

ASSEMBLY BILL

No. 1809

Introduced by Assembly Member Lopez

February 8, 2016

An act to amend Section 95504 of the Government Code, and to amend Sections 11151, 11257.5, 11322.5, 11375, 11450, 11450.5, 14140, and 18923 of, and to repeal Sections 11155, 11155.1, 11155.2, 11155.6, 11157.5, 11257, and 11260 of, the Welfare and Institutions Code, relating to CalWORKs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1809, as introduced, Lopez. CalWORKs eligibility: asset limits.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states, with California's version of this program being known as the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Under the CalWORKs program, each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria, including limitations on income and assets generally applicable to public assistance programs. Existing law continuously appropriates money from the General Fund to pay for a share of aid grant costs under the CalWORKs program.

This bill would repeal those limitations on assets with regard to eligibility for CalWORKs, thereby, eliminating the consideration of an individual's or family's assets as a condition of eligibility for CalWORKs. The bill would also make conforming changes. By increasing the duties of counties administering the CalWORKs program, the bill would impose a state-mandated local program. The bill would

declare that no appropriation would be made for purposes of the bill pursuant to the provision continuously appropriating funds for the CalWORKs program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

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

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

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) In 1996, the United States Congress passed the Personal
4 Responsibility and Work Opportunity Reconciliation Act
5 (PRWORA), known as welfare reform, which created the
6 Temporary Assistance to Needy Families (TANF) program. TANF
7 gives states power to design their own programs, including
8 establishing asset limits. The California Work Opportunity and
9 Responsibility to Kids (CalWORKs) program is California's
10 program that implements federal welfare reform provisions.

11 (b) In California, to qualify for public assistance under
12 CalWORKs, impoverished families must demonstrate that they
13 are both income- and asset- poor. Under current law, a low-income
14 family will not qualify for assistance if the family has savings or
15 other assets, excluding a home and a vehicle of a specific value,
16 exceeding the asset limit of \$2,000. The asset test has been
17 removed for both CalFresh and Medi-Cal.

18 (c) Research published in 2015 shows that very few families
19 (0.1 percent) applying for or receiving CalWORKs assistance are
20 found to exceed the vehicle and cash asset test.

21 (d) Other states, realizing that very few families had assets over
22 the limit, have removed the limit with the goal of streamlining the
23 eligibility process and cutting down on administrative costs. In
24 Virginia, this decision has saved the state an estimated \$400,000
25 annually, and to date, the State of Virginia has reported no negative

1 impacts. A study published in 2015 has estimated that if California
2 were to repeal the CalWORKs asset limit, there would be minimal
3 to no increase in caseloads and an annual \$6.4 million in
4 administrative savings allowing county case workers to spend less
5 time reviewing the value of vehicles and savings and more time
6 helping people get the resources they need to get back to work.

7 (e) Asset limits were intended to ensure that public assistance
8 programs provide benefits only to those with too few resources to
9 support themselves. But years of research and practitioner
10 experience has proven that personal savings and assets are precisely
11 the kinds of resources that allow people to move off public benefits
12 programs. Without being able to maintain or build up a small
13 savings cushion, these families are highly vulnerable to falling
14 into debt in the event of an emergency or other unexpected expense.

15 (f) It is the intent of the Legislature to repeal the asset test for
16 the CalWORKs program, thereby aligning program rules with
17 Medi-Cal and CalFresh, making the program more efficient, and
18 increasing the capacity of poor families to exit poverty.

19 SEC. 2. Section 95504 of the Government Code is amended
20 to read:

21 95504. (a) The nonprofit facilitator shall subcontract with
22 service providers to implement the project around the state. The
23 nonprofit facilitator shall make an attempt to select service
24 providers for programs of different size, geographical distribution,
25 and target population to be served. Additionally, the nonprofit
26 facilitator may consider giving special consideration to service
27 providers that demonstrate partnerships with local public agencies.

28 (b) The service providers shall perform all of the following
29 duties in implementing the project:

30 (1) Recruit and select participants who meet the following
31 criteria:

32 (A) The individual is at least 18 years of age.

33 (B) The individual is a member of a household with an income
34 of not more than 80 percent of the area median income based on
35 United States Department of Housing and Urban Development
36 guidelines at the time of program enrollment.

37 (C) The individual is not a dependent of another person for
38 federal income tax purposes.

39 (D) The individual is not a debtor for a judgment resulting from
40 nonpayment of a court-ordered child support obligation.

1 (E) The individual meets eligibility criteria as defined by the
2 funding source for the program created under this title.

3 (2) Develop and sign contracts with each participant, to include
4 all program requirements and policies governing the participant's
5 account.

6 (3) Assist participants in opening individual development
7 accounts. ~~CalWORKs recipients participating in the project may~~
8 ~~consider using a restricted account as described in Section 11155.2~~
9 ~~of the Welfare and Institutions Code. Otherwise, the~~ *The* accounts
10 shall be established using a ~~parallel~~ *an* account structure *parallel*
11 *to a restricted account as described in former Section 11155.2 of*
12 *the Welfare and Institutions Code* that meets both of the following
13 requirements:

14 (A) One separate account shall be established for each
15 participant in a federally or state insured financial institution,
16 community development financial institution, any financial
17 institution eligible to hold an individual retirement account, or
18 community development credit union, in which each participant's
19 savings are deposited and maintained. The program participant
20 may withdraw his or her own savings at any time.

21 (B) Another separate, parallel account shall be established and
22 maintained by service providers in which the matching funds from
23 state, federal, and private donations are kept. The parallel account
24 may contain all matching funds for a pool of any service provider's
25 participants.

26 (4) Help individuals receive their matching funds at the
27 conclusion of the program.

28 (5) Provide participants with a minimum of 12 hours of financial
29 education and training. The education and training shall include,
30 but need not be limited to, all of the following:

31 (A) Household and personal budget management.

32 (B) Economic literacy.

33 (C) Credit repair.

34 (6) Develop a program dismissal process for participants who
35 do not fulfill program participation requirements, and seek to
36 ensure that matching funds are used for their intended purposes.

37 (7) Collect and maintain information about their programs, in
38 a manner that provides the capacity to report semiannually all of
39 the following information to the department:

- 1 (A) The number and demographic characteristics of participants
- 2 enrolled in the program.
- 3 (B) The number of accounts established.
- 4 (C) The individual and aggregate savings level of participants.
- 5 (D) The number of participants who closed accounts and the
- 6 amount of associated savings.
- 7 (E) The actual and proposed program budget.
- 8 (F) The size and origin of matching pool funds received,
- 9 obligated, and paid to participants.
- 10 (G) The program achievements and obstacles.
- 11 (H) Twelve-month program and financial projections.
- 12 (I) At least one participant profile.

13 SEC. 3. Section 11151 of the Welfare and Institutions Code is
14 amended to read:

15 11151. An applicant or recipient shall be ineligible to receive
16 public assistance unless the property he owns is held for the
17 following purposes:

18 ~~1.~~

19 (a) The property is used to provide the applicant or recipient
20 with a home and conforms to the provisions of Section 11152-~~of~~
21 ~~this code.~~

22 ~~2.~~

23 (b) The property is producing income for the support of the
24 applicant or recipient and conforms to the provisions of Section
25 11153.7-~~of this code.~~

26 ~~3.~~

27 (c) The property is held as a reserve to meet a contingent need,
28 not included within the standard of assistance for which an aid
29 payment is made, and conforms to the provisions of Section 11154
30 ~~of this code.~~

31 ~~4.~~

32 (d) The property is personal in nature, or meets a special need
33 of the applicant or recipient, or is part of a self-care or rehabilitation
34 plan, or is not available for expenditure or disposition by the
35 applicant or recipient and conforms to provisions of Section 11155
36 ~~of this code.~~

37 SEC. 4. Section 11155 of the Welfare and Institutions Code is
38 repealed.

39 ~~11155. (a) Notwithstanding Section 11257, in addition to the~~
40 ~~personal property or resources permitted by other provisions of~~

1 this part, and to the extent permitted by federal law, an applicant
2 or recipient for aid under this chapter including an applicant or
3 recipient under Chapter 2 (commencing with Section 11200) may
4 retain countable resources in an amount equal to the amount
5 permitted under federal law for qualification for the federal
6 Supplemental Nutrition Assistance Program, administered in
7 California as CalFresh.

8 (b) The county shall determine the value of exempt personal
9 property other than motor vehicles in conformance with methods
10 established under CalFresh.

11 (c) (1) (A) The value of each motor vehicle that is not exempt
12 under paragraph (4) shall be the equity value of the vehicle, which
13 shall be the fair market value less encumbrances.

14 (B) Any motor vehicle with an equity value of nine thousand
15 five hundred dollars (\$9,500) or less shall not be attributed to the
16 family's resource level.

17 (C) For each motor vehicle with an equity value of more than
18 nine thousand five hundred dollars (\$9,500), the equity value that
19 exceeds nine thousand five hundred dollars (\$9,500) shall be
20 attributed to the family's resource level.

21 (2) The equity threshold described in paragraph (1) of nine
22 thousand five hundred dollars (\$9,500) shall be adjusted upward
23 annually by the increase, if any, in the United States Transportation
24 Consumer Price Index for All Urban Consumers published by the
25 United States Department of Labor, Bureau of Labor Statistics.

26 (3) The county shall determine the fair market value of the
27 vehicle in accordance with a methodology determined by the
28 department. The applicant or recipient shall self-certify the amount
29 of encumbrance, if any.

30 (4) The entire value of any motor vehicle shall be exempt if any
31 of the following apply:

- 32 (A) It is used primarily for income-producing purposes.
- 33 (B) It annually produces income that is consistent with its fair
34 market value, even if used on a seasonal basis.
- 35 (C) It is necessary for long distance travel, other than daily
36 commuting, that is essential for the employment of a family
37 member.
- 38 (D) It is used as the family's residence.

1 ~~(E) It is necessary to transport a physically disabled family~~
2 ~~member, including an excluded disabled family member, regardless~~
3 ~~of the purpose of the transportation.~~

4 ~~(F) It would be exempted under any of subparagraphs (A) to~~
5 ~~(D), inclusive, but the vehicle is not in use because of temporary~~
6 ~~unemployment.~~

7 ~~(G) It is used to carry fuel for heating for home use, when the~~
8 ~~transported fuel or water is the primary source of fuel or water for~~
9 ~~the family.~~

10 ~~(H) Ownership of the vehicle was transferred through a gift,~~
11 ~~donation, or family transfer, as defined by the Department of Motor~~
12 ~~Vehicles.~~

13 ~~(d) This section shall become operative on January 1, 2014.~~

14 SEC. 5. Section 11155.1 of the Welfare and Institutions Code
15 is repealed.

16 ~~11155.1. (a) Notwithstanding Sections 11155 and 11257, the~~
17 ~~department shall seek any federal approvals necessary to conduct~~
18 ~~a demonstration program increasing the value of personal property~~
19 ~~that may be retained by a recipient of aid under Chapter 2~~
20 ~~(commencing with Section 11200) to two thousand dollars (\$2,000)~~
21 ~~and increasing the value of the exemption for an automobile to~~
22 ~~four thousand five hundred dollars (\$4,500). The increased property~~
23 ~~limits shall not apply to applicants.~~

24 ~~(b) This section shall be implemented only if the director~~
25 ~~executes a declaration, that shall be retained by the director, stating~~
26 ~~that federal approval for the implementation of this section has~~
27 ~~been obtained and specifying the duration of that approval.~~

28 SEC. 6. Section 11155.2 of the Welfare and Institutions Code
29 is repealed.

30 ~~11155.2. (a) In addition to the personal property permitted by~~
31 ~~this part, recipients of aid under CalWORKs shall be permitted to~~
32 ~~retain savings and interest thereon for specified purposes. Interest~~
33 ~~earned from these savings and deposited into a restricted account~~
34 ~~shall be considered exempt as income for purposes of determining~~
35 ~~eligibility for aid and grant amounts if the interest is retained in~~
36 ~~the account. If the interest is not deposited by the financial~~
37 ~~institution into the account, the interest shall be treated as a~~
38 ~~nonqualifying withdrawal of funds from the account as specified~~
39 ~~in subdivision (b). This section shall not apply to applicants. Funds~~
40 ~~may be used by the family for education or job training expenses~~

1 for the account holder or his or her dependents, for starting a
2 business, for the purchase of a home, or for costs associated with
3 securing permanent rental housing or to make rent payments to
4 overcome an episode of homelessness. Recipients who wish to
5 retain savings for these purposes shall enter into a written
6 agreement with the county to establish a separate account with a
7 financial institution, with the account to be used solely for the
8 purpose of accumulating funds for later withdrawal for a qualifying
9 expenditure. A qualifying expenditure shall be defined by
10 department regulations and shall be verified by the recipient. The
11 recipient shall agree to provide periodic verification of account
12 activity, as required by department regulations. The agreement
13 shall notify the recipient of the penalty for nonqualifying
14 withdrawal of funds.

15 (b) Any nonqualifying withdrawal of funds from the account
16 shall result in a calculation of a period of ineligibility for all persons
17 in the assistance unit, to be determined by dividing the balance in
18 the account immediately prior to the withdrawal by the minimum
19 basic standard of adequate care for the members of the assistance
20 unit, as set forth in Section 11452. The resulting whole number
21 shall be the number of months of ineligibility. The period of
22 ineligibility may be reduced when the minimum basic standard of
23 adequate care of the assistance unit, including special needs,
24 increases.

25 (c) If the California Savings and Asset Project is established
26 pursuant to Chapter 17 (commencing with Section 50897) of Part
27 2 of Division 31 of the Health and Safety Code, then to the extent
28 permitted by federal law, a recipient shall be eligible to receive
29 matching funds derived from federal contributions for the purpose
30 of establishing an individual account in an amount not to exceed
31 three thousand dollars (\$3,000) in addition to the amounts specified
32 in subdivision (a) and a fiduciary organization may provide
33 amounts in excess of the first three thousand dollars (\$3,000)
34 limitation if contributed solely through private sources.

35 SEC. 7. Section 11155.6 of the Welfare and Institutions Code
36 is repealed.

37 11155.6. (a) (1) The principal and interest in a 401(k) plan,
38 403(b) plan, or 457 plan shall be excluded from consideration as
39 property when determining eligibility and the amount of assistance

1 with respect to an applicant for benefits who is not a recipient of
2 CalWORKs benefits.

3 (2) ~~The principal and interest in a 401(k) plan, 403(b) plan, IRA,~~
4 ~~457 plan, 529 college savings plan, or Coverdell ESA, shall be~~
5 ~~excluded from consideration as property when redetermining~~
6 ~~eligibility and the amount of assistance for recipients of~~
7 ~~CalWORKs benefits.~~

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

10 (1) ~~“401(k) plan” means a deferred compensation plan that~~
11 ~~satisfies the requirements of Section 401(k) of the Internal Revenue~~
12 ~~Code.~~

13 (2) ~~“403(b) plan” means a qualified annuity plan that satisfies~~
14 ~~the requirements of Section 403(b) of the Internal Revenue Code.~~

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

17 (4) ~~“457 plan” means a deferred compensation plan that satisfies~~
18 ~~the requirements of Section 457 of the Internal Revenue Code.~~

19 (5) ~~“529 college savings plan” means a qualified tuition program~~
20 ~~that satisfies the requirements of Section 529 of the Internal~~
21 ~~Revenue Code.~~

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

25 SEC. 8. Section 11157.5 of the Welfare and Institutions Code
26 is repealed.

27 11157.5. ~~The receipt of aid under Chapter 2 (commencing with~~
28 ~~Section 11200) shall not impose any limitation or restriction upon~~
29 ~~a recipient’s right to sell, exchange, or change, the form of property~~
30 ~~holdings. However, a gift or any other transfer of assets, including~~
31 ~~income and resources, by a recipient for less than fair market value~~
32 ~~shall result in a period of ineligibility for aid under Chapter 2~~
33 ~~(commencing with Section 11200) for the number of months,~~
34 ~~rounded down to the nearest whole number, that equals the quotient~~
35 ~~of the difference between the fair market value of the asset and~~
36 ~~the amount received for the asset divided by the standard of need~~
37 ~~applicable to the family under Section 11452. This section shall~~
38 ~~only apply to transfer of income or resources that would otherwise~~
39 ~~affect a recipient’s eligibility for benefits or the amount of benefits~~
40 ~~to which he or she would be entitled.~~

1 SEC. 9. Section 11257 of the Welfare and Institutions Code is
2 repealed.

3 ~~11257. (a) To the extent not inconsistent with Sections~~
4 ~~11265.1, 11265.2, 11265.3, and 11004.1, no aid under this chapter~~
5 ~~shall be granted or paid for any child who has real or personal~~
6 ~~property, the combined market value reduced by any obligations~~
7 ~~or debts with respect to this property of which exceeds one~~
8 ~~thousand dollars (\$1,000), or for any child or children in one family~~
9 ~~who have, or whose parents have, or the child or children and~~
10 ~~parents have, real and personal property the combined market~~
11 ~~value reduced by any obligations or debts with respect to this~~
12 ~~property which exceeds one thousand dollars (\$1,000).~~

13 ~~For purposes of this subdivision, real and personal property shall~~
14 ~~be considered both when actually available and when the applicant~~
15 ~~or recipient has a legal interest in a liquidated sum and has the~~
16 ~~legal ability to make that sum available for support and~~
17 ~~maintenance.~~

18 ~~(b) Notwithstanding subdivision (a) above, an applicant or~~
19 ~~recipient may retain the following:~~

20 ~~(1) Personal or real property owned by him or her, or in~~
21 ~~combination with any other person, without reference to its value,~~
22 ~~if it serves to provide the applicant or recipient with a home. If the~~
23 ~~basic home is a unit in a multiple dwelling, then only that unit~~
24 ~~shall be exempt.~~

25 ~~For the purposes of paragraph (1), if an applicant has entered~~
26 ~~into a marital separation for the purpose of trial or legal separation~~
27 ~~or dissolution, real property which was the usual home of the~~
28 ~~applicant shall be exempt for three months following the end of~~
29 ~~the month in which aid begins. If the recipient was receiving aid~~
30 ~~when the marital separation occurred, the period of exemption~~
31 ~~shall be three months following the end of the month in which the~~
32 ~~separation occurs. To remain exempt following this three-month~~
33 ~~period, the home must be occupied by the recipient, or be~~
34 ~~unavailable for use, control, and possession due to legal~~
35 ~~proceedings affecting a property settlement or sale of the property.~~

36 ~~(2) Personal property consisting of one automobile with~~
37 ~~maximum equity value as permitted by federal law.~~

38 ~~(3) In addition to the foregoing, the director may at his or her~~
39 ~~discretion, and to the extent permitted by federal law, exempt other~~
40 ~~items of personal property not exempted under this section.~~

1 SEC. 10. Section 11257.5 of the Welfare and Institutions Code
2 is amended to read:

3 11257.5. ~~Notwithstanding the property limitations in~~
4 ~~subdivision (a) of Section 11257, a~~ family may retain, for nine
5 months, real property if the family is making a good faith effort
6 to sell the real property. However, any aid payable to the family
7 for the nine-month period shall be conditioned upon the sale. At
8 the time of the sale any aid payments made during the nine-month
9 period shall be considered overpayments to the extent they would
10 not have been made had the sale occurred at the beginning of the
11 nine-month period. Notwithstanding Section 11004 overpayments
12 shall be recouped from the proceeds of the sale. ~~If the real property~~
13 ~~has not been sold at the end of the nine-month period, the family~~
14 ~~shall be ineligible for aid if the combined net value of the real and~~
15 ~~personal property owned by the family exceeds the one thousand~~
16 ~~dollar (\$1,000) limitation in Section 11257.~~

17 Notwithstanding Section 11007 as a condition to the granting
18 of aid pursuant to this section, the family shall grant the county a
19 lien upon the real property as security for the aid to be paid. The
20 lien shall be used to recoup any overpayments incurred pursuant
21 to this section. Notwithstanding any other ~~provision of~~ law, the
22 lien shall not be enforceable by the sale of the secured property
23 by the county. The lien of the county shall be paid upon the sale
24 of the property.

25 The department shall define good faith effort in regulation.

26 SEC. 11. Section 11260 of the Welfare and Institutions Code
27 is repealed.

28 ~~11260. A child's share of any estate, which share has not been~~
29 ~~distributed and of which he has no present economic use, does not~~
30 ~~constitute property for the purpose of this chapter.~~

31 SEC. 12. Section 11322.5 of the Welfare and Institutions Code
32 is amended to read:

33 11322.5. (a) It is the intent of the Legislature to do each of the
34 following:

35 (1) Maximize the ability of CalWORKs recipients to benefit
36 from the federal Earned Income Tax Credit (EITC), including
37 retroactive EITC credits and the Advance EITC, take advantage
38 of the earned-income disregard to increase their ~~federal Food Stamp~~
39 *CalFresh* Program benefits, and accumulate credit toward future
40 social security income.

1 (2) Educate and empower all CalWORKs participants who
 2 receive the federal EITC to save or invest part or all of their credits
 3 in instruments such as individual development accounts, 401(k)
 4 plans, 403(b) plans, IRAs, 457 plans, Coverdell ESA plans,
 5 ~~restricted accounts pursuant to subdivision (a) of Section 11155.2,~~
 6 or 529 plans, and to take advantage of the federal Assets for
 7 Independence program and other matching funds, tools, and
 8 training available from public or private sources, in order to build
 9 their assets.

10 (b) It is the intent of the Legislature that counties encourage
 11 CalWORKs recipients to participate in activities that will maximize
 12 their receipt of the EITC. To this end, counties may do all of the
 13 following:

14 (1) Structure welfare-to-work activities pursuant to subdivisions
 15 (a) to (j), inclusive, of Section 11322.6 to give recipients the option
 16 of maximizing the portion of their CalWORKs benefits that meets
 17 the definition of “earned income” in Section 32(c)(2) of the Internal
 18 Revenue Code.

19 (2) Inform CalWORKs recipients of each of the following:

20 (A) That earned income, either previous or future, may make
 21 them eligible for the federal EITC, including retroactive EITC
 22 credits and the Advance EITC, increase their ~~federal Food Stamp~~
 23 *CalFresh* Program benefits, and accumulate credit toward future
 24 social security income.

25 (B) That recipients, as part of their welfare-to-work plans, have
 26 the option of engaging in subsidized employment and grant-based
 27 on-the-job training, as specified in Section 11322.6, and that
 28 participating in these activities will increase their earned income
 29 to the extent that they meet the requirements of federal law.

30 (C) That receipt of the federal EITC does not affect their
 31 CalWORKs grant and is additional tax-free income for them.

32 (D) That a CalWORKs recipient who receives the federal EITC
 33 may invest these funds in an individual development account,
 34 401(k) plan, 403(b) plan, IRA, 457 plan, 529 college savings plan,
 35 *or* Coverdell ESA, ~~or restricted account~~, and that investments in
 36 these accounts will not make the recipient ineligible for
 37 CalWORKs benefits or reduce the recipient’s CalWORKs benefits.

38 (3) At each regular eligibility redetermination, the county shall
 39 ask a recipient whether the recipient is eligible for and takes
 40 advantage of the EITC. If the recipient may be eligible and does

1 not participate, the county shall give the recipient the federal EITC
2 form and encourage and assist the recipient to take advantage of
3 it.

4 ~~(e) (1) No later than December 1, 2008, the State Department
5 of Social Services shall develop guidelines that counties may adopt
6 to carry out the intent of this section and shall present options to
7 the Governor and Legislature for any legislation necessary to
8 further carry out the intent of this section.~~

9 ~~(2) In developing the guidelines and legislative options, the
10 department shall consult and convene at least one meeting of
11 subject-matter experts, including representatives from the
12 Assembly and Senate Committees on Human Services, Assets for
13 All Alliance, Asset Policy Initiative of California, California
14 Budget Project, California Catholic Conference, California Council
15 of Churches, California Family Resource Association, California
16 State Association of Counties, CFED, County Welfare Directors
17 Association of California, Federal Reserve Bank of San Francisco,
18 Legislative Analyst's Office, Lifetime, National Council of
19 Churches, Insight Center for Community Economic Development,
20 New America Foundation, Public Policy Institute of California,
21 University of California at Los Angeles School of Law, United
22 States Internal Revenue Service, and Western Center on Law and
23 Poverty. Nothing in this section requires the department to
24 compensate or pay expenses for any person it consults or invites
25 to the meeting or meetings.~~

26 SEC. 13. Section 11375 of the Welfare and Institutions Code
27 is amended to read:

28 11375. The following shall apply to any child or nonminor in
29 receipt of state-funded Kin-GAP benefits:

30 (a) He or she is eligible to request and receive independent living
31 services pursuant to Section 10609.3.

32 (b) He or she may retain cash savings, not to exceed ten
33 thousand dollars (\$10,000), including interest, in addition to any
34 other property accumulated pursuant to *former* Section 11257 or
35 *Section* 11257.5.

36 (c) He or she shall have earned income disregarded pursuant to
37 Section 11008.15.

38 SEC. 14. Section 11450 of the Welfare and Institutions Code,
39 as added by Section 4 of Chapter 632 of the Statutes of 2014, is
40 amended to read:

1 11450. (a) (1) (A) Aid shall be paid for each needy family,
 2 which shall include all eligible brothers and sisters of each eligible
 3 applicant or recipient child and the parents of the children, but
 4 shall not include unborn children, or recipients of aid under Chapter
 5 3 (commencing with Section 12000), qualified for aid under this
 6 chapter. In determining the amount of aid paid, and notwithstanding
 7 the minimum basic standards of adequate care specified in Section
 8 11452, the family’s income, exclusive of any amounts considered
 9 exempt as income or paid pursuant to subdivision (e) or Section
 10 11453.1, determined for the prospective semiannual period
 11 pursuant to Sections 11265.1, 11265.2, and 11265.3, and then
 12 calculated pursuant to Section 11451.5, shall be deducted from
 13 the sum specified in the following table, as adjusted for
 14 cost-of-living increases pursuant to Section 11453 and paragraph
 15 (2). In no case shall the amount of aid paid for each month exceed
 16 the sum specified in the following table, as adjusted for
 17 cost-of-living increases pursuant to Section 11453 and paragraph
 18 (2), plus any special needs, as specified in subdivisions (c), (e),
 19 and (f):

| 21 Number of 22 eligible needy 23 persons in 24 the same home | Maximum aid |
|--|----------------|
| 25 1..... | \$ 326 |
| 26 2..... | 535 |
| 27 3..... | 663 |
| 28 4..... | 788 |
| 29 5..... | 899 |
| 30 6..... | 1,010 |
| 31 7..... | 1,109 |
| 32 8..... | 1,209 |
| 33 9..... | 1,306 |
| 34 10 or more..... | 1,403 |

35
 36 (B) If, when, and during those times that the United States
 37 government increases or decreases its contributions in assistance
 38 of needy children in this state above or below the amount paid on
 39 July 1, 1972, the amounts specified in the above table shall be
 40 increased or decreased by an amount equal to that increase or

1 decrease by the United States government, provided that no
2 increase or decrease shall be subject to subsequent adjustment
3 pursuant to Section 11453.

4 (2) The sums specified in paragraph (1) shall not be adjusted
5 for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94,
6 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through
7 October 31, 1998, nor shall that amount be included in the base
8 for calculating any cost-of-living increases for any fiscal year
9 thereafter. Elimination of the cost-of-living adjustment pursuant
10 to this paragraph shall satisfy the requirements of *former* Section
11 11453.05, and no further reduction shall be made pursuant to that
12 section.

13 (b) (1) When the family does not include a needy child qualified
14 for aid under this chapter, aid shall be paid to a pregnant child who
15 is 18 years of age or younger at any time after verification of
16 pregnancy, in the amount that would otherwise be paid to one
17 person, as specified in subdivision (a), if the child and her child,
18 if born, would have qualified for aid under this chapter. Verification
19 of pregnancy shall be required as a condition of eligibility for aid
20 under this subdivision.

21 (2) Notwithstanding paragraph (1), when the family does not
22 include a needy child qualified for aid under this chapter, aid shall
23 be paid to a pregnant woman for the month in which the birth is
24 anticipated and for the six-month period immediately prior to the
25 month in which the birth is anticipated, in the amount that would
26 otherwise be paid to one person, as specified in subdivision (a), if
27 the woman and child, if born, would have qualified for aid under
28 this chapter. Verification of pregnancy shall be required as a
29 condition of eligibility for aid under this subdivision.

30 (3) Paragraph (1) shall apply only when the Cal-Learn Program
31 is operative.

32 (c) The amount of forty-seven dollars (\$47) per month shall be
33 paid to pregnant women qualified for aid under subdivision (a) or
34 (b) to meet special needs resulting from pregnancy if the woman
35 and child, if born, would have qualified for aid under this chapter.
36 County welfare departments shall refer all recipients of aid under
37 this subdivision to a local provider of the Women, Infants, and
38 Children program. If that payment to pregnant women qualified
39 for aid under subdivision (a) is considered income under federal
40 law in the first five months of pregnancy, payments under this

1 subdivision shall not apply to persons eligible under subdivision
 2 (a), except for the month in which birth is anticipated and for the
 3 three-month period immediately prior to the month in which
 4 delivery is anticipated, if the woman and child, if born, would have
 5 qualified for aid under this chapter.

6 (d) For children receiving AFDC-FC under this chapter, there
 7 shall be paid, exclusive of any amount considered exempt as
 8 income, an amount of aid each month that, when added to the
 9 child’s income, is equal to the rate specified in Section 11460,
 10 11461, 11462, 11462.1, or 11463. In addition, the child shall be
 11 eligible for special needs, as specified in departmental regulations.

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

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

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

38 (2) (A) Homeless assistance is available to a homeless family
 39 seeking shelter when the family is eligible for aid under this
 40 chapter. Homeless assistance for temporary shelter is also available

1 to homeless families that are apparently eligible for aid under this
2 chapter. Apparent eligibility exists when evidence presented by
3 the applicant, or that is otherwise available to the county welfare
4 department, and the information provided on the application
5 documents indicate that there would be eligibility for aid under
6 this chapter if the evidence and information were verified.
7 However, an alien applicant who does not provide verification of
8 his or her eligible alien status, or a woman with no eligible children
9 who does not provide medical verification of pregnancy, is not
10 apparently eligible for purposes of this section.

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

25 ~~(A)~~

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

35 (ii) This special needs benefit shall be granted or denied
36 immediately upon the family's application for homeless assistance,
37 and benefits shall be available for up to three working days. The
38 county welfare department shall verify the family's homelessness
39 within the first three working days and if the family meets the
40 criteria of questionable homelessness established by the

1 department, the county welfare department shall refer the family
 2 to its early fraud prevention and detection unit, if the county has
 3 such a unit, for assistance in the verification of homelessness within
 4 this period.

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

20 ~~(B)~~

21 (D) (i) A nonrecurring special needs benefit for permanent
 22 housing assistance is available to pay for last month’s rent and
 23 security deposits when these payments are reasonable conditions
 24 of securing a residence, or to pay for up to two months of rent
 25 arrearages, when these payments are a reasonable condition of
 26 preventing eviction.

27 (ii) The last month’s rent or monthly arrearage portion of the
 28 payment (I) shall not exceed 80 percent of the family’s total
 29 monthly household income without the value of CalFresh benefits
 30 or special needs benefit for a family of that size and (II) shall only
 31 be made to families that have found permanent housing costing
 32 no more than 80 percent of the family’s total monthly household
 33 income without the value of CalFresh benefits or special needs
 34 benefit for a family of that size.

35 (iii) However, if the county welfare department determines that
 36 a family intends to reside with individuals who will be sharing
 37 housing costs, the county welfare department shall, in appropriate
 38 circumstances, set aside the condition specified in subclause (II)
 39 of clause (ii).

40 ~~(C)~~

1 (E) The nonrecurring special needs benefit for permanent
2 housing assistance is also available to cover the standard costs of
3 deposits for utilities which are necessary for the health and safety
4 of the family.

5 ~~(D)~~

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

18 ~~(E)~~

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

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

36 (iii) A family shall be eligible for temporary and permanent
37 homeless assistance when homelessness is a direct result of
38 domestic violence by a spouse, partner, or roommate; physical or
39 mental illness that is medically verified that shall not include a
40 diagnosis of alcoholism, drug addiction, or psychological stress;

1 or, the uninhabitability of the former residence caused by sudden
2 and unusual circumstances beyond the control of the family
3 including natural catastrophe, fire, or condemnation. These
4 circumstances shall be verified by a third-party governmental or
5 private health and human services agency, except that domestic
6 violence may also be verified by a sworn statement by the victim,
7 as provided under Section 11495.25. Homeless assistance payments
8 based on these specific circumstances may not be received more
9 often than once in any 12-month period. In addition, if the domestic
10 violence is verified by a sworn statement by the victim, the
11 homeless assistance payments shall be limited to two periods of
12 not more than 16 consecutive calendar days of temporary assistance
13 and two payments of permanent assistance. A county may require
14 that a recipient of homeless assistance benefits who qualifies under
15 this paragraph for a second time in a 24-month period participate
16 in a homelessness avoidance case plan as a condition of eligibility
17 for homeless assistance benefits. The county welfare department
18 shall immediately inform recipients who verify domestic violence
19 by a sworn statement of the availability of domestic violence
20 counseling and services, and refer those recipients to services upon
21 request.

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

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

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

36 ~~(F)~~

37 (H) The county welfare departments, and all other entities
38 participating in the costs of the CalWORKs program, have the
39 right in their share to any refunds resulting from payment of the
40 permanent housing. However, if an emergency requires the family

1 to move within the 12-month period specified in subparagraph
2 ~~(E)~~; (G), the family shall be allowed to use any refunds received
3 from its deposits to meet the costs of moving to another residence.

4 ~~(G)~~

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

8 ~~(H)~~

9 (J) The daily amount for the temporary shelter special needs
10 benefit for homeless assistance may be increased if authorized by
11 the current year's Budget Act by specifying a different daily
12 allowance and appropriating the funds therefor.

13 ~~(I)~~

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

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

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

24 (i) ~~(A)~~-(I) Except for the purposes of Section 15200, the
25 amounts payable to recipients pursuant to Section 11453.1 shall
26 not constitute part of the payment schedule set forth in subdivision
27 (a).

28 ~~(B)~~

29 (2) The amounts payable to recipients pursuant to Section
30 11453.1 shall not constitute income to recipients of aid under this
31 section.

32 (j) For children receiving Kin-GAP pursuant to Article 4.5
33 (commencing with Section 11360) or Article 4.7 (commencing
34 with Section 11385) there shall be paid, exclusive of any amount
35 considered exempt as income, an amount of aid each month, which,
36 when added to the child's income, is equal to the rate specified in
37 Sections 11364 and 11387.

38 (k) (1) A county shall implement the semiannual reporting
39 requirements in accordance with Chapter 501 of the Statutes of
40 2011 no later than October 1, 2013. 2011.

1 (2) Upon completion of the implementation described in
2 paragraph (1), each county shall provide a certificate to the director
3 certifying that semiannual reporting has been implemented in the
4 county.

5 (3) Upon filing the certificate described in paragraph (2), a
6 county shall comply with the semiannual reporting provisions of
7 this section.

8 ~~(t) This section shall become operative on July 1, 2015.~~

9 SEC. 15. Section 11450.5 of the Welfare and Institutions Code
10 is amended to read:

11 11450.5. For purposes of computing and paying aid grants
12 under this chapter, the director shall adopt regulations establishing
13 a budgeting system consistent with Sections 11265.1, 11265.2,
14 and 11265.3. Nothing in this section, or Sections ~~11004, 11257~~
15 ~~11004~~ and 11450, or any other provision of this code, shall be
16 interpreted as prohibiting the establishment of, or otherwise
17 restricting the operation of, any budgeting system adopted by the
18 director.

19 SEC. 16. Section 14140 of the Welfare and Institutions Code
20 is amended to read:

21 14140. The following definitions shall apply to the provisions
22 of this article:

23 (a) "Net worth" means:

24 (1) Personal property, which consists of cash, savings accounts,
25 securities, and similar items; notes, mortgages and deeds of trust;
26 the cash surrender value of life insurance on the life of the applicant
27 or beneficiary, on the life of the spouse or any member of the
28 family, except as provided in Section 11158; motor vehicles, except
29 one which meets the transportation needs of the person or family;
30 any other property or equity other than real-estate, ~~except that~~
31 ~~property specified in subdivisions (1), (2) and (3) of Section 11155.~~
32 *estate.*

33 (2) Real property, including any interest in land of more than
34 nominal interest which does not constitute the home of the
35 applicant for aid under this chapter. The home of the applicant
36 shall be exempt from consideration as net worth under this section
37 to the extent of ten thousand dollars (\$10,000) in assessed
38 valuation, as assessed by the county assessor.

39 (3) "Income" which consists of the sum of adjusted gross income
40 as used for purposes of the Federal Income Tax Law.

1 (b) “Family unit” means:

2 (1) In the case of an unmarried patient under 21 years of age
3 living with his parent or parents, the patient and his parents.

4 (2) In the case of a married patient under 21 years of age, the
5 patient and his spouse.

6 (3) In the case of a patient over 21, the patient, and if married,
7 the patient’s wife.

8 SEC. 17. Section 18923 of the Welfare and Institutions Code
9 is amended to read:

10 18923. (a) The State Department of Social Services shall
11 submit a request to the United States Department of Agriculture
12 for a waiver to permit a CalFresh household to retain funds in the
13 restricted savings account as specified in subdivision (a) of *former*
14 Section 11155.2 and as accumulated while participating in the Aid
15 to Families with Dependent Children program. The participation
16 requirements for this specific savings account as specified in
17 subdivision (a) of *former* Section 11155.2 shall apply to CalFresh.
18 Penalties for nonqualifying withdrawal of these funds shall result
19 in a calculation of a period of ineligibility for all persons in the
20 CalFresh household, to be determined by dividing the balance in
21 the account immediately prior to the withdrawal by the CalFresh
22 allotment to which the household is entitled. The resulting whole
23 number shall be the number of months of ineligibility. The period
24 of ineligibility may be reduced when the divisor, which is the
25 CalFresh allotment, increases as a result of a cost-of-living
26 adjustment.

27 (b) The director may waive, with federal approval, the
28 enforcement of specific federal Supplemental Nutrition Assistance
29 Program requirements, regulations, and standards necessary to
30 implement this provision.

31 SEC. 18. No appropriation pursuant to Section 15200 of
32 Welfare and Institutions Code shall be made for the purposes of
33 this act.

34 SEC. 19. If the Commission on State Mandates determines
35 that this act contains costs mandated by the state, reimbursement
36 to local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

O