

Date of Hearing: May 7, 2020

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

AB 2413 (Ting) – As Amended May 4, 2020

SUBJECT: CalFresh: CalWORKs: eligibility and reporting

SUMMARY: Requires each county welfare department, no later than January 1, 2022, to utilize text message communications for certain applicants and beneficiaries of CalFresh; streamlines certain aspects of the semiannual reporting (SAR) process by requiring the California Department of Social Services (CDSS) to work with stakeholders to develop and implement necessary system changes to prepopulate SAR forms; and, requires counties, no later than July 1, 2021, to implement certain interview scheduling techniques in addition to providing written notice, among other changes. Specifically, **this bill:**

- 1) Establishes the “More CalFresh, Less Hunger Act,” and makes Legislative findings and declarations related to the impact of hunger and food insecurity on the overall development, health, and economy of the state, and the impact of CalFresh on providing food security.
- 2) Requires each county welfare department, as soon as the California Statewide Automated Welfare System (CalSAWS) has the functionality, but no later than January 1, 2022, and a county welfare department begins utilizing the CalSAWS, to utilize the text message communication method described in current law, as specified, for applicants and beneficiaries of the CalFresh program who have opted to receive text messages.
- 3) Specifies that a county welfare department or CalSAWS system may implement text message communication prior to January 1, 2022, to the extent that the necessary functionality and necessary resources are available.
- 4) Requires counties, if a CalFresh recipient does not submit their SAR in a timely manner, but subsequently provides the report in order to reestablish eligibility, to contact the recipient to gather income information from the most recent 30 days in order to determine eligibility, and, further, requires the county to first attempt to contact the recipient by telephone, or if consent has been provided, text message or electronically, in order to gather the necessary information before, or in conjunction with, seeking this information via mail.
- 5) Requires CDSS to establish and require the use of self-attestation to the greatest extent allowed by federal law, and, further, requires this requirement to be implemented upon notification by CDSS to the Legislature that necessary automation has been completed.
- 6) Permits CDSS to issue an all-county letter (ACL) or similar instructions no later than September 1, 2020, to facilitate automation changes necessary to implement the provisions of this bill related to self-attestation.
- 7) Specifies that a county worker required to contact a recipient who fails to submit a complete SAR form may do so via telephone or, if consent has been provided, text message or electronically, as specified, and, further, expands the purpose of this contact to include the goal of attempting to collect the necessary information to complete the SAR.

- 8) Permits personal contact be made with a recipient instead of, or in conjunction with, sending a written request for information by mail.
- 9) Expands the reasons for which a discontinuance notice is required to be rescinded to include instances when the necessary information is obtained via an acceptable alternative method and documented in the case file.
- 10) Deletes outdated language related to county implementation of semiannual reporting requirements, as specified.
- 11) Requires CDSS to work with the County Welfare Directors Association of California, representatives of county eligibility workers, the SAWS, and client advocates to develop and implement the necessary system changes to prepopulate the SAR form, as specified by the provisions in this bill.
- 12) Requires counties, upon certification that the SAWS can perform the necessary automation to implement the provisions of this bill related to pre-population of the SAR form, to provide recipients with a prepopulated semiannual report form instead of a blank form, as specified by the provisions of this bill.
- 13) Requires CDSS to establish and require the use of self-attestation by CalFresh applicants and beneficiaries to verify required information, to the extent permitted by federal law, and, further, requires CDSS to apply for any waivers necessary to simplify verification requirements.
- 14) Requires the establishment and required use of self-attestation be implemented upon notification by CDSS to the Legislature that automation necessary to carry out these provisions has been completed, and, further, requires CDSS to issue an ACL or similar instructions no later than September 1, 2020, to facilitate the automation changes necessary to implement this requirement.
- 15) Prohibits verification standards acceptable by CDSS for quality control purposes from being more stringent than those allowable under federal law and regulations.
- 16) Deletes the permissive nature of a county's ability to request additional documentation to verify a dependent care expense deduction if the received verification is questionable, and, instead, prohibits this practice, except when the reported dependent care expenses are questionable, as defined in state regulations, as specified, and prohibits a county from being liable for a state or federal quality control error identified as a result of implementing this requirement.
- 17) Requires counties, no later than July 1, 2021, for purposes of interview scheduling and rescheduling at initial application and recertification and to the extent that they are not currently in use, to implement one or more of the following interview scheduling techniques, in addition to providing written notice:
 - a) Time-block;
 - b) Telephonic contact in conjunction with, or prior to, the provision of written communication about the need to schedule an interview; and,

- c) Same-day interviews.
- 18) Permits CDSS, in consultation with the counties and client advocates, to authorize additional scheduling techniques to fulfill the requirement related to alternate scheduling techniques, and, further, allows CDSS to implement this ability through an ACL or similar instructions.
- 19) Specifies that the requirement that counties be liable for any reductions in federal funding for CalFresh due to issuance errors or improper or inadequate county administration of the program does not apply to issuance errors that occur as a result of implementing the self-attestation requirements established pursuant to the provisions of this bill.
- 20) Requires CDSS to convene a workgroup that includes certain stakeholders, as specified, to consider changes to semiannual reporting and the prospective budgeting structure, with the goal of reducing the reporting burden on recipients and reducing the workload for county eligibility staff.
- 21) Requires the workgroup to survey reporting structures undertaken in other states, consider recommendations in existing research reports, and receive and consider options put forth by workgroup members.
- 22) Requires the consensus workgroup recommendations be submitted to the Legislature no later than October 1, 2021, and, further, requires the report to include details regarding potential implementation of the recommendations, including identification of those that they state may implement via state legislation or administrative guidance to counties, as well as those requiring changes in federal law or waivers of federal law.
- 23) Deems the reporting requirements of the working group inoperative as of October 1, 2025.
- 24) Requires county welfare departments, no later than January 1, 2022, in an effort to expand CalFresh program outreach and retention and improve dual enrollment between the CalFresh and Medi-Cal programs, to do all of the following:
- a) Ensure that Medi-Cal applicants who may also be eligible for CalFresh are screened and given the opportunity to apply for CalFresh at the same time they are applying for Medi-Cal or submitting information for the renewal process;
 - b) Ensure the same staff that receive Medi-Cal and CalFresh applications during the Medi-Cal application, renewal, or application and renewal processes, as specified by the provisions of this bill, conduct the eligibility determination functions needed to determine eligibility or ineligibility for CalFresh;
 - c) Designate one or more county liaisons to establish CalFresh application referral and communication procedures on outreach activities between counties and community-based organizations facilitating Medi-Cal enrollment; and,
 - d) Utilize text messaging as a method of communication, as specified, to remind applicants and beneficiaries of upcoming application and recertification interviews and deadlines to submit necessary paperwork or verifications to complete the application or recertification process.

- 25) Requires county welfare departments, no later than January 1, 2024, and with the support of the SAWS, to provide prepopulated CalFresh applications to Medi-Cal beneficiaries who are apparently CalFresh eligible and not dually enrolled during the Medi-Cal renewal process.
- 26) Deletes the ability of a county, if a county is not eligible for a countywide waiver to the federal able-bodied adult without dependents (ABAWD) rule, as defined in current law, to request that CDSS apply to the United States Department of Agriculture (USDA) for a waiver, and instead, requires CDSS to apply to the USDA for a waiver to the federal ABAWD rule if a county is not eligible for a countywide waiver, unless the application would result in a greater number of counties, a greater number of CalFresh recipients, or both, being required to implement the ABAWD requirements, in which case, CDSS is permitted to request the waiver upon consultation with the affected counties.
- 27) Makes technical changes that conform current law to changes made by the provisions of this bill.

EXISTING LAW:

- 1) Establishes under federal law the Supplemental Nutrition Assistance Program (SNAP) pursuant to the Food Stamp Act of 1964 and establishes, in California statute, the CalFresh program to administer the provision of federal SNAP benefits to families and individuals meeting certain criteria, as specified. (Welfare and Institutions Code Section [WIC] 18900 *et seq.*)
- 2) Establishes the Electronic Benefits Transfer (EBT) Act, and defines the EBT system as the program designed to provide benefits to those eligible to receive public assistance benefits such as CalWORKs and CalFresh. (WIC 10065 *et seq.*)
- 3) Holds as liable, in the event that the USDA makes a final determination to reduce federal funding of SNAP due to issuance errors or improper or inadequate county administration of the program, the county or counties responsible for such reduction in the amount thereof. (WIC 18905(a))
- 4) Allows a state to issue client notices electronically, with the exception of the household notification of referral to the Treasury Offset Program, provided that certain conditions are met, including protection of confidential client information and a requirement that corresponding paper notices contain the same information as the electronic notice, among others. (7 CFR 273.16 (n)(2))
- 5) Specifies federal regulations on communications via telephone equipment, as specified. (47 United States Code 227 *et seq.*)
- 6) Allows a county, if it is within the capacity of the county, to communicate with an applicant for, or recipient of, CalWORKs, CalFresh, or the Cash Assistance Program for Aged, Blind, and Disabled legal immigrants via computer-generated text message. (WIC 11023.7(a))
- 7) Prohibits communications sent via computer-generated text message from including case-identifying information, as defined by CDSS, and, further, allows notices of action (NOA) to be sent via computer-generated text messages using a link to a secure online portal where the applicant or recipient can access the NOA after securely logging in. Further, specifies that all

other communications sent via computer-generated text messages to an applicant or recipient are not required to be sent using a link to a secure online portal unless otherwise required by federal law or guidance. (WIC 11023.7(b))

- 8) Requires counties to re-determine recipient eligibility and grant amounts on a semiannual basis, and requires the SAR form to be signed under penalty of perjury, and is required to include only the information necessary to determine CalWORKs and CalFresh eligibility and calculate the CalWORKs grant amount and CalFresh allotment. Further, requires recipients to provide the following: information about income received during the fifth month of the SAR period; any changes to facts required to be reported. (WIC 11265.1(a) and (c)(3))
- 9) Requires a county, if a recipient fails to submit a complete SAR by the 11th day of the 6th month of the SAR period, to provide the recipient with a notice that the county will terminate benefits at the end of the month. Further, requires the county, prior to terminating benefits, to attempt to make personal contact by a county worker to remind the recipient that a completed report is due or, if contact is not made, requires the county to send a reminder notice to the recipient no later than five days prior to the end of the month. (WIC 11265.1(c)(5))
- 10) Requires the eligibility of households for certain public social services benefits be determined to the extent permitted by federal law, and further, prohibits minimum age requirements to be imposed, other than those that exist under federal law. (WIC 18901)
- 11) Requires CDSS to annually seek a federal waiver of the existing federal SNAP limitation that stipulates that an ABAWS participant is limited to three months of CalFresh benefits in a three-year period unless that participant has met the work participation requirement or is otherwise exempt. Further, allows a county, at its option and when a county is not eligible for a countywide waiver, to request that CDSS apply for the waiver for one or more eligible subareas of the county, requires CDSS to seek the subarea waiver within a reasonable time frame following a request made by a county, and permits CDSS to seek any necessary information from the county to support the waiver request. (WIC 18926)

FISCAL EFFECT: Unknown

COMMENTS:

CalFresh: The federal SNAP is known as CalFresh in California, and provides food access to low-income individuals who meet certain eligibility criteria. CalFresh benefits are entirely federally funded, and administration at the federal level lies with the USDA. The USDA is tasked with setting specific eligibility requirements for SNAP programs across the country, as well as gross and net income tests, work requirements, and other documentation requirements. In California, CalFresh is administered at the local level by county human services agencies, with federal, state, and county governments sharing the costs of program administration. Benefits are made available to recipients on an EBT card, which is an automated teller machine (ATM)-like card that allows an individual to purchase food at point-of-sale devices in stores. Nearly 4 million individuals in California receive CalFresh benefits; on average, an individual receives \$143.55 per month, and maximum grant amount for a household size of one is \$194 as of October 1, 2019.

CalFresh reporting requirements: Currently, recipients of CalFresh are required to notify a county welfare department of changes in their income or circumstances in one of two ways.

Some households are required to report whenever the household experiences a change in circumstance, such as changes in income, shelter costs, or address. This method, referred to as “change reporting,” requires a household to report a change within 10 days from the date of a change in circumstances either in writing, verbally, or in person.

Other households utilize a SAR schedule which requires households to submit a single form (SAR 7) once a year, followed by a recertification form no later than six months later. The SAR 7 requires the household to report income, medical and dependent care expenses, and any other change the household is expecting for the remainder of their certification period. Households utilizing a SAR schedule are also required to report when their household income exceeds their income reporting threshold, which, in most cases, is 200% of the Federal Poverty Level. Households are also permitted, but are not required, to report any changes that could increase benefits, such as job loss or increased shelter expenses.

Churn among CalFresh households: Some CalFresh households experience an issue referred to as “churn,” which occurs when an otherwise eligible household unexpectedly loses CalFresh benefits due to missed reporting requirements. The household often reapplies for benefits within one to three months, which results in redundant paperwork for both families and county human services agencies. While a loss of eligibility can occur for a number of reasons, churn is often attributed to the complex semi-annual reporting and recertification processes, as these steps often rely on outdated technology, such as requiring hard copies of documents rather than electronic copies, and communicating by United States Postal Service.

The provisions of this bill seek to streamline various aspects of the CalFresh application and recertification process by requiring CDSS to work with stakeholders to develop and implement necessary system changes to prepopulate the SAR. Additionally, the provisions of this bill would require the county, if the recipient does not timely submit the SAR, but subsequently provides the SAR in order to reestablish eligibility, to contact a recipient and gather information from the most recent 30 days in order to determine the individual’s eligibility for CalFresh.

Electronic communication: In Fiscal Year 2011, the federal Food and Nutrition Service (FNS) began approving electronic notice (e-notice) waivers in response to State agency requests to provide designated notices to households electronically. Prior to these waivers, FNS required that certain communications, including notices of adverse action, be “mailed” to households and was based on the traditional paper mail process. On November 3, 2017, the USDA issued a letter stating that FNS no longer believes a waiver is necessary in order to provide client notices electronically, including text messaging, provided certain conditions are met.

In 2018, AB 1957 (Berman), Chapter 384, Statutes of 2018, permitted counties to communicate with CalWORKs, CalFresh, and Cash Assistance Program for Immigrants (CAPI) applicants regarding their cases by means of computer-generated text messaging. While the bill did not require counties to use this method of communication, CDSS issued ACL 19-54 on June 3, 2019, encouraging counties to make this option available as a means of improving access to benefits. The bill prohibited computer-generated text messages from include case-identifying information, and further specified that NOAs may only be sent via computer-generated text message using a link to a secure online portal where the recipient or applicant can access the NOA after securely logging in. The provisions of this bill would require a county welfare department to utilize text message communication methods for CalFresh applicants and beneficiaries as soon as CalSAWS has the functionality, but no later than January 1, 2022.

Able-bodied adults without dependents (ABAWDs): Receipt of SNAP benefits is contingent upon an individual meeting certain eligibility criteria, except in instances in which they are exempt due to age, having a disability, or another specific reason. ABAWDs, individuals between 18 and 49 years old who have no dependents and do not have a disability, may only receive SNAP for a certain amount of time; specifically, they may only receive SNAP for three months in a three-year time period if they do not meet specific work requirements. Federal rules require ABAWDs to work at least 80 hours per month or comply with a workfare program, or participate in a SNAP Employment Training Program (CFET in California). State law requires CDSS to annually seek an exemption to federal ABAWD time limits, and federal rules allow a county or an entire state to be approved for a waiver to the ABAWD time limit if it meets federally established criteria related to high unemployment or a lack of sufficient jobs.

Currently, six California counties do not meet the criteria necessary to qualify for a federal waiver to the time limit rule and are therefore implementing the CalFresh time limit for ABAWDs. These counties include: Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara counties. Current law permits a county to request that CDSS apply for a waiver for one or more eligible subareas of the county if the county is not eligible for a countywide waiver. The provisions of this bill would amend current law to instead require CDSS to apply for a waiver from the USDA, regardless of whether the county has requested CDSS do so.

It should be noted that the ABAWD time limit on CalFresh has been temporarily suspended statewide, including in the counties previously mentioned, in response to the ongoing COVID-19 pandemic.

Need for this bill: The provisions of this bill seek to facilitate greater access to CalFresh for applicants and recipients by streamlining various aspects of the application and recertification process. Specifically, this bill requires counties, no later than January 1, 2022, to utilize text message communication methods, requires CDSS to establish and require the use of self-attestation to the greatest extent allowed under federal law, and requires CDSS to work with stakeholders to develop and implement the necessary system changes to prepopulate the SAR 7. This bill also requires CDSS to convene a workgroup of various stakeholders with the goal of reducing the reporting burden on recipients and reducing the workload for county eligibility staff, and requires county welfare departments, no later than January 1, 2022, to undertake a number of actions to ensure Medi-Cal applicants who may be eligible for CalFresh benefits may apply for benefits in a streamlined way. Finally, this bill, rather than permitting counties to request that CDSS apply to the USDA for a waiver on their behalf if one or more subareas in the county are eligible for a waiver, and would instead require CDSS to apply to for a waiver if a county contains one or more eligible subareas.

According to the author, “Hunger and food insecurity continue to be growing problems in California, caused by a number of factors including income and wealth inequality, an aging state population, a high cost of living, and increased homelessness rates. As a result, California faces a serious problem that is negatively affecting the health and well-being of its residents: under-enrollment in the state’s food stamp program, CalFresh. [This bill] will increase participation in this invaluable program by decreasing burdensome requirements and modernizing program processes.”

RELATED AND PRIOR LEGISLATION:

SB 882 (Wiener) of 2020 would require CDSS to develop a CalFresh user-centered application for seniors, and would permit a person to apply for CalFresh in person, by mail, online, or by telephone, among other requirements. SB 882 is currently awaiting a hearing by the Senate Human Services Committee.

AB 1957 (Berman), Chapter 384, Statutes of 2018, established the “Social Services Modernization, Efficiency & Due Process Protection Act of 2018”, and allowed counties to communicate with applicants for and recipients of certain public benefits via computer-generated text message if a person has elected to receive certain information and communication electronically, and established the parameters of that communication while ensuring the data security and privacy rights of applicants and recipients.

AB 1970 (Skinner) of 2012 would have allowed applicants and recipients of public social services to affirmatively choose to receive certain communications electronically, and would have provided protections for data privacy and ensure state security standards. AB 1970 was held on the Senate Appropriations Committee suspense file.

AB 1296 (Bonilla), Chapter 641, Statutes of 2011, required that individuals be given the option to apply for public health coverage in person, by mail, online, and by telephone.

REGISTERED SUPPORT / OPPOSITION:**Support**

County Welfare Directors Association of California (Sponsor)
Association of Regional Center Agencies
California Immigrant Policy Center
Child Abuse Prevention Center
National Association of Social Workers, California Chapter
SEIU California
Western Center on Law & Poverty

Opposition

None on file

Analysis Prepared by: Kelsy Castillo / HUM. S. / (916) 319-2089