

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

ITEM # 1 California Work Opportunity and Responsibility to Kids (CalWORKs) Program Changes, Senate Bill (SB) 1104 (Ch. 229, Stats. of 2004) and SB 68 (Ch. 78, Stats. of 2005).

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 18, 2006, as follows:

January 18, 2006
Office Building # 9
744 P St., Room 104
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 18, 2006.

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.

CONTACT: Office of Regulations Development
California Department of Social Services
744 P Street, MS 7-192
Sacramento, California 95814

TELEPHONE: (916) 657-2586 FACSIMILE: (916) 654-3286
E-MAIL: ord@dss.ca.gov

CHAPTERS

Manual of Policies and Procedures, Division 11 (Administrative Standards for Eligibility and Assistance Programs), Chapter 11-500 (Program Standards - Income Maintenance), Section 11-501 (Income Maintenance Responsibilities); Division 42 (Nonlinking Factors of Public Assistance Eligibility), Chapter 42-300 (General Time Limit Requirements), Section 42-302 (60-Month Time Limit Requirements for Adults); Chapter 42-700 (Welfare-to-Work), Section 42-701 (Introduction to Welfare-to-Work), Section 42-710 (18- and 24-Month Time Limits), Section 42-711 (Welfare-to-Work Participation Requirements), Section 42-712 (Exemptions From Welfare-to-Work Participation), Section 42-713 (Good Cause For Not Participating), Section 42-715 (Domestic Abuse Protocols and Training Standards); Section 42-716 (Welfare-to-Work Activities), Section 42-718 (Other Providers of Activities and Services), Section 42-719 (School Attendance), Section 42-720 (Nondisplacement Protection in Work Activities), Section 42-721 (Noncompliance with Program Requirements), Section 42-722 (Learning Disabilities Protocols and Standards); Chapter 42-800 (Welfare-to-Work Requirements for RCA Participants: Introduction), Section 42-802 (Job, Training, and Education for RCA Welfare-to-Work Participants); Chapter 42-1000 (Welfare-to-Work Supplemental Refugee Services (SRS) Component), Section 42-1009 (Mandatory Components for SRS Participants); Section 42-1010 (Optional Components for SRS Participation); Division 44 (Standards of Assistance), Chapter 44-100 (Income), Section 44-111 (Payments Excluded or Exempt From Consideration as Income), and Division 63 (Food Stamp Regulations), Chapter 63-400 (Eligibility Standards), Section 63-407 (Work Registration Requirements)

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Senate Bill 1104, Chapter 229, Statutes of 2004, and SB 68, Chapter 78, Statutes of 2005, amends the CalWORKs Welfare-to-Work program. The CalWORKs Welfare-to-Work program is the employment and training component of CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) Program.

Federal welfare reform enacted the TANF program through the Personal Responsibility and Work Opportunity Reconciliation Act in 1996 and limits cash aid to a family with an adult to a total of five years. The intent of the Welfare-to-Work program is to provide employment and training services to the maximum possible number of the adult CalWORKs population to assist them in achieving economic self-sufficiency within this time frame.

To further achieve this goal, the proposed regulations will enhance the program's "work first" approach and establish a universal engagement requirement that will engage families as soon as possible in services they need to become economically self-sufficient. Participation requirements are also a key component in obtaining the CalWORKs program goal. The proposed regulations will eliminate the 18- or 24-month time limit on participation in specified education and training activities and require adults to participate in at least 20 hours per week in core welfare-to-work activities that will provide them with the necessary training to obtain employment. The balance of their 32- or 35-hour per week participation requirement can be spent in other specified non-core activities that will aid recipients in obtaining employment.

Additionally, the proposed regulations will make other technical, conforming changes, such as renumbering sections and amending cross references as necessary.

COST ESTIMATE

1. Costs or savings to State Agencies: Net savings of \$0.4 million in Fiscal Year 2005-06 (a reduction of \$0.5 million from the savings included in the Budget Act of 2005). Due to the TANF Block Grant funding and State General Fund maintenance of effort requirements, the savings associated with this bill would be redirected to fund other CalWORKs Program Costs.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: Net savings of \$3.6 million in Fiscal Year 2005-06 (a reduction of \$0.1 million from the savings included in the Budget Act of 2005).
4. Federal Funding to State Agencies: Net savings of \$9.3 million in Fiscal Year 2005-06 (a reduction of \$4.9 million from the savings included in the Budget Act of 2005). Due to the TANF Block Grant funding and State General Fund maintenance of effort requirements, the savings associated with this bill would be redirected to fund other CalWORKs Program Costs.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not upon school districts. The mandate is not required to be reimbursed 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 savings.

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

It is anticipated that small businesses will be impacted since they employ the majority of persons in the state and will provide services for County Welfare Departments and welfare recipients. These regulations have the potential to increase the number of welfare recipients who become employed and/or participate in other Welfare-to-Work activities, due to the required participation of a minimum of 20 hours per week in core activities. These core activities include 1) unsubsidized employment, 2) subsidized private sector employment, 3) subsidized public sector employment, 4) work experience, 5) on-the-job training (OJT), 6) grant-based OJT, 7) supported work or transitional employment, 8) work study, 9) self-employment, 10) community service, 11) vocational education and training (up to 12 months), and 12) job search and job readiness assistance. However, in general, the number and type of small businesses to be impacted is not known since this information is dependent on numerous factors, e.g., the number of recipients who meet their (CalWORKs) Welfare-to-Work requirements through employment, the number of recipients who meet the requirements through educational activities, the types of services that are provided at the local level by governmental versus private businesses, etc.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs 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 10554 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 10531, 10532, 11320.1, 11322, 11322.6, 11322.8, 11322.9, 11324.6, 11325.21, .22, and .23, 11325, 11326, and 11454, Welfare and Institutions Code, SB 1104 (Chapter 229, Statutes of 2004), and SB 68 (Chapter 78, Statutes of 2005).

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person:	Everardo Vaca	(916) 657-2586
Backup:	Alison Garcia	(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.