

Date of Hearing: May 7, 2020

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

AB 2567 (Burke) – As Amended March 9, 2020

SUBJECT: CalWORKs: eligibility

SUMMARY: Increases the total California Work Opportunity and Responsibility to Kids (CalWORKs) time clock from 48 months to 60 months and deletes the 24-month limitation on certain welfare-to-work (WTW) activities. Specifically, **this bill:**

- 1) Increases the lifetime limit on CalWORKs benefits from 48 months to 60 months as it is related to: the grant amount a recipient shall be entitled to receive for each month of the semiannual reporting period, age limitations for children in the assistance unit, sanctions and financial penalties affecting eligibility or grant amount, a county's authority to provide additional WTW services after a participant's time limit has been reached, additional months of Temporary Assistance for Needy Families (TANF) aid received in other states, and county aid and relief to indigents who are ineligible due to reaching the time limit.
- 2) Deletes provisions in law regarding the period beyond the "24-month time clock" in which a recipient must meet federal WTW requirements in order to retain eligibility.
- 3) Deletes provisions in law regarding the number of average hours per week a recipient is required to participate in certain WTW activities in order to meet federal WTW requirements.
- 4) Deletes provisions in law regarding a county's authority to extend the "24-month time clock" requirements on WTW if a recipient is unable to meet the federal WTW requirements. Further, deletes the required evidence that a recipient must submit in order to receive an extension on the 24-month time limit.
- 5) Makes technical changes.

EXISTING LAW:

- 1) Establishes under federal law the TANF program to provide aid and WTW services to eligible families and, in California, provides that TANF funds for WTW services are administered through the CalWORKs program. (42 United States Code 601 *et seq.*, Welfare and Institutions Code Section [WIC] 11200 *et seq.*)
- 2) Prohibits a state from using any of its Federal TANF funds to provide assistance to a family who has received Federal assistance for a total of 60 cumulative months, whether or not consecutive. (45 Code of Federal Regulations 264.1(a))
- 3) Establishes a 48-month lifetime limit on CalWORKs benefits for eligible adults, including a period beyond the "24-month time clock" during which a recipient must meet federal work requirements in order to retain eligibility. (WIC 11454, 11322.85)

- 4) Requires all individuals 16 years of age or older, unless they are otherwise exempt, to participate in WTW activities as a condition of eligibility for CalWORKs.
(WIC 11320.3, 11322.6)
- 5) Requires any CalWORKs recipient who is required to participate in WTW activities to enter into a written WTW plan with the county welfare department, requires the WTW plan to include the activities and services which will move the recipient into employment, and establishes additional requirements related to the plan, as specified. (WIC 11325.21)
- 6) Establishes the number of weekly hours of WTW participation necessary to remain eligible for aid, including requirements for an unemployed parent in a two-parent assistance unit, as specified. (WIC 11322.8)
- 7) Establishes a number of exemptions to CalWORKs WTW requirements, including, among others, if an individual is of advanced age, determined by a doctor to have a disability that significantly impairs the individual's ability to work regularly or participate in WTW activities, or is providing care for a young child, as specified. (WIC 11320.3 (b))
- 8) Delineates conditions under which a month of receipt of CalWORKs aid shall not be counted against an individual's 48-month limit on aid, including, among other conditions, disability, advanced age, or providing care for a young child, as specified. (WIC 11454.5 (a)(7))
- 9) Stipulates that any individual not required to participate in WTW activities may choose to participate voluntarily and to end that participation at any time without loss of eligibility for CalWORKs aid under this chapter, if his or her status has not changed in a way that would require participation. (WIC 11320.3 (c))
- 10) Provides that for 24 cumulative months during a recipient's lifetime WTW activities may include:
 - a) Unsubsidized employment;
 - b) Subsidized private sector employment;
 - c) Subsidized public sector employment;
 - d) Work experience, as specified;
 - e) On-the-job training;
 - f) Grant-based on-the-job training, as specified;
 - g) Supported work or transitional employment, as specified;
 - h) Workstudy;
 - i) Self-employment;
 - j) Community service;
 - k) Adult basic education, as specified;

- l) Job skills training directly related to employment;
 - m) Vocational education and training, as specified;
 - n) Job search and job readiness assistance, as specified;
 - 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, as specified; or,
 - r) Other activities necessary to assist an individual in obtaining unsubsidized employment. (WIC 11322.85(a)(1) and 11322.6)
- 11) Requires a recipient, after a total of 24 months of participation in WTW activities under the 24-month time limit, to participate in one or more of the following WTW activities in accordance with federal WTW requirements:
- a) Unsubsidized employment;
 - b) Subsidized private sector employment;
 - c) Subsidized public sector employment;
 - d) Work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available;
 - e) On-the-job training;
 - f) Job search and job readiness assistance;
 - g) Community service programs;
 - h) Vocational educational training (not to exceed 12 months with respect to any individual);
 - i) Job skills training directly related to employment;
 - j) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
 - k) Satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; or,
 - l) The provision of child care services to an individual who is participating in a community service program. (WIC 11322.85(a)(3))

- 12) Requires a recipient to be deemed to be in compliance with WTW activity requirements if an adult recipient reports and the county verifies, or the county otherwise discovers, that the recipient is meeting the federally required minimum average number of hours per week of WTW participation, unless the recipient provides notice to the county that the recipient wishes to have sanctions imposed, as specified. (WIC 11322.81)
- 13) Authorizes a county to grant an extension to the 24-month time clock if the recipient is unlikely to meet the federal WTW requirements, as specified. (WIC 11322.86)
- 14) Requires a recipient who is requesting an extension to the 24-month time limit to present evidence to the county that he or she meets certain circumstances, as specified. (WIC 11322.87)

FISCAL EFFECT: Unknown

COMMENTS:

California Work Opportunity and Responsibility to Kids: The CalWORKs program, which implements the federal TANF program, provides eligible low-income families with cash grants and supportive services aimed at helping them to secure education, training, and employment. The California Department of Social Services (CDSS) is charged with program supervision at the state level, and counties administer the caseloads at the local level. CalWORKs is funded largely through the federal TANF block grant and state maintenance-of-effort contributions. Families participating in CalWORKs have access to a range of services that can include child care and services aimed at addressing mental health needs, substance use disorders, experiences of domestic violence, and learning disabilities, among other issues. The average monthly cash grant for a family of three on CalWORKs (one parent and two children) in 2019-20 was \$682 and the maximum monthly grant if the family has no other income and lives in a high-cost county was \$785. However, many families earn some income and do not qualify for the maximum grant amount. According to recent data from CDSS, approximately 423,000 families rely on CalWORKs.

48-Month Time Clock: The federal TANF program provides funding to states for up to 60 months of cash aid per recipient. Prior to 2011, CalWORKs recipients could receive cash aid for up to a 60-month time period, which aligned with federal time limit rules. During the recessionary budget cuts, a 48-month time clock was implemented for CalWORKs recipients.

Welfare-to-Work: Unless deemed exempt or otherwise not required to participate per CalWORKs rules, parents are required to develop and participate in a WTW plan. 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 abuse, 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.

Single parent adults with a child under the age of 6, unless exempt, are required to participate for 20 hours per week in WTW activities. Non-exempt single parent adults whose children are all 6 years of age or older must participate for at least 30 hours per week in WTW activities. Families with two parents that do not receive an exemption must participate 35 hours per week.

24-Month time clock: A number of changes to the CalWORKs program were adopted with the passage of SB 1041 (Senate Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2012. These changes included the establishment of the 24-month time clock. Unless exempted per CalWORKs rules, an adult recipient is expected to participate in WTW activities during the 48 months for which they may receive assistance. For 24 of those 48 months, WTW participation requirements can include a broad range of activities, such as employment, training, education, and mental health, domestic violence, and substance abuse services. Once this 24-month time clock “runs out,” CalWORKs WTW participants must meet the more stringent federal TANF requirements in order to maintain their eligibility for aid. If a CalWORKs recipient does not meet the requirements of their WTW plan and does not have a permissible exemption or exception to those requirements, they are subject to sanction. Sanction results in an individual’s portion of the family’s grant being subtracted from the total grant amount provided to the family to meet basic needs.

Federal work requirements and the work participation rate: States receiving federal TANF dollars (California receives an annual TANF block grant of \$3.7 billion) are required to meet a performance measure called the “work participation rate” (WPR), or they risk losing a portion of their TANF funding.

Per the WPR, states are required to engage a certain portion of families receiving TANF in federally countable work activities for at a minimum number of average weekly hours (at least 30 hours for single-parent families when all children are ages 6 or older; at least 20 hours for single-parent families with at least one child under the age of 6; and at least 35 combined hours for two-parent families). Fifty percent of all families, and 90% of two-parent families, must be participating in countable federal work activities (although states can get a caseload reduction credit that reduces the overall target percentage to be reached).

Federal law delineates 12 categories of countable activities, nine of which are “core” activities that can be counted for all requisite hours of participation and include:

- 1) Unsubsidized employment;
- 2) Subsidized private sector employment;
- 3) Subsidized public sector employment;
- 4) Work experience;
- 5) On-the-job training;
- 6) Job search and job readiness assistance;
- 7) Community service programs;
- 8) Vocational educational training, for up to twelve months; and,
- 9) Providing child care services to an individual who is participating in a community service program.

Additionally, three sets of “non-core” activities can be counted, but only when combined with at least 20 average weekly hours of a core activity, and include:

- 1) Job skills training directly related to employment;
- 2) Education directly related to employment; and,
- 3) Satisfactory attendance at secondary school or in a course of study leading to a high school equivalency certificate.

The WPR is determined by dividing the number of “Work Eligible Individuals” who are meeting federal work requirements by the total number of Work Eligible Individuals subject to those federal requirements. States failing to meet WPR requirements risk facing penalties which reduce the federal block grant; the maximum penalty in the first year is 5% of the block grant, but this increases by 2% a year if a state fails to meet its target WPR for multiple consecutive years.

Need for this bill: CalWORKs recipients are allowed a 48-month lifetime limit on receiving benefits under this program. The federal TANF regulations allow up to a 60-month lifetime. Until 2011, CalWORKs recipients were allowed to receive assistance up to the full 60-months, as provided under federal law. This bill would restore the lifetime limit to federal limit and pre-recessionary limits.

According to the author, “CalWORKs is one of our most important programs that help prevent poverty. The Public Policy Institute of California notes that nearly 500,000 of our state’s struggling children and families are kept out of poverty each year due to the support from CalWORKs. While the changes made in SB 1041 were appropriate for the time, our understanding of what families and kids grappling with poverty has evolved. Rather than focus only on achieving employment, through Cal-OAR, our state has begun to evaluate what is needed to really overcome poverty by narrowing in on the conditions that lead to poverty. [This bill] directly addresses those conditions by eliminating the complexity of the program and allowing clients to focus on real barriers to their achieving better employment. Less than 10 years since the 2008 recession, Californians have barely had time to prepare for both a pandemic and a new recession. Struggling Californians need support for things we could not have imagined just a few months ago. Now, more than ever, we must help people get the tools they need to improve their lives and the lives of their children.”

RELATED AND PRIOR LEGISLATION:

SB 1041, (Senate Committee on Budget and Fiscal Review), Chapter 47, Statutes of 2012, among a number of other things, established the 24-month time clock in which participation requirements can include a broad range of activities, such as employment, training, education, and mental health, domestic violence, and substance abuse services.

REGISTERED SUPPORT / OPPOSITION:

Support

Child Abuse Prevention Center
Western Center on Law & Poverty

Opposition

None on file

Analysis Prepared by: Debra Cooper / HUM. S. / (916) 319-2089