

## WELFARE REFORM BILLS SENT TO SENATE AND ASSEMBLY FLOOR

On July 7, 1997 the two-house Legislative Conference Committee charged with reforming California's welfare system sent their CalWORKs (Work Opportunities and Responsibility to Kids) plan to the Floor of each house. The plan is contained in four measures: SB 285 (Watson), SB 293 (Thompson), AB 1006 (Ducheny), and AB 1501 (Aroner). Three of the bills, SB 285, SB 293, and AB 1501, passed both houses and one, AB 1501, was vetoed by the Governor. The fourth bill, AB 1006, contained an urgency measure in order to ensure that legal immigrants receive food stamps and SSI/SSP without a break in benefits. This measure failed passage, receiving the support of a majority but not the required two-thirds of the Legislature. The following summarizes key points contained in the four bills and identifies the bills where each provision can be found. At this point, the Legislative leadership and Governor are considering welfare reform as part of deliberations over the 1997-98 state budget.

### Time Limits And Work Requirements

- Prohibits an adult from receiving assistance for more than 60 cumulative months. After 60 cumulative months of assistance, the adult will be ineligible for assistance and a family's grant will be reduced by the amount of the adult's portion of the grant. (SB 285)
- Establishes a 24-month time limit for parents and caretakers to receive assistance. Counties may extend time limits for an additional six months if the extension is likely to lead to unsubsidized employment or if the local job market is limited. If a caretaker has not found work after 24 months, s/he may continue to receive assistance only by participating in a community service job and 10 hours per week of job search. (SB 285)
- Requires community service participants to work, in exchange for a grant, 20 hours per week unless the grant amount divided by the number of hours worked results in an hourly wage that is less than the minimum wage. Wages must be no less than the minimum wage or a wage that is comparable to that paid to others performing comparable work for the same employer. (SB 285)
- Requires that community service be performed in the public or private nonprofit sector and not displace existing workers. (SB 285)
- Allows exemptions from time limits for an individual who is ill, incapacitated, or of advanced age, with medical verification; a nonparent relative caretaker who is 50 or older, cares for a ward or dependent of the court, or cares for a child at risk of foster care; the caretaker of a disabled family member. Does not count months toward the time limit when the recipient is participating in Cal Learn or when child support equals or exceeds the cost of cash benefits. (SB 285)
- Counts months in which the recipient is exempt from work requirements toward the 60 month cumulative time limit, but not the 24 month limit. (SB 285)
- Refers recipients to a case manager after an initial three-month job search for assessment and consultation to determine specific work, training, education activities, and support services. After completion of three months of job search and a total of 24 months of services and assistance, a community service job will be used as a last resort. (SB 285)
- Requires the recipient and the county to develop a welfare-to-work plan, which is a written contract, delineating the rights and responsibilities of each party. The plan must be based on an

individual's history, skills, need for services, and information on the local labor market. A qualified individual must perform the initial assessment. (AB 1501 and SB 285)

- Requires parents to participate in at least 20 hours of work activities per week, but no less than the federal requirements (which grow annually and are higher for two-parent families). Counties may extend required hours of work to 32 hours per week. Parents in two-parent families *must* participate for at least 35 hours per week. (SB 285)
- Permits exemptions from work requirements for a minor in school; an individual who is ill, incapacitated, or of advanced age, with medical verification; a nonparent relative caretaker who is 50 or older, cares for a ward or dependent of the court, or cares for a child at risk of foster care; an individual who cares for a disabled family member; a woman in the last trimester of pregnancy; single parent working at least 20 hours per week; unemployed parent working at least 35 hours per week; and victims of domestic violence if participation would be detrimental to the individual or family (domestic violence provision applies only if this group is separate from the 20 percent of the caseload that is exempt from time limits). (SB 285)
- Allows a temporary deferral from work requirements for persons who do not have the legal right to work; with a severe family crisis; employed by a hiring hall; laid off with a definite call-back date; and lacking necessary supportive services including child care, transportation, or treatment services. The county must review these deferrals at least every six months. (SB 285)
- Exempts parents with an *infant* (not clearly defined) from work activities, but counts this time toward the five year cumulative time limit. This exemption is good for one child only. A four month exemption is provided for subsequent births. (SB 285)
- Allows recipients to participate in a substance abuse treatment program for only six months without concurrently participating in work activities unless in a treatment program that requires full-time on-site participation. (AB 1501)
- Approves the following as allowable work activities:
  - Paid and unpaid work experience (SB 285)
  - On-the-job training (SB 285)
  - Job search and job readiness (SB 285)
  - Vocational education and training (SB 285)
  - Self-employment (SB 285 and AB 1006)
  - Adult basic education (SB 285)
  - Work-study (SB 285)
  - Provision of child care (SB 285)
  - Treatment services related to mental health, substance abuse, and domestic violence (SB 285)

## Eligibility And Benefits

- Requires all recipients to provide documentation of immunization for all nonschool-age children within six months of coming on aid, or risk losing the parent's share of the grant. (SB 293)
- Expands the number of school attendance demonstration projects. Families with truants will receive a range of services. If truancy persists following interventions, grant levels will be reduced by the amount of the parent's share of the grant. (SB 293)
- Requires women to cooperate in paternity establishment by providing all information known about the absent parent or risk a 25 percent grant reduction for noncompliance. A good cause exemption is allowed if there is a risk of physical, sexual, or emotional harm to the custodial parent, caretaker, or the children involved or if the child was conceived as the result of rape or incest. (SB 285)
- Establishes a \$75 child support disregard that does not affect the grant calculation. (AB 1006)

- Permits counties to create a child support assurance program allowing families with earnings and a child support order to receive a monthly “assured” payment from the county, in an amount less than regular cash aid. The absent parent’s child support payments reimburse the county. (AB 1006)
- Denies benefits for 10 years to individuals making fraudulent statements to obtain aid in more than one state, applying for aid for fictitious children, and making false statements that lead to obtaining aid in excess of \$10,000. The period of ineligibility would end with the restitution of the illegally obtained benefits. (SB 285)
- Maintains the current grant levels by extending suspension of the 4.9% grant cut and COLA for an additional year, through November 1, 1998. (AB 1006)
- Reduces grant level by the parent’s portion for noncompliance with obligations of the welfare-to-work contract, which may include required substance abuse treatment. (AB 1501)
- Revises the income disregard structure so that the first \$350 of earned and unearned income and 50 percent of remaining earned income are ignored, and eliminates “fill-the-gap” budgeting. (AB 1006)
- Allows a family to own one vehicle of any value and, if there is more than one working adult in the household, a second vehicle with a value up to \$4,500 and still be eligible for assistance. Current law allows *applicants* to own one vehicle worth up to \$2,500 and *recipients* to own a vehicle worth up to \$4,500. In addition, Temporary Assistance for Needy Families (TANF) and Food Stamp eligibility rules are aligned to simplify the eligibility process. (AB 1006)
- Authorizes diversion payments to help families avoid the need for welfare. A diversion payment is a lump sum provided to a family to allow them to pay for car repairs or other needs to avoid going onto aid. Applicants are eligible for food stamps and Medi-Cal during the diversion period. (AB 1006)
- Provides six months of benefits for battered women who have initiated the citizenship process but are prevented from pursuing it because they have ended their relationship with their legal sponsor, the batterer. (AB 1006)
- Eliminates monthly income reporting unless the change is greater than \$75 in any given month and provides for grant computation on a prospective, rather than retrospective, basis. Counties are required to perform a redetermination of financial eligibility every six months. (SB 293)

## Support Services

- Requires counties to provide a range of services supporting welfare-to-work including child care, transportation, ancillary expenses (cost of books, tools, clothing, fees), and counseling for recipients with serious personal or family problems. (SB 285)

### *Child Care*

- Eliminates the child care disregard, supplemental child care, non-GAIN education and training child care, Cal Learn child care, and transitional child care replacing them with a direct payment system in which counties pay providers directly. (AB 1501)
- Allows a family to receive subsidized child care until the family income reaches 75 percent of the state median and grandfathers in those families with incomes above 75 percent of the state median income who currently receive subsidies. Standardizes rates, application forms, and parent fees across all programs. (AB 1501)
- Establishes reimbursement rates at 1.5 standard deviations above the mean rate in the local market area. (AB 1501)
- Proposes a three stage program for provision of child care services for TANF recipients: (AB 1501)

**Stage I:** A capped entitlement for a period of six months, managed by county welfare departments.

**Stage II:** A capped entitlement administered by agencies contracting with the State Department of Education (SDE), for the period that the child's parent is in training, working and receiving aid, or transitioning off assistance.

**Stage III:** For TANF recipients who secure stable employment and those diverted from assistance, child care will be paid through the fund that currently pays for subsidized care for the working poor.

- Outlines membership criteria and responsibilities of local child care planning councils including prioritizing local child care needs, designing a system to consolidate waiting lists, and submitting a local child care plan. (AB 1501)
- Requires counties to report every other month to the DSS, SDE, and local planning councils regarding child care demand and usage so that the stages may be appropriately funded. (AB 1501)

#### ***Mental Health And Substance Abuse***

- Requires counties to refer recipients in need of mental health treatment to the county mental health department for evaluation and determination of treatment needs. Calls for creation of a funding stream to supplement existing funding. (AB 1501)
- Permits counties to refer a recipient to the county drug and alcohol program or an alternative provider at any time for evaluation and treatment. (AB 1501)
- Requires that the welfare-to-work contract include necessary mental health, drug, and alcohol treatment as part of the recipient's required work activity. (AB 1501)
- Requires counties to offer recipients with substance abuse problems two opportunities for treatment. Further opportunities to include treatment as a work activity shall be at county option. (AB 1501)

#### ***Transportation/Transit***

- Requires coordination between local transit providers and county welfare agencies to ensure that when funds are available, priority is given to transit for welfare-to-work. In areas where public transit systems are not available, local transit providers are required to give priority to transportation alternatives including, but not limited to, subsidies or vouchers and van pools. (SB 293)

#### ***Domestic Violence***

- Adopts the federal definition of domestic violence, with the addition of stalking. The DSS, County Welfare Directors' Association (CWDA), and District Attorneys' Association are required to develop a state protocol for handling domestic violence cases and a training curriculum for workers. (SB 285)

#### ***Truancy And Youth Probation***

- Establishes a truancy coordinator and a School Attendance Review Board Coordinator in every county to assist schools with habitual truants. (AB 1501)
- Authorizes county probation departments to provide a range of services to assist children who are habitual truants, runaways, at-risk of adjudication, or under probation supervision and specifies an allocation for each county. The program would sunset October 31, 2003. (AB 1501)

#### **Jobs: Training, Placement, And Creation**

- Provides funding to community colleges based on the number of CalWORKs recipients enrolled in each district and the scope of the program. (AB 1501)
- Expands the number of community college economic development program centers and authorizes the Chancellor to fund industry-driven regional economic development collaboratives.

Activities of the centers and collaboratives must include curriculum for customized training for existing workers to allow them to advance, leaving entry level positions open for welfare recipients. Waives employer matching requirements for training programs developed for employers that create employment opportunities for CalWORKs recipients. (AB 1501)

- Enhances funding for non-credit classes with above average costs at community colleges. (AB 1501)
- Requires local plans for the education and training of CalWORKs participants to be developed by the county superintendent of schools together with community colleges and other adult education and training providers, with the approval of the welfare director. (AB 1501)
- Allows CalWORKs recipients who are enrolled in a degree or certificate program that leads to employment to continue in the program for up to 30 months provided the student is making satisfactory progress. A list of programs leading to employment will be developed annually by the welfare department and local education agencies. (AB 1501)
- Fully funds welfare-to-work services (formerly GAIN) so that all eligible persons can be served. (SB 285)
- Attempts to address disparities in GAIN funding across counties. One-third of funds above 1996-97 levels are allocated to counties that have been most severely underfunded and two-thirds are allocated in proportion to each county's share of aided adults. (SB 293)
- Requires that local labor market conditions be considered in the welfare-to-work assessment process. (AB 1501 and SB 285)
- Authorizes individuals with earnings to establish savings accounts (Individual Development Accounts) for qualified purposes including education, job training, capitalization of a business, and purchase of a home. Funds in an IDA are not counted in determining eligibility for public benefits. (AB 1006)
- Establishes a Job Creation Investment Fund to provide flexible funding of at least \$100,000 per county, adjusted according to the number of recipients in the county, for every county to develop job creation models based on local needs. The Fund will be administered by the Trade and Commerce Agency. (AB 1501)
- Allows counties to provide case management and other services to ensure job retention for recipients in their first 12 months after leaving welfare for employment (AB 1501).
- Directs the Employment Training Panel to allocate \$20 million annually from the Employment Training Fund to support training programs for workers who are current or recent CalWORKs recipients. (SB 285)
- Serves welfare recipients with federal Job Training Partnership Act (JTPA) funds to the maximum extent permitted under federal law. (AB 1501)

## **Safety Net**

### ***General Assistance***

- Establishes, at county option, a partial state buy-out of a county's General Assistance (GA) program costs. The buy-out would require the state to pay an amount equal to 30 percent of a county's 1996-97 General Assistance (GA) grant costs and 85 percent of a county's 1996-97 administrative costs. A county's share of grant costs would be limited to no more than 70 percent of its 1996-97 GA costs and 15 percent of its 1996-97 administrative costs. The state will also implement a standard grant structure and eligibility criteria. Able-bodied recipients will be required to meet work requirements contained in the federal Food Stamp law. Counties may sanction employable recipients with denial of benefits for 180 days (six months) after the recipient has received aid for three months if the recipient fails to participate in job training or refuses employment without good cause. (SB 293)

### *Food Stamps/ABAWDs*

- Requires the Department of Social Services to request all waivers available under federal law from the USDA in order to reduce the impact of the food stamp cuts on able-bodied adults without dependents (ABAWDs) and requires the state to ensure that waivers are implemented in affected areas. (AB 1006)

### *SSI/SSP Children*

- Establishes a one-year state-only SSI/SSP program to provide benefits for children who lose eligibility due to changes in the definition of a qualifying disability. (AB 1006)

### *Legal Immigrants*

- Establishes a state-only SSI/SSP program to provide benefits to elderly legal immigrants losing benefits based on their immigration status. The purpose of this proposal is to provide SSI/SSP benefits to those legal immigrants who do not have their SSI/SSP benefits restored as part of the federal budget agreement. (AB 1006)
- Provides disability application assistance to aged legal immigrant SSI/SSP recipients who might qualify as disabled and thus retain eligibility for federal benefits. If federal law does not exclude aged noncitizens, this provision will not be funded. (AB 1006)
- Preserves IHSS benefits to elderly legal immigrants who would be eligible for SSI/SSP absent the restrictions in the federal law. (AB 1006)
- Establishes a state-only Food Stamp replacement program to provide benefits for legal immigrants by buying back Food Stamp coupons from the USDA. (AB 1006)
- Provides citizenship assistance to legal immigrants. (AB 1006)

## **Governance and Administration**

- Prohibits contracting-out of TANF services currently performed by public sector workers. (AB 1501 and SB 293)
- Permits contracting-out of services to the extent allowed under current law. (AB 1006, SB 285, SB 293)
- Requires each county to develop a plan, in collaboration with appropriate public and private agencies describing how the county will deliver welfare-to-work services. DSS will certify if the plan is in compliance with state and federal law. (SB 293)
- Requires counties to collect and report data to meet federal reporting requirements and measure statewide outcomes. Counties must develop baseline data within six months of program implementation. (SB 293)
- Requires DSS to ensure a comprehensive, independent, statewide evaluation examining welfare-to-work efforts, impacts on other public programs, and child well-being in recipient families. DSS must revise current data collection procedures by July 1, 1998 to meet federal data collection and reporting requirements. (SB 293)
- Creates an Electronic Benefits Advisory Committee for development of a single statewide EBT system for Food Stamps and other benefits. (SB 293)
- Requires that the state and counties receive a proportionate benefit from any TANF offsets to state and county spending and maintains the existing sharing ratios of 50 percent federal, 47.5 percent state, and 2.5 percent county. (SB 293)
- Directs the state to transfer funds to counties if the state's share of maintenance of effort falls below the necessary amount. (AB 1006)

Sources: Bill text and bill analyses of AB 1006, AB 1501, SB 285, and SB 293.