

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 1 Educational Awards/Scholarships and Eligible Teens' Exemption

CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held January 14, 2004, as follows:

January 14, 2004
Office Building # 9
744 P St. Auditorium
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on January 14, 2004.

CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

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CHAPTERS

Manual of Policies and Procedures, Division 42 (Nonlinking Factors of Public Assistance Eligibility), Section 42-712 (Exemptions from Welfare-to-Work Participation), Section 42-719 (School Attendance); and Division 44 (Standards of Assistance), Section 44-111 (Payments Excluded or Exempt from Consideration as Income)

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Senate Bill (SB) 1264, Chapter 439, Statutes of 2002 amended Section 11157 of the Welfare and Institutions Code to exempt from consideration as income, for purposes of the California Work Opportunity and Responsibility to Kids (CalWORKs) program, any awards or scholarships provided by a public or private entity to, or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational or extracurricular competition.

This bill also amended Section 11320.3 of the Welfare and Institutions Code, to expand the exemptions from the CalWORKs welfare-to-work requirements to include a person who is 16 or 17 years of age, has obtained a high school diploma or its equivalent, and is enrolled or is planning to enroll in a postsecondary education, vocational, or technical school training program. The bill also established a time period by which verification of enrollment must be provided to, or obtained by the county.

To implement the above cited statute, these regulations require that any awards or scholarships provided by a public or private entity to, or on behalf of, a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition be exempt from consideration as income for CalWORKs program purposes.

These regulations also allow 16 and 17-year old teens who have graduated from high school, or its equivalent, and who have enrolled or are planning to enroll in postsecondary education, vocational, or technical school to be exempt from welfare-to-work participation requirements. They define what "planning to enroll" means and sets a limit to when either verification of enrollment must be provided or the exemption is discontinued.

COST ESTIMATE

1. Costs or Savings to State Agencies: Costs of \$10,000 for Fiscal Year 2003/04 and \$21,000 for Fiscal Year 2004/05.
2. Costs to Local Agencies or School Districts: Costs of \$2,000 for Fiscal Year 2003/04 and \$5,000 for Fiscal Year 2004/05
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Costs of \$82,000 for Fiscal Year 2003/04 and \$164,000 for Fiscal Year 2004/05.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not upon school districts. The mandate does not require reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the California Constitution because implementation of the regulations will, if anything, result in only negligible costs.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10054, Welfare and Institutions Code. Subject regulations implement and make specific Sections 11157 and 11320.3 (Ch. 439, Stats of 2002), Welfare and Institutions Code.

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person: Anthony J. Velasquez (916) 657-2586
Backup: Robin Garvey (916) 657-2586

EMERGENCY STATEMENT

These regulations are to be adopted on an emergency basis. In order to allow interested persons an opportunity to submit statements or arguments concerning these regulations, they will be considered at public hearing in accordance with Government Code Section 11346.4.

AGENDA ITEM(S) FOR THIS PUBLIC HEARING - January 14, 2004

ITEM #1 ORD #0603-14 Educational Awards/Scholarships and Eligible Teens Exemption