

Date of Hearing: June 25, 2024

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

SB 1415 (Glazer) – As Amended May 16, 2024

SENATE VOTE: 38-0

SUBJECT: CalWORKs

SUMMARY: Requires counties, for purposes of determining eligibility for specified California Work Opportunity and Responsibility to Kids (CalWORKs) payments issued to prevent eviction, to include amounts from other subsidy programs as well as private support, when calculating a family's total monthly household income. Specifically, **this bill:**

- 1) Clarifies that the semester and quarterly payments CalWORKs-eligible students enrolled full time or part time at a publicly funded or nonprofit postsecondary educational institution receive can be used for computers as well as books and other college supplies.
- 2) Requires a county human services agency, beginning January 1, 2026, or on the date that the California Statewide Automated Welfare System (CalSAWS) can perform the necessary automation, whichever is later, for purposes of eligibility to secure a payment within the CalWORKs temporary or permanent Homeless Assistance (HA) program, to include in the calculation of the family's total monthly household income, any amount that is regularly received from other government and nonprofit housing and homeless subsidy programs, and any regularly received private support intended or designed to help the family with housing, such as financial support from an individual outside the household.
- 3) Prohibits the additional sources of income toward a family's total monthly household income from being included in the calculation of the family's income for purposes of calculating the amount of CalWORKs aid paid.
- 4) Requires the county, beginning January 1, 2026, or on the date that the California Department of Social Services (CDSS) notifies the Legislature that CalSAWS can perform the necessary automation to implement these provisions, whichever date is later, upon application for temporary or permanent HA, to refer an assistance unit to any other homeless assistance services, including the CalWORKs Housing Support Program, family stabilization, or diversion program, and allows the county to give priority to the assistance unit for those services.
- 5) Requires the county to also refer the assistance unit to other applicable housing programs, including, but not limited to, the Bringing Families Home Program, the Home Safe Program, and the Housing and Disability Advocacy Program.

EXISTING LAW:

- 1) Establishes the CalWORKs program to provide cash assistance and other social services for low-income families through the federal 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 [WIC] §11200 *et seq.*)

- 2) Establishes income, asset, and real property limits used to determine eligibility for the CalWORKs program and grant amounts based on family size and county of residence. (WIC §§ 11150, 11160, 11450 *et seq.*)
- 3) Requires CalWORKs students enrolled in a publically funded or nonprofit postsecondary educational institution to receive a payment of \$500 per semester or \$350 per quarter for full time enrollment, and \$250 per semester or \$175 per quarter for part time enrollment in school for paying costs associated with attending school. (WIC § 11323.21(a)(1))
- 4) Provides that the payments described in 3) above shall be considered a standard payment for books and college supplies. (WIC § 11323.21(b))
- 5) Makes available an allowance for nonrecurring special needs for a homeless family seeking shelter when the family is eligible for CalWORKs aid. (WIC § 11450(f)(3)(A))
- 6) Defines a family to be considered homeless, for the purpose of eligibility for CalWORKs HA, when the family lacks a fixed and regular nighttime residence, among other criteria. Additionally defines a family to be considered homeless if the family has received a notice to pay rent or quit, or any notice that could lead to an eviction, regardless of the circumstances cited in the eviction notice, as provided. (WIC § 11450(f)(3)(B))
- 7) Makes a nonrecurring special needs benefit of \$85 per day to families with up to four members for the costs of temporary shelter, and \$15 per day for each additional family member, up to \$145. Allows county human services agencies to increase the daily amount available for temporary shelter as necessary to secure the additional bed space needed by the family. (WIC § 11450(f)(4)(A)(i))
- 8) Limits eligibility for housing assistance to 16 calendar days of temporary homeless assistance and one payment of permanent homeless assistance every 12 months, with certain exceptions, and requires that a person who applies for these benefits be informed of this time limit. Allows for exceptions to these limits in the case of domestic violence, illness, natural catastrophe, and state or federally declared disaster. (WIC § 11450(f)(4)(E)(i))
- 9) Allows a county to require that a recipient of homeless assistance who qualifies for benefits for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for benefits only if a county provides a housing navigation caseworker to assist with securing permanent housing and housing case management services. (WIC § 11450(f)(4)(E)(iii))
- 10) Allows a nonrecurring special needs benefit for permanent homeless assistance for last month's rent and security deposits if these payment are conditions of securing a residence, or to pay for up to two months of rent arrearages, if these payments are a reasonable condition of preventing eviction. (WIC § 11450(f)(4)(B)(i))
- 11) Requires the last month's rent or monthly arrearage portion of the payment without the value of CalFresh or special needs benefits for a family of that size meet both of the following requirements: a) not exceed 80% of the family's total monthly household income, and, b) be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income. (WIC § 11450(f)(4)(B)(ii)(I-II))

FISCAL EFFECT: According to the Senate Committee on Appropriations on May 16, 2024:

- Unknown, ongoing General Fund costs, likely low millions, due to an expansion of the permanent HA caseload.
- Cost to counties for administration would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

COMMENTS:

Background: *California Work Opportunity and Responsibility to Kids Homeless Assistance Program* was established to help CalWORKs families meet the reasonable costs of securing housing. The program serves eligible CalWORKs recipients or apparently eligible CalWORKs applicants, who are homeless or at risk of homelessness. A CalWORKs family is considered homeless for purposes of receiving homeless assistance if the family:

- 1) Lacks a fixed and regular nighttime residence;
- 2) Has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- 3) Is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or,
- 4) Has received a notice to pay rent or quit. The family is required to demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that may result in homelessness if preventive assistance is not provided.

The CalWORKs HA Program offers two types of assistance: temporary shelter assistance and permanent housing assistance. Both temporary and permanent homeless assistance payments are limited to once every 12 months with the exceptions of homelessness due to domestic violence, inhabitability of the former residence caused by sudden or unusual circumstances, or a medically verified physical or mental illness.

Temporary shelter assistance helps families pay the costs of temporary shelter and is available to families for up to 16 calendar days within a 12-month period. Temporary shelter assistance for a family of up to four people is set at \$85 per day, plus \$15 a day for each additional family member. The maximum amount of temporary shelter assistance any family can receive is \$145 per day. Temporary homeless benefits are granted or denied the same day as a family's application for homeless assistance and, if granted, the benefits are made available for up to three working days. After homelessness has been verified, the three-day limit can be extended, in one-week increments, up to a total of 16 calendar days of assistance. The extension(s) are based on documentation of a housing search.

Permanent housing assistance helps families secure or maintain permanent housing and helps families avoid eviction. Permanent housing assistance can be received once every 12 months.

Currently, permanent housing assistance is available to pay for last month's rent and security deposits if these payments are conditions of securing a residence, or to pay for up to two months of rent arrearages, if these payments are a reasonable condition of preventing eviction. To be eligible, the last month's rent or monthly arrearage portion of the payment must meet both of the following requirements:

- It shall not exceed 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size.
- It shall only be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size.

For example, in an urban region like Los Angeles, a family of four cannot earn more than \$1,519 monthly if they receive the maximum aid payment and only \$1,363 if they do not. As for assets, a family or individual must have no more than \$10,888 in resources, or \$16,333 in resources if the family includes someone over 60 years of age or someone with a disability.

Student-Recipients of California Work Opportunity and Responsibility to Kids. CalWORKs recipients are required to enroll in welfare-to-work (WTW) activities 20-30 hours per week in order to receive full CalWORKs benefits.

SB 1232 (Glazer), Chapter 366, Statutes of 2020, provided an exemption for college students who meet the requirement for the standard payment, allowing CalWORKs recipients who are also students attending a publicly funded postsecondary education institution and who meet specified attendance criteria not to be required to complete job club or to participate in WTW activities. SB 1232 also allowed these students to receive funds to purchase books prior to the beginning of their academic term.

SB 768 (Glazer), Chapter 447, Statutes of 2022, expanded the exemptions created by SB 1232 by also exempting CalWORKs students (full-time and part-time) who are attending school at a nonprofit education institution from WTW to allow students attending a private, nonprofit postsecondary educational institution to receive a standard payment for college-related expenses, changing the hourly participation rate to be based on instructional hours or academic units, and providing that a summer session shall be deemed to be an academic quarter for these purposes.

Current law provides that CalWORKs students receive \$500 each semester or \$350 each quarter for full time students and \$250 each semester or \$175 each quarter for part time student for books and school supplies. The Author's office states they have been made aware that several counties are not allowing students to use this money toward a laptop. *This bill* specifies that this money could also be used for computers.

Governor's Veto Message. This bill is substantially similar to SB 773 (Glazer) of this legislative session, which was vetoed by Governor Newsom. The Governor's veto message stated:

This bill would require counties to consider an expanded definition of income for purposes of calculating total monthly household income for CalWORKS Permanent Homeless Assistance (HA) Program eligibility. The California Department of Social Services (CDSS) would be required to collect statewide data regarding HA and convene a statewide stakeholder advisory group.

I appreciate the author's intent to get more people at risk of homelessness into permanent housing. My Administration has made significant investments to combat homelessness and provide housing supports. However, this bill would result in an ongoing annual fiscal impact to the state of more than a million dollars a year. These costs must be considered alongside other budgetary priorities as part of the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

In order to address Governor Newsom's concerns stated above, the Author agreed to striking the provision requiring an additional one-time payment and instead clarified the allowable use of existing payments; deleted the requirement for CDSS to collect specified data on HA applicants and submit an annual report to the Legislature.

Author's Statement: According to the Author, "Many of California's lowest-income families and single parents rely on CalWORKs for cash assistance and other resources to stay housed. However, permanent housing assistance, offered under CalWORKs, is severely under-utilized due in large part to the restrictive income requirements. Under current requirements, applicants to permanent housing assistance cannot pay more than 80% of their income towards rent to qualify. Decades ago, this program established an outdated requirement that no longer reflects the skyrocketing rents. If a CalWORKs family can find permanent housing, our state should encourage and assist them with maintaining it.

This bill would ease the qualifications by allowing counties to count government assistance, nonprofit assistance, and private assistance by the CalWORKs family towards the 80% income threshold for this program. This bill would open up eligibility to more CalWORKs families while respecting local control.

Furthermore, as technology has become an integral part of education, low-income students haven't been able to keep up. Students are falling behind as assignments and classes shift to online mediums because they can't afford laptops. Regardless of how crucial laptops have become for students and their course work, some counties are denying them from using their entitlement towards a laptop. Students participating in the Welfare-to-Work program are entitled to \$500 for school materials and textbooks, [this bill] would clarify students can use their payment to purchase a laptop."

Equity Implications: The CalWORKs program is meant for low-income families in need of additional aid to support themselves and their families. Being able to make ends meet in California with such a low income is incredibly challenging. As part of CalWORKs, housing assistance is available to pay for last month's rent and security deposits if these payments are a reasonable condition of preventing eviction.

However, in order to be eligible for this permanent housing assistance, these payments cannot exceed 80% of the family's totally monthly household income. This bill is meant to directly support CalWORKs families when they are able to locate permanent housing, or are at-risk for eviction, and ease their ability to qualify for an underutilized aid program that has an income threshold many CalWORKs families struggle to meet.

According to the June 2023 University of California, San Francisco study on people experiencing homelessness, "*Toward a New Understanding*," more than 171,000 people experience homelessness daily, and California includes 30% of the nation's homeless population. According to the study, 70% of respondents believed that a monthly rental subsidy of \$300-\$500 would have prevented their homelessness for a sustained period; and 82% believed receiving a one-time payment of \$5,000-\$10,000 would have prevented their homelessness.

Affordable housing in California is scarce and challenging to locate for many families, and is particularly difficult for families receiving CalWORKs. This bill will allow more families in need to qualify for the housing assistance that will keep them from falling into homelessness.

RELATED AND PRIOR LEGISLATION:

SB 773 (Glazer) of 2023, see comments above.

SB 1083 (Skinner), Chapter 715, Statutes of 2022, allowed a family to be eligible for CalWORKs HA if they have received any notice that could lead to an eviction, regardless of the circumstances cited in the notice, and provided that a county can only require a family to participate in a "homelessness avoidance case plan" as a condition of receiving assistance twice in a 24-month period if that county has also provided a caseworker who can assist with securing permanent housing.

SB 768 (Glazer), Chapter 447, Statutes of 2022, see comments above.

AB 2230 (Gipson) of 2022, would have required families receiving temporary shelter assistance through the CalWORKs HA program to receive 16 days of temporary shelter assistance in the form of a one-time payment, instead of receiving 16 days of temporary shelter assistance in the form of an initial payment of three days that can be extended in one-week increments. *AB 2230 was vetoed by Governor Newsom.*

SB 1065 (Hertzberg), Chapter 152, Statutes of 2020, made various changes to the CalWORKs HA program, including removing liquid resource limits, simplifying verification of homelessness, and expanding eligibility as a result of a state or federally declared disaster, among other changes.

SB 1232 (Glazer), Chapter 366, Statutes of 2020, see comments above.

SB 960 (Maienschein), Chapter 444, Statutes of 2019, expanded the type of housing for which a CalWORKs HA payment can be made to include a person with whom, or an establishment with which, the family requesting assistance has executed a valid lease, sublease, or shared housing agreement.

AB 1811 (Committee on Budget), Chapter 35, Statutes of 2018, increased, as of January 1, 2019, the daily rate for CalWORKs temporary homeless assistance from \$65 a day to \$85 a day

for a family with up to four members, and increased the daily maximum from \$125 to \$145.

REGISTERED SUPPORT / OPPOSITION:

Support

Coalition of California Welfare Rights Organizations

Grace Institute - End Child Poverty in CA

Western Center on Law & Poverty

Opposition

None on file.

Analysis Prepared by: Alexandria Smith / HUM. S. / (916) 319-2089