 90005.
11 Franchises, applications, and reports filed with Commissioner
12 of Corporations, disclosure and withholding from public inspection,
13 Section 31504, Corporations Code.
14 Fur dealer licensee, confidentiality of records, Section 4041,
15 Fish and Game Code.
16 SEC. 8. Section 6276.18 of the Government Code, as amended
17 by Section 34 of Chapter 178 of the Statutes of 2010, is amended
18 to read:
19 6276.18. Family Court, records, Section 1818, Family Code.
20 Farm product processor license, confidentiality of financial
21 statements, Section 55523.6, Food and Agricultural Code.
22 Farm product processor licensee, confidentiality of grape
23 purchases, Section 55601.5, Food and Agricultural Code.
24 Fee payer information, prohibition against disclosure by Board
25 of Equalization and others, Section 55381, Revenue and Taxation
26 Code.
27 Financial institutions, issuance of securities, reports and records
28 of state agencies, subdivision (d), Section 6254.
29 Financial statements of insurers, confidentiality of information
30 received, Section 925.3, Insurance Code.
31 Financial statements and questionnaires, of prospective bidders
32 for the state, confidentiality of, Section 10165, Public Contract
33 Code.
34 Financial statements and questionnaires, of prospective bidders
35 for California State University contracts, confidentiality of, Section
36 10763, Public Contract Code.
37 Firearms, centralized list of exempted federal firearms licensees,
38 disclosure of information compiled from, Sections 24850 to 24890,
39 inclusive, Penal Code.

- 1 Firearms, centralized list of dealers and licensees, disclosure of
- 2 information compiled from, Sections 26700 to 26915, inclusive,
- 3 Penal Code.
- 4 Firearm license applications, subdivision (u), Section 6254.
- 5 Firearm sale or transfer, confidentiality of records, Chapter 5
- 6 (commencing with Section 28050) of Division 6 of Title 4 of Part
- 7 6, Penal Code.
- 8 Fishing and hunting licenses, confidentiality of names and
- 9 addresses contained in records submitted to the Department of
- 10 Fish and Game to obtain recreational fishing and hunting licenses,
- 11 Section 1050.6, Fish and Game Code.
- 12 ~~Food stamps, disclosure of information, Section 18909, Welfare~~
- 13 ~~and Institutions Code.~~
- 14 Foreign marketing of agricultural products, confidentiality of
- 15 financial information, Section 58577, Food and Agricultural Code.
- 16 Forest fires, anonymity of informants, Section 4417, Public
- 17 Resources Code.
- 18 Foster homes, identifying information, Section 1536, Health and
- 19 Safety Code.
- 20 Franchise Tax Board, access to Franchise Tax Board information
- 21 by the State Department of Social Services, Section 11025, Welfare
- 22 and Institutions Code.
- 23 Franchise Tax Board, auditing, confidentiality of, Section 90005.
- 24 Franchises, applications, and reports filed with Commissioner
- 25 of Corporations, disclosure and withholding from public inspection,
- 26 Section 31504, Corporations Code.
- 27 Fur dealer licensee, confidentiality of records, Section 4041,
- 28 Fish and Game Code.
- 29 SEC. 9. Section 16265.2 of the Government Code is amended
- 30 to read:
- 31 16265.2. As used in this chapter:
- 32 (a) "County" means a county and a city and county.
- 33 (b) "County costs of eligible programs" means the amount of
- 34 money other than federal and state funds, as reported by the State
- 35 Department of Social Services to the Department of Finance or as
- 36 derived from the Controller's "Annual Report of Financial
- 37 Transactions Concerning Counties of California," that each county
- 38 spends for each of the following:
- 39 (1) The Aid to Families with Dependent Children for Family
- 40 Group and Unemployed Parents programs plus county

1 administrative costs for each program minus the county’s share of
2 child support collections for each program, as described in Sections
3 10100, 10101, and 11250 of, and subdivisions (a) and (b) of Section
4 15200 of, the Welfare and Institutions Code.

5 (2) The county share of the cost of service provided for the
6 In-Home Supportive Services Program, as described in Sections
7 10100, 10101, and 12306 of the Welfare and Institutions Code.

8 (3) The community mental health program, as described in
9 Section 5705 of the Welfare and Institutions Code.

10 (4) The county share of ~~the Food Stamp Program~~ *CalFresh*, as
11 described in Section 18906.5 of the Welfare and Institutions Code.

12 (c) “General purpose revenues” means revenues received by a
13 county whose purpose is not restricted by state law to a particular
14 purpose or program, as reported in the Controller’s “Annual Report
15 of Financial Transactions Concerning Counties of California.”
16 “General purpose revenues” are limited to all of the following:

17 (1) Property tax revenues, exclusive of those revenues dedicated
18 to repay voter approved indebtedness, received pursuant to Part
19 0.5 (commencing with Section 50) of Division 1 of the Revenue
20 and Taxation Code, or received pursuant to Section 33401 of the
21 Health and Safety Code.

22 (2) Sales tax revenues received pursuant to Part 1 (commencing
23 with Section 6001) of Division 2 of the Revenue and Taxation
24 Code.

25 (3) Any other taxes levied by a county.

26 (4) Fines and forfeitures.

27 (5) Licenses, permits, and franchises.

28 (6) Revenue derived from the use of money and property.

29 (7) Vehicle license fees received pursuant to Section 11005 of
30 the Revenue and Taxation Code.

31 (8) Revenues from cigarette taxes received pursuant to Part 13
32 (commencing with Section 30001) of Division 2 of the Revenue
33 and Taxation Code.

34 (9) Revenue received as open-space subventions pursuant to
35 Chapter 3 (commencing with Section 16140) of Part 1.

36 (10) Revenue received as homeowners’ property tax exemption
37 subventions pursuant to Chapter 2 (commencing with Section
38 16120) of Part 1.

39 (11) General revenue sharing funds received from the federal
40 government.

1 “General purpose revenues” does not include revenues received
2 by a county pursuant to Chapter 3 (commencing with Section
3 15200) of Part 6 of Division 3.

4 SEC. 10. Section 16367.5 of the Government Code is amended
5 to read:

6 16367.5. The Department of Community Services and
7 Development shall receive and administer the federal Low-Income
8 Home Energy Assistance Program Block Grant, provided for
9 pursuant to the Low-Income Home Energy Assistance Act of 1981,
10 as amended (42 U.S.C. Sec. 8621 et seq.). The department shall
11 afford local service providers maximum flexibility and control,
12 within the parameters of federal and state law, in the planning,
13 administration, and delivery of Low-Income Home Energy
14 Assistance Program Block Grant services. Local service providers
15 shall be defined as private, nonprofit, and public agencies
16 designated in accordance with Public Law 97-35, as amended. The
17 formation of service regions beyond those that were in place in
18 1995, or those that were in place in Los Angeles County in January
19 1997, shall occur only with the concurrence of service providers
20 within the proposed regions. The department shall allocate funds
21 received as follows:

22 (a) For federal fiscal year 1998, up to 7.3 percent of the state’s
23 total federal allocation for the Low-Income Home Energy
24 Assistance Program shall be retained by the Department of
25 Community Services and Development for purposes of overall
26 planning and administration. The department shall spend at least
27 2.3 percent of this 7.3 percent on activities to improve the
28 administrative efficiency of the program. At least 2.7 percent of
29 the state’s total federal allocation of the Low-Income Home Energy
30 Assistance Program shall be allocated to local service providers
31 for purposes of planning and administration.

32 For federal fiscal year 1999, up to 6 percent of the state’s total
33 federal allocation of the Low-Income Home Energy Assistance
34 Program shall be retained by the Department of Community
35 Services and Development for purposes of overall planning and
36 administration. The department shall spend at least 1 percent of
37 this 6 percent on activities to improve the administrative efficiency
38 of the program. At least 4 percent of the state’s total federal
39 allocation for the Low-Income Home Energy Assistance Program

1 shall be allocated to local service providers for purposes of
2 planning and administration.

3 Beginning in federal fiscal year 2000, up to 5 percent of the
4 state's total federal allocation for the Low-Income Home Energy
5 Assistance Program shall be retained by the Department of
6 Community Services and Development for purposes of overall
7 planning and administration. At least 5 percent of the state's total
8 federal allocation for the Low-Income Home Energy Assistance
9 Program shall be allocated to local service providers for purposes
10 of planning and administration.

11 Upon achievement of administrative efficiencies, or no later than
12 June 30, 2001, the department and the local service providers
13 committee established pursuant to subdivision (j) shall examine
14 the appropriate split of administrative funding between the state
15 and local services providers necessary to achieve the intent of
16 federal law regarding the Low-Income Home Energy Assistance
17 Program. The department shall not retain more than 5 percent of
18 the state's total federal allocation for the Low-Income Home
19 Energy Assistance Program.

20 (b) Services under this section shall be available to households
21 in which one or more individuals are receiving:

22 (1) Temporary Assistance for Needy Families under the state's
23 plan approved under Public Law 104-193, the Personal
24 Responsibility and Work Opportunity Reconciliation Act of 1996,
25 and Chapter 2 (commencing with Section 11200) of Part 3 of
26 Division 9 of the Welfare and Institutions Code.

27 (2) Supplemental Security Income payments under Title XVI
28 of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.)
29 and Chapter 3 (commencing with Section 12000) of Part 3 of
30 Division 9 of the Welfare and Institutions Code.

31 (3) County general assistance under Part 5 (commencing with
32 Section 17000) of Division 9 of the Welfare and Institutions Code.

33 (4) ~~Food stamps—CalFresh benefits received under the Food~~
34 ~~Stamp Act of 1977 and federal Supplemental Nutrition Assistance~~
35 ~~Program of the federal Food and Nutrition Act of 2008~~ pursuant
36 to Chapter 10 (commencing with Section 18900) of Part 6 of
37 Division 9 of the Welfare and Institutions Code.

38 (5) Payments under Section 415, 521, 541, or 542 of Title 38
39 of the United States Code, or under Section 306 of the Veterans'
40 and Survivors' Pension Improvement Act of 1978.

1 (6) Households with incomes that do not exceed the greater of:
2 (A) An amount equal to 150 percent of the poverty level for
3 this state.

4 (B) An amount equal to 60 percent of the state median income,
5 except that no household may be excluded from eligibility solely
6 on the basis of household income if that income is less than 110
7 percent of the poverty level for this state, but priority may be given
8 to those households with the highest home energy costs or needs
9 in relation to household income.

10 (c) An amount of not less than 15 percent and up to the
11 maximum allowed by federal law of the total federal allocation
12 shall be allocated for weatherization services for eligible
13 individuals. For each program year, to the extent that the state is
14 eligible, the Department of Community Services and Development
15 shall apply to the appropriate federal agencies for any waivers that
16 may be necessary to ensure that the amount available for the
17 purposes of this subdivision will be the maximum amount
18 allowable under federal law. For the purposes of this subdivision,
19 weatherization shall include all energy conservation measures and
20 energy efficient appliances that are cost-effective and improve
21 energy efficiency. The department shall allocate 5 percent of the
22 weatherization program allocation to local service providers for
23 outreach and related activities.

24 (d) At the discretion of local service providers, the state shall
25 allocate the maximum amount allowable under federal law to local
26 service providers to provide services that encourage and enable
27 households to reduce their home energy needs, thus reducing the
28 need for energy assistance, including needs assessments,
29 counseling, and assistance with energy vendors, in accordance
30 with Section 2605(b)(16) of Public Law 97-35, as amended.

31 (e) Based on data from prior years, a reasonable amount of
32 available funds, as determined jointly by the department and the
33 local service providers, shall be reserved until March 15 of each
34 program year for the Energy Crisis Intervention Program. Local
35 service providers shall submit proposed funding levels with
36 supporting data to the department in a timely manner for inclusion
37 in the state plan. The department shall approve local funding
38 requests that are determined to be in compliance with federal law.
39 These funds shall only be used for emergency assistance to eligible

1 individuals for programs specified in this subdivision, who give
2 evidence of one or more of the following conditions:

- 3 (1) Proof of utility shutoff notice.
- 4 (2) Proof of energy termination.
- 5 (3) Insufficient funds to establish a new energy account.
- 6 (4) Insufficient funds to pay a delinquent utility bill.
- 7 (5) Insufficient funds to pay the cost of space heating devices
8 where no alternative source of space heating is reasonably
9 available.
- 10 (6) Insufficient funds to pay for essential firewood, oil, or
11 propane.
- 12 (7) Insufficient funds to pay for the cost of emergency repairs
13 to heating and cooling units, the emergency replacement of heating
14 and cooling units, or both.
- 15 (8) Insufficient funds to pay energy costs for a household where
16 a household member's medical condition requires use of life
17 support or climate and temperature control systems.
- 18 (9) Other conditions that may be included in the state plan.

19 The energy crisis intervention program shall not include
20 advocacy, community mobilization, or community planning. After
21 March 15 of each program year, local administrative agencies shall
22 have the option of continuing to offer energy crisis intervention
23 services or of reallocating a portion of or all unspent energy crisis
24 intervention funds into direct assistance payment services.

25 The department shall allocate 5 percent of the energy crisis
26 intervention program allocation to the local service providers for
27 outreach and related services.

28 The Department of Community Services and Development shall
29 retain all funds associated with Energy Crisis Intervention Program
30 payments for gas and electric utility service, and shall make
31 payments for eligible households' gas or electric service accounts
32 directly to the utilities. The department may use alternative
33 payment methods when direct payments to the utilities have not
34 been arranged.

35 (f) The remainder of the total federal allocation shall be utilized
36 for aid for home energy costs for direct assistance payments. The
37 department shall retain all funds associated with Home Energy
38 Assistance Program direct assistance payments for gas and electric
39 utility service, and shall make payments for eligible households'
40 gas or electric service accounts directly to the utilities. The

1 department may use alternative payment methods when direct
2 payments to the utilities have not been arranged.

3 (g) The Department of Community Services and Development
4 shall contract with local public or private nonprofit agencies, or
5 both, to provide outreach, intake, and other activities to enroll
6 eligible individuals in the program components prescribed by this
7 section.

8 (h) The program components provided for in this section shall
9 include activities to enroll households that have the highest home
10 energy needs as determined by taking into account both the energy
11 burden of these households, and the unique situation of these
12 households that results from having members of vulnerable
13 populations, including very young children, individuals with
14 disabilities, and frail older individuals, as provided for by Section
15 2603(3) of Public Law 97-35, as amended, and to educate recipients
16 about general energy conservation practices and about the
17 availability of state and utility programs for free weatherization
18 of low-income homes.

19 (i) The department shall allocate 5 percent of the direct
20 assistance payment funds to the local service providers for outreach
21 and related services in operating the direct home energy assistance
22 payment program.

23 (j) The department shall establish a local service providers
24 committee to act in an advisory capacity in the development of
25 the annual Low-Income Home Energy Assistance Program state
26 plan. The membership of the committee shall include one voting
27 representative chosen by each local service provider that has a
28 Low-Income Home Energy Assistance Program contract with the
29 state and one representative of each interested utility company.
30 Each local service provider may, at its option, assign its vote in
31 writing to another entity, such as a provider association, to
32 represent its interests.

33 (k) By June 30, 1998, the Department of Community Services
34 and Development shall submit a plan to the ~~Health and Welfare~~
35 ~~Agency~~ *California Health and Human Services Agency* to reduce
36 state administrative costs by January 1, 2000, to no more than 5
37 percent of the total federal allocation for the Low-Income Home
38 Energy Assistance Program. This plan shall be developed in
39 consultation with the local service providers committee and shall
40 include measurable objectives, milestones, and timelines.

1 It shall also include, among other strategies, a plan to automate
2 a substantial portion of the Low-Income Home Energy Assistance
3 Program by no later than January 1, 2001. The department shall
4 consult with the Department of Finance and the Health and Welfare
5 Data Center in developing this automation technology.

6 The Department of Community Services and Development shall
7 provide quarterly status updates to the ~~Health and Welfare Agency~~
8 *California Health and Human Services Agency* and the local
9 service providers committee established pursuant to subdivision
10 (j) on progress made in implementing the plans and achieving the
11 objectives and milestones specified in this subdivision. On an
12 annual basis, from the year 1999 to the year 2001, the department
13 shall appear before the Legislature and provide a status report on
14 its efforts to achieve increased administrative efficiency.

15 SEC. 11. Section 104585 of the Health and Safety Code is
16 amended to read:

17 104585. (a) The department shall assess the availability and
18 adequacy of existing state and local food and nutrition data
19 systems. All state departments and agencies that are required to
20 provide data pursuant to this article are encouraged to participate
21 to the fullest extent possible in all aspects of this program and to
22 make their data available to counties upon request.

23 (b) The state departments from which existing data shall be
24 provided for project purposes shall include the State Departments
25 of ~~Health Services~~ *Public Health*, Aging, Education, and Social
26 Services. Upon request of the department, these departments shall
27 provide existing nutrition-related data collection forms,
28 documentation, and reports, including, but not limited to, the
29 following programs:

30 (1) In the Department of Aging: Congregate Nutrition Services,
31 Home Delivered Nutrition Services, and the Brown Bag Network.

32 (2) In the State Department of Education: National School Lunch
33 Program, the National School Breakfast Program, the Child Care
34 Food Program, the Special Milk Program, the Nutrition Education
35 and Training Program, and the various commodities programs.

36 (3) In the department: Special Supplemental Food Program for
37 Women, Infants and Children (WIC), the Comprehensive Perinatal
38 Care Program, the Genetics Disease Program, the Child Health
39 and Disability Prevention Program, California Children's Services,
40 County Health Services, Primary Health Services Development,

1 Indian Health Program, Medical Care Services (Medi-Cal), Adult
2 Health, and Vital Statistics.

3 (4) In the State Department of Social Services: ~~the Food Stamp~~
4 ~~Program~~ *CalFresh*.

5 (c) The department may require any other state agency,
6 department, board, or commission, with the exception of the
7 University of California, to provide existing nutrition-related data,
8 as described in this article. The department may request the
9 University of California to provide this data in the case of the
10 University of California Cooperative Extension Program, the Home
11 Economics Program, and the Expanded Food and Nutrition
12 Education Program. Additionally, other programs in local
13 government and the private sector, such as local public health and
14 social services departments, food banks, pantries, and meal
15 programs, voluntary health organizations, and charitable social
16 service agencies shall be encouraged to provide available nutrition
17 monitoring information.

18 SEC. 12. Section 104601 of the Health and Safety Code is
19 amended to read:

20 104601. (a) The department, in consultation with the
21 Department of Food and Agriculture, shall develop a “Healthy
22 Food Purchase” pilot program to increase the sale and purchase
23 of fresh fruits and vegetables in low-income communities.

24 (b) The total number of counties included in the pilot program
25 shall not exceed seven.

26 (c) The department, in consultation with the Department of Food
27 and Agriculture, shall design the program to include the following
28 two components:

29 (1) Strategies aimed at small grocers in targeted low-income
30 neighborhoods to increase the offerings of fresh fruits and
31 vegetables in those communities. In selected pilot program
32 communities, the department shall provide targeted food retailers
33 with support or assistance to obtain refrigerated produce display
34 cases through the assessment of the feasibility of a variety of
35 financing methods, including, but not limited to, leasing, lending,
36 small business and economic development support, and other
37 time-limited strategies. The department shall also provide technical
38 assistance to targeted retailers on the purchase, storage, marketing,
39 and display of fresh produce. The department shall use available
40 federal funds for this technical assistance, where appropriate.

1 (2) Strategies aimed at ~~food-stamp~~ *CalFresh* recipients to
2 increase their purchase of fresh fruits and vegetables by making
3 those products more affordable, including the development and
4 implementation of financial incentives. The department, in
5 consultation with the State Department of Social Services, shall
6 seek any necessary federal government approvals to allow use of
7 the ~~Food Stamp~~ *CalFresh* Electronic Benefits Card, as provided
8 in Chapter 3 (commencing with Section 10065) of Part 1 of
9 Division 9 of the Welfare and Institutions Code, to provide those
10 incentives, and to implement the pilot program.

11 (d) In developing the pilot program, the department shall include
12 all of the following:

13 (1) At least one county that is above the ~~food-stamp~~ *CalFresh*
14 average county participation.

15 (2) At least one county that is below the ~~food-stamp~~ *CalFresh*
16 average county participation.

17 (3) At least one county with high above-average rates of poverty,
18 food insecurity, or obesity.

19 (4) At least one urban county.

20 (5) At least one rural county.

21 (e) The department shall consider all of the following in
22 choosing counties to participate in the program:

23 (1) The level of need in the community.

24 (2) The size of the ~~food-stamp~~ *CalFresh* population.

25 (3) The need for geographic diversity.

26 (4) The availability of technology in targeted food retailers to
27 collect the data necessary to evaluate the pilot program.

28 (f) The department shall seek all necessary approvals to establish
29 the pilot program, and shall apply for available federal matching
30 funds to support the work of the pilot program.

31 (g) The department shall develop, in consultation with the United
32 States Department of Agriculture's Economic Research Service,
33 a process for evaluating the effectiveness of the pilot program.
34 The evaluation shall examine the impact of the various strategies
35 employed in the pilot program on the purchase of fresh produce
36 and on any increase in retailer space devoted to the sale of fresh
37 fruits and vegetables, and the effect this has on retailer profitability.
38 The evaluation also shall test alternatives to the reliance on uniform
39 product codes for identification of fresh produce deemed eligible
40 for financial incentives. The department shall contract with an

1 independent external evaluator to conduct this evaluation. The
2 department shall make recommendations to the Legislature
3 regarding the continuation of the pilot program, and any state and
4 federal policy changes needed to support the goals of the pilot
5 program.

6 (h) The department may, on or after July 1, 2009, implement
7 this article to the extent that the Department of Finance determines
8 that there are sufficient funds available for that purpose from any
9 source, including state funds, federal funds, excluding federal
10 block grant funds awarded to California pursuant to the Specialty
11 Crops Competitiveness Act of 2004 (Public Law 108-465), and
12 future awards of block grant funds intended to improve the
13 competitiveness of the specialty crop industry, or funds from grants
14 or private donations.

15 (i) Notwithstanding any other provision of law, no General Fund
16 moneys shall be used to fund the program.

17 (j) This article shall remain in effect only until January 1, 2013,
18 and as of that date is repealed, unless a later enacted statute, that
19 is enacted before January 1, 2013, deletes or extends that date.

20 SEC. 13. Section 123310 of the Health and Safety Code is
21 amended to read:

22 123310. The department, under any program established
23 pursuant to this article, shall authorize retail food vendors, by
24 written agreement, to accept nutrition coupons and reimbursement
25 according to the system developed by the department. The
26 department shall authorize an appropriate number and distribution
27 of food vendors in order to assure adequate participant convenience
28 and access and to assure that state or local officials can effectively
29 manage review of authorized food vendors in their jurisdictions.
30 The department shall establish criteria to limit the number of retail
31 food vendors with which the department enters into agreements.
32 The criteria, at a minimum, shall include:

33 (a) The prices the vendor charges for foods in relation to other
34 vendors in its peer group. For purposes of this subdivision, “peer
35 group” means a group of vendors with similar characteristics that
36 may include, but shall not be limited to, any or all of the following:

- 37 (1) Geographic location of the store.
- 38 (2) Store size.
- 39 (3) Type of store.
- 40 (4) Number of cash registers.

1 (5) Sales volume relating to any program established pursuant
2 to this article.

3 (6) Gross sales volume.

4 (7) Inventory.

5 (8) Other vendor characteristics established by the department.

6 (b) The ability of the department to ensure that authorized
7 supplemental foods will be provided through in-store compliance
8 purchases.

9 (c) The adequacy of the shelf stock of the authorized
10 supplemental foods.

11 (d) Past performance of the vendor in compliance with this
12 article and with ~~the Food Stamp Program~~ *CalFresh*.

13 SEC. 14. Section 123325 of the Health and Safety Code is
14 amended to read:

15 123325. A retail food vendor or any other person who
16 knowingly redeems coupons in excess of the price charged other
17 customers for identical foods, or who provides anything of value
18 other than the specified foods, or who fails to provide inventory
19 records to substantiate purchases for resale of authorized
20 supplemental foods is subject to all sanctions set forth in federal
21 regulation for the Special Supplemental Food Program for Women,
22 Infants, and Children, that is provided for in Section 246 and
23 following of Title 7 of the Code of Federal Regulations. The
24 department may disqualify a food vendor who is currently
25 disqualified from ~~the Food Stamp Program~~ *CalFresh*.

26 SEC. 15. Section 396.5 of the Penal Code is amended to read:

27 396.5. It shall be unlawful for any retail food store or wholesale
28 food concern, as defined in Section 3(k) of the federal ~~Food Stamp~~
29 ~~Act of 1977 and Nutrition Act of 2008~~ (Public Law 95-113) (7
30 U.S.C. Sec. 2012(k)), or any person, to sell, furnish or give away
31 any goods or services, other than those items authorized by the
32 Food Stamp Act of 1964, as amended (Public Law 88-525)
33 (Chapter 51 (commencing with Section 2011) of Title 7 of the
34 United States Code), in exchange for ~~food stamps~~ *CalFresh benefits*
35 issued pursuant to Chapter 10 (commencing with Section 18900),
36 Part 6, Division 9 of the Welfare and Institutions Code.

37 Any violator of this section is guilty of a misdemeanor and shall
38 be punished by a fine of not more than five thousand dollars
39 (\$5,000) or by imprisonment in the county jail not exceeding 90
40 days, or by both that fine and imprisonment.

1 SEC. 16. Section 1203.049 of the Penal Code is amended to
2 read:

3 1203.049. (a) Except in unusual cases where the interest of
4 justice would best be served if the person is granted probation,
5 probation shall not be granted to any person who violates
6 subdivision (f) or (g) of Section 10980 of the Welfare and
7 Institutions Code, when the violation has been committed by means
8 of the electronic transfer of ~~food stamp~~ *CalFresh* benefits, and the
9 amount of the electronically transferred ~~food stamp~~ *CalFresh*
10 benefits exceeds one hundred thousand dollars (\$100,000).

11 (b) The fact that the violation was committed by means of an
12 electronic transfer of ~~food stamp~~ *CalFresh* benefits and the amount
13 of the electronically transferred ~~food stamp~~ *CalFresh* benefits
14 exceeds one hundred thousand dollars (\$100,000) shall be alleged
15 in the accusatory pleading, and either admitted by the defendant
16 in open court, or found to be true by the jury trying the issue of
17 guilt or by the court where guilt is established by a plea of guilty
18 or nolo contendere or by trial by the court sitting without a jury.

19 (c) If probation is granted, the court shall specify on the record
20 and shall enter on the minutes the circumstances indicating that
21 the interests of justice would best be served by that disposition of
22 the case.

23 SEC. 17. Section 6373 of the Revenue and Taxation Code is
24 amended to read:

25 6373. (a) There are exempted from the taxes imposed by this
26 part the gross receipts from the sale of, and the storage, use, or
27 other consumption in this state of tangible personal property the
28 gross receipts of which are received in the form of ~~food stamp~~
29 ~~coupons~~ *CalFresh benefits* acquired by the purchaser pursuant to
30 the ~~Food Stamp Act of 1977 (Public Law 95-113)~~ *federal Food*
31 *and Nutrition Act of 2008 (Chapter 51 (commencing with Section*
32 *2011) of Title 7 of the United States Code)*, including subsequent
33 amendments thereto.

34 (b) When the gross receipts from a sale of tangible personal
35 property are received partly in the form of cash and partly in the
36 form of ~~food stamp coupons~~ *CalFresh benefits*, the amount of the
37 ~~food stamp coupons~~ *CalFresh benefits* shall be attributed first to
38 gross receipts which would have been subject to the taxes imposed
39 by this part if payment were not received in the form of ~~food~~
40 ~~stamps~~ *CalFresh benefits*.

1 (c) A retailer shall not add to the sale price of tangible personal
2 property any amount designated as sales tax, use tax, or sales tax
3 reimbursement when the sale is exempt pursuant to this section.

4 (d) In lieu of separately accounting for gross receipts which are
5 exempt pursuant to this section and taking a deduction on sales
6 tax returns for the exact amount of those gross receipts, the board
7 may provide, for the efficient administration of this part, an
8 alternative method that retailers may use to compute the allowable
9 deduction for the total amount of ~~food stamp coupons~~ *CalFresh*
10 *benefits* redeemed during the period for which the return is filed,
11 provided that method results in a deduction the amount of which
12 is at least equal to 2 percent of the total amount of ~~food stamp~~
13 ~~coupons~~ *CalFresh benefits* redeemed.

14 (e) This section is repealed on the first day of the first calendar
15 month immediately following the effective date of any federal act
16 which repeals those provisions which prohibit ~~any~~ *the* state from
17 participating in the ~~food stamp program~~ *federal Supplemental*
18 *Nutrition Assistance Program* if sales taxes are imposed within
19 ~~that~~ *the* state on purchases made with ~~food stamp coupons~~ *CalFresh*
20 *benefits*.

21 SEC. 18. Section 17053.34 of the Revenue and Taxation Code
22 is amended to read:

23 17053.34. (a) For each taxable year beginning on or after
24 January 1, 1998, there shall be allowed a credit against the “net
25 tax” (as defined in Section 17039) to a qualified taxpayer who
26 employs a qualified employee in a targeted tax area during the
27 taxable year. The credit shall be equal to the sum of each of the
28 following:

29 (1) Fifty percent of qualified wages in the first year of
30 employment.

31 (2) Forty percent of qualified wages in the second year of
32 employment.

33 (3) Thirty percent of qualified wages in the third year of
34 employment.

35 (4) Twenty percent of qualified wages in the fourth year of
36 employment.

37 (5) Ten percent of qualified wages in the fifth year of
38 employment.

39 (b) For purposes of this section:

40 (1) “Qualified wages” means:

1 (A) That portion of wages paid or incurred by the qualified
 2 taxpayer during the taxable year to qualified employees that does
 3 not exceed 150 percent of the minimum wage.

4 (B) Wages received during the 60-month period beginning with
 5 the first day the employee commences employment with the
 6 qualified taxpayer. Reemployment in connection with any increase,
 7 including a regularly occurring seasonal increase, in the trade or
 8 business operations of the qualified taxpayer does not constitute
 9 commencement of employment for purposes of this section.

10 (C) Qualified wages do not include any wages paid or incurred
 11 by the qualified taxpayer on or after the targeted tax area expiration
 12 date. However, wages paid or incurred with respect to qualified
 13 employees who are employed by the qualified taxpayer within the
 14 targeted tax area within the 60-month period prior to the targeted
 15 tax area expiration date shall continue to qualify for the credit
 16 under this section after the targeted tax area expiration date, in
 17 accordance with all provisions of this section applied as if the
 18 targeted tax area designation were still in existence and binding.

19 (2) “Minimum wage” means the wage established by the
 20 Industrial Welfare Commission as provided for in Chapter 1
 21 (commencing with Section 1171) of Part 4 of Division 2 of the
 22 Labor Code.

23 (3) “Targeted tax area expiration date” means the date the
 24 targeted tax area designation expires, is revoked, is no longer
 25 binding, or becomes inoperative.

26 (4) (A) “Qualified employee” means an individual who meets
 27 all of the following requirements:

28 (i) At least 90 percent of his or her services for the qualified
 29 taxpayer during the taxable year are directly related to the conduct
 30 of the qualified taxpayer’s trade or business located in a targeted
 31 tax area.

32 (ii) Performs at least 50 percent of his or her services for the
 33 qualified taxpayer during the taxable year in a targeted tax area.

34 (iii) Is hired by the qualified taxpayer after the date of original
 35 designation of the area in which services were performed as a
 36 targeted tax area.

37 (iv) Is any of the following:

38 (I) Immediately preceding the qualified employee’s
 39 commencement of employment with the qualified taxpayer, was
 40 a person eligible for services under the federal Job Training

1 Partnership Act (29 U.S.C. Sec. 1501 et seq.), or its successor,
2 who is receiving, or is eligible to receive, subsidized employment,
3 training, or services funded by the federal Job Training Partnership
4 Act, or its successor.

5 (II) Immediately preceding the qualified employee's
6 commencement of employment with the qualified taxpayer, was
7 a person eligible to be a voluntary or mandatory registrant under
8 the Greater Avenues for Independence Act of 1985 (GAIN)
9 provided for pursuant to Article 3.2 (commencing with Section
10 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and
11 Institutions Code, or its successor.

12 (III) Immediately preceding the qualified employee's
13 commencement of employment with the qualified taxpayer, was
14 an economically disadvantaged individual 14 years of age or older.

15 (IV) Immediately preceding the qualified employee's
16 commencement of employment with the qualified taxpayer, was
17 a dislocated worker who meets any of the following:

18 (aa) Has been terminated or laid off or who has received a notice
19 of termination or layoff from employment, is eligible for or has
20 exhausted entitlement to unemployment insurance benefits, and
21 is unlikely to return to his or her previous industry or occupation.

22 (bb) Has been terminated or has received a notice of termination
23 of employment as a result of any permanent closure or any
24 substantial layoff at a plant, facility, or enterprise, including an
25 individual who has not received written notification but whose
26 employer has made a public announcement of the closure or layoff.

27 (cc) Is long-term unemployed and has limited opportunities for
28 employment or reemployment in the same or a similar occupation
29 in the area in which the individual resides, including an individual
30 55 years of age or older who may have substantial barriers to
31 employment by reason of age.

32 (dd) Was self-employed (including farmers and ranchers) and
33 is unemployed as a result of general economic conditions in the
34 community in which he or she resides or because of natural
35 disasters.

36 (ee) Was a civilian employee of the Department of Defense
37 employed at a military installation being closed or realigned under
38 the Defense Base Closure and Realignment Act of 1990.

- 1 (ff) Was an active member of the Armed Forces or National
- 2 Guard as of September 30, 1990, and was either involuntarily
- 3 separated or separated pursuant to a special benefits program.
- 4 (gg) Is a seasonal or migrant worker who experiences chronic
- 5 seasonal unemployment and underemployment in the agriculture
- 6 industry, aggravated by continual advancements in technology and
- 7 mechanization.
- 8 (hh) Has been terminated or laid off, or has received a notice
- 9 of termination or layoff, as a consequence of compliance with the
- 10 Clean Air Act.
- 11 (V) Immediately preceding the qualified employee’s
- 12 commencement of employment with the qualified taxpayer, was
- 13 a disabled individual who is eligible for or enrolled in, or has
- 14 completed a state rehabilitation plan or is a service-connected
- 15 disabled veteran, veteran of the Vietnam era, or veteran who is
- 16 recently separated from military service.
- 17 (VI) Immediately preceding the qualified employee’s
- 18 commencement of employment with the qualified taxpayer, was
- 19 an ex-offender. An individual shall be treated as convicted if he
- 20 or she was placed on probation by a state court without a finding
- 21 of guilty.
- 22 (VII) Immediately preceding the qualified employee’s
- 23 commencement of employment with the qualified taxpayer, was
- 24 a person eligible for or a recipient of any of the following:
- 25 (aa) Federal Supplemental Security Income benefits.
- 26 (bb) Aid to Families with Dependent Children.
- 27 ~~(cc) Food stamps.~~
- 28 (cc) *CalFresh* benefits.
- 29 (dd) State and local general assistance.
- 30 (VIII) Immediately preceding the qualified employee’s
- 31 commencement of employment with the qualified taxpayer, was
- 32 a member of a federally recognized Indian tribe, band, or other
- 33 group of Native American descent.
- 34 (IX) Immediately preceding the qualified employee’s
- 35 commencement of employment with the qualified taxpayer, was
- 36 a resident of a targeted tax area.
- 37 (X) Immediately preceding the qualified employee’s
- 38 commencement of employment with the taxpayer, was a member
- 39 of a targeted group as defined in Section 51(d) of the Internal
- 40 Revenue Code, or its successor.

1 (B) Priority for employment shall be provided to an individual
2 who is enrolled in a qualified program under the federal Job
3 Training Partnership Act or the Greater Avenues for Independence
4 Act of 1985 or who is eligible as a member of a targeted group
5 under the Work Opportunity Tax Credit (Section 51 of the Internal
6 Revenue Code), or its successor.

7 (5) (A) “Qualified taxpayer” means a person or entity that meets
8 both of the following:

9 (i) Is engaged in a trade or business within a targeted tax area
10 designated pursuant to Chapter 12.93 (commencing with Section
11 7097) of Division 7 of Title 1 of the Government Code.

12 (ii) Is engaged in those lines of business described in Codes
13 2000 to 2099, inclusive; 2200 to 3999, inclusive; 4200 to 4299,
14 inclusive; 4500 to 4599, inclusive; and 4700 to 5199, inclusive,
15 of the Standard Industrial Classification (SIC) Manual published
16 by the United States Office of Management and Budget, 1987
17 edition.

18 (B) In the case of any passthrough entity, the determination of
19 whether a taxpayer is a qualified taxpayer under this section shall
20 be made at the entity level and any credit under this section or
21 Section 23634 shall be allowed to the passthrough entity and passed
22 through to the partners or shareholders in accordance with
23 applicable provisions of this part or Part 11 (commencing with
24 Section 23001). For purposes of this subdivision, the term
25 “passthrough entity” means any partnership or S corporation.

26 (6) “Seasonal employment” means employment by a qualified
27 taxpayer that has regular and predictable substantial reductions in
28 trade or business operations.

29 (c) If the qualified taxpayer is allowed a credit for qualified
30 wages pursuant to this section, only one credit shall be allowed to
31 the taxpayer under this part with respect to those qualified wages.

32 (d) The qualified taxpayer shall do both of the following:

33 (1) Obtain from the Employment Development Department, as
34 permitted by federal law, the local county or city Job Training
35 Partnership Act administrative entity, the local county GAIN office
36 or social services agency, or the local government administering
37 the targeted tax area, a certification that provides that a qualified
38 employee meets the eligibility requirements specified in clause
39 (iv) of subparagraph (A) of paragraph (4) of subdivision (b). The
40 Employment Development Department may provide preliminary

1 screening and referral to a certifying agency. The Department of
2 Housing and Community Development shall develop regulations
3 governing the issuance of certificates pursuant to subdivision (g)
4 of Section 7097 of the Government Code, and shall develop forms
5 for this purpose.

6 (2) Retain a copy of the certification and provide it upon request
7 to the Franchise Tax Board.

8 (e) (1) For purposes of this section:

9 (A) All employees of trades or businesses, which are not
10 incorporated, that are under common control shall be treated as
11 employed by a single taxpayer.

12 (B) The credit, if any, allowable by this section with respect to
13 each trade or business shall be determined by reference to its
14 proportionate share of the expense of the qualified wages giving
15 rise to the credit, and shall be allocated in that manner.

16 (C) Principles that apply in the case of controlled groups of
17 corporations, as specified in subdivision (d) of Section 23634,
18 shall apply with respect to determining employment.

19 (2) If an employer acquires the major portion of a trade or
20 business of another employer (hereinafter in this paragraph referred
21 to as the “predecessor”) or the major portion of a separate unit of
22 a trade or business of a predecessor, then, for purposes of applying
23 this section (other than subdivision (f)) for any calendar year ending
24 after that acquisition, the employment relationship between a
25 qualified employee and an employer shall not be treated as
26 terminated if the employee continues to be employed in that trade
27 or business.

28 (f) (1) (A) If the employment, other than seasonal employment,
29 of any qualified employee, with respect to whom qualified wages
30 are taken into account under subdivision (a) is terminated by the
31 qualified taxpayer at any time during the first 270 days of that
32 employment (whether or not consecutive) or before the close of
33 the 270th calendar day after the day in which that employee
34 completes 90 days of employment with the qualified taxpayer, the
35 tax imposed by this part for the taxable year in which that
36 employment is terminated shall be increased by an amount equal
37 to the credit allowed under subdivision (a) for that taxable year
38 and all prior taxable years attributable to qualified wages paid or
39 incurred with respect to that employee.

1 (B) If the seasonal employment of any qualified employee, with
2 respect to whom qualified wages are taken into account under
3 subdivision (a) is not continued by the qualified taxpayer for a
4 period of 270 days of employment during the 60-month period
5 beginning with the day the qualified employee commences seasonal
6 employment with the qualified taxpayer, the tax imposed by this
7 part, for the taxable year that includes the 60th month following
8 the month in which the qualified employee commences seasonal
9 employment with the qualified taxpayer, shall be increased by an
10 amount equal to the credit allowed under subdivision (a) for that
11 taxable year and all prior taxable years attributable to qualified
12 wages paid or incurred with respect to that qualified employee.

13 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
14 any of the following:

15 (i) A termination of employment of a qualified employee who
16 voluntarily leaves the employment of the qualified taxpayer.

17 (ii) A termination of employment of a qualified employee who,
18 before the close of the period referred to in subparagraph (A) of
19 paragraph (1), becomes disabled and unable to perform the services
20 of that employment, unless that disability is removed before the
21 close of that period and the qualified taxpayer fails to offer
22 reemployment to that employee.

23 (iii) A termination of employment of a qualified employee, if
24 it is determined that the termination was due to the misconduct (as
25 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
26 the California Code of Regulations) of that employee.

27 (iv) A termination of employment of a qualified employee due
28 to a substantial reduction in the trade or business operations of the
29 qualified taxpayer.

30 (v) A termination of employment of a qualified employee, if
31 that employee is replaced by other qualified employees so as to
32 create a net increase in both the number of employees and the
33 hours of employment.

34 (B) Subparagraph (B) of paragraph (1) shall not apply to any
35 of the following:

36 (i) A failure to continue the seasonal employment of a qualified
37 employee who voluntarily fails to return to the seasonal
38 employment of the qualified taxpayer.

39 (ii) A failure to continue the seasonal employment of a qualified
40 employee who, before the close of the period referred to in

1 subparagraph (B) of paragraph (1), becomes disabled and unable
2 to perform the services of that seasonal employment, unless that
3 disability is removed before the close of that period and the
4 qualified taxpayer fails to offer seasonal employment to that
5 qualified employee.

6 (iii) A failure to continue the seasonal employment of a qualified
7 employee, if it is determined that the failure to continue the
8 seasonal employment was due to the misconduct (as defined in
9 Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California
10 Code of Regulations) of that qualified employee.

11 (iv) A failure to continue seasonal employment of a qualified
12 employee due to a substantial reduction in the regular seasonal
13 trade or business operations of the qualified taxpayer.

14 (v) A failure to continue the seasonal employment of a qualified
15 employee, if that qualified employee is replaced by other qualified
16 employees so as to create a net increase in both the number of
17 seasonal employees and the hours of seasonal employment.

18 (C) For purposes of paragraph (1), the employment relationship
19 between the qualified taxpayer and a qualified employee shall not
20 be treated as terminated by reason of a mere change in the form
21 of conducting the trade or business of the qualified taxpayer, if the
22 qualified employee continues to be employed in that trade or
23 business and the qualified taxpayer retains a substantial interest
24 in that trade or business.

25 (3) Any increase in tax under paragraph (1) shall not be treated
26 as tax imposed by this part for purposes of determining the amount
27 of any credit allowable under this part.

28 (g) In the case of an estate or trust, both of the following apply:

29 (1) The qualified wages for any taxable year shall be apportioned
30 between the estate or trust and the beneficiaries on the basis of the
31 income of the estate or trust allocable to each.

32 (2) Any beneficiary to whom any qualified wages have been
33 apportioned under paragraph (1) shall be treated, for purposes of
34 this part, as the employer with respect to those wages.

35 (h) For purposes of this section, “targeted tax area” means an
36 area designated pursuant to Chapter 12.93 (commencing with
37 Section 7097) of Division 7 of Title 1 of the Government Code.

38 (i) In the case where the credit otherwise allowed under this
39 section exceeds the “net tax” for the taxable year, that portion of
40 the credit that exceeds the “net tax” may be carried over and added

1 to the credit, if any, in succeeding taxable years, until the credit is
2 exhausted. The credit shall be applied first to the earliest taxable
3 years possible.

4 (j) (1) The amount of the credit otherwise allowed under this
5 section and Section 17053.33, including any credit carryover from
6 prior years, that may reduce the “net tax” for the taxable year shall
7 not exceed the amount of tax that would be imposed on the
8 qualified taxpayer’s business income attributable to the targeted
9 tax area determined as if that attributable income represented all
10 of the income of the qualified taxpayer subject to tax under this
11 part.

12 (2) Attributable income shall be that portion of the taxpayer’s
13 California source business income that is apportioned to the
14 targeted tax area. For that purpose, the taxpayer’s business income
15 attributable to sources in this state first shall be determined in
16 accordance with Chapter 17 (commencing with Section 25101) of
17 Part 11. That business income shall be further apportioned to the
18 targeted tax area in accordance with Article 2 (commencing with
19 Section 25120) of Chapter 17 of Part 11, modified for purposes
20 of this section in accordance with paragraph (3).

21 (3) Business income shall be apportioned to the targeted tax
22 area by multiplying the total California business income of the
23 taxpayer by a fraction, the numerator of which is the property
24 factor plus the payroll factor, and the denominator of which is two.
25 For purposes of this paragraph:

26 (A) The property factor is a fraction, the numerator of which is
27 the average value of the taxpayer’s real and tangible personal
28 property owned or rented and used in the targeted tax area during
29 the taxable year, and the denominator of which is the average value
30 of all the taxpayer’s real and tangible personal property owned or
31 rented and used in this state during the taxable year.

32 (B) The payroll factor is a fraction, the numerator of which is
33 the total amount paid by the taxpayer in the targeted tax area during
34 the taxable year for compensation, and the denominator of which
35 is the total compensation paid by the taxpayer in this state during
36 the taxable year.

37 (4) The portion of any credit remaining, if any, after application
38 of this subdivision, shall be carried over to succeeding taxable
39 years, as if it were an amount exceeding the “net tax” for the
40 taxable year, as provided in subdivision (h).

1 (5) In the event that a credit carryover is allowable under
2 subdivision (h) for any taxable year after the targeted tax area
3 expiration date, the targeted tax area shall be deemed to remain in
4 existence for purposes of computing the limitation specified in
5 this subdivision.

6 SEC. 19. Section 17053.46 of the Revenue and Taxation Code
7 is amended to read:

8 17053.46. (a) For each taxable year beginning on or after
9 January 1, 1995, there shall be allowed as a credit against the “net
10 tax” (as defined in Section 17039) to a qualified taxpayer for hiring
11 a qualified disadvantaged individual or a qualified displaced
12 employee during the taxable year for employment in the LAMBRA.
13 The credit shall be equal to the sum of each of the following:

14 (1) Fifty percent of the qualified wages in the first year of
15 employment.

16 (2) Forty percent of the qualified wages in the second year of
17 employment.

18 (3) Thirty percent of the qualified wages in the third year of
19 employment.

20 (4) Twenty percent of the qualified wages in the fourth year of
21 employment.

22 (5) Ten percent of the qualified wages in the fifth year of
23 employment.

24 (b) For purposes of this section:

25 (1) “Qualified wages” means:

26 (A) That portion of wages paid or incurred by the employer
27 during the taxable year to qualified disadvantaged individuals or
28 qualified displaced employees that does not exceed 150 percent
29 of the minimum wage.

30 (B) The total amount of qualified wages which may be taken
31 into account for purposes of claiming the credit allowed under this
32 section shall not exceed two million dollars (\$2,000,000) per
33 taxable year.

34 (C) Wages received during the 60-month period beginning with
35 the first day the individual commences employment with the
36 taxpayer. Reemployment in connection with any increase, including
37 a regularly occurring seasonal increase, in the trade or business
38 operations of the qualified taxpayer does not constitute
39 commencement of employment for purposes of this section.

1 (D) Qualified wages do not include any wages paid or incurred
2 by the qualified taxpayer on or after the LAMBRA expiration date.
3 However, wages paid or incurred with respect to qualified
4 disadvantaged individuals or qualified displaced employees who
5 are employed by the qualified taxpayer within the LAMBRA within
6 the 60-month period prior to the LAMBRA expiration date shall
7 continue to qualify for the credit under this section after the
8 LAMBRA expiration date, in accordance with all provisions of
9 this section applied as if the LAMBRA designation were still in
10 existence and binding.

11 (2) “Minimum wage” means the wage established by the
12 Industrial Welfare Commission as provided for in Chapter 1
13 (commencing with Section 1171) of Part 4 of Division 2 of the
14 Labor Code.

15 (3) “LAMBRA” means a local agency military base recovery
16 area designated in accordance with Section 7114 of the Government
17 Code.

18 (4) “Qualified disadvantaged individual” means an individual
19 who satisfies all of the following requirements:

20 (A) (i) At least 90 percent of whose services for the taxpayer
21 during the taxable year are directly related to the conduct of the
22 taxpayer’s trade or business located in a LAMBRA.

23 (ii) Who performs at least 50 percent of his or her services for
24 the taxpayer during the taxable year in the LAMBRA.

25 (B) Who is hired by the employer after the designation of the
26 area as a LAMBRA in which the individual’s services were
27 primarily performed.

28 (C) Who is any of the following immediately preceding the
29 individual’s commencement of employment with the taxpayer:

30 (i) An individual who has been determined eligible for services
31 under the federal Job Training Partnership Act (29 U.S.C. Sec.
32 1501 et seq.).

33 (ii) Any voluntary or mandatory registrant under the Greater
34 Avenues for Independence Act of 1985 as provided pursuant to
35 Article 3.2 (commencing with Section 11320) of Chapter 2 of Part
36 3 of Division 9 of the Welfare and Institutions Code.

37 (iii) An economically disadvantaged individual age 16 years or
38 older.

39 (iv) A dislocated worker who meets any of the following
40 conditions:

- 1 (I) Has been terminated or laid off or who has received a notice
2 of termination or layoff from employment, is eligible for or has
3 exhausted entitlement to unemployment insurance benefits, and
4 is unlikely to return to his or her previous industry or occupation.
- 5 (II) Has been terminated or has received a notice of termination
6 of employment as a result of any permanent closure or any
7 substantial layoff at a plant, facility, or enterprise, including an
8 individual who has not received written notification but whose
9 employer has made a public announcement of the closure or layoff.
- 10 (III) Is long-term unemployed and has limited opportunities for
11 employment or reemployment in the same or a similar occupation
12 in the area in which the individual resides, including an individual
13 55 years of age or older who may have substantial barriers to
14 employment by reason of age.
- 15 (IV) Was self-employed (including farmers and ranchers) and
16 is unemployed as a result of general economic conditions in the
17 community in which he or she resides or because of natural
18 disasters.
- 19 (V) Was a civilian employee of the Department of Defense
20 employed at a military installation being closed or realigned under
21 the Defense Base Closure and Realignment Act of 1990.
- 22 (VI) Was an active member of the Armed Forces or National
23 Guard as of September 30, 1990, and was either involuntarily
24 separated or separated pursuant to a special benefits program.
- 25 (VII) Experiences chronic seasonal unemployment and
26 underemployment in the agriculture industry, aggravated by
27 continual advancements in technology and mechanization.
- 28 (VIII) Has been terminated or laid off or has received a notice
29 of termination or layoff as a consequence of compliance with the
30 Clean Air Act.
- 31 (v) An individual who is enrolled in or has completed a state
32 rehabilitation plan or is a service-connected disabled veteran,
33 veteran of the Vietnam era, or veteran who is recently separated
34 from military service.
- 35 (vi) An ex-offender. An individual shall be treated as convicted
36 if he or she was placed on probation by a state court without a
37 finding of guilty.
- 38 (vii) A recipient of:
- 39 (I) Federal Supplemental Security Income benefits.
- 40 (II) Aid to Families with Dependent Children.

1 ~~(III) Food stamps.~~

2 ~~(III) CalFresh benefits.~~

3 ~~(IV) State and local general assistance.~~

4 ~~(viii) Is a member of a federally recognized Indian tribe, band,~~
5 ~~or other group of Native American descent.~~

6 (5) “Qualified taxpayer” means a taxpayer or partnership that
7 conducts a trade or business within a LAMBRA and, for the first
8 two taxable years, has a net increase in jobs (defined as 2,000 paid
9 hours per employee per year) of one or more employees in the
10 LAMBRA.

11 (A) The net increase in the number of jobs shall be determined
12 by subtracting the total number of full-time employees (defined
13 as 2,000 paid hours per employee per year) the taxpayer employed
14 in this state in the taxable year prior to commencing business
15 operations in the LAMBRA from the total number of full-time
16 employees the taxpayer employed in this state during the second
17 taxable year after commencing business operations in the
18 LAMBRA. For taxpayers who commence doing business in this
19 state with their LAMBRA business operation, the number of
20 employees for the taxable year prior to commencing business
21 operations in the LAMBRA shall be zero. If the taxpayer has a net
22 increase in jobs in the state, the credit shall be allowed only if one
23 or more full-time employees is employed within the LAMBRA.

24 (B) The total number of employees employed in the LAMBRA
25 shall equal the sum of both of the following:

26 (i) The total number of hours worked in the LAMBRA for the
27 taxpayer by employees (not to exceed 2,000 hours per employee)
28 who are paid an hourly wage divided by 2,000.

29 (ii) The total number of months worked in the LAMBRA for
30 the taxpayer by employees who are salaried employees divided
31 by 12.

32 (C) In the case of a taxpayer who first commences doing
33 business in the LAMBRA during the taxable year, for purposes of
34 clauses (i) and (ii), respectively, of subparagraph (B), the divisors
35 “2,000” and “12” shall be multiplied by a fraction, the numerator
36 of which is the number of months of the taxable year that the
37 taxpayer was doing business in the LAMBRA and the denominator
38 of which is 12.

39 (6) “Qualified displaced employee” means an individual who
40 satisfies all of the following requirements:

1 (A) Any civilian or military employee of a base or former base
2 who has been displaced as a result of a federal base closure act.

3 (B) (i) At least 90 percent of whose services for the taxpayer
4 during the taxable year are directly related to the conduct of the
5 taxpayer's trade or business located in a LAMBRA.

6 (ii) Who performs at least 50 percent of his or her services for
7 the taxpayer during the taxable year in a LAMBRA.

8 (C) Who is hired by the employer after the designation of the
9 area in which services were performed as a LAMBRA.

10 (7) "Seasonal employment" means employment by a qualified
11 taxpayer that has regular and predictable substantial reductions in
12 trade or business operations.

13 (8) "LAMBRA expiration date" means the date the LAMBRA
14 designation expires, is no longer binding, or becomes inoperative.

15 (c) For qualified disadvantaged individuals or qualified displaced
16 employees hired on or after January 1, 2001, the taxpayer shall do
17 both of the following:

18 (1) Obtain from the Employment Development Department, as
19 permitted by federal law, the local county or city Job Training
20 Partnership Act administrative entity, the local county GAIN office
21 or social services agency, or the local government administering
22 the LAMBRA, a certification that provides that a qualified
23 disadvantaged individual or qualified displaced employee meets
24 the eligibility requirements specified in subparagraph (C) of
25 paragraph (4) of subdivision (b) or subparagraph (A) of paragraph
26 (6) of subdivision (b). The Employment Development Department
27 may provide preliminary screening and referral to a certifying
28 agency. The Department of Housing and Community Development
29 shall develop regulations governing the issuance of certificates
30 pursuant to Section 7114.2 of the Government Code and shall
31 develop forms for this purpose.

32 (2) Retain a copy of the certification and provide it upon request
33 to the Franchise Tax Board.

34 (d) (1) For purposes of this section, both of the following apply:

35 (A) All employees of trades or businesses that are under
36 common control shall be treated as employed by a single employer.

37 (B) The credit (if any) allowable by this section with respect to
38 each trade or business shall be determined by reference to its
39 proportionate share of the qualified wages giving rise to the credit.

1 The regulations prescribed under this paragraph shall be based
2 on principles similar to the principles that apply in the case of
3 controlled groups of corporations as specified in subdivision (e)
4 of Section 23622.

5 (2) If an employer acquires the major portion of a trade or
6 business of another employer (hereinafter in this paragraph referred
7 to as the “predecessor”) or the major portion of a separate unit of
8 a trade or business of a predecessor, then, for purposes of applying
9 this section (other than subdivision (d)) for any calendar year
10 ending after that acquisition, the employment relationship between
11 an employee and an employer shall not be treated as terminated if
12 the employee continues to be employed in that trade or business.

13 (e) (1) (A) If the employment, other than seasonal employment,
14 of any employee, with respect to whom qualified wages are taken
15 into account under subdivision (a) is terminated by the taxpayer
16 at any time during the first 270 days of that employment (whether
17 or not consecutive) or before the close of the 270th calendar day
18 after the day in which that employee completes 90 days of
19 employment with the taxpayer, the tax imposed by this part for
20 the taxable year in which that employment is terminated shall be
21 increased by an amount (determined under those regulations) equal
22 to the credit allowed under subdivision (a) for that taxable year
23 and all prior taxable years attributable to qualified wages paid or
24 incurred with respect to that employee.

25 (B) If the seasonal employment of any qualified disadvantaged
26 individual, with respect to whom qualified wages are taken into
27 account under subdivision (a) is not continued by the qualified
28 taxpayer for a period of 270 days of employment during the
29 60-month period beginning with the day the qualified
30 disadvantaged individual commences seasonal employment with
31 the qualified taxpayer, the tax imposed by this part, for the taxable
32 year that includes the 60th month following the month in which
33 the qualified disadvantaged individual commences seasonal
34 employment with the qualified taxpayer, shall be increased by an
35 amount equal to the credit allowed under subdivision (a) for that
36 taxable year and all prior taxable years attributable to qualified
37 wages paid or incurred with respect to that qualified disadvantaged
38 individual.

39 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
40 any of the following:

- 1 (i) A termination of employment of an employee who voluntarily
2 leaves the employment of the taxpayer.
- 3 (ii) A termination of employment of an individual who, before
4 the close of the period referred to in subparagraph (A) of paragraph
5 (1), becomes disabled to perform the services of that employment,
6 unless that disability is removed before the close of that period
7 and the taxpayer fails to offer reemployment to that individual.
- 8 (iii) A termination of employment of an individual, if it is
9 determined that the termination was due to the misconduct (as
10 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
11 the California Code of Regulations) of that individual.
- 12 (iv) A termination of employment of an individual due to a
13 substantial reduction in the trade or business operations of the
14 taxpayer.
- 15 (v) A termination of employment of an individual, if that
16 individual is replaced by other qualified employees so as to create
17 a net increase in both the number of employees and the hours of
18 employment.
- 19 (B) Subparagraph (B) of paragraph (1) shall not apply to any
20 of the following:
 - 21 (i) A failure to continue the seasonal employment of a qualified
22 disadvantaged individual who voluntarily fails to return to the
23 seasonal employment of the qualified taxpayer.
 - 24 (ii) A failure to continue the seasonal employment of a qualified
25 disadvantaged individual who, before the close of the period
26 referred to in subparagraph (B) of paragraph (1), becomes disabled
27 and unable to perform the services of that seasonal employment,
28 unless that disability is removed before the close of that period
29 and the qualified taxpayer fails to offer seasonal employment to
30 that individual.
 - 31 (iii) A failure to continue the seasonal employment of a qualified
32 disadvantaged individual, if it is determined that the failure to
33 continue the seasonal employment was due to the misconduct (as
34 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
35 the California Code of Regulations) of that qualified disadvantaged
36 individual.
 - 37 (iv) A failure to continue seasonal employment of a qualified
38 disadvantaged individual due to a substantial reduction in the
39 regular seasonal trade or business operations of the qualified
40 taxpayer.

1 (v) A failure to continue the seasonal employment of a qualified
2 disadvantaged individual, if that individual is replaced by other
3 qualified displaced employees so as to create a net increase in both
4 the number of seasonal employees and the hours of seasonal
5 employment.

6 (C) For purposes of paragraph (1), the employment relationship
7 between the taxpayer and an employee shall not be treated as
8 terminated by reason of a mere change in the form of conducting
9 the trade or business of the taxpayer, if the employee continues to
10 be employed in that trade or business and the taxpayer retains a
11 substantial interest in that trade or business.

12 (3) Any increase in tax under paragraph (1) shall not be treated
13 as tax imposed by this part for purposes of determining the amount
14 of any credit allowable under this part.

15 (4) At the close of the second taxable year, if the taxpayer has
16 not increased the number of its employees as determined by
17 paragraph (5) of subdivision (b), then the amount of the credit
18 previously claimed shall be added to the taxpayer's net tax for the
19 taxpayer's second taxable year.

20 (f) In the case of an estate or trust, both of the following apply:

21 (1) The qualified wages for any taxable year shall be apportioned
22 between the estate or trust and the beneficiaries on the basis of the
23 income of the estate or trust allocable to each.

24 (2) Any beneficiary to whom any qualified wages have been
25 apportioned under paragraph (1) shall be treated (for purposes of
26 this part) as the employer with respect to those wages.

27 (g) The credit shall be reduced by the credit allowed under
28 Section 17053.7. The credit shall also be reduced by the federal
29 credit allowed under Section 51 of the Internal Revenue Code.

30 In addition, any deduction otherwise allowed under this part for
31 the wages or salaries paid or incurred by the taxpayer upon which
32 the credit is based shall be reduced by the amount of the credit,
33 prior to any reduction required by subdivision (h) or (i).

34 (h) In the case where the credit otherwise allowed under this
35 section exceeds the "net tax" for the taxable year, that portion of
36 the credit that exceeds the "net tax" may be carried over and added
37 to the credit, if any, in succeeding years, until the credit is
38 exhausted. The credit shall be applied first to the earliest taxable
39 years possible.

1 (i) (1) The amount of credit otherwise allowed under this section
2 and Section 17053.45, including prior year credit carryovers, that
3 may reduce the “net tax” for the taxable year shall not exceed the
4 amount of tax that would be imposed on the taxpayer’s business
5 income attributed to a LAMBRA determined as if that attributed
6 income represented all of the net income of the taxpayer subject
7 to tax under this part.

8 (2) Attributable income shall be that portion of the taxpayer’s
9 California source business income that is apportioned to the
10 LAMBRA. For that purpose, the taxpayer’s business income that
11 is attributable to sources in this state first shall be determined in
12 accordance with Chapter 17 (commencing with Section 25101) of
13 Part 11. That business income shall be further apportioned to the
14 LAMBRA in accordance with Article 2 (commencing with Section
15 25120) of Chapter 17 of Part 11, modified for purposes of this
16 section in accordance with paragraph (3).

17 (3) Income shall be apportioned to a LAMBRA by multiplying
18 the total California business income of the taxpayer by a fraction,
19 the numerator of which is the property factor plus the payroll factor,
20 and the denominator of which is two. For purposes of this
21 paragraph:

22 (A) The property factor is a fraction, the numerator of which is
23 the average value of the taxpayer’s real and tangible personal
24 property owned or rented and used in the LAMBRA during the
25 taxable year, and the denominator of which is the average value
26 of all the taxpayer’s real and tangible personal property owned or
27 rented and used in this state during the taxable year.

28 (B) The payroll factor is a fraction, the numerator of which is
29 the total amount paid by the taxpayer in the LAMBRA during the
30 taxable year for compensation, and the denominator of which is
31 the total compensation paid by the taxpayer in this state during the
32 taxable year.

33 (4) The portion of any credit remaining, if any, after application
34 of this subdivision, shall be carried over to succeeding taxable
35 years, as if it were an amount exceeding the “net tax” for the
36 taxable year, as provided in subdivision (h).

37 (j) If the taxpayer is allowed a credit pursuant to this section for
38 qualified wages paid or incurred, only one credit shall be allowed
39 to the taxpayer under this part with respect to any wage consisting
40 in whole or in part of those qualified wages.

1 SEC. 20. Section 17053.74 of the Revenue and Taxation Code
2 is amended to read:

3 17053.74. (a) There shall be allowed a credit against the “net
4 tax” (as defined in Section 17039) to a taxpayer who employs a
5 qualified employee in an enterprise zone during the taxable year.
6 The credit shall be equal to the sum of each of the following:

7 (1) Fifty percent of qualified wages in the first year of
8 employment.

9 (2) Forty percent of qualified wages in the second year of
10 employment.

11 (3) Thirty percent of qualified wages in the third year of
12 employment.

13 (4) Twenty percent of qualified wages in the fourth year of
14 employment.

15 (5) Ten percent of qualified wages in the fifth year of
16 employment.

17 (b) For purposes of this section:

18 (1) “Qualified wages” means:

19 (A) (i) Except as provided in clause (ii), that portion of wages
20 paid or incurred by the taxpayer during the taxable year to qualified
21 employees that does not exceed 150 percent of the minimum wage.

22 (ii) For up to 1,350 qualified employees who are employed by
23 the taxpayer in the Long Beach Enterprise Zone in aircraft
24 manufacturing activities described in Codes 3721 to 3728,
25 inclusive, and Code 3812 of the Standard Industrial Classification
26 (SIC) Manual published by the United States Office of
27 Management and Budget, 1987 edition, “qualified wages” means
28 that portion of hourly wages that does not exceed 202 percent of
29 the minimum wage.

30 (B) Wages received during the 60-month period beginning with
31 the first day the employee commences employment with the
32 taxpayer. Reemployment in connection with any increase, including
33 a regularly occurring seasonal increase, in the trade or business
34 operations of the taxpayer does not constitute commencement of
35 employment for purposes of this section.

36 (C) Qualified wages do not include any wages paid or incurred
37 by the taxpayer on or after the zone expiration date. However,
38 wages paid or incurred with respect to qualified employees who
39 are employed by the taxpayer within the enterprise zone within
40 the 60-month period prior to the zone expiration date shall continue

1 to qualify for the credit under this section after the zone expiration
 2 date, in accordance with all provisions of this section applied as
 3 if the enterprise zone designation were still in existence and
 4 binding.

5 (2) “Minimum wage” means the wage established by the
 6 Industrial Welfare Commission as provided for in Chapter 1
 7 (commencing with Section 1171) of Part 4 of Division 2 of the
 8 Labor Code.

9 (3) “Zone expiration date” means the date the enterprise zone
 10 designation expires, is no longer binding, or becomes inoperative.

11 (4) (A) “Qualified employee” means an individual who meets
 12 all of the following requirements:

13 (i) At least 90 percent of whose services for the taxpayer during
 14 the taxable year are directly related to the conduct of the taxpayer’s
 15 trade or business located in an enterprise zone.

16 (ii) Performs at least 50 percent of his or her services for the
 17 taxpayer during the taxable year in an enterprise zone.

18 (iii) Is hired by the taxpayer after the date of original designation
 19 of the area in which services were performed as an enterprise zone.

20 (iv) Is any of the following:

21 (I) Immediately preceding the qualified employee’s
 22 commencement of employment with the taxpayer, was a person
 23 eligible for services under the federal Job Training Partnership
 24 Act (29 U.S.C. Sec. 1501 et seq.), or its successor, who is receiving,
 25 or is eligible to receive, subsidized employment, training, or
 26 services funded by the federal Job Training Partnership Act, or its
 27 successor.

28 (II) Immediately preceding the qualified employee’s
 29 commencement of employment with the taxpayer, was a person
 30 eligible to be a voluntary or mandatory registrant under the Greater
 31 Avenues for Independence Act of 1985 (GAIN) provided for
 32 pursuant to Article 3.2 (commencing with Section 11320) of
 33 Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions
 34 Code, or its successor.

35 (III) Immediately preceding the qualified employee’s
 36 commencement of employment with the taxpayer, was an
 37 economically disadvantaged individual 14 years of age or older.

38 (IV) Immediately preceding the qualified employee’s
 39 commencement of employment with the taxpayer, was a dislocated
 40 worker who meets any of the following:

1 (aa) Has been terminated or laid off or who has received a notice
2 of termination or layoff from employment, is eligible for or has
3 exhausted entitlement to unemployment insurance benefits, and
4 is unlikely to return to his or her previous industry or occupation.

5 (bb) Has been terminated or has received a notice of termination
6 of employment as a result of any permanent closure or any
7 substantial layoff at a plant, facility, or enterprise, including an
8 individual who has not received written notification but whose
9 employer has made a public announcement of the closure or layoff.

10 (cc) Is long-term unemployed and has limited opportunities for
11 employment or reemployment in the same or a similar occupation
12 in the area in which the individual resides, including an individual
13 55 years of age or older who may have substantial barriers to
14 employment by reason of age.

15 (dd) Was self-employed (including farmers and ranchers) and
16 is unemployed as a result of general economic conditions in the
17 community in which he or she resides or because of natural
18 disasters.

19 (ee) Was a civilian employee of the Department of Defense
20 employed at a military installation being closed or realigned under
21 the Defense Base Closure and Realignment Act of 1990.

22 (ff) Was an active member of the armed forces or National
23 Guard as of September 30, 1990, and was either involuntarily
24 separated or separated pursuant to a special benefits program.

25 (gg) Is a seasonal or migrant worker who experiences chronic
26 seasonal unemployment and underemployment in the agriculture
27 industry, aggravated by continual advancements in technology and
28 mechanization.

29 (hh) Has been terminated or laid off, or has received a notice
30 of termination or layoff, as a consequence of compliance with the
31 Clean Air Act.

32 (V) Immediately preceding the qualified employee's
33 commencement of employment with the taxpayer, was a disabled
34 individual who is eligible for or enrolled in, or has completed a
35 state rehabilitation plan or is a service-connected disabled veteran,
36 veteran of the Vietnam era, or veteran who is recently separated
37 from military service.

38 (VI) Immediately preceding the qualified employee's
39 commencement of employment with the taxpayer, was an
40 ex-offender. An individual shall be treated as convicted if he or

1 she was placed on probation by a state court without a finding of
2 guilt.

3 (VII) Immediately preceding the qualified employee’s
4 commencement of employment with the taxpayer, was a person
5 eligible for or a recipient of any of the following:

- 6 (aa) Federal Supplemental Security Income benefits.
- 7 (bb) Aid to Families with Dependent Children.
- 8 ~~(cc) Food stamps.~~
- 9 (cc) *CalFresh* benefits.
- 10 (dd) State and local general assistance.

11 (VIII) Immediately preceding the qualified employee’s
12 commencement of employment with the taxpayer, was a member
13 of a federally recognized Indian tribe, band, or other group of
14 Native American descent.

15 (IX) Immediately preceding the qualified employee’s
16 commencement of employment with the taxpayer, was a resident
17 of a targeted employment area, as defined in Section 7072 of the
18 Government Code.

19 (X) An employee who qualified the taxpayer for the enterprise
20 zone hiring credit under former Section 17053.8 or the program
21 area hiring credit under former Section 17053.11.

22 (XI) Immediately preceding the qualified employee’s
23 commencement of employment with the taxpayer, was a member
24 of a targeted group, as defined in Section 51(d) of the Internal
25 Revenue Code, or its successor.

26 (B) Priority for employment shall be provided to an individual
27 who is enrolled in a qualified program under the federal Job
28 Training Partnership Act or the Greater Avenues for Independence
29 Act of 1985 or who is eligible as a member of a targeted group
30 under the Work Opportunity Tax Credit (Section 51 of the Internal
31 Revenue Code), or its successor.

32 (5) “Taxpayer” means a person or entity engaged in a trade or
33 business within an enterprise zone designated pursuant to Chapter
34 12.8 (commencing with Section 7070) of the Government Code.

35 (6) “Seasonal employment” means employment by a taxpayer
36 that has regular and predictable substantial reductions in trade or
37 business operations.

38 (c) The taxpayer shall do both of the following:

39 (1) Obtain from the Employment Development Department, as
40 permitted by federal law, the local county or city Job Training

1 Partnership Act administrative entity, the local county GAIN office
2 or social services agency, or the local government administering
3 the enterprise zone, a certification which provides that a qualified
4 employee meets the eligibility requirements specified in clause
5 (iv) of subparagraph (A) of paragraph (4) of subdivision (b). The
6 Employment Development Department may provide preliminary
7 screening and referral to a certifying agency. The Employment
8 Development Department shall develop a form for this purpose.
9 The Department of Housing and Community Development shall
10 develop regulations governing the issuance of certificates by local
11 governments pursuant to subdivision (a) of Section 7086 of the
12 Government Code.

13 (2) Retain a copy of the certification and provide it upon request
14 to the Franchise Tax Board.

15 (d) (1) For purposes of this section:

16 (A) All employees of trades or businesses, which are not
17 incorporated, that are under common control shall be treated as
18 employed by a single taxpayer.

19 (B) The credit, if any, allowable by this section with respect to
20 each trade or business shall be determined by reference to its
21 proportionate share of the expense of the qualified wages giving
22 rise to the credit, and shall be allocated in that manner.

23 (C) Principles that apply in the case of controlled groups of
24 corporations, as specified in subdivision (d) of Section 23622.7,
25 shall apply with respect to determining employment.

26 (2) If an employer acquires the major portion of a trade or
27 business of another employer (hereinafter in this paragraph referred
28 to as the “predecessor”) or the major portion of a separate unit of
29 a trade or business of a predecessor, then, for purposes of applying
30 this section (other than subdivision (e)) for any calendar year
31 ending after that acquisition, the employment relationship between
32 a qualified employee and an employer shall not be treated as
33 terminated if the employee continues to be employed in that trade
34 or business.

35 (e) (1) (A) If the employment, other than seasonal employment,
36 of any qualified employee, with respect to whom qualified wages
37 are taken into account under subdivision (a) is terminated by the
38 taxpayer at any time during the first 270 days of that employment
39 (whether or not consecutive) or before the close of the 270th
40 calendar day after the day in which that employee completes 90

1 days of employment with the taxpayer, the tax imposed by this
2 part for the taxable year in which that employment is terminated
3 shall be increased by an amount equal to the credit allowed under
4 subdivision (a) for that taxable year and all prior taxable years
5 attributable to qualified wages paid or incurred with respect to that
6 employee.

7 (B) If the seasonal employment of any qualified employee, with
8 respect to whom qualified wages are taken into account under
9 subdivision (a) is not continued by the taxpayer for a period of
10 270 days of employment during the 60-month period beginning
11 with the day the qualified employee commences seasonal
12 employment with the taxpayer, the tax imposed by this part, for
13 the taxable year that includes the 60th month following the month
14 in which the qualified employee commences seasonal employment
15 with the taxpayer, shall be increased by an amount equal to the
16 credit allowed under subdivision (a) for that taxable year and all
17 prior taxable years attributable to qualified wages paid or incurred
18 with respect to that qualified employee.

19 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
20 any of the following:

21 (i) A termination of employment of a qualified employee who
22 voluntarily leaves the employment of the taxpayer.

23 (ii) A termination of employment of a qualified employee who,
24 before the close of the period referred to in paragraph (1), becomes
25 disabled and unable to perform the services of that employment,
26 unless that disability is removed before the close of that period
27 and the taxpayer fails to offer reemployment to that employee.

28 (iii) A termination of employment of a qualified employee, if
29 it is determined that the termination was due to the misconduct (as
30 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
31 the California Code of Regulations) of that employee.

32 (iv) A termination of employment of a qualified employee due
33 to a substantial reduction in the trade or business operations of the
34 taxpayer.

35 (v) A termination of employment of a qualified employee, if
36 that employee is replaced by other qualified employees so as to
37 create a net increase in both the number of employees and the
38 hours of employment.

39 (B) Subparagraph (B) of paragraph (1) shall not apply to any
40 of the following:

1 (i) A failure to continue the seasonal employment of a qualified
2 employee who voluntarily fails to return to the seasonal
3 employment of the taxpayer.

4 (ii) A failure to continue the seasonal employment of a qualified
5 employee who, before the close of the period referred to in
6 subparagraph (B) of paragraph (1), becomes disabled and unable
7 to perform the services of that seasonal employment, unless that
8 disability is removed before the close of that period and the
9 taxpayer fails to offer seasonal employment to that qualified
10 employee.

11 (iii) A failure to continue the seasonal employment of a qualified
12 employee, if it is determined that the failure to continue the
13 seasonal employment was due to the misconduct (as defined in
14 Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California
15 Code of Regulations) of that qualified employee.

16 (iv) A failure to continue seasonal employment of a qualified
17 employee due to a substantial reduction in the regular seasonal
18 trade or business operations of the taxpayer.

19 (v) A failure to continue the seasonal employment of a qualified
20 employee, if that qualified employee is replaced by other qualified
21 employees so as to create a net increase in both the number of
22 seasonal employees and the hours of seasonal employment.

23 (C) For purposes of paragraph (1), the employment relationship
24 between the taxpayer and a qualified employee shall not be treated
25 as terminated by reason of a mere change in the form of conducting
26 the trade or business of the taxpayer, if the qualified employee
27 continues to be employed in that trade or business and the taxpayer
28 retains a substantial interest in that trade or business.

29 (3) Any increase in tax under paragraph (1) shall not be treated
30 as tax imposed by this part for purposes of determining the amount
31 of any credit allowable under this part.

32 (f) In the case of an estate or trust, both of the following apply:

33 (1) The qualified wages for any taxable year shall be apportioned
34 between the estate or trust and the beneficiaries on the basis of the
35 income of the estate or trust allocable to each.

36 (2) Any beneficiary to whom any qualified wages have been
37 apportioned under paragraph (1) shall be treated, for purposes of
38 this part, as the employer with respect to those wages.

39 (g) For purposes of this section, “enterprise zone” means an
40 area designated as an enterprise zone pursuant to Chapter 12.8

1 (commencing with Section 7070) of Division 7 of Title 1 of the
 2 Government Code.

3 (h) The credit allowable under this section shall be reduced by
 4 the credit allowed under Sections 17053.10, 17053.17 and 17053.46
 5 claimed for the same employee. The credit shall also be reduced
 6 by the federal credit allowed under Section 51 of the Internal
 7 Revenue Code.

8 In addition, any deduction otherwise allowed under this part for
 9 the wages or salaries paid or incurred by the taxpayer upon which
 10 the credit is based shall be reduced by the amount of the credit,
 11 prior to any reduction required by subdivision (i) or (j).

12 (i) In the case where the credit otherwise allowed under this
 13 section exceeds the “net tax” for the taxable year, that portion of
 14 the credit that exceeds the “net tax” may be carried over and added
 15 to the credit, if any, in succeeding taxable years, until the credit is
 16 exhausted. The credit shall be applied first to the earliest taxable
 17 years possible.

18 (j) (1) The amount of the credit otherwise allowed under this
 19 section and Section 17053.70, including any credit carryover from
 20 prior years, that may reduce the “net tax” for the taxable year shall
 21 not exceed the amount of tax which would be imposed on the
 22 taxpayer’s business income attributable to the enterprise zone
 23 determined as if that attributable income represented all of the
 24 income of the taxpayer subject to tax under this part.

25 (2) Attributable income shall be that portion of the taxpayer’s
 26 California source business income that is apportioned to the
 27 enterprise zone. For that purpose, the taxpayer’s business income
 28 attributable to sources in this state first shall be determined in
 29 accordance with Chapter 17 (commencing with Section 25101) of
 30 Part 11. That business income shall be further apportioned to the
 31 enterprise zone in accordance with Article 2 (commencing with
 32 Section 25120) of Chapter 17 of Part 11, modified for purposes
 33 of this section in accordance with paragraph (3).

34 (3) Business income shall be apportioned to the enterprise zone
 35 by multiplying the total California business income of the taxpayer
 36 by a fraction, the numerator of which is the property factor plus
 37 the payroll factor, and the denominator of which is two. For
 38 purposes of this paragraph:

39 (A) The property factor is a fraction, the numerator of which is
 40 the average value of the taxpayer’s real and tangible personal

1 property owned or rented and used in the enterprise zone during
2 the taxable year, and the denominator of which is the average value
3 of all the taxpayer's real and tangible personal property owned or
4 rented and used in this state during the taxable year.

5 (B) The payroll factor is a fraction, the numerator of which is
6 the total amount paid by the taxpayer in the enterprise zone during
7 the taxable year for compensation, and the denominator of which
8 is the total compensation paid by the taxpayer in this state during
9 the taxable year.

10 (4) The portion of any credit remaining, if any, after application
11 of this subdivision, shall be carried over to succeeding taxable
12 years, as if it were an amount exceeding the "net tax" for the
13 taxable year, as provided in subdivision (i).

14 (k) The changes made to this section by the act adding this
15 subdivision shall apply to taxable years beginning on or after
16 January 1, 1997.

17 SEC. 21. Section 23622.7 of the Revenue and Taxation Code
18 is amended to read:

19 23622.7. (a) There shall be allowed a credit against the "tax"
20 (as defined by Section 23036) to a taxpayer who employs a
21 qualified employee in an enterprise zone during the taxable year.
22 The credit shall be equal to the sum of each of the following:

23 (1) Fifty percent of qualified wages in the first year of
24 employment.

25 (2) Forty percent of qualified wages in the second year of
26 employment.

27 (3) Thirty percent of qualified wages in the third year of
28 employment.

29 (4) Twenty percent of qualified wages in the fourth year of
30 employment.

31 (5) Ten percent of qualified wages in the fifth year of
32 employment.

33 (b) For purposes of this section:

34 (1) "Qualified wages" means:

35 (A) (i) Except as provided in clause (ii), that portion of wages
36 paid or incurred by the taxpayer during the taxable year to qualified
37 employees that does not exceed 150 percent of the minimum wage.

38 (ii) For up to 1,350 qualified employees who are employed by
39 the taxpayer in the Long Beach Enterprise Zone in aircraft
40 manufacturing activities described in Codes 3721 to 3728,

1 inclusive, and Code 3812 of the Standard Industrial Classification
2 (SIC) Manual published by the United States Office of
3 Management and Budget, 1987 edition, “qualified wages” means
4 that portion of hourly wages that does not exceed 202 percent of
5 the minimum wage.

6 (B) Wages received during the 60-month period beginning with
7 the first day the employee commences employment with the
8 taxpayer. Reemployment in connection with any increase, including
9 a regularly occurring seasonal increase, in the trade or business
10 operations of the taxpayer does not constitute commencement of
11 employment for purposes of this section.

12 (C) Qualified wages do not include any wages paid or incurred
13 by the taxpayer on or after the zone expiration date. However,
14 wages paid or incurred with respect to qualified employees who
15 are employed by the taxpayer within the enterprise zone within
16 the 60-month period prior to the zone expiration date shall continue
17 to qualify for the credit under this section after the zone expiration
18 date, in accordance with all provisions of this section applied as
19 if the enterprise zone designation were still in existence and
20 binding.

21 (2) “Minimum wage” means the wage established by the
22 Industrial Welfare Commission as provided for in Chapter 1
23 (commencing with Section 1171) of Part 4 of Division 2 of the
24 Labor Code.

25 (3) “Zone expiration date” means the date the enterprise zone
26 designation expires, is no longer binding, or becomes inoperative.

27 (4) (A) “Qualified employee” means an individual who meets
28 all of the following requirements:

29 (i) At least 90 percent of whose services for the taxpayer during
30 the taxable year are directly related to the conduct of the taxpayer’s
31 trade or business located in an enterprise zone.

32 (ii) Performs at least 50 percent of his or her services for the
33 taxpayer during the taxable year in an enterprise zone.

34 (iii) Is hired by the taxpayer after the date of original designation
35 of the area in which services were performed as an enterprise zone.

36 (iv) Is any of the following:

37 (I) Immediately preceding the qualified employee’s
38 commencement of employment with the taxpayer, was a person
39 eligible for services under the federal Job Training Partnership
40 Act (29 U.S.C. Sec. 1501 et seq.), or its successor, who is receiving,

1 or is eligible to receive, subsidized employment, training, or
2 services funded by the federal Job Training Partnership Act, or its
3 successor.

4 (II) Immediately preceding the qualified employee's
5 commencement of employment with the taxpayer, was a person
6 eligible to be a voluntary or mandatory registrant under the Greater
7 Avenues for Independence Act of 1985 (GAIN) provided for
8 pursuant to Article 3.2 (commencing with Section 11320) of
9 Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions
10 Code, or its successor.

11 (III) Immediately preceding the qualified employee's
12 commencement of employment with the taxpayer, was an
13 economically disadvantaged individual 14 years of age or older.

14 (IV) Immediately preceding the qualified employee's
15 commencement of employment with the taxpayer, was a dislocated
16 worker who meets any of the following:

17 (aa) Has been terminated or laid off or who has received a notice
18 of termination or layoff from employment, is eligible for or has
19 exhausted entitlement to unemployment insurance benefits, and
20 is unlikely to return to his or her previous industry or occupation.

21 (bb) Has been terminated or has received a notice of termination
22 of employment as a result of any permanent closure or any
23 substantial layoff at a plant, facility, or enterprise, including an
24 individual who has not received written notification but whose
25 employer has made a public announcement of the closure or layoff.

26 (cc) Is long-term unemployed and has limited opportunities for
27 employment or reemployment in the same or a similar occupation
28 in the area in which the individual resides, including an individual
29 55 years of age or older who may have substantial barriers to
30 employment by reason of age.

31 (dd) Was self-employed (including farmers and ranchers) and
32 is unemployed as a result of general economic conditions in the
33 community in which he or she resides or because of natural
34 disasters.

35 (ee) Was a civilian employee of the Department of Defense
36 employed at a military installation being closed or realigned under
37 the Defense Base Closure and Realignment Act of 1990.

38 (ff) Was an active member of the armed forces or National
39 Guard as of September 30, 1990, and was either involuntarily
40 separated or separated pursuant to a special benefits program.

- 1 (gg) Is a seasonal or migrant worker who experiences chronic
2 seasonal unemployment and underemployment in the agriculture
3 industry, aggravated by continual advancements in technology and
4 mechanization.
- 5 (hh) Has been terminated or laid off, or has received a notice
6 of termination or layoff, as a consequence of compliance with the
7 Clean Air Act.
- 8 (V) Immediately preceding the qualified employee's
9 commencement of employment with the taxpayer, was a disabled
10 individual who is eligible for or enrolled in, or has completed a
11 state rehabilitation plan or is a service-connected disabled veteran,
12 veteran of the Vietnam era, or veteran who is recently separated
13 from military service.
- 14 (VI) Immediately preceding the qualified employee's
15 commencement of employment with the taxpayer, was an
16 ex-offender. An individual shall be treated as convicted if he or
17 she was placed on probation by a state court without a finding of
18 guilt.
- 19 (VII) Immediately preceding the qualified employee's
20 commencement of employment with the taxpayer, was a person
21 eligible for or a recipient of any of the following:
 - 22 (aa) Federal Supplemental Security Income benefits.
 - 23 (bb) Aid to Families with Dependent Children.
 - 24 ~~(cc) Food stamps.~~
 - 25 (cc) *CalFresh* benefits.
 - 26 (dd) State and local general assistance.
- 27 (VIII) Immediately preceding the qualified employee's
28 commencement of employment with the taxpayer, was a member
29 of a federally recognized Indian tribe, band, or other group of
30 Native American descent.
- 31 (IX) Immediately preceding the qualified employee's
32 commencement of employment with the taxpayer, was a resident
33 of a targeted employment area (as defined in Section 7072 of the
34 Government Code).
- 35 (X) An employee who qualified the taxpayer for the enterprise
36 zone hiring credit under former Section 23622 or the program area
37 hiring credit under former Section 23623.
- 38 (XI) Immediately preceding the qualified employee's
39 commencement of employment with the taxpayer, was a member

1 of a targeted group, as defined in Section 51(d) of the Internal
2 Revenue Code, or its successor.

3 (B) Priority for employment shall be provided to an individual
4 who is enrolled in a qualified program under the federal Job
5 Training Partnership Act or the Greater Avenues for Independence
6 Act of 1985 or who is eligible as a member of a targeted group
7 under the Work Opportunity Tax Credit (Section 51 of the Internal
8 Revenue Code), or its successor.

9 (5) “Taxpayer” means a corporation engaged in a trade or
10 business within an enterprise zone designated pursuant to Chapter
11 12.8 (commencing with Section 7070) of Division 7 of Title 1 of
12 the Government Code.

13 (6) “Seasonal employment” means employment by a taxpayer
14 that has regular and predictable substantial reductions in trade or
15 business operations.

16 (c) The taxpayer shall do both of the following:

17 (1) Obtain from the Employment Development Department, as
18 permitted by federal law, the local county or city Job Training
19 Partnership Act administrative entity, the local county GAIN office
20 or social services agency, or the local government administering
21 the enterprise zone, a certification that provides that a qualified
22 employee meets the eligibility requirements specified in clause
23 (iv) of subparagraph (A) of paragraph (4) of subdivision (b). The
24 Employment Development Department may provide preliminary
25 screening and referral to a certifying agency. The Employment
26 Development Department shall develop a form for this purpose.
27 The Department of Housing and Community Development shall
28 develop regulations governing the issuance of certificates by local
29 governments pursuant to subdivision (a) of Section 7086 of the
30 Government Code.

31 (2) Retain a copy of the certification and provide it upon request
32 to the Franchise Tax Board.

33 (d) (1) For purposes of this section:

34 (A) All employees of all corporations which are members of
35 the same controlled group of corporations shall be treated as
36 employed by a single taxpayer.

37 (B) The credit, if any, allowable by this section to each member
38 shall be determined by reference to its proportionate share of the
39 expense of the qualified wages giving rise to the credit, and shall
40 be allocated in that manner.

1 (C) For purposes of this subdivision, “controlled group of
 2 corporations” means “controlled group of corporations” as defined
 3 in Section 1563(a) of the Internal Revenue Code, except that:

4 (i) “More than 50 percent” shall be substituted for “at least 80
 5 percent” each place it appears in Section 1563(a)(1) of the Internal
 6 Revenue Code.

7 (ii) The determination shall be made without regard to
 8 subsections (a)(4) and (e)(3)(C) of Section 1563 of the Internal
 9 Revenue Code.

10 (2) If an employer acquires the major portion of a trade or
 11 business of another employer (hereinafter in this paragraph referred
 12 to as the “predecessor”) or the major portion of a separate unit of
 13 a trade or business of a predecessor, then, for purposes of applying
 14 this section (other than subdivision (e)) for any calendar year
 15 ending after that acquisition, the employment relationship between
 16 a qualified employee and an employer shall not be treated as
 17 terminated if the employee continues to be employed in that trade
 18 or business.

19 (e) (1) (A) If the employment, other than seasonal employment,
 20 of any qualified employee with respect to whom qualified wages
 21 are taken into account under subdivision (a) is terminated by the
 22 taxpayer at any time during the first 270 days of that employment,
 23 whether or not consecutive, or before the close of the 270th
 24 calendar day after the day in which that employee completes 90
 25 days of employment with the taxpayer, the tax imposed by this
 26 part for the taxable year in which that employment is terminated
 27 shall be increased by an amount equal to the credit allowed under
 28 subdivision (a) for that taxable year and all prior taxable years
 29 attributable to qualified wages paid or incurred with respect to that
 30 employee.

31 (B) If the seasonal employment of any qualified employee, with
 32 respect to whom qualified wages are taken into account under
 33 subdivision (a) is not continued by the taxpayer for a period of
 34 270 days of employment during the 60-month period beginning
 35 with the day the qualified employee commences seasonal
 36 employment with the taxpayer, the tax imposed by this part, for
 37 the taxable year that includes the 60th month following the month
 38 in which the qualified employee commences seasonal employment
 39 with the taxpayer, shall be increased by an amount equal to the
 40 credit allowed under subdivision (a) for that taxable year and all

1 prior taxable years attributable to qualified wages paid or incurred
2 with respect to that qualified employee.

3 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
4 any of the following:

5 (i) A termination of employment of a qualified employee who
6 voluntarily leaves the employment of the taxpayer.

7 (ii) A termination of employment of a qualified employee who,
8 before the close of the period referred to in subparagraph (A) of
9 paragraph (1), becomes disabled and unable to perform the services
10 of that employment, unless that disability is removed before the
11 close of that period and the taxpayer fails to offer reemployment
12 to that employee.

13 (iii) A termination of employment of a qualified employee, if
14 it is determined that the termination was due to the misconduct (as
15 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
16 the California Code of Regulations) of that employee.

17 (iv) A termination of employment of a qualified employee due
18 to a substantial reduction in the trade or business operations of the
19 taxpayer.

20 (v) A termination of employment of a qualified employee, if
21 that employee is replaced by other qualified employees so as to
22 create a net increase in both the number of employees and the
23 hours of employment.

24 (B) Subparagraph (B) of paragraph (1) shall not apply to any
25 of the following:

26 (i) A failure to continue the seasonal employment of a qualified
27 employee who voluntarily fails to return to the seasonal
28 employment of the taxpayer.

29 (ii) A failure to continue the seasonal employment of a qualified
30 employee who, before the close of the period referred to in
31 subparagraph (B) of paragraph (1), becomes disabled and unable
32 to perform the services of that seasonal employment, unless that
33 disability is removed before the close of that period and the
34 taxpayer fails to offer seasonal employment to that qualified
35 employee.

36 (iii) A failure to continue the seasonal employment of a qualified
37 employee, if it is determined that the failure to continue the
38 seasonal employment was due to the misconduct (as defined in
39 Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California
40 Code of Regulations) of that qualified employee.

1 (iv) A failure to continue seasonal employment of a qualified
2 employee due to a substantial reduction in the regular seasonal
3 trade or business operations of the taxpayer.

4 (v) A failure to continue the seasonal employment of a qualified
5 employee, if that qualified employee is replaced by other qualified
6 employees so as to create a net increase in both the number of
7 seasonal employees and the hours of seasonal employment.

8 (C) For purposes of paragraph (1), the employment relationship
9 between the taxpayer and a qualified employee shall not be treated
10 as terminated by either of the following:

11 (i) By a transaction to which Section 381(a) of the Internal
12 Revenue Code applies, if the qualified employee continues to be
13 employed by the acquiring corporation.

14 (ii) By reason of a mere change in the form of conducting the
15 trade or business of the taxpayer, if the qualified employee
16 continues to be employed in that trade or business and the taxpayer
17 retains a substantial interest in that trade or business.

18 (3) Any increase in tax under paragraph (1) shall not be treated
19 as tax imposed by this part for purposes of determining the amount
20 of any credit allowable under this part.

21 (f) Rules similar to the rules provided in Section 46(e) and (h)
22 of the Internal Revenue Code shall apply to both of the following:

23 (1) An organization to which Section 593 of the Internal
24 Revenue Code applies.

25 (2) A regulated investment company or a real estate investment
26 trust subject to taxation under this part.

27 (g) For purposes of this section, “enterprise zone” means an
28 area designated as an enterprise zone pursuant to Chapter 12.8
29 (commencing with Section 7070) of Division 7 of Title 1 of the
30 Government Code.

31 (h) The credit allowable under this section shall be reduced by
32 the credit allowed under Sections 23623.5, 23625, and 23646
33 claimed for the same employee. The credit shall also be reduced
34 by the federal credit allowed under Section 51 of the Internal
35 Revenue Code.

36 In addition, any deduction otherwise allowed under this part for
37 the wages or salaries paid or incurred by the taxpayer upon which
38 the credit is based shall be reduced by the amount of the credit,
39 prior to any reduction required by subdivision (i) or (j).

1 (i) In the case where the credit otherwise allowed under this
2 section exceeds the “tax” for the taxable year, that portion of the
3 credit that exceeds the “tax” may be carried over and added to the
4 credit, if any, in succeeding taxable years, until the credit is
5 exhausted. The credit shall be applied first to the earliest taxable
6 years possible.

7 (j) (1) The amount of the credit otherwise allowed under this
8 section and Section 23612.2, including any credit carryover from
9 prior years, that may reduce the “tax” for the taxable year shall
10 not exceed the amount of tax which would be imposed on the
11 taxpayer’s business income attributable to the enterprise zone
12 determined as if that attributable income represented all of the
13 income of the taxpayer subject to tax under this part.

14 (2) Attributable income shall be that portion of the taxpayer’s
15 California source business income that is apportioned to the
16 enterprise zone. For that purpose, the taxpayer’s business
17 attributable to sources in this state first shall be determined in
18 accordance with Chapter 17 (commencing with Section 25101).
19 That business income shall be further apportioned to the enterprise
20 zone in accordance with Article 2 (commencing with Section
21 25120) of Chapter 17, modified for purposes of this section in
22 accordance with paragraph (3).

23 (3) Business income shall be apportioned to the enterprise zone
24 by multiplying the total California business income of the taxpayer
25 by a fraction, the numerator of which is the property factor plus
26 the payroll factor, and the denominator of which is two. For
27 purposes of this paragraph:

28 (A) The property factor is a fraction, the numerator of which is
29 the average value of the taxpayer’s real and tangible personal
30 property owned or rented and used in the enterprise zone during
31 the income year, and the denominator of which is the average value
32 of all the taxpayer’s real and tangible personal property owned or
33 rented and used in this state during the income year.

34 (B) The payroll factor is a fraction, the numerator of which is
35 the total amount paid by the taxpayer in the enterprise zone during
36 the income year for compensation, and the denominator of which
37 is the total compensation paid by the taxpayer in this state during
38 the income year.

39 (4) The portion of any credit remaining, if any, after application
40 of this subdivision, shall be carried over to succeeding taxable

1 years, as if it were an amount exceeding the “tax” for the taxable
2 year, as provided in subdivision (i).

3 (k) The changes made to this section by the act adding this
4 subdivision shall apply to taxable years on or after January 1, 1997.

5 SEC. 22. Section 23634 of the Revenue and Taxation Code is
6 amended to read:

7 23634. (a) For each taxable year beginning on or after January
8 1, 1998, there shall be allowed a credit against the “tax” (as defined
9 by Section 23036) to a qualified taxpayer who employs a qualified
10 employee in a targeted tax area during the taxable year. The credit
11 shall be equal to the sum of each of the following:

12 (1) Fifty percent of qualified wages in the first year of
13 employment.

14 (2) Forty percent of qualified wages in the second year of
15 employment.

16 (3) Thirty percent of qualified wages in the third year of
17 employment.

18 (4) Twenty percent of qualified wages in the fourth year of
19 employment.

20 (5) Ten percent of qualified wages in the fifth year of
21 employment.

22 (b) For purposes of this section:

23 (1) “Qualified wages” means:

24 (A) That portion of wages paid or incurred by the qualified
25 taxpayer during the taxable year to qualified employees that does
26 not exceed 150 percent of the minimum wage.

27 (B) Wages received during the 60-month period beginning with
28 the first day the employee commences employment with the
29 qualified taxpayer. Reemployment in connection with any increase,
30 including a regularly occurring seasonal increase, in the trade or
31 business operations of the qualified taxpayer does not constitute
32 commencement of employment for purposes of this section.

33 (C) Qualified wages do not include any wages paid or incurred
34 by the qualified taxpayer on or after the targeted tax area expiration
35 date. However, wages paid or incurred with respect to qualified
36 employees who are employed by the qualified taxpayer within the
37 targeted tax area within the 60-month period prior to the targeted
38 tax area expiration date shall continue to qualify for the credit
39 under this section after the targeted tax area expiration date, in

1 accordance with all provisions of this section applied as if the
2 targeted tax area designation were still in existence and binding.

3 (2) “Minimum wage” means the wage established by the
4 Industrial Welfare Commission as provided for in Chapter 1
5 (commencing with Section 1171) of Part 4 of Division 2 of the
6 Labor Code.

7 (3) “Targeted tax area expiration date” means the date the
8 targeted tax area designation expires, is revoked, is no longer
9 binding, or becomes inoperative.

10 (4) (A) “Qualified employee” means an individual who meets
11 all of the following requirements:

12 (i) At least 90 percent of his or her services for the qualified
13 taxpayer during the taxable year are directly related to the conduct
14 of the qualified taxpayer’s trade or business located in a targeted
15 tax area.

16 (ii) Performs at least 50 percent of his or her services for the
17 qualified taxpayer during the taxable year in a targeted tax area.

18 (iii) Is hired by the qualified taxpayer after the date of original
19 designation of the area in which services were performed as a
20 targeted tax area.

21 (iv) Is any of the following:

22 (I) Immediately preceding the qualified employee’s
23 commencement of employment with the qualified taxpayer, was
24 a person eligible for services under the federal Job Training
25 Partnership Act (29 U.S.C. Sec. 1501 et seq.), or its successor,
26 who is receiving, or is eligible to receive, subsidized employment,
27 training, or services funded by the federal Job Training Partnership
28 Act, or its successor.

29 (II) Immediately preceding the qualified employee’s
30 commencement of employment with the qualified taxpayer, was
31 a person eligible to be a voluntary or mandatory registrant under
32 the Greater Avenues for Independence Act of 1985 (GAIN)
33 provided for pursuant to Article 3.2 (commencing with Section
34 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and
35 Institutions Code, or its successor.

36 (III) Immediately preceding the qualified employee’s
37 commencement of employment with the qualified taxpayer, was
38 an economically disadvantaged individual 14 years of age or older.

1 (IV) Immediately preceding the qualified employee's
2 commencement of employment with the qualified taxpayer, was
3 a dislocated worker who meets any of the following:
4 (aa) Has been terminated or laid off or who has received a notice
5 of termination or layoff from employment, is eligible for or has
6 exhausted entitlement to unemployment insurance benefits, and
7 is unlikely to return to his or her previous industry or occupation.
8 (bb) Has been terminated or has received a notice of termination
9 of employment as a result of any permanent closure or any
10 substantial layoff at a plant, facility, or enterprise, including an
11 individual who has not received written notification but whose
12 employer has made a public announcement of the closure or layoff.
13 (cc) Is long-term unemployed and has limited opportunities for
14 employment or reemployment in the same or a similar occupation
15 in the area in which the individual resides, including an individual
16 55 years of age or older who may have substantial barriers to
17 employment by reason of age.
18 (dd) Was self-employed (including farmers and ranchers) and
19 is unemployed as a result of general economic conditions in the
20 community in which he or she resides or because of natural
21 disasters.
22 (ee) Was a civilian employee of the Department of Defense
23 employed at a military installation being closed or realigned under
24 the Defense Base Closure and Realignment Act of 1990.
25 (ff) Was an active member of the Armed Forces or National
26 Guard as of September 30, 1990, and was either involuntarily
27 separated or separated pursuant to a special benefits program.
28 (gg) Is a seasonal or migrant worker who experiences chronic
29 seasonal unemployment and underemployment in the agriculture
30 industry, aggravated by continual advancements in technology and
31 mechanization.
32 (hh) Has been terminated or laid off, or has received a notice
33 of termination or layoff, as a consequence of compliance with the
34 Clean Air Act.
35 (V) Immediately preceding the qualified employee's
36 commencement of employment with the qualified taxpayer, was
37 a disabled individual who is eligible for or enrolled in, or has
38 completed a state rehabilitation plan or is a service-connected
39 disabled veteran, veteran of the Vietnam era, or veteran who is
40 recently separated from military service.

1 (VI) Immediately preceding the qualified employee's
2 commencement of employment with the qualified taxpayer, was
3 an ex-offender. An individual shall be treated as convicted if he
4 or she was placed on probation by a state court without a finding
5 of guilt.

6 (VII) Immediately preceding the qualified employee's
7 commencement of employment with the qualified taxpayer, was
8 a person eligible for or a recipient of any of the following:

9 (aa) Federal Supplemental Security Income benefits.

10 (bb) Aid to Families with Dependent Children.

11 ~~(cc) Food stamps.~~

12 (cc) *CalFresh* benefits.

13 (dd) State and local general assistance.

14 (VIII) Immediately preceding the qualified employee's
15 commencement of employment with the qualified taxpayer, was
16 a member of a federally recognized Indian tribe, band, or other
17 group of Native American descent.

18 (IX) Immediately preceding the qualified employee's
19 commencement of employment with the qualified taxpayer, was
20 a resident of a targeted tax area.

21 (X) Immediately preceding the qualified employee's
22 commencement of employment with the taxpayer, was a member
23 of a targeted group, as defined in Section 51(d) of the Internal
24 Revenue Code, or its successor.

25 (B) Priority for employment shall be provided to an individual
26 who is enrolled in a qualified program under the federal Job
27 Training Partnership Act or the Greater Avenues for Independence
28 Act of 1985 or who is eligible as a member of a targeted group
29 under the Work Opportunity Tax Credit (Section 51 of the Internal
30 Revenue Code), or its successor.

31 (5) (A) "Qualified taxpayer" means a person or entity that meets
32 both of the following:

33 (i) Is engaged in a trade or business within a targeted tax area
34 designated pursuant to Chapter 12.93 (commencing with Section
35 7097) of Division 7 of Title 1 of the Government Code.

36 (ii) Is engaged in those lines of business described in Codes
37 2000 to 2099, inclusive; 2200 to 3999, inclusive; 4200 to 4299,
38 inclusive; 4500 to 4599, inclusive; and 4700 to 5199, inclusive,
39 of the Standard Industrial Classification (SIC) Manual published

1 by the United States Office of Management and Budget, 1987
 2 edition.

3 (B) In the case of any passthrough entity, the determination of
 4 whether a taxpayer is a qualified taxpayer under this section shall
 5 be made at the entity level and any credit under this section or
 6 Section 17053.34 shall be allowed to the passthrough entity and
 7 passed through to the partners or shareholders in accordance with
 8 applicable provisions of this part or Part 10 (commencing with
 9 Section 17001). For purposes of this subparagraph, the term
 10 “passthrough entity” means any partnership or S corporation.

11 (6) “Seasonal employment” means employment by a qualified
 12 taxpayer that has regular and predictable substantial reductions in
 13 trade or business operations.

14 (c) If the qualified taxpayer is allowed a credit for qualified
 15 wages pursuant to this section, only one credit shall be allowed to
 16 the taxpayer under this part with respect to those qualified wages.

17 (d) The qualified taxpayer shall do both of the following:

18 (1) Obtain from the Employment Development Department, as
 19 permitted by federal law, the local county or city Job Training
 20 Partnership Act administrative entity, the local county GAIN office
 21 or social services agency, or the local government administering
 22 the targeted tax area, a certification that provides that a qualified
 23 employee meets the eligibility requirements specified in clause
 24 (iv) of subparagraph (A) of paragraph (4) of subdivision (b). The
 25 Employment Development Department may provide preliminary
 26 screening and referral to a certifying agency. The Department of
 27 Housing and Community Development shall develop regulations
 28 for the issuance of certificates pursuant to subdivision (g) of
 29 Section 7097 of the Government Code, and shall develop forms
 30 for this purpose.

31 (2) Retain a copy of the certification and provide it upon request
 32 to the Franchise Tax Board.

33 (e) (1) For purposes of this section:

34 (A) All employees of all corporations that are members of the
 35 same controlled group of corporations shall be treated as employed
 36 by a single taxpayer.

37 (B) The credit, if any, allowable by this section to each member
 38 shall be determined by reference to its proportionate share of the
 39 expense of the qualified wages giving rise to the credit, and shall
 40 be allocated in that manner.

1 (C) For purposes of this subdivision, “controlled group of
2 corporations” means “controlled group of corporations” as defined
3 in Section 1563(a) of the Internal Revenue Code, except that:

4 (i) “More than 50 percent” shall be substituted for “at least 80
5 percent” each place it appears in Section 1563(a)(1) of the Internal
6 Revenue Code.

7 (ii) The determination shall be made without regard to
8 subsections (a)(4) and (e)(3)(C) of Section 1563 of the Internal
9 Revenue Code.

10 (2) If an employer acquires the major portion of a trade or
11 business of another employer (hereinafter in this paragraph referred
12 to as the “predecessor”) or the major portion of a separate unit of
13 a trade or business of a predecessor, then, for purposes of applying
14 this section (other than subdivision (f)) for any calendar year ending
15 after that acquisition, the employment relationship between a
16 qualified employee and an employer shall not be treated as
17 terminated if the employee continues to be employed in that trade
18 or business.

19 (f) (1) (A) If the employment, other than seasonal employment,
20 of any qualified employee with respect to whom qualified wages
21 are taken into account under subdivision (a) is terminated by the
22 qualified taxpayer at any time during the first 270 days of that
23 employment (whether or not consecutive) or before the close of
24 the 270th calendar day after the day in which that employee
25 completes 90 days of employment with the qualified taxpayer, the
26 tax imposed by this part for the taxable year in which that
27 employment is terminated shall be increased by an amount equal
28 to the credit allowed under subdivision (a) for that taxable year
29 and all prior taxable years attributable to qualified wages paid or
30 incurred with respect to that employee.

31 (B) If the seasonal employment of any qualified employee, with
32 respect to whom qualified wages are taken into account under
33 subdivision (a) is not continued by the qualified taxpayer for a
34 period of 270 days of employment during the 60-month period
35 beginning with the day the qualified employee commences seasonal
36 employment with the qualified taxpayer, the tax imposed by this
37 part, for the taxable year that includes the 60th month following
38 the month in which the qualified employee commences seasonal
39 employment with the qualified taxpayer, shall be increased by an
40 amount equal to the credit allowed under subdivision (a) for that

1 taxable year and all prior taxable years attributable to qualified
2 wages paid or incurred with respect to that qualified employee.

3 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
4 any of the following:

5 (i) A termination of employment of a qualified employee who
6 voluntarily leaves the employment of the qualified taxpayer.

7 (ii) A termination of employment of a qualified employee who,
8 before the close of the period referred to in subparagraph (A) of
9 paragraph (1), becomes disabled and unable to perform the services
10 of that employment, unless that disability is removed before the
11 close of that period and the qualified taxpayer fails to offer
12 reemployment to that employee.

13 (iii) A termination of employment of a qualified employee, if
14 it is determined that the termination was due to the misconduct (as
15 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
16 the California Code of Regulations) of that employee.

17 (iv) A termination of employment of a qualified employee due
18 to a substantial reduction in the trade or business operations of the
19 taxpayer.

20 (v) A termination of employment of a qualified employee, if
21 that employee is replaced by other qualified employees so as to
22 create a net increase in both the number of employees and the
23 hours of employment.

24 (B) Subparagraph (B) of paragraph (1) shall not apply to any
25 of the following:

26 (i) A failure to continue the seasonal employment of a qualified
27 employee who voluntarily fails to return to the seasonal
28 employment of the qualified taxpayer.

29 (ii) A failure to continue the seasonal employment of a qualified
30 employee who, before the close of the period referred to in
31 subparagraph (B) of paragraph (1), becomes disabled and unable
32 to perform the services of that seasonal employment, unless that
33 disability is removed before the close of that period and the
34 qualified taxpayer fails to offer seasonal employment to that
35 qualified employee.

36 (iii) A failure to continue the seasonal employment of a qualified
37 employee, if it is determined that the failure to continue the
38 seasonal employment was due to the misconduct (as defined in
39 Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California
40 Code of Regulations) of that qualified employee.

1 (iv) A failure to continue seasonal employment of a qualified
2 employee due to a substantial reduction in the regular seasonal
3 trade or business operations of the qualified taxpayer.

4 (v) A failure to continue the seasonal employment of a qualified
5 employee, if that qualified employee is replaced by other qualified
6 employees so as to create a net increase in both the number of
7 seasonal employees and the hours of seasonal employment.

8 (C) For purposes of paragraph (1), the employment relationship
9 between the qualified taxpayer and a qualified employee shall not
10 be treated as terminated by either of the following:

11 (i) By a transaction to which Section 381(a) of the Internal
12 Revenue Code applies, if the qualified employee continues to be
13 employed by the acquiring corporation.

14 (ii) By reason of a mere change in the form of conducting the
15 trade or business of the qualified taxpayer, if the qualified
16 employee continues to be employed in that trade or business and
17 the qualified taxpayer retains a substantial interest in that trade or
18 business.

19 (3) Any increase in tax under paragraph (1) shall not be treated
20 as tax imposed by this part for purposes of determining the amount
21 of any credit allowable under this part.

22 (g) Rules similar to the rules provided in Sections 46(e) and (h)
23 of the Internal Revenue Code shall apply to both of the following:

24 (1) An organization to which Section 593 of the Internal
25 Revenue Code applies.

26 (2) A regulated investment company or a real estate investment
27 trust subject to taxation under this part.

28 (h) For purposes of this section, “targeted tax area” means an
29 area designated pursuant to Chapter 12.93 (commencing with
30 Section 7097) of Division 7 of Title 1 of the Government Code.

31 (i) In the case where the credit otherwise allowed under this
32 section exceeds the “tax” for the taxable year, that portion of the
33 credit that exceeds the “tax” may be carried over and added to the
34 credit, if any, in succeeding taxable years, until the credit is
35 exhausted. The credit shall be applied first to the earliest taxable
36 years possible.

37 (j) (1) The amount of the credit otherwise allowed under this
38 section and Section 23633, including any credit carryover from
39 prior years, that may reduce the “tax” for the taxable year shall
40 not exceed the amount of tax that would be imposed on the

1 qualified taxpayer’s business income attributable to the targeted
 2 tax area determined as if that attributable income represented all
 3 of the income of the qualified taxpayer subject to tax under this
 4 part.

5 (2) Attributable income shall be that portion of the taxpayer’s
 6 California source business income that is apportioned to the
 7 targeted tax area. For that purpose, the taxpayer’s business income
 8 attributable to sources in this state first shall be determined in
 9 accordance with Chapter 17 (commencing with Section 25101).
 10 That business income shall be further apportioned to the targeted
 11 tax area in accordance with Article 2 (commencing with Section
 12 25120) of Chapter 17, modified for purposes of this section in
 13 accordance with paragraph (3).

14 (3) Business income shall be apportioned to the targeted tax
 15 area by multiplying the total California business income of the
 16 taxpayer by a fraction, the numerator of which is the property
 17 factor plus the payroll factor, and the denominator of which is two.
 18 For purposes of this paragraph:

19 (A) The property factor is a fraction, the numerator of which is
 20 the average value of the taxpayer’s real and tangible personal
 21 property owned or rented and used in the targeted tax area during
 22 the taxable year, and the denominator of which is the average value
 23 of all the taxpayer’s real and tangible personal property owned or
 24 rented and used in this state during the taxable year.

25 (B) The payroll factor is a fraction, the numerator of which is
 26 the total amount paid by the taxpayer in the targeted tax area during
 27 the taxable year for compensation, and the denominator of which
 28 is the total compensation paid by the taxpayer in this state during
 29 the taxable year.

30 (4) The portion of any credit remaining, if any, after application
 31 of this subdivision, shall be carried over to succeeding taxable
 32 years, as if it were an amount exceeding the “tax” for the taxable
 33 year, as provided in subdivision (h).

34 (5) In the event that a credit carryover is allowable under
 35 subdivision (h) for any taxable year after the targeted tax area
 36 designation has expired or been revoked, the targeted tax area shall
 37 be deemed to remain in existence for purposes of computing the
 38 limitation specified in this subdivision.

39 SEC. 23. Section 23646 of the Revenue and Taxation Code is
 40 amended to read:

1 23646. (a) For each taxable year beginning on or after January
2 1, 1995, there shall be allowed as a credit against the “tax” (as
3 defined in Section 23036) to a qualified taxpayer for hiring a
4 qualified disadvantaged individual or a qualified displaced
5 employee during the taxable year for employment in the LAMBRA.
6 The credit shall be equal to the sum of each of the following:

7 (1) Fifty percent of the qualified wages in the first year of
8 employment.

9 (2) Forty percent of the qualified wages in the second year of
10 employment.

11 (3) Thirty percent of the qualified wages in the third year of
12 employment.

13 (4) Twenty percent of the qualified wages in the fourth year of
14 employment.

15 (5) Ten percent of the qualified wages in the fifth year of
16 employment.

17 (b) For purposes of this section:

18 (1) “Qualified wages” means:

19 (A) That portion of wages paid or incurred by the employer
20 during the taxable year to qualified disadvantaged individuals or
21 qualified displaced employees that does not exceed 150 percent
22 of the minimum wage.

23 (B) The total amount of qualified wages which may be taken
24 into account for purposes of claiming the credit allowed under this
25 section shall not exceed two million dollars (\$2,000,000) per
26 taxable year.

27 (C) Wages received during the 60-month period beginning with
28 the first day the individual commences employment with the
29 taxpayer. Reemployment in connection with any increase, including
30 a regularly occurring seasonal increase, in the trade or business
31 operation of the qualified taxpayer does not constitute
32 commencement of employment for purposes of this section.

33 (D) Qualified wages do not include any wages paid or incurred
34 by the qualified taxpayer on or after the LAMBRA expiration date.
35 However, wages paid or incurred with respect to qualified
36 disadvantaged individuals or qualified displaced employees who
37 are employed by the qualified taxpayer within the LAMBRA within
38 the 60-month period prior to the LAMBRA expiration date shall
39 continue to qualify for the credit under this section after the
40 LAMBRA expiration date, in accordance with all provisions of

1 this section applied as if the LAMBRA designation were still in
2 existence and binding.

3 (2) “Minimum wage” means the wage established by the
4 Industrial Welfare Commission as provided for in Chapter 1
5 (commencing with Section 1171) of Part 4 of Division 2 of the
6 Labor Code.

7 (3) “LAMBRA” means a local agency military base recovery
8 area designated in accordance with the provisions of Section 7114
9 of the Government Code.

10 (4) “Qualified disadvantaged individual” means an individual
11 who satisfies all of the following requirements:

12 (A) (i) At least 90 percent of whose services for the taxpayer
13 during the taxable year are directly related to the conduct of the
14 taxpayer’s trade or business located in a LAMBRA.

15 (ii) Who performs at least 50 percent of his or her services for
16 the taxpayer during the taxable year in the LAMBRA.

17 (B) Who is hired by the employer after the designation of the
18 area as a LAMBRA in which the individual’s services were
19 primarily performed.

20 (C) Who is any of the following immediately preceding the
21 individual’s commencement of employment with the taxpayer:

22 (i) An individual who has been determined eligible for services
23 under the federal Job Training Partnership Act (29 U.S.C. Sec.
24 1501 et seq.), or its successor.

25 (ii) Any voluntary or mandatory registrant under the Greater
26 Avenues for Independence Act of 1985 provided for pursuant to
27 Article 3.2 (commencing with Section 11320) of Chapter 2 of Part
28 3 of Division 9 of the Welfare and Institutions Code.

29 (iii) An economically disadvantaged individual age 16 years or
30 older.

31 (iv) A dislocated worker who meets any of the following
32 conditions:

33 (I) Has been terminated or laid off or who has received a notice
34 of termination or layoff from employment, is eligible for or has
35 exhausted entitlement to unemployment insurance benefits, and
36 is unlikely to return to his or her previous industry or occupation.

37 (II) Has been terminated or has received a notice of termination
38 of employment as a result of any permanent closure or any
39 substantial layoff at a plant, facility, or enterprise, including an

1 individual who has not received written notification but whose
2 employer has made a public announcement of the closure or layoff.

3 (III) Is long-term unemployed and has limited opportunities for
4 employment or reemployment in the same or a similar occupation
5 in the area in which the individual resides, including an individual
6 55 years of age or older who may have substantial barriers to
7 employment by reason of age.

8 (IV) Was self-employed (including farmers and ranchers) and
9 is unemployed as a result of general economic conditions in the
10 community in which he or she resides or because of natural
11 disasters.

12 (V) Was a civilian employee of the Department of Defense
13 employed at a military installation being closed or realigned under
14 the Defense Base Closure and Realignment Act of 1990.

15 (VI) Was an active member of the Armed Forces or National
16 Guard as of September 30, 1990, and was either involuntarily
17 separated or separated pursuant to a special benefits program.

18 (VII) Experiences chronic seasonal unemployment and
19 underemployment in the agriculture industry, aggravated by
20 continual advancements in technology and mechanization.

21 (VIII) Has been terminated or laid off or has received a notice
22 of termination or layoff as a consequence of compliance with the
23 Clean Air Act.

24 (v) An individual who is enrolled in or has completed a state
25 rehabilitation plan or is a service-connected disabled veteran,
26 veteran of the Vietnam era, or veteran who is recently separated
27 from military service.

28 (vi) An ex-offender. An individual shall be treated as convicted
29 if he or she was placed on probation by a state court without a
30 finding of guilty.

31 (vii) A recipient of:

32 (I) Federal Supplemental Security Income benefits.

33 (II) Aid to Families with Dependent Children.

34 ~~(III) Food stamps.~~

35 *(III) CalFresh benefits.*

36 (IV) State and local general assistance.

37 (viii) Is a member of a federally recognized Indian tribe, band,
38 or other group of Native American descent.

39 (5) “Qualified taxpayer” means a corporation that conducts a
40 trade or business within a LAMBRA and, for the first two taxable

1 years, has a net increase in jobs (defined as 2,000 paid hours per
2 employee per year) of one or more employees as determined below
3 in the LAMBRA.

4 (A) The net increase in the number of jobs shall be determined
5 by subtracting the total number of full-time employees (defined
6 as 2,000 paid hours per employee per year) the taxpayer employed
7 in this state in the taxable year prior to commencing business
8 operations in the LAMBRA from the total number of full-time
9 employees the taxpayer employed in this state during the second
10 taxable year after commencing business operations in the
11 LAMBRA. For taxpayers who commence doing business in this
12 state with their LAMBRA business operation, the number of
13 employees for the taxable year prior to commencing business
14 operations in the LAMBRA shall be zero. If the taxpayer has a net
15 increase in jobs in the state, the credit shall be allowed only if one
16 or more full-time employees is employed within the LAMBRA.

17 (B) The total number of employees employed in the LAMBRA
18 shall equal the sum of both of the following:

19 (i) The total number of hours worked in the LAMBRA for the
20 taxpayer by employees (not to exceed 2,000 hours per employee)
21 who are paid an hourly wage divided by 2,000.

22 (ii) The total number of months worked in the LAMBRA for
23 the taxpayer by employees who are salaried employees divided
24 by 12.

25 (C) In the case of a qualified taxpayer that first commences
26 doing business in the LAMBRA during the taxable year, for
27 purposes of clauses (i) and (ii), respectively, of subparagraph (B)
28 the divisors “2,000” and “12” shall be multiplied by a fraction, the
29 numerator of which is the number of months of the taxable year
30 that the taxpayer was doing business in the LAMBRA and the
31 denominator of which is 12.

32 (6) “Qualified displaced employee” means an individual who
33 satisfies all of the following requirements:

34 (A) Any civilian or military employee of a base or former base
35 that has been displaced as a result of a federal base closure act.

36 (B) (i) At least 90 percent of whose services for the taxpayer
37 during the taxable year are directly related to the conduct of the
38 taxpayer’s trade or business located in a LAMBRA.

39 (ii) Who performs at least 50 percent of his or her services for
40 the taxpayer during the taxable year in a LAMBRA.

1 (C) Who is hired by the employer after the designation of the
2 area in which services were performed as a LAMBRA.

3 (7) “Seasonal employment” means employment by a qualified
4 taxpayer that has regular and predictable substantial reductions in
5 trade or business operations.

6 (8) “LAMBRA expiration date” means the date the LAMBRA
7 designation expires, is no longer binding, or becomes inoperative.

8 (c) For qualified disadvantaged individuals or qualified displaced
9 employees hired on or after January 1, 2001, the taxpayer shall do
10 both of the following:

11 (1) Obtain from the Employment Development Department, as
12 permitted by federal law, the administrative entity of the local
13 county or city for the federal Job Training Partnership Act, or its
14 successor, the local county GAIN office or social services agency,
15 or the local government administering the LAMBRA, a
16 certification that provides that a qualified disadvantaged individual
17 or qualified displaced employee meets the eligibility requirements
18 specified in subparagraph (C) of paragraph (4) of subdivision (b)
19 or subparagraph (A) of paragraph (6) of subdivision (b). The
20 Employment Development Department may provide preliminary
21 screening and referral to a certifying agency. The Department of
22 Housing and Community Development shall develop regulations
23 governing the issuance of certificates pursuant to Section 7114.2
24 of the Government Code and shall develop forms for this purpose.

25 (2) Retain a copy of the certification and provide it upon request
26 to the Franchise Tax Board.

27 (d) (1) For purposes of this section, both of the following apply:

28 (A) All employees of all corporations that are members of the
29 same controlled group of corporations shall be treated as employed
30 by a single employer.

31 (B) The credit (if any) allowable by this section to each member
32 shall be determined by reference to its proportionate share of the
33 qualified wages giving rise to the credit.

34 (2) For purposes of this subdivision, “controlled group of
35 corporations” has the meaning given to that term by Section
36 1563(a) of the Internal Revenue Code, except that both of the
37 following apply:

38 (A) “More than 50 percent” shall be substituted for “at least 80
39 percent” each place it appears in Section 1563(a)(1) of the Internal
40 Revenue Code.

1 (B) The determination shall be made without regard to Section
2 1563(a)(4) and Section 1563(e)(3)(C) of the Internal Revenue
3 Code.

4 (3) If an employer acquires the major portion of a trade or
5 business of another employer (hereinafter in this paragraph referred
6 to as the “predecessor”) or the major portion of a separate unit of
7 a trade or business of a predecessor, then, for purposes of applying
8 this section (other than subdivision (e)) for any calendar year
9 ending after that acquisition, the employment relationship between
10 an employee and an employer shall not be treated as terminated if
11 the employee continues to be employed in that trade or business.

12 (e) (1) (A) If the employment of any employee, other than
13 seasonal employment, with respect to whom qualified wages are
14 taken into account under subdivision (a) is terminated by the
15 taxpayer at any time during the first 270 days of that employment
16 (whether or not consecutive) or before the close of the 270th
17 calendar day after the day in which that employee completes 90
18 days of employment with the taxpayer, the tax imposed by this
19 part for the taxable year in which that employment is terminated
20 shall be increased by an amount equal to the credit allowed under
21 subdivision (a) for that taxable year and all prior income years
22 attributable to qualified wages paid or incurred with respect to that
23 employee.

24 (B) If the seasonal employment of any qualified disadvantaged
25 individual, with respect to whom qualified wages are taken into
26 account under subdivision (a) is not continued by the qualified
27 taxpayer for a period of 270 days of employment during the
28 60-month period beginning with the day the qualified
29 disadvantaged individual commences seasonal employment with
30 the qualified taxpayer, the tax imposed by this part, for the taxable
31 year that includes the 60th month following the month in which
32 the qualified disadvantaged individual commences seasonal
33 employment with the qualified taxpayer, shall be increased by an
34 amount equal to the credit allowed under subdivision (a) for that
35 taxable year and all prior taxable years attributable to qualified
36 wages paid or incurred with respect to that qualified disadvantaged
37 individual.

38 (2) (A) Subparagraph (A) of paragraph (1) shall not apply to
39 any of the following:

1 (i) A termination of employment of an employee who voluntarily
2 leaves the employment of the taxpayer.

3 (ii) A termination of employment of an individual who, before
4 the close of the period referred to in paragraph (1), becomes
5 disabled to perform the services of that employment, unless that
6 disability is removed before the close of that period and the
7 taxpayer fails to offer reemployment to that individual.

8 (iii) A termination of employment of an individual, if it is
9 determined that the termination was due to the misconduct (as
10 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
11 the California Code of Regulations) of that individual.

12 (iv) A termination of employment of an individual due to a
13 substantial reduction in the trade or business operations of the
14 taxpayer.

15 (v) A termination of employment of an individual, if that
16 individual is replaced by other qualified employees so as to create
17 a net increase in both the number of employees and the hours of
18 employment.

19 (B) Subparagraph (B) of paragraph (1) shall not apply to any
20 of the following:

21 (i) A failure to continue the seasonal employment of a qualified
22 disadvantaged individual who voluntarily fails to return to the
23 seasonal employment of the qualified taxpayer.

24 (ii) A failure to continue the seasonal employment of a qualified
25 disadvantaged individual who, before the close of the period
26 referred to in subparagraph (B) of paragraph (1), becomes disabled
27 and unable to perform the services of that seasonal employment,
28 unless that disability is removed before the close of that period
29 and the qualified taxpayer fails to offer seasonal employment to
30 that qualified disadvantaged individual.

31 (iii) A failure to continue the seasonal employment of a qualified
32 disadvantaged individual, if it is determined that the failure to
33 continue the seasonal employment was due to the misconduct (as
34 defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of
35 the California Code of Regulations) of that individual.

36 (iv) A failure to continue seasonal employment of a qualified
37 disadvantaged individual due to a substantial reduction in the
38 regular seasonal trade or business operations of the qualified
39 taxpayer.

1 (v) A failure to continue the seasonal employment of a qualified
2 disadvantaged individual, if that individual is replaced by other
3 qualified disadvantaged individuals so as to create a net increase
4 in both the number of seasonal employees and the hours of seasonal
5 employment.

6 (C) For purposes of paragraph (1), the employment relationship
7 between the taxpayer and an employee shall not be treated as
8 terminated by either of the following:

9 (i) A transaction to which Section 381(a) of the Internal Revenue
10 Code applies, if the employee continues to be employed by the
11 acquiring corporation.

12 (ii) A mere change in the form of conducting the trade or
13 business of the taxpayer, if the employee continues to be employed
14 in that trade or business and the taxpayer retains a substantial
15 interest in that trade or business.

16 (3) Any increase in tax under paragraph (1) shall not be treated
17 as tax imposed by this part for purposes of determining the amount
18 of any credit allowable under this part.

19 (4) At the close of the second taxable year, if the taxpayer has
20 not increased the number of its employees as determined by
21 paragraph (5) of subdivision (b), then the amount of the credit
22 previously claimed shall be added to the taxpayer's tax for the
23 taxpayer's second taxable year.

24 (f) In the case of an organization to which Section 593 of the
25 Internal Revenue Code applies, and a regulated investment
26 company or a real estate investment trust subject to taxation under
27 this part, rules similar to the rules provided in Section 46(e) and
28 Section 46(h) of the Internal Revenue Code shall apply.

29 (g) The credit shall be reduced by the credit allowed under
30 Section 23621. The credit shall also be reduced by the federal
31 credit allowed under Section 51 of the Internal Revenue Code.

32 In addition, any deduction otherwise allowed under this part for
33 the wages or salaries paid or incurred by the taxpayer upon which
34 the credit is based shall be reduced by the amount of the credit,
35 prior to any reduction required by subdivision (h) or (i).

36 (h) In the case where the credit otherwise allowed under this
37 section exceeds the "tax" for the taxable year, that portion of the
38 credit that exceeds the "tax" may be carried over and added to the
39 credit, if any, in succeeding years, until the credit is exhausted.

1 The credit shall be applied first to the earliest taxable years
2 possible.

3 (i) (1) The amount of credit otherwise allowed under this section
4 and Section 23645, including any prior year carryovers, that may
5 reduce the “tax” for the taxable year shall not exceed the amount
6 of tax that would be imposed on the taxpayer’s business income
7 attributed to a LAMBRA determined as if that attributed income
8 represented all of the income of the taxpayer subject to tax under
9 this part.

10 (2) Attributable income shall be that portion of the taxpayer’s
11 California source business income that is apportioned to the
12 LAMBRA. For that purpose, the taxpayer’s business income that
13 is attributable to sources in this state first shall be determined in
14 accordance with Chapter 17 (commencing with Section 25101).
15 That business income shall be further apportioned to the LAMBRA
16 in accordance with Article 2 (commencing with Section 25120)
17 of Chapter 17, modified for purposes of this section in accordance
18 with paragraph (3).

19 (3) Income shall be apportioned to a LAMBRA by multiplying
20 the total California business income of the taxpayer by a fraction,
21 the numerator of which is the property factor plus the payroll factor,
22 and the denominator of which is two. For purposes of this
23 paragraph:

24 (A) The property factor is a fraction, the numerator of which is
25 the average value of the taxpayer’s real and tangible personal
26 property owned or rented and used in the LAMBRA during the
27 taxable year, and the denominator of which is the average value
28 of all the taxpayer’s real and tangible personal property owned or
29 rented and used in this state during the taxable year.

30 (B) The payroll factor is a fraction, the numerator of which is
31 the total amount paid by the taxpayer in the LAMBRA during the
32 taxable year for compensation, and the denominator of which is
33 the total compensation paid by the taxpayer in this state during the
34 taxable year.

35 (4) The portion of any credit remaining, if any, after application
36 of this subdivision, shall be carried over to succeeding taxable
37 years, as if it were an amount exceeding the “tax” for the taxable
38 year, as provided in subdivision (h).

39 (j) If the taxpayer is allowed a credit pursuant to this section for
40 qualified wages paid or incurred, only one credit shall be allowed

1 to the taxpayer under this part with respect to any wage consisting
2 in whole or in part of those qualified wages.

3 SEC. 24. Section 9802 of the Unemployment Insurance Code
4 is amended to read:

5 9802. Programs shall provide, at a minimum, all of the
6 following services:

7 (a) (1) Acquisition, rehabilitation, acquisition and rehabilitation,
8 or construction of housing and related facilities to be used for the
9 purpose of providing homeownership for disadvantaged persons,
10 residential housing for homeless individuals and very low income
11 families, or transitional housing for persons who are homeless, ill,
12 deinstitutionalized, or who have disabilities or special needs.

13 (2) Rehabilitation or construction of community facilities owned
14 by public agencies or nonprofit entities.

15 (b) (1) Integrated education and job training services and
16 activities or an equally-divided basis, with 50 percent of
17 participants' time spent in classroom-based instruction, counseling,
18 and leadership development instruction, and 50 percent of
19 participants' time spent in experiential training on the construction
20 site.

21 (2) The education component described in paragraph (1) shall
22 include basic skills instruction, secondary education services, and
23 other activities designed to lead to the attainment of a high school
24 diploma or its equivalent. The curriculum for this component shall
25 include math, language arts, vocational education, life skills
26 training, social studies related to the cultural and community history
27 of the participants, leadership skills, and other topics at the
28 discretion of the program. Bilingual services shall be available for
29 individuals with limited-English proficiency. A program shall have
30 a goal of a minimum teacher-to-participant ratio of one teacher
31 for every 18 participants.

32 (3) The job training component described in paragraph (1) shall
33 involve work experience and skills training apprenticeships related
34 to construction and rehabilitation activities described in subdivision

35 (a). The process of construction shall be coupled with skills training
36 and with close onsite supervision by experienced trainers. The
37 curriculum for this component shall contain a set of locally agreed
38 upon skills and competencies that are systematically taught, with
39 participants' mastery assessed individually on a regular, ongoing
40 basis. Safety skills shall be taught at the outset. A program shall

1 have a goal of a minimum trainer-to-participant ratio of one trainer
2 for every seven participants. This component shall be coordinated
3 to the maximum extent feasible with preapprenticeship and
4 apprenticeship opportunities.

5 (4) Assistance in attaining postsecondary education and in
6 obtaining financial aid shall be made available to participants prior
7 to graduation from the program.

8 (c) Counseling services designed to assist participants in
9 positively participating in society, including all of the following,
10 as necessary: outreach, assessment, and orientation; individual and
11 peer counseling; life skills training, drug and alcohol abuse
12 education and prevention; and referral to appropriate drug
13 rehabilitation, medical, mental health, legal, housing, and other
14 community services and resources. A program shall have a goal
15 of a minimum counselor-to-participant ratio of one counselor for
16 every 28 participants.

17 (d) (1) Leadership development training that provides
18 participants with meaningful opportunities to develop leadership
19 skills, including decisionmaking, problemsolving, and negotiating.
20 A program shall encourage participants to develop strong peer
21 group ties that support their mutual pursuit of skills and values.

22 (2) Each program shall establish a youth council in which
23 participants are afforded opportunities to develop public speaking
24 and negotiating skills, and management and policymaking
25 participation in specific aspects of the program.

26 (e) Each participant shall be provided with a training subsidy,
27 living allowance, or stipend of not less than eight dollars (\$8) per
28 hour for the time spent at the worksite in construction training.
29 For those participants who receive public assistance, this training
30 subsidy, living allowance, or stipend shall not affect housing
31 benefits, medical benefits, child care benefits, or ~~food stamp~~
32 *CalFresh* benefits, to the extent consistent with federal law. The
33 training subsidy, living allowance, or stipend may be distributed
34 in a manner that offers incentives for good performance.

35 (f) Full-time participation in a program shall be offered for a
36 period of not less than six months and not more than 24 months.

37 (g) A concentrated effort shall be made to find construction,
38 construction-related, or nonconstruction jobs for all graduates of
39 the program who have performed well. The job training curriculum
40 shall provide participants with basic preparation for seeking and

1 maintaining a job. Followup counseling and assistance in job
2 seeking shall also be provided to participants for a period of 12
3 months following graduation from the program.

4 (h) A program serving 20 or more participants is required to
5 have a full-time director responsible for the coordination of the
6 requirements of this article.

7 SEC. 25. Section 10069 of the Welfare and Institutions Code
8 is amended to read:

9 10069. The committee shall advise the department on the
10 development and implementation of a statewide electronic benefits
11 transfer system, and shall provide advice concerning the request
12 for proposal. The system shall have the capability to deliver ~~food~~
13 ~~stamps~~ *CalFresh benefits* and, upon the election of the county,
14 benefits under Chapter 2 (commencing with Section 11200) of
15 Part 3. The system may also be used, with the approval of the
16 department, for the distribution of other benefits. Any electronic
17 benefits transfer processor shall be capable of implementing
18 systems within nine months of contracting for services.

19 SEC. 26. Section 10072 of the Welfare and Institutions Code
20 is amended to read:

21 10072. The electronic benefits transfer system required by this
22 chapter shall be designed to do, but not be limited to, all of the
23 following:

24 (a) To the extent permitted by federal law and the rules of the
25 program providing the benefits, recipients who are required to
26 receive their benefits using an electronic benefits transfer system
27 shall be permitted to gain access to the benefits in any part of the
28 state where electronic benefits transfers are accepted. All electronic
29 benefits transfer systems in this state shall be designed to allow
30 recipients to gain access to their benefits by using every other
31 electronic benefits transfer system.

32 (b) To the maximum extent feasible, electronic benefits transfer
33 systems shall be designed to be compatible with the electronic
34 benefits transfer systems in other states.

35 (c) All reasonable measures shall be taken in order to ensure
36 that recipients have access to electronically issued benefits through
37 systems such as automated teller machines, point-of-sale devices,
38 or other devices that accept electronic benefits transfer transactions.
39 Benefits provided under Chapter 2 (commencing with Section
40 11200) of Part 3 shall be staggered over a period of three calendar

1 days, unless a county requests a waiver from the department and
2 the waiver is approved, or in cases of hardship pursuant to
3 subdivision (l).

4 (d) The system shall provide for reasonable access to benefits
5 to recipients who demonstrate an inability to use, an electronic
6 benefits transfer card or other aspect of the system because of
7 disability, language, lack of access, or other barrier. These
8 alternative methods shall conform to the requirements of the
9 Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.),
10 including reasonable accommodations for recipients who, because
11 of physical or mental disabilities, are unable to operate or otherwise
12 make effective use of the electronic benefits transfer system.

13 (e) The system shall permit a recipient the option to choose a
14 personal identification number, also known as a “pin” number, to
15 assist the recipient to remember his or her number in order to allow
16 access to benefits. Whenever an institution, authorized
17 representative, or other third party not part of the recipient
18 household or assistance unit has been issued an electronic benefits
19 transfer card, either in lieu of, or in addition to, the recipient, the
20 third party shall have a separate card and personal identification
21 number. At the option of the recipient, he or she may designate
22 whether restrictions apply to the third party’s access to the
23 recipient’s benefits. At the option of the recipient head of
24 household or assistance unit, the county shall provide one electronic
25 benefits transfer card to each adult member to enable them to
26 access benefits.

27 (f) The system shall have a 24-hour-per-day toll-free telephone
28 hotline for the reporting of lost or stolen cards and that will provide
29 recipients with information on how to have the card and personal
30 identification number replaced.

31 (g) A recipient shall not incur any loss of electronic benefits
32 after reporting his or her electronic benefits transfer card or
33 personal identification number has been lost or stolen. The system
34 shall provide for the prompt replacement of lost or stolen electronic
35 benefits transfer cards and personal identification numbers.
36 Electronic benefits for which the case was determined eligible and
37 that were not withdrawn by transactions using an authorized
38 personal identification number for the account shall also be
39 promptly replaced.

1 (h) Electronic benefits transfer system consumers shall be
2 informed on how to use electronic benefits transfer cards and how
3 to protect them from misuse.

4 (i) Procedures shall be developed for error resolution.

5 (j) No fee shall be charged by the state, a county, or an electronic
6 benefits processor certified by the state to retailers participating
7 in the electronic benefits transfer system.

8 (k) Except for ~~food stamp~~ *CalFresh* transactions, a recipient
9 may be charged a fee, not to exceed the amount allowed by
10 applicable state and federal law and customarily charged to other
11 customers, for cash withdrawal transactions that exceed four per
12 month.

13 (l) A county shall exempt an individual from the three-day
14 staggering requirement under subdivision (c) on a case-by-case
15 basis for hardship. Hardship includes, but is not limited to, the
16 incurrence of late charges on an individual’s housing payments.

17 (m) No later than May 1, 2000, the department shall prepare
18 and submit a report to the Senate Health and Human Services
19 Committee and the Assembly Committee on Human Services. The
20 report shall contain estimates of the number of counties that may
21 opt to issue cash benefits provided under Chapter 2 (commencing
22 with Section 11200) of Part 3 by electronics benefits transfer and
23 the amount of interest payments that would accrue to the counties
24 pursuant to the three-day staggering requirement of subdivision
25 (c).

26 SEC. 27. Section 10614 of the Welfare and Institutions Code
27 is amended to read:

28 10614. (a) The department shall annually submit by September
29 10 of each year and March 1 of the following year, to the
30 Department of Finance for its approval, all assumptions underlying
31 all estimates related to all of the following:

32 (1) Average monthly caseload for each of the categorical aid
33 programs.

34 (2) Average grant for each of the categorical aid programs.

35 (3) Total estimated expenditures for each of the categorical aid
36 programs.

37 (4) Savings or costs associated with all regulatory or statutory
38 changes.

39 (b) The Department of Finance shall approve or modify the
40 assumptions underlying all estimates within 15 working days of

1 their submission. If the Department of Finance does not approve
2 or modify the assumptions by such date, the assumptions as
3 presented by the submitting department shall be deemed to be
4 accepted by the Department of Finance as of that date.

5 (c) Assumptions shall be released to the legislative fiscal
6 committees immediately following approval or modification by
7 the Department of Finance. The department shall identify those
8 premises to which either of the following apply:

9 (1) Have been discontinued since the previous estimate was
10 submitted.

11 (2) Have been placed in the basic cost line of the estimate
12 package.

13 (d) The department shall submit an estimate of expenditures for
14 each of the categorical aid programs to the Department of Finance
15 by November 1 of each year and April 20 of the following year.
16 Each estimate shall contain a concise statement identifying
17 applicable estimate components, such as caseload, unit cost,
18 implementation date, whether it is a new or continuing premise,
19 and other assumptions necessary to support the estimate. The
20 submittal shall include a projection of the fiscal impact of each of
21 the approved assumptions related to a regulatory, statutory, or
22 policy change; a detailed explanation of any changes to the base
23 estimate projections from the previous estimate; and a projection
24 of the fiscal impact of such change to the base estimate.

25 (e) (1) The department shall submit to the Department of
26 Finance, as part of the estimates compiled November 1 each year,
27 a brief narrative description of the methodological steps employed
28 in arriving at all of the following:

29 (A) The basic grant costs for the Aid to Families with Dependent
30 Children program and State Supplementary Program.

31 (B) The basic administrative costs for the Aid to Families with
32 Dependent Children program and ~~Food Stamp program~~ *CalFresh*.

33 (C) All cost estimates for the In-Home Supportive Services
34 program.

35 (D) Any cost estimate for new regulations or legislation which
36 exceeds 2 percent of the total cost of the affected program.

37 (2) These methodological discussions shall be forwarded to the
38 Joint Legislative Budget Committee and the fiscal committees
39 along with the November 1 annual estimates of expenditures. In
40 addition, the department shall, upon request, develop and make

1 available brief written narratives of the steps taken to arrive at
2 specified estimates. Copies of the written narratives, working
3 papers, and data employed in the construction of any estimate used
4 to prepare the Governor's Budget shall be made available by the
5 State Department of Social Services upon request to the Joint
6 Legislative Budget Committee or the Department of Finance.

7 (f) In the event that the methodological steps employed in
8 arriving at those estimates in May differ from those used in
9 November of the preceding year, the department shall submit a
10 brief narrative description of the revised methodology to the
11 Department of Finance, the Joint Legislative Budget Committee,
12 and the fiscal committees, along with other materials included in
13 the annual May revision of expenditure estimates.

14 (g) The estimates of average monthly caseloads, average
15 monthly grants, total estimated expenditures (including
16 administrative expenditures and savings or costs associated with
17 all regulatory or statutory changes), as well as all supporting data
18 provided by the department or developed independently by the
19 Department of Finance, shall be made available to the Joint
20 Legislative Budget Committee immediately following approval
21 by the Department of Finance. These departmental estimates,
22 assumptions, and other supporting data as have been prepared
23 shall, however, be forwarded annually to the Joint Legislative
24 Budget Committee not later than January 10 and May 15 by the
25 department if this information has not been released earlier by the
26 Department of Finance.

27 SEC. 28. Section 10618.5 of the Welfare and Institutions Code
28 is amended to read:

29 10618.5. (a) The county welfare department shall send any
30 ~~food-stamp~~ *CalFresh* applicant who is determined to be eligible
31 for ~~food-stamps~~ *CalFresh* benefits and who does not indicate on
32 his or her application an interest in enrolling in the Medi-Cal
33 program a copy of the notice developed pursuant to subdivision
34 (b).

35 (b) (1) Each county welfare department shall develop a notice
36 informing individuals identified pursuant to subdivision (a) that
37 they may be entitled to receive Medi-Cal benefits and requesting
38 their permission to use the information in the ~~food-stamp~~ *CalFresh*
39 recipient's case file to make a determination of eligibility for the
40 Medi-Cal program.

1 (2) The notice shall also include a request for permission to
2 forward the information in the ~~food stamp~~ *CalFresh* recipient's
3 case file to the Healthy Families Program administrator for
4 eligibility determination if the individual is determined to be
5 eligible to participate in the Medi-Cal program with a share of
6 cost, or is determined to be ineligible for Medi-Cal.

7 (3) To apply for medical assistance under the Medi-Cal program,
8 the ~~food stamp~~ *CalFresh* recipient shall sign, date, and return the
9 notice requesting that an eligibility determination be made.

10 (4) Upon receipt of the notice, the county welfare department
11 shall make an eligibility determination by utilizing the information
12 in the ~~food stamp~~ *CalFresh* recipient's case file or paper
13 application. The Medi-Cal application date shall be the date the
14 notice is received by the county welfare department.

15 (5) If the ~~food stamp~~ *CalFresh* case file does not include
16 sufficient information to establish Medi-Cal program eligibility,
17 the county welfare department shall request, either orally or in
18 writing, additional information from the ~~food stamp~~ *CalFresh*
19 recipient.

20 (6) The notice shall be written in culturally and linguistically
21 appropriate language and at an appropriate literacy level. The
22 notice shall include information on the Medi-Cal program and the
23 Healthy Families Program, a telephone number that ~~food stamp~~
24 *CalFresh* recipients may call for additional information, and a
25 prepaid means of returning the notice to the county welfare
26 department to begin the eligibility determination process.

27 (c) If an individual identified in subdivision (a) or (b) is
28 determined to be eligible to participate in the Medi-Cal program
29 with a share of cost, or is determined to be ineligible for Medi-Cal,
30 information pertinent to the ~~food stamp~~ *CalFresh* recipient's
31 eligibility for the Healthy Families Program shall be forwarded
32 by the county welfare department to the Healthy Families Program
33 statewide administrator for immediate processing. If there is
34 insufficient information to establish Healthy Families Program
35 eligibility, the administrator shall request, either orally or in
36 writing, additional information from the ~~food stamp~~ *CalFresh*
37 recipient.

38 (d) Counties shall include the cost of implementing this section
39 in their annual administrative budget requests to the State
40 Department of Health Services.

1 SEC. 29. Section 10790 of the Welfare and Institutions Code
2 is amended to read:

3 10790. (a) The director, in consultation with the County
4 Welfare Directors Association and at least one advocate for welfare
5 recipients, shall establish, within the Aid to Families with
6 Dependent Children (AFDC) program (Chapter 2 (commencing
7 with Section 11200) of Part 3), and ~~the Food Stamp Program~~
8 *CalFresh* (Chapter 10 (commencing with Section 18900) of Part
9 6), the Consolidated Public Assistance Eligibility Determination
10 Demonstration Project.

11 (b) (1) The director shall, by formal order, waive the
12 enforcement of those regulations and standards necessary to
13 implement the project with federal approval, in order to implement
14 the demonstration project.

15 (2) The order establishing the waiver authorized by paragraph
16 (1) shall meet all of the following requirements:

17 (A) It shall provide alternative methods and procedures of
18 eligibility administration.

19 (B) It shall not conflict with the basic purposes or coverage
20 provided by law.

21 (C) The director shall determine, based on estimates, the impact
22 of the proposed changes on AFDC and ~~food stamp~~ *CalFresh*
23 recipients. The order shall be implemented only if no more than
24 5 percent of the recipients are expected to experience a net benefit
25 reduction.

26 (D) Applications for, and restorations of, aid shall be processed
27 in the shorter of the time periods required for the AFDC and ~~Food~~
28 ~~Stamp~~ *CalFresh* programs, when differences exist between the
29 two programs.

30 (E) It shall not be general in scope and shall apply only to the
31 project authorized by this section.

32 (3) The order establishing the waiver authorized by paragraph
33 (1) shall take effect only if the appropriate federal agencies have
34 agreed to approve the demonstration project and to waive those
35 federal requirements that are necessary for waiver under the project.

36 (c) Applicants and recipients under this chapter shall be entitled
37 to the same rights and fair hearings and appeals as those to which
38 they would otherwise be entitled under the AFDC program
39 (Chapter 2 (commencing with Section 11200) of Part 3) and ~~the~~

1 ~~Food Stamp Program~~ *CalFresh* (Chapter 10 (commencing with
2 Section 18900) of Part 6).

3 (d) The director shall include in the request for any waivers
4 necessary for the implementation of this demonstration project the
5 declaration that if any of the specific elements, pursuant to Section
6 10791, are deemed unwaivable or are not granted, the other
7 elements may be considered independently and waived as permitted
8 under federal law.

9 (e) The director may exclude from the request for waivers any
10 specific element, pursuant to subparagraph (D) of paragraph (2)
11 of subdivision (b) of this section or Section 10791, determined to
12 be not ~~cost-effective~~ *cost effective* due to significant General Fund
13 costs.

14 SEC. 30. Section 10791 of the Welfare and Institutions Code
15 is amended to read:

16 10791. The demonstration program provided for in Section
17 10790 shall, at a minimum, include the following elements:

18 (a) Uniform 30 percent disregard from gross earned income and
19 waiver of the 100-hour limit on employment for
20 AFDC-Unemployed recipient eligibility.

21 (b) Uniform definition of allowable child care disregards for
22 full- or part-time care.

23 (c) It shall not be presumed that any transfer of property made
24 within three months prior to the time the application was made for
25 purposes of becoming eligible for ~~food stamps~~ *CalFresh*.

26 (d) Exemption of personal loans as property where a reasonable
27 repayment plan is in place. A reasonable repayment plan shall be
28 defined as a statement from the lender specifying that the money
29 shall be paid back at a future point in time when the individual is
30 able to do so.

31 (e) Use of standard shelter allowances based on local housing
32 prices without verification in lieu of verified shelter costs.

33 (f) Exclusion from income financial aid and work study
34 payments that are computed based on need consistent with Section
35 11008.10.

36 (g) Application of good cause determinations related to late
37 submission of monthly income reports for ~~food stamp~~ *CalFresh*
38 recipients who also receive AFDC benefits.

- 1 (h) Qualification as categorically eligible for ~~food stamps~~
2 *CalFresh* any individual who is apparently eligible for or has been
3 granted AFDC benefits.
- 4 (i) Disregarding as income, for ~~food stamps~~ *CalFresh*, the first
5 fifty dollars (\$50) of child support received, as currently provided
6 for under the AFDC program, to the extent federal funding is
7 available.
- 8 (j) Uniform treatment of room and board income, consistent
9 with AFDC program regulations.
- 10 (k) Requirement for signatures on monthly income reports,
11 consistent with AFDC program regulations.
- 12 (l) Standard deduction for expenses related to self-employment
13 income.
- 14 (m) Both programs shall exempt one motor vehicle from
15 property to be considered in determining eligibility.
- 16 (n) Both programs shall compute the value of any motor vehicle
17 not exempt from consideration in determining eligibility by
18 subtracting the amount of encumbrances from the fair market
19 value. If an applicant, a recipient, or a county does not agree with
20 the value of a vehicle arrived at through this methodology, the
21 applicant or recipient shall be entitled to the use of either of the
22 following methods for evaluating the motor vehicle:
- 23 (1) Submit three appraisals. An appraisal may be made under
24 this paragraph by a car dealer, insurance adjuster, or a personal
25 property appraiser. The average of the three independent appraisals
26 shall be used by the county in evaluating the motor vehicle.
- 27 (2) Obtain an appraisal from a county-appointed appraiser.
- 28 (o) Adoption of an exclusion from income for both the AFDC
29 and ~~Food Stamp~~ *CalFresh* programs of one hundred dollars (\$100)
30 per quarter, in lieu of the AFDC nonrecurring gift exclusion and
31 the ~~food stamp~~ *federal Supplemental Nutrition Assistance Program*
32 irregular or infrequent income exclusion.
- 33 (p) Standardization of county retention percentages for collection
34 of erroneous payments.
- 35 (q) Upon receipt of federal approval of this demonstration
36 project the department, in consultation with the Department of
37 Finance, may delay implementation of any elements determined
38 to be not ~~cost-effective~~ *cost effective* until funds are appropriated
39 by the Legislature. The department shall report to the Legislature
40 within that year on the reasons for the determination of

1 non-cost-effectiveness and the changes necessary to make the
2 element ~~cost-effective~~ *cost effective*.

3 SEC. 31. Section 10823 of the Welfare and Institutions Code,
4 as amended by Section 13 of Chapter 4 of the 4th Extraordinary
5 Session of the Statutes of 2009, is amended to read:

6 10823. (a) (1) The Office of Systems Integration shall
7 implement a statewide automated welfare system for the following
8 public assistance programs:

9 (A) The CalWORKs program.

10 ~~(B) The Food Stamp Program.~~

11 (B) *CalFresh*.

12 (C) The Medi-Cal program.

13 (D) The foster care program.

14 (E) The refugee program.

15 (F) County medical services programs.

16 (2) Statewide implementation of the statewide automated welfare
17 system for the programs listed in paragraph (1) shall be achieved
18 through no more than four county consortia, including the Interim
19 Statewide Automated Welfare System Consortium, and the Los
20 Angeles Eligibility, Automated Determination, Evaluation, and
21 Reporting System.

22 (3) Notwithstanding paragraph (2), the Office of Systems
23 Integration shall migrate the 35 counties that currently use the
24 Interim Statewide Automated Welfare System into the C-IV system
25 within the following timeline:

26 (A) Complete Migration System Test and begin User Acceptance
27 Testing on or before June 30, 2009.

28 (B) Complete implementation in at least five counties by
29 February 28, 2010.

30 (C) Complete implementation in at least 14 additional counties
31 on or before May 31, 2010.

32 (D) Complete implementation in all 35 counties on or before
33 August 31, 2010.

34 (E) Decommission the Interim Statewide Automated Welfare
35 System on or before January 31, 2011.

36 (b) Nothing in subdivision (a) transfers program policy
37 responsibilities related to the public assistance programs specified
38 in subdivision (a) from the State Department of Social Services
39 or the State Department of Health Services to the Office of Systems
40 Integration.

1 (c) On February 1 of each year, the Office of Systems Integration
 2 shall provide an annual report to the appropriate committees of
 3 the Legislature on the statewide automated welfare system
 4 implemented under this section. The report shall address the
 5 progress of state and consortia activities and any significant
 6 schedule, budget, or functionality changes in the project.

7 (d) Notwithstanding any other law, the Statewide Automated
 8 Welfare System consortia shall have the authority to expend within
 9 approved annual state budgets for each system as follows:

10 (1) Make changes within any line item, provided that the change
 11 does not create additional project costs in the current or in a future
 12 budget year.

13 (2) Make a change of up to one hundred thousand dollars
 14 (\$100,000) or 10 percent of the total for the line item from which
 15 the funds are derived, whichever is greater, between line items
 16 with notice to the Office of Systems Integration, provided that the
 17 change does not create additional project costs in the current or in
 18 a future budget year.

19 (3) Make requests to the Office of Systems Integration for
 20 changes between line items of greater than one hundred thousand
 21 dollars (\$100,000) or 10 percent of the total for the line item from
 22 which the funds are derived, which do not increase the total cost
 23 in the current or a future budget year. The Office of Systems
 24 Integration shall take action to approve or deny the request within
 25 10 days.

26 SEC. 32. Section 10824 of the Welfare and Institutions Code
 27 is amended to read:

28 10824. (a) The counties not participating in the Interim
 29 Statewide Automated Welfare System Consortium or the Los
 30 Angeles Eligibility, Automated Determination, Evaluation, and
 31 Reporting Consortium shall collectively pay 5 percent of the total
 32 application development costs of the Statewide Automated Welfare
 33 System consortium to which they belong. The proportion of the 5
 34 percent of total application development costs paid by a
 35 participating county shall be the same proportion that the county's
 36 caseload bears to the total consortium caseload for the fiscal year
 37 in which the contract for application development is executed.
 38 "Caseload" for purposes of this section, means the actual average
 39 annual duplicated case counts for the programs included in each
 40 consortia's application. A county subject to this section may pay

1 its proportion of application development costs during development
2 of its consortium's system, or, by agreement with the department,
3 may pay its proportion after its consortium's system in production,
4 but within four years after the start of production in a county.

5 (b) The department shall pay the county share of all other
6 Statewide Automated Welfare System development and
7 implementation costs approved by the Department of Finance and
8 the federal funding agencies for the counties participating in each
9 consortium, except the Los Angeles Eligibility, Automated
10 Determination, Evaluation, and Reporting Consortium.

11 (c) The department shall pay the county share of maintenance
12 and operations costs for the first 12 months of production of the
13 Statewide Automated Welfare System for the counties participating
14 in each consortium, except the Los Angeles Eligibility, Automated
15 Determination, Evaluation, and Reporting Consortium.

16 (d) For purposes of this section, "production" means the first
17 conversion of a county case to the Statewide Automated Welfare
18 System application used by the county's consortium, or the first
19 processing of an intake case using the county's Statewide
20 Automated Welfare System consortium application, whichever
21 occurs first.

22 (e) The department shall pay all Statewide Automated Welfare
23 System maintenance and operations costs for specified counties
24 as defined in this subdivision. A county qualified for Statewide
25 Automated Welfare System maintenance and operations funding
26 is defined as one having an average monthly, duplicated continuing
27 case count below 3,700 cases for the CalWORKs, nonassistance
28 ~~food stamp~~ CalFresh, public assistance ~~food stamps~~ CalFresh,
29 Medi-Cal, foster care, refugee, and county medical services
30 programs. The department shall make its determination based on
31 actual case counts for the most current full fiscal year. The
32 department shall provide funding for the county share-of-costs for
33 those counties that annually meet this definition until June 30,
34 2001.

35 (f) Beginning October 1, 1998, the original 14 Interim Statewide
36 Automated System counties shall pay the county share of Statewide
37 Automated Welfare System maintenance and operations costs at
38 the county administrative cost sharing ratios otherwise provided
39 by law. Counties described in subdivision (e) shall not be subject
40 to this requirement.

1 (g) The department shall pay the county share of Napa County’s
2 Interim Statewide Automated Welfare System’s application
3 maintenance costs through September 30, 1998. Beginning October
4 1, 1998, Napa County shall pay the county share of the Interim
5 Statewide Welfare System application maintenance costs at the
6 county administrative cost sharing ratios otherwise provided by
7 law.

8 (h) (1) The county shall secure the prior approval of the
9 department for any use of Statewide Automated Welfare System
10 equipment, software or resources for activities and program
11 administration not eligible for federal financial participation.

12 (2) The county shall allocate Statewide Automated Welfare
13 System costs to the respective programs eligible for federal
14 financial participation in accordance with the cost allocation
15 requirements of each program.

16 (3) The county shall allocate as Statewide Automated Welfare
17 System costs only for activities and program administration eligible
18 for federal financial participation.

19 (i) If a county uses Statewide Automated Welfare System
20 equipment, software, or resources for activities and program
21 administration not eligible for federal financial participation, and
22 fails to comply with provisions specified in subdivision (h), the
23 county shall be liable to the department for any disallowance due
24 to that use by the county of Statewide Automated Welfare System
25 equipment, software, or resources. In the event of such a loss, the
26 department may recover the loss by reducing funds otherwise due
27 the county as state participation in programs administered by the
28 county under the supervision of the department.

29 (j) The department shall fund each county’s share of the Central
30 Data Base for the Medi-Cal Eligibility Data System until the end
31 of the 12th month after Statewide Automated Welfare System
32 production begins, as defined in subdivision (d).

33 SEC. 33. Section 10830 of the Welfare and Institutions Code,
34 as amended by Section 241 of Chapter 179 of the Statutes of 2008,
35 is amended to read:

36 10830. (a) The department and the Health and Welfare Data
37 Center shall design, implement, and maintain a statewide
38 fingerprint imaging system for use in connection with the
39 determination of eligibility for benefits under the California Work
40 Opportunity and Responsibility to Kids Act (CalWORKs) program

1 under Chapter 2 (commencing with Section 11200) of Part 3
2 excluding Aid to Families with Dependent Children-Foster Care
3 (AFDC-FC), and ~~the Food Stamp Program~~ *CalFresh* under Chapter
4 10 (commencing with Section 18900) of Part 6.

5 (b) (1) Every applicant for, or recipient of, aid under Chapter
6 2 (commencing with Section 11200) of Part 3, excluding the
7 AFDC-FC program and Chapter 10 (commencing with Section
8 18900) of Part 6, other than dependent children or persons who
9 are physically unable to be fingerprint imaged, shall, as a condition
10 of eligibility for assistance, be required to be fingerprint imaged.

11 (2) A person subject to paragraph (1) shall not be eligible for
12 the CalWORKs program or ~~the Food Stamp Program~~ *CalFresh*
13 until fingerprint images are provided, except as provided in
14 subdivision (e). Ineligibility may extend to an entire case of a
15 person who refuses to provide fingerprint images.

16 (c) The department may adopt emergency regulations to
17 implement this section specifying the statewide fingerprint imaging
18 requirements and exemptions to the requirements in accordance
19 with the Administrative Procedure Act (Chapter 3.5 (commencing
20 with Section 11340) of Part 1 of Division 3 of Title 2 of the
21 Government Code). The initial adoption of any emergency
22 regulations implementing this section, as added during the 1996
23 portion of the 1995–96 Regular Session, shall be deemed to be an
24 emergency and necessary for the immediate preservation of the
25 public peace, health and safety, or general welfare. Emergency
26 regulations adopted pursuant to this subdivision shall remain in
27 effect for no more than 180 days.

28 (d) Persons required to be fingerprint imaged pursuant to this
29 section shall be informed that fingerprint images obtained pursuant
30 to this section shall be used only for the purpose of verifying
31 eligibility and preventing multiple enrollments in the CalWORKs
32 program or ~~the Food Stamp Program~~ *CalFresh*. The department,
33 county welfare agencies, and all others shall not use or disclose
34 the data collected and maintained for any purpose other than the
35 prevention or prosecution of fraud. Fingerprint imaging information
36 obtained pursuant to this section shall be confidential under Section
37 10850.

38 (e) (1) Except as provided in paragraph (2), the fingerprint
39 imaging required under this chapter shall be scheduled only during
40 the application appointment or other regularly scheduled

1 appointments. No other special appointment shall be required. No
 2 otherwise eligible individual shall be ineligible to receive benefits
 3 under this chapter due to a technical problem occurring in the
 4 fingerprint imaging system or as long as the person consents to
 5 and is available for fingerprint imaging at a mutually agreed-upon
 6 time, not later than 60 days from the initial attempt to complete
 7 fingerprint imaging.

8 (2) During the first nine months following implementation,
 9 recipients may be scheduled for separate appointments to complete
 10 the fingerprint imaging required by this section. Notice shall be
 11 mailed first class by the department to recipients at least 10 days
 12 prior to the appointment, and shall include procedures for the
 13 recipient to reschedule the scheduled appointment within 30 days.

14 (f) If the fingerprint image of an applicant or recipient of aid to
 15 which this section applies matches another fingerprint image on
 16 file, the county shall notify the applicant or recipient. In the event
 17 that a match is appealed, the fingerprint image match shall be
 18 verified by a trained individual and any matching case files
 19 reviewed prior to the denial of benefits. Upon confirmation that
 20 the applicant or recipient is receiving or attempting to receive
 21 multiple CalWORKs program checks, a county fraud investigator
 22 shall be notified.

23 SEC. 34. Section 10840 of the Welfare and Institutions Code
 24 is amended to read:

25 10840. (a) The director and the ~~State Director of Health~~
 26 ~~Services~~ *Director of Health Care Services* shall implement a
 27 comprehensive program for the simplification of administration
 28 of the Aid to Families with Dependent Children, Medi-Cal, and
 29 ~~Food Stamp~~ *CalFresh* programs, which shall include the elements
 30 identified in Section 10841. The director shall prepare appropriate
 31 amendments in the state plan for these programs and waiver
 32 requests of federal requirements that are necessary for the
 33 implementation of this chapter.

34 (b) The director and the ~~State Director of Health Services~~
 35 *Director of Health Care Services* shall, by formal order, waive the
 36 enforcement of those regulations and standards necessary to
 37 implement the project with federal approval, in order to implement
 38 the demonstration project.

39 SEC. 35. Section 10842 of the Welfare and Institutions Code
 40 is amended to read:

1 10842. (a) The State Department of Social Services and the
2 State Department of Health Care Services shall jointly, in
3 consultation with the County Welfare Directors Association,
4 establish a consolidated county administrative performance system
5 that shall establish state subventions for county administrative
6 costs for the Aid to Families with Dependent Children program,
7 Medi-Cal, and ~~the Food Stamp Program~~ *CalFresh*.

8 (b) Subventions shall be based on actual caseload for each
9 program, including intake and continuing cases, experienced by
10 each county. Reimbursement per case shall be uniform for similar
11 size counties and shall be based on standards for workload
12 performance, or cases per worker, overhead rates, and salary levels
13 for welfare department personnel.

14 (c) Administrative standards shall be based on actual
15 performance in the most recent fiscal year for which appropriate
16 data is available.

17 (d) Allocation of costs among welfare programs shall, to the
18 extent feasible, be based on ongoing random moment studies.
19 Sampling rates shall be high enough to provide reasonably accurate
20 and statistically valid updates of prior allocation ratios.

21 (e) This performance system shall be implemented in each
22 county upon the establishment of a statewide automated welfare
23 system.

24 SEC. 36. Section 10850.31 of the Welfare and Institutions
25 Code is amended to read:

26 10850.31. (a) For the CalWORKs *program* and ~~Food Stamp~~
27 ~~Programs~~ *CalFresh* only, notwithstanding any other provision of
28 law, the address, social security number, and, if available,
29 photograph of any applicant or recipient shall be made available,
30 on request, to any federal, state, or local law enforcement officer
31 if the officer furnishes the county welfare department with the
32 name of the applicant or recipient and notifies the county welfare
33 department that the following apply:

34 (1) Any one of the following applies:

35 (A) The applicant or recipient is fleeing to avoid prosecution,
36 custody, or confinement after conviction, for a crime that, under
37 the law of the place the applicant is fleeing, is a felony, or, in the
38 case of New Jersey, a high misdemeanor.

39 (B) The applicant or recipient is violating a condition of
40 probation or parole imposed under state or federal law.

1 (C) The applicant or recipient has information that is necessary
2 for the officer to conduct an official duty related to those issues
3 stated in paragraph (1) or (2).

4 (2) Locating or apprehending the applicant or recipient is an
5 official duty of the law enforcement officer.

6 (3) The request is being made in the proper exercise of an
7 official duty.

8 (b) This section shall not authorize the release of a general list
9 identifying individuals applying for or receiving public social
10 services under the CalWORKs program or ~~the Food Stamp~~
11 ~~Program~~ *CalFresh*.

12 (c) This section shall be implemented only to the extent
13 permitted by federal law.

14 SEC. 37. Section 10980 of the Welfare and Institutions Code
15 is amended to read:

16 10980. (a) Any person who, willfully and knowingly, with the
17 intent to deceive, makes a false statement or representation or
18 knowingly fails to disclose a material fact in order to obtain aid
19 under the provisions of this division or who, knowing he or she is
20 not entitled thereto, attempts to obtain aid or to continue to receive
21 aid to which he or she is not entitled, or to receive a larger amount
22 than that to which he or she is legally entitled, is guilty of a
23 misdemeanor, punishable by imprisonment in the county jail for
24 a period of not more than six months, by a fine of not more than
25 five hundred dollars (\$500), or by both imprisonment and fine.

26 (b) Any person who knowingly makes more than one application
27 for aid under the provisions of this division with the intent of
28 establishing multiple entitlements for any person for the same
29 period or who makes an application for that aid for a fictitious or
30 nonexistent person or by claiming a false identity for any person
31 is guilty of a felony, punishable by imprisonment in the state prison
32 for a period of 16 months, two years, or three years, by a fine of
33 not more than five thousand dollars (\$5,000), or by both that
34 imprisonment and fine; or by imprisonment in the county jail for
35 a period of not more than one year, or by a fine of not more than
36 one thousand dollars (\$1,000), or by both imprisonment and fine.

37 (c) Whenever any person has, willfully and knowingly, with
38 the intent to deceive, by means of false statement or representation,
39 or by failing to disclose a material fact, or by impersonation or
40 other fraudulent device, obtained or retained aid under the

1 provisions of this division for himself or herself or for a child not
2 in fact entitled thereto, the person obtaining this aid shall be
3 punished as follows:

4 (1) If the total amount of the aid obtained or retained is nine
5 hundred fifty dollars (\$950) or less, by imprisonment in the county
6 jail for a period of not more than six months, by a fine of not more
7 than five hundred dollars (\$500), or by both imprisonment and
8 fine.

9 (2) If the total amount of the aid obtained or retained is more
10 than nine hundred fifty dollars (\$950), by imprisonment in the
11 state prison for a period of 16 months, two years, or three years,
12 by a fine of not more than five thousand dollars (\$5,000), or by
13 both that imprisonment and fine; or by imprisonment in the county
14 jail for a period of not more than one year, by a fine of not more
15 than one thousand dollars (\$1,000), or by both imprisonment and
16 fine.

17 (d) Any person who knowingly uses, transfers, acquires, or
18 possesses blank authorizations to participate in the federal
19 Supplemental Nutrition Assistance Program in any manner not
20 authorized by Chapter 10 (commencing with Section 18900) of
21 Part 6 with the intent to defraud is guilty of a felony, punishable
22 by imprisonment in the state prison for a period of 16 months, two
23 years, or three years, by a fine of not more than five thousand
24 dollars (\$5,000), or by both that imprisonment and fine.

25 (e) Any person who counterfeits or alters or knowingly uses,
26 transfers, acquires, or possesses counterfeited or altered
27 authorizations to participate in the federal Supplemental Nutrition
28 Assistance Program or to receive ~~food stamps~~ *CalFresh benefits*
29 or electronically transferred benefits in any manner not authorized
30 by the *federal* Food Stamp Act of 1964 (Public Law 88-525 and
31 all amendments thereto) or the *federal* Food and Nutrition Act of
32 2008 (7 U.S.C. Sec. 2011 et seq.) or the federal regulations
33 pursuant to the act is guilty of forgery.

34 (f) Any person who fraudulently appropriates ~~food stamps~~
35 *CalFresh benefits*, electronically transferred benefits, or
36 authorizations to participate in the federal Supplemental Nutrition
37 Assistance Program with which he or she has been entrusted
38 pursuant to his or her duties as a public employee is guilty of
39 embezzlement of public funds.

1 (g) Any person who knowingly uses, transfers, sells, purchases,
2 or possesses ~~food stamps~~ *CalFresh benefits*, electronically
3 transferred benefits, or authorizations to participate in the federal
4 Supplemental Nutrition Assistance Program in any manner not
5 authorized by Chapter 10 (commencing with Section 18900), of
6 Part 6, or by the federal Food Stamp Act of 1977 (Public Law
7 95-113 and all amendments thereto) or the Food and Nutrition Act
8 of 2008 (7 U.S.C. Sec. 2011 et seq.) (1) is guilty of a misdemeanor
9 if the face value of the ~~food stamp~~ *CalFresh benefits* or the
10 authorizations to participate is nine hundred fifty dollars (\$950)
11 or less, and shall be punished by imprisonment in the county jail
12 for a period of not more than six months, by a fine of not more
13 than five hundred dollars (\$500), or by both imprisonment and
14 fine, or (2) is guilty of a felony if the face value of the ~~food stamps~~
15 *CalFresh benefits* or the authorizations to participate exceeds nine
16 hundred fifty dollars (\$950), and shall be punished by
17 imprisonment in the state prison for a period of 16 months, two
18 years, or three years, by a fine of not more than five thousand
19 dollars (\$5,000), or by both that imprisonment and fine, or by
20 imprisonment in the county jail for a period of not more than one
21 year, or by a fine of not more than one thousand dollars (\$1,000),
22 or by both imprisonment and fine.

23 (h) (1) If the violation of subdivision (f) or (g) is committed by
24 means of an electronic transfer of benefits, in addition and
25 consecutive to the penalties for the violation, or attempted
26 violation, of those subdivisions, the court shall impose the
27 following punishment:

28 (A) If the electronic transfer of benefits exceeds fifty thousand
29 dollars (\$50,000), an additional term of one year in state prison.

30 (B) If the electronic transfer of benefits exceeds one hundred
31 fifty thousand dollars (\$150,000), an additional term of two years
32 in state prison.

33 (C) If the electronic transfer of benefits exceeds one million
34 dollars (\$1,000,000), an additional term of three years in state
35 prison.

36 (D) If the electronic transfer of benefits exceeds two million
37 five hundred thousand dollars (\$2,500,000), an additional term of
38 four years.

39 (2) In any accusatory pleading involving multiple charges of
40 violations of subdivision (f) or (g), or both, committed by means

1 of an electronic transfer of benefits, the additional terms provided
2 in paragraph (1) may be imposed if the aggregate losses to the
3 victims from all violations exceed the amounts specified in this
4 paragraph and arise from a common scheme or plan.

5 (i) A person who is punished by an additional term of
6 imprisonment under another provision of law for a violation of
7 subdivision (f) or (g) shall not receive an additional term of
8 imprisonment under subdivision (h).

9 SEC. 38. Section 11006.6 of the Welfare and Institutions Code
10 is amended to read:

11 11006.6. (a) The department may establish and operate a
12 central benefit issuance system in one or more counties whereby
13 grants in aid paid pursuant to this part or any other program
14 administered by the department and cash payments under ~~the Food~~
15 ~~Stamp Program~~ *CalFresh* may be issued directly to the recipient
16 by the Controller. Warrants representing payments under this
17 system shall be drawn on the Central Benefit Issuance Fund. In
18 counties where the central benefit issuance system is in operation,
19 Sections 15150, 15150.5, 15151, and 15153, and any other related
20 section shall not apply with respect to benefits.

21 (b) (1) In a case of emergency or immediate need by a recipient
22 that cannot be addressed in a timely manner, as set forth in existing
23 law, by issuance of a Controller's warrant, those counties, acting
24 as agents for the department, shall authorize payment to be issued
25 by the Central Benefit Issuance System directly to recipients from
26 a department account designated for that purpose.

27 (2) Any check issued pursuant to paragraph (1) that remains
28 unpaid for 180 days after it becomes payable shall be void and
29 shall be canceled by the department and redeposited to the account
30 from which it is drawn. The department shall cause to be printed
31 prominently on the face of any check issued pursuant to paragraph
32 (1) a notice of the requirements of this paragraph.

33 (c) The department shall ensure that aid issued through a central
34 benefit issuance system is delivered timely and that the system
35 does not reduce the accessibility of benefits and services to the
36 recipient.

37 SEC. 39. Section 11023.5 of the Welfare and Institutions Code
38 is amended to read:

39 11023.5. (a) Any applicant or recipient of benefits under the
40 Aid to Families with Dependent Children, ~~Food Stamps~~ *CalFresh*,

1 and Medi-Cal programs, who delivers a document which has been
2 requested by the county welfare department shall, upon the
3 applicant's or recipient's request, be provided with a written receipt
4 indicating that the county welfare department has received the
5 document. A notice which explains an applicant's and recipient's
6 right to receipts upon request shall be prominently posted by the
7 county welfare department at the location where the document is
8 to be delivered. The receipt shall be issued at the time the document
9 is delivered.

10 (1) A county which maintains a system of logging hand
11 delivered documents is exempt from the requirements of this
12 subdivision.

13 (2) County welfare departments which provide receipts for all
14 hand delivered documents without a request by an applicant or
15 recipient shall be exempt from the notice posting requirement.

16 (b) The county welfare department shall only provide receipts
17 for documents which have been delivered in person to a county
18 welfare department employee other than the applicant's or
19 recipient's regularly assigned caseworker and to the location in
20 which or through which the caseworker conducts his or her
21 business. Only one receipt is required for monthly income reports
22 and their supporting documents which are hand delivered. Monthly
23 income reports and other requested documents which have been
24 mailed shall not be subject to the requirements of this section.

25 (c) In consultation with the County Welfare Directors
26 Association and the Coalition of California Welfare Rights
27 Organizations, the department shall develop the notice which
28 informs applicants and recipients of the right to receipts for hand
29 delivered documents and shall develop minimum guidelines for
30 county receipt forms.

31 (d) As used in this section, "applicant or recipient" means an
32 applicant or recipient of benefits under the Aid to Families with
33 Dependent Children, ~~Food Stamps~~ *CalFresh*, and Medi-Cal
34 programs.

35 SEC. 40. Section 11053.2 of the Welfare and Institutions Code
36 is amended to read:

37 11053.2. (a) Notwithstanding any other law, the department
38 shall establish a process of intercounty transfer of eligibility for
39 ~~food stamp~~ *CalFresh* benefits provided under Chapter 10
40 (commencing with Section 18900) of Part 6 when a recipient

1 changes residence from one county to another within the state.
2 The intercounty transfer process shall facilitate a recipient's move
3 from one county to another without a break in benefits and without
4 requiring a new application to be submitted to the new county of
5 residence.

6 (b) (1) For ~~food-stamp~~ *CalFresh* recipients who are receiving
7 CalWORKs benefits pursuant to Chapter 2 (commencing with
8 Section 11200), the intercounty transfer process utilized for
9 CalWORKs shall be used.

10 (2) For ~~food-stamp~~ *CalFresh* recipients who are receiving
11 Medi-Cal benefits pursuant to Chapter 7 (commencing with Section
12 14000), but are not receiving CalWORKs benefits pursuant to
13 Chapter 2 (commencing with Section 11200), the intercounty
14 transfer process utilized for the Medi-Cal program shall be used.

15 (3) This subdivision shall be implemented no later than April
16 1, 2011.

17 (c) For ~~food-stamp~~ *CalFresh* recipients who are not receiving
18 CalWORKs or Medi-Cal benefits as described in paragraphs (1)
19 and (2) of subdivision (b), an intercounty transfer process shall be
20 developed, in consultation with representatives of county human
21 services departments and advocates for recipients. To the greatest
22 extent possible, the process shall be simple, client friendly, ensure
23 the client does not need to provide copies of documents that were
24 previously provided to the prior county of residence, build on
25 existing processes for the programs described in paragraphs (1)
26 and (2) of subdivision (b), and minimize workload for county
27 eligibility operations. The process developed pursuant to this
28 subdivision shall be implemented no later than July 1, 2011.

29 (d) Upon the implementation of the intercounty transfer
30 procedures set forth in this section, it shall be the responsibility of
31 a recipient changing residence from one county to another within
32 the state to notify his or her prior county of residence of his or her
33 move. The prior county of residence shall notify the new county
34 of the recipient's move as soon as the recipient's location in the
35 new county is known. The new county of residence shall be
36 responsible for determining the recipient's continued eligibility
37 for payment of ~~food-stamp~~ *CalFresh* benefits. To the extent
38 permitted by federal law, the new county of residence shall not be
39 required to interview persons in the ~~food-stamp~~ *CalFresh*

1 household to determine continued eligibility until the next
2 scheduled recertification or other regularly scheduled interview.

3 (e) Notwithstanding the Administrative Procedure Act (Chapter
4 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
5 Title 2 of the Government Code), the department may implement
6 this section through all-county letters, or similar instructions from
7 the director no later than April 1, 2011, with respect to subdivision
8 (b), and no later than July 1, 2011, with respect to subdivision (c).

9 (f) The department shall adopt regulations as otherwise
10 necessary to implement this section no later than July 1, 2012.
11 Emergency regulations adopted for implementation of this section
12 may be adopted by the director in accordance with the
13 Administrative Procedure Act (Chapter 3.5 (commencing with
14 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
15 Code). The adoption of emergency regulations shall be deemed to
16 be an emergency and necessary for immediate preservation of the
17 public peace, health and safety, or general welfare. The emergency
18 regulations shall be exempt from review by the Office of
19 Administrative Law. The emergency regulations authorized by
20 this section shall be submitted to the Office of Administrative Law
21 for filing with the Secretary of State and shall remain in effect for
22 no more than 180 days.

23 SEC. 41. Section 11104.1 of the Welfare and Institutions Code
24 is amended to read:

25 11104.1. The State Department of Social Services and the State
26 Department of Health *Care* Services shall not take any compliance,
27 disallowance, penalty, or other regulatory action against a county,
28 as long as the United States Department of Health and Human
29 Services has not taken any compliance, disallowance, penalty, or
30 other action against the state, with respect to any error in the
31 county's determination to make an individual eligible for benefits
32 under the Aid to Families with Dependent Children, ~~Food Stamps~~
33 *CalFresh*, and Medi-Cal programs based on citizenship or
34 immigration status, under any of the following circumstances:

35 (a) The county has determined the eligibility based on a
36 verification of satisfactory immigration status by the Immigration
37 and Naturalization Service.

38 (b) The county was required by federal law to provide the
39 applicant or recipient a reasonable opportunity to submit
40 documentation.

1 (c) The county was required by federal law to wait for the
2 response of the Immigration and Naturalization Service to the
3 county's request for official verification of the immigration status
4 of the individual.

5 (d) A fair hearing process was required pursuant to federal law.
6 SEC. 42. Section 11155 of the Welfare and Institutions Code
7 is amended to read:

8 11155. (a) Notwithstanding Section 11257, in addition to the
9 personal property or resources permitted by other provisions of
10 this part, and to the extent permitted by federal law, an applicant
11 or recipient for aid under this chapter including an applicant or
12 recipient under Chapter 2 (commencing with Section 11200) may
13 retain countable resources in an amount equal to the amount
14 permitted under federal law for qualification for ~~food stamps~~ *the*
15 *federal Supplemental Nutrition Assistance Program, administered*
16 *in California as CalFresh.*

17 (b) The county shall determine the value of exempt personal
18 property other than motor vehicles in conformance with methods
19 established under ~~the Food Stamp Program~~ *CalFresh.*

20 (c) (1) The value of licensed vehicles shall be the greater of the
21 fair market value as provided in paragraph (3) or the equity value,
22 as provided in paragraph (5), unless an exemption as provided in
23 paragraph (2) applies.

24 (2) The entire value of any licensed vehicle shall be exempt if
25 any of the following apply:

26 (A) It is used primarily for income-producing purposes.

27 (B) It annually produces income that is consistent with its fair
28 market value, even if used on a seasonal basis.

29 (C) It is necessary for long distance travel, other than daily
30 commuting, that is essential for the employment of a family
31 member.

32 (D) It is used as the family's residence.

33 (E) It is necessary to transport a physically disabled family
34 member, including an excluded disabled family member, regardless
35 of the purpose of the transportation.

36 (F) It would be exempted under any of subparagraphs (A) to
37 (D), inclusive, but the vehicle is not in use because of temporary
38 unemployment.

1 (G) It is used to carry fuel for heating for home use, when the
2 transported fuel or water is the primary source of fuel or water for
3 the family.

4 (H) The equity value of the vehicle is one thousand five hundred
5 one dollars (\$1,501) or less.

6 (3) Each licensed vehicle that is not exempted under paragraph
7 (2) shall be individually evaluated for fair market value, and any
8 portion of the value that exceeds four thousand six hundred fifty
9 dollars (\$4,650) shall be attributed in full market value toward the
10 family’s resource level, regardless of any encumbrances on the
11 vehicle, the amount of the family’s investment in the vehicle, and
12 whether the vehicle is used to transport family members to and
13 from employment.

14 (4) Any licensed vehicle that is evaluated for fair market value
15 shall also be evaluated for its equity value, except for the following:

16 (A) One licensed vehicle per adult family member, regardless
17 of the use of the vehicle.

18 (B) Any licensed vehicle, other than those to which
19 subparagraph (A) applies, that is driven by a family member under
20 18 years of age to commute to, and return from his or her place of
21 employment or place of training or education that is preparatory
22 to employment, or to seek employment. This subparagraph applies
23 only to vehicles used during a temporary period of unemployment.

24 (5) For purposes of this section, the equity value of a licensed
25 vehicle is the fair market value less encumbrances.

26 (d) The value of any unlicensed vehicle shall be the fair market
27 value less encumbrances, unless an exemption applies under
28 paragraph (2).

29 SEC. 43. Section 11155.3 of the Welfare and Institutions Code
30 is amended to read:

31 11155.3. (a) It is the intent of the Legislature in enacting this
32 section to provide counties and recipients of aid under Chapter 2
33 (commencing with Section 11200) with increased flexibility to
34 determine allowable business expenses and income reporting
35 periods in order to facilitate local microenterprise development,
36 maximize opportunities for a family to become self-sufficient, and
37 reduce unnecessary paperwork processing by county staff.

38 (b) Self-employment net income shall be used in computing the
39 aid grant under Chapter 2 (commencing with Section 11200).

1 (c) For purposes of determining the self-employment net income
2 for applicants and recipients of aid under Chapter 2 (commencing
3 with Section 11200), applicants and recipients may choose to
4 deduct a standard deduction of 40 percent of gross income or
5 verified actual self-employment expenses to the same extent
6 allowed in ~~the Food Stamp Program~~ *CalFresh* pursuant to Chapter
7 10 (commencing with Section 18900) of Part 6. Applicants and
8 recipients may change the method of deduction only when a
9 redetermination of eligibility is conducted by the county or every
10 six months, whichever occurs first.

11 SEC. 44. Section 11265.1 of the Welfare and Institutions Code,
12 as added by Section 30 of Chapter 1022 of the Statutes of 2002,
13 is amended to read:

14 11265.1. (a) In addition to the requirement for an annual
15 redetermination of eligibility, counties shall redetermine recipient
16 eligibility and grant amounts on a quarterly basis using prospective
17 budgeting. Counties shall use the information reported on a
18 recipient's quarterly report form to prospectively determine
19 eligibility and grant amount for the following quarterly reporting
20 period.

21 (b) A quarterly reporting period shall be three consecutive
22 calendar months. The recipient shall submit one quarterly report
23 form for each quarterly reporting period. Counties shall provide a
24 quarterly report form to recipients at the end of the second month
25 of the quarterly reporting period, and recipients shall return the
26 completed quarterly report form with required verification to the
27 county by the 11th day of the third month of the quarterly reporting
28 period.

29 (c) Counties may establish staggered quarterly reporting cycles
30 based on factors established or approved by the department,
31 including, but not limited to, application date or case number.

32 (d) The quarterly report form shall be signed under penalty of
33 perjury, and shall include only information necessary to determine
34 CalWORKs and ~~food stamp~~ *CalFresh* eligibility and calculate the
35 CalWORKs grant amount and ~~food stamp~~ *CalFresh* allotment, as
36 specified by the department. The form shall be as comprehensible
37 as possible for recipients and shall require recipients to provide
38 the following:

39 (1) Information about income received during the second month
40 of the quarterly reporting period.

1 (2) Information about income that the recipient anticipates
2 receiving during the following quarterly reporting period.

3 (3) Any other changes to facts required to be reported, together
4 with any changes to those facts that the recipient anticipates will
5 occur. The recipient shall provide verification as specified by the
6 department with the quarterly report form.

7 (e) A quarterly report form shall be considered complete if the
8 following requirements, as specified by the department, are met:

9 (1) The form is signed no earlier than the first day of the third
10 month of the quarterly reporting period by the persons specified
11 by the department.

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

14 (3) Verification required by the department is provided.

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

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

36 SEC. 45. Section 11265.5 of the Welfare and Institutions Code
37 is amended to read:

38 11265.5. (a) (1) The department may, subject to the
39 requirements of federal regulations and Section 18204, conduct
40 three pilot projects, to be located in the Counties of Los Angeles,

1 Merced, and Santa Clara, upon approval of the department and the
2 participating counties. The pilot projects shall test the reporting
3 systems described in subparagraphs (A), (B), and (C) of paragraph
4 (4).

5 (2) (A) The pilot project conducted in Los Angeles County
6 shall test one or both reporting systems described in subparagraphs
7 (A) and (B) of paragraph (4). The pilot project population for each
8 test shall be limited to 10,000 cases.

9 (B) The pilot projects in the other counties shall test one of the
10 reporting systems described in subparagraph (A) or (C) of
11 paragraph (4) and shall be limited to 2,000 cases per project.

12 (3) (A) The pilot projects shall be designed and conducted
13 according to standard scientific principles, and shall be in effect
14 for a period of 24 months.

15 (B) The projects may be extended an additional year upon the
16 approval of the department.

17 (C) The projects shall be designed to compare the monthly
18 reporting system with alternatives described in paragraph (4) as
19 to all of the following phenomena:

20 (i) Administrative savings resulting from reduced worker time
21 spent in reviewing monthly reports.

22 (ii) The amount of cash assistance paid to families.

23 (iii) The rate of administrative errors in cases and payments.

24 (iv) The incidence of underpayments and overpayments and the
25 costs to recipients and the administering agencies of making
26 corrective payments and collecting overpayments.

27 (v) Rates at which recipients lose eligibility for brief periods
28 due to failure to submit a monthly report but file new applications
29 for aid and thereafter are returned to eligible status.

30 (vi) Cumulative benefits and costs to each level of government
31 and to aid recipients resulting from each reporting system.

32 (vii) The incidence of, and ability to, prosecute fraud.

33 (viii) Ease of use by clients.

34 (ix) Case errors and potential sanction costs associated with
35 those errors.

36 (4) The pilot projects shall adopt reporting systems providing
37 for one or more of the following:

38 (A) A reporting system that requires families with no income
39 or whose only income is comprised of old age, survivors, or
40 disability insurance benefits administered pursuant to Subchapter

1 2 (commencing with Section 401) of Chapter 7 of Title 42 of the
2 United States Code, and with no recent work history to report
3 changes in circumstances that affect eligibility and grant amount
4 as changes occur. These changes shall be reported directly to the
5 county welfare department in person, in writing, or by telephone.
6 In all cases in which monthly reporting is not required, a form
7 advising recipients of what changes must be reported, and how
8 they may be reported shall be provided to recipients of aid along
9 with benefit payments each month.

10 (B) A reporting system that permits families with no income or
11 whose only income is comprised of old age, survivors, or disability
12 insurance benefits administered pursuant to Subchapter 2
13 (commencing with Section 401) of Chapter 7 of Title 42 of the
14 United States Code, and with no changes in eligibility criteria, to
15 report electronically monthly, using either an audio response or
16 the ~~food stamp on-line~~ *CalFresh online* issuance and recording
17 system, or a combination of both. Adequate instruction and training
18 shall be provided to county welfare department staff and to
19 recipients who choose to use this system prior to its
20 implementation.

21 (C) A reporting system that requires all families to report
22 changes in circumstances that affect eligibility and grant amount
23 as changes occur. The changes shall be reported directly to the
24 county welfare department in person, in writing, or by telephone.
25 In all cases in which monthly reporting is not required, a form
26 advising recipients of what changes must be reported, and how
27 they may be reported, shall be provided to recipients of aid along
28 with benefit payments each month.

29 (b) (1) The participating counties shall be responsible for
30 preparing federal demonstration project proposals, to be submitted
31 by the department, upon the department's review and approval of
32 the proposals, to the federal agency on the counties' behalf. The
33 development, operation, and evaluation of the pilot projects shall
34 not result in an increase in the state allocation of county
35 administrative funds.

36 (1.5) Each pilot county shall prepare and submit quarterly
37 reports, annual reports, and a final report to the department.

38 (2) Each quarterly report shall be submitted no later than 30
39 calendar days after the end of the quarter.

1 (3) Each annual report shall be submitted no later than 45 days
2 after the end of the year.

3 (4) (A) Each pilot county shall submit a final report not later
4 than 90 days following completion of the pilot projects required
5 by this section.

6 (B) (i) As part of the final report, the pilot counties shall prepare
7 and submit evaluations of the pilot projects to the department.

8 (ii) Each evaluation shall include, but not be limited to, an
9 analysis of the factors set forth in paragraph (3) of subdivision (a)
10 compared to each other and the current reporting systems in both
11 the AFDC and Food Stamp programs *program and CalFresh*. The
12 final evaluations shall be prepared by an independent consultant
13 or consultants contracted with for that purpose prior to the
14 commencement of the projects.

15 (C) The department shall review and approve the evaluations
16 submitted by the pilot counties and shall submit them to the
17 appropriate policy and fiscal committees of the Legislature.

18 (c) The department may terminate any or all of the pilot projects
19 implemented pursuant to this section after a period of six months
20 of operation if one or more of the pilot counties submits data to
21 the department, or information is otherwise received, indicating
22 that the pilot project or projects are not cost-effective or adversely
23 impact recipients or county or state operations based on the factors
24 set forth in subparagraph (C) of paragraph (3) of subdivision (a).

25 (d) The pilot projects shall be implemented only upon receipt
26 of the appropriate federal waivers.

27 SEC. 46. Section 11265.6 of the Welfare and Institutions Code
28 is amended to read:

29 11265.6. (a) The department may conduct up to five
30 demonstrations of alternatives to the current monthly reporting
31 system, ~~food stamp~~ *CalFresh* recertification, and AFDC
32 redeterminations. These demonstrations shall be designed to reduce
33 paperwork, achieve administrative savings, and maintain or
34 enhance program integrity. The department, in consultation with
35 the counties that request designation as a demonstration county,
36 shall determine the scope of the demonstrations.

37 (b) The director may waive, with federal approval, the
38 enforcement of specific ~~Food Stamp Program~~ *federal Supplemental*
39 *Nutrition Assistance Program* requirements, regulations, and
40 standards necessary to conduct these demonstrations.

1 SEC. 47. Section 11265.7 of the Welfare and Institutions Code
 2 is amended to read:

3 11265.7. (a) The department may conduct a demonstration in
 4 up to three counties of alternatives to the current monthly reporting
 5 system, ~~food stamp~~ *CalFresh* recertification, and AFDC
 6 redeterminations for recipients of alternative assistance. This
 7 demonstration shall be designed to reduce paperwork, achieve
 8 administrative savings, and maintain or enhance program integrity.
 9 The department, in consultation with the counties which request
 10 designation as a demonstration county shall determine the scope
 11 of the demonstrations.

12 (b) The director may waive, with federal approval, the
 13 enforcement of specific ~~Food Stamp Program~~ *federal Supplemental*
 14 *Nutrition Assistance Program* requirements, regulations, and
 15 standards necessary to conduct these demonstrations.

16 SEC. 48. Section 11266 of the Welfare and Institutions Code
 17 is amended to read:

18 11266. (a) At the time of application, the county shall
 19 determine whether the applicant needs immediate assistance
 20 because the applicant does not have sufficient resources to meet
 21 his or her emergency needs, and shall determine whether the
 22 applicant is apparently eligible for aid under this chapter.

23 (1) The county shall determine that the applicant needs
 24 immediate assistance if the family’s total available liquid resources,
 25 both nonexempt and exempt, are less than one hundred dollars
 26 (\$100) and there is an emergency situation, whether foreseeable
 27 or not. Examples of emergency situations include, but are not
 28 limited to, lack of housing, lack of food, notice of termination or
 29 loss of utility service, lack of essential clothing (including diapers),
 30 and inability to meet essential transportation needs.

31 (2) Apparent eligibility exists when evidence presented by the
 32 applicant or which is otherwise available to the county welfare
 33 department and the information provided on the application
 34 documents indicate that there would be eligibility for aid under
 35 this chapter if the evidence and information were verified. An alien
 36 applicant who does not provide verification of his or her eligible
 37 alien status, or a woman with no eligible children who does not
 38 provide medical verification of pregnancy, shall not be considered
 39 to be apparently eligible under this subdivision.

1 (b) If an applicant needs immediate assistance, and is apparently
2 eligible for aid as defined in subdivision (a), the county shall pay
3 the applicant two hundred dollars (\$200) or the maximum amount
4 for which that applicant is eligible, whichever is less. The advance
5 payment shall be made by the end of the first working day
6 following the request for that aid. The county shall verify the
7 applicant's eligibility for aid within 15 working days of the date
8 that immediate need is requested, and advance payments made
9 under this section shall be offset against the first grant payment
10 made to the recipient.

11 (c) An applicant's receipt of a notice of eviction, including a
12 three-day notice to pay or quit, shall constitute an emergency
13 situation under subdivision (a), irrespective of the one hundred
14 dollar (\$100) resource test, if the applicant has insufficient income
15 or resources to pay the rent owing. In those cases, the county shall
16 give the applicant the option of receiving an immediate advance
17 on the grant as described in subdivision (b), or an expedited
18 determination of eligibility for aid. Before an applicant decides
19 between these two options, the county shall fully apprise the
20 applicant, in writing, of all information necessary to establish
21 eligibility for aid. If an applicant requests expedited determination
22 of eligibility for aid, the county shall complete the determination
23 of eligibility for aid under this chapter, and, if the applicant is
24 determined to be eligible, issue payment of the full prorated grant
25 no more than three working days from the request for immediate
26 need. If the eligibility determination is not made within this
27 three-day period, the county shall immediately pay the applicant
28 two hundred dollars (\$200) or the maximum amount for which the
29 applicant is eligible, whichever is less, as specified in subdivisions
30 (a) and (b). The county shall verify the applicant's eligibility within
31 15 working days of the date of the request for immediate assistance,
32 and advance payments made under this subdivision shall be offset
33 against the first grant payment made to the recipient.

34 (d) (1) The county may deny an immediate advance payment
35 if the applicant's only immediate need is homelessness and this
36 need will be met by issuance of nonrecurring special needs payment
37 in accordance with subdivision (f) of Section 11450, or if the
38 applicant's only immediate need is lack of food and this need will
39 be met by issuance of ~~food stamps~~ *CalFresh benefits* within one
40 working day of the request therefor. With regard to all other

1 immediate needs, an advance payment may be denied and the
2 applicant referred to another public or private program or resource,
3 if all of the following conditions are met:

4 (A) Not more than one referral is made and the referral, when
5 made, is to meet no more than one need.

6 (B) The county has verified in advance that the specific need
7 can be satisfactorily addressed by the other program or resource
8 immediately.

9 (C) Travel to the other program or resource will not impose a
10 hardship on the applicant.

11 (2) If, for any reason, the other program or resource does not
12 satisfactorily meet the applicant’s need, the applicant shall be
13 immediately issued an advance payment, as specified in subdivision
14 (b).

15 (3) Except in the case of an applicant whose only need is lack
16 of food and the need is met with the issuance of ~~food stamps~~
17 *CalFresh benefits* within one working day of the request, where
18 an applicant’s immediate need is met by an alternative program
19 or resource authorized in this subdivision, the county shall verify
20 the applicant’s eligibility for aid within 15 working days of the
21 date of request.

22 (e) A denial of an immediate need application shall not constitute
23 a denial of the application for aid unless it is based upon the failure
24 to meet relevant eligibility requirements.

25 SEC. 49. Section 11266.5 of the Welfare and Institutions Code
26 is amended to read:

27 11266.5. (a) Every applicant for aid under this chapter shall
28 be informed of the availability of lump-sum diversion services to
29 resolve the circumstances that require the family to apply for
30 assistance prior to the family’s approval for aid.

31 (b) When an applicant is determined to be eligible for assistance
32 under this chapter, the county shall assess whether the applicant
33 would benefit from the lump-sum diversion program. The county
34 shall make this determination in its sole discretion. In making this
35 determination, the county shall consider whether the applicant is
36 likely to be able to avoid the need for extended assistance beyond
37 the diversion period if the family was provided one-time assistance.
38 In making this determination, the county may consider any of the
39 following:

40 (1) The applicant’s employment history.

1 (2) The likelihood of the applicant obtaining immediate full-time
2 employment.

3 (3) The applicant's general prospect for obtaining full-time
4 employment.

5 (4) The applicant's need for cash assistance to pay for housing
6 or substantial and unforeseen expenses or work-related expenses.

7 (5) Housing stability.

8 (6) The adequacy of the applicant's child care arrangements, if
9 applicable.

10 (c) If the county determines, pursuant to subdivision (b), that
11 an applicant could benefit from a lump-sum diversion payment,
12 the county shall inform the applicant of its determination.

13 (d) An applicant for aid under this chapter may either participate
14 in the lump-sum diversion program or decline participation in
15 diversion and, instead, receive aid as otherwise provided for in
16 this chapter.

17 (e) Lump-sum diversion services provided under this section
18 may include any cash or noncash payment and shall be negotiated
19 by the county and the applicant in order to assist the applicant in
20 avoiding the need for aid under this chapter.

21 (f) If, after accepting a diversion payment pursuant to this
22 section, the individual reapplies for aid under this chapter within
23 the amount of time that corresponds with the number of months
24 of aid that would have been received under this chapter that was
25 received as a diversion payment, excluding a partial month, and
26 he or she is determined to be eligible for aid, the county shall, at
27 the option of the recipient, either recoup from the recipient's grant,
28 over a period of time to be determined by the county, the amount
29 of the diversion payment that the recipient received, or count the
30 period of time that corresponds to the number of months of aid
31 that would have been received, excluding a partial month of aid,
32 towards the 60-month time limit on aid specified in subdivision
33 (b) of Section 11454.

34 (g) To the extent permitted by federal law, lump-sum diversion
35 payments shall not be considered income for the purpose of
36 determining eligibility for ~~food stamps~~ *CalFresh benefits*.

37 (h) Any child support collected by the applicant or recovered
38 by the county shall not be used to offset the diversion payment.

39 (i) During the period of the diversion, the applicant family shall
40 be eligible for Medi-Cal and child care assistance pursuant to

1 Article 15.5 (commencing with Section 8350) of Chapter 2 of Part
2 6 of the Education Code, if otherwise eligible.

3 SEC. 50. Section 11322.6 of the Welfare and Institutions Code
4 is amended to read:

5 11322.6. The welfare-to-work plan developed by the county
6 welfare department and the participant pursuant to this article shall
7 provide for welfare-to-work activities. Welfare-to-work activities
8 may include, but are not limited to, any of the following:

9 (a) Unsubsidized employment.

10 (b) Subsidized private sector employment.

11 (c) Subsidized public sector employment.

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

23 (e) On-the-job training.

24 (f) (1) Grant-based on-the-job training, which means public or
25 private sector employment or on-the-job training in which the
26 recipient’s cash grant, or a portion thereof, or the aid grant savings
27 resulting from employment, or both, is diverted to the employer
28 as a wage subsidy to partially or wholly offset the payment of
29 wages to the participant, so long as the total amount diverted does
30 not exceed the family’s maximum aid payment.

31 (2) A county shall not assign a participant to grant-based
32 on-the-job training unless and until the participant has voluntarily
33 agreed to participate in grant-based on-the-job training by executing
34 a voluntary agreement form, which shall be developed by the
35 department. The agreement shall include, but not be limited to,
36 information on the following:

37 (A) How job termination or another event will not result in loss
38 of the recipient’s grant funds, pursuant to department regulations.

39 (B) (i) How to obtain the federal Earned Income Tax Credit
40 (EITC), including the Advance EITC, and increased Food Stamp

1 ~~Program~~ *CalFresh* benefits, which may become available due to
2 increased earned income.

3 (ii) This subparagraph shall only become operative when and
4 to the extent that the department determines that it reflects current
5 federal law and Internal Revenue Service regulations.

6 (C) How these financial supports should increase the
7 participant's current income and how increasing earned income
8 should increase the recipient's future social security income.

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

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

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

21 (h) Workstudy.

22 (i) Self-employment.

23 (j) Community service.

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

33 (l) Job skills training directly related to employment.

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

37 (n) Job search and job readiness assistance, which means
38 providing the recipient with training to learn job seeking and
39 interviewing skills, to understand employer expectations, and learn

1 skills designed to enhance an individual's capacity to move toward
2 self-sufficiency, including financial management education.

3 (o) Education directly related to employment.

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

8 (q) Mental health, substance abuse, and domestic violence
9 services, described in Sections 11325.7 and 11325.8, and Article
10 7.5 (commencing with Section 11495), that are necessary to obtain
11 and retain employment.

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

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

17 SEC. 51. Section 11372 of the Welfare and Institutions Code
18 is amended to read:

19 11372. (a) Notwithstanding any other provision of law, the
20 Kinship Guardianship Assistance Payment Program implemented
21 under this article is exempt from the provisions of Chapter 2
22 (commencing with Section 11200) of Part 3, except Sections
23 11253.5, and 11265.8, as long as these exemptions would not
24 jeopardize federal financial participation in the payment.

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

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

37 SEC. 52. Section 11372 of the Welfare and Institutions Code,
38 as added by section 34 of Chapter 559 of the Statutes of 2010, is
39 amended to read:

1 11372. (a) Notwithstanding any other provision of law, the
2 state-funded Kinship Guardianship Assistance Payment Program
3 implemented under this article is exempt from the provisions of
4 Chapter 2 (commencing with Section 11200) of Part 3.

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

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

17 SEC. 53. Section 11390 of the Welfare and Institutions Code,
18 as added by Section 37 of Chapter 559 of the Statutes of 2010, is
19 amended to read:

20 11390. (a) A person who is a kinship guardian under this
21 article, and who has met the requirements of Section 361.4, shall
22 be exempt from Chapter 4.6 (commencing with Section 10830)
23 of Part 2 governing the statewide fingerprint imaging system. A
24 guardian who is also an applicant for or a recipient of benefits
25 under the CalWORKs program, Chapter 2 (commencing with
26 Section 11200) of Part 3, ~~or the Food Stamp program CalFresh~~,
27 Chapter 10 (commencing with Section 18900) of Part 6 shall
28 comply with the statewide fingerprint imaging system requirements
29 applicable to those programs.

30 (b) Any exemptions exercised pursuant to this section shall be
31 implemented in accordance with Section 11393.

32 (c) Income to the child, including the Kin-GAP payment, shall
33 not be considered income to the kinship guardian for purposes of
34 determining the kinship guardian's eligibility for any other aid
35 program, unless required by federal law as a condition of the receipt
36 of federal financial participation.

37 (d) Each county that formally had court-ordered jurisdiction
38 under Section 300 or Section 601 or 602 over a child receiving
39 benefits under the Kin-GAP Program shall be responsible for
40 paying the child's aid regardless of where the child actually resides.

1 (e) Notwithstanding any other provision of law, when a child
2 receiving benefits under the AFDC-FC foster care program
3 becomes eligible for benefits under the Kin-GAP Program during
4 any month, the child shall continue to receive benefits under the
5 AFDC-FC foster care program, as appropriate, to the end of that
6 calendar month, and Kin-GAP payments shall begin the first day
7 of the following month.

8 (f) All of the following shall apply to any child or nonminor in
9 receipt of Kin-GAP benefits:

10 (1) He or she is eligible to request and receive independent
11 living services pursuant to Section 10609.3.

12 (2) He or she may retain cash savings, not to exceed ten
13 thousand dollars (\$10,000), including interest, pursuant to Section
14 11155.5.

15 (3) He or she shall have earned income disregarded pursuant to
16 Section 11008.15.

17 SEC. 54. Section 11450 of the Welfare and Institutions Code
18 is amended to read:

19 11450. (a) (1) Aid shall be paid for each needy family, which
20 shall include all eligible brothers and sisters of each eligible
21 applicant or recipient child and the parents of the children, but
22 shall not include unborn children, or recipients of aid under Chapter
23 3 (commencing with Section 12000), qualified for aid under this
24 chapter. In determining the amount of aid paid, and notwithstanding
25 the minimum basic standards of adequate care specified in Section
26 11452, the family’s income, exclusive of any amounts considered
27 exempt as income or paid pursuant to subdivision (e) or Section
28 11453.1, averaged for the prospective quarter pursuant to Sections
29 11265.2 and 11265.3, and then calculated pursuant to Section
30 11451.5, shall be deducted from the sum specified in the following
31 table, as adjusted for cost-of-living increases pursuant to Section
32 11453 and paragraph (2). In no case shall the amount of aid paid
33 for each month exceed the sum specified in the following table,
34 as adjusted for cost-of-living increases pursuant to Section 11453
35 and paragraph (2), plus any special needs, as specified in
36 subdivisions (c), (e), and (f):

37		
38	Number of	
39	eligible needy	Maximum
40	persons in	aid

1	the same home	
2	1.....	\$ 326
3	2.....	535
4	3.....	663
5	4.....	788
6	5.....	899
7	6.....	1,010
8	7.....	1,109
9	8.....	1,209
10	9.....	1,306
11	10 or more.....	1,403

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

21 (2) The sums specified in paragraph (1) shall not be adjusted
 22 for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94,
 23 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through
 24 October 31, 1998, nor shall that amount be included in the base
 25 for calculating any cost-of-living increases for any fiscal year
 26 thereafter. Elimination of the cost-of-living adjustment pursuant
 27 to this paragraph shall satisfy the requirements of Section 11453.05,
 28 and no further reduction shall be made pursuant to that section.

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

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

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

18 (d) For children receiving AFDC-FC under this chapter, there
19 shall be paid, exclusive of any amount considered exempt as
20 income, an amount of aid each month which, when added to the
21 child's income, is equal to the rate specified in Section 11460,
22 11461, 11462, 11462.1, or 11463. In addition, the child shall be
23 eligible for special needs, as specified in departmental regulations.

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

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

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

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

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

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

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

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

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

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

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

1 household income without the value of ~~food stamps~~ *CalFresh*
2 *benefits* or special needs for a family of that size.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 SEC. 55. Section 11450.9 of the Welfare and Institutions Code
37 is amended to read:

38 11450.9. (a) (1) The department shall designate as energy
39 assistance payments any increase in the maximum aid payments
40 provided pursuant to Section 11450 made on or after the first day

1 of the first session of the Legislature which is convened after the
2 effective date of this section.

3 (2) Increases subject to paragraph (1) shall include any increase
4 provided pursuant to Sections 11453 and 11453.05.

5 (b) The designation required by subdivision (a) shall be made
6 to the extent allowed by federal law to increase ~~food stamp~~
7 *CalFresh* allotments to recipients of assistance under this chapter.

8 (c) The department shall notify the federal government of the
9 designation made pursuant to subdivision (a) no later than 60 days
10 after it has submitted a report on the study required by subdivision

11 (d).

12 (d) It is the intent of the Legislature that the department
13 designate the maximum amount of aid payments made under this
14 chapter as energy assistance payments to the extent allowed under
15 federal law to increase ~~food stamp~~ *CalFresh* allotments to
16 recipients of assistance under this chapter.

17 SEC. 56. Section 11453.1 of the Welfare and Institutions Code
18 is amended to read:

19 11453.1. (a) It is the intent of this section to assure that the
20 food purchasing power provided by benefits available from ~~food~~
21 ~~stamps~~ *CalFresh* under the federal ~~Food Stamp~~ *Supplemental*
22 *Nutrition Assistance* Program (Chapter 51 (commencing with
23 Section 2011), Title 7, United States Code) shall continue to be
24 available to recipients of aid under this chapter, if, when and during
25 such times as federal law is amended to preclude ~~food stamp~~
26 *CalFresh* benefits to such recipients, but does expressly permit
27 the equivalent of such benefits to be provided as cash benefits to
28 such recipients.

29 (b) It is the further intent of this section to protect the financial
30 interest of the state and counties by accomplishing the conversion
31 of ~~food stamp~~ *CalFresh* benefits in such a manner that the
32 conversion does not result in state and county costs of aid
33 exceeding the costs in the base year, as hereinafter defined in this
34 section.

35 (c) If federal law is amended to preclude the provision of ~~food~~
36 ~~stamp~~ *CalFresh* benefits pursuant to the federal ~~Food Stamp~~
37 *Supplemental Nutrition Assistance* Program to applicants or
38 recipients of aid under this chapter, when such federal law becomes
39 operative, such of the following provisions for converting ~~food~~

1 ~~stamp~~ *CalFresh* benefits to cash benefits as is consistent with the
2 intent of this section shall become operative immediately:

3 (1) The bonus value of ~~food stamps~~ *CalFresh benefits* shall be
4 paid in addition to the amounts payable pursuant to subdivision
5 (a) of Section 11450, provided that aggregate state and county
6 expenditures pursuant to that section and this section do not thereby
7 exceed the base-year costs.

8 (2) If aggregate state and county expenditures pursuant to
9 subdivision (a) of Section 11450 and this section in any fiscal year
10 would, by virtue of the operation of subsection (1) of subdivision
11 (c) of this section, result in an increase over the aggregate of such
12 expenditures in the base year, the bonus value of ~~food stamps~~
13 *CalFresh benefits* paid pursuant to this section shall be reduced,
14 on a pro rata basis, by such amount as will reduce aggregate state
15 and county expenditures under that section and this section to an
16 amount equal to the aggregate state and county expenditures in
17 the base year.

18 (d) For the purposes of this section, “base year” means that year
19 designated by federal law as the year fixing the limit on nonfederal
20 expenditures for programs established to implement programs
21 under Part A of Title 4 of the Social Security Act.

22 (e) For purposes of this section, “bonus value of ~~food stamps~~”
23 *CalFresh benefits*” means the dollar amount that federal law
24 permits to be paid to a child or a family of given size as a cash
25 benefit in lieu of benefits under the federal ~~Food Stamp~~
26 *Supplemental Nutrition Assistance* Program.

27 (f) For purposes of this section, “aggregate state and county
28 expenditure” is defined as expenditure made under subdivision (a)
29 of Section 11450 and this section, after deducting any federal
30 reimbursements or credits, and excluding any cost-of-living
31 increment paid pursuant to Section 11453.

32 SEC. 57. Section 11486 of the Welfare and Institutions Code
33 is amended to read:

34 11486. (a) The needs of any individual who is a member of a
35 family applying for, or receiving, aid under this chapter shall not
36 be taken into account in making the determination under Section
37 11450 with respect to his or her family beginning on the date, or
38 at any time thereafter, the individual is found in state or federal
39 court or pursuant to an administrative hearing decision, including

1 any determination made on the basis of a plea of guilty or nolo
 2 contendere, to have committed any of the following acts:

3 (1) Making a fraudulent statement or representation with respect
 4 to the place of residence of the individual in order to receive
 5 assistance simultaneously from two or more states or counties.

6 (2) Submitting documents for nonexistent children, or submitting
 7 false documents for the purpose of showing ineligible children to
 8 be eligible for aid.

9 (3) When there has been a receipt of cash benefits that exceeds
 10 ten thousand dollars (\$10,000) as a result of intentionally and
 11 willfully doing any of the following acts for the purpose of
 12 establishing or maintaining the family's eligibility for aid or
 13 increasing or preventing a reduction in the amount of aid:

14 (A) Making a false or misleading statement or misrepresenting,
 15 concealing, or withholding facts.

16 (B) Committing any act intended to mislead, misrepresent,
 17 conceal, or withhold facts or propound a falsity.

18 (b) The needs of any individual who is a member of a family
 19 applying for, or receiving, aid under this chapter shall not be taken
 20 into account in making the determination under Section 11450
 21 with respect to his or her family for the following periods beginning
 22 on the date or any time thereafter the individual is convicted of a
 23 felony in state or federal court, including any determination made
 24 on the basis of a plea of guilty or nolo contendere, for committing
 25 fraud in the receipt or attempted receipt of aid:

26 (1) For two years, if the amount of aid is less than two thousand
 27 dollars (\$2,000).

28 (2) For five years, if the amount of aid is two thousand dollars
 29 (\$2,000) or more but is less than five thousand dollars (\$5,000).

30 (3) Permanently, if the amount of aid is five thousand dollars
 31 (\$5,000) or more.

32 (c) (1) Except as provided in subdivisions (a) and (b), the needs
 33 of any individual who is a member of a family applying for, or
 34 receiving, aid under this chapter to whom paragraph (2) applies
 35 shall not be taken into account in making the determination under
 36 Section 11450 with respect to his or her family for the following
 37 periods:

38 (A) For a period of six months upon the first occasion of any
 39 offense referred to in paragraph (2).

1 (B) For a period of 12 months upon the second occasion of any
2 of those offenses referred to in paragraph (2).

3 (C) Permanently, upon the third occasion of any offense referred
4 to in subdivision (b) and paragraph (2).

5 (2) Except as provided in subdivisions (a), (b) and (d), paragraph
6 (1) shall apply to any individual who is found by a federal or state
7 court, or pursuant to a special administrative hearing meeting the
8 requirements of regulations adopted by the United States Secretary
9 of Health and Human Services, including any determination made
10 on the basis of a plea of guilty or nolo contendere, to have done
11 any of the following acts for the purpose of establishing or
12 maintaining the family's eligibility for aid or increasing, or
13 preventing a reduction in, the amount of that aid:

14 (A) Making a false or misleading statement or misrepresenting,
15 concealing, or withholding facts.

16 (B) Committing any act intended to mislead, misrepresent,
17 conceal, or withhold facts or propound a falsity.

18 (d) (1) Except as provided in subdivisions (a) and (b), and
19 notwithstanding subdivision (c), the needs of any individual who
20 is a member of a family applying for, or receiving, aid under this
21 chapter to whom paragraph (2) applies shall not be taken into
22 account in making the determination under Section 11450 with
23 respect to his or her family for the following periods:

24 (A) For a period of two years upon the first occasion of any
25 offense referred to in paragraph (2).

26 (B) For a period of four years upon the second occasion of any
27 offense referred to in paragraph (2).

28 (C) Permanently, upon the third occasion of any offense referred
29 to in subdivision (b) and paragraph (2).

30 (2) Paragraph (1) shall apply to any individual who is found by
31 a federal or state court, or pursuant to a special administrative
32 hearing meeting the requirements of regulations adopted by the
33 United States Secretary of Health and Human Services, including
34 any determination made on the basis of a plea of guilty or nolo
35 contendere, to have submitted more than one application for the
36 same type of aid for the same period of time, for the purpose of
37 receiving more than one grant of aid in order to establish or
38 maintain the family's eligibility for aid or increasing, or preventing
39 a reduction in, the amount of that aid.

1 (e) Proceedings against any individual alleged to have committed
 2 an offense described in subdivision (c) or (d) may be held either
 3 by hearing, pursuant to Section 10950 and in conformity with the
 4 regulations of the United States Secretary of Health and Human
 5 Services, if appropriate, or by referring the matter to the appropriate
 6 authorities for civil or criminal action in court.

7 (f) The department shall coordinate any action taken under this
 8 section with any corresponding actions being taken under ~~the Food~~
 9 ~~Stamp Program~~ *CalFresh* in any case where the factual issues
 10 involved arise from the same or related circumstances.

11 (g) Any period for which sanctions are imposed under this
 12 section shall remain in effect, without possibility of administrative
 13 stay, unless and until the findings upon which the sanctions were
 14 imposed are subsequently reversed by a court of appropriate
 15 jurisdiction, but in no event shall the duration of the period for
 16 which the sanctions are imposed be subject to review.

17 (h) Sanctions imposed under this section shall be in addition to,
 18 and not in substitution for, any other sanctions which may be
 19 provided for by law with respect to the offenses for which the
 20 sanctions are imposed.

21 (i) The department shall adopt regulations to ensure that any
 22 investigations made under this chapter are conducted throughout
 23 the state in such a manner as to protect the confidentiality of the
 24 current or former working recipient.

25 (j) Each county shall receive an amount equal to 12.5 percent
 26 of the actual amount of aid under this chapter repaid or recovered
 27 by a county, as determined by the Director of the Department of
 28 Finance resulting from the detection of fraud.

29 SEC. 58. Section 12200.5 of the Welfare and Institutions Code
 30 is amended to read:

31 12200.5. (a) (1) If permitted by federal law, and upon approval
 32 of the Secretaries of the United States Department of Health and
 33 Human Services and the United States Department of Agriculture,
 34 state supplementary payments set forth in Section 12200 shall be
 35 decreased for individuals and couples who live alone as defined
 36 for purposes of eligibility for ~~food stamps~~ *CalFresh* or only with
 37 other recipients of aid under Section 12200 so as to no longer
 38 include the bonus value of ~~food stamps~~ *CalFresh benefits*, and the
 39 department shall, instead, provide ~~food stamps~~ *CalFresh benefits*

1 to each otherwise eligible aged, blind, or disabled applicant or
2 recipient as specified in this section.

3 (2) Amounts of aid payable to individuals pursuant to
4 subdivisions (a), (c), and (f) of Section 12200 who live alone as
5 defined for purposes of ~~food stamp~~ *CalFresh* eligibility or only
6 with recipients of aid under Section 12200 shall be reduced by ten
7 dollars (\$10).

8 (3) Amounts of aid payable to couples pursuant to subdivisions
9 (b) and (d) of Section 12200 who live alone as defined for purposes
10 of ~~food stamp~~ *CalFresh* eligibility or only with other recipients of
11 aid under Section 12200 shall be reduced by ten dollars (\$10).

12 (b) (1) This section shall not be operative unless the Secretary
13 of the United States Department of Agriculture approves the
14 necessary waivers for a centralized state issuance system.

15 (2) Waivers required by paragraph (1) shall include, at a
16 minimum, all of the following, in order to ensure the most
17 cost-effective delivery of benefits:

18 (A) 7 C.F.R. 273.10(f)—Limitation of certification periods.

19 (B) 7 C.F.R. 273.2(e)—Face-to-face interview requirements.

20 (C) 7 C.F.R. 273.2(f)(1)—Mandatory verification requirements.

21 (D) 7 C.F.R. 273.2(g)—Application processing timeframe
22 requirements.

23 (E) 7 C.F.R. 273.9(d)(6)—Standard utility allowance usage.

24 (F) 7 C.F.R. 273.12(a)—Nonmonthly reporting requirements.

25 (c) In the administration of the centralized state system, the
26 department may contract through a competitive bid contract or a
27 sole source contract all or part of this operation.

28 SEC. 59. Section 14005.37 of the Welfare and Institutions
29 Code is amended to read:

30 14005.37. (a) Except as provided in Section 14005.39,
31 whenever a county receives information about changes in a
32 beneficiary's circumstances that may affect eligibility for Medi-Cal
33 benefits, the county shall promptly redetermine eligibility. The
34 procedures for redetermining Medi-Cal eligibility described in this
35 section shall apply to all Medi-Cal beneficiaries.

36 (b) Loss of eligibility for cash aid under that program shall not
37 result in a redetermination under this section unless the reason for
38 the loss of eligibility is one that would result in the need for a
39 redetermination for a person whose eligibility for Medi-Cal under
40 Section 14005.30 was determined without a concurrent

1 determination of eligibility for cash aid under the CalWORKs
2 program.

3 (c) A loss of contact, as evidenced by the return of mail marked
4 in such a way as to indicate that it could not be delivered to the
5 intended recipient or that there was no forwarding address, shall
6 require a prompt redetermination according to the procedures set
7 forth in this section.

8 (d) Except as otherwise provided in this section, Medi-Cal
9 eligibility shall continue during the redetermination process
10 described in this section. A Medi-Cal beneficiary's eligibility shall
11 not be terminated under this section until the county makes a
12 specific determination based on facts clearly demonstrating that
13 the beneficiary is no longer eligible for Medi-Cal under any basis
14 and due process rights guaranteed under this division have been
15 met.

16 (e) For purposes of acquiring information necessary to conduct
17 the eligibility determinations described in subdivisions (a) to (d),
18 inclusive, a county shall make every reasonable effort to gather
19 information available to the county that is relevant to the
20 beneficiary's Medi-Cal eligibility prior to contacting the
21 beneficiary. Sources for these efforts shall include, but are not
22 limited to, Medi-Cal, CalWORKs, and ~~Food Stamp Program~~
23 *CalFresh* case files of the beneficiary or of any of his or her
24 immediate family members, which are open or were closed within
25 the last 45 days, and wherever feasible, other sources of relevant
26 information reasonably available to the counties.

27 (f) If a county cannot obtain information necessary to
28 redetermine eligibility pursuant to subdivision (e), the county shall
29 attempt to reach the beneficiary by telephone in order to obtain
30 this information, either directly or in collaboration with
31 community-based organizations so long as confidentiality is
32 protected.

33 (g) If a county's efforts pursuant to subdivisions (e) and (f) to
34 obtain the information necessary to redetermine eligibility have
35 failed, the county shall send to the beneficiary a form, which shall
36 highlight the information needed to complete the eligibility
37 determination. The county shall not request information or
38 documentation that has been previously provided by the
39 beneficiary, that is not absolutely necessary to complete the
40 eligibility determination, or that is not subject to change. The form

1 shall be accompanied by a simple, clear, consumer-friendly cover
2 letter, which shall explain why the form is necessary, the fact that
3 it is not necessary to be receiving CalWORKs benefits to be
4 receiving Medi-Cal benefits, the fact that receipt of Medi-Cal
5 benefits does not count toward any time limits imposed by the
6 CalWORKs program, the various bases for Medi-Cal eligibility,
7 including disability, and the fact that even persons who are
8 employed can receive Medi-Cal benefits. The cover letter shall
9 include a telephone number to call in order to obtain more
10 information. The form and the cover letter shall be developed by
11 the department in consultation with the counties and representatives
12 of consumers, managed care plans, and Medi-Cal providers. A
13 Medi-Cal beneficiary shall have no less than 20 days from the date
14 the form is mailed pursuant to this subdivision to respond. Except
15 as provided in subdivision (h), failure to respond prior to the end
16 of this 20-day period shall not impact his or her Medi-Cal
17 eligibility.

18 (h) If the purpose for a redetermination under this section is a
19 loss of contact with the Medi-Cal beneficiary, as evidenced by the
20 return of mail marked in such a way as to indicate that it could not
21 be delivered to the intended recipient or that there was no
22 forwarding address, a return of the form described in subdivision
23 (g) marked as undeliverable shall result in an immediate notice of
24 action terminating Medi-Cal eligibility.

25 (i) If, within 20 days of the date of mailing of a form to the
26 Medi-Cal beneficiary pursuant to subdivision (g), a beneficiary
27 does not submit the completed form to the county, the county shall
28 send the beneficiary a written notice of action stating that his or
29 her eligibility shall be terminated 10 days from the date of the
30 notice and the reasons for that determination, unless the beneficiary
31 submits a completed form prior to the end of the 10-day period.

32 (j) If, within 20 days of the date of mailing of a form to the
33 Medi-Cal beneficiary pursuant to subdivision (g), the beneficiary
34 submits an incomplete form, the county shall attempt to contact
35 the beneficiary by telephone and in writing to request the necessary
36 information. If the beneficiary does not supply the necessary
37 information to the county within 10 days from the date the county
38 contacts the beneficiary in regard to the incomplete form, a 10-day
39 notice of termination of Medi-Cal eligibility shall be sent.

1 (k) If, within 30 days of termination of a Medi-Cal beneficiary's
2 eligibility pursuant to subdivision (h), (i), or (j), the beneficiary
3 submits to the county a completed form, eligibility shall be
4 determined as though the form was submitted in a timely manner
5 and if a beneficiary is found eligible, the termination under
6 subdivision (h), (I), or (j) shall be rescinded.

7 (l) If the information reasonably available to the county pursuant
8 to the redetermination procedures of subdivisions (d), (e), (g), and
9 (m) does not indicate a basis of eligibility, Medi-Cal benefits may
10 be terminated so long as due process requirements have otherwise
11 been met.

12 (m) The department shall, with the counties and representatives
13 of consumers, including those with disabilities, and Medi-Cal
14 providers, develop a timeframe for redetermination of Medi-Cal
15 eligibility based upon disability, including ex parte review, the
16 redetermination form described in subdivision (g), timeframes for
17 responding to county or state requests for additional information,
18 and the forms and procedures to be used. The forms and procedures
19 shall be as consumer-friendly as possible for people with
20 disabilities. The timeframe shall provide a reasonable and adequate
21 opportunity for the Medi-Cal beneficiary to obtain and submit
22 medical records and other information needed to establish
23 eligibility for Medi-Cal based upon disability.

24 (n) This section shall be implemented on or before July 1, 2001,
25 but only to the extent that federal financial participation under
26 Title XIX of the federal Social Security Act (Title 42 U.S.C. Sec.
27 1396 and following) is available.

28 (o) Notwithstanding Chapter 3.5 (commencing with Section
29 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
30 the department shall, without taking any regulatory action,
31 implement this section by means of all county letters or similar
32 instructions. Thereafter, the department shall adopt regulations in
33 accordance with the requirements of Chapter 3.5 (commencing
34 with Section 11340) of Part 1 of Division 3 of Title 2 of the
35 Government Code. Comprehensive implementing instructions
36 shall be issued to the counties no later than March 1, 2001.

37 SEC. 60. Section 14011.1 of the Welfare and Institutions Code
38 is amended to read:

39 14011.1. (a) The department shall, not later than July 1, 1998,
40 create and implement a simplified application package for the

1 following Medi-Cal applicants, as described under Section
2 1902(l)(3) of the federal Social Security Act (42 U.S.C. Sec.
3 1396a(l)(3)):

4 (1) Children.

5 (2) Pregnant women and infants.

6 (b) In developing the application package described in this
7 section, the department shall seek input from the Managed Risk
8 Medical Insurance Board and persons with expertise, including
9 beneficiary representatives, counties, and beneficiaries.

10 (c) The department shall permit an applicant to whom
11 subdivision (a) applies to apply for benefits by mailing in the
12 simplified application package. The package shall include, but not
13 be limited to, the following items, as they now exist or may be
14 changed from time to time:

15 (1) An application for cash aid, ~~food stamps~~ *CalFresh*, and
16 Medi-Cal.

17 (2) A statement of citizenship, alienage, and immigration status.

18 (3) A statement of facts.

19 (4) Important information for persons requesting Medi-Cal.

20 (5) The Child Health and Disability Prevention Program
21 brochure.

22 (d) The department shall not require an applicant who submits
23 a simplified application pursuant to subdivision (c) to complete a
24 face-to-face interview, except for good cause, a suspicion of fraud,
25 or to complete the application process. Every application package
26 shall contain a notification of the applicant's right to complete a
27 face-to-face interview.

28 (e) The department shall implement this section only to the
29 extent that its provisions are not violative of the requirements of
30 federal law, and only to the extent that federal financial
31 participation is not jeopardized.

32 SEC. 61. Section 14011.2 of the Welfare and Institutions Code,
33 as amended by Section 33 of Chapter 5 of the 4th Extraordinary
34 Session of the Statutes of 2009, is amended to read:

35 14011.2. (a) The department shall require that each applicant
36 for or beneficiary of Medi-Cal, including a child, who is not a
37 recipient of aid under the provisions of Chapter 2 (commencing
38 with Section 11200) or Chapter 3 (commencing with Section
39 12000) shall provide his or her social security account number, or
40 numbers, if he or she has more than one such number.

1 (b) The requirement for a social security account number shall
2 be a condition of eligibility only for the applicant who is seeking
3 or the beneficiary who is receiving (1) full-scope medical benefits
4 or (2), pursuant to Section 14007.5, restricted medical benefits
5 (emergency and pregnancy-related services only), and, in either
6 case, who declares, as required in subdivision (d), that he or she
7 is a citizen or national of the United States, and, if he or she is not
8 a citizen or national of the United States, that he or she has
9 satisfactory immigration status.

10 (c) The requirement for a social security account number shall
11 not be a condition of eligibility for the applicant who is seeking
12 or the beneficiary who is receiving, pursuant to Section 14007.5,
13 restricted medical benefits (emergency and pregnancy-related
14 services only), and who has not made the declaration, as required
15 in subdivision (d), that he or she is not a citizen or national of the
16 United States, and, if he or she is not a citizen or national of the
17 United States, that he or she does not have satisfactory immigration
18 status.

19 (d) Every applicant or beneficiary or, in the case of a child, by
20 the child's caretaker relative or legal guardian on his or her behalf
21 shall declare, under penalty of perjury, that he or she is, or is not
22 any of the following:

- 23 (1) A citizen of the United States.
- 24 (2) A national of the United States.
- 25 (3) An alien who has satisfactory immigration status.

26 (e) (1) Notwithstanding Section 50301.1 of Title 22 of the
27 California Code of Regulations, an individual who declares to be
28 a citizen or national of the United States in accordance with Section
29 1903(i)(22) of the federal Social Security Act (42 U.S.C. Sec.
30 1396b(i)(22)) shall present satisfactory documentary evidence of
31 citizenship or nationality in compliance with Section 1903(x) (42
32 U.S.C. Sec. 1396b(x) of the federal Social Security Act). Except
33 as otherwise provided in Section 14007.2 and in paragraph (7), no
34 services shall be available under this chapter for an individual who
35 fails to comply with the documentation requirements of this section.

36 (2) (A) The documentation required pursuant to paragraph (1)
37 shall be provided once by each individual, as follows:

- 38 (i) During the initial application process for applicants.
- 39 (ii) During the redetermination process for existing beneficiaries.

1 (B) If the documentation is obtained from a beneficiary, the
2 county shall maintain a copy of the documentation in the case file
3 of the beneficiary, and shall not request this documentation again.

4 (C) If electronic verification is used, a record of the
5 documentation shall be maintained in the case record and shall not
6 be requested again.

7 (D) Once the required documentation has been obtained by the
8 county, the beneficiary shall not be required to provide it again,
9 even if he or she is transferring to or applying in a new county.

10 (3) To the extent that federal financial participation is available,
11 the department shall provide for exceptions or alternatives to the
12 documentation requirements imposed by this subdivision as a
13 means of providing individuals with increased flexibility and ability
14 to provide satisfactory documentary evidence within a reasonable
15 period of time. These exceptions or alternatives may include, but
16 shall not be limited to, using an expanded list of acceptable
17 documents, relying on electronic data matches for birth certificates,
18 relying on a sworn affidavit of citizenship with respect to an
19 individual who can demonstrate good cause for his or her inability
20 or other failure to provide the required documentation, and relying
21 on other information that may be available electronically.

22 (4) (A) To the extent that federal financial participation is
23 available, the department shall rely on the eligibility determinations
24 for the CalWORKs program or the Aid to Families with Dependent
25 Children-Foster Care program as meeting the requirements of this
26 section.

27 (B) To the extent that federal financial participation is available,
28 an individual shall be deemed to have met the documentation
29 requirements of this subdivision if the individual has been
30 determined to be eligible for supplemental security income pursuant
31 to Title XVI of the Social Security Act (42 U.S.C. Sec. 1601 et
32 seq.).

33 (5) The following provisions shall apply to the extent that federal
34 financial participation is available:

35 (A) If an individual cooperates in the effort to obtain and present
36 the documentation required under this subdivision, the individual
37 shall be given as much time as is allowed by federal law and policy
38 to present that documentation.

1 (B) During the time period described in subparagraph (A), an
2 applicant shall receive the scope of Medi-Cal benefits for which
3 the applicant is otherwise eligible.

4 (6) To the extent that federal financial participation is available,
5 the county shall do all of the following to assist an individual in
6 obtaining and presenting the documentation required under this
7 subdivision:

8 (A) For an applicant who does not present the required
9 documentation at the time of application, the county, during the
10 time period described in subparagraph (A) of paragraph (5), shall
11 assist the applicant in obtaining that documentation.

12 (B) For a current beneficiary who has not yet documented his
13 or her citizenship, the county shall do the following:

14 (i) If, at the time of annual redetermination, the beneficiary
15 returns the annual redetermination form and, but for the failure to
16 present the required documentation, continued eligibility could be
17 established, the county shall do the following:

18 (I) Review county eligibility files and records, and the Medi-Cal
19 Eligibility Data System, to access those documents. This review
20 shall include a review of any CalWORKs or ~~food stamp~~ *CalFresh*
21 files that may exist for the beneficiary.

22 (II) Attempt to reach the beneficiary by telephone to advise the
23 beneficiary as to the need to obtain and present the required
24 documentation.

25 (III) If the beneficiary fails to respond to the telephone contact
26 or present the required documents, send a second form to the
27 beneficiary that highlights the documentation being requested and
28 informs the beneficiary to contact the county. The form shall be
29 written in a simple, clear, consumer-friendly manner, and shall
30 explain why the documentation is necessary.

31 (IV) If the beneficiary fails to contact the county, the county
32 shall make another attempt to reach the beneficiary by telephone
33 to advise the beneficiary of the need to obtain and present the
34 required documentation.

35 (ii) Document in the case file any efforts made to contact and
36 advise the beneficiary as to the need to obtain and present the
37 required documentation.

38 (C) If a beneficiary fails to present the required documentation
39 after the process required under clause (i), the county shall send a

1 10-day notice of action to indicate that the beneficiary's benefits
2 are reduced to those made available under Section 14007.2.

3 (7) To the extent federal financial participation is available, and
4 only to the extent any necessary federal approvals have been
5 obtained, the department may, in its discretion, elect the option
6 referenced in Section 1396a(a)(46)(B)(ii) of Title 42 of the United
7 States Code to satisfy the requirements of paragraph (1). This
8 paragraph shall become operative on January 1, 2010, or when all
9 necessary agreements with the Commissioner of Social Security
10 are in place, whichever is later. The department may implement
11 this paragraph earlier than January 1, 2010, only to the extent
12 allowed by federal law or guidance.

13 (8) (A) Any benefits provided in accordance with subparagraph
14 (B) of paragraph (5) shall terminate if any of the following occurs:

15 (i) The individual does not obtain and present the required
16 documentation within the time period provided in subparagraph
17 (A) of paragraph (5).

18 (ii) The documentation is received by the county and the county
19 has made a final determination of eligibility.

20 (B) The termination of Medi-Cal benefits under this paragraph
21 shall occur without the necessity of further review or determination
22 by the department. This shall not affect an individual's right to a
23 hearing with respect to the denial of the application or termination
24 of eligibility resulting from the annual eligibility redetermination.

25 (9) Notwithstanding Chapter 3.5 (commencing with Section
26 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
27 the department shall implement this subdivision by means of an
28 all county letter or similar instruction without taking regulatory
29 action. Within three years from the date that this subdivision
30 becomes effective, the department shall adopt regulations in
31 accordance with the requirements of Chapter 3.5 (commencing
32 with Section 11340) of Part 1 of Division 3 of Title 2 of the
33 Government Code.

34 (10) The department shall notify and consult with advocates,
35 providers, counties, and health plans in implementing, interpreting,
36 or making specific this subdivision.

37 (11) The department shall file all necessary state plan
38 amendments to implement the requirements of this subdivision.
39 Upon filing any state plan amendment, the department shall provide

1 the appropriate fiscal committees of the Legislature with a copy
2 of the state plan amendment.

3 (12) If any part of this subdivision is in conflict with or does
4 not comply with federal law, the subdivision shall be implemented
5 only to the extent that federal law permits. Any part that is in
6 conflict with or does not comply with federal law shall be severable
7 from the remaining portions of this subdivision.

8 SEC. 62. Section 14107.12 of the Welfare and Institutions
9 Code is amended to read:

10 14107.12. (a) The Department of Justice may pay, pursuant
11 to subdivision (d), from funds recovered by the Department of
12 Justice, and only to the extent that the money may be used for this
13 purpose, a reward to any person who furnishes information leading
14 to the recovery of not less than one hundred dollars (\$100) of
15 public funds paid for services or goods rendered under the
16 Medi-Cal program due to an act or omission by a individual or
17 entity from which recovery is sought and that is the basis of a
18 conviction of a Medi-Cal provider of services or goods in violation
19 of any statutory criminal prohibition within the jurisdiction of the
20 Bureau of Medi-Cal Fraud and Elder Abuse pursuant to Section
21 12528 of the Government Code.

22 (b) No reward shall be paid for information under this section
23 unless the information relates to the specific activities of a specific
24 individual or entity, and specifies the time period during which
25 the prohibited activities occurred.

26 (c) No reward shall be paid under this section to a federal, state,
27 or local public employee or any individual contracting with a state
28 or local agency for information discovered by the employee during
29 the course of his or her duties as a federal, state, or local agency
30 employee or pursuant to a contract with that agency.

31 (d) The amount of a reward under this section shall be
32 determined by the Department of Justice, and shall not exceed 10
33 percent of the restitution recovered or one thousand dollars
34 (\$1,000), whichever is less. No reward shall be paid until all
35 recoverable funds have been collected from the individual or entity
36 convicted of a violation of statutory prohibitions listed in
37 subdivision (a).

38 (e) A determination by the Department of Justice of the
39 eligibility of an individual to receive a reward, the amount and
40 appropriateness of a reward under this section, and the timing of

1 the payment of the reward shall be deemed to be final and shall
2 not be subject to administrative appeal or judicial review.

3 (f) Subject to subdivision (g), payments made under authority
4 of this section shall be disregarded for purposes of determining
5 eligibility for any Medi-Cal program, for the CalWORKs program,
6 ~~for the Food Stamp Program~~ *CalFresh*, for the County Medical
7 Services Program, and for any other means-tested public benefit
8 program for which California has authority to establish the rules
9 for determining eligibility.

10 (g) The income disregard described in subdivision (f) shall not
11 be effective, with respect to an identified program, until the first
12 day of the third month from the month in which any necessary
13 federal approval is obtained. The income disregard provided for
14 in subdivision (f) shall only be implemented to the extent that
15 federal financial participation is obtained.

16 SEC. 63. Section 14154 of the Welfare and Institutions Code
17 is amended to read:

18 14154. (a) (1) The department shall establish and maintain a
19 plan whereby costs for county administration of the determination
20 of eligibility for benefits under this chapter will be effectively
21 controlled within the amounts annually appropriated for that
22 administration. The plan, to be known as the County Administrative
23 Cost Control Plan, shall establish standards and performance
24 criteria, including workload, productivity, and support services
25 standards, to which counties shall adhere. The plan shall include
26 standards for controlling eligibility determination costs that are
27 incurred by performing eligibility determinations at county
28 hospitals, or that are incurred due to the outstationing of any other
29 eligibility function. Except as provided in Section 14154.15,
30 reimbursement to a county for outstationed eligibility functions
31 shall be based solely on productivity standards applied to that
32 county's welfare department office.

33 (2) (A) The plan shall delineate both of the following:

34 (i) The process for determining county administration base costs,
35 which include salaries and benefits, support costs, and staff
36 development.

37 (ii) The process for determining funding for caseload changes,
38 cost-of-living adjustments, and program and other changes.

1 (B) The annual county budget survey document utilized under
2 the plan shall be constructed to enable the counties to provide
3 sufficient detail to the department to support their budget requests.

4 (3) The plan shall be part of a single state plan, jointly developed
5 by the department and the State Department of Social Services, in
6 conjunction with the counties, for administrative cost control for
7 the California Work Opportunity and Responsibility to Kids
8 (CalWORKs), ~~Food Stamp~~ *CalFresh*, and Medical Assistance
9 (Medi-Cal) programs. Allocations shall be made to each county
10 and shall be limited by and determined based upon the County
11 Administrative Cost Control Plan. In administering the plan to
12 control county administrative costs, the department shall not
13 allocate state funds to cover county cost overruns that result from
14 county failure to meet requirements of the plan. The department
15 and the State Department of Social Services shall budget,
16 administer, and allocate state funds for county administration in a
17 uniform and consistent manner.

18 (4) The department and county welfare departments shall
19 develop procedures to ensure the data clarity, consistency, and
20 reliability of information contained in the county budget survey
21 document submitted by counties to the department. These
22 procedures shall include the format of the county budget survey
23 document and process, data submittal and its documentation, and
24 the use of the county budget survey documents for the development
25 of determining county administration costs. Communication
26 between the department and the county welfare departments shall
27 be ongoing as needed regarding the content of the county budget
28 surveys and any potential issues to ensure the information is
29 complete and well understood by involved parties. Any changes
30 developed pursuant to this section shall be incorporated within the
31 state's annual budget process by no later than the 2011–12 fiscal
32 year.

33 (5) The department shall provide a clear narrative description
34 along with fiscal detail in the Medi-Cal estimate package, submitted
35 to the Legislature in January and May of each year, of each
36 component of the county administrative funding for the Medi-Cal
37 program. This shall describe how the information obtained from
38 the county budget survey documents was utilized and, where
39 applicable, modified and the rationale for the changes.

1 (b) Nothing in this section, Section 15204.5, or Section 18906
2 shall be construed so as to limit the administrative or budgetary
3 responsibilities of the department in a manner that would violate
4 Section 14100.1, and thereby jeopardize federal financial
5 participation under the Medi-Cal program.

6 (c) (1) The Legislature finds and declares that in order for
7 counties to do the work that is expected of them, it is necessary
8 that they receive adequate funding, including adjustments for
9 reasonable annual cost-of-doing-business increases. The Legislature
10 further finds and declares that linking appropriate funding for
11 county Medi-Cal administrative operations, including annual
12 cost-of-doing-business adjustments, with performance standards
13 will give counties the incentive to meet the performance standards
14 and enable them to continue to do the work they do on behalf of
15 the state. It is therefore the Legislature's intent to provide
16 appropriate funding to the counties for the effective administration
17 of the Medi-Cal program at the local level to ensure that counties
18 can reasonably meet the purposes of the performance measures as
19 contained in this section.

20 (2) It is the intent of the Legislature to not appropriate funds for
21 the cost-of-doing-business adjustment for the 2008–09, 2009–10,
22 and 2010–11 fiscal years.

23 (d) The department is responsible for the Medi-Cal program in
24 accordance with state and federal law. A county shall determine
25 Medi-Cal eligibility in accordance with state and federal law. If
26 in the course of its duties the department becomes aware of
27 accuracy problems in any county, the department shall, within
28 available resources, provide training and technical assistance as
29 appropriate. Nothing in this section shall be interpreted to eliminate
30 any remedy otherwise available to the department to enforce
31 accurate county administration of the program. In administering
32 the Medi-Cal eligibility process, each county shall meet the
33 following performance standards each fiscal year:

34 (1) Complete eligibility determinations as follows:

35 (A) Ninety percent of the general applications without applicant
36 errors and are complete shall be completed within 45 days.

37 (B) Ninety percent of the applications for Medi-Cal based on
38 disability shall be completed within 90 days, excluding delays by
39 the state.

1 (2) (A) The department shall establish best-practice guidelines
 2 for expedited enrollment of newborns into the Medi-Cal program,
 3 preferably with the goal of enrolling newborns within 10 days after
 4 the county is informed of the birth. The department, in consultation
 5 with counties and other stakeholders, shall work to develop a
 6 process for expediting enrollment for all newborns, including those
 7 born to mothers receiving CalWORKs assistance.

8 (B) Upon the development and implementation of the
 9 best-practice guidelines and expedited processes, the department
 10 and the counties may develop an expedited enrollment timeframe
 11 for newborns that is separate from the standards for all other
 12 applications, to the extent that the timeframe is consistent with
 13 these guidelines and processes.

14 (C) Notwithstanding the rulemaking procedures of Chapter 3.5
 15 (commencing with Section 11340) of Part 1 of Division 3 of Title
 16 2 of the Government Code, the department may implement this
 17 section by means of all-county letters or similar instructions,
 18 without further regulatory action.

19 (3) Perform timely annual redeterminations, as follows:

20 (A) Ninety percent of the annual redetermination forms shall
 21 be mailed to the recipient by the anniversary date.

22 (B) Ninety percent of the annual redeterminations shall be
 23 completed within 60 days of the recipient’s annual redetermination
 24 date for those redeterminations based on forms that are complete
 25 and have been returned to the county by the recipient in a timely
 26 manner.

27 (C) Ninety percent of those annual redeterminations where the
 28 redetermination form has not been returned to the county by the
 29 recipient shall be completed by sending a notice of action to the
 30 recipient within 45 days after the date the form was due to the
 31 county.

32 (D) When a child is determined by the county to change from
 33 no share of cost to a share of cost and the child meets the eligibility
 34 criteria for the Healthy Families Program established under Section
 35 12693.98 of the Insurance Code, the child shall be placed in the
 36 Medi-Cal-to-Healthy Families Bridge Benefits Program, and these
 37 cases shall be processed as follows:

38 (i) Ninety percent of the families of these children shall be sent
 39 a notice informing them of the Healthy Families Program within
 40 five working days from the determination of a share of cost.

1 (ii) Ninety percent of all annual redetermination forms for these
2 children shall be sent to the Healthy Families Program within five
3 working days from the determination of a share of cost if the parent
4 has given consent to send this information to the Healthy Families
5 Program.

6 (iii) Ninety percent of the families of these children placed in
7 the Medi-Cal-to-Healthy Families Bridge Benefits Program who
8 have not consented to sending the child's annual redetermination
9 form to the Healthy Families Program shall be sent a request,
10 within five working days of the determination of a share of cost,
11 to consent to send the information to the Healthy Families Program.

12 (E) Subparagraph (D) shall not be implemented until 60 days
13 after the Medi-Cal and Joint Medi-Cal and Healthy Families
14 applications and the Medi-Cal redetermination forms are revised
15 to allow the parent of a child to consent to forward the child's
16 information to the Healthy Families Program.

17 (e) The department shall develop procedures in collaboration
18 with the counties and stakeholder groups for determining county
19 review cycles, sampling methodology and procedures, and data
20 reporting.

21 (f) On January 1 of each year, each applicable county, as
22 determined by the department, shall report to the department on
23 the county's results in meeting the performance standards specified
24 in this section. The report shall be subject to verification by the
25 department. County reports shall be provided to the public upon
26 written request.

27 (g) If the department finds that a county is not in compliance
28 with one or more of the standards set forth in this section, the
29 county shall, within 60 days, submit a corrective action plan to the
30 department for approval. The corrective action plan shall, at a
31 minimum, include steps that the county shall take to improve its
32 performance on the standard or standards with which the county
33 is out of compliance. The plan shall establish interim benchmarks
34 for improvement that shall be expected to be met by the county in
35 order to avoid a sanction.

36 (h) (1) If a county does not meet the performance standards for
37 completing eligibility determinations and redeterminations as
38 specified in this section, the department may, at its sole discretion,
39 reduce the allocation of funds to that county in the following year
40 by 2 percent. Any funds so reduced may be restored by the

1 department if, in the determination of the department, sufficient
2 improvement has been made by the county in meeting the
3 performance standards during the year for which the funds were
4 reduced. If the county continues not to meet the performance
5 standards, the department may reduce the allocation by an
6 additional 2 percent for each year thereafter in which sufficient
7 improvement has not been made to meet the performance standards.

8 (2) No reduction of the allocation of funds to a county shall be
9 imposed pursuant to this subdivision for failure to meet
10 performance standards during any period of time in which the
11 cost-of-doing-business increase is suspended.

12 (i) The department shall develop procedures, in collaboration
13 with the counties and stakeholders, for developing instructions for
14 the performance standards established under subparagraph (D) of
15 paragraph (3) of subdivision (d), no later than September 1, 2005.

16 (j) No later than September 1, 2005, the department shall issue
17 a revised annual redetermination form to allow a parent to indicate
18 parental consent to forward the annual redetermination form to
19 the Healthy Families Program if the child is determined to have a
20 share of cost.

21 (k) The department, in coordination with the Managed Risk
22 Medical Insurance Board, shall streamline the method of providing
23 the Healthy Families Program with information necessary to
24 determine Healthy Families eligibility for a child who is receiving
25 services under the Medi-Cal-to-Healthy Families Bridge Benefits
26 Program.

27 SEC. 64. Section 15125 of the Welfare and Institutions Code
28 is amended to read:

29 15125. (a) The Central Benefit Issuance Fund is hereby created
30 in the State Treasury.

31 (b) The fund shall be administered by the State Department of
32 Social Services, and, notwithstanding Section 13340 of the
33 Government Code, all moneys in the fund are hereby continuously
34 appropriated to the department, without regard to fiscal years, for
35 expenditure for the purpose of making payments or advances to
36 recipients of public social services and ~~food stamps~~ *CalFresh*
37 *benefits*, as provided in Section 11006.6.

38 (c) Amounts to be transferred to the Central Benefit Issuance
39 Fund shall be determined by the department, in accordance with
40 an agreed upon format with the Controller, from the funds and

1 appropriations properly chargeable for the implementation of the
2 central benefit issuance system provided for in Section 11006.6.

3 (d) (1) Notwithstanding Section 17070 of the Government
4 Code, any warrant drawn on the Central Benefit Issuance Fund
5 that remains unpaid for 180 days after it becomes payable, shall
6 be void and shall be canceled by the Controller.

7 (2) The Controller shall cause to be printed prominently on the
8 face of each warrant issued from the fund, a notice regarding the
9 requirements of paragraph (1).

10 (e) Notwithstanding Sections 17091 and 17092 of the
11 Government Code, the department, with the concurrence of the
12 Controller, shall provide for the replacement of lost or stolen
13 warrants consistent with Section 29853.5 of the Government Code.
14 The department may adopt regulations implementing this
15 subdivision.

16 SEC. 65. Section 15204.4 of the Welfare and Institutions Code
17 is amended to read:

18 15204.4. In addition to the funds received under Section
19 15204.2, counties shall be required to expend money from their
20 own funds, either from the county's general fund or from the social
21 services account of the county health and welfare trust fund to
22 support administration of programs providing services to needy
23 families. Each county shall expend an amount for these programs
24 that, when combined with funds expended under Section 18906.5
25 for administration of ~~food stamps~~ *CalFresh*, equals or exceeds the
26 amount spent by that county for corresponding activities during
27 the 1996–97 fiscal year. Failure to meet this required level of
28 spending shall result in a proportionate reduction of the funds
29 provided under Section 15204.2. In those cases the Director of
30 Social Services shall report to the Legislature within 30 days his
31 or her findings relative to the ability of the county, with reduced
32 funds, to meet its obligations in administering the affected
33 programs. The report shall include any relevant information related
34 to the performance of the county.

35 SEC. 66. Section 15204.5 of the Welfare and Institutions Code
36 is amended to read:

37 15204.5. The department shall establish and maintain a plan
38 whereby costs for county administration of the payment of aid
39 grants under this part will be effectively controlled within the
40 amounts annually appropriated for such administration. The plan,

1 to be known as the County Administrative Cost Control Plan, shall
2 establish standards and performance criteria, including workload,
3 productivity and support services standards, to which counties
4 shall adhere. The plan shall be part of a single state plan, jointly
5 developed by the department and the State Department of Health
6 *Care Services*, in conjunction with the counties, for administrative
7 cost control for the Aid to Families with Dependent Children
8 (AFDC), ~~Food Stamp~~ *CalFresh*, and Medical Assistance
9 (Medi-Cal) programs. Allocations shall be made to each county
10 and shall be limited by and determined based upon the County
11 Administrative Cost Control Plan. In administering the plan to
12 control county administrative costs, the department shall not
13 allocate state funds to cover county cost overruns which result
14 from county failure to meet requirements of the plan. The
15 department and the State Department of Health Services shall
16 budget, administer, and allocate state funds for county
17 administration in a uniform and a consistent manner.

18 SEC. 67. Section 15525 of the Welfare and Institutions Code
19 is amended to read:

20 15525. (a) The State Department of Social Services shall
21 establish a Work Incentive Nutritional Supplement (WINS)
22 program pursuant to this section.

23 (b) Under the WINS program established pursuant to subdivision
24 (a), each county shall provide a forty dollar (\$40) per month
25 additional food assistance benefit for each eligible ~~food stamp~~
26 *CalFresh* household, as defined in subdivision (d).

27 (c) The state shall pay to the counties 100 percent of the cost
28 of WINS benefits, using funds that qualify for the state's
29 maintenance of effort requirements under Section 609(a)(7)(B)(i)
30 of Title 42 of the United States Code.

31 (d) For purposes of this section, an “eligible ~~food stamp~~
32 *CalFresh* household” is a household that meets all of the following
33 criteria:

34 (1) Receives benefits pursuant to Chapter 10 (commencing with
35 Section 18900) of Part 6.

36 (2) Has no household member receiving CalWORKs benefits
37 pursuant to Chapter 2 (commencing with Section 11200).

38 (3) Contains at least one child under 18 years of age, unless the
39 household contains a child who meets the requirements of Section
40 11253.

1 (4) Has at least one parent or caretaker relative determined to
2 be “work eligible” as defined in Section 261.2(n) of Title 45 of
3 the Code of Federal Regulations and Section 607 of Title 42 of
4 the United States Code.

5 (5) Meets the federal work participation hours requirement set
6 forth in Section 607 of Title 42 of the United States Code for
7 subsidized or unsubsidized employment, and provides
8 documentation that the household has met the federal work
9 requirements.

10 (e) (1) In accordance with federal law, federal ~~food stamp~~
11 *Supplemental Nutrition Assistance Program* benefits *administered*
12 *in California as CalFresh* (Chapter 10 (commencing with Section
13 18900) of Part 6), federal supplemental security income benefits,
14 state supplemental security program benefits, public social services,
15 as defined in Section 10051, and county aid benefits (Part 5
16 (commencing with Section 17000)), shall not be reduced as a
17 consequence of the receipt of the WINS benefit paid under this
18 chapter.

19 (2) Benefits paid under this chapter shall not count toward the
20 federal 60-month time limit on aid as set forth in Section
21 608(a)(7)(A) of Title 42 of the United States Code. Payment of
22 WINS benefits shall not commence before October 1, 2012, and
23 full implementation of the program shall be achieved on or before
24 April 1, 2013.

25 (f) (1) Notwithstanding the rulemaking provisions of the
26 Administrative Procedure Act (Chapter 3.5 (commencing with
27 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
28 Code and Section 10554), until emergency regulations are filed
29 with the Secretary of State pursuant to paragraph (2), the State
30 Department of Social Services may implement this section through
31 all-county letters or similar instructions from the director. The
32 director may provide for individual county phase-in of this section
33 to allow for the orderly implementation based upon standards
34 established by the director, including the operational needs and
35 requirements of the counties. Implementation of the automation
36 process changes shall include issuance of an all-county letter or
37 similar instructions to counties by March 1, 2012.

38 (2) The department may adopt regulations to implement this
39 chapter. The initial adoption, amendment, or repeal of a regulation
40 authorized by this section is deemed to address an emergency, for

1 purposes of Sections 11346.1 and 11349.6 of the Government
 2 Code, and the department is hereby exempted for that purpose
 3 from the requirements of subdivision (b) of Section 11346.1 of
 4 the Government Code. After the initial adoption, amendment, or
 5 repeal of an emergency regulation pursuant to this paragraph, the
 6 department may request approval from the Office of Administrative
 7 Law to readopt the regulation as an emergency regulation pursuant
 8 to Section 11346.1 of the Government Code.

9 (g) (1) The department shall not fully implement this section
 10 until the department convenes a workgroup of advocates, legislative
 11 staff, county representatives, and other stakeholders to consider
 12 the progress of the WINS automation effort in tandem with a
 13 pre-assistance employment readiness system (PAERS) program
 14 and any other program options that may provide offsetting benefits
 15 to the caseload reduction credit in the CalWORKs program. The
 16 department shall convene this workgroup on or before December
 17 1, 2011.

18 (2) A PAERS program shall be considered in light of current
 19 and potential federal Temporary Assistance for Needy Families
 20 (TANF) statutes and regulations and how other states with
 21 pre-assistance or other caseload offset options are responding to
 22 federal changes.

23 (3) The consideration of program options shall include, but not
 24 necessarily be limited to, the potential impacts on helping clients
 25 to obtain self-sufficiency, increasing the federal work participation
 26 rate, increasing the caseload reduction credit, requirements and
 27 efficiency of county administration, and the well-being of
 28 CalWORKs recipients.

29 (4) If the workgroup concludes that adopting a PAERS program
 30 or other program option pursuant to this section would, on balance,
 31 be favorable for California and its CalWORKs recipients, the
 32 department, in consultation with the workgroup, shall prepare a
 33 proposal by March 31, 2012, for consideration during the regular
 34 legislative budget subcommittee process in 2012.

35 (5) To meet the requirements of this subdivision, the department
 36 may use its TANF reauthorization workgroups.

37 SEC. 68. The heading of Chapter 10 (commencing with Section
 38 18900) of Part 6 of Division 9 of the Welfare and Institutions Code
 39 is amended to read:

CHAPTER 10. ~~FOOD STAMPS~~ CALFRESH

SEC. 69. Section 18900 of the Welfare and Institutions Code is amended to read:

18900. Finding that hunger, undernutrition, and malnutrition are present and continuing problems faced by low-income California households, and further finding that the federal ~~Food Stamp~~ *Supplemental Nutrition Assistance* Program (Chapter 51 commencing with Section 2011), Title 7, United States Code) offers significant health-vital benefits, the purpose of this chapter is to establish a statewide program to enable recipients of aid under Part 3 (commencing with Section 11000) or Part 5 (commencing with Section 17000) of this division and other low-income households to receive ~~food stamps~~ *benefits* under the federal ~~Food Stamp~~ *Supplemental Nutrition Assistance* Program.

SEC. 70. Section 18900.2 is added to the Welfare and Institutions Code, to read:

18900.2. (a) Pursuant to Section 18900.1, the name of the federal Supplemental Nutrition Assistance Program (Chapter 51 commencing with Section 2011) Title 7 of the United States Code) as administered in California shall be CalFresh.

(b) Any reference in any other law to the Food Stamp program shall refer to CalFresh.

SEC. 71. Section 18901.3 of the Welfare and Institutions Code is amended to read:

18901.3. (a) Subject to the limitations of subdivision (b), pursuant to Section 115(d)(1)(A) of Public Law 104-193 (21 U.S.C. Sec. 862a(d)(1)(A)), California opts out of the provisions of Section 115(a)(2) of Public Law 104-193 (21 U.S.C. Sec. 862a(a)(2)). A convicted drug felon shall be eligible to receive ~~food stamps~~ *CalFresh benefits* under this section.

(b) Subdivision (a) does not apply to a person who has been convicted of unlawfully transporting, importing into this state, selling, furnishing, administering, giving away, possessing for sale, purchasing for purposes of sale, manufacturing a controlled substance, possessing precursors with the intent to manufacture a controlled substance, or cultivating, harvesting, or processing marijuana or any part thereof pursuant to Section 11358 of the Health and Safety Code.

1 (c) Subdivision (a) does not apply to a person who has been
 2 convicted of unlawfully soliciting, inducing, encouraging, or
 3 intimidating a minor to participate in any activity listed in
 4 subdivision (b).

5 (d) As a condition of eligibility to receive ~~food stamps~~ *CalFresh*
 6 *benefits* pursuant to subdivision (a), an applicant convicted of a
 7 felony drug offense that is not excluded under subdivision (b) or
 8 (c) shall be required to provide proof of one of the following
 9 subsequent to the most recent drug-related conviction:

10 (1) Completion of a government-recognized drug treatment
 11 program.

12 (2) Participation in a government-recognized drug treatment
 13 program.

14 (3) Enrollment in a government-recognized drug treatment
 15 program.

16 (4) Placement on a waiting list for a government-recognized
 17 drug treatment program.

18 (5) Other evidence that the illegal use of controlled substances
 19 has ceased, as established by State Department of Social Services
 20 regulations.

21 (e) Notwithstanding the Administrative Procedure Act (Chapter
 22 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
 23 Title 2 of the Government Code), the department may implement
 24 this section through an all-county letter or similar instructions from
 25 the director no later than January 1, 2005.

26 (f) The department shall adopt regulations as otherwise
 27 necessary to implement this section no later than July 1, 2005.
 28 Emergency regulations adopted for implementation of this section
 29 may be adopted by the director in accordance with the
 30 Administrative Procedure Act. The adoption of emergency
 31 regulations shall be deemed to be an emergency and necessary for
 32 immediate preservation of the public peace, health and safety, or
 33 general welfare. The emergency regulations shall be exempt from
 34 review by the Office of Administrative Law. The emergency
 35 regulations authorized by this section shall be submitted to the
 36 Office of Administrative Law for filing with the Secretary of State
 37 and shall remain in effect for no more than 180 days.

38 SEC. 72. Section 18901.4 of the Welfare and Institutions Code
 39 is amended to read:

1 18901.4. (a) Effective July 1, 2010, the department shall
2 propose a Transitional ~~Food Stamps~~ *CalFresh* for Foster Youth
3 demonstration project under which independent foster care
4 adolescents, as defined in Section 1905(w)(1) of the federal Social
5 Security Act (42 U.S.C. Sec. 1396d(w)(1)) who are not eligible
6 for CalWORKs or Supplementary Security Income program
7 benefits, shall be eligible without regard to income or resources,
8 subject to federal law authorizing demonstration projects pursuant
9 to Section 2011 and following of Title 7 of the United States Code.

10 (b) An individual eligible for the program proposed pursuant
11 to this section shall receive the maximum benefit amount allotted
12 for a household size of one for the initial certification period, which
13 shall remain constant for the entirety of the initial certification
14 period. The ~~food stamp~~ *CalFresh* case shall be established and
15 maintained in the county of jurisdiction designated by the
16 terminating foster care case.

17 (c) The demonstration project proposed pursuant to this section
18 shall maximize access to benefits and minimize interim reporting
19 requirements during the certification period.

20 (d) Notwithstanding any other provision of law, Chapter 4.6
21 (commencing with Section 10830) of Part 2 of Division 9 shall
22 not apply to individuals eligible under this section during the
23 12-month transitional ~~food stamp~~ *CalFresh* demonstration project
24 certification period.

25 (e) Not later than March 1, 2010, the department shall seek all
26 necessary federal approvals to implement this section as a
27 demonstration project for these beneficiaries. This section shall
28 be implemented only to the extent that federal financial
29 participation is available.

30 (f) The department shall implement this section by an all-county
31 letter (ACL) or similar instruction from the director and shall adopt
32 regulations as otherwise necessary to implement this section no
33 later than January 1, 2011.

34 SEC. 73. Section 18901.5 of the Welfare and Institutions Code
35 is amended to read:

36 18901.5. (a) The department shall establish a program of
37 categorical eligibility for ~~food stamps~~ *CalFresh* in accordance with
38 Section 5(a) of the federal ~~Food Stamp Act of 1977~~ *Food and*
39 *Nutrition Act of 2008* (7 U.S.C. Sec. 2014(a)), and implementing
40 regulations, to improve nutrition and promote the retention and

1 development of assets and resources for needy households who
2 meet all other ~~Food Stamp~~ *federal Supplemental Nutrition*
3 *Assistance* Program eligibility requirements. Categorical eligibility
4 for ~~food stamps~~ *CalFresh* shall also apply to any individual who
5 is a member of a household that will be receiving or is eligible to
6 receive cash assistance under Part 5 (commencing with Section
7 17000), or eligible to receive food assistance under Chapter 10.1
8 (commencing with Section 18930).

9 (b) The director shall implement the program established
10 pursuant to this section only with the appropriate federal
11 authorization and if implementation would not result in the loss
12 of federal financial participation.

13 (c) Notwithstanding the rulemaking provisions of the
14 Administrative Procedure Act (Chapter 3.5 (commencing with
15 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
16 Code) and Section 10554 of the ~~Welfare and Institutions Code~~,
17 until emergency regulations are filed with the Secretary of State,
18 the State Department of Social Services may implement the
19 changes made by subdivision (a) through all-county letters or
20 similar instructions from the director. The department shall adopt
21 emergency regulations as necessary to implement those
22 amendments on or before January 1, 2010. The program established
23 pursuant to this section shall be established on or before July 1,
24 2009, and shall be fully implemented as to new applicants for ~~food~~
25 ~~stamps~~ *CalFresh* on or before January 1, 2010.

26 (d) The department shall adopt regulations to implement this
27 section. The adoption, amendment, repeal, or readoption of a
28 regulation authorized by this section is deemed to address an
29 emergency, for purposes of Sections 11346.1 and 11349.6 of the
30 Government Code, and the department is hereby exempted for this
31 purpose from the requirements of subdivision (b) of Section
32 11346.1 of the Government Code. The emergency regulations shall
33 be exempt from review by the Office of Administrative Law. The
34 department shall adopt final regulations implementing the program
35 authorized by this section on or before July 1, 2010.

36 SEC. 74. Section 18901.6 of the Welfare and Institutions Code
37 is amended to read:

38 18901.6. To the maximum extent allowable by federal law,
39 each county welfare department shall provide transitional ~~food~~

1 ~~stamp~~ *CalFresh* benefits to households terminating their
2 participation in the CalWORKs program.

3 SEC. 75. Section 18901.7 of the Welfare and Institutions Code
4 is amended to read:

5 18901.7. (a) To the extent allowable by federal law, the
6 income, resources, and deductible expenses of any household
7 member who is rendered ineligible for ~~food-stamp~~ *CalFresh*
8 benefits pursuant to Title IV of Public Law 104-193, and any
9 amendments thereto, shall be excluded when calculating federal
10 ~~food-stamp~~ *Supplemental Nutrition Assistance Program* benefits
11 administered in California as *CalFresh*, under this chapter.

12 (b) No household shall receive more ~~food-stamp~~ *CalFresh*
13 benefits under this section than it would have received if no
14 household member was rendered ineligible pursuant to Title IV
15 of Public Law 104-193 and any subsequent amendments thereto.

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

17 SEC. 76. Section 18901.8 of the Welfare and Institutions Code
18 is amended to read:

19 18901.8. (a) To the extent permitted by federal law, and with
20 receipt of necessary federal approvals, the State Department of
21 Social Services, in conjunction with affected stakeholder groups,
22 shall develop and implement, if otherwise feasible, a simplified
23 and shorter application form for nonassistance ~~food-stamp~~ *CalFresh*
24 cases. The contents of this simpler form shall be evaluated for use
25 in multiprogram application forms for the ~~Food Stamp~~ *CalFresh*,
26 Medi-Cal, and CalWORKs programs. The department shall seek
27 any federal approvals necessary for implementation of the form.

28 (b) The department shall not require any county to implement
29 use of the form described in subdivision (a) until the county has
30 been allowed sufficient time to reprogram its automated systems
31 for the purpose of implementing the form.

32 (c) The department shall provide information on implementation,
33 including a simplified form, to the appropriate legislative
34 committees on or before July 1, 2001.

35 SEC. 77. Section 18904.1 of the Welfare and Institutions Code
36 is amended to read:

37 18904.1. (a) The director, to the extent permitted by federal
38 law, shall establish methods for ~~food-stamp~~ *CalFresh* benefit
39 issuance in all counties which guarantee to low-income households
40 the health-vital nutritional benefits available under this chapter

1 and to achieve the most efficient system for program administration
 2 so as to minimize administrative costs.

3 (b) The director shall maintain methods for over-the-counter
 4 and mail issuance of ~~food stamps~~ *CalFresh* benefits in a county
 5 until issuance of ~~food stamp~~ *CalFresh* benefits by electronic
 6 benefits transfer for all ~~food stamp~~ *CalFresh* recipients in the
 7 county has been implemented pursuant to Chapter 3 (commencing
 8 with Section 10065) of Part 1.

9 (c) Until issuance of ~~food stamp~~ *CalFresh* benefits by electronic
 10 benefits transfer has been implemented in a county for all ~~food~~
 11 ~~stamp~~ *CalFresh* recipients, the director shall maintain, in the
 12 county, methods for over-the-counter issuance that guarantee
 13 program accessibility in all cases where a household has been
 14 found to be in immediate need of food assistance or where a
 15 household has been determined to be eligible for the replacement
 16 of a previous issuance.

17 SEC. 78. Section 18904.25 of the Welfare and Institutions
 18 Code is amended to read:

19 18904.25. (a) Pursuant to the federal Stewart B. McKinney
 20 Homeless Assistance Act (Public Law 100-77), the department
 21 shall develop ~~Food Stamp Program~~ *CalFresh* information on
 22 expedited services targeted to the homeless population. These shall
 23 be made available to homeless shelters, emergency food programs,
 24 and other community agencies who provide services to homeless
 25 people.

26 (b) Each county welfare department shall annually offer training
 27 on ~~food stamp~~ *CalFresh* application procedures to homeless shelter
 28 operators. In addition, each county welfare department, upon
 29 request, shall provide homeless shelters with a supply of that
 30 portion of the ~~food stamp~~ *CalFresh* application used to request
 31 ~~food stamp~~ *CalFresh* expedited service.

32 SEC. 79. Section 18904.3 of the Welfare and Institutions Code
 33 is amended to read:

34 18904.3. (a) Where private nonprofit organizations are
 35 successful in raising money for ~~food stamp~~ *CalFresh* outreach
 36 activities and have secured a local governmental agency to serve
 37 as the contracting agency, the department shall, upon request and
 38 subject to approval by the United States Department of Agriculture,
 39 act as their state entity for receipt of matching funds.

1 (b) Any reduction in federal funding to the state that is due to
2 the result of any audit of ~~food stamp~~ *CalFresh* outreach contracts
3 or activities shall be applied to the appropriate local government
4 that served as the contracting agency for ~~food stamp~~ *CalFresh*
5 outreach activities.

6 SEC. 80. Section 18904.35 of the Welfare and Institutions
7 Code is amended to read:

8 18904.35. Upon approval of a final plan for ~~food stamp~~
9 *CalFresh* outreach activities, in accordance with Section 18904.4,
10 the department shall, in determining whether to request federal
11 matching funds for a ~~food stamp~~ *CalFresh* outreach activity, give
12 priority consideration to those activities that implement the final
13 plan.

14 SEC. 81. Section 18905 of the Welfare and Institutions Code
15 is amended to read:

16 18905. In the event that the United States Department of
17 Agriculture makes a final determination to reduce federal funding
18 of the ~~Food Stamp program~~ *federal Supplemental Nutrition*
19 *Assistance Program, administered in California as CalFresh*, due
20 to issuance errors or improper or inadequate county administration
21 of the program, the county or counties responsible for such
22 reduction shall be liable for the amount thereof in accordance with
23 standards adopted by the Director of Social Services.

24 SEC. 82. Section 18906 of the Welfare and Institutions Code
25 is amended to read:

26 18906. The department shall establish and maintain a plan
27 whereby costs for county administration of ~~food stamps~~ *CalFresh*
28 under this chapter will be effectively controlled within the amounts
29 annually appropriated for such administration. The plan, to be
30 known as the County Administrative Cost Control Plan, shall
31 establish standards and performance criteria, including workload,
32 productivity and support services standards, to which counties
33 shall adhere. The plan shall be part of a single state plan, jointly
34 developed by the department and the State Department of Health
35 *Care Services*, for administrative cost control for the Aid to
36 Families with Dependent Children (AFDC), ~~Food Stamp~~ *CalFresh*,
37 and Medical Assistance (Medi-Cal) programs. Allocations shall
38 be made to each county and shall be limited by and determined
39 based upon the County Administrative Cost Control Plan. In
40 administering the plan to control county administrative costs, the

1 department shall not allocate state funds to cover county cost
2 overruns which result from county failure to meet requirements
3 of the plan. The department and the State Department of Health
4 *Care Services* shall budget, administer, and allocate state funds
5 for county administration in a uniform and consistent manner.

6 SEC. 83. Section 18906.5 of the Welfare and Institutions Code
7 is amended to read:

8 18906.5. (a) The state shall pay 70 percent of the nonfederal
9 costs of administering the ~~Food Stamp~~ *federal Supplemental*
10 *Nutrition Assistance Program, administered in California as*
11 *CalFresh*, subject to Sections 18906 and 18906.7. The counties
12 shall pay the remaining share of the nonfederal costs.

13 (b) The state shall pay 85 percent of the nonfederal share of the
14 costs of AFDC fraud investigation subject to Section 15204.5. The
15 counties shall pay the remaining share of the nonfederal costs.

16 SEC. 84. Section 18906.55 of the Welfare and Institutions
17 Code is amended to read:

18 18906.55. (a) Notwithstanding Section 18906.5 or any other
19 law, as a result of the substantial fiscal pressures on counties
20 created by the unprecedented and unanticipated ~~food stamp~~
21 *CalFresh* caseload growth associated with the economic downturn
22 beginning in 2008, and in order to provide fiscal relief to counties
23 as a result of this growth, a county that meets the maintenance of
24 effort requirement pursuant to Section 15204.4 entirely through
25 expenditures for the administration of the ~~Food Stamp program~~
26 *CalFresh* in state fiscal years 2010–11 and 2011–12 shall receive
27 the full General Fund allocation for administration of the ~~Food~~
28 ~~Stamp program~~ *CalFresh* without paying the county's share of the
29 nonfederal costs for the amount above the maintenance of effort
30 required by Section 15204.4.

31 (b) The full General Fund allocation for administration of the
32 ~~Food Stamp program~~ *CalFresh* pursuant to subdivision (a) shall
33 equal 35 percent of the total federal and nonfederal projected
34 funding need for administration of the ~~Food Stamp program~~
35 *CalFresh*. The methodology used for calculating those projections
36 shall remain the same as it was for the 2009–10 fiscal year for as
37 long as this section remains in effect.

38 (c) No relief to the county share of administrative costs
39 authorized by this section shall result in any increased cost to the
40 General Fund as determined in subdivision (b).

1 (d) Subdivision (a) shall not be interpreted to prevent a county
2 from expending funds in excess of the amount required to meet
3 the maintenance of effort required by Section 15204.4.

4 (e) This section shall become inoperative on July 1, 2012, and,
5 as of January 1, 2013, is repealed, unless a later enacted statute,
6 that becomes operative on or before January 1, 2013, deletes or
7 extends the dates on which it becomes inoperative and is repealed.

8 SEC. 85. Section 18907 of the Welfare and Institutions Code
9 is amended to read:

10 18907. In the determination of eligibility for ~~food stamps~~
11 *CalFresh*, there shall be no discrimination against any household
12 by reason of marital status, political belief, or any characteristic
13 listed or defined in Section 11135 of the Government Code to the
14 extent not in conflict with federal law.

15 SEC. 86. Section 18908 of the Welfare and Institutions Code
16 is amended to read:

17 18908. Except as provided in Section 18904.1, federal
18 supplemental security income benefits, state supplemental security
19 program benefits, public assistance, and county aid benefits shall
20 not be reduced as a consequence of the receipt of ~~food stamps~~
21 *CalFresh benefits* under this chapter, to the extent permitted by
22 federal law.

23 SEC. 87. Section 18910 of the Welfare and Institutions Code
24 is amended to read:

25 18910. (a) To the extent permitted by federal law, regulations,
26 waivers, and directives, the department shall implement the
27 prospective budgeting, quarterly reporting system provided in
28 Sections 11265.1, 11265.2, and 11265.3, and related provisions
29 regarding ~~the Food Stamp Program~~ *CalFresh*, in a cost-effective
30 manner that promotes compatibility between the CalWORKs
31 program and ~~the Food Stamp Program~~ *CalFresh*, and minimizes
32 the potential for payment errors.

33 (b) The department shall seek all necessary waivers from the
34 United States Department of Agriculture to implement subdivision
35 (a).

36 SEC. 88. Section 18911 of the Welfare and Institutions Code
37 is amended to read:

38 18911. (a) An application and an authorization for participation
39 ~~in the Food Stamp Program~~ *CalFresh* shall be processed within a
40 period of not more than 30 days from the date of application.

1 (b) The department shall develop written information that
 2 describes the eligibility and verification requirements for expedited
 3 service, the process for applying for those benefits, and the
 4 availability of assistance in filling out the forms and gathering
 5 needed documentation.

6 (c) Each county welfare department shall make the material
 7 developed pursuant to subdivision (b) available to each applicant
 8 at the time the applicant initially seeks ~~food stamp~~ *CalFresh*
 9 benefits.

10 (d) Each county welfare department shall, upon request, make
 11 available the information developed pursuant to subdivision (b)
 12 to community action agencies, legal services offices, emergency
 13 food programs, and other programs.

14 (e) Each county welfare department shall compile a list of
 15 emergency food providers in the area served by the local ~~food~~
 16 ~~stamp~~ *CalFresh* office. The list shall be updated, based on
 17 information from the food providers. The list shall be made
 18 available upon request, and, where needed, may be used to refer
 19 individuals to emergency food sites that may be able to provide
 20 assistance.

21 (f) Each county welfare department shall make available to ~~food~~
 22 ~~stamp~~ *CalFresh* applicants, upon request, nonpromotional
 23 information that contains addresses and phone numbers of local
 24 legal services and welfare rights organizations.

25 SEC. 89. Section 18914 of the Welfare and Institutions Code,
 26 as amended by Section 4 of Chapter 443 of the Statutes of 1990,
 27 is amended to read:

28 18914. (a) To the extent provided by federal law, the county
 29 welfare department shall provide ~~food stamp~~ *CalFresh* benefits
 30 on an expedited basis to households determined to be in immediate
 31 need of food assistance.

32 (b) At the time an applicant initially seeks assistance, the county
 33 welfare department shall screen all expedited service applications
 34 on a priority basis. Applicants who meet the federal criteria for
 35 expedited service shall receive either a manual authorization to
 36 participate or automated card or the immediate issuance of ~~food~~
 37 ~~stamp coupons~~ *CalFresh benefits* no later than the third day
 38 following the date the application was filed. To the maximum
 39 extent permitted by federal law, the amount of income to be
 40 received from any source shall be deemed to be uncertain and

1 exempt from consideration in the determination of eligibility for
2 expedited service. For purposes of this subdivision, a weekend
3 shall be considered one calendar day.

4 (c) The State Department of Social Services shall develop and
5 implement for expedited issuance a uniform procedure for verifying
6 information required of an applicant.

7 SEC. 90. Section 18914 of the Welfare and Institutions Code,
8 as added by Section 9 of Chapter 1293 of the Statutes of 1987, is
9 amended to read:

10 18914. To the extent provided by federal law, the county
11 welfare department shall provide ~~food-stamp~~ *CalFresh* benefits
12 on an expedited basis to households determined to be in immediate
13 need of food assistance.

14 This section shall become operative July 1, 1991.

15 SEC. 91. Section 18915 of the Welfare and Institutions Code
16 is amended to read:

17 18915. All applications and public information materials shall
18 be available to potential, present, and past ~~food-stamp~~ *CalFresh*
19 recipients in each county in Spanish as well as English plus any
20 other non-English language prevalent in each county. It shall be
21 within the discretion of the director to designate such other
22 prevalent non-English languages.

23 SEC. 92. Section 18918 of the Welfare and Institutions Code
24 is amended to read:

25 18918. Not later than January 15, 2001, the State Department
26 of Social Services, in conjunction with the State Department of
27 *Public Health Services* and appropriate stakeholders, shall develop
28 and submit to the Legislature a community outreach and education
29 campaign to help families learn about, and apply for, the federal
30 ~~Food Stamp Program~~ *Supplemental Nutrition Assistance Program,*
31 *administered in California as CalFresh,* and the California Food
32 Assistance Program. At a minimum, the plan shall include the
33 following:

34 (a) Specific milestones and objectives proposed to be completed
35 for the upcoming year and their anticipated cost.

36 (b) A general description of each strategy or method to be used
37 for outreach.

38 (c) Geographic areas and special populations to be targeted, if
39 any, and why the special targeting is needed.

1 (d) Coordination with other state or county education and
2 outreach efforts.

3 (e) The results of previous years' outreach efforts.

4 (1) If necessary to obtain federal financial participation the ~~food~~
5 ~~stamp~~ *CalFresh* outreach plan shall be submitted to the United
6 States Department of Agriculture not later than January 15, 2001.
7 The state share of the funding shall be subject to appropriation in
8 the annual Budget Act and may be funded through the General
9 Fund or other state or local funding sources, as appropriate.

10 (2) After submission of the initial plan, it shall be updated
11 annually and submitted to the Legislature by April 1 for the
12 following year.

13 SEC. 93. Section 18923 of the Welfare and Institutions Code
14 is amended to read:

15 18923. (a) The State Department of Social Services shall
16 submit a request to the United States Department of Agriculture
17 for a waiver to permit a ~~food-stamp~~ *CalFresh* household to retain
18 funds in the restricted savings account as specified in subdivision
19 (a) of Section 11155.2 and as accumulated while participating in
20 the Aid to Families with Dependent Children program. The
21 participation requirements for this specific savings account as
22 specified in subdivision (a) of Section 11155.2 shall apply to ~~the~~
23 ~~Food Stamp Program~~ *CalFresh*. Penalties for nonqualifying
24 withdrawal of these funds shall result in a calculation of a period
25 of ineligibility for all persons in the ~~food-stamp~~ *CalFresh*
26 household, to be determined by dividing the balance in the account
27 immediately prior to the withdrawal by the ~~food-stamp~~ *CalFresh*
28 allotment to which the household is entitled. The resulting whole
29 number shall be the number of months of ineligibility. The period
30 of ineligibility may be reduced when the divisor, which is the ~~food~~
31 ~~stamp~~ *CalFresh* allotment, increases as a result of a cost-of-living
32 adjustment.

33 (b) The director may waive, with federal approval, the
34 enforcement of specific ~~Food Stamp~~ *federal Supplemental Nutrition*
35 *Assistance* Program requirements, regulations, and standards
36 necessary to implement this provision.

37 SEC. 94. Section 18925 of the Welfare and Institutions Code
38 is amended to read:

39 18925. (a) The State Department of Health *Care* Services, in
40 conjunction with the State Department of Social Services, shall

1 implement a simplified eligibility process as part of the ~~Food Stamp~~
2 ~~Program~~ *CalFresh* to expedite Medi-Cal program and Healthy
3 Families Program enrollment for ~~Food Stamp Program~~ *CalFresh*
4 recipients, including children and their eligible parents or caretaker
5 relatives who are not enrolled in those programs.

6 (b) Each county welfare department shall develop a data list of
7 family members residing in eligible ~~food stamp~~ *CalFresh*
8 households who are not enrolled in the Medi-Cal program or the
9 Healthy Families Program.

10 (c) The county welfare department shall develop a notice
11 informing individuals identified pursuant to subdivision (b) that
12 they may be entitled to receive benefits under the Medi-Cal
13 program or the Healthy Families Program.

14 (d) At the time of the ~~food stamp~~ *CalFresh* household's annual
15 recertification, the county welfare department shall send the notice
16 specified in subdivision (c) to the individuals identified in
17 subdivision (b). The notice shall include a request for permission
18 to use the information in the ~~food stamp~~ *CalFresh* recipient's case
19 file to make a determination of eligibility for the Medi-Cal program
20 and the Healthy Families Program.

21 (e) The notice shall be written in culturally and linguistically
22 appropriate language and at an appropriate literacy level. The
23 notice shall include information on the Medi-Cal program and the
24 Healthy Families Program, and a telephone number that ~~food stamp~~
25 *CalFresh* recipients may call for additional information.

26 (f) To apply for medical assistance under the Medi-Cal program,
27 the ~~food stamp~~ *CalFresh* recipient shall sign, date, and return the
28 notice requesting that an eligibility determination be made. Upon
29 receipt of the notice, the county welfare department shall make an
30 eligibility determination by utilizing the information in the ~~food~~
31 ~~stamp~~ *CalFresh* recipient's case file or paper application. The
32 Medi-Cal application date shall be the date the notice is received
33 by the county welfare department. If the ~~food stamp~~ *CalFresh* case
34 file does not include sufficient information to establish Medi-Cal
35 program eligibility, the county welfare department shall request,
36 either orally or in writing, additional information from the ~~food~~
37 ~~stamp~~ *CalFresh* recipient.

38 (g) If the ~~food stamp~~ *CalFresh* recipient is determined to be
39 eligible to participate in the Medi-Cal program with a share of
40 cost, or is determined to be ineligible for Medi-Cal, information

1 pertinent to the ~~food stamp~~ *CalFresh* recipient's eligibility for the
2 Healthy Families Program shall be forwarded by the county welfare
3 department to the Healthy Families Program statewide
4 administrator for immediate processing. If there is insufficient
5 information to establish Healthy Families Program eligibility, the
6 administrator shall request, either orally or in writing, additional
7 information from the ~~food stamp~~ *CalFresh* recipient.

8 (h) Counties shall include the cost of implementing this section
9 in their annual administrative budget requests to the State
10 Department of Health Services.

11 (i) This section shall be implemented on or after July 1, 2003,
12 but only to the extent federal financial participation is available.

13 SEC. 95. Section 18926 of the Welfare and Institutions Code
14 is amended to read:

15 18926. (a) To the extent permitted by federal law, the
16 department shall annually seek a federal waiver of the existing
17 ~~Food Stamp~~ *federal Supplemental Nutrition Assistance* Program
18 limitation that stipulates that an able-bodied adult without
19 dependents (ABAWD) participant is limited to three months of
20 ~~food stamps~~ *CalFresh benefits* in a three-year period unless that
21 participant has met the work participation requirement.

22 (b) All eligible counties shall be included in and bound by this
23 waiver unless a county declines to participate in the waiver request.
24 If a county declines, the county shall submit documentation from
25 the board of supervisors of that county to that effect.

26 (c) Notwithstanding the rulemaking provisions of the
27 Administrative Procedure Act (Chapter 3.5 (commencing with
28 Section 11340) of Part 1 of Division 2 of the Government Code)
29 the department may implement this section by all county letters
30 or similar instructions.

31 SEC. 96. Section 18930 of the Welfare and Institutions Code
32 is amended to read:

33 18930. (a) The State Department of Social Services shall
34 establish a Food Assistance Program to provide assistance for
35 those persons described in subdivision (b). The department shall
36 enter into an agreement with the United States Department of
37 Agriculture to use the existing federal ~~Food Stamp~~ *Supplemental*
38 *Nutrition Assistance* Program coupons for the purposes of
39 administering this program. Persons who are members of a
40 household receiving ~~food stamp~~ *CalFresh* benefits under this

1 chapter or under Chapter 10 (commencing with Section 18900),
2 and are receiving CalWORKs benefits under Chapter 2
3 (commencing with Section 11200) of Part 3 on September 1, 1998,
4 shall have eligibility determined under this chapter without need
5 for a new application no later than November 1, 1998, and the
6 beginning date of assistance under this chapter for those persons
7 shall be September 1, 1998.

8 (b) (1) Except as provided in paragraphs (2), (3), and (4) and
9 Section 18930.5, noncitizens of the United States shall be eligible
10 for the program established pursuant to subdivision (a) if the
11 person's immigration status meets the eligibility criteria of the
12 federal ~~Food Stamp~~ *Supplemental Nutrition Assistance Program*
13 in effect on August 21, 1996, but he or she is not eligible for federal
14 ~~food stamp~~ *Supplemental Nutrition Assistance Program* benefits
15 solely due to his or her immigration status under Public Law
16 104-193 and any subsequent amendments thereto.

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

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

29 (A) The sponsor has died.

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

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

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

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

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

- 12 (A) Police, government agency, or court records or files.
- 13 (B) Documentation from a domestic violence program, legal,
 14 clinical, medical, or other professional from whom the applicant
 15 or recipient has sought assistance in dealing with abuse.
- 16 (C) A statement from any other individual with knowledge of
 17 the circumstances that provided the basis for the claim.
- 18 (D) Physical evidence of abuse.

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

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

26 (d) (1) To the extent allowed by federal law, the income,
 27 resources, and deductible expenses of those persons described in
 28 subdivision (b) shall be excluded when calculating ~~food stamp~~
 29 *CalFresh* benefits under Chapter 10 (commencing with Section
 30 18900).

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

35 (e) This section shall become operative on September 1, 1998.
 36 SEC. 97. Section 18931 of the Welfare and Institutions Code
 37 is amended to read:

38 18931. Any person who is eligible for federally funded ~~food~~
 39 ~~stamps~~ *Supplemental Nutrition Assistance Program* benefits,

- 1 *administered in California as CalFresh benefits*, shall not be
- 2 eligible for assistance under this chapter.

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