

AMENDED IN SENATE APRIL 21, 2015

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, 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 funds are expended in furtherance of 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 \$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's program to include all of the elements specified
19 in subdivision (d). *The eligibility requirements for organizations*
20 *seeking a grant do not affect an individual's eligibility for*
21 *CalWORKs benefits, as determined by the county.*

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

27 (A) The number and percentage of participants that complete
28 the program.

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

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

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

1 (E) The attainment of academic stability for the children of
2 program participants. The department shall develop a definition
3 of academic stability for purposes of this section.

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

6 (G) The average income of program participants at the time of
7 program completion.

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

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

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

20 (2) Mental health services.

21 (3) Employment training.

22 (4) Financial training.

23 (5) Parenting skills training.

24 (6) Life skills training.

25 (7) Child care services. *If the organization serves only pregnant*
26 *women, the organization shall not be required to provide child*
27 *care services to be eligible for grant funding.*

28 (8) A clean and sober environment. ~~A program may utilize~~
29 ~~random drug testing in order to ensure a clean and sober~~
30 ~~environment.~~

31 (9) Comprehensive, targeted case management to assist program
32 participants.

33 (10) Ongoing monitoring of program participants for at least
34 five years after they have completed the program for purposes of
35 measuring long-term program effectiveness.

36 (e) An organization receiving a grant may utilize the grant funds
37 in any reasonable manner, as long as the funds are expended in
38 furtherance of the program elements or other requirements the
39 department establishes. Housing, transportation, and child care

1 expenses for program participants shall be considered an allowable
2 use of grant funds.

3 (f) (1) The benefits an individual may receive through
4 participation in a program receiving grant funding are in addition
5 to any other public assistance benefits for which the individual
6 may be eligible.

7 (2) Organizations receiving grant funding may set their own
8 eligibility criteria for their programs as long as the eligibility
9 criteria are consistent with the goals of this pilot project. *The*
10 *criteria for eligibility set by the organization do not affect an*
11 *individual's eligibility for CalWORKs benefits, as determined by*
12 *the county.*

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

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

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

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

26 11338. This article shall become inoperative on July 1, 2021,
27 and, as of January 1, 2022, is repealed, unless a later enacted
28 statute, that becomes operative on or before January 1, 2022,
29 deletes or extends the dates on which it becomes inoperative and
30 is repealed.

31 SEC. 3. The sum of fifty million dollars (\$50,000,000) is hereby
32 appropriated from the General Fund to the State Department of
33 Social Services for purposes of funding the pilot program
34 developed pursuant to Article 3.7 (commencing with Section
35 11337) of Chapter 2 of Part 3 of Division 9 of the Welfare and
36 Institutions Code.

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