

Date of Hearing: June 18, 2019

ASSEMBLY COMMITTEE ON HUMAN SERVICES
Eloise Gómez Reyes, Chair
SB 365 (Durazo) – As Amended April 10, 2019

SENATE VOTE: 38-0

SUBJECT: CalWORKs: immediate needs assistance

SUMMARY: Requires counties to, at the time of application, determine if a California Work Opportunity and Responsibility to Kids (CalWORKs) applicant has an immediate need for child care assistance and whether the applicant is apparently eligible for CalWORKs and to, if both determinations are made, provide immediate child care assistance and verify the applicant's CalWORKs eligibility for aid within 15 days of the request for immediate need. Specifically, **this bill:**

- 1) Requires, at the time of CalWORKs application, a county to determine whether the applicant needs immediate child care assistance and whether the applicant is apparently eligible for CalWORKs.
- 2) Requires the county to determine that an applicant needs immediate child care assistance in either of the following instances:
 - a) The applicant has verification of a job or job offer and child care assistance is needed to maintain or obtain employment; or,
 - b) The applicant is in need of child care assistance in order to attend an educational or training activity, as specified.
- 3) Establishes that apparent eligibility for CalWORKs exists if the following, upon verification, indicate that there would be eligibility for aid:
 - a) Evidence presented by the applicant, or otherwise made available, to the county welfare department; and,
 - b) Information provided on application documents.
- 4) Requires the county, if an applicant needs immediate child care assistance and is apparently eligible for CalWORKs aid, to:
 - a) Provide the applicant with such child care assistance starting on the date of the application, but no later than the next working day;
 - b) Verify the applicant's eligibility for aid within 15 working days of the date that immediate need is requested; and,
 - c) Provide immediate child care assistance for as long as the participant remains eligible for aid.

EXISTING LAW:

- 1) Establishes in federal law the Temporary Assistance for Needy Families (TANF) program, which provides block grants to states to develop and implement their own state welfare-to-work programs designed to provide cash assistance and other supports and services to low-income families. (42 United States Code Section 601 *et seq.*)
- 2) Establishes the state's TANF program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program. CalWORKs provides cash assistance and other supports and services to low-income families and is administered by the counties. (Welfare and Institutions Code [WIC] Section 11200 *et seq.*)
- 3) 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 to 11160, 11450 *et seq.*)
- 4) Requires any CalWORKs recipient who is required to participate in welfare-to-work activities to enter into a written welfare-to-work plan with the county welfare department, requires the welfare-to-work plan to include the activities and services which will move the recipient into employment, establishes additional requirements related to the plan, and delineates allowable welfare-to-work activities, as specified. (WIC 11325.21, 11322.6)
- 5) States Legislative intent that CalWORKs recipients and former recipients who have left aid for employment are connected as soon as possible to local child care resources, make stable child care arrangements, and continue to receive subsidized child care services after they no longer receive aid as long as they require those services and meet the eligibility requirements, as specified. (Education Code [EDC] 8350 (a))
- 6) Establishes three stages of CalWORKs child care services, and requires the county welfare department to manage the first stage, to begin upon entry of a parent into the CalWORKs program, and during which a family shall receive a child care subsidy for any legal care chosen by the parent. Stipulates that the second stage of child care begins when the county determines that the recipient's work or approved work activity is stable or when a recipient is transitioning off of aid and child care is available through a local Stage Two program, and states that Stage Three CalWORKs child care begins when a funded space is available. Establishes requirements related to the three stages of CalWORKs child care, as specified. (EDC 8350 *et seq.*)
- 7) Requires a county to determine, at the time of application, whether an applicant needs immediate assistance because the applicant does not have sufficient resources to meet their emergency needs and, further, requires the county to determine whether the applicant is apparently eligible for CalWORKs aid. (WIC 11266 (a))
- 8) Requires a county to determine that an applicant needs immediate assistance if the family's total available liquid resources total less than \$100 and there is an emergency situation, as specified, and stipulates that apparent eligibility exists when evidence is presented by the applicant or otherwise made available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for CalWORKs aid if the evidence and information were verified. (WIC 11266 (a)(1), (2))

- 9) Requires a county to pay an applicant \$200 or the maximum amount for which the applicant is eligible, whichever is less, by the end of the first working day after the aid is requested if an applicant needs immediate assistance and is apparently eligible for aid, requires the county to verify the applicant's eligibility for aid within 15 working days that immediate need is requested, and requires any advance payment to be offset against the first grant payment made to the recipient, as specified. (WIC 11266 (b))
- 10) Prohibits the denial of an immediate need application from constituting a denial of the application for CalWORKs aid unless it is based upon the failure to meet relevant eligibility requirements. (WIC 11266 (e))

FISCAL EFFECT: According to the Senate Appropriations Committee on April 29, 2019, this bill may result in unknown, significant costs for providing child care assistance services that may not have otherwise been provided on an immediate basis (General Fund/federal funds).

COMMENTS:

CalWORKs: CalWORKs is the state's TANF program, providing eligible low-income families with cash grants and supportive services aimed at helping them to secure education, training, and employment. CalWORKs is administered at the county level; it 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. Unless deemed exempt or otherwise not required to participate per CalWORKs rules, parents are required to develop and participate in a welfare-to-work plan. CalWORKs-approved welfare-to-work 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.

A number of changes to the CalWORKs program were adopted with the passage of SB 1041 (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 welfare-to-work activities during the up to 48 months for which they may receive assistance. For 24 of those 48 months, welfare-to-work participation requirements can include a broad range of activities, such as employment, training, education, and mental health, domestic violence, and substance use disorder services. Once this 24-month time clock "runs out", CalWORKs welfare-to-work 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 welfare-to-work 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.

The current maximum CalWORKs grant for a family of three living in a high-cost county, if the family has no other income, is \$785 per month. However, many families earn some income and do not qualify for the maximum grant amount. For Fiscal Year (FY) 2018-19, the average

monthly CalWORKs cash grant is estimated to be \$568 per household. In FY 2017-18, the average monthly CalWORKs caseload was 423,121 households.

CalWORKs child care: Recipient families who are participating in welfare-to-work activities can have access to a number of supportive services through the CalWORKs program, including transportation, ancillary expenses, barrier mitigation, personal counseling, and child care. Parents who have previously received CalWORKs may also be eligible for CalWORKs child care. CalWORKs child care is offered in three stages, depending on a family's circumstances and whether they are currently receiving CalWORKs aid; CDSS, through county welfare departments, administers Stage One, while alternative payment program agencies under contract with the California Department of Education administer Stages Two and Three. CalWORKs child care can be provided in either centers, family child care homes, or license-exempt settings and is paid for using vouchers.

According to CDSS:

- “Stage One begins with a family’s entry into the CalWORKs program. Clients leave Stage One after six months or when their situation is stable, and when there is a slot available in Stage Two or Three;
- Stage Two begins after six months or after a recipient’s work or work activity has stabilized, or when the family is transitioning off of aid. Clients may continue to receive child care in Stage Two up to two years after they are no longer eligible for cash aid; and,
- Stage Three begins when a funded space is available and when the client has used his or her Stage Two services after transitioning off of aid. (Stage Three is for former CalWORKs recipients.)”

For FY 2017-18, the average monthly number of families receiving CalWORKs Stage One child care was over 22,000 (representing over 38,000 children).

CalWORKs immediate need and apparent eligibility: Circumstances can arise when a family applying for CalWORKs might need financial assistance right away. Under certain conditions, the CalWORKs program offers an “immediate need” payment prior to fully determining the family’s eligibility for CalWORKs aid. This immediate need benefit, in the amount of \$200 or the CalWORKs amount for which the applicant is eligible (whichever is less), is paid within one business day. In order to be eligible, a family must have less than \$100 total available liquid resources and be in an emergency situation (which can include, among other situations, lack of housing, loss of utility service, lack of food, inability to meet essential transportation needs, and lack of essential clothing, including diapers). A family must also be “apparently eligible” for CalWORKs in order to receive the immediate need payment. Applicants are deemed apparently eligible when the information they provide to the county welfare department, and information otherwise made available to the county welfare department, indicates that the applicant would be eligible for aid if all supplied and obtained evidence and information is verified. The county must verify the applicant’s eligibility for aid within 15 working days of immediate need being requested. If a family’s CalWORKs eligibility is verified, the grant amount received in the first month will have the amount of immediate need payment (typically, \$200) subtracted from it.

Need for this bill: This bill, in recognition of the crucial role that access to child care plays in parents obtaining and maintaining employment or attending education or training programs,

seeks to ensure that families applying for CalWORKs have immediate access to child care, provided they have a need for such child care due to participation in certain educational or employment activities and provided they are apparently eligible for CalWORKs based on information supplied to and obtained by the county. Much like with the existing immediate need payment available to some applicant families facing emergency situations, this bill's proposal to offer immediate child care services to eligible families acknowledges the often dire circumstances facing parents as they apply for CalWORKs and seek to provide for their families.

According to the author, "Although many working parents are eligible and eventually approved for CalWORKs childcare assistance, sometimes it is too late and lack of childcare results in job loss. The ability to establish eligibility sooner will provide hardworking parents the support they need to maintain employment or to engage in training and educational activities on their pathway to meaningful employment.

"This measure is designed to help hardworking individuals keep their jobs and their educational opportunities. Low-income parents often face significant barriers as they look for work or in their efforts to improve their skills and education. Although many working parents are eligible and eventually approved for CalWORKs childcare assistance, sometimes it is too late and lack of childcare results in job loss. The ability to establish eligibility quickly will provide hardworking parents the support they need to keep their jobs or to engage in training and educational activities on their pathway to a better job."

RELATED LEGISLATION:

SB 321 (Mitchell) of 2019 increases access to CalWORKs child care for welfare-to-work participants by, among other things, requiring that Stage One child care to be authorized for one year, or until the participant is transferred to Stage Two of childcare, and prohibiting Stage One or Stage Two child care from being discontinued until the family has been enrolled or is ineligible for services in the subsequent stage of childcare. SB 321 is currently awaiting hearing in the Assembly Human Services Committee.

AB 60 (Santiago) of 2018 would have stipulated that CalWORKs Stage One and Stage Two child care may not be discontinued until it is confirmed that a family has transitioned to a subsequent stage of child care or is no longer eligible for that stage of child care and would have required the sharing of certain information by county welfare departments aimed at reducing disruptions in child care services. AB 60 was vetoed by the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

Coalition of California Welfare Rights Organizations (Sponsor)
Western Center on Law & Poverty, Inc. (Sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO
California Alternative Payment Program Association
Californiahealth+ Advocates
National Association of Social Workers, California Chapter

Opposition

None on file

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