

Date of Hearing: April 2, 2024

ASSEMBLY COMMITTEE ON HUMAN SERVICES
Alex Lee, Chair
AB 2452 (Quirk-Silva) – As Introduced February 13, 2024

SUBJECT: CalWORKs: supportive services

SUMMARY: Requires county human services agencies to provide welfare-to-work (WTW) participants, as part of the required supportive services, with reimbursement for transportation costs at the current standard mileage rate and to issue an advance monthly payment of \$100 if they are participating in an assigned WTW activity. Specifically, **this bill:**

- 1) Repeals the current requirement that transportation costs for WTW participants be determined by regional market rates in accordance with regulations established by the California Department of Social Services, and instead, requires transportation costs for WTW activities to be determined as follows:
 - a) Requires mileage costs to be based on the current standard mileage rate for transportation or travel expenses set by the United States Internal Revenue Service; and,
 - b) Requires a WTW participant to be issued an advance transportation payment of \$100 for that month, and each month thereafter, if they are participating in an assigned WTW activity. Specifies that if the actual monthly costs of transportation exceed \$100, the participant shall be issued a supplemental payment for the additional amount within 10 days of submitting the request either online or through a supplemental payment request form.
- 2) Clarifies that transportation costs include the costs for transportation of children, if needed in order to participate in WTW activities.

EXISTING LAW:

State law:

- 1) Establishes in state law the California Work Opportunity and Responsibility to Kids (CalWORKs) program to provide cash assistance and other social services for low-income families through the federally funded, state-run Temporary Assistance for Needy Families (TANF) program. Under CalWORKs, each county provides assistance through a combination of state, county, and federal TANF funds. (Welfare and Institutions Code Section [WIC] § 11120 *et seq.*)
- 2) Establishes income, asset, and real property limits used to determine eligibility for the CalWORKs program, and CalWORKs grant amounts, based on family size and county of residence. (WIC §§ 11150-11160, 11450 *et seq.*)
- 3) Exempts the following from consideration as income for purposes of public social services, including CalWORKs, programs, as specified:

- a) Income that is received too infrequently to be reasonably anticipated, as exempted in federal Supplemental Nutrition Assistance Program regulations;
 - b) Income from college work-study programs;
 - c) An award or scholarship provided by a public or private entity to or on behalf of a dependent child;
 - d) Income or stipend paid by the United States (U.S.) Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to the decennial census; and,
 - e) Any federal pandemic unemployment compensation, so long as the federal pandemic unemployment compensation is exempt as income for purposes of establishing eligibility for the CalFresh program. (WIC § 11157(b-d))
- 4) Requires all individuals over 16 years of age, unless they are otherwise exempt, to participate in WTW activities as a condition of eligibility for CalWORKs. (WIC § 11320.3)
- 5) Requires the following supportive services to be provided, and specifies if they are not provided, then it will be considered good cause to not participate in WTW activities:
- a) Childcare;
 - b) Diaper costs;
 - c) Transportation costs;
 - d) Ancillary expenses such as cost of books, tools, clothing specifically required for the job, fees, and other necessary costs; and,
 - e) Personal counseling. (WIC § 11323.2)

Federal law:

- 6) Establishes the federal TANF program, which provides block grants to states to develop and implement their own state WTW programs designed to provide cash assistance and other supports and services to low-income families (42 United States Code 601 § *et seq.*)

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *CalWORKs Serves as the State's Primary Cash Assistance for Low-Income Families.* More specifically, CalWORKs implements the federal TANF program which is a federal flexible block grant with the objective of providing income and support to families with children. CalWORKs provides eligible low-income families with cash grants and supportive services aimed at helping them secure education, training, and employment. Among others, the supportive services include mental health counseling, substance use disorder treatment, or domestic violence services; job skills training; and attendance in a secondary school or a course leading to a certificate of general educational development.

Unless deemed exempt or otherwise not required to participate per CalWORKs rules, parents are required to develop and participate in a WTW plan in coordination with the county human services agency. CalWORKs-approved WTW activities can include public or private sector subsidized or unsubsidized employment; on-the-job training; community service; secondary school, adult basic education, and vocational education and training when the education is needed for the recipient to become employed; specific mental health, substance use disorders, or domestic violence services if they are necessary to obtain or retain employment; and a number of other activities necessary to assist a recipient in obtaining unsubsidized employment.

In 2021-22, the maximum monthly grant for a family of three on CalWORKs (one parent and two children), if the family has no other income and lives in a high-cost-of-living county, is \$925. The same family living in a lower-cost-of-living county would be eligible for up to \$878 per month. However, the average monthly cash grant for the family is estimated to be \$717. Many families earn some income, or live in a lower-cost-of-living county, and do not qualify for the maximum grant amount. About 398,400 families are projected to receive CalWORKs benefits in Fiscal Year 2022-23.

Welfare-to-Work Requirements. Unless deemed exempt, an adult in a one-parent assistance unit is required to participate in WTW activities for an average of 30 hours per week or, in the case of someone who is pregnant or parenting a child under age six, an average of 20 hours per week, monthly. In a two-parent assistance unit, one or both adults must participate in WTW activities for a combined average of 35 hours per week. WTW activities include participation in subsidized and unsubsidized employment, community service, adult basic education, community college, job skills, training, mental health counseling, substance abuse treatment, domestic abuse services, or other activities necessary to assist recipients in obtaining employment. If a CalWORKs recipient who is not exempt from participation does not meet the WTW requirements, the recipient may be sanctioned, and that recipient's portion of the family's grant may be subtracted from the amount provided to the family.

Prior to 2011, CalWORKs recipients could receive cash aid for up to 60 months, which aligned with federal rules. During recessionary state budget cuts, the maximum time on aid was reduced to 48 months and a 24-month time clock for WTW was created through SB 1041 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2012. However, AB 79 (Committee on Budget), Chapter 11, Statutes of 2020, restored the 60-month lifetime limit on receipt of benefits for qualified individuals and removed the 24-month limit on WTW activities. The changes made by AB 79 took effect on May 1, 2022.

Welfare-to-Work Supportive Services. CalWORKs recipients are required to be offered supportive services that can help them participate in the required WTW activities described above. These supportive services are designed to make it possible for a recipient to successfully participate in their WTW activities. Supportive services include, among other things, transportation, childcare, counseling, and school costs. Supportive services enable a participant to be able to get to their job, have appropriate childcare, and assist those who need extra mental health assistance. All of these services help a participant become successful long-term and find stability. According to the fiscal year 23-24 WTW 25 - CalWORKs Welfare-To-Work Monthly Activity Report, in July 2023 there were 91,056 WTW participants without exemptions, and out of those participating 23,195 received transportation money.

Requiring someone to show up to a job without the necessary support does not foster long-term employment or success. In 2023, a report from the Annie E. Casey Foundation reported that the average annual cost of sending a toddler to day care in California is \$13,408. In 2017, a study published by the Carsey School of Public Policy found that one-third of poor families who pay for child care for their young children are pushed into poverty by their child care expenses.

A 2015 study by Harvard University found access to transportation is the single biggest factor in the odds of escaping poverty and avoiding homelessness. United Way created an interactive dashboard reporting “The Real Cost Measure in California.” This dashboard shows that in 2021 the average person in California spent \$5,658/year on transportation costs. This breaks down to \$417.50 per month. This bill proposes to offer the equivalent of approximately 24% of the average person’s monthly transportation costs to WTW recipients.

Current Transportation Reimbursement Practices. According to CDSS’ Manual Policies and Procedures, transportation costs are governed by regional market rates. Transportation costs must be the least costly form of public transportation.

If there is no public transportation available that meets these requirements, participants are permitted to use their own vehicles. Counties determine reimbursement rates under the following guidelines:

- An existing reimbursement rate used in the county, or
- Develop a rate that covers necessary costs.
- The reimbursement rate may not include a "cap," or maximum monthly reimbursement amount, beyond which additional miles driven are not reimbursed.

Parking for WTW participants must be reimbursed at the actual cost. Participants must also submit receipts for this purpose, except in cases where parking meters are used.

Participants who choose to use their own vehicles when public transportation is available are only reimbursed at the least expensive reimbursement rate of available transportation.

CDSS directed counties via All County Letter No. 03-15 to reimburse a participant as soon as administratively possible and expressed that the time in which the participant is reimbursed should not impede the participant’s participation in a WTW activity or employment.

This bill will instead give WTW participants money upfront rather than await reimbursement. This bill also permits WTW participants to utilize the \$100 for transportation in a way that best suits their needs rather than the parameters set forth as stated above.

Author’s Statement: According to the Author, “CalWORKs is essential for aiding low-income families with cash grants and vital support services, including transportation assistance. [This bill] streamlines the process by instituting a standardized monthly transportation payment of \$100, with options for additional support for actual transportation costs exceeding this amount, reducing administrative complexities. Despite the state’s financial challenges, this legislation won’t burden our resources as it uses existing federal, state, and local funding streams, ensuring that hardworking Californians have access to the support they need to thrive and succeed.”

Equity Implications: CalWORKs recipients are among the state’s most financially vulnerable population. With the average monthly rent price in California increasing to \$2,950 a month, and

the monthly average income of a CalWORKs family of three maxing out at \$1,445, most families are one flat tire or transmission away from financial ruin. Providing additional support to families who are being required to travel in order to maintain their eligibility for aid is crucial for their success. According to the Legislative Analyst Office, in 2018, about 1.5 million California children were living below the federal poverty line, and about half of these children were enrolled in CalWORKs. In fact, most CalWORKs recipients (a little over 80%) are children, and most CalWORKs families (about 55%) include no adult recipients (meaning parents are excluded from aid due to their immigration status, lifetime benefit limits, or for other reasons).

Policy Considerations: This bill requires, if the actual monthly costs of transportation exceed \$100, the WTW participant to submit a request for a supplemental payment for the additional amount either online or through a supplemental payment request form, but does not specify which form would be used, where “online” the submission would take place, and what the criteria for approval would be, nor does the bill set a limit on the amount that would be approved for reimbursement.

Because monthly transportation costs can vary widely depending on the mode of transportation, i.e., car versus bus, and the costs for gas and bus passes are also dependent upon the county the WTW participant resides and needs to travel to satisfy their WTW requirements, it is unpractical to put the burden and onus on the participant to seek reimbursement for costs above and beyond \$100. Additionally, it is unclear from the provisions if the reimbursement process would require the submission of receipts or other forms of evidence in order to be approved or what would constitute a denial.

As discussed above, transportation costs are a large burden for impoverished persons. If the goal of the WTW program is to ensure recipients are able to work or participate in approved activities, it would behoove the state to ease barriers as much as possible.

Should this bill move forward, the author may wish to remove barriers by removing requirements to submit additional reimbursement requests and instead provide a reasonable sum of money in advance to ensure participation.

Proposed Committee Amendments: The Committee proposes amendments to address policy considerations stated above to do the following:

- Strike the provision related to a supplemental payment being issued for monthly transportation costs exceeding \$100.
- Require a WTW participant to be issued an advance transportation payment of \$200 in total for that month, and each month thereafter, if they are participating in an assigned WTW activity.

RELATED AND PRIOR LEGISLATION:

AB 310 (Arambula) of 2023, would have made various changes to the current CalWORKs program’s WTW requirements. *AB 310 was set for hearing in the Senate Human Services Committee but was subsequently canceled at the request of the Author.*

SB 65 (Skinner), Chapter 449, Statutes of 2021, established the “California Momnibus Act”, which, amongst other things, eliminates the mandatory requirement to work or participate in WTW for pregnant persons, and makes participation voluntary for all pregnant people, regardless of whether the individual meets prior exemption requirements.

AB 1004 (Calderon), Chapter 99, Statutes of 2021, deleted requirements that, in order to be exempt from being considered income under the CalWORKs program, income or stipends related to the decennial census must be earned on the year of or year prior to a census, so that all such income or stipends may be exempted, regardless of when it is earned, and made those changes effective immediately.

AB 79 (Committee on Budget), Chapter 11, Statutes of 2020, among other things, authorized a 60-month CalWORKs lifetime time limit and eliminated the 24-month time clock for certain WTW activities, effective May 1, 2022, or when CDSS notifies the Legislature that all necessary automation changes are complete.

AB 807 (Bauer-Kahan), Chapter 440, Statutes of 2019, exempted certain income, including certain scholarships and income for work on the decennial census, from being counted as income for purposes of determining CalWORKs eligibility and benefit amounts.

SB 1041 (Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2012, among other things, exempted from WTW activities on a one-time basis, a parent or other relative that has primary responsibility for personally providing care to one child from birth to 23 months.

AB X4 4 (Evans), Chapter 4, Statutes of 2009, among other things, exempted parents or primary caretakers of a child age 12 months through 23 months, or two or more children under the age of six from participating in WTW activities.

AB 1542 (Ducheny), Chapter 270, Statutes of 1997, implemented the CalWORKs program, California’s version of the federal TANF program.

REGISTERED SUPPORT / OPPOSITION:

Support

Coalition of California Welfare Rights Organizations (Sponsor)
California Association of Alcohol and Drug Program Executives, INC.
Family Violence Appellate Project
Grace Institute - End Child Poverty in Ca
Legal Aid Society of San Diego
Western Center on Law & Poverty

Opposition

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