

Assembly Bill No. 1542

Passed the Assembly _____

Chief Clerk of the Assembly

Passed the Senate _____

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1997, at ____ o'clock __M.

Private Secretary of the Governor



CHAPTER _____

An act to amend Sections 8208, 8263, and 8286 of, to add Sections 8208.1, 8216, 8225, 8263.1, 8277.5, 8277.6, 8481, 72620.5, and 84759 to, to add Article 5 (commencing with Section 79200) to Chapter 9 of Part 48 of, to add Chapter 2.3 (commencing with Section 8499) to Part 6 of, to add Chapter 2 (commencing with Section 10200) to Part 7 of, to repeal Chapter 2.5 (commencing with Section 8499) of Part 6 of, and to repeal and add Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of, the Education Code, to add Chapter 1.12 (commencing with Section 15365.50) to Part 6.7 of Division 3 of Title 2 of the Government Code, to add Section 1597.36 to, and to add Chapter 17 (commencing with Section 50897) to Part 2 of Division 31 of, the Health and Safety Code, to add Section 99155.1 to the Public Utilities Code, to add Sections 10214.7, 15003.4, and 15003.5 to, to add Chapter 6 (commencing with Section 11010) to Part 1 of Division 3 of, to add Division 9 (commencing with Section 17000) to, and to repeal and add Section 1611.5 of, the Unemployment Insurance Code, to amend Sections 11004, 11008.13, 11008.14, 11155, 11155.2, 11157, 11200, 11201, 11250.4, 11320.3, 11322.2, 11323.2, 11323.4, 11324, 11324.4, 11324.5, 11324.6, 11324.7, 11324.8, 11325.2, 11325.21, 11325.22, 11325.25, 11325.4, 11325.6, 11326, 11327.4, 11327.5, 11327.6, 11327.8, 11329.2, 11331.5, 11450, 11450.018, 11450.5, 11453, 11477, and 14132.90 of, to amend the heading of Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of, to amend the heading of Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of, to add Sections 10063, 10553.2, 10619, 11155.3, 11157.5, 11160, 11253.5, 11265.2, 11265.8, 11266.5, 11320.1, 11320.15, 11320.31, 11322.61, 11322.62, 11322.65, 11322.7, 11322.9, 11325.1, 11325.5, 11325.7, 11325.8, 11327.9, 11450.12, 11450.13, 11451.5, 11454, 11454.5, 11454.6, 11475.3, 11475.4, 11477.02, 11477.04, 11486.5, 14005.30, 15204.3, 15204.4, 15204.8, 17016, and 17021 to, to add Article 7.5 (commencing with



Section 11495), Article 9 (commencing with Section 11520), Article 9.5 (commencing with Section 11525), and Article 9.7 (commencing with Section 11526) to Chapter 2 of Part 3 of, to add Chapter 3 (commencing with Section 10065) to Part 1 of, to add Chapters 1.3 (commencing with Section 10530) and 1.5 (commencing with Section 10540) to Part 2 of, to add Chapter 3.2 (commencing with Section 18220) and Chapter 3.3 (commencing with Section 18230) to Part 6 of, to add and repeal Section 11255.3 of, to repeal Sections 11018, 11201.5, 11255, 11320.2, 11320.4, 11320.6, 11320.8, 11321, 11321.2, 11321.4, 11321.8, 11322, 11322.41, 11323, 11323.1, 11324.2, 11325, 11327.2, 11328, 11328.1, 11328.4, 11328.6, 11329.5, 11329.7, 11450.1, 11450.6, 11451.6, 11451.7, 15204.6, and 15204.7 of, to repeal Chapter 3.8 (commencing with Section 10780) of Part 2 of Division 9 of, to repeal and add Sections 11008.135, 11320, 11322.4, 11322.6, 11322.8, 11323.6, 11323.8, 11325.23, 11453.2, 11486, 15204.2, 16575, 16576, 16576.5, and 16577 of, and to repeal and add Article 8 (commencing with Section 11500) of Chapter 2 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1542, Ducheny. Welfare reform.

Existing law provides for the Aid to Families with Dependent Children (AFDC) program, under which each county provides cash assistance and other benefits to qualified low-income families. The AFDC program is funded, in part, by the federal Temporary Assistance for Needy Families (TANF) program, subject to federal requirements. Each county is required to pay a share of the cost of both aid grant and administrative costs for the AFDC program.

This bill would rename that program the California Work Opportunity and Responsibility to Kids (CalWORKs) program and would recast provisions relating to the funding and administration of that



program and other social services programs. This bill would impose work participation requirements and time limits upon the receipt of aid.

This bill would provide that a community college shall provide various educational services to CalWORKs recipients. Because the bill would impose additional responsibilities upon community college districts, the bill would impose a state-mandated local program.

This bill would require the establishment of job creation and development programs for CalWORKs recipients and other low-income individuals.

This bill would also permit counties to implement various types of CalWORKs demonstration projects.

Existing law, the Child Care and Development Services Act, provides for the operation of child care and development programs. Existing law also contains provisions for child care for AFDC recipients. This bill would revise funding allocations and eligibility requirements for the provision of child care services and provisions regarding the administration of those services.

By imposing additional duties on counties and school districts, this bill would impose a state-mandated local program.

Existing law establishes eligibility requirements for benefits under the AFDC program, including limitations on the amount of income and resources that may be available to an eligible applicant or recipient.

This bill would revise eligibility requirements and apply them to the CalWORKs program.

By revising eligibility standards for receipt of benefits for this continuously appropriated funded program, this bill would result in an increase in appropriated funds, thereby making an appropriation. By increasing amounts of income and resources that will not be considered in determining CalWORKs recipient eligibility, the bill would increase the class of persons eligible for the CalWORKs program, and so would impose a state-mandated local program. This bill would also revise cost-of-living adjustments under that program.



Existing law provides for the reduction of aid payments under the AFDC program in the case of prior overpayments.

This bill would revise the method of calculating the reduction of those aid payments, thereby resulting in the increase of funds continuously appropriated for the CalWORKs program, resulting in an appropriation.

Existing law provides for procedures for the collection and distribution of child support owed or paid to custodial parents who are recipients of benefits under the AFDC program.

This bill would make revisions in these procedures.

This bill would also impose a state-mandated local program by requiring each county to provide diversion services, as described, as an alternative to CalWORKs benefits under certain circumstances.

Existing law, the Greater Avenues for Independence (GAIN) program, requires the provision of various employment training services to AFDC recipients.

This bill would recast these provisions to refer to welfare-to-work activities and would revise service and participation requirements. By imposing additional duties on counties in the provision of these services, this bill would result in a state-mandated local program.

Existing law provides for the federal Food Stamp Program, under which each county distributes food stamps provided by the federal government to eligible households.

This bill would establish the Electronic Benefits Transfer Committee to oversee the development and implementation of a statewide electronic benefits transfer system, which would apply to food stamps and other benefits, and would require counties to contract for the provision of certain benefits through the system.

Existing law provides for employers to pay contributions into the Employment Training Fund at a specified rate, and generally requires money in the fund to be allocated by the Employment Training Panel only for specified job training purposes.



This bill would provide for allocation, by the panel, of \$20,000,000 from the Employment Training Fund each year for training programs designed for workers who are current or recent recipients of benefits under the CalWORKs program and for other related purposes, subject to appropriation by the Legislature.

Existing law requires each county to provide aid and health care to its poor and indigent residents not supported by other means. These programs are commonly referred to as county general assistance programs.

This bill would impose certain restrictions upon eligibility for county general assistance programs.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients, including AFDC recipients, and certain other low-income persons.

This bill would specify that CalWORKS recipients and individuals who are ineligible for aid under the CalWORKS program but who meet the eligibility criteria for aid under the AFDC program in effect on July 16, 1996, shall be eligible for Medi-Cal benefits. Because counties are responsible for the determination of eligibility for benefits under the Medi-Cal program, this bill, by requiring the provision of Medi-Cal benefits to persons otherwise ineligible for those benefits, would result in a state-mandated local program.

This bill would only become operative when the Budget Act of 1997 is chaptered.

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 no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.



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

SECTION 1. This act shall be known as the Thompson-Maddy-Ducheney-Ashburn Welfare-to-Work Act of 1997.

SEC. 1.5. Section 8208 of the Education Code is amended to read:

8208. As used in this chapter:

(a) "Alternative payments" includes payments that are made by one child care agency to another agency or child care provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent's purchase of child care and development services.

(b) "Applicant or contracting agency" means a school district, community college district, college or university, county superintendent of schools, county, city, public agency, private nontax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services pursuant to this chapter. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decisionmaking prerogatives as consistent with the provisions of this chapter.

(c) "Assigned reimbursement rate" is that rate established by the contract with the agency and is derived by dividing the total dollar amount of the contract by the minimum child day of average daily enrollment level of service required.

(d) "Attendance" means the number of children present at a child care and development facility. "Attendance," for the purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child.

(e) "Capital outlay" means the amount paid for the renovation and repair of child care and development



facilities to comply with state and local health and safety standards, and the amount paid for the state purchase of relocatable child care and development facilities for lease to qualifying contracting agencies.

(f) “Caregiver” means a person who provides direct care, supervision, and guidance to children in a child care and development facility.

(g) “Child care and development facility” means any residence or building or part thereof in which child care and development services are provided.

(h) “Child care and development programs” means those programs that offer a full range of services for children from infancy to 14 years of age, for any part of a day, by a public or private agency, in centers and family child care homes. These programs include, but are not limited to, all of the following:

- (1) Campus child care and development.
- (2) General child care and development.
- (3) Intergenerational child care and development.
- (4) Migrant child care and development.
- (5) Schoolage parenting and infant development.
- (6) State preschool.
- (7) Resource and referral.
- (8) Severely handicapped.
- (9) Family day care.
- (10) Alternative payment.
- (11) Child abuse protection and prevention services.
- (12) Schoolage community child care.

(i) “Child care and development services” means those services designed to meet a wide variety of needs of children and their families, while their parents or guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements.

(j) “Children at risk of abuse, neglect, or exploitation” means children who are so identified in a written referral from a legal, medical, or social service agency, or emergency shelter.



(k) “Children with exceptional needs” means children who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000), and meeting eligibility criteria described in Section 56026 and Sections 56333 to 56338, inclusive, and Sections 3030 and 3031 of Title 5 of the California Code of Regulations. These children have an active individualized education program, and are receiving appropriate special education and services, unless they are under three years of age and permissive special education programs are available. These children may be developmentally disabled, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, other health impaired, deaf-blind, multihandicapped, or children with specific learning disabilities, who require the special attention of adults in a child care setting.

(l) “Children with special needs” includes infants and toddlers under the age of three years; limited-English-speaking-proficient children; children with exceptional needs; limited-English-proficient handicapped children; and children at risk of neglect, abuse, or exploitation.

(m) “Closedown costs” means reimbursements for all approved activities associated with the closing of operations at the end of each growing season for migrant child development programs only.

(n) “Cost” includes, but is not limited to, expenditures that are related to the operation of child care and development programs. “Cost” may include a reasonable amount for state and local contributions to employee benefits, including approved retirement programs, agency administration, and any other reasonable program operational costs. “Cost” may also include amounts for licensable facilities in the community served by the program, including lease payments or depreciation and payments of principal and interest on



loans incurred to acquire, rehabilitate, or construct licensable facilities, but these costs shall not exceed fair market rents existing in the community in which the facility is located. “Reasonable and necessary costs” are costs that, in nature and amount, do not exceed what an ordinary prudent person would incur in the conduct of a competitive business.

(o) “Elementary school,” as contained in Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended), includes early childhood education programs and all child development programs, for the purpose of the cancellation provisions of loans to students in institutions of higher learning.

(p) “Health services” include, but are not limited to, all of the following:

(1) Referral, whenever possible, to appropriate health care providers able to provide continuity of medical care.

(2) Health screening and health treatment, including a full range of immunization recorded on the appropriate state immunization form to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Child Health and Disability Prevention Program (Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code), but only to the extent that ongoing care cannot be obtained utilizing community resources.

(3) Health education and training for children, parents, staff, and providers.

(4) Followup treatment through referral to appropriate health care agencies or individual health care professionals.

(q) “Higher educational institutions” means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.



(r) “Intergenerational staff” means persons of various generations.

(s) “Limited-English-speaking-proficient and non-English-speaking-proficient children” means children who are unable to benefit fully from an English-only child care and development program as a result of either of the following:

(1) Having used a language other than English when they first began to speak.

(2) Having a language other than English predominantly or exclusively spoken at home.

(t) “Parent” means any person living with a child who has responsibility for the care and welfare of the child.

(u) “Program director” means a person who, pursuant to Sections 8244 and 8360.1, is qualified to serve as a program director.

(v) “Proprietary child care agency” means an organization or facility providing child care, which is operated for profit.

(w) “Resource and referral programs” means programs that provide information to parents, including referrals and coordination of community resources for parents and public or private providers of care. Services frequently include, but are not limited to: technical assistance for providers, toy-lending libraries, equipment-lending libraries, toy- and equipment-lending libraries, staff development programs, health and nutrition education, and referrals to social services.

(x) “Severely handicapped children” are children who require instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbance, or severe developmental disability. These children, ages birth to 21 years, inclusive, may be assessed by public school special education staff, regional center staff, or another appropriately licensed clinical professional.

(y) “Short-term respite child care” means child care service to assist families whose children have been



identified through written referral from a legal, medical, or social service agency, or emergency shelter as being neglected, abused, exploited, or homeless, or at risk of being neglected, abused, exploited, or homeless. Child care is provided for less than 24 hours per day in child care centers, treatment centers for abusive parents, family child care homes, or in the child's own home.

(z) (1) "Site supervisor" means a person who, regardless of his or her title, has operational program responsibility for a child care and development program at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a child care and development program operating in a single site. The Superintendent of Public Instruction may waive the requirements of this subdivision if the superintendent determines that the existence of compelling need is appropriately documented.

(2) In respect to state preschool programs, a site supervisor may qualify under any of the provisions in this subdivision, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a site supervisor under both Section 8244 and subdivision (e) of Section 8360.1 is also qualified under this subdivision.

(aa) "Standard reimbursement rate" means that rate established by the Superintendent of Public Instruction pursuant to Section 8265.

(bb) "Startup costs" means those expenses an agency incurs in the process of opening a new or additional facility prior to the full enrollment of children.

(cc) "State preschool services" means part-day educational programs for low-income or otherwise disadvantaged prekindergarten-age children.

(dd) "Support services" means those services which, when combined with child care and development services, help promote the healthy physical, mental, social, and emotional growth of children. Support services include, but are not limited to: protective services, parent training, provider and staff training, transportation,



parent and child counseling, child development resource and referral services, and child placement counseling.

(ee) “Teacher” means a person with the appropriate permit issued by the Commission on Teacher Credentialing who provides program supervision and instruction which includes supervision of a number of aides, volunteers, and groups of children.

(ff) “Workday” means the time that the parent requires temporary care for a child for any of the following reasons:

(1) To undertake training in preparation for a job.

(2) To undertake or retain a job.

(3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

SEC. 2. Section 8208.1 is added to the Education Code, to read:

8208.1. Child care exempt from licensure is a valid parental choice of care for all programs provided for under this part, and no provision of this part shall be construed to exclude or discourage the exercise of that choice.

SEC. 3. Section 8216 is added to the Education Code, to read:

8216. When making referrals, every agency operating both a direct service program and a resource and referral program shall provide at least four referrals, at least one of which shall be a provider over which the agency has no fiscal or operational control, as well as information to a family on the family’s ability to choose a license exempt provider.

SEC. 4. Section 8225 is added to the Education Code, to read:

8225. When making referrals, every agency operating both a direct service program and an alternative payment program shall provide at least four referrals, at least one of which shall be a provider over which the agency has no fiscal or operational control, as well as information to a



family on the family's ability to choose a license exempt provider.

SEC. 5. Section 8263 of the Education Code is amended to read:

8263. (a) The Superintendent of Public Instruction shall adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(1) A family is (A) a current aid recipient, (B) income eligible, (C) homeless, or (D) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.

(2) A family needs the child care service because the child is identified by a legal, medical, social service agency, or emergency shelter as (A) a recipient of protective services, (B) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (C) having a medical or psychiatric special need which cannot be met without provision of child day care, or the parents are (i) engaged in vocational training leading directly to a recognized trade, paraprofession, or profession, (ii) employed or seeking employment, (iii) seeking permanent housing for family stability, or (iv) incapacitated, including a medical or psychiatric special need which cannot be met without provision of child day care.

(b) Except as provided in Article 15.5 (commencing with Section 8350), priority for state and federally subsidized child development services is as follows:

(1) First priority shall be given to neglected or abused children who are recipients of child protective services, or recipients who are at risk of being neglected or abused, upon written referral from a legal, medical, or social service agency. When an agency is unable to enroll a child in the first priority category, the agency shall refer the



family to local resource and referral services to locate services for the child.

(2) Second priority shall be equally given to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size, as determined by a schedule adopted by the superintendent, shall be admitted first. When two or more families are in the same priority in relation to income, the family that has been on the waiting list for the longest amount of time shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(3) The superintendent shall set criteria for and may grant specific waivers of the priorities established in this subdivision for agencies that wish to serve specific populations, including disabled children or children of prisoners. These new waivers shall not include proposals to avoid appropriate fee schedules or admit ineligible families, but may include proposals to accept members of special populations in other than strict income order, as long as appropriate fees are paid.

(c) Notwithstanding any other provision of law, in order to promote continuity of services, a family enrolled in a state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive child development services in another state or federally funded child care and development program if the contractor is able to transfer the family's enrollment to another program for which the family is eligible prior to the date of termination of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same administrative agency or to another agency that



administers state or federally funded child care and development programs within that county.

(d) A physical examination and evaluation, including age-appropriate immunization, shall be required prior to, or within six weeks of, enrollment. No standard, rule, or regulation shall require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that the medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed the letter. However, whenever there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that any contagious or infectious disease does not exist.

(e) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department of Health Services relative to health care screening and the provision of health care services. The superintendent shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of ill or disabled children.

(f) The superintendent shall establish a fee schedule for families utilizing child care and development services pursuant to this chapter, which shall include, but not be limited to, the following restrictions:

(1) No fees shall be assessed for families whose children are enrolled in the state preschool program.

(2) A contractor or provider may require parents to provide diapers. A contractor or provider offering field trips either may include the cost of the field trips within the service rate charged to the parent or may charge parents an additional fee. No federal or state money shall be used to reimburse parents for the costs of field trips if



those costs are charged as an additional fee. A contractor or provider that charges parents an additional fee for field trips shall inform parents, prior to enrolling the child, that a fee may be charged and that no reimbursement will be available. A contractor or provider may charge parents for field trips or require parents to provide diapers only under the following circumstances:

(A) The provider has a written policy that is adopted by the agency's governing board that includes parents in the decisionmaking process regarding both of the following:

(i) Whether or not, and how much, to charge for field trip expenses.

(ii) Whether or not to require parents to provide diapers.

(B) The maximum total of charges per child in a contract year does not exceed twenty-five dollars (\$25).

(C) No child is denied participation in a field trip due to the parent's inability or refusal to pay the charge. No adverse action shall be taken against any parent for that inability or refusal.

Each contractor or provider shall establish a payment system that prevents the identification of children based on whether or not their parents have paid a field trip charge.

Expenses incurred and income received for field trips pursuant to this section, shall be reported to the State Department of Education. The income received for field trips shall be reported specifically as restricted income.

(g) The superintendent shall establish guidelines for the collection of employer-sponsored child care benefit payments from any parent whose child receives subsidized child care and development services. These guidelines shall provide for the collection of the full amount of the benefit payment, but not to exceed the actual cost of child care and development services provided, notwithstanding the applicable fee based on the fee schedule.

(h) The superintendent shall establish guidelines according to which the director or a duly authorized



representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(i) No public funds shall be paid directly or indirectly to any agency that does not pay at least the minimum wage to each of its employees.

SEC. 6. Section 8263.1 is added to the Education Code, to read:

8263.1. (a) For purposes of this chapter, “income eligible” means that a family’s adjusted monthly income is at or below 75 percent of the state median income, adjusted for family size, and adjusted annually.

(b) As of January 1, 1998, children in subsidized child care programs with an exit criteria of 100 percent of the state median income, whose family income adjusted for family size, is above 75 percent of the state median income shall not be displaced and shall continue to receive child care services as long as they continue to meet the criteria that apply to the program on December 31, 1997. The parent fee schedule for these programs in effect on December 31, 1997, shall continue to be applied until the department adopts a new fee schedule that applies to these families.

SEC. 7. Section 8277.5 is added to the Education Code, to read:

8277.5. (a) Subject to appropriation in the annual Budget Act, the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund are hereby established in the State Treasury. The Superintendent of Public Instruction may transfer state funds appropriated for child care facilities enhancement and the proceeds derived from any future sales of tax-exempt child care and development facilities bonds into these funds.

(b) (1) Moneys deposited in the Child Care and Development Facilities Loan Guaranty Fund shall be used for the purpose of guaranteeing private sector loans to sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies for the purchase, development, construction, expansion, or



improvement of licensed child care and development facilities, and for the purpose of administering the guarantees of these loans. The loan guarantees shall be made in accordance with the priorities and guidelines promulgated by the Department of Housing and Community Development, as set forth in Section 8277.6. The full faith and credit of the State of California is not pledged to the Child Care and Development Facilities Loan Guaranty Fund and the state is not liable for loan defaults that exceed the amount of funds deposited with the Child Care and Development Facilities Loan Guaranty Fund.

(2) A loan guarantee made pursuant to this section may not exceed 80 percent of the principal amount of a private sector loan guaranteed by the fund and shall be used only to guarantee a private sector loan for the purchase, development, construction, expansion, or improvement of facilities described in Section 8277.6 and for related equipment and fixtures, but shall not be used primarily to refinance an existing loan or for working capital, supplies, or inventory. A loan guarantee for improvements shall be limited to those improvements necessary for any of the following purposes:

(A) To obtain, maintain, renew, expand, or revise a child care license.

(B) To make necessary health and safety improvements.

(C) To make seismic improvements.

(D) To provide access for disabled children.

(3) The aggregate amount of outstanding loan guarantees shall not exceed four times the amount in the Child Care and Development Facilities Loan Guaranty Fund.

(4) A loan guarantee made pursuant to this section shall be for the term of the loan or 20 years, whichever is less. Security for the loan guarantee shall include a deed of trust or mortgage that may be subordinated to other liens, personal guarantees of shareholders and partners in the case of proprietary borrowers, and other reasonably available collateral. Default provisions and other terms



shall be reasonable and designed to obtain prompt and full repayment of the guaranteed loan by the borrower. Reasonable loan guarantee fees and points designed solely to cover the administrative costs of managing the Child Care and Development Facilities Loan Guaranty Fund may be charged to applicants and borrowers.

(5) A loan guarantee made pursuant to this section shall only be granted if the applicant agrees to provide child care in a facility for a period of 20 years or the term of the guaranteed loan, whichever is less.

(6) A loan guarantee made pursuant to this section terminates 90 days after the lender's receipt of notice that the recipient has either ceased making payments or providing child care in the facility for which the loan was made, or both, unless the lender takes action to accelerate the loan. If a family day care provider ceases to operate, but retains its three-year license, the provider shall give notice to the Department of Housing and Community Development and the lending institution of its intention to resume offering child care services for the term of its license, or shall provide notice of its intention to cease providing child care services. The Child Care and Development Facilities Loan Guaranty Fund is not liable for a default occurring after the loan guarantee has ended.

(c) (1) Moneys deposited in the Child Care and Development Facilities Direct Loan Fund shall be used for the purpose of making subordinated direct loans to sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies for the purchase, development, construction, expansion, or improvement of licensed child care and development facilities, and for the purpose of administering these loans. The direct loans shall be made in accordance with the priorities and guidelines promulgated by the Department of Housing and Community Development, as set forth in Section 8277.6. The full faith and credit of the State of California is not pledged to the Child Care and Development Facilities Direct Loan Fund and the state is not liable for loan defaults that exceed the amount



of funds deposited in the Child Care and Development Facilities Direct Loan Fund.

(2) A loan made pursuant to this section may not exceed 50 percent of the total amount of investment for the purchase, development, expansion, or improvement of eligible child care and development facilities as described in Section 8277.6 and for related equipment and fixtures, but may not be used to refinance an existing loan, for working capital, for supplies, or for inventory. A loan made pursuant to this section may not exceed 20 percent of the total amount of investment if the same facility is also utilizing a loan guarantee pursuant to subdivision (b). Investment for purposes of this paragraph means the total cost paid or incurred by the applicant in constructing, renovating, or acquiring a facility. A direct loan for improvements shall be limited to those improvements necessary for any of the following purposes:

(A) To obtain, maintain, renew, expand, or revise a child care license.

(B) To make necessary health and safety improvements.

(C) To make seismic improvements.

(D) To provide access for disabled children.

(3) The term of a loan made pursuant to this section may not exceed 20 years. Security for the loan shall include a deed of trust or mortgage that may be subordinated to other liens, personal guarantees of shareholders and partners in the case of proprietary borrowers, and other reasonably available collateral. The interest rate, payment provisions, late charges, and other terms may vary based on the ability of the borrower to repay the loan, but shall be reasonable and designed to obtain prompt and full repayment of the loan by the borrower. Reasonable loan fees and points designed solely to cover the administrative costs of managing the fund may be charged to applicants and borrowers.

(d) Funds appropriated for the purposes of this section and Section 8277.6 shall be made from funds that are not designated as meeting the state's minimum funding



obligation under Section 8 of Article XVI of the California Constitution.

SEC. 8. Section 8277.6 is added to the Education Code, to read:

8277.6. (a) The Department of Housing and Community Development shall administer the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund.

(b) Eligible applicants for the loan guaranty program and the direct loan program shall include sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies that provide licensed child care and development services. Facilities that primarily serve households with incomes not exceeding 75 percent of the local median income, as determined from time to time by the United States Department of Housing and Urban Development, shall be given priority in loan guarantees and direct loans made pursuant to this section and Section 8277.5. Eligible facilities shall include full-day and part-day child care and development facilities and family child care homes serving more than six children.

(c) Loan guarantees and direct loans for family child care homes serving more than six children are limited to loans for repairs and renovation that are required to maintain a license or, if the family child care provider is otherwise qualified for a license for more than six children, to repairs, renovations, and additions required to obtain a license for more than six children. A family child care home provider shall provide evidence from the community care licensing division that the repairs, renovations, or additions are required to maintain the license or obtain a license for more than six children. Loan guarantees and direct loans for family child care homes shall not be made for the purpose of purchasing a home or any real property.

(d) The State Department of Education shall provide program priorities that shall govern the ranking of applications by the Department of Housing and



Community Development. These priorities shall include, but are not limited to, the following:

(1) Geographic priorities based on the extent of need for child care and development supply-building efforts in different parts of the state.

(A) Not less than 30 percent of the loan guarantee and direct loan obligations shall benefit providers located in rural areas, as defined in subparagraph (B). If the amount of qualified applications from rural providers is insufficient to satisfy this requirement, the excess capacity reserved for rural providers may be made available to other qualified applications according to the policies and procedures of the Department of Housing and Community Development. The remaining 70 percent of funds shall be available to rural or urban areas and other priorities in accordance with this subdivision.

(B) For purposes of subdivision (a), rural communities are defined by any county with fewer than 400 residents per square mile.

(2) Age priorities based on the extent of need for child care and development supply-building efforts for children of different age groups.

(3) Income priorities based on the extent of need for child care and development supply-building efforts to benefit families transitioning to work or other lower income families.

(4) Program priorities based on the extent of facilities needs among specific kinds of providers, including those that contract to administer state and federally funded child care and development programs administered by the State Department of Education, providers who have lost classrooms due to class size reduction or other state or local initiatives, or providers that need to expand to meet the needs of a child care initiative for recipients of aid under Chapter 3 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program.

(e) The program priorities shall reflect input from and consultation with a panel of volunteer advisers that includes representatives of diverse sectors of the child



care and development field, financial institutions, local planning councils, the Child Development Programs Advisory Committee, and the State Department of Social Services for purposes of identifying communities with high percentages of recipients of aid under Chapter 3 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, who need child care to meet work requirements. The Department of Housing and Community Development shall assess and report annually, commencing within 12 months of implementation of this section to the Legislature, after consultation with the State Department of Education, on the performance, effectiveness, and fiscal standing of the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund. The report shall include information on the number of defaults, the types of facilities in default, and a review of the adequacy of the set-aside for rural areas specified in paragraph (1) of subdivision (e) of Section 82776.

(f) The Department of Housing and Community Development shall establish regulations, guidance, forms, policies and procedures for implementing and managing the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund and making the loan guarantees and direct loans authorized hereunder, consistent with priorities provided by the State Department of Education. To the extent feasible, the Department of Housing and Community Development shall use applicant fees and points to cover its administrative costs. The Department of Housing and Community Development may utilize an amount of money from the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund, as appropriate, for reasonable administrative costs in any given fiscal year that shall not exceed the lesser of 3 percent of the principal amount of loans guaranteed or



direct loans made, as appropriate, during that fiscal year or 3 percent of the balance of funds currently in the Child Care and Development Facilities Loan Guaranty Fund or Child Care and Development Facilities Direct Loan Fund, as appropriate.

(g) The Department of Housing and Community Development shall establish guidelines for serving family day care homes efficiently, including, but not limited to, making loans available from the Child Care and Development Facilities Direct Loan Fund to local microenterprise loan funds and other lenders who may relend the funds in appropriate amounts to eligible family day care home providers or by authorizing a specified amount of guarantees of small loans by local microenterprise loan funds and other lenders serving eligible family day care home providers.

SEC. 9. Section 8286 of the Education Code is amended to read:

8286. The Governor shall appoint an advisory committee composed of one representative from the State Board of Education, one representative of private education, one representative of child welfare, one representative of private health care, two representatives of proprietary child care agencies, one representative of a community action agency qualified under Title II of the Economic Opportunity Act of 1969, two representatives of family day care homes, one representative of a child care provider exempt from licensure, five parents of children participating in child care programs of whom at least three shall be parents of children participating in publicly subsidized child development programs, and one shall be a parent of a child receiving care from a child care provider exempt from licensure, appointed from names selected by a democratic process to assure representation of the parents of children being served, four persons representing professional or civic groups or public or nonprofit private agencies, organizations or groups concerned with child development, one person who administers a public school child care program established pursuant to Article 22 (commencing with



Section 8460), one person who administers a county office of education schoolage child care program established pursuant to Article 22 (commencing with Section 8460), and one teacher currently serving in a public school children's center.

The advisory committee shall also include one representative from the State Department of Education appointed by the Superintendent of Public Instruction, and one representative each from the Employment Development Department, the State Department of Social Services, the State Department of Health Services, and the State Department of Developmental Services, appointed by the respective director of each department.

The advisory committee shall assist the State Department of Education in developing a state plan for child development programs pursuant to this chapter.

The advisory committee shall provide ongoing coordination and communication to local child care planning councils to facilitate activities and provide technical assistance as needed.

The advisory committee shall continually evaluate the effectiveness of those programs and shall report thereon at each regular session of the Legislature.

The advisory committee shall assist in and coordinate the drafting of guidelines for local planning councils pursuant to Chapter 2.5 (commencing with Section 8499) of Part 6. The advisory committee shall request state and local agencies to submit suggested guidelines. The final guidelines shall be drafted and adopted by the committee, in consultation with local child care agencies, local planning councils, the Secretary of Child Development and Education, the State Department of Education, and the State Department of Social Services. The guidelines shall include, but not be limited to, provisions for assessing child care supply, demand, cost, and facility needs, in terms of age, family income level, special needs, and multilingual and multicultural backgrounds. Guidelines developed for programs administered by the State Department of Education shall be concurred in by the department.



SEC. 10. Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code is repealed.

SEC. 11. Article 15.5 (commencing with Section 8350) is added to Chapter 2 of Part 6 of the Education Code, to read:

Article 15.5. Child Care for Recipients of the
CalWORKs Program

8350. (a) It is the intent of the Legislature in enacting this article to ensure that recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, and former recipients who have left aid for employment, are connected as soon as possible to local child care resources, make stable child care arrangements, and continue to receive subsidized child care services after they no longer receive aid as long as they require those services and meet the eligibility requirements set forth in Sections 8263 and 8263.1.

(b) This article establishes three stages of child care services through which a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, will pass. Further, as families' child care needs are met by county welfare departments and later by other local child care and development contractors, it is the intent of the Legislature that families experience no break in their child care services due to a transition between the three stages of child care services.

8351. (a) The county welfare department shall manage the first stage during which a family shall receive a child care subsidy for any legal care chosen by the parent. The first stage begins upon the entry of a person into the program prescribed by Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code. A county shall move recipients out of this first response stage as quickly as possible after the county determines that the need for child care is stable.



A recipient may be served in this stage for a maximum of six months. The six-month time limit may be extended if the county determines that the recipient's situation is too unstable to be shifted to the second stage or if no funds are available to provide child care services in the second stage.

(b) A county may contract with public or private child care providers to provide any or all of the services during the first stage. If the county welfare department elects to contract with any child care provider that is also under contract with the State Department of Education, these contracts shall be consistent with state law.

8352. As soon as appropriate, a county welfare department shall refer families needing child care services to the local child care resource and referral program funded pursuant to Article 2 (commencing with Section 8210). Resource and referral program staff shall colocate with a county welfare department's case management offices for aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, or arrange other means of swift communication with parents and case managers of this aid. The local child care resource and referral program shall assist families to establish stable child care arrangements as soon as possible. These child care arrangements may include licensed and license-exempt care.

8353. The second stage begins when the county determines that the recipient's work or approved work activity is stable or when a recipient is transitioning off of aid and child care is available through a local stage two program. The local stage two agency shall assist in moving families to stage three as quickly as feasible. No family may continue to receive child care in stage two beyond two years after it is no longer eligible for aid. The second stage shall be administered by agencies contracting with the State Department of Education. These contractors may be either agencies that have an alternative payment contract pursuant to Section 8220.1 or county welfare departments that choose to administer this stage in order



to continue to provide child care services for recipients or former recipients of aid. If the county chooses to contract with the department to provide alternative payment services, this contract shall not displace, or result in the reduction of an existing contract of, a current alternative payment program.

8354. (a) The third stage begins when a funded space is available for CalWORKs recipients, persons who received a lump-sum diversion payment, and former CalWORKs participants who are regularly employed at a wage that does not exceed 75 percent of the state median income. The third stage shall be administered by programs contracting with the State Department of Education. Parents' eligibility for child care and development services will be governed by Section 8263 and regulations adopted by the State Department of Education.

(b) In order to move welfare recipients and former recipients from their relationship with county welfare departments to relationships with institutions providing services to working families, it is the intent of the Legislature that families that are former recipients of aid, or are transitioning off aid, receive their child care assistance in the same fashion as other low-income working families. Therefore, it is the intent of the Legislature that families no longer rely on county welfare departments to obtain child care subsidies beyond the time they are receiving other services from the welfare department.

(c) A county welfare department shall not administer the third stage of child care for CalWORKs recipients except to the extent to which it delivered those services to families receiving, or within one year of having received, Aid to Families with Dependent Children prior to the enactment of this section.

(d) This article does not preclude county welfare departments from operating an alternative payment program under contract with the State Department of Education to serve families referred by child protective services.



8355. Child care during the third stage may be funded with moneys dedicated to current and former recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, including the federal funds appropriated to alternative payment program contractors in the 1996–97 fiscal year using the Budget Act’s Section 28 process as described in subdivision (b). Nothing shall prevent child care services provided under stage three from being funded with moneys from other federal or state sources. Nothing in this article shall preclude current and former recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, from receiving child care services pursuant to other provisions of this chapter.

8356. It is the intent of the Legislature that the State Department of Education work with Head Start and state preschool programs to generate extended-day and evening care for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, through recruiting and training parents to be licensed and license-exempt care providers and shall facilitate connections between Head Start and state preschool contractors and child care certificate administrators, including counties and other alternative payment programs, so that funds available for Sections 8351, 8353, and 8354 cover the cost of this care.

8356.1. It is the intent of the Legislature that each county receive funding for child care services provided in stage two that is at least equivalent to the amount of funding received in the 1996–97 fiscal year for income disregard pursuant to Section 11451.6 of the Welfare and Institutions Code and supplemental child care pursuant to Section 11451.7 of the Welfare and Institutions Code.

8357. (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care



services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the State Department of Education if the cost is within the regional market rate. For purposes of this section, “regional market rate” means care costing no more than 1.5 market standard deviations above the mean cost of care for that region.

(b) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(c) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(d) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(e) For purposes of this section, “reimbursement” means a direct payment to the provider of child care services. However, to allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months from the effective date of this article, a county may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

(f) Counties and alternative payment programs shall not be bound by the rate limits described in subdivision (a) when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this article.

8358. (a) By January 31, 1998, the State Department of Education and the State Department of Social Services shall design a form for license-exempt child care providers to use for certifying health and safety requirements to the extent required by federal law. Until the form is adopted, the information required pursuant to Section 11324 of the Welfare and Institutions Code shall



continue to be maintained by the county welfare department or contractor, as appropriate.

(b) By January 31, 1998, the State Department of Education and the State Department of Social Services shall do all of the following:

(1) Design a standard process for complaints by parents about the provision of child care that is exempt from licensure.

(2) Design, in consultation with local planning councils, a single application for all child care programs and all families.

(3) Present recommendations to the Legislature on ways to consolidate state and federal child care programs.

(c) County welfare departments and alternative payment programs shall encourage all providers who are licensed or who are exempt from licensure and who are providing care under Section 8151, 8153, or 8155, to secure training and education in basic child development.

(d) The State Department of Education shall increase consumer education and consumer awareness activities so that parents will have the information needed to seek child care of high quality. High quality child care shall include both licensed and license-exempt care.

8359. (a) County welfare departments and alternative payment programs shall provide to the State Department of Education or the State Department of Social Services, whichever is appropriate, and the local planning council, on a quarterly basis, data about child care usage and demand in each of the three stages. The State Department of Education and the State Department of Social Services shall forward this data quarterly to the Department of Finance and the Joint Legislative Budget Committee for fiscal planning.

(b) By January 10 of each year, the Department of Finance shall present to the respective legislative budget committees an estimate of the cost of funding the expected demand for child care as described in subdivision (a) of Section 8351 and Sections 8353 and 8354.



8359.1. (a) It is the intent of the Legislature in enacting this article to provide sufficient funding through an appropriation in the annual Budget Act to fund the estimated cost of providing child care for all individuals who are anticipated to need child care to participate in the welfare-to-work programs and to transition to work.

(b) It is the intent of the Legislature that child care and development contracts in existence on the effective date of this section be allowed to continue until the end of the 1997–98 fiscal year.

(c) Funding for purposes of implementing this article shall be appropriated in the annual Budget Act.

SEC. 12. Section 8481 is added to the Education Code, to read:

8481. (a) Subject to appropriation in the annual Budget Act, for the purpose of the program in this article, the Superintendent of Public Instruction may allocate funds for the establishment of school-based schoolage before and after school programs that include homework and tutoring assistance, improve literacy skills, and provide recreational activities, as well as facilitate the transition from welfare to work by providing child care for schoolage children and potential employment for welfare recipients who are parents of children enrolled in schoolage child care programs.

(b) A before and after school program, whether public, private, or school district operated, in collaboration with other local governmental agencies, may apply to the State Department of Education for funding under this article. A before and after school program that receives funding pursuant to this article may participate in any other grant programs that fund literacy and technology activities.

(c) In order to achieve the goals of assisting children in learning, providing parents with employment and parenting skills, providing a safe environment for children, and helping prevent crime in neighborhoods, a program funded under this article shall be a collaborative effort with a school district, and may also include collaboration with any combination of the following:



other school districts, community college districts, counties, cities, community-based organizations, not-for-profit organizations, the local agency that provides the Even Start Family and Head Start literacy programs or their equivalent programs, and the private sector.

(d) In selecting programs for funding under this article, the department shall use the standards set forth in Section 8463 and all of the following criteria:

(1) Programs shall have demonstrated experience in implementing quality before or after-school child development programs.

(2) Programs shall demonstrate the inclusion of a strong literacy component.

(3) Programs shall demonstrate a working collaboration with entities listed in subdivision (d), including Even Start Family and Head Start literacy program providers, to the extent that these programs exist in the service area.

(e) Notwithstanding Section 8468, in allocating funds pursuant to this article, preference shall be given to programs that currently employ recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, who are parents of children enrolled in the applicant programs or that have a demonstrated commitment to providing employment opportunities for those recipients of aid, or both.

(f) Funding received by a before and after school program pursuant to this article may be renewed and is contingent upon the following:

(1) Compliance with the requirement of subdivision (d), the criteria set forth in subdivision (e), and the priorities set forth in subdivision (f).

(2) A favorable evaluation completed by the State Department of Education pursuant to Section 8498.8 or an evaluation that meets the standards of the department.

(3) Programs shall demonstrate that they are receiving locally generated resources from other than



federal and state sources, which may include in-kind contributions.

(g) (1) A program established under this section may employ parents of schoolage children who are participating in the program established pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, and may employ those parents in the schools attended by their own children. Parents employed pursuant to this subdivision may also participate in training programs at least six hours per week, in order to help them understand child development, learn parenting skills, and obtain skills for employment in either an educational or child care setting. Employment in the program may fulfill a participant's employment requirements under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(2) A program shall also be encouraged to hire older siblings of children in the program whose families receive aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, to work in either the program's literacy or recreation components. It is the intent of this subdivision that hiring teenagers from families that receive aid under this Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, will provide an additional source of income for these families.

(3) All program participants shall be assessed before they work with children to determine their skills and literacy development and a criminal background check on each participant shall be completed before that participant begins to work with children. Participants shall be supervised by qualified staff.

(4) (A) Notwithstanding any other provision of law, but subject to subparagraph (B), programs operating under this article that use recipients of aid under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or any



successor program, may count those recipients as staff members for purposes of determining compliance with staffing ratio requirements.

(B) Teenage siblings used by programs operating under this article may not be included in computing compliance with staffing ratio requirements.

(5) Notwithstanding any other provisions of law, programs operating under this section may extend their hours of operation beyond 20 hours per week.

(h) A program established pursuant to this section shall assist the children of recipients of aid under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, and other children to complete homework, improve literacy skills, that shall include, but not be limited to, reading, writing, mathematical, and computer skills, and participate in recreational activities.

(i) Programs funded under this section shall provide training on how to work with children on reading, writing, listening, and speaking. This training shall be provided in collaboration with an Even Start Family or Head Start literacy program, or their equivalent programs.

(j) (1) Notwithstanding Sections 8468 and 8473, priority for funding shall be given to schoolsites where a minimum of 70 percent of the children are eligible for, or are recipients of, either aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code or free or reduced-cost meals through the school lunch program.

(2) Priority for enrollment in programs funded under this section shall be given in accordance with Section 8468.5.

(k) Programs funded under this section shall be encouraged to take advantage of free snack programs administered by the United States Department of Agriculture.

(l) It is the intent of this article, by providing a safe, supervised after-school environment for children, including those teens employed by a program, to reduce



criminal activity among juveniles, and to strengthen parent-child relationships and communities by involving parents in their children’s schoolwork and schools.

(m) Notwithstanding Section 8360.1 or any other provision of law, college courses in recreation, art, mathematics, and physical and social development that would enhance the education of schoolage children may be considered to meet course requirements in child development.

SEC. 13. Chapter 2.3 (commencing with Section 8499) is added to Part 6 of the Education Code, to read:

CHAPTER 2.3. LOCAL PLANNING COUNCILS

Article 1. Definitions

8499. For purposes of this chapter, the following definitions shall apply:

(a) “Block grant” means the block grant contained in Title VI of the Child Care and Development Fund, as established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193).

(b) “Child care” means all licensed child care and development services and license-exempt child care, including, but not limited to, private for-profit programs, nonprofit programs, and publicly funded programs, for all children up to and including 13 years of age, including children with special needs and children from all linguistic and cultural backgrounds.

(c) “Child care provider” means a person who provides child care services or represents persons who provide child care services.

(d) “Community representative” means a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care provider and does not represent an agency that contracts



with the State Department of Education to provide child care and development services.

(e) “Consumer” means a parent or person who receives, or who has received within the past 36 months, child care services.

(f) “Department” means the State Department of Education.

(g) “Local planning council” means a local child care and development planning council as described in Section 8499.3.

(h) “Public agency representative” means a person who represents a city, county, city and county, or local education agency.

Article 2. Membership and Funding of Local Child Care and Development Planning Councils

8499.3. (a) It is the intent of the Legislature that local child care and development planning councils shall provide a forum for the identification of local priorities for child care and the development of policies to meet the needs identified within those priorities.

(b) The county board of supervisors and the county superintendent of schools shall do both of the following:

(1) Select the members of the local planning council. Before making selections pursuant to this subdivision, the board of supervisors and the county superintendent of schools shall publicize their intention to select the members and shall invite local organizations to submit nominations. In counties in which the superintendent is appointed by the county board of education, the county board of education may make the appointment or may delegate that responsibility to the superintendent.

(2) Establish the term of appointment for the members of the local planning council.

(c) (1) The local planning council shall be comprised as follows:

(A) Twenty percent of the membership shall be consumers.



(B) Twenty percent of the membership shall be child care providers, reflective of the range of child care providers in the county.

(C) Twenty percent of the membership shall be public agency representatives.

(D) Twenty percent of the membership shall be community representatives, who shall not be child care providers or agencies that contract with the department to provide child care and development services.

(E) The remaining 20 percent shall be appointed at the discretion of the appointing agencies.

(2) The board of supervisors and the superintendent of schools shall each appoint one-half of the members. In the case of uneven membership, both appointing entities shall agree on the odd-numbered appointee.

(d) Every effort shall be made to ensure that the ethnic, racial, and geographic composition of the local planning council is reflective of the ethnic, racial, and geographic distribution of the population of the county.

(e) The board of supervisors and county superintendent of schools may designate an existing child care planning council or coordinated child and family services council as the local planning council, as long as it has or can achieve the representation set forth in this section.

8499.5. (a) The department shall allocate funds for purposes of this chapter, on a county-by-county basis, within all counties, based on the amount of state and federal funding that is available. The department shall annually notify the local child care and development planning council in each county of the amount to be allocated within its county, and the timeline for these allocations.

(b) Upon approval by the county board of supervisors and the county superintendent of schools, each local planning council shall submit to the department the local priorities it has identified. The priorities shall be identified in a manner that ensures that all child care needs in the county are met to the greatest extent



possible. To accomplish this, each local planning council shall do all of the following:

- (1) Elect a chair and select a staff.
- (2) Conduct an assessment of child care needs in the county no less than once every five years. The needs assessment shall take into consideration all of the following:
 - (A) The needs of families eligible for subsidized child care.
 - (B) The needs of families not eligible for subsidized child care.
 - (C) The waiting lists for programs funded by the department and the State Department of Social Services.
 - (D) The need for child care for children who have been abused or neglected or are at risk of abuse or neglect.
 - (E) The number of children receiving public assistance.
 - (F) Family income among families with preschool or schoolage children.
 - (G) The number of children of migrant workers.
 - (H) The number of children with special needs.
 - (I) The number of children from all identifiable linguistic and cultural backgrounds.
 - (J) Special needs based on geographic considerations, including rural areas.
 - (K) The age of children needing services.
 - (L) Any other factors deemed appropriate by the local planning council.
- (3) Document information gathered during the needs assessment which shall include, but need not be limited to, data on supply, demand, cost, and market rates for each category of child care in the county.
- (4) Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing during which members of the public can comment on the proposed priorities.
- (5) Prepare a comprehensive countywide child care plan designed to mobilize public and private resources to address identified needs.



(6) Conduct a periodic review of child care programs funded by the department and the Department of Social Services to determine if identified priorities are being met.

(7) Collaborate with subsidized and nonsubsidized child care providers, county welfare departments and human service agencies, job training programs, employers, integrated child and family service councils, parent organizations, and other interested parties to foster partnerships designed to meet local child care needs.

(8) Design a system to consolidate local child care waiting lists.

(9) Coordinate part-day programs, including state preschool and Head Start, with other child care to provide full-day child care.

(10) Submit the results of the needs assessment and the local priorities identified by the local planning council to the board of supervisors and the county superintendent for approval before submitting them to the department.

(11) Review and comment on proposals submitted to the department that concern child care to be provided within the geographic area covered by the local planning council. These comments shall in no way be binding on the department in the determination of programs to be funded.

(12) Identify at least one, but no more than two persons from the local planning council, one selected by the board of supervisors and one selected by the county superintendent if two persons are identified, or one person selected by both appointing agencies, to serve as part of the department team that reviews and scores proposals for the provision of services funded through contracts with the department. Local planning council representatives shall not review and score proposals from the geographic area covered by their own local planning council.

(13) Develop and implement a training plan to provide increased efficiency, productivity, and



facilitation of local planning council meetings. This may include developing a training manual, hiring facilitators, and identifying strategies to meet the objectives of the council.

(14) Provide consultation to the State Department of Education and the State Department of Social Services regarding the development of a single application and intake form for all federal and state subsidized child care and development services.

(c) No member of a local planning council shall participate in a vote if he or she has a proprietary interest in the outcome of the matter being voted upon.

(d) The department shall, in conjunction with the Department of Social Services and all appropriate statewide agencies and associations, develop guidelines for use by local planning councils to assist them in conducting needs assessments that are reliable and accurate. The guidelines shall include acceptable sources of demographic and child care data, and methodologies for assessing child care supply and demand, including the supply and demand for license-exempt child care.

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

8499.7. It is the intent of the Legislature that any additional conditions imposed upon local planning councils shall be funded from available federal funds to the greatest extent legally possible.

SEC. 14. Chapter 2.5 (commencing with Section 8499) of Part 6 of the Education Code is repealed.

SEC. 15. Chapter 2 (commencing with Section 10200) is added to Part 7 of the Education Code, to read:

CHAPTER 2. CALWORKS RECIPIENTS: INSTRUCTIONAL
AND JOB TRAINING PLAN

10200. (a) As used in this chapter, “CalWORKs recipient” means a parent or caretaker relative receiving



aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program.

(b) The county superintendent of schools, the local community college districts, the local school districts that provide adult education, and the directors of other job training programs in the county shall develop a plan by March 31, 1998, that provides for instructional and job training services to CalWORKs recipients within that county. The plan shall be approved by the county welfare director. The plan shall include all of the following:

(1) An estimate of the number of CalWORKs recipients in that county that are expected to require education and job training services and a description of the types of services necessary to meet their needs, pursuant to the county plan required by Section 10530 of the Welfare and Institutions Code.

(2) An estimate of the number of spaces available in short-term classes that are offered as part of the regular course schedule at educational institutions that may be used by CalWORKs recipients in that county.

(3) An estimate of the number of full-time equivalent students and average daily attendance rates that will be generated by CalWORKs recipients at each institution in excess of the number of recipients attending these institutions in the 1996–97 fiscal year.

(4) Proposals for expansion of services and course offerings that are particularly suited for the needs of CalWORKs recipients.

(5) An analysis of job demand and employment opportunities within that county using currently available, up-to-date information, and an analysis of how the courses and job training programs will assist CalWORKs recipients in securing employment.

(6) A description of outreach efforts that will be undertaken to identify job opportunities for CalWORKs recipients who participate in instruction and job training courses.

SEC. 16. Section 72620.5 is added to the Education Code, to read:



72620.5. Commencing with the 1997–98 fiscal year, community college districts, to the extent that funding is provided in the annual Budget Act, may provide counseling and matriculation services for students enrolled in credit courses and students enrolled in noncredit courses, according to a welfare-to-work plan as provided in Section 11325.21 of the Welfare and Institutions Code.

SEC. 17. Article 5 (commencing with Section 79200) is added to Chapter 9 of Part 48 of the Education Code, to read:

Article 5. Curriculum Development for CalWORKs
Recipients

79200. As used in this article, “CalWORKs recipient” means a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code or any successor program.

79201. It is the intent of the Legislature in enacting this article to assist CalWORKs recipients prepare for employment.

79202. To the extent that funding is provided in the annual Budget Act, a community college shall receive funding for educational services provided to CalWORKs recipients based on the number of CalWORKs recipients that are enrolled at the community college and the scope and number of programs that the college plans to offer to assist CalWORKs recipients obtain employment. Prior to receiving funding, a community college shall submit to the chancellor a Request for Application which contains a plan for curriculum development or redesign. The plan shall include all of the following:

(a) Evidence that the curriculum will prepare students for an occupation that is in demand in the local labor market or that is in an emerging field that has documented employment potential.

(b) Participation by the county welfare department to establish that the programs being developed or redesigned will provide CalWORKs recipients with the



training and experience necessary to secure employment.

(c) Evidence of collaboration with local partners, such as employers, private industry councils, regional occupational programs, adult education providers, and affected counties in the development and design of the curriculum.

(d) Procedures to monitor CalWORKs recipients who complete the new curricula and transition into employment.

(e) A description of new courses for CalWORKs recipients that are designed to aid recipients with job-related advancement.

79203. To the extent that funding is provided in the annual Budget Act, funds received by a community college for curriculum development or redesign for CalWORKs recipients may be expended for all of the following purposes:

(a) To develop or redesign vocational curricula for CalWORKs recipients so that courses may be offered as part of a short-term intensive program, including Open Entry and Open Exit programs.

(b) To link CalWORKs courses to job placement through work experience and internships.

(c) To redesign basic education and ESL classes so that they may be integrated with vocational training programs.

(d) To expand the use of telecommunications in providing the new curricula to CalWORKs recipients.

SEC. 18. Section 84759 is added to the Education Code, to read:

84759. (a) As used in this section, the following terms mean:

(1) "CalWORKs recipient" means a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program.

(2) "Direct excess costs" means the fixed, variable, and one-time costs associated with providing noncredit



instructional services to CalWORKs recipients, as determined by the chancellor's office.

(b) Notwithstanding any other provision of law, a community college district, to the extent funding is made available in the annual Budget Act, shall receive funding for noncredit instruction developed for and targeted to CalWORKs recipients, including funding to offset the direct excess cost of providing noncredit instruction to CalWORKs recipients when the cost of providing a specific course offering exceeds the average cost of noncredit instruction.

SEC. 19. Chapter 1.12 (commencing with Section 15365.50) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 1.12. JOB CREATION INVESTMENT FUND

15365.50. (a) There is hereby created in the State Treasury the Job Creation Investment Fund, to be administered by the Trade and Commerce Agency for the purpose of allocating funds to be used for job creation activities that will provide employment for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code who are moving into the work force.

(b) It is the intent of the Legislature in enacting this chapter to begin to link economic development activities to welfare reform for the purpose of job creation. The initial year of the program provided for in this chapter shall be focused on providing local communities with seed money to maximize and target effective job creation models throughout the state, as quickly as possible, in order to assist in securing new private, unsubsidized employment for up to 500,000 persons receiving CalWORKs benefits.

(c) The Trade and Commerce Agency shall serve as the state agency responsible for coordinating economic development activities as they relate to welfare reform.



(d) Funds shall be deposited in the Job Creation Investment Fund by appropriation in the annual Budget Act.

15365.51. As used in this chapter, unless the context otherwise indicates:

(a) “Agency” means the Trade and Commerce Agency.

(b) “Fund” means the Job Creation Investment Fund.

(c) “Applicant” means a county or county joint powers authority consisting solely of counties.

(d) “Recipient” means a county or county joint powers authority consisting solely of counties.

15365.52. The agency shall provide lead agency responsibility for coordinating state policies and regulations to enhance and facilitate job creation for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code based on local job creation plans.

15365.53. (a) The fund is intended to provide flexible funding for local job creation initiatives whenever possible, using, rather than duplicating, existing resources. Notwithstanding Section 13340 of the Government Code, the fund is hereby continuously appropriated without regard to fiscal years for the purposes of this chapter. The Treasurer shall invest moneys not needed to meet current obligations incurred pursuant to this chapter.

(b) Moneys in the fund shall be used by a recipient to either develop a strategic plan, in an amount not to exceed 50 percent of the recipient’s allocation or two hundred fifty thousand dollars (\$250,000), whichever is less, or to implement initiatives consistent with the plan, including, but not limited to, all of the following:

(1) Planning and coordination activities that lead to better local linkages between strategic economic planning and development of education and training curricula relevant to jobs that will exist locally.

(2) Packaging economic development and community development projects in a manner that can utilize capital financing mechanisms, such as the



California Infrastructure and Economic Bank provided for pursuant to Chapter 2 (commencing with Section 63020) of Division 1 of Title 6.7.

(3) Development of localized labor market information that enables placement of recipients of and under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in currently available, as well as future, jobs.

(4) Assistance in developing economic development strategies for business expansion and location opportunities, including work force preparation and other local training services for employees.

(5) Targeting economic development and job creation activities to emerging or growth industry clusters in the local area.

(6) Expansion of technical assistance to small business and manufacturers for activities, such as those designed to make business operations more economical or competitive, while providing jobs for welfare recipients.

(7) Permit streamlining services.

(8) One-stop centers for small business financing to coordinate funding resources for business expansion.

(9) Establishment of small business incubators to support the use of intermediary employers or microenterprise activities.

(10) Establishment and support of neighborhood development corporations pursuant to Section 15365.54.

(11) Matching of seed capital funds with private capital for community development projects.

(c) Interest earnings may be used by the agency to offset administrative costs.

15365.54. (a) As used in this chapter “neighborhood development corporation (NDC)” means a private, nonprofit organization that meets all of the following criteria:

(1) Is organized under the California Nonprofit Public Benefit Corporation Law.

(2) Has obtained a tax-exempt ruling from the Internal Revenue Service under Section 501(c)(3) of the federal Internal Revenue Code, and the Franchise Tax



Board under Section 23701d of the Revenue and Taxation Code.

(3) Has its principal office in a distressed area.

(4) Has residents of the neighborhood serving as at least one-half of the members of the corporation's board of directors who have demonstrated constructive contributions to the improvement of conditions in the neighborhood.

(5) Has established a commitment to offer services to the neighborhood to further its economic growth and independence.

(b) Any neighborhood development corporation funded under this chapter shall act to improve economic conditions in the neighborhood and assist in furthering access of neighborhood residents to jobs by providing directly or by providing a more accessible location for any of the following array of services as appropriate within the resources available to further the purposes of this chapter. To the extent possible these services shall be provided through existing agencies, programs, and service delivery arrangements. These services shall include, but not be limited to:

(1) Employment and career counseling, job placement, adult education and vocational training services, utilizing to the maximum extent feasible CalWORKs, private industry councils, Job Training and Partnership Act, adult education, community college, and regional occupation programs. In addition, they may utilize the California Mentoring Initiative resources, private business training and employment programs, Vista and Americorps resources, Community Services Block Grants, and public employment and vocational rehabilitation agencies.

(2) Economic development and job creation activities designed to attract private capital into the community to provide technical or financial assistance to existing neighborhood businesses, to mobilize the resources of government, private business sector, private foundations, civic institutions, institutions of the faith community, and universities in order to target and concentrate economic



development strategies to improve the economic conditions of the neighborhood. The corporation may provide for the development of business loan and marketing programs in concert with state and local public and private financing programs to further the purposes of this chapter.

15365.55. For the purposes of moneys appropriated to the fund, in its first year of operation, the agency shall operate the program in the following manner:

(a) The agency shall issue guidelines for local job creation plans for CalWORKs participants to counties within 30 days after the operative date of this chapter or November 1, 1997, whichever is later. These guidelines shall include only minimum plan requirements, and shall encourage local creativity and flexibility in developing local employment opportunities for welfare recipients or those at risk of becoming welfare recipients.

(b) County boards of supervisors or county joint powers authorities shall be the applicants for and the recipients of moneys allocated pursuant to this chapter. Each county board of supervisors that elects to apply for job creation funds shall appoint or designate a planning group to prepare a grant application and county resolution. The application shall include the scope of work, a timeline, a budget, and performance standards. The resolution shall be approved by the board of supervisors and submitted to the agency within 120 days after the guidelines are issued.

(c) If a county board of supervisors does not submit its resolution within 120 days, and grant application within 180 days, that county's allocation shall become available to all counties on a competitive basis. These grants shall be awarded based on criteria developed by the agency.

(d) Upon receipt of a grant application and county resolution the agency shall, within 60 days, approve the application and allocate job creation funds to the board of supervisors or notify the county of additional specific information needed to gain plan approval. Once any additional information is provided, the agency shall respond back to the county within 30 days.



(e) Subject to subdivision (f), moneys shall be distributed so as to ensure that each county receives not less than fifty thousand dollars (\$50,000). The remainder shall be distributed to counties based on a formula that gives two-thirds weight, when compared to 1996 average monthly statewide totals, to the relative number of adult recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in that county, and one-third weight, when compared to 1996 average monthly statewide totals, to the relative number of unemployed persons in the county.

(f) Each county shall receive a minimum of fifty thousand dollars (\$50,000). Each county shall be required to identify a comprehensive group of local stakeholders to either develop a strategic plan or initiate job creation activities that can utilize, to the maximum extent possible, existing resources to target job creation opportunities for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in the county. The stakeholders shall include, but not be limited to, local governments, including the county welfare department, private business associations and employer groups, community-based organizations, community development corporations, economic development organizations, the nonprofit sector, advocates for recipients and low-income families, and the local work force preparation community. Whenever possible, existing local partnerships in which a significant number of the stakeholders are represented may be expanded to serve as the local welfare-to-work job creation task force.

(g) The agency shall disburse to each county 25 percent of the county's allocation under this section upon execution of a completed grant agreement. The resolution or grant application shall do at least the following:

(1) Designate a lead local economic development agency to act as the coordinator of the Welfare-to-Work Job Creation Task Force. Whenever possible, this lead



agency shall be an existing public or nonprofit agency with a proven record of expertise and accomplishments in economic or community development.

(2) Provide an outline and timetable for the development of a strategic plan for the implementation of initiatives for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

(3) Identify the stakeholders who will participate in the public process of strategic planning.

(h) The agency shall disburse 50 percent of the county's allocation under this section on a cost reimbursement basis for work performed pursuant to the grant agreement. The remainder of the county's allocation shall be disbursed when the agency has verified that job creation programs have been implemented that can reasonably lead to the creation of a substantial number of jobs needed for employment of CalWORKs recipients and when the terms of the grant agreement have been met.

15365.56. By April 1, 1998, or April of the first year in which this program is in operation, whichever is later, the agency shall compile the local strategic plans and report to the Governor and the chairs of the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review and the chairs of the Senate Health and Human Services Committee and the Assembly Human Services Committee on the extent to which local plans have included each of the following:

(a) Analyses of the local economy and labor market to determine the number of net new jobs likely to be needed for the CalWORKs program, over the following five years.

(b) Inventories of local economic development activities and programs to determine what practices and procedures have proven successful in assisting employers to hire low-income workers.

(c) Models consistent with the county's general plan for welfare-to-work for local projects to create jobs for welfare clients.



(d) Regional strategic planning to more effectively target resources, such as joint powers agreements among rural counties or subcounty regional planning in very large counties.

(e) Recommendations for additional state actions to facilitate the success of these local plans for job creation.

15365.57. All moneys in the fund that have not been disbursed to recipients by June 30, 2002, shall revert to the General Fund.

15365.58. The agency shall adopt regulations to implement this chapter. The agency may adopt these regulations as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for purposes of that chapter, including Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding subdivision (e) of Section 11346.1, the regulations adopted pursuant to this section shall be repealed within 180 days after their effective date, unless the agency complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, as provided for in subdivision (e) of Section 11346.1.

15365.59. This chapter shall become inoperative on July 1, 2002, and, as of January 1, 2003, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2003, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 20. Section 1597.36 is added to the Health and Safety Code, to read:

1597.36. The department shall provide written documentation to providers of the need for repairs, renovations, or additions when requested for an application for a loan guarantee pursuant to subdivision (d) of Section 8277.6 of the Education Code whenever the repairs, renovations, or additions are required by the department in order for the licensee to maintain or obtain a license for more than six children.



SEC. 21. Chapter 17 (commencing with Section 50897) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 17. CALIFORNIA SAVINGS AND ASSET PROJECT

50897. If this chapter becomes operative pursuant to Section 50897.1, there shall be established a program that is consistent with the requirements of federal law, to be known as the California Savings and Asset Project. The Governor shall designate the agency or department that shall administer the project.

50897.1. This chapter shall become operative only if the state receives funds appropriated from a federal source other than the block grant of funds to this state under the federal Temporary Assistance for Needy Families program contained in Part A (commencing with Section 601) of Subchapter 4 of Chapter 7 of Title 42 of the United States Code, for the specific stated purpose of the establishment of an individual development account project.

50897.3. Any eligible person may establish an individual development account under this chapter through earned or unearned income of the individual or through funds made available for that purpose by public entities or private organizations for any of the following purposes:

(a) Direct payment for tuition or fees related to education.

(b) Qualified acquisition costs for a qualified principal residence.

(c) Transfer to a business capitalization account, established in a federally insured financial institution. Funds in a business capitalization account shall be exclusively for qualified business capitalization expenses consistent with a qualified plan.

(d) Direct payment to a qualified job training program for qualified job training expenses.

SEC. 22. Section 99155.1 is added to the Public Utilities Code, to read:



99155.1. (a) There shall be close coordination between local transit providers and county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code are expended efficiently for the benefit of that population.

(b) In areas where public transit service is available, local transit providers shall consider giving priority in the use of transit funds to the enhancement of public transportation services for welfare-to-work purposes.

(c) In areas where public transit services are unavailable, local transit providers shall consider giving priority to transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes.

SEC. 23. Section 1611.5 of the Unemployment Insurance Code is repealed.

SEC. 24. Section 1611.5 is added to the Unemployment Insurance Code, to read:

1611.5. (a) Notwithstanding Section 1611, the Legislature may appropriate from the Employment Training Fund twenty million dollars (\$20,000,000) in the Budget Act of 1997 and twenty million dollars (\$20,000,000) each year thereafter for training programs designed for workers who are current or recent recipients of benefits under the CalWORKs program pursuant to Section 10214.7.

(b) Funds available pursuant to the Budget Act of 1997 pursuant to this section that are not encumbered in the 1997–98 fiscal year may, upon appropriation by the Legislature, be carried over into the 1998–99 fiscal year for expenditures consistent with Section 10214.7.

SEC. 25. Section 10214.7 is added to the Unemployment Insurance Code, to read:

10214.7. The panel shall allocate funds available in the annual Budget Act for training programs designed for individuals who are currently working and receiving



benefits under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code or who are currently working and have received CalWORKs benefits within one year of the commencement of the training program.

(a) It is the intent of the Legislature in providing authority for these training programs that the panel allocate these funds in a manner consistent with the objectives of this chapter as provided in Section 10200.

(b) Notwithstanding any other provisions of this chapter, the eligibility criteria for individuals trained under this section shall be employment with an eligible employer as defined in subdivision (a) of Section 10201 and:

(1) Receipt of CalWORKs benefits at the time training begins, or

(2) Receipt of CalWORKs benefits within one year of the time training commenced.

(c) For purposes of this section, the panel may waive, if necessary, any of the following:

(1) The employer eligibility criteria outlined in paragraph (1) of subdivision (a) of Section 10200.

(2) The minimum training wage requirements pursuant to subdivision (g) of Section 10201.

(3) The employment retention provisions specified in subdivision (f) of Section 10209 and instead require that the trainee has been retained in employment for a minimum of 90 days out of 120 consecutive days after the end of training with no more than three employers.

(d) Notwithstanding any other provisions of this chapter, the panel shall consider proposals that use innovative strategies and training options to enable current and prior CalWORKs recipients and eligibles to retain employment, including, but not limited to, projects that provide basic skills training.

(e) The panel shall adopt administrative procedures for approving and administering contracts under this section to expedite contracts, minimize barriers to completion of training, and facilitate the training of single trainees and small groups of trainees from one worksite.



SEC. 26. Chapter 6 (commencing with Section 11010) is added to Part 1 of Division 3 of the Unemployment Insurance Code, to read:

CHAPTER 6. REGIONAL WORK FORCE PREPARATION AND ECONOMIC DEVELOPMENT ACT

11010. (a) The Legislature finds and declares the following:

(1) California must have a world class system of education and training linked to economic development in order to meet the demands of global economic competition.

(2) The California Economic Strategy Panel determined that California's economy is undergoing a dramatic transformation whereby California is in an established leadership position with respect to a number of emerging industries representing a new economy of the 21st century, and that education and work force preparation are critical to the growth and competitiveness of California's economy.

(3) California's work force preparation programs, including job training, job placement, and education, spend over six billion dollars (\$6,000,000,000) annually serving 6,700,000 students, displaced and unemployed workers, welfare recipients, and incumbent workers.

(4) At least 22 state programs and many federal and local programs provide these work force preparation services.

(5) With the increasing demand to educate and train the youth and adults in this state with the skills necessary to obtain and retain employment especially in the industries essential for its economic growth, California needs to maximize the effective use of resources for its work force preparation programs to create a more coherent, comprehensive, accountable, and customer-focused system.

(6) An effective work force preparation system is necessary for California to meet the time limit and work force preparation requirements of the Personal



Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

(7) In order to accomplish this, the public and private sector entities responsible for economic development, education, and work force preparation must collaborate at the state and local levels.

(8) This collaboration must be compatible with the existing missions and governance structures of all entities involved.

(9) The major objective of this act is the integration of existing local and regional partnerships that support initiatives in education reform, work force preparation, and economic development.

(10) In order to promote this collaboration, the Secretary of the Health and Welfare Agency, the Secretary of the Trade and Commerce Agency, the Chancellor of the California Community Colleges, and the Superintendent of Public Instruction shall, in consultation with local stakeholders and customers, collaborate in the development of a state work force development system and shall encourage and support local partners to develop regional work force collaboratives.

(b) The Legislature hereby enacts the Regional Workforce Preparation and Economic Development Act to demonstrate how, through the collaboration of state and local resources, education, work force preparation and economic development services can be delivered to clients in a more responsive, integrated, and effective manner.

11011. (a) On or before April 1, 1998, the Secretary of the Health and Welfare Agency, the Secretary of the Trade and Commerce Agency, the Chancellor of the California Community Colleges with the consent of the Board of Governors, and the Superintendent of Public Instruction, with the consent of the State Board of Education, shall enter into a memorandum of understanding to develop and maintain a plan including a schedule to do the following:



(1) Develop an integrated state work force development plan for service delivery, resource investment, and performance measures. The plan shall be developed through a collaborative process that shall include substantial local input.

(2) Initiate a competitive process to select a minimum of five regional education, work force preparation, and economic development collaboratives, known as regional collaboratives, that will receive financial and program incentives to develop local partnerships to maximize the delivery of employment, training, and education services. These partnerships shall collaborate in the development of shared systems to improve their efficiency and effectiveness in delivering work force development services.

(3) Identify new and redirected resources, federal and state waivers, and legislative changes necessary to enhance the effectiveness of regional collaboratives.

(b) Regional collaboratives shall have representation from the following public and private entities:

(1) The Employment Development Department.

(2) The local Job Training Partnership Act administrative entity.

(3) Community college districts.

(4) Local school districts, including those that provide adult education and regional occupational centers or programs.

(5) Regional occupational centers serving adults.

(6) Entities administering local public assistance welfare-to-work programs.

(7) Local economic development organizations.

(8) The private sector, including both business and labor.

In addition, the competitive selection process shall emphasize the expectation that these regional collaboratives will have broad representation of all public, private, and nonprofit agencies that have an interest in education, economic development, welfare to work, and work force development.



(c) Regional collaboratives shall be selected and shall receive financial and program incentives effective July 1, 1998.

(d) From existing state and federal funds available for expenditure for the purposes of this section, the state partners shall identify five million dollars (\$5,000,000) per year for each of three years for distribution to a minimum of five regional collaboratives, in order to create systemic change that results in increased collaboration and service delivery within each region.

11012. Regional collaboratives shall do the following:

(a) Define regions consistent with labor market and economic areas giving consideration to education, employment, and training service areas.

(b) Promote effective service delivery through integration of existing partnerships in economic development, employment and training services, welfare reform, and school reform into one collaborative partnership and process consistent with the goals of California's One-Stop Career Center System.

(c) Set measurable local program goals that meet the needs of various client groups as determined by both historical service levels and present needs, and that demonstrate the extent to which outcomes will improve through collaboration.

(d) Provide for an evaluation of the pilot program.

11013. (a) State partners shall jointly manage the regional collaborative project with designated staff and shall use existing resources available for this purpose.

(b) State partners shall identify in the memorandum of understanding existing funds that are available to support the funding of regional work force collaboratives. The Secretary of the Health and Welfare Agency shall identify existing funds from sources including, but not limited to, the federal Job Training Partnership Act, the One-Stop Career Center grant, the School to Career grant, and the federal Wagner-Peyser Act. The Chancellor of the California Community Colleges, with the consent of the Board of Governors, shall identify funds from sources including, but not limited to, the



federal Carl D. Perkins Vocational Education Act and state economic development funds. The Superintendent of Public Instruction, with the consent of the State Board of Education, shall identify funds from sources including, but not limited to, the federal Carl D. Perkins Vocational Education Act and the federal Improving America's Schools Act of 1994.

(c) The state partners shall pursue waivers from the appropriate federal agencies to promote local flexibility and remove obstacles to integrated service delivery for selected regional collaboratives.

11014. The state partners shall prepare an annual progress report on March 15 of each year and a final report by July 1, 2001, to be submitted to the Legislature, which shall consist of an analysis of the project, recommendations for expansion of regional collaboratives, and recommendations for legislative changes to promote the development of regional collaboratives.

SEC. 27. Section 15003.4 is added to the Unemployment Insurance Code, to read:

15003.4. It is the intent of the Legislature that, beginning January 1, 1998, welfare recipients shall be served with federal Job Training Partnership Act funds under Title II and Title III of that act to the maximum extent permitted under federal law within each service delivery area.

SEC. 28. Section 15003.5 is added to the Unemployment Insurance Code, to read:

15003.5. It is the intent of the Legislature that the Governor request a waiver from the United States Department of Labor on restrictions under regulations adopted pursuant to the federal Job Training Partnership Act that prevent the provision of training and post termination services for the year after placement on a job and prevent the use of stand-alone job search, job club, job search assistance, and work experience activities, as appropriate, to prepare individuals for employment.

SEC. 29. Division 9 (commencing with Section 17000) is added to the Unemployment Insurance Code, to read:



DIVISION 9. CALWORKS PROGRAM: JOB
CREATION

17000. As used in this division “department” means the Employment Development Department.

17001. Consistent with the ongoing relationships that the department maintains with private sector employers, the department shall encourage and organize the involvement of private sector employers and other community leaders in creating the necessary jobs for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code to move from welfare into unsubsidized employment.

17002. In carrying out the provisions of this division, the department shall conduct activities including, but not limited to, the following:

(a) Establish a council of corporate executives consisting of 13 members drawn from retired or former chief executive officers of major California corporations. Seven members shall be appointed by the Governor, three shall be appointed by the Senate Committee on Rules, and three shall be appointed by the Speaker of the Assembly. Appointments shall be made no later than January 31, 1998. This council shall provide ongoing advice and assistance to the department in recruiting private employers to hire recipients of aid.

(b) In consultation with the council described in subdivision (a), establish a clearinghouse for information on the Internet or other forms of toll-free communication for private sector employers to obtain information about assistance and resources for hiring CalWORKs recipients and to register their pledges to assist the state in finding the jobs necessary to meet the local welfare-to-work goals throughout the state.

(c) In consultation with the council described in subdivision (a), provide a forum for leaders in the faith-based communities, as well as other civic leaders, to assist the state in promoting welfare-to-work goals as part of the civic duty of their constituents.



(d) Report to the Legislature during the annual budget process regarding the implementation of this division and the results achieved.

SEC. 30. Section 10063 is added to the Welfare and Institutions Code, to read:

10063. (a) Notwithstanding any other provision of law, the name of the program provided for pursuant to Chapter 2 (commencing with Section 11200) is hereby changed to the California Work Opportunity and Responsibility to Kids program, referred to as CalWORKs.

(b) Any reference to the Aid to Families with Dependent Children program Family Group and Unemployment program and the Greater Avenues for Independence program shall be deemed to refer to the CalWORKs program.

SEC. 31. Chapter 3 (commencing with Section 10065) is added to Part 1 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 3. ELECTRONIC BENEFITS TRANSFER ACT

Article 1. General

10065. The Legislature finds and declares both of the following:

(a) The development of incompatible systems for electronic benefits transfer will create significant hardships on recipients of public social services and businesses that accept electronic transactions as payment for goods and services.

(b) The goals of electronic benefits transfer are to reduce the cost of delivering benefits to recipients, to ensure that all systems within California are compatible, and to afford public social services recipients the opportunity to better and more securely manage their financial affairs.

10066. For purposes of this chapter, the following definitions shall apply:



(a) “Committee” means the committee created pursuant to this chapter.

(b) “Benefits” means financial and food assistance provided to, or on behalf of, those Californians who, because of their economic circumstances or social condition, are in need thereof, and may benefit thereby.

(c) “System” means the electronic benefits transfer system developed pursuant to this chapter.

Article 2. Electronic Benefits Transfer Committee

10067. The Electronic Benefits Transfer Committee is hereby created. The committee shall remain in existence until January 1, 2003.

10068. The committee shall consist of the Director of the Health and Welfare Agency Data Center, who shall be the chair of the committee, the Director of Social Services, the Director of Health Services, the Director of Information Technology, the Controller, the Treasurer, a representative of the California State Association of Counties, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Committee on Rules. The committee shall provide for the participation of a technical advisory group comprised of representatives from the California Association of County Treasurers and Tax Collectors, the County Welfare Directors Association, the California Grocer’s Association, the California Retailer’s Association, the California Bankers Association, and agencies, organizations, and representatives of individuals who will use or be affected by an electronic benefits transfer system. A company or individual that participates in the committee or the advisory group shall not be eligible to bid for the provision of the electronic benefits transfer system.

10069. The committee shall advise the department on the development and implementation of a statewide electronic benefits transfer system, and shall provide advice concerning the request for proposal. The system shall have the capability to deliver food stamps and, upon



the election of the county, benefits under Chapter 2 (commencing with Section 11200) of Part 3. The system may also be used, with the approval of the department, for the distribution of other benefits. Each electronic benefits transfer processor shall be capable of implementing systems within nine months after the county or counties contract with the electronic benefits processor.

10070. Not later than July 1, 1998, the state shall certify one or more electronic benefits transfer processors as eligible to contract with counties to develop and implement an electronic benefits transfer system.

10071. Any benefits provided to recipients under the department's authority may be distributed through the electronic benefits transfer system as long as the recipient has reasonable access to his or her benefits.

Article 3. Systems Design

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

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

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

(c) All reasonable measures shall be taken in order to ensure that recipients have access to electronically issued benefits through systems such as automated teller machines, point-of-sale devices, or other devices that accept electronic benefits transfer transactions.



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

(e) The system shall permit a recipient the option to choose a personal identification number, also known as a “pin” number, to assist the recipient to remember his or her number in order to allow access to benefits. Whenever an institution, authorized representative, or other third party not part of the recipient household or assistance unit has been issued an electronic benefits transfer card, either in lieu of, or in addition to, the recipient, the third party shall have a separate card and personal identification number. At the option of the recipient, he or she may designate whether restrictions apply to the third party’s access to the recipient’s benefits. At the option of the recipient head of household or assistance unit, the county shall provide multiple electronic benefits transfer cards to adult members enabling them to access benefits.

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

(g) A recipient shall not incur any loss of benefits after he or she has reported that his or her electronic benefits transfer card or benefits have been lost or stolen. The system shall provide for the prompt replacement of lost or stolen electronic benefits transfer cards and personal identification number.



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

(i) Procedures shall be developed for error resolution.

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

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

Article 4. Administration

10073. Notwithstanding Section 15204.2, the state shall pay 100 percent of the nonfederal share of costs of the electronic benefits transfer system planning, procurement, development, implementation, and conversion. The county shall pay its normal nonfederal costs pursuant to Section 15204.2 for system maintenance and operation.

10074. Any county or group of counties shall contract with at least one of the contracting electronic benefits transfer processors certified under this chapter, and shall have the principal responsibility to manage the operation of the electronic benefits transfer system implemented by the county.

10075. Any county or group of counties may enter into a contract with a participating electronic benefits transfer processor independently, or may do so jointly with one or more counties.

10076. The director shall promptly seek any federal approvals necessary for implementation of this chapter. Any provision of this chapter whose implementation requires any federal waiver or approval shall become operative 120 days after receipt of the necessary federal waiver or approval, and shall remain operative only for



the duration of the federal approval for its implementation.

10077. The State Department of Social Services may adopt regulations to implement this act in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of any emergency regulations by the department to implement this chapter and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. The initial emergency regulations and the first readoption of those regulations by the department shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations.

SEC. 32. Chapter 1.3 (commencing with Section 10530) is added to Part 2 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 1.3. COUNTY PLANS FOR CALWORKS

10530. It is the intent of the Legislature that, in developing the plan required by this chapter, counties shall make an effort not to duplicate planning processes that have already occurred within the county, but rather to build upon, and incorporate where appropriate, existing local plans that provide for a collaborative approach to employment services, economic development, and family and children's services. These shall include, but are not limited to, county GAIN plans developed prior to CalWORKS implementation, county plans developed pursuant to Section 18987.3, economic development plans, employment development plans, and plans intended to guide any other local efforts relevant to CalWORKS implementation.



10531. Each county shall develop a plan consistent with state law that describes how the county intends to deliver the full range of activities and services necessary to move CalWORKs recipients from welfare to work. The plan shall be updated as needed. The plan shall describe:

(a) How the county will collaborate with other public and private agencies to provide for all necessary training, and support services.

(b) The county's partnerships with the private sector, including employers and employer associations, and how those partnerships will identify jobs for CalWORKs program recipients.

(c) Other means the county will use to identify local labor market needs.

(d) The range of welfare-to-work activities the county will offer recipients and the identification of any allowable activities that will not be offered.

(e) The process the county will use to provide for the availability of substance abuse and mental health treatment services.

(f) The extent to which, and the manner in which, mental health services will be available to recipients after the period specified in subdivision (a) of Section 11454.

(g) The process the county will use to provide for child care and transportation services.

(h) The county's community service plan.

(i) How the county will provide training of county workers responsible for working with CalWORKs recipients who are victims of domestic violence.

(j) The performance outcomes identified during the local planning process that the county or other local agencies will track in order to measure the extent to which the county's program meets locally established objectives.

(k) The means the county used to provide broad public input to the development of the county's plan.

(l) A budget that specifies the source and expenditures of funds for the program.

(m) How the county will assist families that are transitioning off aid.



(n) All necessary components of the job creation plan required by Section 15365.55 of the Government Code in counties that choose to implement the program described in Chapter 1.12 (commencing with Section 15365.50) of part 6.7 of Division 3 of Title 2 of the Government Code.

(o) Other elements identified by the director, in consultation with the steering committee under Section 10544.5, including elements related to the performance outcomes listed in Sections 10540 and 10541.

(p) How the county will comply with federal requirements of the Temporary Assistance for Needy Families program (Part A (commencing with Section 601) of Subchapter 4 of Chapter 7 of Title 42 of the United States Code).

10532. The department and the counties shall implement the provisions of the CalWORKs program in the following manner:

(a) The department shall issue a planning allocation letter and county plan instructions to the counties within 30 days of the enactment of the CalWORKs program.

(b) (1) Each county shall submit a plan for implementation of the CalWORKs program within four months of the issuance of the planning allocation letter by the department. A county may begin implementation of its plan upon submission of the plan to the department or the effective date of the CalWORKs program, whichever is later.

(2) Within 30 days of receipt of a county plan, the department shall either certify that the plan includes the description of the elements required by Section 10531 and that the descriptions are consistent with the requirements of state law and, to the extent applicable, federal law or notify the county that the plan is not complete or consistent stating the reasons therefor.

(3) If a county is notified that its plan is not complete or consistent, the county shall, within 30 days, resubmit a revised plan to the department for certification.

(c) (1) A county shall begin enrolling all new applicants for aid under this chapter in the county's



welfare-to-work program no later than six months from the date of issuance of the planning allocation letter references in subdivision (a) or two months after the certification of the county plan, whichever is later.

(2) A county shall enroll all recipients of aid under this chapter who were receiving aid in the month prior to the implementation date for new applicants specified in paragraph (1) no later than January 1, 1999. For recipients under this paragraph, the time limit in subdivision (a) of Section 11454 shall commence on the date the recipient signs, or refuses to sign, a welfare-to-work plan.

(d) Funds remaining at the end of the 1997–98 fiscal year or the 1998–99 fiscal year from the funds provided to a county in those years pursuant to Section 15204.2 shall be available to a county until July 1, 2000, and may be expended only for the purposes set forth in Section 15204.2.

SEC. 33. Chapter 1.5 (commencing with Section 10540) is added to Part 2 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 1.5. PERFORMANCE OUTCOME INCENTIVES
MONITORING

10540. (a) It is the intent of the Legislature to implement Public Law 104-193 in such a manner as to do all of the following:

(1) Reduce child poverty in the state.

(2) Achieve the goals of Public Law 104-193, which include reducing dependence of needy parents on government benefits by promoting job preparation, work, and marriage; reducing out-of-wedlock births; and encouraging the formation and maintenance of two-parent families.

(3) Meet the requirements of federal law.

(b) It is further the intent of the Legislature to ensure that the implementation of Public Law 104-193 does not result in unanticipated outcomes that negatively affect child well-being, the demand for county general



assistance, or the number of families affected by domestic violence.

10540.5. The department shall ensure that performance outcomes are monitored at the state and county levels in order to do all of the following:

(a) Identify the extent to which the state and counties achieve the goals of Public Law 104-193.

(b) Identify the extent to which unanticipated negative outcomes do or do not occur.

(c) Meet the requirements of federal law.

(d) Assist counties in tracking the effect of CalWORKs program implementation on aided families and on local communities.

(e) Assist counties, the Legislature, and state agencies in determining what adjustments are required in the program.

10541. The department shall consult with experts in monitoring and research, and representatives of counties, the Legislature, and appropriate state agencies in the development and implementation of the system of performance outcomes, which shall include, but are not limited to, the following:

(a) Success of welfare-to-work, including the rate of movement to employment, earnings for CalWORKs recipients and those who have left the CalWORKs program, and job retention rates. This shall include the extent to which recipients have obtained unsubsidized employment in each of their years on aid.

(b) Rates of child support payment and collection.

(c) Child well-being, including entries into foster care, at-risk births, school achievement, child poverty, and child abuse reports.

(d) Changes in the demand for general assistance.

(e) Supply, demand, and utilization of support services by CalWORKs recipients, including child care, transportation, mental health services, and substance abuse treatment.

(f) The number of identified families affected by domestic violence.



10541.5. The department, in consultation with experts in research and program evaluation and representatives of counties, the Legislature, and appropriate state agencies, shall do both of the following, by March 1, 1998:

(a) Identify methods by which to collect data on the outcomes set forth in Section 10541, using, to the extent possible, data that is available and does not require the establishment of new data collection processes at the county level.

(b) Develop consistent data collection standards.

10541.7. Each county shall participate in monitoring performance outcomes by collecting and reporting data in the manner established by Section 10541.

10542. (a) Each county shall, as part of its CalWORKs plan, identify outcomes to be tracked on the local level that are in addition to any required to be tracked statewide. These outcomes shall be identified through a collaborative process that includes all local agencies and stakeholders concerned with the implementation of the CalWORKs program and its effects on local communities. The outcomes identified may reflect goals for CalWORKs implementation established by the local community, possible negative outcomes the local community wishes to monitor, or both.

(b) The process of local identification of outcomes shall be designed to contribute to greater collaboration among county public and private agencies that serve current and former CalWORKs recipients. The outcomes identified shall be those that can be tracked in a cost-effective manner. To the extent counties identify the same outcomes, the department shall provide technical assistance to ensure consistency among the counties.

(c) The outcomes that each county plans to monitor shall be included in its county CalWORKs plan. The plan shall identify the outcomes, the data the county intends to collect to monitor the outcomes, and the method of data collection the county intends to use.

10543. (a) Within six months of CalWORKs implementation, each county, in conjunction with the department, shall determine a baseline for the data to be



collected to meet both state and local need. The baseline shall be used in subsequent years to determine whether or not the county's outcomes are improving.

(b) If a county fails to meet outcomes required by federal law, the county, in consultation with the department, shall develop and implement a corrective action plan.

(c) If outcomes have not improved over the baseline, the county and the department shall evaluate the reasons. To the extent the county and the department determine that county and state actions could positively influence the outcomes, they shall mutually develop and implement a corrective action plan.

(d) In both cases, the corrective action plan shall identify actions that shall be taken by the county and by appropriate state agencies.

10544. (a) If the department finds that a county is experiencing significantly worsened outcomes, it shall report this finding to the Chairs of the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate Committee on Health and Human Services, and the Assembly Committee on Human Services.

(b) If the state does not achieve the outcomes required by federal law and, as a result, is subject to a fiscal penalty, the penalty shall be shared equally by the state and the counties after exhaustion of all available federal administrative remedies. The total amount of the counties' share of the penalty shall be imposed on those counties that failed to meet the federal requirements in an amount equal to the total share of the county's caseload multiplied by the percentage of the county's share of caseload to the total caseload of the counties that failed to meet the federal requirements.

(c) A county may be provided relief, in whole or in part, from a penalty imposed pursuant to subdivision (b) if the department determines that there were circumstances beyond the control of the county. If a county is granted relief, that portion of the total penalty



shall not be imposed on the other counties that failed to meet the federal requirements.

(d) It is the intent of the Legislature that the penalty provisions in subdivision (b) shall be revised by subsequent enactment of legislation based upon the recommendation to the Legislature of the steering committee established pursuant to Section 10544.317.

10544.1. It is the intent of the Legislature to provide counties with 100 percent of the grant savings as defined in subdivisions (a) to (e), inclusive.

(a) In order to provide counties with additional incentive to move CalWORKs recipients to employment, each county shall receive 75 percent of the state share of savings, including federal funds under the Temporary Assistance for Needy Families block grant, resulting from the following outcomes:

(1) Recipients exiting the program due to employment that has lasted a minimum of six months.

(2) Increased earnings by recipients due to employment.

(3) Diversion of applicants from the program pursuant to Section 11266.5 for six months in addition to the number of months equivalent to the diversion payment.

(b) For purposes of subdivision (a), the department, in consultation with the steering committee under Section 10544.317, shall determine the method for valuing the outcomes to determine county share of savings.

(c) The department shall allocate the remaining 25 percent of the state share of savings resulting from the outcomes specified in subdivision (a) to counties that have not realized savings due to those outcomes but have performed in a manner worthy of recognition based on standards developed by the department in consultation with the counties.

(d) The funds allocated to counties pursuant to subdivisions (a) and (b) that are federal Temporary Assistance for Needy Families block grant funds, shall be used only for purposes for which these federal funds may be used. The funds that are state general fund dollars shall



be expended for purposes directly connected to the CalWORKs program and countable towards the state maintenance of effort level required by federal law, unless the Director of Finance determines that all or part of the funds are not needed in that fiscal year to meet the required maintenance of effort.

(e) It is the intent of the Legislature that the provisions of this section regarding the allocation of incentives shall be revised by subsequent enactment of legislation based upon the recommendations of the steering committee established pursuant to Section 10544.317.

10544.317. (a) There is hereby created a welfare reform steering committee comprised of a representative of the Health and Welfare Agency, who shall chair the committee, the Department of Finance, the State Department of Social Services, the California State Association of Counties, the County Welfare Directors Association of California, representatives of the Legislature appointed by the Speaker of the Assembly, the President pro Tempore of the Senate, the minority leader of the Assembly, and the minority leader of the Senate, and two public members appointed by the Secretary of the Health and Welfare Agency.

(b) The steering committee shall:

(1) Provide advice and consultation on implementation issues related to welfare reform.

(2) Review alternative ways to budget for, and allocate funds for, the administration of the program and report its findings to the appropriate committees of the Legislature in a timely manner that will enable the Legislature to incorporate the recommended changes in the Budget Act of 1998 and related statutes.

(3) Perform other duties as described elsewhere in this division.

SEC. 34. Section 10553.2 is added to the Welfare and Institutions Code, to read:

10553.2. (a) The department shall make an annual allocation of funds appropriated for the purpose of this subdivision to all eligible federally recognized American



Indian tribes with reservation lands or rancherias located in this state that administer a program pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

(b) The department shall collect and maintain specific available data for each tribe in this state for federal fiscal year 1994 for the purpose of the implementation and administration of the federal program.

(c) The department shall submit requests on behalf of tribes, for all applicable federal waivers and exemptions for all eligible federally recognized American Indian tribes located on reservations and rancherias, or for consortia of tribes, for the administration of the CalWORKs program, whether or not tribes administer an approved Temporary Assistance for Needy Families (TANF) plan, independent of any county participation, demographics, or circumstances.

(d) Each county, in the administration of the CalWORKs program, shall consult with all eligible federally recognized tribes within any portion of the county, for the purpose of providing American Indian recipients with equitable access to assistance under the state program or an approved tribal TANF program if implemented in the county, to determine county expenditures for tribal recipients, and for the consideration of transfers of funding and administration responsibilities to those entities.

SEC. 35. Section 10619 is added to the Welfare and Institutions Code, to read:

10619. A public agency shall, in implementing programs affected by the act adding this section to the Welfare and Institutions Code, perform program functions exclusively through the use of merit civil service employees of the public agency, except to the extent permitted by provisions of state and federal law governing the affected program that were in effect on August 21, 1996.

SEC. 36. Chapter 3.8 (commencing with Section 10780) of Part 2 of Division 9 of the Welfare and Institutions Code is repealed.



SEC. 37. Section 11004 of the Welfare and Institutions Code is amended to read:

11004. The provisions of this code relative to public social services for which state grants-in-aid are made to the counties shall be administered fairly to the end that all persons who are eligible and apply for such public social services shall receive the assistance to which they are entitled promptly, with due consideration for the needs of applicants and the safeguarding of public funds.

(a) Any applicant for, or recipient or payee of, such public social services shall be informed as to the provisions of eligibility and his or her responsibility for reporting facts material to a correct determination of eligibility and grant.

(b) Any applicant for, or recipient or payee of, such public social services shall be responsible for reporting accurately and completely within his or her competence those facts required of him or her pursuant to subdivision (a) and to report promptly any changes in those facts.

(c) Current and future grants payable to an assistance unit may be reduced because of prior overpayments . In cases where the overpayment was caused by agency error, grant payments shall be reduced by 5 percent of the maximum aid payment of the assistance unit. Grant payments to be adjusted because of prior overpayments because of any other reason shall be reduced by 10 percent of the maximum aid payments for the assistance unit. A recipient may have an overpayment adjustment in excess of the amounts allowable under this section if the recipient requests it.

(d) No determination of ineligibility shall be made retrospectively so as to result in an assessment of an overpayment in circumstances where there is a failure on the part of an applicant or recipient to perform an act constituting a condition of eligibility, if the failure is caused by an error made by a state agency or a county welfare department, and if the amount of the grant received by the applicant or recipient would not have been different had the act been performed.



(e) Prior to effectuating any reduction of current grants to recover past overpayments, the recipient shall be advised of the proposed reduction and of his or her entitlement to a hearing on the propriety of the reduction.

(f) If the department determines after a hearing that an overpayment has occurred, the county providing the public social services shall seek to recover in accordance with subdivision (c) the full amount of the overpayment to the assistance unit, including any amount paid while the hearing process was pending. Such adjustment shall be permitted concurrently with any suit for restitution, and recovery of overpayment by adjustment shall reduce by the amount of such recovery the extent of liability for restitution.

(g) If the individual is no longer receiving aid under Chapter 2 (commencing with Section 11200) recovery of overpayments received under that chapter shall not be attempted where the outstanding overpayments are less than thirty-five dollars (\$35). Where the overpayment amounts owed are thirty-five dollars (\$35) or more, reasonable cost-effective efforts at collection shall be implemented. Reasonable efforts shall include notification of the amount of the overpayment and that repayment is required. The department shall define reasonable cost-effective collection methods. In cases involving fraud, every effort shall be made to collect the overpayments regardless of the amount.

(h) If the individual responsible for the overpayment to the assistance unit is no longer eligible for public social services or if he or she becomes a member of another assistance unit, recoupment of overpayments shall be made against the individual or his or her present assistance unit, or both, to the extent consistent with the provisions of federal law.

(i) Where an overpayment has been made to an assistance unit which is no longer receiving public social services, recovery shall be made by appropriate action under state law against the income or resources of the



individual responsible for the overpayment or against the family.

(j) No civil or criminal action may be commenced against any person based on alleged unlawful application for or receipt of public social services, where the case record of such person has been destroyed after the expiration of the four-year retention period pursuant to Section 10851.

(k) When an underpayment or denial of public social service occurs and as a result the applicant or recipient does not receive the amount to which he or she is entitled, the county shall provide public social services equal to the full amount of the underpayment unless prohibited by federal law.

Any corrective payments made pursuant to this subdivision shall be disregarded in determining the income of the family and shall be disregarded in determining the resources of the family in the month the corrective payment is made and in the following month.

(l) This subdivision shall be applicable only to applicants, recipients and payees under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9. Any suits to recover overpayments described in subdivision (f) shall be brought on behalf of the county by the county counsel unless the board of supervisors delegates such duty to the district attorney by ordinance or resolution.

SEC. 38. Section 11008.13 of the Welfare and Institutions Code is amended to read:

11008.13. To the extent consistent with other provisions of this chapter:

(a) The income and resources of a sponsor and his or her spouse shall be deemed as the income and resources of an alien who is an applicant for or recipient of aid under Chapter 2 (commencing with Section 11200).

(b) Any alien applicant or recipient, whose sponsor is a public or private agency, shall be ineligible for aid under Chapter 2 (commencing with Section 11200) during the period of three years after his or her entry into the United States. However, this ineligibility shall cease when it is



determined that the sponsoring agency no longer exists or is unable to meet the alien's needs.

(c) As a condition of eligibility, any individual who is an alien, during the period of three years after entry into the United States, shall be required to provide any information and documentation with respect to his or her sponsor as may be necessary in order to make any determination required under this section.

(d) If it is determined that as a result of a sponsor's failure to provide correct information an overpayment has been made to an alien, the alien and his or her sponsor shall be jointly and severally liable for repayments. Any such overpayment which is not repaid by the alien or sponsor shall be subject to recoupment pursuant to the provision of Section 11004.

(e) The provisions of this section shall not apply to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of Section 203(a)(7) of the Immigration and Nationality Act.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of the provisions of Section 207(c)(1) of that act.

(3) Paroled into the United States under Section 212(d)(5) of that act.

(4) Granted political asylum by the Attorney General under Section 208 of that act.

(5) A Cuban or Haitian entrant as defined in Section 501(e) of the Refugee Education Assistance Act of 1980.

This section shall be applied to all applicants for, and recipients of, aid under Chapter 2, (commencing with Section 11200), regardless of whether federal financial participation is available for the family.

SEC. 39. Section 11008.135 of the Welfare and Institutions Code is repealed.

SEC. 40. Section 11008.135 is added to the Welfare and Institutions Code, to read:

11008.135. (a) Notwithstanding any other provision of law, in determining the eligibility and amount of aid for



an alien under this division, the income and resources of the alien shall be deemed to include the income and resources of any person who has executed an affidavit of support on behalf of the alien and the spouse of that person as provided in Subtitle C (commencing with Section 421) of Title IV of Public Law 104-193 and any subsequent amendments thereto.

(b) As a condition of eligibility, the sponsored applicant or recipient shall provide information regarding the income and resources of any person, and the spouse of that person, who has executed an affidavit of support on behalf of the alien.

SEC. 41. Section 11008.14 of the Welfare and Institutions Code is amended to read:

11008.14. The income of the natural or adoptive parent, and the spouse of the natural or adoptive parent, and the sibling of an eligible child, living in the same home with an eligible child shall be considered available, in addition to the income of an applicant for or recipient of aid under Chapter 2 (commencing with Section 11200), for purposes of eligibility determination and grant computation. Except as otherwise provided in this section, in the case of a parent or legal guardian of a minor who is also the parent of an eligible child, the income of the parent or guardian shall be considered available to the minor parent and eligible child to the same extent that income to a stepparent is considered available to an assistance unit.

This section shall be applied to all applicants for, and recipients of, Aid to Families with Dependent Children provided under Chapter 2 (commencing with Section 11200), except that income of a guardian of an applicant for, or recipient of, foster care benefits provided under Article 5 (commencing with Section 11400) of Chapter 2 shall not be considered available to the ward or to a child of the ward for the purpose of eligibility determination and grant computation under Article 5 (commencing with Section 11400) of Chapter 2. This section shall be applied regardless of whether federal financial participation is available for the family.



SEC. 42. Section 11018 of the Welfare and Institutions Code is repealed.

SEC. 43. Section 11155 of the Welfare and Institutions Code is amended to read:

11155. Notwithstanding the provisions of Section 11257, in addition to the personal property or resources permitted by other provisions of this part, and to the extent permitted by federal law, an applicant or recipient for aid under this chapter, including an applicant or recipient under Chapter 2 (commencing with Section 11200) may retain countable resources in an amount equal to the amount permitted under federal law for qualification for food stamps. The county shall determine the value of personal property and automobiles in conformance with methods established under the Food Stamp Program.

SEC. 44. Section 11155.2 of the Welfare and Institutions Code is amended to read:

11155.2. (a) In addition to the personal property permitted by this part, recipients of aid under CalWORKs shall be permitted to retain savings and interest thereon for specified purposes up to a maximum of five thousand dollars (\$5,000) per family. Interest earned from these savings and deposited into a restricted account shall be considered exempt as income for purposes of determining eligibility for aid and grant amounts if the interest is retained in the account. If the interest is not deposited by the financial institution into the account, the interest shall be treated as a nonqualifying withdrawal of funds from the account as specified in subdivision (b). This section shall not apply to applicants. Funds may be used by the family for education or job training expenses for the account holder or his or her dependents, for starting a business, or for the purchase of a home. Recipients who wish to retain savings for these purposes shall enter into a written agreement with the county to establish a separate account with a financial institution, with the account to be used solely for the purpose of accumulating funds for later withdrawal for a qualifying expenditure. A qualifying expenditure shall be defined by



department regulations and shall be verified by the recipient. The recipient shall agree to provide periodic verification of account activity, as required by department regulations. The agreement shall notify the recipient of the penalty for nonqualifying withdrawal of funds.

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

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

SEC. 45. Section 11155.3 is added to the Welfare and Institutions Code, to read:

11155.3. (a) It is the intent of the Legislature in enacting this section to provide counties and recipients of aid under Chapter 2 (commencing with Section 11200) with increased flexibility to determine allowable business expenses and income reporting periods in order to facilitate local microenterprise development, maximize opportunities for a family to become self-sufficient, and reduce unnecessary paperwork processing by county staff.



(b) Self-employment net income shall be used in computing the aid grant under Chapter 2 (commencing with Section 11200).

(c) For purposes of determining the self-employment net income for applicants and recipients of aid under Chapter 2 (commencing with Section 11200), applicants and recipients may choose to deduct a standard deduction of 40 percent of gross income or verified actual self-employment expenses to the same extent allowed in the Food Stamp Program pursuant to Chapter 10 (commencing with Section 18900) of Part 6. Applicants and recipients may change the method of deduction only when a redetermination of eligibility is conducted by the county or every six months, whichever occurs first.

SEC. 46. Section 11157 of the Welfare and Institutions Code is amended to read:

11157. (a) Notwithstanding Section 11008, all lump-sum income received by an applicant or recipient shall be regarded as income in the month received except nonrecurring lump-sum social insurance payments, which shall include social security income, railroad retirement benefits, veteran's benefits, worker's compensation, and disability insurance.

(b) Except as otherwise provided in this part, for purposes of this chapter and Chapter 2 (commencing with Section 11200), "income" shall be deemed to be the same as applied under the Aid to Families with Dependent Children program on August 21, 1996, except that income that is received too infrequently to be reasonably anticipated, as exempted in federal food stamp regulations, shall be exempt from consideration.

SEC. 47. Section 11157.5 is added to the Welfare and Institutions Code, to read:

11157.5. The receipt of aid under Chapter 2 (commencing with Section 11200) shall not impose any limitation or restriction upon a recipient's right to sell, exchange, or change, the form of property holdings. However, a gift or any other transfer of assets, including income and resources, by a recipient for less than fair market value shall result in a period of ineligibility for aid



under Chapter 2 (commencing with Section 11200) for the number of months, rounded down to the nearest whole number, that equals the quotient of the difference between the fair market value of the asset and the amount received for the asset divided by the standard of need applicable to the family under Section 11452.

SEC. 48. Section 11160 is added to the Welfare and Institutions Code, to read:

11160. To the extent federal financial participation is available, any state agency responsible for the administration of any program under this division may establish procedures for common eligibility determination for public social service programs that aid needy families to the extent consistent with the eligibility of each program, so as to improve the efficiency of the operation of the welfare program, improve the cost-effective use of state dollars, and simplify the process for permitting qualified recipients to establish their eligibility.

SEC. 49. The heading of Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code is amended to read:

CHAPTER 2. CALIFORNIA WORK OPPORTUNITY AND
RESPONSIBILITY TO KIDS ACT

SEC. 50. Section 11200 of the Welfare and Institutions Code is amended to read:

11200. This chapter shall be known and may be cited as the California Work Opportunity and Responsibility to Kids Act, and may also be cited as the CalWORKs program.

SEC. 51. Section 11201 of the Welfare and Institutions Code is amended to read:

11201. For the purposes of this chapter, the following shall apply:

(a) “Unemployed parent” means a natural or adoptive parent with whom the child is living.

(b) A child for whom a parent is applying for assistance under this chapter shall be considered to be deprived of



parental support or care due to the unemployment of his or her parent or parents when the parent has worked not more than 100 hours in the preceding four weeks and meets the requirements concerning an unemployed parent in effect on August 21, 1996, as set forth in Section 233.100 of Title 45 of the Code of Federal Regulations except for the provisions of subparagraph (i) to (v), inclusive, of paragraph (3) of subsection (a) of that section.

(c) A child receiving aid under this chapter who is considered to be deprived of parental support or care due to unemployment may continue to receive assistance regardless of the number of hours his or her parent works provided the family does not exceed the applicable gross or net income limits.

SEC. 52. Section 11201.5 of the Welfare and Institutions Code is repealed.

SEC. 53. Section 11250.4 of the Welfare and Institutions Code is amended to read:

11250.4. Aid under this chapter shall not be payable to a family budget unit if a caretaker relative is, on the last day of the month, participating in a strike, unless the strike is necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment as determined by the Division of Occupational Safety and Health, or a lockout as defined in Section 1132.8 of the Labor Code. For the purposes of this section, a strike necessitated by an imminent health and safety hazard or abnormally dangerous working condition shall last only so long as necessitated by the imminent hazard or abnormally dangerous working condition. If an individual other than a caretaker relative is participating in a strike, as defined in this section, on the last day of the month, subject to the exceptions and their limitations set forth in this section, that individual's needs shall not be included in determining the amount of aid payable to the assistance unit for the month during which the individual is participating in the strike on the last day of that month.



SEC. 54. Section 11253.5 is added to the Welfare and Institutions Code, to read:

11253.5. (a) All children in an assistance unit for whom school attendance is compulsory, except individuals who are eligible for the Cal-Learn program under Article 3.5 (commencing with Section 11331) and children subject to a county school attendance project under Article 2 (commencing with Section 18236) of Chapter 3.3 of Part 6, shall be required to attend school.

(b) Applicants for and recipients of aid under this chapter shall be informed of the attendance requirement and it shall be included in the recipient's welfare-to-work plan under Section 11325.21.

(c) A recipient shall cooperate in providing the county with documentation routinely available from the school or school district of regular attendance of all applicable children in the assistance unit when the county determines it is appropriate.

(d) If it is determined by the county that any eligible child under the age of 16 years is not regularly attending school as required, the needs of all adults in the assistance unit shall not be considered in computing the grant of the family under Section 11450 unless it has been determined by the county that good cause exists.

(e) If it is determined by the county that any child in the assistance unit who is age 16 years or older is not regularly attending school as required, or participating pursuant to a welfare-to-work plan, the needs of the child shall not be considered in computing the grant of the family under Section 11450 unless it has been determined by the county that good cause exists.

SEC. 55. Section 11255 of the Welfare and Institutions Code is repealed.

SEC. 56. Section 11265.2 is added to the Welfare and Institutions Code, to read:

11265.2. (a) The director shall implement a demonstration program in up to six counties to test an alternative method of recipient reporting, as described in this section. The counties initially selected for participation under this section shall include small,



medium, and large counties, but shall not include a county with a population in excess of 6,000,000.

(b) The demonstration program may operate for up to three years. After the first year of operation, the director shall evaluate the demonstration program and may continue, expand, or terminate the project. In addition, if, at any time after the first year of demonstration program operation, the director determines that the method is cost-effective and administratively efficient, the director may, notwithstanding Sections 11265 and 11265.1, implement the alternative method of recipient reporting pursuant to this section on a permanent, statewide basis.

(c) The alternative method of reporting to be used pursuant to this section shall provide for the following:

(1) The county shall redetermine the financial eligibility of each recipient every six months, and may, at the option of the county, conduct a full eligibility redetermination on an annual basis.

(2) A recipient shall report to the county any change in his or her household's monthly income or resources in excess of seventy-five dollars (\$75), and any change in the composition of his or her household within 10 days after that change. Upon the report of any change in excess of seventy-five dollars (\$75) or any change in the household composition, the county shall recalculate an assistance unit's grant level.

(3) Notwithstanding any other provision of law, in recalculating the amount of a recipients's grant pursuant to this section, changes in the grant amount shall be made on a prospective basis.

(4) The warrant provided to a recipient of aid under this chapter shall provide for an endorsement under penalty of perjury by a recipient indicating that all required changes in income, resources, and household composition have been reported. The warrant shall be accompanied by notification of recipient reporting responsibilities.

SEC. 57. Section 11265.8 is added to the Welfare and Institutions Code, to read:



11265.8. (a) All applicants for aid under this chapter, within 30 days of the determination of eligibility for Medi-Cal benefits under Chapter 7 (commencing with Section 14000), and 45 days for applicants already eligible for benefits under Chapter 7 (commencing with Section 14000), and all recipients of aid under this chapter within 45 days of a full or financial redetermination of eligibility for aid under this chapter, shall provide documentation that all children in the assistance unit not required to be enrolled in school have received all age appropriate immunizations, unless it has been medically determined that an immunization for a child is not appropriate or the applicant or recipient has filed with the county welfare department an affidavit that the immunizations are contrary to the applicant's or recipient's beliefs. If the county determines that good cause exists for not providing the required documentation due to lack of reasonable access to immunization services, the period shall be extended by an additional 30 days. If the documentation is not provided within the required time period, the needs of all parents or caretaker relatives in the assistance unit shall not be considered in determining the grant to the assistance unit under Section 11450 until the required documentation is provided. The department shall track and maintain information concerning the number of sanctions imposed under this section.

(b) At the time of application and at the next redetermination of eligibility for aid under this chapter, all applicants and recipients shall be given notice advising them of their obligation to secure the immunizations required in subdivision (a). The notice shall also contain all of the following:

(1) The Recommended Childhood Immunization Schedule, United States, and the Recommended Immunization Schedule for Children Not Immunized on Schedule in the First Year of Life, as appropriate, approved by the Advisory Committee on Immunization Practices, the American Academy of Pediatrics, and the American Academy of Family Physicians.



(2) A description of how to obtain the immunizations through a fee-for-service provider that accepts Medi-Cal, a Medi-Cal managed care plan, a county public health clinic, or any other source that may be available in the county as appropriate.

(3) A statement that the applicant or recipient may file an affidavit claiming that the immunizations are contrary to the applicant's or recipient's beliefs.

SEC. 58. Section 11266.5 is added to the Welfare and Institutions Code, to read:

11266.5. (a) Every applicant for aid under this chapter shall be informed of the availability of lump-sum diversion services to resolve the circumstances that require the family to apply for assistance prior to the family's approval for aid.

(b) When an applicant is determined to be eligible for assistance under this chapter, the county shall assess whether the applicant would benefit from the lump-sum diversion program. The county shall make this determination in its sole discretion. In making this determination, the county shall consider whether the applicant is likely to be able to avoid the need for extended assistance beyond the diversion period if the family was provided one-time assistance. In making this determination, the county may consider any of the following:

(1) The applicant's employment history.

(2) The likelihood of the applicant obtaining immediate full-time employment.

(3) The applicant's general prospect for obtaining full-time employment.

(4) The applicant's need for cash assistance to pay for housing or substantial and unforeseen expenses or work-related expenses.

(5) Housing stability.

(6) The adequacy of the applicant's child care arrangements, if applicable.

(c) If the county determines, pursuant to subdivision (b), that an applicant could benefit from a lump-sum



diversion payment, the county shall inform the applicant of its determination.

(d) An applicant for aid under this chapter may either participate in the lump-sum diversion program or decline participation in diversion and, instead, receive aid as otherwise provided for in this chapter.

(e) Lump-sum diversion services provided under this section may include any cash or noncash payment and shall be negotiated by the county and the applicant in order to assist the applicant in avoiding the need for aid under this chapter.

(f) If, after accepting a diversion payment pursuant to this section, the individual reapplies for aid under this chapter within the amount of time that corresponds with the number of months of aid that would have been received under this chapter that was received as a diversion payment, excluding a partial month, and he or she is determined to be eligible for aid, the county shall, at the option of the recipient, either recoup from the recipient's grant, over a period of time to be determined by the county, the amount of the diversion payment that the recipient received, or count the period of time that corresponds to the number of months of aid that would have been received, excluding a partial month of aid, towards the 60-month time limit on aid specified in subdivision (b) of Section 11454.

(g) To the extent permitted by federal law, lump-sum diversion payments shall not be considered income for the purpose of determining eligibility for food stamps.

(h) Any child support collected by the applicant or recovered by the county shall not be used to offset the diversion payment.

(i) During the period of the diversion, the applicant family shall be eligible for Medi-Cal and child care assistance pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code, if otherwise eligible.

SEC. 59. The heading of Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is amended to read:



Article 3.2. Welfare-to-Work Activities

SEC. 60. Section 11320 of the Welfare and Institutions Code is repealed.

SEC. 61. Section 11320 is added to the Welfare and Institutions Code, to read:

11320. Any reference to the Greater Avenues for Independence program or (GAIN) shall mean the welfare-to-work activities under the CalWORKs program provided for in this article.

SEC. 62. Section 11320.1 is added to the Welfare and Institutions Code, to read:

11320.1. Subsequent to the commencement of the receipt of aid under this chapter, the sequence of employment related activities required of participants under this article, unless exempted under Section 11320.3, shall be as follows:

(a) Job search. Recipients shall, and applicants may, at the option of a county and with the consent of the applicant, receive orientation to the welfare-to-work program provided under this article, receive appraisal pursuant to Section 11325.2, and participate in job search and job club activities provided pursuant to Section 11325.22.

(b) Assessment. If employment is not found during the period provided for pursuant to subdivision (a), or at any time the county determines that participation in job search is not likely to lead to employment, the participant shall be referred to assessment, as provided for in Section 11325.4. Following assessment, the county and the participant shall develop a welfare-to-work plan, as specified in Section 11325.21. The plan shall specify the activities provided for in Section 11322.6 to which the participant shall be assigned, and the supportive services, as provided for pursuant to Section 11323.2, with which the recipient will be provided.

(c) Work activities. A participant who has signed a welfare-to-work plan pursuant to Section 11325.21 shall participate in work activities until he or she has received aid for the period specified in subdivision (a) of Section



11454. If, after the period specified in paragraph (1) of subdivision (a) of Section 11454, the participant has not obtained unsubsidized employment, the county may extend the welfare-to-work plan by up to six months if the county determines that the extension is likely to lead to unsubsidized employment or if local unemployment or other conditions in the local economy are such that employment is not available. If a recipient has received aid for the period specified in subdivision (a) of Section 11454 and returns to aid after a break in aid of at least one month, the county shall determine whether to require the recipient to participate in welfare-to-work activities or in community service.

(d) Community service.

(1) If a participant has received aid for the period specified in subdivision (a) of Section 11454, and the participant has not found unsubsidized employment sufficient to meet the hours of participation required by Section 11322.8 and the county has certified that no job is available for that participant, the participant shall remain eligible for aid under this chapter only if he or she participates in community service activities pursuant to Section 11322.9.

(2) The county shall provide community service activities assignments as described in Section 11322.9.

(3) An individual may participate in community service activities until he or she has received aid for a total of 60 months.

SEC. 63. Section 11320.15 is added to the Welfare and Institutions Code, to read:

11320.15. After a participant has received aid for a total of 60 months, pursuant to Section 11454, he or she shall be removed from the assistance unit for the purposes of calculation of aid under Section 11450 and he or she shall no longer be required to participate in welfare-to-work activities. Additional welfare-to-work services may be provided to the recipient, at the option of the county. If the county provides services to the recipient after the 60-month limit has been reached, the recipient shall participate in community service.



SEC. 64. Section 11320.2 of the Welfare and Institutions Code is repealed.

SEC. 65. Section 11320.3 of the Welfare and Institutions Code is amended to read:

11320.3. (a) Except as provided in subdivision (b) or if otherwise exempt, every individual, as a condition of eligibility for aid under this chapter, shall participate in welfare-to-work activities under this article.

(b) The following individuals shall not be required to participate for so long as the condition continues to exist:

(1) An individual under 16 years of age, except as provided in subdivision (c) of Section 11331.5, during the time that provision is operative.

(2) Except as provided in subdivision (c) of Section 11331.5, during the time that provision is operative, a child attending an elementary, secondary, vocational, or technical school on a full-time basis. A person who is 16 or 17 years of age, or a person described in subdivision (d) who loses this exemption, shall not requalify for the exemption by attending school as a required activity under this article.

(3) An individual who meets either of the following conditions:

(A) The individual is disabled as determined by a doctor's verification that the disability is expected to last at least 30 days and that it significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities, provided that the individual is actively seeking appropriate medical treatment.

(B) The individual is of advanced age.

(4) A nonparent caretaker relative who has primary responsibility for providing care for a child and is either caring for a child who is a dependent or ward of the court or caring for a child in a case in which a county determines the child is at risk of placement in foster care, and the county determines that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities such that they impair the caretaker relative's ability to be regularly employed or to participate in welfare-to-work activities.



(5) Except as provided in subdivision (c) of Section 11331.5, during the time that provision is operative, an individual whose presence in the home is required because of illness or incapacity of another member of the household and whose caretaking responsibilities impair the recipient's ability to be regularly employed or to participate in welfare-to-work activities.

(6) Except as provided in subdivision (b) of Section 11331.5, during the time that provision is operative, a parent or other relative who meets the criteria in subparagraph (A) or (B).

(A) (i) The parent or other relative has primary responsibility for personally providing care to a child six months of age or under, except that, on a case-by-case basis, and based on criteria developed by the county, this period may be reduced to the first 12 weeks after the birth or adoption of the child, or increased to the first 12 months after the birth or adoption of the child. An individual may be exempt only once under this clause.

(ii) An individual who received an exemption pursuant to clause (i) shall be exempt for a period of 12 weeks, upon the birth or adoption of any subsequent children, except that this period may be extended on a case-by-case basis to six months, based on criteria developed by the county.

(iii) In making the determination to extend the period of exception under clause (i) or (ii), the following may be considered:

- (1) The availability of child care.
- (2) Local labor market conditions.
- (3) Other factors determined by the county.

(B) In a family eligible for aid under this chapter due to the unemployment of the principal wage earner, the exemption criteria contained in subparagraph (A) shall be applied to only one parent.

(7) Except as provided in subdivision (c) of Section 11331.5, during the time that provision is operative, a woman who is pregnant and for whom it has been medically verified that the pregnancy impairs her ability to be regularly employed or participate in



welfare-to-work activities or the county has determined that, at that time, participation will not readily lead to employment or that a training activity is not appropriate.

(c) Any individual not required to participate may choose to participate voluntarily under this article, and end that participation at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way that would require participation.

(d) (1) Notwithstanding subdivision (a), a custodial parent who is under 20 years of age and who has not earned a high school diploma or its equivalent, and who is not exempt or whose only basis for exemption is subparagraph (A) of paragraph (6) of subdivision (b), shall be required to participate solely for the purpose of earning a high school diploma or its equivalent. During the time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.

(2) Section 11325.25 shall apply to a custodial parent who is 18 or 19 years of age and who is required to participate under this article. Any referral pursuant to an evaluation that results in an assignment to any training or work activity shall be subject to subparagraph (B) of paragraph (6) of subdivision (b).

(e) Notwithstanding paragraph (1) of subdivision (d), the county may determine that participation in education activities for the purpose of earning a high school diploma or equivalent is inappropriate for an 18 or 19 year old custodial parent only if that parent is reassigned pursuant to an evaluation under Section 11325.25, or, at appraisal is already in an educational or vocational training program that is approvable as a self-initiated program as specified in Section 11325.23. If that determination is made, the parent shall be allowed to continue participation in the self-initiated program subject to Section 11325.23. During the time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.



(f) A recipient shall be excused from participation for good cause when the county has determined there is a condition or other circumstance that temporarily prevents or significantly impairs the recipient's ability to be regularly employed or to participate in welfare-to-work activities. The county welfare department shall review the good cause determination for its continuing appropriateness in accordance with the projected length of the condition, or circumstance, but not less than every three months. The recipient shall cooperate with the county welfare department and provide information, including written documentation, as required to complete the review. Conditions that may be considered good cause include, but are not limited to, the following:

(1) Lack of necessary supportive services.

(2) In accordance with Article 7.5 (commencing with Section 11495), the applicant or recipient is a victim of domestic violence, but only if participation under this article is detrimental to or unfairly penalizes that individual or his or her family.

(3) Licensed or license-exempt child care for a child 10 years of age or younger is not reasonably available during the individual's hours of training or employment including commuting time, or arrangements for child care have broken down or have been interrupted, or child care is needed for a child who meets the criteria of subparagraph (B) of paragraph (1) of subdivision (a) of Section 11323.2, but who is not included in the assistance unit. For purposes of this paragraph, "reasonable availability" means child care that is commonly available in the recipient's community to a person who is not receiving aid and that is in conformity with the requirements of Public Law 104-193. The choices of child care shall meet either licensing requirements or the requirements of Section 11324. This good cause criterion shall include the unavailability of suitable special needs child care for children with identified special needs, including, but not limited to, disabilities or chronic illnesses.



SEC. 66. Section 11320.31 is added to the Welfare and Institutions Code, to read:

11320.31. No sanctions shall be applied for a failure or refusal to comply with program requirements for reasons related to employment, an offer of employment, an activity, or other training for employment including, but not limited to, the following reasons:

(a) The employment, offer of employment, activity, or other training for employment discriminates in terms of age, sex, race, religion, national origin, or physical or mental disability.

(b) The employment or offer of employment exceeds the daily or weekly hours of work customary to the occupation.

(c) The employment, offer of employment, activity, or other training for employment requires travel to and from the place of employment, activity, or other training and one's home that exceeds a total of two hours in round-trip time, exclusive of the time necessary to transport family members to a school or place providing care, or, when walking is the only available means of transportation, the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care. An individual who fails or refuses to comply with the program requirements based on this paragraph shall be required to participate in community service activities pursuant to Section 11322.9.

(d) The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

(e) The employment, offer of employment, or work activity does not provide for worker's compensation insurance.

(f) Accepting the employment or work activity would cause an interruption in an approved education or job training program in progress that would otherwise lead to employment and sufficient income to be self-supporting, excluding work experience or community service employment as described in



subdivision (e) of Section 11322.6 or other community work experience assignments, except that a recipient may be required to engage in welfare-to-work activities to the extent necessary to meet the hours of participation required by Section 11322.8.

(g) Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

SEC. 67. Section 11320.4 of the Welfare and Institutions Code is repealed.

SEC. 68. Section 11320.6 of the Welfare and Institutions Code is repealed.

SEC. 69. Section 11320.8 of the Welfare and Institutions Code is repealed.

SEC. 70. Section 11321 of the Welfare and Institutions Code is repealed.

SEC. 71. Section 11321.2 of the Welfare and Institutions Code is repealed.

SEC. 72. Section 11321.4 of the Welfare and Institutions Code is repealed.

SEC. 73. Section 11321.8 of the Welfare and Institutions Code is repealed.

SEC. 74. Section 11322 of the Welfare and Institutions Code is repealed.

SEC. 75. Section 11322.2 of the Welfare and Institutions Code is amended to read:

11322.2. Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocations as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the department

SEC. 76. Section 11322.4 of the Welfare and Institutions Code is repealed.

SEC. 77. Section 11322.4 is added to the Welfare and Institutions Code, to read:

11322.4. It is the intent of the Legislature to fund welfare-to-work activities under this article so that all



recipients of aid under this chapter for whom participation under this article is required can be served and, in addition, so that recipients voluntarily participating under this article can be served.

SEC. 78. Section 11322.41 of the Welfare and Institutions Code is repealed.

SEC. 79. Section 11322.6 of the Welfare and Institutions Code is repealed.

SEC. 80. Section 11322.6 is added to the Welfare and Institutions Code, to read:

11322.6. The welfare-to-work plan developed by the county welfare department and the participant pursuant to this article shall provide for welfare-to-work activities. Welfare-to-work activities may include, but are not limited to, any of the following:

- (a) Unsubsidized employment.
- (b) Subsidized private sector employment.
- (c) Subsidized public sector employment.

(d) Work experience, which means public or private sector work that shall help provide basic job skills, enhance existing job skills in a position related to the participant's experience, or provide a needed community service that will lead to employment. Unpaid work experience shall be limited to 12 months, unless the county welfare department and the recipient agree to extend this period by an amendment to the welfare-to-work plan. The county welfare department shall review the work experience assignment as appropriate and make revisions as necessary to ensure that it continues to be consistent with the participant's plan and effective in preparing the participant to attain employment.

(e) On-the-job training.

(f) Grant-based on-the-job training, which means public or private sector employment or on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings resulting from employment, is diverted to the employer as a wage subsidy to partially or wholly offset the payment of wages to the participant. Grant-based on-the-job training shall



include community service positions pursuant to Section 11322.9.

(g) Supported work or transitional employment, which means forms of grant-based on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings from employment, is diverted to an intermediary service provider, to partially or wholly offset the payment of wages to the participant.

(h) Work-study.

(i) Self-employment.

(j) Community service.

(k) Adult basic education, which shall include reading, writing, arithmetic, high school proficiency, or general educational development certificate of instruction, and English-as-a-second-language. Participants under this subdivision shall be referred to appropriate service providers that include, but are not limited to, educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code.

(l) Job skills training directly related to employment.

(m) Vocational education and training, including, but not limited to, college and community college education, adult education, regional occupational centers, and regional occupational programs.

(n) Job search and job readiness assistance, which means providing the recipient with training to learn job seeking and interviewing skills, to understand employer expectations, and learn skills designed to enhance an individual's capacity to move toward self-sufficiency.

(o) Education directly related to employment.

(p) Satisfactory progress in secondary school or in a course of study leading to a certificate of general educational development, in the case of a recipient who has not completed secondary school or received such a certificate.

(q) Mental health, substance abuse, and domestic violence services, described in Sections 11325.7 and



11325.8 and Article 7.5 (commencing with Section 11495), that are necessary to obtain and retain employment.

(r) Other activities necessary to assist an individual in obtaining unsubsidized employment.

Assignment to an educational activity identified in subdivisions (k), (m), (o), and (p) is limited to those situations in which the education is needed to become employed.

SEC. 81. Section 11322.61 is added to the Welfare and Institutions Code, to read:

11322.61. (a) Except as provided in subdivisions (c) and (d) of Section 11327.5, if there is any interruption in receipt of income for an employee in a grant-based on-the-job training program, as provided for pursuant to subdivision (j) of Section 11322.6, that is caused by an employer's conduct, the county shall ensure that a recipient receives 100 percent of the maximum aid payment, not counting the unpaid wages, that the assistance unit is eligible to receive. The payment shall be made as a supplemental grant payment. The county shall act to recover from the employer any amount of the grant diverted to the employer that was not paid as wages to the recipient. The agreement between the county and the employer pertaining to grant-based on-the-job training shall state that the county will take action to collect from the employer the amount of the grant diverted to the employer that was not paid as wages to the recipient.

(b) Pursuant to subdivision (f) of Section 11322.6, counties using grant-based on-the-job training shall monitor the retention of participants as employees by employers participating in grant-based on-the-job training, and shall cancel the participation of employers who demonstrate, over time, an unwillingness to hire recipients who have participated in grant-based on-the-job training with that employer.

SEC. 82. Section 11322.62 is added to the Welfare and Institutions Code, to read:

11322.62. Employers, sponsors of training activities, and contractors shall not discriminate against



participants on the basis of race, sex, national origin, age, or disability.

SEC. 83. Section 11322.65 is added to the Welfare and Institutions Code, to read:

11322.65. (a) Unless otherwise specified in this chapter, assignment to any activity otherwise authorized under this article shall be limited in any county to the number or percentage of participants specified under Section 407(c) of the federal Social Security Act (42 U.S.C. Sec. 607(c)) and subsequent amendments thereto, unless the recipient is concurrently participating in any activities that will count for the required number of hours of participation under federal law.

(b) Subdivision (a) shall not apply if the statewide percentage, as determined by the department, is less than the limits described in federal law.

SEC. 84. Section 11322.7 is added to the Welfare and Institutions Code, to read:

11322.7. (a) Every county shall provide an adequate range of those activities described in Section 11322.6 to ensure each participant's access to needed activities and services to assist him or her in seeking employment, to provide education and training the participant needs to find self-supporting work, and to arrange for placement in paid or unpaid work settings that will enhance a participant's ability to obtain unsubsidized employment.

(b) No plan shall require job search and work experience of participants to the exclusion of a range of activities to be offered to recipients.

SEC. 85. Section 11322.8 of the Welfare and Institutions Code is repealed.

SEC. 86. Section 11322.8 is added to the Welfare and Institutions Code, to read:

11322.8. (a) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 20 hours each week beginning January 1, 1998, 26 hours each week beginning July 1, 1998, and 32 hours each week beginning July 1, 1999, and thereafter. In no event shall the adult recipient participate in welfare-to-work activities less than the



required hours of participation under Section 607(c) of Title 42 of the United States Code and any subsequent amendments thereto, for the entire time period on aid. A county retains the option to require all recipients or individual recipients to participate in welfare-to-work activities in excess of the minimum number of hours specified in this subdivision, up to 32 hours each week.

(b) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in at least 35 hours of welfare-to-work activities each week that will meet the required hours of participation under Section 607(c) of Title 42 of the United States Code and any subsequent amendments thereto. However, both parents in a two-parent assistance unit may contribute to the 35 hours, if provided in federal law as meeting the federal work participation requirements and if at least one parent meets the federal one-parent work requirement applicable on January 1, 1998. To be eligible for federally funded child care under Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code, both parents shall participate in work activities that will meet the required hours of participation under Section 607(c) of Title 42 of the United States Code and any subsequent amendments thereto.

SEC. 87. Section 11322.9 is added to the Welfare and Institutions Code, to read:

11322.9. (a) In accordance with the requirements of this section:

(1) Counties may provide for community service activities for individuals who have not completed the period specified in subdivision (a) of Section 11454 and are not employed in unsubsidized employment, sufficient to meet the hours of participation required by Section 11322.8.

(2) Counties shall provide for community service activities for individuals who have completed the period as specified in subdivision (a) of Section 11454, who cannot find unsubsidized employment sufficient to meet the hours of participation required by Section 11322.8,



and the county certifies that no job is currently available to fulfill the hours required by Section 11322.8, and who continue to meet the financial eligibility criteria for aid under this chapter.

(b) Community service activities shall meet all of the following criteria:

(1) Be performed in the public and private nonprofit sector.

(2) Provide participants with job skills that can lead to unsubsidized employment.

(3) Comply with the antidisplacement provisions contained in Section 11324.6.

(c) Participants in community service activities shall do all of the following:

(1) Participate in a community service activity for the number of hours required by Section 11322.8, unless fewer hours of community service participation are required by federal law.

(2) Participate in other work activities for the number of hours equal to the difference between the hours of participation in community service and the number of hours of participation required under Section 11322.8.

(d) The county plan pursuant to Section 10531 shall include a component, developed by the county in collaboration with local private sector employers, local education agencies, county welfare departments, organized labor, recipients of aid under this chapter, and government and community-based organizations providing job training and economic development, in order to identify all of the following:

(1) Unmet community needs that could be met through community service activities.

(2) The target population to be served.

(3) Entities responsible for project development, fiscal administration, and case management services.

(4) The terms of community service activities, that, to the extent feasible, shall be temporary and transitional, and not permanent.



(5) Supportive efforts, including job search, education, and training, which shall be provided to participants in community service activities.

(e) Aid under this chapter for any participant who fails to comply with the requirements of this section without good cause shall be reduced in accordance with Section 11327.5.

(f) Child care as a supportive service shall be provided to participants in community service activities pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code, and Section 11323.2. Other supportive services may be provided by the county at the county's option. However, if the county does not provide mental health services pursuant to Section 11325.7, the county shall indicate in its county plan under Chapter 1.3 (commencing with Section 10530) how mental health services needed by participants will be made available during participation in a community service job.

SEC. 88. Section 11323 of the Welfare and Institutions Code is repealed.

SEC. 89. Section 11323.1 of the Welfare and Institutions Code is repealed.

SEC. 90. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept employment or the participant shall have good cause for not participating under subdivision (f) of Section 11320.3. As provided in the welfare-to-work plan entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the assistance unit who needs paid child care if the child is 10 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other



similar condition as verified by the county welfare department, or who is under court supervision.

(B) To the extent funds are available paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

(C) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 U.S.C.A. Sec. 670 et seq.) or a child who would become a dependent child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C.A. Sec. 1381 et seq.) shall be deemed to be a dependent child for the purposes of this paragraph.

(D) The provision of care and payment rates under this paragraph shall be governed by Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code. Parent fees shall be governed by subdivision (f) of Section 8263 of the Education Code.

(2) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become subject to paragraph (8) of subdivision (b) of Section 11320.3. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.



SEC. 91. Section 11323.4 of the Welfare and Institutions Code is amended to read:

11323.4. (a) Payments for supportive services, as described in Section 11323.2, shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services. Payments for child care services shall be made in accordance with Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

(b) The county welfare department shall take all reasonable steps necessary to promptly correct any overpayment or underpayment of supportive services payments to a recipient or a service provider, including, but not limited to, all cases involving fraud and abuse, consistent with procedures developed by the department. The department's procedures shall not jeopardize federal financial participation.

(c) Notwithstanding any other provision of this article, any participant in on-the-job training who becomes ineligible for aid under this chapter due to earned income, hours worked, or loss of income disregards, shall remain a participant in the program under this article for the duration of the on-the-job training assignment and shall be eligible for supportive services for the duration of the on-the-job training, provided this duration does not exceed the time limits otherwise applicable to the recipient.

(d) Notwithstanding any other provision of this article, any participant in on-the-job training, grant-based on-the-job training, supported work, or transitional employment who remains eligible for aid pursuant to this chapter, shall be eligible for transportation and ancillary expenses pursuant to paragraphs (2) and (3) of subdivision (a) of Section 11323.2.

(e) (1) Participants shall be encouraged to apply for financial aid, including educational grants, scholarships, and awards.

(2) To the extent permitted by federal law, the county shall coordinate with financial aid offices to establish



procedures whereby the educational expenses of participants are met through available financial aid and the supportive services described in Section 11323.2. These procedures shall not result in duplication of payments, and shall require determinations to be made on an individual basis to ensure that using financial aid will not prevent the person's participation in his or her welfare-to-work plan.

SEC. 92. Section 11323.6 of the Welfare and Institutions Code is repealed.

SEC. 93. Section 11323.6 is added to the Welfare and Institutions Code, to read:

11323.6. The department shall be responsible for supervising the provision of child care by counties during stage one as described in Sections 8350, 8351, and 8352 of the Education Code. Counties may contract with public and private child care entities or providers for this purpose.

SEC. 94. Section 11323.8 of the Welfare and Institutions Code is repealed.

SEC. 95. Section 11323.8 is added to the Welfare and Institutions Code, to read:

11323.8. Counties shall manage the participant's transition from stage one to stage two child care pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code. If the county is operating stage two child care, the county shall manage the participant's transition from stage two to stage three pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

SEC. 96. Section 11324 of the Welfare and Institutions Code is amended to read:

11324. (a) If the county welfare department or a contractor pays for child care services which are exempt from licensure, all of the following information about the caregiver shall be on file with the county welfare department or the contractor and shall be made available to the participant:

- (1) The name and address of the care provider.
- (2) The address where care is to be provided.



(3) The hours care is to be provided and the charge for this care.

(4) The names, addresses, and telephone numbers of two character references.

(5) A copy of a valid California driver's license or other identification to establish that the caregiver is at least 18 years old.

(6) A statement from the caregiver as to his or her health education, experience or other qualification, criminal record, and names and ages of other persons in the home or providing care.

(b) The county welfare department or the contractor shall use existing child care licensing or CalWORKs program procedures in meeting the requirements of subdivision (a).

(c) To the extent permitted by federal law, the county welfare department shall deny payment, or cause the contractor to deny payment, for child care services which are exempt from licensure if either of the following apply:

(1) The provider has been convicted of a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code.

(2) The provider has been convicted of child abuse.

(d) If the child care provider selected by the participant is denied payment, the participant may have good cause for not participating as specified in paragraph (3) of subdivision (f) of Section 11320.3.

SEC. 97. Section 11324.2 of the Welfare and Institutions Code is repealed.

SEC. 98. Section 11324.4 of the Welfare and Institutions Code is amended to read:

11324.4. (a) The employer or sponsor of an employment or training program position described in Section 11322.6 or 11322.9 or any positions created under any county pilot project shall assist and encourage qualified participants to compete for job openings occurring within the sponsor's organization for which they qualify.

(b) Workers assigned to public agencies shall be allowed to participate in classified service examinations



equivalent to the positions they occupy, as well as all open and promotional examinations for which experience in the position or other relevant experience is qualifying under merit system rules. To the extent permitted under federal or state law, local ordinance, or applicable collective bargaining agreements, time worked in the positions shall apply toward seniority in the merit public agency positions.

SEC. 99. Section 11324.5 of the Welfare and Institutions Code is amended to read:

11324.5. The county shall ensure that the labor union is notified of the use of participants assigned to an employment or training program position described in Section 11322.6 or 11322.9 or any positions created under any county pilot project, in any location or work activity controlled by an employer and covered by a collective bargaining agreement between the employer and a union. For nonunionized employees, procedures shall provide for notification to employees of the use of participants under this article and the availability of the grievance process. Display of a poster shall satisfy this requirement.

SEC. 100. Section 11324.6 of the Welfare and Institutions Code is amended to read:

11324.6. Any employment or training program position described in subdivisions (a) to (l), inclusive, of Section 11322.6 or Section 11322.9 or under any county pilot project, shall not be created as a result of, or shall not result in, any of the following:

(a) Displacement or partial displacement of current employees, including, but not limited to, a reduction in hours of nonovertime and overtime work, wages, or employment benefits.

(b) The filling of positions which would otherwise be promotional opportunities for current employees, except when positions are to be filled through an open process in which recipients are provided equal opportunity to compete.



(c) The filling of a position, prior to compliance with applicable personnel procedures or provisions of collective bargaining agreements.

(d) The filling of established unfilled public agency positions, unless the positions are unfunded in a public agency budget.

(e) The filling of a position created by termination, layoff, or reduction in work force, caused by the employer's intent to fill the position with a subsidized position pursuant to this article.

(f) A strike, lockout, or other bona fide labor dispute, or violation of any existing collective bargaining agreement between employees and employers.

(g) The filling of a work assignment customarily performed by a worker in a job classification within a recognized collective bargaining unit in that specific worksite, or the filling of a work assignment in any bargaining unit in which funded positions are vacant or in which regular employees are on layoff.

(h) The termination of a contract for services, prior to its expiration date, that results in the displacement or partial displacement of workers performing contracted services, caused by the employer's intent to fill the position with a subsidized position pursuant to this article.

(i) The denial to a participant or employee of protections afforded other workers on the worksite by state and federal laws governing workplace health, safety, and representation.

(j) Subdivisions (b), (d), and (g) shall not apply to unsubsidized employment placements.

SEC. 101. Section 11324.7 of the Welfare and Institutions Code is amended to read:

11324.7. (a) The department shall provide a grievance process for regular employees and their representatives who wish to file a complaint that an assignment to community service, work experience, on-the-job training, or any activity funded by grant-based on-the-job training violates any of the displacement provisions contained in Section 11324.6, as applicable,



respecting any employment or training position created pursuant to this article.

(b) (1) The grievance process established pursuant to subdivision (a) shall consist of an informal procedure followed by a hearing if the informal procedure fails to resolve the complaint to the satisfaction of the complainant.

(2) The grievance process shall be conducted in accordance with rules and notification requirements adopted and promulgated in federal law that also provides for an appeal process to the United States Department of Labor.

(3) The department shall issue instructions and requirements for the grievance process.

(c) The department shall administer the employee grievance process either directly or through the county welfare departments, or may enter into agreements with another state agency to administer all or any part of the grievance process.

(d) Notwithstanding subdivisions (b) and (c), the department shall require the use of any existing grievance procedure that is part of a collective bargaining agreement between the employer and the labor union representing the regular employee, in lieu of the process established by this section.

(e) Remedies for complaining regular employees in the process established by this section shall include, where appropriate, reinstatement, retroactive pay, and retroactive benefits.

SEC. 102. Section 11324.8 of the Welfare and Institutions Code is amended to read:

11324.8. (a) At the time an individual applies for aid under this chapter, or at the time a recipient's eligibility for aid is determined, the county shall do all of the following:

(1) Provide the individual, in writing and orally as necessary, with at least the following program information:

(A) A general description of the education, employment, and training opportunities and the



supportive services available, including transitional benefits.

(B) A description of the exemptions from required participation provided under this article and the consequences of a refusal to participate in program components, if not exempt.

(C) A description of the responsibility of the participant to cooperate in establishing paternity and enforcing child support obligations, and to assist individuals in establishing paternity and obtaining child support as a condition of eligibility.

(2) Determine whether the individual is required to participate in the program provided under this article.

(b) At the time an individual is required to participate pursuant to this article, he or she shall receive a written preliminary determination that he or she is a member of a targeted group, for purposes of any applicable and operative federal Targeted Jobs Tax Credit and California Jobs Tax Credit.

(c) Persons not required to participate may volunteer to participate.

(d) An applicant for, or a recipient of, aid who is dissatisfied with the provisions of the welfare-to-work plan may seek redress through conciliation, as described in Section 11327.4.

SEC. 103. Section 11325 of the Welfare and Institutions Code is repealed.

SEC. 104. Section 11325.1 is added to the Welfare and Institutions Code, to read:

11325.1. When child care services are provided by a program funded under Article 25 (commencing with Section 8498.1) of Chapter 2 of Part 6 of the Education Code to a recipient under this article or any other job training program for recipients under this chapter, and the job training program utilizes vouchers for child care services issued by the county or a contracting agency, reimbursement for those child care services shall be made at a market rate established by the State Department of Education pursuant to Article 15.5



(commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

SEC. 105. Section 11325.2 of the Welfare and Institutions Code is amended to read:

11325.2. (a) At the time a recipient enters the welfare-to-work program, the county shall conduct an appraisal, pursuant to regulations adopted by the department, during which the recipient is informed of the requirement to participate in training opportunities available to a participant, and available supportive services. The appraisal shall provide information about the recipient in the following areas:

(1) Employment history and skills.

(2) Need for supportive services as described in Section 11323.2.

(b) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 106. Section 11325.21 of the Welfare and Institutions Code is amended to read:

11325.21. (a) Any individual who is required to participate in welfare-to-work activities pursuant to this article shall enter into a written welfare-to-work plan with the county welfare department after assessment as required by subdivision (b) of Section 11320.1, except as provided for in Section 11320.3. The plan shall include the activities and services that will move the individual into employment.

(b) The county shall allow the participant three working days after completion of the plan or subsequent amendments to the plan in which to evaluate and request changes to the terms of the plan.

(c) The plan shall be written in clear and understandable language, and have a simple and easy-to-read format.

(d) The plan shall contain at least all of the following general information:

(1) A general description of the program provided for in this article, including available program components and supportive services.



(2) A general description of the rights, duties, and responsibilities of program participants, including a list of the exemptions from the required participation under this article, the consequences of a refusal to participate in program components, and criteria for successful completion of the program.

(3) A description of the grace period required in paragraph (5) of subdivision (b) of Section 11325.22.

(e) The plan shall specify, and shall be amended to reflect changes in, the participant's welfare-to-work activity, a description of services to be provided in accordance with Sections 11322.6, 11322.8, and 11323.1 as needed, and specific requirements for successful completion of assigned activities including required hours of participation.

The plan shall also include a general description of supportive services pursuant to Section 11323.2 that are to be provided as necessary for the participant to complete assigned program activities.

(f) Any assignment to a program component shall be reflected in the plan or an amendment to the plan. The participant shall maintain satisfactory progress toward employment through the methods set forth in the plan, and the county shall provide the services pursuant to Section 11323.2.

(g) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 107. Section 11325.22 of the Welfare and Institutions Code is amended to read:

11325.22. (a) (1) Following the appraisal required by Section 11325.2, all participants except those described in paragraph (4) of this subdivision, shall be assigned to participate for a period of up to four consecutive weeks in job search activities. These activities may include the use of job clubs to identify the participant's qualifications. The county shall consider the skills and interests of the participants in developing a job search strategy. The period of job search activities may be shortened if the participant and the county agree that further activities



would not be beneficial. Job search activities may be shortened for a recipient if the county determines that the recipient will not benefit because he or she may suffer from an emotional or mental disability that will limit or preclude the recipient's participation under this article.

(2) Nothing in this section shall require participation in job search activities, the schedule for which interferes with unsubsidized employment or participation pursuant to Section 11325.23.

(3) Job search activities may be required in excess of the limits specified in paragraph (1) on the basis of a review by the county of the recipient's performance during job search to determine whether extending the job search period would result in unsubsidized employment.

(4) A person subject to Article 3.5 (commencing with Section 11331) or subdivision (d) of Section 11320.3 shall be required to participate in job search activities as provided in paragraph (1) upon earning a high school diploma or its equivalent, if she or he has not already taken the option to complete these activities as the first program assignment following appraisal shall not be required, but may be permitted, to participate in job search activities as his or her first program assignment following appraisal.

(b) (1) Upon the completion of job search activities, or a determination that those activities are not required in accordance with paragraph (3) of subdivision (a), the participant shall be assigned to one or more of the activities described in Section 11322.6 as needed to attain employment.

(2) (A) The assignment to one or more of the program activities as required in paragraph (1) of this subdivision shall be based on the welfare-to-work plan developed pursuant to an assessment as described in Section 11325.4. The plan shall be based, at a minimum, on consideration of the individual's existing education level, employment experience and relevant employment skills, available program resources, and local labor market opportunities.



(B) An assessment shall be performed upon completion of job search activities or at such time as it is determined that job search will not be beneficial as required in Section 11325.4.

(C) Notwithstanding subparagraphs (A) and (B), an assessment shall not be required to develop a welfare-to-work plan for a person who is participating in an approved self-initiated program pursuant to Section 11325.23 unless the county determines that an assessment is necessary to meet the hours specified in Section 11325.23.

(3) A participant who lacks basic literacy or mathematics skills, a high school diploma or general educational development certificate, or English language skills, shall be assigned to participate in adult basic education as described in subdivision (c) of Section 11322.8, as appropriate and necessary for removal of the individual's barriers to employment .

(4) Participation in activities assigned pursuant to this section may be sequential or concurrent. The county may require concurrent participation in the assigned activities if it is appropriate to the participant's abilities, consistent with the participant's welfare-to-work plan, and the activities can be concurrently scheduled. .

(5) The participant has 30 days from the beginning of the initial training or education assignment in which to request a change or reassignment to another component. The county shall grant the participant's request for reassignment if another assignment is available that is consistent with the participant's welfare-to-work plan and the county determines the other assignment will readily lead to employment. This grace period shall be available only once to each participant.

(c) Any assignment or change in assignment to a program activity pursuant to this section shall be included in the welfare-to-work plan, or an amendment to the plan, as required in Section 11325.21.

(d) A participant who has not obtained unsubsidized employment upon completion of the activities in a welfare-to-work plan developed pursuant to the job



search activities and an assessment required by subdivision (a) shall be referred to assessment as described in Section 11326, unless he or she is required to be assigned to community service pursuant to Section 11322.9.

(e) The criteria for successful completion of an assigned education or training activity shall include regular attendance, satisfactory progress, and completion of the assignment. A person who fails or refuses to comply with program requirements for participation in the activities assigned pursuant to this section shall be subject to Sections 11327.4 and 11327.5.

(f) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 108. Section 11325.23 of the Welfare and Institutions Code is repealed.

SEC. 109. Section 11325.23 is added to the Welfare and Institutions Code, to read:

11325.23. (a) (1) Except as provided in paragraph (2), any student who, at the time he or she is required to participate under this article pursuant to Section 11320.3, is enrolled in any undergraduate degree or certificate program that leads to employment may continue in that program within the time period specified in subdivisions (a) and (d) of Section 11454 if he or she is making satisfactory progress in that program, the county determines that continuing in the program is likely to lead to self-supporting employment for that recipient, and the welfare-to-work plan reflects that determination.

(2) Any individual who possesses a baccalaureate degree shall not be eligible to participate under this section unless the individual is pursuing a California regular classroom teaching credential in a college or university with an approved teacher credential preparation program.

(3) (A) Subject to the limitation provided in subdivision (f), a program shall be determined to lead to employment if it is on a list of programs that the county welfare department and local education agencies or



providers agree lead to employment. The list shall be agreed to annually, with the first list completed no later than January 31, 1998. By January 1, 2000, all educational providers shall report data regarding programs on the list for the purposes of the report card established under Section 15037.1 of the Unemployment Insurance Code for the programs to remain on the list.

(B) For students not in a program on the list prepared under subparagraph (A), the county shall determine if the program leads to employment. The recipient shall be allowed to continue in the program within the time period specified in subdivisions (a) and (d) of Section 11454 if the recipient demonstrates to the county that the program will lead to self-supporting employment for that recipient and the documentation is included in the welfare-to-work plan.

(C) If participation in educational or vocational training, as determined by the number of hours required for classroom, laboratory, or internship activities, is not at least 32 hours, the county shall require concurrent participation in work activities pursuant to subdivisions (a) to (j), inclusive, of Section 11322.6 and Section 11325.22.

(b) Participation in the self-initiated education or vocational training program shall be reflected in the welfare-to-work plan required by Section 11325.21. The welfare-to-work plan shall provide that whenever an individual ceases to participate in, refuses to attend regularly, or does not maintain satisfactory progress in the self-initiated program, the individual shall participate under this article in accordance with Section 11325.22.

(c) Any person whose previously approved self-initiated education or training program is interrupted for reasons that meet the good cause criteria specified in Section 11328 may resume participation in the same program if the participant maintained good standing in the program while participating and the self-initiated program continues to meet the approval criteria. The county shall adjust the completion date of the program, accounting for the time of absence to allow



the participant a cumulative timeframe outlined in subdivision (a).

(d) Supportive services reimbursement shall be provided for any participant in a self-initiated training or education program approved under this subdivision. This reimbursement shall be provided if no other source of funding for those costs is available. Any offset to supportive services payments shall be made in accordance with subdivisions (d) and (e) of Section 11323.4.

(e) Any student who at the time he or she is required to participate under this article pursuant to Section 11320.3 who has been enrolled and is making satisfactory progress in a degree or certificate program prior to the operative date of this section, but does not meet the criteria set forth in subdivision (a), shall have until the beginning of the next educational semester or quarter break to continue his or her educational program if he or she continues to make satisfactory progress. At the time the educational break occurs, the individual is required to participate pursuant to Section 11320.3. The time spent in the educational program shall count towards the time limits and community service requirements established for recipients in Sections 11320.1 and 11454. A recipient not expected to complete the program by the next break may continue his or her education under the timelines in subdivision (a), provided he or she transfers at the end of the current quarter or semester to a program that qualifies under that subdivision, the county determines that participation is likely to lead to self-supporting employment of the recipient, and the welfare-to-work plan reflects that determination.

(f) Any degree, certificate, or vocational program offered by a private postsecondary training provider shall not be approved under this section unless the program is either approved or exempted by the appropriate state regulatory agency and the program is in compliance with all other provisions of law.

SEC. 110. Section 11325.25 of the Welfare and Institutions Code is amended to read:



11325.25. (a) A participant with a suspected learning or medical problem, as indicated by information received during appraisal or assessment or by lack of satisfactory progress in an assigned program component, shall be referred to an evaluation to determine whether the individual is unable to successfully complete or benefit from a current or proposed program assignment. As part of the evaluation, the county may require the individual to undergo the appropriate examinations to obtain information regarding the individual's learning and physical abilities.

(b) Based upon the results of the evaluation required by subdivision (a), the county may refer the individual to any of the following components as appropriate:

(1) Referral to any of the activities in Section 11322.6, including referral to the person's previous activity.

(2) Existing special programs that meet specific needs of the individual.

(3) Job search services, if the county determines the individual has the skills needed to find a job in the local labor market.

(4) Assessment as described in Section 11325.4, or reappraisal as described in Section 11326.

(5) Rehabilitation assessment and subsequent training.

(c) The participant shall be involved in the decisions made during the progress evaluation and shall have appeal rights consistent with those accorded to all program participants.

SEC. 111. Section 11325.4 of the Welfare and Institutions Code is amended to read:

11325.4. (a) Upon referral to assessment, a participant shall work with the county welfare department to develop and agree on a welfare-to-work plan on the basis of an assessment of the individual's skills and needs. The assessment shall include at least all of the following:

(1) The participant's work history and an inventory of his or her employment skills, knowledge, and abilities.



(2) The participant's educational history and present educational competency level.

(3) The participant's need for supportive services in order to obtain the greatest benefit from the employment and training services offered under this article.

(4) An evaluation of the chances for employment given the current skills of the participant and the local labor market conditions.

(5) Local labor market information.

(6) Physical limitations or mental conditions that limit the participant's ability for employment or participation in welfare-to-work activities.

(b) The county may contract with outside parties, including local educational agencies and service delivery areas, to provide the assessment.

(c) (1) Notwithstanding the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2, if the participant and assessor are unable to reach agreement on the welfare-to-work plan, the matter shall be referred by the county for an independent assessment by an impartial third party. The results of this assessment, which shall be binding upon the county and the participant, shall be used to develop the appropriate plan for the participant.

(2) No third party assessment under this subdivision shall be made by a party having any financial or other interest in the result of the assessment. The party making the assessment shall be selected by the county according to an unbiased procedure.

(d) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 112. Section 11325.5 is added to the Welfare and Institutions Code, to read:

11325.5. (a) If, pursuant to the assessment conducted pursuant to Section 11325.4, there is a concern that a mental disability exists that will impair the ability of a recipient to obtain employment, he or she shall be referred to the county mental health department.



(b) Subject to appropriations in the Budget Act, the county mental health department shall evaluate the recipient and determine any treatment needs. The evaluation shall include the extent to which the individual is capable of employment at the present time and under what working and treatment conditions the individual is capable of employment. The evaluation shall include prior diagnoses, assessments, or evaluations that the recipient provides.

(c) Each county welfare department shall develop individual welfare-to-work plans for recipients with mental or emotional disorders based on the evaluation conducted by the mental health department. The plan for the recipient shall include appropriate employment accommodations or restrictions, supportive services, and treatment requirements. Any prior diagnosis, evaluation, or assessment provided by the recipient shall be considered in the development of his or her individual welfare-to-work plan.

SEC. 113. Section 11325.6 of the Welfare and Institutions Code is amended to read:

11325.6. Subject to the limitations of subdivision (f) of Section 11322.6 and subdivision (a) of Section 11325.22, if activities to be provided under the plan between the county welfare department and the participant are not immediately available to the participant, he or she shall receive job search activities until the education or training services designated in the plan are available.

SEC. 114. Section 11325.7 is added to the Welfare and Institutions Code, to read:

11325.7. (a) It is the intent of the Legislature in enacting this section to create a funding stream and program that assists certain recipients of aid under this chapter to receive necessary mental health services, including case management and treatment, thereby enabling them to make the transition from welfare to work. This funding stream shall be used specifically to serve recipients in need of mental health services, and shall be accounted for and expended by each county in a



manner that ensures that recipients in need of mental health services are receiving appropriate services.

(b) The county plan required by Section 10531 shall include a plan for the development of mental health employment assistance services, developed jointly by the county welfare department and the county department of mental health. The plan shall have as its goal the treatment of mental or emotional disabilities that may limit or impair the ability of a recipient to make the transition from welfare-to-work, or that may limit or impair the ability to retain employment over a long-term period. The plan shall be developed in a manner consistent with both the county's welfare-to-work program and the county's consolidated mental health Medi-Cal services plan. The county may use community based providers, as necessary, that have experience in addressing the needs of the CalWORKs population. The county, whenever possible, shall ensure that the services provided qualify for federal reimbursement of the nonstate share of Medi-Cal costs.

(c) Subject to specific expenditure authority, mental health services available under this section shall include all of the following elements:

(1) Assessment for the purpose of identifying the level of the participant's mental health needs and the appropriate level of treatment and rehabilitation for the participant.

(2) Case management, as appropriate, as determined by the county.

(3) Treatment and rehabilitation services, that shall include counseling, as necessary to overcome mental health barriers to employment and mental health barriers to retaining employment, in coordination with an individual's welfare-to-work plan.

(4) In cases where a secondary diagnosis of substance abuse is made in a person referred for mental or emotional disorders, the welfare-to-work plan shall also address the substance abuse treatment needs of the participant.



(5) A process by which the county can identify those with severe mental disabilities that may qualify them for aid under Chapter 3 (commencing with Section 12000).

(d) Any funds appropriated by the Legislature to cover the nonfederal costs of the mental health employment assistance services required by this section shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation. Each county shall report annually to the state the number of CalWORKs program recipients who received mental health services and the extent to which the allocation is sufficient to meet the need for these services as determined by the county. The State Department of Mental Health shall develop a uniform methodology for ensuring that this allocation supplements and does not supplant current expenditure levels for mental health services for this population.

SEC. 115. Section 11325.8 is added to the Welfare and Institutions Code, to read:

11325.8. (a) The county plan required by Section 10531 shall include a plan for the provision of substance abuse treatment services. The plan shall describe how the county welfare department and the county alcohol and drug program will collaborate to ensure an effective system is available to provide alcohol and drug services to recipients whose substance abuse creates a barrier to employment. The plan shall be developed in a manner that is consistent with the county's welfare-to-work program. Substance abuse treatment services shall include evaluation, substance abuse treatment, employment counseling, provision of community service jobs, or other appropriate services.

(b) It is the intent of the Legislature that substance abuse treatment services for participants shall be provided by the county alcohol and drug program, or by a nonprofit agency under contract with the county alcohol and drug program. If the county welfare department determines that the county alcohol and drug program is unable to provide the needed services, the county department may contract directly with a



state-licensed or certified nonprofit substance abuse program to obtain substance abuse services for a participant.

(c) (1) A participant who is in a job search component of the county's welfare-to-work program may be directed at any time to an assessment by the job search manager if the county believes that the participant's substance abuse may limit or preclude his or her satisfactory completion of the job search component.

(2) During the assessment, if the case manager believes that substance abuse will impair the ability of the participant to obtain and retain employment, the case manager shall refer the participant to the county alcohol and drug program for an evaluation and determination of any treatment necessary for the participant's transition from welfare to work. If the county alcohol and drug program is unable to provide the necessary services, the county may refer the participant to a state-licensed or certified nonprofit agency under contract with the county to perform these services.

(3) If a participant is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a state-licensed or certified nonprofit agency, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. In such a case, the participant's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.

(4) A recipient of aid under this chapter shall be offered two opportunities to receive substance abuse treatment under subdivision (p) of Section 11322.6, except that the county may offer the recipient additional treatment opportunities.

(5) When a participant's welfare-to-work plan includes assignment to a treatment program, a case manager may determine that the participant is out of compliance with that plan if, at any time, in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to



participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.

(6) When a case manager determines that a participant in a treatment program as specified in his or her welfare-to-work plan is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county shall consult the substance abuse treatment provider as appropriate.

(d) No recipient may participate in a substance abuse treatment program for longer than six months without concurrently participating in a work activity, to be determined by the county and the recipient, in consultation with the treatment provider. However, if the recipient is in a residential treatment program or an intensive day treatment program that requires him or her to stay at the program site or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's work activity requirement.

(e) Any funds appropriated by the Legislature for allocation to each county to eliminate barriers to employment due to participants' substance abuse problems shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation and shall be used to supplement, and not supplant, substance abuse treatment funds otherwise available to recipients. It is the intent of the Legislature that these funds be used to develop, expand, or develop and expand programs appropriate for CalWORKs program recipients. It is further the intent of the Legislature that, to the extent possible, these funds be used to maximize federal financial participation through



Title XIX of the federal Social Security Act (Title 42 U.S.C. Sec. 1396 et seq.).

(f) Each county shall report annually to the state the number of CalWORKs program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services as determined by the county.

SEC. 116. Section 11326 of the Welfare and Institutions Code is amended to read:

11326. (a) The county shall conduct a reappraisal of any participant who does not obtain unsubsidized employment upon completion of all activities included in the welfare-to-work plan developed pursuant to Section 11325.4 . The reappraisal shall evaluate whether there are extenuating circumstances as defined by the county that prevent the participant from obtaining employment within the local labor market area.

(b) Upon a determination that extenuating circumstances exist, the participant shall be assigned to additional activities in accordance with subdivision (b) of Section 11325.22 as the county determines to be appropriate and necessary.

(c) Upon a determination that no extenuating circumstances exist, and until this determination is reversed or community service activity pursuant to Section 11322.9 is required, the participant shall be limited to the activities in subdivisions (a), (d), (l), and (q) of Section 11322.6. Participation in those activities shall be subject to the requirements of Section 11322.8.

SEC. 117. Section 11327.2 of the Welfare and Institutions Code is repealed.

SEC. 118. Section 11327.4 of the Welfare and Institutions Code is amended to read:

11327.4. (a) (1) Whenever an individual has failed or refused to comply with program requirements without good cause in a program component to which he or she is assigned and refuses to agree to or fails, without good cause, to comply with a compliance plan agreed to between the county and the participant, the individual shall be subject to sanctions specified in Section 11327.5.



(2) For the purposes of this article, the phrase “failed or refused to comply with program requirements” shall be limited to: failing or refusing to sign a welfare-to-work plan, participate or provide required proof of satisfactory progress in any assigned program activity, pursuant to this article, including self-initiated programs described in Section 11325.23 or accept employment; terminating employment; or reducing earnings.

(b) (1) Upon determination that an individual has failed or refused to comply with program requirements, the county shall issue a notice of action effective no earlier than 30 calendar days from the date of issuance informing the individual that a sanction will be imposed if the individual fails to either attend an appointment scheduled by the county to be held within 20 calendar days of the notice, or contact the county by phone, within 20 calendar days of the notice, and fails to do either of the following:

(A) Provide information to the county that he or she had good cause for the refusal or failure that has led the county to make a finding of good cause for nonparticipation.

(B) Agree to a compliance plan to correct the failure or refusal to comply.

(2) The county shall schedule a time during which each individual who has failed or refused to comply with program requirements has an opportunity to demonstrate that he or she had good cause for that refusal or failure. The county shall schedule an appointment within 20 calendar days of the notice of action. The individual shall be allowed to reschedule the cause determination appointment once within the 20-calendar-day period.

(3) The written notice of action sent by the county shall do all of the following:

(A) Inform the individual of the specific act or acts that have caused the individual to be out of compliance with participation requirements.

(B) Inform the individual of his or her right to assert good cause for his or her refusal or failure.



(C) Inform the individual of the date and time of the scheduled appointment.

(D) Provide a general definition of good cause and examples of reasons that constitute good cause for not participating in the program.

(E) Inform the individual of the right to contact the county welfare department by telephone to establish good cause over the telephone in lieu of attending the appointment scheduled by the county.

(F) Inform the individual of the right to reschedule the appointment once within the 20-calendar-day period.

(G) Inform the individual that if good cause is not found, a compliance plan will be developed and the individual will be expected to agree to the plan or face a sanction.

(H) Inform the individual of the name, telephone number, and address of state and local legal aid and welfare rights organizations that may assist the individual with the good cause and compliance plan process.

(I) Describe the transportation and child care services that a person is entitled to, as needed in order to attend the appointment.

(c) If the individual fails to attend the appointment, the county shall attempt to contact the individual by telephone at the time of or after the appointment in order to establish a finding of good cause or no good cause, and, if a finding of no good cause is made, develop a compliance plan to correct the instance of nonparticipation.

(d) If the individual fails to attend the meeting and the county is not able to contact the individual in accordance with subdivision (c), and the individual fails to contact the county within the 20-calendar-day period, a sanction shall be imposed in accordance with Section 11327.5.

(e) If the individual attends the appointment or contacts the county by phone within the 20-calendar-day period and is either found by the county to have had good cause for his or her refusal or failure, or agrees to a compliance plan to correct the failure or refusal, the county shall rescind the notice of action issued pursuant



to subdivision (b). If the individual agrees to a compliance plan at the appointment, the individual shall be provided a copy of the plan. If the individual agrees to a compliance plan over the telephone, a copy of the plan shall be mailed to the client.

(f) If the individual is found by the county to have had good cause for his or her refusal or failure, an instance of noncompliance shall not be considered to have occurred.

(g) If the individual is found by the county not to have had good cause, but agrees to a compliance plan and then fulfills the terms of the compliance plan, an instance of noncompliance shall not be considered to have occurred.

(h) If the individual enters into a written compliance plan, but does not fulfill the terms of the plan, and the county determines, based on available information, that the individual did not have good cause for failure to meet the terms of the plan, the county shall send a notice of action to impose a sanction. The procedures specified in subdivision (b) shall not be applicable to a sanction imposed under this subdivision.

SEC. 119. Section 11327.5 of the Welfare and Institutions Code is amended to read:

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

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

(c) Financial sanctions for failing or refusing to comply with program requirements without good cause shall cause a reduction in the family's grant by removing



the noncomplying family member from the assistance unit for a period of time specified in subdivision (d).

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

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

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

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

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

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



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

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

(d) The length of time that financial sanctions shall reduce a family's grant shall increase in the following manner:

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

(2) The second instance of noncompliance without good cause shall result in a financial sanction for three months or until the noncomplying participant performs the activity or activities he or she previously refused to perform, whichever is longer.

(3) The third and each subsequent instance of noncompliance without good cause shall result in a financial sanction for six months or until the noncomplying participant performs the activity or activities he or she previously refused to perform, whichever is longer.

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

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

SEC. 120. Section 11327.6 of the Welfare and Institutions Code is amended to read:

11327.6. Notwithstanding any other provision of law, any person who is not required , but who volunteers, to participate in the program established by this article and fails to appear for a scheduled appointment prior to



entering into the welfare-to-work plan shall be deemed to not be subject to the requirements of this article and the conciliation efforts and sanction requirements established under Sections 11327.4 and 11327.5 shall not apply.

SEC. 121. Section 11327.8 of the Welfare and Institutions Code is amended to read:

11327.8. (a) Except as specified in this section, whenever a participant believes that any program requirement or assignment in this program is in violation of his or her welfare-to-work plan or is inconsistent with this article, the participant may request a state hearing pursuant to Chapter 7 (commencing with Section 10950) of Part 2 or utilize a formal grievance procedure to be established by the county board of supervisors and specified in each county plan.

(b) If the participant is not satisfied with the outcome of the grievance procedure, he or she may appeal the decision in accordance with the procedures set forth in Chapter 7 (commencing with Section 10950) of Part 2. Participants shall be subject to sanctions pending the outcome of the formal grievance procedure or any subsequent appeal, only if they fail to participate during the period the grievance procedure is being processed. However, a participant shall not utilize the grievance procedure to appeal the results of an assessment made pursuant to Section 11325.4.

(c) If a participant is not satisfied with the decision of a hearing conducted pursuant to Section 10950 concerning on-the-job working conditions or workers' compensation coverage, the participant may file a further appeal with the United States Department of Labor, as provided by federal law.

SEC. 122. Section 11327.9 is added to the Welfare and Institutions Code, to read:

11327.9. In determining whether good cause exists for a refusal or failure to comply with program requirements, the county shall take into consideration whether the participant has a mental disability that caused or substantially contributed to the refusal or failure to



comply with program requirements. This determination shall be made, where appropriate, in consultation with the county mental health department.

SEC. 123. Section 11328 of the Welfare and Institutions Code is repealed.

SEC. 124. Section 11328.1 of the Welfare and Institutions Code is repealed.

SEC. 125. Section 11328.4 of the Welfare and Institutions Code is repealed.

SEC. 126. Section 11328.6 of the Welfare and Institutions Code is repealed.

SEC. 127. Section 11329.2 of the Welfare and Institutions Code is amended to read:

11329.2. (a) The department shall seek any federal funds available for implementation of this article, including, but not limited to, funds available under Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.).

(b) (1) The department shall seek any waiver from the Secretary of the United States Department of Health and Human Services which is necessary to implement this article.

(2) Any provision of this article that may only be implemented pursuant to a waiver from the United States Department of Health and Human Services shall only be operative during the period for which the waiver is granted, as stated in a declaration that shall be executed by the director when the waiver is obtained.

SEC. 128. Section 11329.5 of the Welfare and Institutions Code is repealed.

SEC. 129. Section 11329.7 of the Welfare and Institutions Code is repealed.

SEC. 130. Section 11331.5 of the Welfare and Institutions Code is amended to read:

11331.5. (a) Recipients of aid under this chapter who are under 19 years of age, who are pregnant or custodial parents, shall be required to participate in the program, subject to both of the following requirements:



(1) The teenage parent shall participate in the program until earning his or her high school diploma or its equivalent.

(2) The teenage parent shall participate in the program as a student attending school on a full-time basis, as normally defined by the school in which the participant enrolls.

(b) A teen, as defined in paragraph (2) of subdivision (e) may continue to participate in the program provided for under this article. Any teen participating under this article pursuant to this subdivision shall be eligible for the same benefits as is any individual required to participate in the program.

(c) For the purpose of subdivision (a), exemptions from participation specified in paragraphs (1), (2), (4), (5), (6), and (7) of subdivision (b) of Section 11320.3 shall not apply.

(d) Notwithstanding subdivision (a), the county shall exempt a teenage parent from the program as verified by the county when any of the following conditions occur:

(1) The teenage parent is expelled from school and obtains verification that no other school in the district will permit him or her to attend, and the case manager cannot arrange for enrollment in an alternative school.

(2) The teenage parent cannot receive payment for child care or transportation expenses due to lack of program funding.

(3) Child care is necessary and unavailable.

(4) Public or private transportation is necessary and unavailable.

(5) A foster care payment is made under this chapter on behalf of the teenage parent.

(e) For the purposes of this article, “teen” or “teenage parent” means either of the following:

(1) A custodial parent or pregnant woman under 19 years of age, who is required to participate pursuant to subdivision (a).

(2) A custodial parent or pregnant woman 19 years of age who, prior to becoming 19 years of age, was participating in the program pursuant to subdivision (a),



and who is otherwise eligible for voluntary continued participation in the program.

SEC. 131. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1 shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2) , plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1	\$ 326
2	535
3	663
4	788
5	899
6	1,010
7	1,109
8	1,209
9	1,306
10 or more	1,403



If, when, and during such times as the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

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

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount which would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting



from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child if born, would have qualified for aid under this chapter.

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

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

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than



those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant or which is otherwise available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(A) (i) A nonrecurring special need of thirty dollars (\$30) a day shall be available to families for the costs of temporary shelter, subject to the requirements of this paragraph. County welfare departments may increase the daily amount available for temporary shelter to large families as necessary to secure the additional bed space needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless



assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

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

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence.

The last month's rent portion of the payment (1) shall not exceed 80 percent of the family's maximum aid payment without special needs for a family of that size and (2) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's maximum aid payment without special needs for a family of that size, in accordance with the maximum aid schedule specified in subdivision (a).

However, if the county welfare department determines that a family intends to reside with



individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (2) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

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

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

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural



disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency and homeless assistance payments based on these specific circumstances may not be received more often than once in any 24-month period.

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

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 24-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

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

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial



establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations assuring the uniform application statewide of this subdivision.

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

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

SEC. 132. Section 11450.018 of the Welfare and Institutions Code is amended to read:

11450.018. (a) Notwithstanding any other provision of law, the maximum aid payment in accordance with paragraph (1) of subdivision (a) of Section 11450 as reduced by subdivisions (a) and (b) of Section 11450.01, Section 11450.015, and Section 11450.017, shall be reduced by 4.9 percent for counties in Region 2, as specified in Section 11452.018.

(b) Notwithstanding any other provision of law, through October 31, 1998, the maximum aid payment in accordance with paragraph (1) of subdivision (a) of Section 11450, as reduced by subdivision (a) and (b) of Section 11450.01, Section 11450.015, Section 11450.017, and subdivision (a) shall be reduced by 4.9 percent.

(c) Prior to implementing the reductions specified in subdivisions (a) and (b), the director shall apply for and obtain a waiver from the United States Department of Health and Human Services of Section 1396a(c)(1) of Title 42 of the United States Code. The reduction shall be implemented to the extent the waiver is granted and only so long as the waiver is effective. This subdivision shall not apply if either the federal waiver process set forth at



Section 1315 of Title 42 of the United States Code or Section 1396a(c) is repealed or modified such that a waiver is not necessary to implement subdivision (a) or (b).

(d) This section shall become operative and the reductions specified in subdivisions (a) and (b) shall commence on the first day of the month following 30 days after the receipt of federal approval or on the first day of the month following 30 days after a change in federal law that allows states to reduce aid payments without any risk to federal funding under Title XIX of the Social Security Act, whichever is earlier, but no earlier than October 1, 1995.

SEC. 133. Section 11450.1 of the Welfare and Institutions Code is repealed.

SEC. 134. Section 11450.12 is added to the Welfare and Institutions Code, to read:

11450.12. (a) An applicant family shall not be eligible for aid under this chapter unless the family's income, exclusive of the first ninety dollars (\$90) of earned income for each employed person, is less than the minimum basic standard of adequate care, as specified in Section 11452.

(b) A recipient family shall not be eligible for further aid under this chapter if income, exclusive of amounts exempt under Section 11451.5, equals or exceeds the maximum aid payment specified in Section 11450.

SEC. 135. Section 11450.13 is added to the Welfare and Institutions Code, to read:

11450.13. In calculating the amount of aid to which an assistance unit is entitled in accordance with Section 11320.15, the maximum aid payment, adjusted to reflect the removal of the adult or adults from the assistance unit, shall be reduced by the gross income of the adult or adults removed from the assistance unit, less any amounts exempted pursuant to Section 11451.5. Aid may be provided in the form of cash or vouchers, at the option of the county.

SEC. 136. Section 11450.5 of the Welfare and Institutions Code is amended to read:



11450.5. For purposes of computing and paying aid grants under this chapter, the director shall adopt regulations establishing a budgeting system . Nothing in this section, or Sections 11004, 11257 and 11450, or any other provision of this code, shall be interpreted as prohibiting the establishment of, or otherwise restricting the operation of, any budgeting system adopted by the director.

SEC. 137. Section 11450.6 of the Welfare and Institutions Code is repealed.

SEC. 138. Section 11451.5 is added to the Welfare and Institutions Code, to read:

11451.5. (a) Notwithstanding Section 11008, the following amounts shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All disability-based unearned income plus any amount of not otherwise exempt earned income equal to the amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars (\$225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars (\$225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.



(2) Disability-based unearned income means State Disability Insurance benefits, private disability insurance benefits, Temporary Workers' Compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

SEC. 139. Section 11451.6 of the Welfare and Institutions Code is repealed.

SEC. 140. Section 11451.7 of the Welfare and Institutions Code is repealed.

SEC. 141. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. (a) Except as provided in subdivision (c), the amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living. These adjustments shall become effective July 1 of each year, unless otherwise specified by the Legislature. The cost-of-living adjustment shall be calculated by the Department of Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

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

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

(2) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as



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

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

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

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

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

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



(c) (1) No adjustment to the maximum aid payment set forth in subdivision (a) of Section 11450 shall be made under this section for the purpose of increasing the benefits under this chapter for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, to reflect any change in the cost of living. For the 1998–99 fiscal year, the cost-of-living adjustment that would have been provided on July 1, 1998, pursuant to subdivision (a) shall be made on November 1, 1998. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

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

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

SEC. 142. Section 11453.2 of the Welfare and Institutions Code is repealed.

SEC. 143. Section 11453.2 is added to the Welfare and Institutions Code, to read:

11453.2. A county shall issue vouchers or vendor payments for at least rent and utilities payments, for any assistance unit in which any parent or caretaker relative has been subject to sanction of a consecutive period of not less than three months. Vouchers or vendor payments shall continue until the parent or caretaker relative is no longer subject to the sanction.

SEC. 144. Section 11454 is added to the Welfare and Institutions Code, to read:

11454. (a) (1) Except as otherwise provided in this chapter and in paragraph (2), a parent or caretaker relative shall not be eligible to receive aid for a cumulative period of more than 18 months after the implementation pursuant to paragraph (1) of subdivision



(c) of Section 10532 unless it is certified by the county that there is no job currently available for the recipient and the recipient participates in community service activities, pursuant to Section 11322.9.

(2) A parent or caretaker relative recipient who is subject to the requirements of paragraph (2) of subdivision (c) of Section 10532 shall not be eligible to receive aid under this chapter for a cumulative period of more than 24 months, unless it is certified by the county that there is no job currently available for the recipient and the recipient participates in community service activities pursuant to Section 11322.9.

(3) For purposes of this subdivision, a job shall not be considered to be currently available if a recipient has taken and continues to take all steps to apply for appropriate positions and has not refused an offer of employment without good cause.

(4) A parent or caretaker relative recipient to whom paragraph (1) or (2) applies, who is in a job for less than the number of hours required by Section 11322.8, and for whom no job is currently available for the required number of hours, shall remain eligible for aid under this chapter and shall participate in community service activities for the additional number of hours necessary to meet the requirements of Section 11322.8.

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

(c) No month in which aid has been received prior to January 1, 1998, shall be taken into consideration in computing the 18-month, 24-month, or 60-month limitation provided for in subdivision (a) or (b).

(d) Each county shall adopt criteria for extending the 18-month limitation prescribed by subdivision (a) for up to six months if the extension is likely to result in unsubsidized employment or if local unemployment



rates or other conditions in the local economy are such that employment is not available.

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

(1) They are 60 years of age or older.

(2) They meet one of the conditions specified in paragraph (4) or (5) of subdivision (b) of Section 11320.3.

(3) They are not included in the assistance unit.

(4) They are receiving benefits under Section 12200 or Section 12300, State Disability Insurance benefits or Workers' Compensation Temporary Disability Insurance, if the disability significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities.

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

SEC. 145. Section 11454.5 is added to the Welfare and Institutions Code, to read:

11454.5. (a) Any month in which a recipient is not required to participate in welfare-to-work activities pursuant to subdivision (b) of Section 11320.3 because of a condition that is expected to last at least 30 days or is eligible for, participating in, or exempt from, the Cal-Learn program provided for pursuant to Article 3.5 (commencing with Section 11331) or is participating in another teen parent program approved by the department shall not be counted as a month of receipt of aid for the purpose of subdivision (a) of Section 11454.

(b) Any month in which the following conditions exist shall not be counted as a month of receipt of aid for the purposes of subdivision (b) of Section 11454:

(1) The recipient is exempt from participation under Article 3.2 (commencing with Section 11320) due to disability, or advanced age in accordance with paragraph (1) of subdivision (b) of Section 11320.3, or due to



caretaking responsibilities that impair the recipient's ability to be regularly employed, in accordance with paragraph (2) or (3) of subdivision (b) of Section 11320.3.

(2) The recipient is eligible for the Cal-Learn program pursuant to Article 3.5 (commencing with Section 11331).

(3) The cost of the cash aid provided to the recipient for the month is fully reimbursed by child support, whether collected in that month or any subsequent month.

(c) In cases where a lump-sum diversion payment is provided in lieu of cash aid under Section 11266.5, the month in which the payment is made or the months calculated pursuant to subdivision (f) of Section 11266.5 shall count against the limits specified in Section 11454.

SEC. 146. Section 11454.6 is added to the Welfare and Institutions Code, to read:

11454.6. (a) Notwithstanding Section 15200, to the extent that the exemptions from the time limits on aid specified in subdivision (e) of Section 11454 and subdivision (b) of Section 11454.5 exceed 20 percent of the number of families aided in a county, for a period as determined by the United States Department of Health and Human Services, for purposes of measuring the hardship exemption for time limits, the county shall be responsible for the amount of aid that would otherwise have been paid through federal Temporary Assistance for Needy Families block grant funds pursuant to Section 11450, with respect to those persons exempt under either subdivision (e) of Section 11454 or subdivision (b) of Section 11454.5 that exceed the 20 percent hardship exemption during the period determined by the United States Department of Health and Human Services and provided for in federal law.

(b) Subdivision (a) shall not apply if the statewide percentage of families aided during that period is 20 percent or less.

(c) The department may determine that a county has good cause for exceeding the 20-percent limitation provided for in subdivision (a). Under this



determination, the county share may be reduced or waived by the department.

(d) It is the intent of the Legislature that the steering committee as specified in Section 10544.317 review this provision to ensure that:

(1) The state does not exceed the limit on hardship exemptions as provided in federal law.

(2) Counties are not penalized for circumstances beyond their control and that statewide flexibility for allocation of the percentages is assured.

(3) Recipients will have access to the hardship exemption, regardless of their county of origin.

SEC. 147. Section 11475.3 is added to the Welfare and Institutions Code, to read:

11475.3. The first fifty dollars (\$50) of any amount of child support collected in a month in payment of the required support obligation for that month shall be paid to a recipient of aid under this chapter, except recipients of foster care payments under Article 5 (commencing with Section 11400) shall not be considered income or resources of the recipient family, and shall not be deducted from the amount of aid to which the family would otherwise be eligible. The district attorney in each county shall ensure that payments are made to recipients as required by this section.

SEC. 148. Section 11475.4 is added to the Welfare and Institutions Code, to read:

11475.4. (a) Effective October 1, 1998, the state shall operate a Child Support Centralized Collection and Distribution Unit as required by federal law (42 U.S.C. Secs. 654 (27), 654a(g), and 654b).

(b) The Child Support Collection and Enforcement Advisory Committee is hereby created to review and make recommendations regarding the development and implementation of the Child Support Centralized Collection and Distribution Unit. The advisory committee shall include, but not be limited to, the Director of Social Services or a designee from the State Department of Social Services, who shall serve as the chairperson and convene the advisory committee, and



representatives from the Franchise Tax Board, the Health and Welfare Agency Data Center, the Department of Information Technology, the California District Attorneys Association, the California State Association of Counties, the California Welfare Directors Association, the California Payroll Association, and representatives of the Legislature.

(c) On the effective date of this section, the State Department of Social Services shall deliver to the advisory committee the working draft report of the feasibility study conducted by Warner Group for purposes of developing a Child Support Centralized Collection and Distribution Unit.

(d) The advisory committee shall examine the Warner Group draft report, obtain clarification from Warner Group, determine the status of the Statewide Automated Child Support System (SACSS) in regards to its impact on the development of the Child Support Centralized Collection and Distribution Unit, determine the requirements of federal law, and submit an interim progress report, including any recommendations for action, to the Legislature no later than October 1, 1997.

(e) The advisory committee shall make recommendations to the Legislature for implementation of the Child Support Centralized Collection and Distribution Unit, including recommendations for deficiency budget requests if necessary, no later than December 31, 1997.

SEC. 149. Section 11477 of the Welfare and Institutions Code is amended to read:

11477. As a condition of eligibility for aid paid under this chapter, each applicant or recipient shall do all of the following:

(a) (1) Assign to the county any rights to support from any other person the applicant or recipient may have in his or her own behalf or in behalf of any other family member for whom the applicant or recipient is applying for or receiving aid, not exceeding the total amount of cash assistance provided to the family under this chapter. Receipt of public assistance under this chapter shall



operate as an assignment by operation of law. An assignment of support rights to the county shall also constitute an assignment to the state. If support rights are assigned pursuant to this subdivision, the assignee may become an assignee of record by the district attorney or other public official filing with the court clerk an affidavit showing that an assignment has been made or that there has been an assignment by operation of law. This procedure does not limit any other means by which the assignee may become an assignee of record.

(2) Support that has been assigned pursuant to paragraph (1) and that accrues while the family is receiving aid under this chapter shall be permanently assigned until the entire amount of aid paid has been reimbursed.

(3) If the federal government does not permit states to adopt the same order of distribution for preassistance and postassistance child support arrears that are assigned on or after October 1, 1998, support arrears that accrue before the family receives aid under this chapter that are assigned pursuant to this subdivision shall be assigned as follows:

(A) Child support assigned prior to January 1, 1998, shall be permanently assigned until aid is no longer received and entire amount of aid has been reimbursed.

(B) Child support assigned on or after January 1, 1998, but prior to October 1, 2000, shall be temporarily assigned until aid under this chapter is no longer received and the entire amount of aid paid has been reimbursed or until October 1, 2000, whichever comes first.

(C) On or after October 1, 2000, support assigned pursuant to this subdivision that was not otherwise permanently assigned shall be temporarily assigned to the county until aid is no longer received.

(D) On or after October 1, 2000, support that was temporarily assigned pursuant to this subdivision shall, when a payment is received from the federal tax intercept program, be temporarily assigned until the entire amount of aid paid has been reimbursed.



(4) If the federal government permits states to adopt the same order of distribution for preassistance and postassistance child support arrears, child support arrears shall be assigned, as follows:

(A) Child support assigned pursuant to this subdivision prior to October 1, 1998, shall be assigned until aid under this chapter is no longer received and the entire amount has been reimbursed.

(B) On or after October 1, 1998, child support assigned pursuant to this subdivision that accrued before the family receives aid under this chapter and that was not otherwise permanently assigned, shall be temporarily assigned until aid under this chapter is no longer received.

(C) On or after October 1, 1998, support that was temporarily assigned pursuant to this subdivision shall, when a payment is received from the federal tax intercept program, be temporarily assigned until the entire amount of aid paid has been reimbursed.

(b) (1) Cooperate with the county welfare department and district attorney in establishing the paternity of a child of the applicant or recipient born out of wedlock with respect to whom aid is claimed, and in establishing, modifying, or enforcing a support order with respect to a child of the individual for whom aid is requested or obtained, unless the applicant or recipient qualifies for a good cause exception as provided in Section 11477.04. The district attorney shall have staff available, in person or by telephone, at all county welfare offices and shall conduct an interview with each applicant to obtain information necessary to establish paternity and establish, modify, or enforce a support order at the time of the initial interview with the welfare office. The district attorney shall make the determination of cooperation. If the applicant or recipient attests under penalty of perjury that he or she cannot provide the information required by this subdivision, the district attorney shall make a finding regarding whether the individual could reasonably be expected to provide the information, before the district attorney determines



whether the individual is cooperating. In making the finding, the district attorney shall consider all of the following:

(A) The age of the child for whom support is sought.

(B) The circumstances surrounding the conception of the child.

(C) The age or mental capacity of the parent or caretaker of the child for whom aid is being sought.

(D) The time that has elapsed since the parent or caretaker last had contact with the alleged father or obligor.

(2) Cooperation includes the following:

(A) Providing the name of the alleged parent or obligor and other information about that person if known to the applicant or recipient, such as address, social security number, telephone number, place of employment or school, and the names and addresses of relatives or associates.

(B) Appearing at interviews, hearings, and legal proceedings provided the applicant or recipient is provided with reasonable advance notice of the interview, hearing, or legal proceeding and does not have good cause not to appear.

(C) If paternity is at issue, submitting to genetic tests, including genetic testing of the child, if necessary.

(D) Providing any additional information known to or reasonably obtainable by the applicant or recipient necessary to establish paternity or to establish, modify, or enforce a child support order.

(3) A recipient or applicant shall not be required to sign a voluntary declaration of paternity, as set forth in Chapter 3 (commencing with Section 7570) of Part 2 of Division 12 of the Family Code, as a condition of cooperation.

SEC. 150. Section 11477.02 is added to the Welfare and Institutions Code, to read:

11477.02. Prior to referral of any individual or recipient, or that person's case, to the district attorney for child support services under Section 11350.1 or 11475.1, the county welfare department shall determine if an



applicant or recipient has good cause for noncooperation, as set forth in Section 11477.04. If the applicant or recipient claims a good cause exception at any subsequent time to the county welfare department or the district attorney, the district attorney shall suspend child support services until the county welfare department determines the good cause claim, as set forth in Section 11477.04. If good cause is determined to exist, the district attorney shall suspend child support services until the applicant or recipient requests their resumption, and shall take such other measures as are necessary to protect the applicant or recipient and the children. If the applicant or recipient is the parent of the child for whom aid is sought and the parent is found to have not cooperated without good cause as provided in Section 11477.04, the applicant's or recipient's family grant shall be reduced by 25 percent for such time as the failure to cooperate lasts.

SEC. 151. Section 11477.04 is added to the Welfare and Institutions Code, to read:

11477.04. (a) An applicant or a recipient shall be considered to be cooperating in good faith with the county welfare department or the district attorney's office for purposes of Section 11477 and shall be eligible for aid, if otherwise eligible, if he or she cooperates or has good cause for noncooperation. The county welfare department shall make the good cause determination.

(b) Good cause shall be found if any of the following conditions exist:

(1) Efforts to establish paternity or establish, modify, or enforce a support obligation would increase the risk of physical, sexual, or emotional harm to the child for whom support is being sought.

(2) Efforts to establish paternity or establish, modify, or enforce a support obligation would increase the risk of abuse, as defined in Section 11495.1, to the parent or caretaker with whom the child is living.

(3) The child for whom support is sought was conceived as a result of incest or rape. A conviction for incest or rape is not necessary for this paragraph to apply.



(4) Legal proceedings for the adoption of the child are pending before a court of competent jurisdiction.

(5) The applicant or recipient is currently being assisted by a public or licensed private adoption agency to resolve the issue of whether to keep the child or relinquish the child for adoption.

(6) The applicant or recipient is cooperating in good faith but is unable to identify or assist in locating the alleged father or obligor.

(7) Any other reason that would make efforts to establish paternity or establish, modify, or enforce a support obligation contrary to the best interests of the child.

(c) Evidence supporting a claim for good cause includes, but is not limited to, the following:

(1) Police, governmental agency, or court records, documentation from a domestic violence program or a legal, clerical, medical, mental health, or other professional from whom the applicant or recipient has sought assistance in dealing with abuse, physical evidence of abuse, or any other evidence that supports the claim of good cause.

(2) Statements under penalty of perjury from individuals, including the applicant or recipient, with knowledge of the circumstances that provide the basis for the good cause claim.

(3) Birth certificates or medical, mental health, rape crisis, domestic violence program, or law enforcement records that indicate that the child was conceived as the result of incest or rape.

(4) Court documents or other records that indicate that legal proceedings for adoption are pending before a court of competent jurisdiction.

(5) A written statement from a public or licensed private adoption agency that the applicant or recipient is being assisted by the agency to resolve the issue of whether to keep the child or relinquish the child for adoption.

(d) A sworn statement by a victim shall be sufficient to establish abuse unless the agency documents in writing



an independent, reasonable basis to find the recipient not credible.

(e) Applicants or recipients who inquire about or claim good cause, or otherwise indicate that they or their children are at risk of abuse, shall be given referrals by the county welfare department to appropriate community, legal, medical, and support services. Followup by the applicant or recipient on those referrals shall not affect eligibility for assistance under this chapter or the determination of cooperation.

SEC. 152. Section 11486 of the Welfare and Institutions Code is repealed.

SEC. 153. Section 11486 is added to the Welfare and Institutions Code, to read:

11486. (a) The needs of any individual who is a member of a family applying for, or receiving, aid under this chapter shall not be taken into account in making the determination under Section 11450 with respect to his or her family beginning on the date, or at any time thereafter, the individual is found in state or federal court or pursuant to an administrative hearing decision, including any determination made on the basis of a plea of guilty or nolo contendere, to have committed any of the following acts:

(1) Making a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from two or more states or counties.

(2) Submitting documents for nonexistent children, or submitting false documents for the purpose of showing ineligible children to be eligible for aid.

(3) When there has been a receipt of cash benefits that exceeds ten thousand dollars (\$10,000) as a result of intentionally and willfully doing any of the following acts for the purpose of establishing or maintaining the family's eligibility for aid or increasing or preventing a reduction in the amount of aid:

(A) Making a false or misleading statement or misrepresenting, concealing, or withholding facts.



(B) Committing any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity.

(b) The needs of any individual who is a member of a family applying for, or receiving, aid under this chapter shall not be taken into account in making the determination under Section 11450 with respect to his or her family for the following periods beginning on the date or any time thereafter the individual is convicted of a felony in state or federal court, including any determination made on the basis of a plea of guilty or nolo contendere, for committing fraud in the receipt or attempted receipt of aid:

(1) For two years, if the amount of aid is less than two thousand dollars (\$2,000).

(2) For five years, if the amount of aid is two thousand dollars (\$2,000) or more but is less than five thousand dollars (\$5,000).

(3) Permanently, if the amount of aid is five thousand dollars (\$5,000) or more.

(c) (1) Except as provided in subdivisions (a) and (b), the needs of any individual who is a member of a family applying for, or receiving, aid under this chapter to whom paragraph (2) applies shall not be taken into account in making the determination under Section 11450 with respect to his or her family for the following periods:

(A) For a period of six months upon the first occasion of any offense referred to in paragraph (2).

(B) For a period of 12 months upon the second occasion of any of those offenses referred to in paragraph (2).

(C) Permanently, upon the third occasion of any offense referred to in subdivision (b) and paragraph (2).

(2) Except as provided in subdivisions (a), (b) and (d), paragraph (1) shall apply to any individual who is found by a federal or state court, or pursuant to a special administrative hearing meeting the requirements of regulations adopted by the United States Secretary of Health and Human Services, including any



determination made on the basis of a plea of guilty or nolo contendere, to have done any of the following acts for the purpose of establishing or maintaining the family's eligibility for aid or increasing, or preventing a reduction in, the amount of that aid:

(A) Making a false or misleading statement or misrepresenting, concealing, or withholding facts.

(B) Committing any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity.

(d) (1) Except as provided in subdivisions (a) and (b), and notwithstanding subdivision (c), the needs of any individual who is a member of a family applying for, or receiving, aid under this chapter to whom paragraph (2) applies shall not be taken into account in making the determination under Section 11450 with respect to his or her family for the following periods:

(A) For a period of two years upon the first occasion of any offense referred to in paragraph (2).

(B) For a period of four years upon the second occasion of any offense referred to in paragraph (2).

(C) Permanently, upon the third occasion of any offense referred to in subdivision (b) and paragraph (2).

(2) Paragraph (1) shall apply to any individual who is found by a federal or state court, or pursuant to a special administrative hearing meeting the requirements of regulations adopted by the United States Secretary of Health and Human Services, including any determination made on the basis of a plea of guilty or nolo contendere, to have submitted more than one application for the same type of aid for the same period of time, for the purpose of receiving more than one grant of aid in order to establish or maintain the family's eligibility for aid or increasing, or preventing a reduction in, the amount of that aid.

(e) Proceedings against any individual alleged to have committed an offense described in subdivision (c) or (d) may be held either by hearing, pursuant to Section 10950 and in conformity with the regulations of the United States Secretary of Health and Human Services, if



appropriate, or by referring the matter to the appropriate authorities for civil or criminal action in court.

(f) The department shall coordinate any action taken under this section with any corresponding actions being taken under the Food Stamp Program in any case where the factual issues involved arise from the same or related circumstances.

(g) Any period for which sanctions are imposed under this section shall remain in effect, without possibility of administrative stay, unless and until the findings upon which the sanctions were imposed are subsequently reversed by a court of appropriate jurisdiction, but in no event shall the duration of the period for which the sanctions are imposed be subject to review.

(h) Sanctions imposed under this section shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses for which the sanctions are imposed.

(i) The department shall adopt regulations to ensure that any investigations made under this chapter are conducted throughout the state in such a manner as to protect the confidentiality of the current or former working recipient.

(j) Each county shall receive 25 percent of the actual state share of savings, including federal funds under the Temporary Assistance to Needy Families Block Grant, as determined by the director of the Department of Finance resulting from the detection of fraud.

SEC. 154. Section 11486.5 is added to the Welfare and Institutions Code, to read:

11486.5. (a) An individual shall not be eligible for aid under this chapter if he or she is either:

(1) Fleeing to avoid prosecution, or custody and confinement after conviction, under the laws of the place from which the individual is fleeing, for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual is fleeing, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of that state.



(2) Violating a condition of probation or parole imposed under federal law or the law of any state.

(b) Subdivision (a) shall not apply with respect to conduct of an individual for any month beginning after the President of the United States grants a pardon with respect to the conduct.

SEC. 155. Article 7.5 (commencing with Section 11495) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 7.5. Family Violence Option: Domestic
Violence and Welfare

11495. It is the intent of the Legislature in enacting this article to adopt a family violence provision by enacting the federal option concerning victims of domestic violence provided for in the Temporary Assistance to Needy Families program pursuant to Section 402(a)(7) of the Social Security Act (42 U.S.C. Sec. 602(a)(7)). By adopting this provision, the Legislature recognizes that some individuals who may need public assistance have been or are victims of abuse, and intends to ensure that applicants and recipients who are past or present victims of abuse are not placed at further risk or unfairly penalized by CalWORKs requirements and procedures. The Legislature intends that, in implementing this article, program requirements not be created or applied in such a way as to encourage a victim to remain with the abuser. It is also the intent of the Legislature that CalWORKs recipients participate in welfare-to-work activities, to the full extent of their abilities, including participation in counselling and treatment programs, as appropriate, to enable the recipient to obtain unsubsidized employment and move towards self-sufficiency.

11495.1. (a) The department shall convene a task force including, but not limited to, district attorney domestic violence units, county departments of social services, the County Welfare Directors Association of California, the California State Association of Counties,



statewide domestic violence prevention groups, local domestic violence prevention advocates, and service providers, the State Department of Health Services, the State Department of Mental Health, and the Office of Criminal Justice Planning. The department shall develop, in consultation with the task force, protocols on handling cases in which recipients are past or present victims of abuse. The protocols shall define domestic abuse, and shall address training standards and curricula, individual case assessments, confidentiality procedures, notice procedures and counseling or other appropriate participation requirements as part of an overall plan to transition from welfare-to-work. The protocol shall specify how counties shall do the following:

(1) Identify applicants and recipients of assistance under this chapter who have been or are victims of abuse, including those who self-identify, while protecting confidentiality.

(2) Refer these individuals to supportive services.

(3) Waive, on a case-by-case basis, for so long as necessary, pursuant to a determination of good cause under paragraph (2) of subdivision (f) of Section 11320.3, any program requirements that would make it more difficult for these individuals or their children to escape abuse, and that would be detrimental or unfairly penalize past or present victims of abuse. Requirements that may be waived include, but are not limited to, time limits on receipt of assistance, work requirements, educational requirements, paternity establishment and child support cooperation requirements.

(b) The department shall issue regulations describing the protocol identified in subdivision (a) no later than January 1, 1999.

(c) Waivers of time limits granted pursuant to this section shall not be implemented if federal statutes or regulations clarify that abuse victims are included in the 20 percent hardship exemptions and that no good cause waivers of the 20 percent limit will be granted to the state for victims of abuse, thereby incurring a penalty to the state.



(d) Waivers of the work requirements granted pursuant to this section shall not be implemented if federal statutes or regulations clarify that the state will be penalized for failing to meet work participation requirements due to granting waivers to abuse victims.

11495.12. For purposes of this article, until regulations are adopted pursuant to Section 11495.1, the term “abuse” means battering or subjecting a victim to extreme cruelty by (1) physical acts that resulted in or threatened to result in physical injury, (2) sexual abuse, (3) sexual activity involving a child in the home, (4) being forced to participate in nonconsensual sexual acts or activities, (5) threats of, or attempts at, physical or sexual abuse, (6) mental abuse, (7) neglect or deprivation of medical care, or (8) stalking.

11495.15. A county may waive a program requirement for a recipient who has been identified as a past or present victim of abuse when it has been determined that good cause exists pursuant to paragraph (2) of subdivision (f) of Section 11320.3. Until implementation of the regulations required pursuant to paragraph (2) of subdivision (a) of Section 11495.1, a county may utilize standards, procedures, and protocols currently available, and shall identify them in its county plan. Waivers shall be reevaluated in accordance with other routine periodic reevaluations by the county.

11495.25. Sworn statements by a victim of past or present abuse by a victim shall be sufficient to establish abuse unless the agency documents in writing an independent, reasonable basis to find the recipient not credible. Evidence may also include, but is not limited to: police, government agency, or court records or files; documentation from a domestic violence program, legal, clerical, medical or other professional from whom the applicant or recipient has sought assistance in dealing with abuse; or other evidence, such as a statement from any other individual with knowledge of the circumstances that provide the basis for the claim, or physical evidence of abuse, or any other evidence that supports the statement.



11495.40. The department shall adopt a model curriculum for domestic violence and sexual abuse prevention training, based on the statewide protocol, in consultation with the task force identified in Section 11495.1. County welfare agencies shall determine which staff will be trained.

SEC. 156. Article 8 (commencing with Section 11500) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 157. Article 8 (commencing with Section 11500) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 8. Employment Retention Services

11500. The county may continue to provide case management and services to either a recipient of aid under this chapter not participating under Article 3.2 (commencing with Section 11320) or a former recipient of aid under this chapter who has received aid within the previous 12 months if a recipient or former recipient is employed, in order to assist the individual in retaining employment. These job retention services may be provided for up to 12 months after the first day of employment, to the extent they are not provided by the employer, the entity that arranged the job placement, if other than the county, and, to the extent that the services are not available from other sources.

SEC. 158. Article 9 (commencing with Section 11520) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 9. Evaluation of CalWORKs Program
Implementation

11520. The State Department of Social Services shall ensure that a comprehensive, independent statewide evaluation of the CalWORKs program is undertaken and that accurate evaluative information is made available to the Legislature in a timely fashion.



11520.3. The department shall develop a research design to ensure a thorough evaluation of the direct and indirect effects of the CalWORKs program. Effects shall include, but not be limited to, employment, earnings, self-sufficiency, child care, child support, child well-being, family structure, and impacts on local government. Child well-being shall include entries into foster care, at-risk births, school achievement, child abuse reports, and rates of child poverty.

11520.5. The statewide evaluation shall be conducted by an independent evaluator or evaluators. It shall represent a clear delineation of the research questions and shall, through discrete reports issued at regular intervals, provide information regarding process, impacts, and analyses of the costs and benefits of the CalWORKs program.

11520.7. The department shall ensure that county demonstration projects and other innovative county approaches to CalWORKs program implementation are independently and rigorously evaluated and that findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

11521. By July 1, 1998, the department shall revise data collection procedures used for quality control and caseload characteristic studies in order to respond to the data collection requirements of Public Law 104-193 and state law. The department shall develop common data definitions to be used by the counties, design common identifiers, and, to the extent possible, standardize state and county data collection infrastructure. The department shall accomplish the requirements of this section in consultation with experts in monitoring and research, representatives of counties, the Legislature, and appropriate state agencies.

11521.3. Evaluation of CalWORKs program implementation conducted or commissioned by the department shall, to the extent practical, use or build upon existing welfare data archives, including, but not



limited to, the data bases and research completed to date as part of the Work Pays Demonstration Project authorized pursuant to Chapter 97 of the Statutes of 1992.

11521.5. The department shall have access and authority to obtain for tracking, monitoring, research and evaluation purposes to data collected by counties on recipients receiving cash aid, in-kind payments, or supportive services.

11521.7. The department shall continue the evaluation of Cal-Learn and issue a final report to the Legislature by July 1, 2000.

SEC. 159. Article 9.5 (commencing with Section 11525) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 9.5. Interagency Data Development and Use

11525. (a) The department shall establish procedures to provide timely access to information on CalWORKs families to counties and researchers in a manner that maintains confidentiality of data while making it possible to undertake ongoing monitoring, research, and evaluation.

(b) (1) The department, with the cooperation of the University of California, shall establish a project to link longitudinal administrative data on individuals and families who are receiving benefits under the CalWORKs program, or have received benefits under the program within the last 10 years.

(2) All data shall be made available to a university center with the capability of linking it with other appropriate data to allow for ongoing assessment of program impact.

(3) The department shall ensure that information identifiable to individuals and families is removed so as to maintain strict confidentiality.

(4) The State Department of Health Services, the Employment Development Department, the Franchise Tax Board, the State Department of Education, and any other state or local governmental agency that collects



information on aided families shall provide the department with the necessary data, if legally available.

SEC. 160. Article 9.7 (commencing with Section 11526) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 9.7. Role of the University

11526. (a) The Legislature hereby requests the Regents of the University of California to establish and administer a program or programs to support welfare research and evaluation of the CalWORKs program.

(b) It is the intent of the Legislature that the program or programs established by the University of California:

(1) Establish a sponsored grants program to provide funding for interested researchers to undertake studies on important welfare-related issues. These grants shall be applied only to research projects requested by representatives of state and local government entities.

(2) Establish one or more Bureau of the Census secure data sites to link census and administrative data bases for ongoing research purposes.

(3) Use existing data archives to develop data sets appropriate for monitoring and evaluating the impacts of CalWORKs program implementation in California.

(4) Create and maintain public use data sets and make data available to researchers and members of the public to support welfare research and related human services research.

(5) Provide an ongoing capacity for supporting, conducting, and disseminating welfare policy research.

(6) Produce and maintain lists of researchers working with California welfare data or conducting research on public assistance in California.

(7) Review, edit, publish, and disseminate research and evaluation reports to state and local policymakers.

(8) Provide forums for the presentation of research findings and the discussion of research on welfare.

(9) Provide a location for welfare data archives and monitor ongoing funding for their upkeep.



SEC. 161. Section 14005.30 is added to the Welfare and Institutions Code, to read:

14005.30. (a) (1) To the extent that federal financial participation is available, the department shall, pursuant to Section 1396u-1 of Title 42 of the United States Code, extend eligibility for health care services under this chapter to all recipients of aid under Chapter 2 (commencing with Section 11200).

(2) In order to implement paragraph (1), the department shall, as may be necessary, exercise its option under subparagraph (C) of paragraph (2) of subsection (b) of Section 1396u-1 of Title 42 of the United States Code.

(b) In accordance with Section 1396u-1 of Title 42 of the United States Code, in addition to any individual eligible pursuant to subdivision (a), an individual ineligible for aid under Chapter 2 (commencing with Section 11200) shall be eligible for Medi-Cal benefits pursuant to this chapter if the individual meets the eligibility criteria for aid under Chapter 2 (commencing with Section 11200) that were in effect on July 16, 1996.

(c) The department may adopt emergency regulations to implement this section in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The initial adoption of emergency regulations following the effective date of the act enacting this section during the 1997–98 Regular Session of the Legislature and one readoption of those initial regulations shall be deemed to be emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Initial emergency regulations and the first readoption of those regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 180 days.



SEC. 162. Section 14132.90 of the Welfare and Institutions Code is amended to read:

14132.90. (a) As of September 15, 1995, day care habilitative services, pursuant to subdivision (c) of Section 14021 shall be provided only to alcohol and drug exposed pregnant women and women in the postpartum period, or as required by federal law.

(b) (1) Notwithstanding any other provision of law, except to the extent required by federal law, if, as of May 15, 1998, the projected costs for the 1997–98 fiscal year for outpatient drug abuse services, as described in Section 14021, exceed forty-five million dollars (\$45,000,000) in state General Fund moneys, then the outpatient drug free services, as defined in Section 51341.1 of Title 22 of the California Code of Regulations, shall not be a benefit under this chapter as of July 1, 1998.

(2) Notwithstanding paragraph (1), outpatient methadone maintenance and Naltrexone shall remain benefits under this chapter.

(3) Notwithstanding paragraph (1), residential care, outpatient drug free services, and day care habilitative services, for alcohol and drug exposed pregnant women and women in the postpartum period shall remain benefits under this chapter.

(c) Expenditures for services purchased directly by county welfare departments on behalf of CalWORKs recipients shall not be included in the computation of costs for subdivision (b).

SEC. 163. Section 15204.2 of the Welfare and Institutions Code is repealed.

SEC. 164. Section 15204.2 is added to the Welfare and Institutions Code, to read:

15204.2. It is the intent of the Legislature that the annual Budget Act appropriate state and federal funds in a single allocation to counties for the support of administrative activities undertaken by the counties to provide benefit payments to recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 and to provide required work activities and supportive



services in order to efficiently and effectively carry out the purposes of that chapter.

SEC. 165. Section 15204.3 is added to the Welfare and Institutions Code, to read:

15204.3. (a) Allocation of funds provided under Section 15204.2 shall be made, in the case of funds for benefits administration, based on projected county costs and caseloads, and, in the cases of funds for welfare-to-work administration, based on historical allocations.

(b) In the 1997–98 fiscal year, additional funds for welfare-to-work administration above GAIN allocation in the 1996–97 fiscal year shall be distributed among the counties with two-thirds allocated to all counties based on each county’s share of adults aided under Chapter 2 (commencing with Section 11200). The remaining one-third shall be allocated among only those counties that in the prior year received an allocation per average aided adult at a level less than the statewide average, and shall be distributed among those counties so that they each receive the same overall allocation per average aided adult for welfare-to-work administration.

(c) For purposes of this section, the 1997–98 fiscal year allocation for welfare-to-work administration shall constitute the historic allocation of those funds for each fiscal year subsequent to the 1997–98 fiscal year. For each year subsequent to the 1997–98 fiscal year, increases or decreases in funds appropriated under this section shall be allocated among individual counties in a manner that will promote more equitable distribution of these funds.

SEC. 166. Section 15204.4 is added to the Welfare and Institutions Code, to read:

15204.4. In addition to the funds received under Section 15204.2, counties shall be required to expend money from their own funds, either from the county’s general fund or from the social services account of the county health and welfare trust fund to support administration of programs providing services to needy families. Each county shall expend an amount for these programs that, when combined with funds expended



under Section 18906.5 for administration of food stamps, equals or exceeds the amount spent by that county for corresponding activities during the 1996–97 fiscal year. Failure to meet this required level of spending shall result in a proportionate reduction of the funds provided under Section 15204.2. In those cases the Director of Social Services shall report to the Legislature within 30 days his or her findings relative to the ability of the county, with reduced funds, to meet its obligations in administering the affected programs. The report shall include any relevant information related to the performance of the county.

SEC. 167. Section 15204.6 of the Welfare and Institutions Code is repealed.

SEC. 168. Section 15204.7 of the Welfare and Institutions Code is repealed.

SEC. 169. Section 15204.8 is added to the Welfare and Institutions Code, to read:

15204.8. (a) The Legislature may appropriate annually in the Budget Act funds to support services provided pursuant to Sections 11325.7 and 11325.8.

(b) Funds appropriated pursuant to subdivision (a) shall be allocated to the counties separately and shall be available for expenditure by the counties for services provided during the budget year. A county may move funds between the two accounts during the budget year for expenditure if necessary to meet the particular circumstances in the county. Any unexpended funds may be retained by each county for expenditure for the same purposes during the succeeding fiscal year. By November 20, 1998, each county shall report to the department on the use of these funds.

(c) Beginning January 10, 1999, the Department of Finance shall report annually to the legislature on the extent to which funds available under subdivision (a) have not been spent and may reallocate the unexpended balances so as to better meet the need for services.

SEC. 170. Section 16575 of the Welfare and Institutions Code is repealed.



SEC. 171. Section 16575 is added to the Welfare and Institutions Code, to read:

16575. (a) The Legislature finds and declares that there is no single statewide data base containing statistical data regarding child support orders.

(b) The Statewide Automated Child Support System or its replacement may be utilized to provide a single statewide registry of all child support orders in California, including orders for cases under Title IV-D of the Social Security Act and all cases with child support orders.

SEC. 172. Section 16576 of the Welfare and Institutions Code is repealed.

SEC. 173. Section 16576 is added to the Welfare and Institutions Code, to read:

16576. (a) The department shall develop an implementation plan for the Statewide Child Support Registry. The Statewide Child Support Registry shall be operated by the agency responsible for operation of the Statewide Automated Child Support System (SACSS) or its replacement. The Statewide Child Support Registry shall include storage and data retrieval of the data elements specified in Sections 16576.5 and 16577 for all California child support orders. The plan shall be developed in consultation with clerks of the court, district attorneys, and child support advocates. The plan shall be submitted to the Legislature by January 31, 1998. The implementation plan shall explain in general terms, among other things, how the Statewide Child Support Registry will operate to ensure that all data in the Statewide Child Support Registry can be accessed and how data shall be integrated for statistical analysis and reporting purposes with all child support order data contained in the Statewide Automated Child Support System or its replacement and the Los Angeles Automated Child Support Enforcement System (ACSES) Replacement System.

(b) Commencing no later than October 1, 1998, each clerk of the court shall provide the information specified in Sections 16576.5 and 16577 within 20 days to the department or the Statewide Child Support Registry



from each new or modified child support order, including child support arrearage orders.

(c) Commencing no later than October 1, 1998, the department shall maintain a system for compiling the child support data from all child support orders and data forms and orders of child support arrears forms received from the clerks of the court, ensure that all child support data received from the clerks of the court are entered into the Statewide Child Support Registry within 10 days of receipt in the Statewide Child Support Registry, and ensure that the Statewide Child Support Registry is fully implemented statewide.

(d) Commencing no later than October 1, 1998, the department shall provide aggregate data on a periodic basis on the data maintained by the Statewide Child Support Registry to the Judicial Council, the appropriate agencies of the executive branch, and the Legislature for statistical analysis and review. The data shall not include individual identifying information for specific cases.

(e) Commencing no later than October 1, 1998, any information maintained by the Statewide Child Support Registry from the child support orders and data forms and orders of child support arrears forms received from clerks of the courts shall be provided to county district attorneys, the Franchise Tax Board, and others as provided by law.

(f) On or before October 1, 1998, the department shall submit a report to the appropriate policy and fiscal committees of the Legislature on the requirements of this chapter.

SEC. 174. Section 16576.5 of the Welfare and Institutions Code is repealed.

SEC. 175. Section 16576.5 is added to the Welfare and Institutions Code, to read:

16576.5. The department shall contract with the Judicial Council to prepare and adopt, by January 31, 1998, the child support order and data form, which may be in electronic or hard copy form, as deemed appropriate by the Judicial Council, and which shall contain the following information:



(a) Full name, last known address, telephone number, social security number, and birth date of both parties.

(b) Full name and birth date of each child included in the support order.

(c) The date on which the child support order will terminate which shall be the date upon which the youngest child becomes 18 or 19 years of age if still in high school.

(d) A clear statement of the amount of child support to be paid for each child.

(e) If the order is a modification of a prior child support order, a clear statement of the amount of the prior order for each child and the amount of the modified order for each child.

(f) Any other information the department or the Judicial Council finds appropriate.

SEC. 176. Section 16577 of the Welfare and Institutions Code is repealed.

SEC. 177. Section 16577 is added to the Welfare and Institutions Code, to read:

16577. The department shall contract with the Judicial Council to prepare and adopt, by January 31, 1998, the order of child support arrears form, which may be in electronic or hard copy form, as deemed appropriate by the Judicial Council, and which shall contain on its face the following information:

(a) Full name, last known address, telephone number, social security number, and birth date of both parties.

(b) Full name and birth date of each child included in the support order.

(c) Date on which the court order on arrears will terminate, if known.

(d) A clear statement of the amount of the child support arrearage.

(e) If the order is a modification of a prior child support order, a clear statement of the amount of the prior order, and the amount of the modified order.

(f) Any other information the State Department of Social Services or the Judicial Council finds appropriate.



SEC. 178. Section 17016 is added to the Welfare and Institutions Code, to read:

17016. (a) An individual shall not be eligible for aid under this part if he or she is either:

(1) Fleeing to avoid prosecution, or custody and confinement after conviction, under the laws of the place from which the individual is fleeing, for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual is fleeing, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of that state.

(2) Violating a condition of probation or parole imposed under federal law or the law of any state.

(b) Subdivision (a) shall not apply with respect to conduct of an individual for any month beginning after the President of the United States grants a pardon with respect to the conduct.

SEC. 179. Section 17021 is added to the Welfare and Institutions Code, to read:

17021. (a) Any individual who is not eligible for aid under Chapter 2 (commencing with Section 11200) of Part 3 as a result of the 60-month limitation specified in subdivision (b) of Section 11454 shall not be eligible for aid or assistance under this part until all of the children of the individual on whose behalf aid was received, whether or not currently living in the home with the individual, are 18 years of age or older.

(b) Any individual who is receiving aid under Chapter 2 (commencing with Section 11200) of Part 3 on behalf of an eligible child, but who is either ineligible for aid or whose needs are not otherwise taken into account in determining the amount of aid to the family pursuant to Section 11450 due to the imposition of a sanction or penalty, shall not be eligible for aid or assistance under this part.

(c) This section shall not apply to health care benefits provided under this part.

SEC. 180. Chapter 3.2 (commencing with Section 18220) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:



CHAPTER 3.2. COMPREHENSIVE YOUTH SERVICES ACT

18220. The Legislature finds and declares all of the following:

(a) The enactment of federal welfare reform, Public Law 104-193, has provided the state with an unprecedented opportunity to recast the state's welfare system, and in particular, to simplify the standards and procedures for determining assistance to the state's children and their families.

(b) Under previous federal law, California's county probation departments claimed emergency assistance funds under Title IV-A of the Social Security Act, Part A (commencing with Section 601) of Subchapter 4 of Chapter 7 of Title 42 of the United States Code, to help defray the cost of operating county juvenile probation activities. That claiming increased the allocation to California under the federal Temporary Assistance for Needy Families block grant by 140.9 million dollars.

(c) In the past, county probation departments focused attention on serving youthful offenders under the jurisdiction of the court. However, there is broad recognition that preventive approaches would be a more cost-effective approach to reducing juvenile crime, promoting family based services, and keeping families intact. This chapter will permit probation departments to expand preventive services to target populations that include youth who are habitual truants, runaways, or at risk of being adjudicated wards of the court under Section 601 or 602.

(d) When a minor has been identified as at risk or when he or she remains in the community under the jurisdiction of the juvenile court, the needs of the entire family must determine the services provided on behalf of the minor.

(e) Because of their troubled family situations, juvenile probationers are at great risk of becoming welfare recipients as young adults.

(f) Whether or not they are prepared for the responsibility, probation youth tend to become parents at



an early age. A recent survey identified over 16,000 probation youth who were already parents.

(g) If youth on probation fail to develop adequate self-sufficiency skills, many of them and their children will require public assistance in the coming years.

(h) A survey of probation youth reveals that (1) most are more than three years below their grade level in reading and math skills, (2) 40 percent are not attending school, (3) 60 to 80 percent are abusing drugs or alcohol or both, (4) 60 percent are victims of abuse and neglect, and (5) 50 percent are from single parent homes.

(i) The intent of the Legislature in enacting this chapter is to provide a continuum of family focused case-specific services, in a community-based setting, that addresses the full spectrum of child and family needs, including services provided in county-operated residential care facilities.

(j) Proper probation services will provide the structure, support, and supervision needed to keep probation youth from further crime and to help them develop essential skills to avoid dependence on public assistance.

(k) In addition to serving at-risk youth or youthful offenders, county probation agencies should also serve parents when doing so will promote increased self-sufficiency, personal responsibility, and family stability for the youth.

18221. (a) The State Department of Social Services is hereby designated as the state agency responsible for administering funds appropriated for the purposes of this chapter pursuant to this section.

(b) Subject to the availability of funding in the annual Budget Act, the department shall allocate among counties in proportion to the following schedule:

Jurisdiction	Amount
Alameda	\$ 5,615,845
Alpine	0
Amador	94,452
Butte	463,554



Calaveras	94,110
Colusa	51,612
Contra Costa	4,418,859
Del Norte	182,637
El Dorado	239,710
Fresno	2,340,762
Glenn	72,780
Humboldt	208,678
Imperial	536,872
Inyo	215,271
Kern	3,698,303
Kings	461,824
Lake	314,736
Lassen	72,850
Los Angeles	49,946,525
Madera	372,479
Marin	597,819
Mariposa	3,979
Mendocino	167,701
Merced	509,314
Modoc	31,257
Mono	1,042
Monterey	912,822
Napa	484,121
Nevada	143,386
Orange	13,611,232
Placer	279,576
Plumas	23,265
Riverside	4,310,788
Sacramento	3,350,278
San Benito	360,418
San Bernardino	5,189,475
San Diego	8,988,739
San Francisco	3,107,495
San Joaquin	1,224,857
San Luis Obispo	820,758
San Mateo	2,702,688
Santa Barbara	2,621,585
Santa Clara	9,799,213



Santa Cruz	1,012,615
Shasta	579,199
Sierra	0
Siskiyou	96,777
Solano	1,433,509
Sonoma	2,200,569
Stanislaus	719,052
Sutter	200,013
Tehama	232,026
Trinity	58,023
Tulare	2,381,471
Tuolumne	88,584
Ventura	2,805,490
Yolo	296,851
Yuba	152,154

(c) Counties shall use no more than 15 percent of their annual allocation for administrative costs.

(d) Any audit exception, deferral, or disallowance resulting from an audit under this chapter shall be shared by each county based on the percentage of the total costs claimed by the county during the quarter being audited. To the extent the audit exception, deferral, or disallowance can be taken against an individual county and is not extrapolated to other counties, it shall be borne solely by that county.

18222. (a) Subject to the availability of federal funds for the purposes described in this section, funds provided pursuant to subdivision (b) of Section 18221 may be used to serve children who are habitual truants, runaways, at risk of being wards of the court under Section 601 or 602, or are under juvenile court supervision or supervision of the probation department. Funds may be used to serve parents or other family members of these children if serving them will promote increased self-sufficiency, personal responsibility, and family stability for the child. Services shall be provided pursuant to a family service plan. When a family is served by multiple public agencies or in need of services from multiple public agencies, the family service plan shall be developed through an



interdisciplinary approach that shall include representatives from agencies that provide services to the family or that may be required to implement the service plan.

(b) Services authorized under this section include all of the following:

- (1) Educational advocacy and attendance monitoring.
- (2) Mental health assessment and counseling.
- (3) Home detention.
- (4) Social responsibility training.
- (5) Family mentoring.
- (6) Parent peer support.
- (7) Life skills counseling.
- (8) Direct provision of, and referral to, prevocational and vocational training.
- (9) Family crisis intervention.
- (10) Individual, family, and group counseling.
- (11) Parenting skills development.
- (12) Drug and alcohol education.
- (13) Respite care.
- (14) Counseling, monitoring, and treatment.
- (15) Gang intervention.
- (16) Sex and health education.
- (17) Anger management, violence prevention, and conflict resolution.
- (18) After care services as juveniles transition back into the community and reintegrate into their families.
- (19) Information and referral regarding the availability of community services.
- (20) Case management.
- (21) Therapeutic day treatment.
- (22) Transportation related to any of the services described in this subdivision.
- (23) Emergency and temporary shelter.

18223. (a) Subject to the availability of federal funds for the purposes described in this section, funds provided pursuant to subdivision (b) of Section 18221 may be used to provide emergency services to children whose behavior results in the child's removal from the home and



a judicial determination that the child must remain in out-of-home care for more than 72 hours.

(b) Services authorized under this section include payment for shelter care in juvenile assessment centers, residential group care in camps and ranches, or foster care in a licensed foster care facility, except where provided by Title IV-E of the Social Security Act, Part E (commencing with Section 670) of Subchapter 4 of Chapter 7 of Title 42 of the United States Code.

(c) To be eligible for funding pursuant to this section, all eligibility criteria specified in the Title IV-A state plan for emergency assistance in effect on September 30, 1995, shall be met.

18224. All services provided under this chapter, whether provided in the home, residential facilities, or other settings, shall be based on the following principles:

(a) Services shall be oriented toward the principles of personal responsibility and self-reliance.

(b) Services shall use available community resources to the extent they are available, to serve the needs of the populations served under this chapter.

(c) Individualized case plan development shall consider family concerns, priorities, and resources and shall include services designed to help families develop problem solving skills to apply independently in new situations.

(d) Services shall be based on comprehensive strength-based family assessments, shall be family focused, and shall address identified immediate needs as well as underlying risk factors contributing to problems that are more pervasive and recurrent in nature.

(e) Services offered shall be cost-effective, using established community services in tandem with federal, state, and locally funded services.

18225. (a) (1) The board of supervisors of any county that receives funds pursuant to this chapter shall approve the expenditure plan for funds received pursuant to subdivision (b) of Section 18221.

(2) (A) The board of supervisors of any county that receives funds under this chapter shall establish a local



planning council to meet, and to advise the chief probation officer in the development of the proposed expenditure plan for the funds provided under this chapter.

(B) With the exception of local planning councils serving pursuant to subdivision (b), any council established pursuant to this subdivision shall include representatives from all of the following:

(i) County departments, including health, mental health, probation, child protective services, and education.

(ii) Local school districts.

(iii) City and county law enforcement agencies.

(iv) Community-based organizations that serve at-risk youth, including shelter providers, organizations addressing issues of pregnancy and parenting, organizations addressing issues of substance use and abuse, and culturally conscious organizations reflecting the ethnic and cultural composition of the community.

(v) One or more youths who are at risk or have been adjudicated under Section 601 or 602.

(vi) Parents or family members of at-risk youth.

(b) The county board of supervisors may provide that a planning council established pursuant to Section 749.22 shall serve as the local planning council required by subdivision (a).

18226. This chapter shall remain operative only until October 31, 2003.

SEC. 181. Chapter 3.3 (commencing with Section 18230) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 3.3. CALWORKS DEMONSTRATION PROJECTS

Article 1. County Welfare-to-Work Demonstration Projects

18230. Pursuant to this chapter and Article 1 (commencing with Section 18200) of Chapter 3, the director may approve county demonstration projects for



the CalWORKs program. Any project approved by the director that requires the expenditure of state or federal funds shall be subject to appropriation in the annual Budget Act.

18231. (a) A county, or two or more counties, may implement three-year performance-based CalWORKs demonstration projects under this chapter to test alternative methods of service delivery designed to do any of, but not limited to, the following:

(1) More effectively serve highly distressed geographic areas.

(2) More effectively serve hard-to-employ target populations.

(3) Better meet local labor force demands.

(4) Address the needs of the CalWORKs population in areas of chronic high unemployment.

(5) Improve administration of program services to clients.

(b) It is the intent of the Legislature that CalWORKs demonstration projects promote cross-agency collaboration within the county or counties in order to reduce duplication and fragmentation of services, serve CalWORKs families in a comprehensive fashion, and increase the self-sufficiency and well-being of CalWORKs families.

(c) It is the intent of the Legislature that each demonstration project test different types of alternative service delivery or serve different types of populations.

18232. (a) A county board of supervisors that wishes to demonstrate an alternative method of CalWORKs service delivery shall apply to the director for approval of its demonstration project. The county application shall identify the specific goals of the project, how it plans to attain those goals, and the evaluation methodology and funding source that will be used to evaluate the extent to which the goals are attained. The application shall also include a description of the process through which the proposal was developed, which shall include participation by representatives of all the stakeholders who will potentially be affected by the project, including



representatives of CalWORKs recipients, service providers, and all relevant local government agencies. Prior to receiving approval for a demonstration project, the applicant county shall demonstrate to the director agreement from all parties described in the application who will be involved in implementing the project.

(b) A participating county shall abide by all audit requirements necessary to ensure compliance with federal law.

18233. Before authorizing a demonstration project, the director shall ensure that it is consistent with the intent of state CalWORKs law. At least 30 days prior to approving a demonstration project, the director shall provide written notice to the chairperson of the relevant policy committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee. The notice shall identify any increased state costs that will result from the project.

18234. (a) Except as otherwise provided in this section, a county's CalWORKs demonstration project shall not be exempt from state law that governs eligibility, unless a county wishes to extend eligibility to families not otherwise covered, in a manner that is consistent with applicable federal laws and regulations.

(b) A county may not reduce grant levels below the level established pursuant to Section 11450, but may supplement grant levels established in state law, and may extend time limits, using county only funds.

(c) A county's CalWORKs demonstration project may not be exempt from state law that governs any of the following:

- (1) Dispute resolution procedures and penalties, including fair hearings.
- (2) Recipient confidentiality.
- (3) Child support collection.
- (4) County contracting.
- (5) Collective bargaining law and agreements.
- (6) Civil service procedures.
- (7) Fair labor standards.
- (8) Displacement of current workers.



18235. A demonstration project under this article shall include a range of services designed to assist recipients to achieve employment, which may not include job search and work experience to the exclusion of other activities that may be required by the population in the project, and the supportive services necessary for clients to achieve self-sufficiency, which at a minimum shall include child care, transportation, mental health treatment, and substance abuse treatment. A demonstration project shall not result in a diminution in the level of funding for services that would be available if the project were not implemented.

Article 2. School Attendance Demonstration Projects

18236. (a) The director may approve school attendance demonstration projects in San Diego and Merced Counties, at the option of each county, to demonstrate means of increasing school attendance and graduation rates of children or teens who receive benefits under the CalWORKs program. The project shall emphasize a social service approach to children and families who are experiencing truancy problems, and shall include collaboration with the academic community to support a successful school experience. Families shall be provided a range of services, resources, and tools to assist them in coping with issues related to their children's school problems. These shall include integrated services involving the county and the appropriate school districts. After all other avenues to encourage a student to attend school have been exhausted and a family has failed to correct the truancy of a child in the family unit, a participating county may reduce a family grant by the amount of the truant child's portion grant. The full grant shall be replaced upon a showing that the student has attended school full-time for one month or has otherwise cooperated with an education or training plan developed with the county and the school district.

(b) Participating counties shall measure their success in achieving the following outcomes:



- (1) Increased attendance and graduation.
- (2) Decreased truancy.
- (3) Higher grade point averages.
- (4) Increased ADA.
- (5) Decreased dropout rates.
- (6) Increased collaboration among agencies providing services for children.
- (7) Reinforcement of parental responsibility.

(c) Prior to being selected as a demonstration project site, the governing board of each school district shall approve the project and a clear delineation of the county's and the school or school district's responsibilities shall be established in a memorandum of understanding.

(d) Each county shall identify how it plans to attain the goals of the demonstration project and the evaluation methodology and funding source that will be used to evaluate the extent to which the goals are attained.

(e) The director shall report annually to the chairpersons of the relevant policy committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee on the progress of the demonstration projects, including the extent to which they are attaining the outcomes described in subdivision (b), the number of families sanctioned, and the average length of time of the sanctions.

18237. (a) The department, in conjunction with the State Department of Education and the Attorney General, may evaluate the effectiveness of one program, as described in this section in a county that chooses to operate such a program.

(b) The truancy coordinator in the district attorney's office shall provide assistance to school districts to address cases of habitual truancy as defined in Section 48262 of the Education Code.

(c) The county truancy coordinator shall perform, at a minimum, all of the following duties:

- (1) Represent the district attorney on the county school attendance review board pursuant to Section 48321 of the Education Code.



(2) Prepare letters as requested by local school districts that provide a warning notice to parents of truant pupils subject to criminal prosecution and penalties pursuant to Section 48293 of the Education Code.

(3) Develop a district truancy mediation program, as defined in Section 48263.5 of the Education Code, unless the county probation department has elected to provide the program.

(d) The school attendance review board shall assist the district attorney and the court in ensuring that every parent or guardian and truant pupil prosecuted and convicted under Chapter 2 (commencing with Section 48200) of Part 2 of the Education Code, complies with the sentence of the court, including, but not limited to, collection of fines, ensuring the performance of community service and providing certification of school attendance.

Article 3. Microenterprise Demonstration Projects

18238. For the purposes of this article:

(a) “Microenterprise” means a small business in which a participant works as his or her own employer.

(b) “Microenterprise assistance provider” means a public agency or a nonprofit agency meeting the requirements of Section 501(c)(3) of the federal Internal Revenue Code, that is exempt from taxation under Section 501(a) of the Internal Revenue Code, and that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed.

18239. (a) With the consent of participating counties, the department may implement demonstration projects to provide self-employment training and technical assistance to recipients of CalWORKs benefits and persons who are at risk of receiving CalWORKs benefits. Each demonstration project shall operate for three years. At least one demonstration project shall operate in Los Angeles County and at least one in a northern California county. The number of demonstration projects shall be



limited to no more than six. However, if nonstate matching funds become available, the number shall be limited to no more than 12.

(b) The self-employment training shall include development of a viable business plan, assisting the recipient to determine if self-employment is suitable to the recipient's aptitudes and family dependent care obligations, marketing strategies, business location analysis, direct technical assistance in the development of a microenterprise, and other subjects as necessary to achieve proficiency in basic business skills. The training shall include periodic assistance or case management, as needed, for up to one year after the recipient's self-employment has commenced.

(c) To ensure communication and collaboration between county welfare departments, including CalWORKs programs, and microenterprise assistance providers, proposals to operate demonstration projects under this article shall be jointly submitted by local microenterprise service providers and the county welfare department. No county matching funds shall be required for the implementation and evaluation of the demonstration project. Local microenterprise assistance providers participating in the pilot project shall have at least two years' experience and demonstrated success in providing assistance to recipients of CalWORKs benefits and other low-income individuals to create their own jobs through self-employment.

(d) If pursuant to subdivision (a), the department, with the consent of participating counties, chooses to implement a microenterprise demonstration project, the department shall solicit proposals from microenterprise assistance providers seeking to administer a demonstration project under this article on a not-for-profit basis. The department shall seek to encourage financial participation of private entities for purposes of including more individuals in these demonstration projects.

Article 4. Jobs-Plus

18240. (a) Upon a request by the County of Los Angeles, the department may review and approve a waiver that would permit changes in earned income incentives available to residents in housing complexes in that county participating in the Jobs-Plus Community Revitalization Initiative for Public Housing Families.

(b) Waiver authority pursuant to subdivision (a) shall be limited to applicable working-age residents of the County of Los Angeles taking part in the initiative implemented at Jobs-Plus sites in the county.

(c) The waiver shall permit work-related financial incentives that are more generous than those otherwise operating pursuant to Chapter 2 (commencing with Section 11200) of Part 3.

(d) Waivers shall last only for the duration of the initiative referred to in subdivision (a).

(e) The department shall grant the requested waivers no sooner than 30 days after a report to the appropriate policy and fiscal committees of the Legislature of the nature, extent, and duration of the waivers.

(f) The department shall submit to the appropriate policy and fiscal committees of the Legislature results of the evaluation of the initiative operating pursuant to the waivers granted under this section.

(g) This article shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.

Article 5. Child Support Assurance Demonstration Project

18241. It is the intent of the Legislature, in implementing federal welfare reform, to create a Child Support Assurance Demonstration Project that is consistent with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) and that maximizes cost effectiveness while lifting



children out of poverty. It is the intent of the Legislature that the program will secure financial stability for California's children through a guaranteed minimum level of financial support for the children of participating families, while at the same time encouraging custodial parents to be employed and noncustodial parents to financially support their children.

18242. (a) Upon application by a county board of supervisors, the department may approve demonstration projects in up to three counties to test models of child support assurance. One of the projects shall conform to the design contained in Sections 18244 to 18246, inclusive. The other two projects shall either test different models of child support assurance or may test the same model if the two counties in which that model is tested involve counties with different demographics.

(b) It is the intent of the Legislature that the purpose of the demonstration projects authorized by this article is to test child support assurance models as alternatives to welfare under which families with earnings and a child support order receive a guaranteed child support payment, in lieu of a grant under the CalWORKs program, from funds continuously appropriated for the CalWORKs program.

(c) A county may determine the maximum number of participants in that county, but not more than five percent of the county CalWORKs caseload or 8,000 persons, whichever is greater.

18243. The department shall develop research designs to ensure thorough evaluations of the child support assurance demonstration projects that shall include, but not be limited to, the impact of work participation rates of custodial parents, CalWORKs participation rates and costs, paternity and child support order establishment, and any other relevant information the director may require.

18244. (a) A family shall be eligible to participate under this article only if, at the time of application to participate in the child assurance program, the family is receiving, or has been determined to be eligible to



receive, an aid grant under Chapter 2 (commencing with Section 11200) of Part 3.

(b) A family's participation under this article shall not affect its eligibility to receive Medi-Cal and child care benefits under Chapter 2 (commencing with Section 11200) of Part 3, if otherwise eligible.

18245. (a) A family shall be eligible to receive a child support assurance payment on behalf of a child only if the child's custodial parent has done all of the following:

(1) Assigned the child's right to collect child support to the state.

(2) Established paternity, obtained a child support order, and is using the services available under the state plan approved under Part D (commencing with Section 651) of Chapter 7 of Title 42 of the United States Code.

(3) Opted to participate in the child assurance program in lieu of cash assistance under this chapter or its successor program.

(b) (1) Except as provided in paragraph (2), as a condition of receiving a child support assurance payment under this article, a custodial parent shall also be required to do both of the following:

(A) Continue to provide all other relevant information that the applicant has that may be requested by the county.

(B) Appear at required interviews, conference hearings, or legal proceedings, if notified in advance and an illness or emergency does not prevent attendance.

(2) A custodial parent shall not be required to comply with paragraph (1) when compliance would make it more difficult for a domestic violence victim to escape physical abuse or when cooperation would increase the risk of further violence or unfairly penalize the victim.

(c) In order to be eligible under this article, a child shall meet all of the following conditions:

(1) The child resides in the county.

(2) The child has a noncustodial parent living in the United States, or if not living in the United States, is subject to service of process by a state or territory of the United States.



(3) The child is under 18 years of age or, if enrolled in high school, under 19 years of age.

(4) The custodial parent is employed.

18246. (a) A child or children shall be eligible to continue to receive a child support assurance payment under this section only if the family's income is not more than 150 percent of the federal poverty level. For family income below the federal poverty level, the earned income disregard shall be 90 percent. For income between 100 percent and 150 percent of the federal poverty level, the earned income disregard shall be incrementally decreased until the assistance benefit reaches zero at 150 percent of the federal poverty level.

(b) In any month, the child shall receive the greater of the child support paid by the noncustodial parent or the assured amount as defined in subdivision (d) of Section 11535. In any month in which the noncustodial parent pays an amount of support less than the assured amount, the county shall retain the payment as reimbursement for the assured amount.

(c) For purposes of this article, the child support assurance payable to the custodial parent of one or more eligible children shall be the amount by which the support assurance payment exceeds the dollar value of the child support, if any, received on behalf of the family during the month from the noncustodial parent for the support of any eligible child or children.

(d) The monthly child support assurance payment shall be the sum of all of the following:

(1) Two hundred fifty dollars (\$250) for the first eligible child.

(2) One hundred twenty-five dollars (\$125) for the second eligible child, if any.

(3) Sixty-five dollars (\$65) for each subsequent eligible child, if any.

18247. (a) The state share of child support assurance payments under this article shall be paid in accordance with Section 15200.

(b) The county administrative cost for the operation of a child support assurance program shall be paid from



the county's allocation provided under Sections 15204.2 and 15204.3.

SEC. 183. Except for Sections 31, 32, 131, 132, 141, 161, and 162 of this act, this act shall become operative on January 1, 1998.

SEC. 184. In enacting the CalWORKs program, the revisions to, and the repeal of, various specific provisions for good cause for failure to participate in welfare-to-work program activities is not intended to preclude a county from considering any condition or circumstance of a recipient on a case-by-case basis in the evaluation of whether good cause exists.

SEC. 185. (a) Notwithstanding the provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, through June 30, 1998, the State Department of Social Services may implement the applicable provisions of this act through all county letter or similar instructions from the director.

(b) The director shall adopt regulations, as otherwise necessary, to implement the applicable provisions of this act no later than July 1, 1998. Emergency regulations to implement the applicable provisions of this act may be adopted by the director in accordance with the Administrative Procedure Act. The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and the first readoption of those emergency regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days.

SEC. 186. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in



no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 187. Sections 1 to 186, inclusive, of this act shall not become operative until the Budget Act of 1997 is chaptered.

SEC. 188. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the federal welfare reform in the most appropriate and timely manner, it is necessary that this act take effect immediately.



Approved _____, 1997

Governor

