

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 659

**Introduced by Senators Bates, Gaines, Huff, Nguyen, Nielsen, and
Vidak
(Principal coauthor: Senator Stone)
(Coauthors: Senators Berryhill, Cannella, Fuller, and Morrell)**

February 27, 2015

An act to add and repeal Article 3.7 (commencing with Section 11337) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to public social services, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as amended, Bates. Opportunity Grant Pilot Project.

Existing federal law provides for *the* allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families.

This bill would require the State Department of Social Services, no later than July 1, 2016, to design and implement a 5-year pilot project under which monetary grants are provided to organizations operating programs that assist individuals receiving CalWORKs benefits achieve economic independence. The bill would require the ~~department,~~ *department, in developing the pilot project,* among other things, to develop a competitive review process for all grant proposals submitted,

and to develop an ongoing evaluation of the effectiveness of an organization receiving grant funding in teaching its program participants the skills necessary to achieve economic independence. The bill would authorize the department to enter into an agreement with an academic institution or other entity with sufficient expertise for the purpose of creating, performing, or both creating and performing the evaluation. The bill would authorize an organization receiving a grant to utilize the funds in any reasonable manner, as long as the ~~they~~ funds are expended in furtherance of ~~the program elements~~ *the organization's program* or other requirements established by the department. The bill would require the department, or the academic institution or other entity the department contracted with, to send a report evaluating the effectiveness of the programs funded by the grants to the relevant policy and fiscal committees of the Legislature by December 31, 2020. The bill would appropriate ~~an unspecified sum~~ \$50,000,000 from the General Fund for the purpose of funding these provisions. The bill would make these provisions inoperative on July 1, 2021, and would repeal them on January 1, 2022.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
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) California is expected to spend \$142 billion on health and
- 4 human services programs this year, which is by far the largest state
- 5 budget expenditure, while total education spending for
- 6 kindergarten, grades 1 to 12, inclusive, and higher education
- 7 programs is only \$80 billion per year.
- 8 (b) California has the fifth largest Temporary Assistance for
- 9 Needy Families (TANF) cash grant in the nation, and second
- 10 largest amongst the 10 largest states, yet poverty remains a
- 11 persistent problem.
- 12 (c) We must recognize that California's problems of poverty
- 13 and inequality do not stem from a lack of safety net programs.
- 14 (d) California's social safety net needs to invest in programs
- 15 that elevate people out of poverty rather than helping people live
- 16 better in poverty.

1 SEC. 2. Article 3.7 (commencing with Section 11337) is added
2 to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions
3 Code, to read:

4
5 Article 3.7. Opportunity Grant Pilot Project
6

7 11337. (a) The State Department of Social Services shall, no
8 later than July 1, 2016, design and implement a five-year pilot
9 project under which monetary grants are provided to organizations
10 operating programs that assist individuals receiving CalWORKs
11 benefits achieve economic independence.

12 (b) In developing the pilot project described in subdivision (a),
13 the department shall, at a minimum, do all of the following:

14 (1) Develop a competitive review process for all grant proposals
15 submitted and a methodology to determine grant amounts.

16 (2) Develop eligibility requirements for organizations seeking
17 a grant. The eligibility requirements shall, at a minimum, require
18 an ~~organization~~ *organization's* program to include all of the
19 elements specified in subdivision (d).

20 (3) Develop an ongoing evaluation, utilizing objective criteria,
21 of the effectiveness of an organization receiving grant funding in
22 teaching its program participants the skills necessary to achieve
23 economic independence. The evaluation criteria shall, at a
24 minimum, include an examination ~~of~~ *of all of the following*:

25 (A) The number and percentage of participants that complete
26 the program.

27 (B) The number and percentage of program participants that
28 begin the program with a high school diploma or equivalent.

29 (C) The number and percentage of program participants that
30 achieve a high school diploma or equivalent while in the program.

31 (D) The number of program participants that obtain
32 nonsubsidized employment of at least 20 hours per week by the
33 time of program completion, with regular ~~checks~~ *followup* to
34 determine if this minimum level of nonsubsidized employment is
35 maintained for the duration of the ongoing evaluation required by
36 this paragraph.

37 (E) The attainment of academic stability for the children of
38 program participants. The department shall develop a definition
39 of academic stability for purposes of this section.

1 (F) The number and percentage of program participants still
2 receiving CalWORKs benefits upon completion of the program.

3 (G) The average income of program participants at the time of
4 program completion.

5 (c) The department may enter into an agreement with an
6 academic institution or other entity with sufficient expertise for
7 the purpose of creating, performing, or both creating and
8 performing the evaluation required by paragraph (3) of subdivision
9 (b). The department and any academic institution or other entity
10 the department contracts with to create, perform, or both create
11 and perform the evaluation shall seek input from stakeholders
12 during the development process.

13 (d) In order to be considered for a grant, an organization shall,
14 at a minimum, include all of the following elements in its program:

15 (1) Education focused on the attainment of a high school
16 diploma or its equivalent.

17 (2) Mental health services.

18 (3) Employment training.

19 (4) Financial training.

20 (5) Parenting skills training.

21 (6) Life skills training.

22 (7) Child care services.

23 (8) A clean and sober environment. A program may utilize
24 random drug testing in order to ensure a clean and sober
25 environment.

26 (9) Comprehensive, targeted case management to assist program
27 participants.

28 (10) Ongoing monitoring of program participants for at least
29 five years after they have completed the program for purposes of
30 measuring long term program effectiveness.

31 (e) An organization receiving a grant may utilize the grant funds
32 in any reasonable manner, as long as the funds are expended in
33 furtherance of the program elements or other requirements the
34 department establishes. Housing, transportation, and child care
35 expenses for program participants shall be considered an allowable
36 use of grant funds.

37 (f) (1) The benefits an individual may receive through
38 participation in a program receiving grant funding are in addition
39 to any other public assistance benefits for which the individual
40 may be eligible.

1 (2) Organizations receiving grant funding may set their own
2 eligibility criteria for their programs as long as ~~they~~ *the eligibility*
3 *criteria* are consistent with the goals of this pilot project.

4 (g) Participation in a program administered by an organization
5 receiving grant funding pursuant to this section is voluntary.

6 (h) (1) No later than December 31, 2020, the department, or
7 the academic institution or other entity the department contracted
8 with pursuant to subdivision (c), shall send a report evaluating the
9 effectiveness of the programs funded by the grants to the relevant
10 policy and fiscal committees of the Legislature. The report shall
11 also be posted on the department's Internet Web site.

12 (2) The report required by paragraph (1) shall not reveal the
13 identity of any program participant, nor shall it contain any
14 personally identifiable information.

15 (3) The report required by paragraph (1) shall be submitted in
16 compliance with Section 9795 of the Government Code.

17 11338. This article shall become inoperative on July 1, 2021,
18 and, as of January 1, 2022, is repealed, unless a later enacted
19 statute, that becomes operative on or before January 1, 2022,
20 deletes or extends the dates on which it becomes inoperative and
21 is repealed.

22 SEC. 3. The sum of ~~_____~~ dollars (~~\$_____~~) *fifty million dollars*
23 *(\$50,000,000)* is hereby appropriated from the General Fund to
24 the State Department of Social Services for purposes of funding
25 the pilot program developed pursuant to Article 3.7 (commencing
26 with Section 11337) of Chapter 2 of Part 3 of Division 9 of the
27 Welfare and Institutions Code.