

2017-2018 CalWORKs, CalFresh and IHSS Budget Trailer Bills and Budget Bill & more.

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CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

SENATE BILL

No. 89

Introduced by Committee on Budget and Fiscal Review

January 11, 2017

CHAPTER 24

[Approved by Governor June 27, 2017.

Filed with Secretary of State June 27, 2017.]

SB 89, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2017.~~ *Human services.*

EBT

SEC. 13. *Section 10072.2 is added to the Welfare and Institutions Code, to read:*

10072.2. *(a) The electronic benefits transfer system required by this chapter shall be designed to include a flexible benefit issuance mechanism.*

(b) The flexible benefit issuance mechanism created under this section shall be designed in a manner that can target multiple populations with specific benefits and shall allow the department flexibility to provide benefits for specific populations, as determined by the department, contingent upon the appropriation of funds by the Legislature.

(c) (1) The distribution of benefits pursuant to the flexible benefit issuance mechanism created under this section shall comply with all federal and state laws and regulations governing electronic benefits.

(2) The distribution of benefits pursuant to the flexible benefit issuance mechanism created under this section shall comply with privacy and confidentiality procedures required by federal and state law.

(d) The flexible benefit issuance mechanism created under this section shall become operative within nine months of the date that the Department of Social Services certifies and publishes on the department's Internet Web site that the third generation electronic benefits transfer system required by this chapter has otherwise been fully implemented.

SEC. 14. *The heading of Chapter 4.6 (commencing with Section 10830) of Part 2 of Division 9 of the Welfare and Institutions Code is amended to read:*

SFIS

CHAPTER 4.6. ~~Statewide Fingerprint Imaging System~~ *CalWORKs Identity Verification*

SEC. 15. Section 10830 of the Welfare and Institutions Code is amended to read:

10830. (a) The department and the Health and Welfare Data Center shall design, implement, and maintain a statewide fingerprint imaging system for use in connection with the determination of eligibility for benefits under the California Work Opportunity and Responsibility to Kids Act (CalWORKs) program under Chapter 2 (commencing with Section 11200) of Part 3 excluding Aid to Families with Dependent Children-Foster Care (AFDC-FC).

(b) (1) Every applicant for, or recipient of, aid under Chapter 2 (commencing with Section 11200) of Part 3, excluding the AFDC-FC program, other than dependent children or persons who are physically unable to be fingerprint imaged, shall, as a condition of eligibility for assistance, be required to be fingerprint imaged.

(2) A person subject to paragraph (1) shall not be eligible for the CalWORKs program until fingerprint images are provided, except as provided in subdivision (e). Ineligibility may extend to an entire case of a person who refuses to provide fingerprint images.

(c) The department may adopt emergency regulations to implement this section specifying the statewide fingerprint imaging requirements and exemptions to the requirements in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The initial adoption of any emergency regulations implementing this section, as added during the 1996 portion of the 1995–96 Regular Session, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Emergency regulations adopted pursuant to this subdivision shall remain in effect for no more than 180 days.

(d) Persons required to be fingerprint imaged pursuant to this section shall be informed that fingerprint images obtained pursuant to this section shall be used only for the purpose of verifying eligibility and preventing multiple enrollments in the CalWORKs program. The department, county welfare agencies, and all others shall not use or disclose the data collected and maintained for any purpose other than the prevention or prosecution of fraud. Fingerprint imaging information obtained pursuant to this section shall be confidential under Section 10850.

(e) (1) Except as provided in paragraph (2), the fingerprint imaging required under this chapter shall be scheduled only during the application appointment or other regularly scheduled appointments. No other special appointment shall be required. No otherwise eligible individual shall be ineligible to receive benefits under this chapter due to a technical problem occurring in the fingerprint imaging system or as long as the person consents to and is available for fingerprint imaging at a mutually agreed-upon time, not later than 60 days from the initial attempt to complete fingerprint imaging.

(2) During the first nine months following implementation, recipients may be scheduled for separate appointments to complete the fingerprint imaging required by this section. Notice shall be mailed first class by the department to recipients at least 10 days prior to the appointment, and shall include procedures for the recipient to reschedule the scheduled appointment within 30 days.

(f) If the fingerprint image of an applicant or recipient of aid to which this section applies matches another fingerprint image on file, the county shall notify the applicant or recipient. In the event that a match is appealed, the fingerprint image match shall be verified by a trained individual and any matching case files reviewed prior to the denial of benefits. Upon confirmation that the applicant or recipient is receiving or attempting to receive multiple CalWORKs program checks, a county fraud investigator shall be notified.

(g) (1) If implementation of the method described in Section 10831 occurs prior to April 1, 2018, this section shall become inoperative as of the date of that implementation and is repealed as of April 1, 2018.

(2) If paragraph (1) of this subdivision does not apply, this section shall become inoperative on April 1, 2018, unless the Director of Social Services notifies the Joint Legislative Budget Committee that a method as described in Section 10831 has not been implemented prior to this date. In the event the director requires additional time for implementation, this section may remain operative until implementation of the method described in Section 10831 occurs or June 30, 2018, whichever is sooner. This section shall be repealed as of July 1, 2018.

SEC. 16. *Section 10831 is added to the Welfare and Institutions Code, to read:*

10831. *(a) The department shall implement and maintain an automated, nonbiometric identity verification method in the CalWORKs program. It is the intent of the Legislature to codify additional details regarding this method so that recipients of aid, other than dependent children, will be required, as a condition of eligibility, to cooperate with this method.*

(b) The department shall update the Legislature, no later than November 1, 2017, regarding options for the design, implementation, and maintenance of an automated, nonbiometric identity verification method in the CalWORKs program.

(c) The options developed under this section shall be for use in California counties and shall include procedures and a schedule for implementation.

(d) Prior to the update to the Legislature, the department shall do both of the following:

(1) Consult with stakeholders, including legislative staff, representatives of counties and county human services agencies, current or former CalWORKs clients, advocates for clients, and other stakeholders, as appropriate.

(2) Consider how any new methods of identity verification would impact applicant or recipient experiences and make application and eligibility practices more efficient.

(e) (1) A method implemented and maintained pursuant to this section shall be reviewed annually, with an update to the Legislature in the course of the annual spring budget subcommittee process, according to the following criteria:

(A) The extent to which the method improved identity verification and prevented duplicate aid.

(B) The extent to which the method improved the client experience.

(C) The extent to which the method aided in the efficiency and efficacy of the file clearance process.

(2) A method implemented and maintained pursuant to this section shall be evaluated, and a written report shall be submitted to the appropriate fiscal and policy committees of the Legislature, addressing the criteria in paragraph (1) by April 1, 2019.

(f) Notwithstanding any other law, contracts necessary pursuant to this section shall be exempt from both of the following:

- (1) The personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.*
- (2) The Public Contract Code and the State Contracting Manual. Contracts necessary pursuant to this section shall not be subject to the approval of the Department of General Services.*
- (g) Beginning in fiscal year 2018-19, any method implemented and maintained pursuant to this section shall only be operative in years in which funding is provided in the annual Budget Act for this purpose.*

OCAT

SEC. 20. *Section 11325.15 is added to the Welfare and Institutions Code, immediately following Section 11325.1, to read:*

11325.15. *(a) (1) The Legislature hereby finds and declares that the Online CalWORKs Appraisal Tool (OCAT) is an essential part of CalWORKs welfare-to-work case management and should function as a shared service in the Statewide Automated Welfare System (SAWS), which is the system of record for the CalWORKs program, as expeditiously as possible.*

(2) The State Department of Social Services shall expedite any necessary steps to obtain any necessary licenses to allow the OCAT to function as a shared service in the SAWS environment.

(b) OCAT shall become a shared service in the SAWS environment, consistent with the state's shared services strategy. The functionality of OCAT in the SAWS environment shall include, but not be limited to, the exchange of data to prevent the need for duplicate data entry, to alert users to potential data conflicts, and to transmit OCAT recommendations to SAWS, where the recommendations may be used to streamline the case management of welfare-to-work activities and to produce reports.

(c) The implementation of this section shall not reduce access by the department nor counties to OCAT data and recommendations, as that access existed as of June 30, 2017.

(d) (1) Notwithstanding any other law, contracts necessary to obtain licenses for OCAT shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.

(2) Notwithstanding any other law, contracts necessary to obtain licenses for OCAT shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

Mental Health SERVICES

SEC. 21. Section 11325.5 of the Welfare and Institutions Code is amended to read:

11325.5. (a) If, pursuant to the appraisal conducted pursuant to Section 11325.2 or assessment conducted pursuant to Section 11325.4, there is a concern that a mental disability exists that will impair the ability of a recipient to obtain employment, he or she shall be referred to the county mental health department.

(b) Subject to appropriations in the Budget Act, the county mental health department shall evaluate the recipient and determine any treatment needs. The evaluation shall include the extent to which the individual is capable of employment at the present time and under what working and treatment conditions the individual is capable of employment. The evaluation shall include prior diagnoses, assessments, or evaluations that the recipient provides.

(c) Each county ~~welfare department~~ *human services agency* shall develop individual welfare-to-work plans for recipients with mental or emotional disorders based on the evaluation conducted by the mental health department. The plan for the recipient shall include appropriate employment accommodations or restrictions, supportive services, and treatment requirements. Any prior diagnosis, evaluation, or assessment provided by the recipient shall be considered in the development of his or her individual welfare-to-work plan.

(d) This section shall remain in effect only until July 1, 2017, and as of that date is repealed.

SEC. 22. Section 11325.5 is added to the Welfare and Institutions Code, to read:

11325.5. (a) If, pursuant to the appraisal conducted pursuant to Section 11325.2 or assessment conducted pursuant to Section 11325.4, there is a concern that a mental disability exists that will impair the ability of a recipient to obtain employment, he or she shall be referred to the county mental health department or a community-based provider, as necessary.

(b) Subject to appropriations in the Budget Act, the county mental health department or a community-based provider shall evaluate the recipient and determine any treatment needs. The evaluation shall include the extent to which the individual is capable of employment at the present time and under what working and treatment conditions the individual is capable of employment. The evaluation shall include prior diagnoses, assessments, or evaluations that the recipient provides.

(c) Each county human services agency shall develop individual welfare-to-work plans for recipients with mental or emotional disorders based on the evaluation conducted by the mental health department or a community-based provider. The plan for the recipient shall include appropriate employment accommodations or restrictions, supportive services, and treatment requirements. Any prior diagnosis, evaluation, or assessment provided by the recipient shall be considered in the development of his or her individual welfare-to-work plan.

(d) This section shall become operative on July 1, 2017.

(e) This section shall remain in effect only until July 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted on or before July 1, 2018, deletes or extends that date.

SEC. 23. *Section 11325.5 is added to the Welfare and Institutions Code, to read:*

11325.5. *(a) If, pursuant to the appraisal conducted pursuant to Section 11325.2 or assessment conducted pursuant to Section 11325.4, there is a concern that a mental disability exists that will impair the ability of a recipient to obtain employment, he or she shall be referred to the county mental health department.*

(b) Subject to appropriations in the Budget Act, the county mental health department shall evaluate the recipient and determine any treatment needs. The evaluation shall include the extent to which the individual is capable of employment at the present time and under what working and treatment conditions the individual is capable of employment. The evaluation shall include prior diagnoses, assessments, or evaluations that the recipient provides.

(c) Each county human services agency shall develop individual welfare to work plans for recipients with mental or emotional disorders based on the evaluation conducted by the mental health department. The plan for the recipient shall include appropriate employment accommodations or restrictions, supportive services, and treatment requirements. Any prior diagnosis, evaluation, or assessment provided by the recipient shall be considered in the development of his or her individual welfare-to-work plan.

(d) This section shall become operative on July 1, 2018.

SEC. 24. *Section 11325.7 of the Welfare and Institutions Code is amended to read:*

SEC. 25. *Section 11325.7 is added to the Welfare and Institutions Code, to read:*

11325.7. *(a) It is the intent of the Legislature in enacting this section to create a funding stream and program that assists certain recipients of aid under this chapter to receive necessary mental health services, including case management and treatment, thereby enabling them to make the transition from welfare to work. This funding stream shall be used specifically to serve recipients in need of mental health services, and shall be accounted for and expended by each county in a manner that ensures that recipients in need of mental health services are receiving appropriate services.*

(b) The county plan required by Section 10531 shall include a plan for the development of mental health employment assistance services, developed jointly by the county welfare department and the county department of mental health. The plan shall have as its goal the treatment of mental or emotional disabilities that may limit or impair the ability of a recipient to make the transition from welfare-to-work, or that may limit or impair the ability to retain employment over a long-term period. The plan shall be developed in a manner consistent with both the county's welfare-to-work program and the county's consolidated mental health Medi-Cal services plan. The county may use community based providers, as necessary, that have experience in addressing the needs of the CalWORKs population. The county, whenever possible, shall ensure that the services provided qualify for federal reimbursement of the nonstate share of Medi-Cal costs.

(c) Subject to specific expenditure authority, mental health services available under this section shall include all of the following elements:

- (1) Assessment for the purpose of identifying the level of the participant's mental health needs and the appropriate level of treatment and rehabilitation for the participant.
- (2) Case management, as appropriate, as determined by the county.
- (3) Treatment and rehabilitation services, that shall include counseling, as necessary to overcome mental health barriers to employment and mental health barriers to retaining employment, in coordination with an individual's welfare-to-work plan.
- (4) In cases in which a secondary diagnosis of substance abuse is made in a person referred for mental or emotional disorders, the welfare-to-work plan shall also address the substance abuse treatment needs of the participant.
- (5) A process by which the county can identify those with severe mental disabilities that may qualify them for aid under Chapter 3 (commencing with Section 12000).
- (d) (1) Mental health services available under this section may also include the provision of mental health assessment, case management, and treatment and rehabilitation services, including counseling for children of CalWORKs recipients who are participating or required to participate in welfare-to-work activities.
- (2) A parent in the assistance unit shall not be sanctioned in connection with her or his child's refusal or failure to participate in mental health services. A child's refusal or failure to participate in mental health services in and of itself does not create a welfare-to-work participation exemption.
- (3) The services provided pursuant to paragraph (1) may supplement but shall not duplicate available mental health services to the child in the public system. Notwithstanding any other law, these services are not subject to federal financial participation and shall not be claimed or otherwise billed to the Medi-Cal program, a Medi-Cal managed care plan, or a county mental health plan.
- (e) Any funds appropriated by the Legislature to cover the nonfederal costs of the mental health employment assistance services required by this section shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation. Each county shall report annually to the state the number of CalWORKs program recipients who received mental health services and the extent to which the allocation is sufficient to meet the need for these services as determined by the county. The State Department of Health Care Services shall develop a uniform methodology for ensuring that this allocation supplements, and does not supplant, current expenditure levels for mental health services for this population.
- (f) This section shall become operative on July 1, 2017.
- (g) This section shall remain in effect only until July 1, 2018, and as of that date is repealed, and as of that date is repealed, unless a later enacted statute, that is enacted on or before July 1, 2018, deletes or extends that date.

SEC. 26. Section 11325.7 is added to the Welfare and Institutions Code, to read:

11325.7. (a) It is the intent of the Legislature in enacting this section to create a funding stream and program that assists certain recipients of aid under this chapter to receive necessary mental health services, including case management and treatment, thereby enabling them to make the transition from welfare to work. This funding stream shall be used specifically to serve recipients in need of mental health services, and shall be accounted for and expended by each county in a manner that ensures that recipients in need of mental health services are receiving appropriate services.

(b) The county plan required by Section 10531 shall include a plan for the development of mental health employment assistance services, developed jointly by the county human services agency and the county department of mental health. The plan shall have as its goal the treatment of mental or emotional disabilities that may limit or impair the ability of a recipient to make the transition from welfare to work, or that may limit or impair the ability to retain employment over a long-term period. The plan shall be developed in a manner consistent with both the county's welfare-to-work program and the county's consolidated mental health Medi-Cal services plan. The county may use community-based providers, as necessary, that have experience in addressing the needs of the CalWORKs population. The county, whenever possible, shall ensure that the services provided qualify for federal reimbursement of the nonstate share of Medi-Cal costs.

(c) Subject to specific expenditure authority, mental health services available under this section shall include all of the following elements:

(1) Assessment for the purpose of identifying the level of the participant's mental health needs and the appropriate level of treatment and rehabilitation for the participant.

(2) Case management, as appropriate, as determined by the county.

(3) Treatment and rehabilitation services, that shall include counseling, as necessary to overcome mental health barriers to employment and mental health barriers to retaining employment, in coordination with an individual's welfare-to-work plan.

(4) In cases in which a secondary diagnosis of substance abuse is made in a person referred for mental or emotional disorders, the welfare-to-work plan shall also address the substance abuse treatment needs of the participant.

(5) A process by which the county can identify those with severe mental disabilities that may qualify them for aid under Chapter 3 (commencing with Section 12000).

(d) Any funds appropriated by the Legislature to cover the nonfederal costs of the mental health employment assistance services required by this section shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation. Each county shall report annually to the state the number of CalWORKs program recipients who received mental health services and the extent to which the allocation is sufficient to meet the need for these services as determined by the county. The State Department of Health Care Services shall develop a uniform methodology for ensuring that this allocation supplements, and does not supplant, current expenditure levels for mental health services for this population.

(e) This section shall become operative on July 1, 2018, unless a later enacted statute, that is enacted on or before July 1, 2018, deletes or extends that date.

SEC. 27. *Section 11325.8 of the Welfare and Institutions Code is amended to read:*

(g) This section shall remain in effect only until July 1, 2017, and as of that date is repealed.

SEC. 28. *Section 11325.8 is added to the Welfare and Institutions Code, to read:*

11325.8. *(a) The county plan required by Section 10531 shall include a plan for the provision of substance abuse treatment services. The plan shall describe how the county welfare department and the county alcohol and drug program will collaborate to ensure an effective system is available to provide alcohol and drug services to recipients whose substance abuse creates a barrier to employment. The plan shall be developed in a manner that is consistent with the*

county's welfare-to-work program. Substance abuse treatment services shall include evaluation, substance abuse treatment, employment counseling, provision of community service jobs, or other appropriate services.

(b) It is the intent of the Legislature that substance abuse treatment services for participants shall be provided by the county alcohol and drug program, or by a nonprofit agency under contract with the county alcohol and drug program. If the county welfare department determines that the county alcohol and drug program is unable to provide the needed services, the county department may contract directly with a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program to obtain substance abuse services for a participant.

(c) (1) A participant who is in a job search component of the county's welfare-to-work program may be directed at any time to an assessment by the job search manager if the county believes that the participant's substance abuse may limit or preclude his or her satisfactory completion of the job search component.

(2) During the assessment, if the case manager believes that substance abuse will impair the ability of the participant to obtain and retain employment, the case manager shall refer the participant to the county alcohol and drug program for an evaluation and determination of any treatment necessary for the participant's transition from welfare to work. If the county alcohol and drug program is unable to provide the necessary services, the county may refer the participant to a state-licensed or certified nonprofit agency under contract with the county to perform these services.

(3) If a participant is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. In that case, the participant's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.

(4) A recipient of aid under this chapter shall be offered two opportunities to receive substance abuse treatment under subdivision (q) of Section 11322.6, except that the county may offer the recipient additional treatment opportunities.

(5) When a participant's welfare-to-work plan includes assignment to a treatment program, a case manager may determine that the participant is out of compliance with that plan if, at any time, in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.

(6) When a case manager determines that a participant in a treatment program as specified in his or her welfare-to-work plan is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county shall consult the substance abuse treatment provider as appropriate.

(d) (1) Substance abuse services available under this section may also include the provision of substance abuse evaluation, determination of necessary treatment, and substance abuse

treatment for children of CalWORKs recipients who are participating or are required to participate in welfare-to-work activities.

(2) A parent in the assistance unit shall not be sanctioned in connection with her or his child's refusal or failure to participate in substance abuse services. A child's refusal or failure to participate in substance abuse services in and of itself does not create a welfare-to-work participation exemption.

(3) The services provided pursuant to paragraph (1) may supplement but shall not duplicate available substance abuse services to the child in the public system. Notwithstanding any other law, these services are not subject to federal financial participation and shall not be claimed or otherwise billed to the Medi-Cal program, a Medi-Cal managed care plan, or a county mental health plan.

(e) A recipient may not participate in a substance abuse treatment program for longer than six months without concurrently participating in a work activity, to be determined by the county and the recipient, in consultation with the treatment provider. However, if the recipient is in a state-licensed residential facility or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours per day, three days per week, or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's work activity requirement.

(f) Any funds appropriated by the Legislature for allocation to each county to eliminate barriers to employment due to participants' substance abuse problems shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation and shall be used to supplement, and not supplant, substance abuse treatment funds otherwise available to recipients. It is the intent of the Legislature that these funds be used to develop, expand, or develop and expand programs appropriate for CalWORKs program recipients. It is further the intent of the Legislature that, to the extent possible, these funds be used to maximize federal financial participation through Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(g) Each county shall report annually to the state the number of CalWORKs program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services as determined by the county.

(h) This section shall become operative on July 1, 2017.

(i) This section shall remain in effect only until July 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted on or before July 1, 2018, deletes or extends that date.

SEC. 29. *Section 11325.8 is added to the Welfare and Institutions Code, to read:*

11325.8. *(a) The county plan required by Section 10531 shall include a plan for the provision of substance abuse treatment services. The plan shall describe how the county human services agency and the county alcohol and drug program will collaborate to ensure an effective system is available to provide alcohol and drug services to recipients whose substance abuse creates a barrier to employment. The plan shall be developed in a manner that is consistent with the county's welfare-to-work program. Substance abuse treatment services shall include evaluation, substance abuse treatment, employment counseling, provision of community service jobs, or other appropriate services.*

(b) It is the intent of the Legislature that substance abuse treatment services for participants shall be provided by the county alcohol and drug program, or by a nonprofit agency under contract with the county alcohol and drug program. If the county human services agency determines that the county alcohol and drug program is unable to provide the needed services, the county department may contract directly with a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program to obtain substance abuse services for a participant.

(c) (1) A participant who is in a job search component of the county's welfare-to-work program may be directed at any time to an assessment by the job search manager if the county believes that the participant's substance abuse may limit or preclude his or her satisfactory completion of the job search component.

(2) During the assessment, if the case manager believes that substance abuse will impair the ability of the participant to obtain and retain employment, the case manager shall refer the participant to the county alcohol and drug program for an evaluation and determination of any treatment necessary for the participant's transition from welfare to work. If the county alcohol and drug program is unable to provide the necessary services, the county may refer the participant to a state-licensed or certified nonprofit agency under contract with the county to perform these services.

(3) If a participant is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. In that case, the participant's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.

(4) A recipient of aid under this chapter shall be offered two opportunities to receive substance abuse treatment under subdivision (q) of Section 11322.6, except that the county may offer the recipient additional treatment opportunities.

(5) When a participant's welfare-to-work plan includes assignment to a treatment program, a case manager may determine that the participant is out of compliance with that plan if, at any time, in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.

(6) When a case manager determines that a participant in a treatment program as specified in his or her welfare-to-work plan is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county shall consult the substance abuse treatment provider as appropriate.

(d) A recipient may not participate in a substance abuse treatment program for longer than six months without concurrently participating in a work activity, to be determined by the county and the recipient, in consultation with the treatment provider. However, if the recipient is in a state-licensed residential facility or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours per day, three days per week,

or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's work activity requirement.

(e) Any funds appropriated by the Legislature for allocation to each county to eliminate barriers to employment due to participants' substance abuse problems shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation and shall be used to supplement, and not supplant, substance abuse treatment funds otherwise available to recipients. It is the intent of the Legislature that these funds be used to develop, expand, or develop and expand programs appropriate for CalWORKs program recipients. It is further the intent of the Legislature that, to the extent possible, these funds be used to maximize federal financial participation through Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(f) Each county shall report annually to the state the number of CalWORKs program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services as determined by the county.

(g) This section shall become operative on July 1, 2018

Positive Incentives for CalWORKs Recipients

SEC. 30. Article 3.7 (commencing with Section 11340) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.7. CalWORKs Educational Opportunity and Attainment Program

11340. This article shall be known, and may be cited, as the CalWORKs Educational Opportunity and Attainment Program.

11341. (a) A CalWORKs recipient may apply to receive a one-time education incentive award in the amount of five hundred dollars (\$500) for completion of a high school diploma or its equivalent.

(b) (1) A CalWORKs recipient may apply to receive a one-time education stipend totaling one thousand dollars (\$1,000) for enrollment in a term of an education or training program leading to a career technical education program certificate, an associate's degree, or a bachelor's degree.

(2) The stipend described in paragraph (1) shall be paid to a CalWORKs recipient at the outset of the term for which he or she is registered.

11342. (a) (1) A CalWORKs recipient who applies for an education incentive award pursuant to subdivision (a) of Section 11341 shall submit evidence of completion of the high school educational program to the county.

(2) Upon verification of completion of the high school educational program described in paragraph (1), the county shall pay the recipient the award described in subdivision (a) of Section 11341 in the month following receipt of the record of completion, if submitted by the 11th day of the month, or in the second month following receipt of the record of completion if submitted later than the 11th day of the month.

(b) (1) A CalWORKs recipient who applies for an education stipend described in subdivision (b) of Section 11341 shall submit evidence of enrollment to the county. A recipient is not eligible unless all of the following criteria are satisfied:

(A) The recipient is enrolled in an education or training program that is included in the recipient's welfare-to-work plan approved by the county.

(B) The recipient is enrolled in an education or training program consistent with subdivision (f) of Section 11325.23.

(C) The recipient is enrolled in an education or training program described in subdivision (b) of Section 11341 while receiving CalWORKs assistance.

(2) Within 10 business days of verifying that a recipient is enrolled in an education or training program as described in paragraph (1), the county shall certify that the recipient is eligible for the education stipend and shall issue the stipend payment to the recipient.

11343. *(a) A CalWORKs recipient who is receiving an education incentive award or education stipend but then ceases to receive CalWORKs assistance is not eligible for the same education incentive award if he or she begins receiving CalWORKs assistance in the future.*

(b) A CalWORKS recipient is permanently ineligible for an education incentive award or education stipend under either of the following circumstances:

(1) The recipient has exhausted his or her CalWORKS benefits.

(2) The recipient has committed public assistance fraud, as described in Article 7 (commencing with Section 11476.6).

(c) A CalWORKs recipient shall not receive an education award or education stipend in any month during which he or she is sanctioned.

11345. *The education incentive awards and stipends authorized pursuant to this article are not entitlement benefits. A county is required to comply with the provisions of this article only to the extent funding for this purpose is appropriated in the annual Budget Act and available to the county. A county shall not be required to expend county funds for the provision of education incentive awards and stipends pursuant to this article.*

11346. *This article shall become operative on January 1, 2018.*

Cal-OAR

SEC. 38. Section 11523 is added to the Welfare and Institutions Code, to read:

11523. (a) This section shall be known and may be cited as the CalWORKs Outcomes and Accountability Review Act of 2017.

(b) The State Department of Social Services shall establish, by July 1, 2019, the California CalWORKs Outcomes and Accountability Review (Cal-OAR) to facilitate a local accountability system that fosters continuous quality improvement in county CalWORKs programs and in the collection and dissemination by the department of best practices in service delivery. The Cal-OAR shall cover CalWORKs services provided to current and former recipients, including those who are in sanction or exempt status or who are unengaged, and shall include the programmatic elements that each county offers as part of its CalWORKs service array as well as any local program components, and shall consist of performance indicators, a county CalWORKs self-assessment process, and a county CalWORKs system improvement plan. For purposes of this section, "CalWORKs services" shall include welfare-to-work, family stabilization, housing support, and post-employment job retention services.

(c) (1) (A) By October 1, 2017, the department shall convene a workgroup comprised of representatives from county human services agencies, legislative staff, interested welfare advocacy and research organizations, current and former CalWORKs recipients, organizations that represent county human services agencies and county boards of supervisors, representatives of community colleges, tribal organizations, and the workforce investment system, and any other state entities that the department deems necessary. The workgroup members shall also include individuals with expertise related to domestic violence, substance abuse, and mental health. The workgroup shall establish a workplan by which the Cal-OAR shall be conducted, pursuant to the provisions described in this section, including a process for qualitative peer reviews of counties' CalWORKs services. The workgroup shall discuss potential costs for state and county participation.

(B) The department shall report annually to the Subcommittee on Health and Human Services of the Senate Committee on Budget and Fiscal Review and the Subcommittee on Health and Human Services of the Assembly Committee on Budget during the budget process with an update on the schedule for development of and future changes to the Cal-OAR.

(2) At a minimum, in establishing the work plan, the workgroup shall consider existing CalWORKs performance indicators being measured, additional, alternative, or additional and alternative process and outcome indicators to be measured, development of uniform elements of the county CalWORKs self-assessment and the county CalWORKs system improvement plans, timelines for implementation, recommendations for reducing the existing CalWORKS services data reporting burden in light of new requirements established by the act that added this section and the resulting Cal-OAR, recommendations for financial incentives to counties for achievement on performance measures, and an analysis of the county and state workload associated with implementation of the requirements of this section.

(d) The Cal-OAR shall consist of the following three components: performance indicators, a county CalWORKs self-assessment, and a county CalWORKs system improvement plan.

(1) (A) The Cal-OAR performance indicators shall be consistent with programmatic goals for the CalWORKs program, and shall include both process and outcome measures. These measures shall be established in order to provide baseline and ongoing information about how the state and counties are performing over time and to inform and guide each county human services agency's CalWORKs self-assessment and CalWORKs system improvement plan.

(i) Process measures shall include measures of participant engagement, CalWORKs service delivery, and participation. Specific process measures shall be established by the department, in consultation with the workgroup, and may include measures of engagement as shown by improvement in program participation, timeliness of service provision, rates of utilization of program components, such as vocational education, and referrals and utilization of services based upon recommendations from the Online CalWORKs Appraisal Tool.

(ii) Outcome measures shall include measures of employment, educational attainment, program exits, and program reentries, and may include other indicators of family and child well-being as determined by the department, in consultation with the workgroup.

(B) Performance indicator data available in existing county data systems shall be collected by counties and provided to the department, and performance indicator data available in existing state department data systems shall be collected by the department and provided to the counties. These data shall be reported in a manner and on a schedule to be determined by the department, in consultation with the workgroup, but no less frequently than semiannually.

(C) (i) During the first three-year Cal-OAR cycle, performance indicator data, as reported by each county, shall be used to establish both county and statewide baselines for each of the process measures. After the first review cycle, the department shall, in consultation with the workgroup, establish standard target thresholds for each of the process measures established by the workgroup.

(ii) The department, in consultation with the workgroup, shall develop a process for resolving any disputes regarding the establishment of standard process thresholds pursuant to clause (i).

(D) For subsequent reviews, and based upon availability of additional data from enhancements to the Statewide Automated Welfare System or through interagency data-sharing agreements, the workgroup shall convene, as necessary, to consider whether to establish additional performance indicators that support the programmatic goals for the CalWORKs program. Any additional performance indicators established shall also be subject to the process described in subparagraph (C) and include consideration of when data on the additional performance indicators would be available for reporting, if not already available.

(E) If, during subsequent reviews, there is sufficient reason to establish statewide performance standards for one or more outcome measures, the department may, in consultation with the workgroup, establish those standards for each of the agreed-upon outcome measures. In making a determination as to whether there is sufficient reason to establish performance standards for any outcome measure, the department shall consider whether all counties could reasonably be expected to meet those standards given local variability in employment opportunities, availability of services, demographics, educational opportunities, and funding, among other things.

(2) (A) The county CalWORKs self-assessment component of the Cal-OAR, as established by the workgroup, shall require the county human services agencies to assess their performance on the established process and outcome measures that comprise the performance indicators, identify

the strengths and weaknesses in their current practice and resource deployment, identify and describe how local operational decisions and systemic factors affect program outcomes, and consider areas of focus that may be included in the county CalWORKs system improvement plan as described in paragraph (3). The county CalWORKs self-assessment process shall be designed to identify areas of best practices for replication and for system improvement at the county level, and shall guide the development of the county CalWORKs system improvement plan as described in paragraph (3). To the extent a county identifies eligibility procedures and practices that it determines, through its self-assessment, contribute to its achievement on process and outcome measures related to CalWORKs services, the county may, at its option, incorporate eligibility-related elements into its system improvement plan.

(B) (i) The county CalWORKs self-assessment process shall be completed every three years by the county in consultation and collaboration with local stakeholders and submitted to the department.

(ii) Local stakeholders shall include county CalWORKs administrators, supervisors, and caseworkers; current and former CalWORKs recipients; and county human services agency partners. To the extent possible and relevant, local stakeholders shall also include representatives of community colleges, tribal organizations, and the local workforce board. Additional specific county human services agency partners shall be determined by the county and may include, but are not limited to, adult education providers, providers of services for survivors of domestic violence, the local housing continuum of care, county behavioral health departments, county drug and alcohol programs, community-based service providers, organizations that represent CalWORKs recipients, child care resource and referral programs, and alternative payment programs, as appropriate.

(3) (A) (i) The county CalWORKs system improvement plan shall consist of uniform elements to be developed by the workgroup. It shall, at a minimum, describe how the county will improve its CalWORKs program performance in strategic focus areas based upon information learned through the county CalWORKs self-assessment process. The county CalWORKs system improvement plan shall be approved in public session by the county's board of supervisors or, as applicable, chief elected official, and submitted to the department.

(ii) The county CalWORKs system improvement plan shall be completed every three years by the county, approved in public session by the county's board of supervisors or, as applicable, chief elected official, and be submitted to the department.

(B) The county CalWORKs system improvement plan shall include a peer CalWORKs services review element, the purpose of which shall be to provide additional insight and technical assistance by peer counties for each county.

(C) Strategic focus areas for the county CalWORKs system improvement plan shall be determined by the county, informed by the county CalWORKs self-assessment process, as described in paragraph (2), with targets for improvement based upon what is learned in the county CalWORKs self-assessment process.

(D) The county human services agency shall complete an annual progress report on the status of its system improvement plan and shall submit these reports to the department. The department, in consultation with the workgroup, shall develop uniform elements of the progress report.

(e) (1) The department shall receive, review, and, based on its determination of the county CalWORKs system improvement plan meeting the required elements identified in subparagraph (A) of paragraph (3) of subdivision (d), certify as complete all county-submitted performance indicator data, county CalWORKs self-assessments, county CalWORKS system improvement

plans, and annual progress reports, and shall identify and promote the replication of best practices in CalWORKs service delivery to achieve the established process and outcome measures.

(2) The department shall monitor, on an ongoing basis, county performance on the measures developed pursuant to subdivision (d).

(3) The department shall make data collected pursuant to this section publicly available on its Internet Web site.

(4) The department shall, on an annual basis, submit a report to the Legislature that summarizes county performance on the established process and outcome measures during the reporting period, analyzes county performance trends over time, and makes findings and recommendations for common CalWORKs services improvements identified in the county CalWORKs self-assessments and county CalWORKs system improvement plans, including information on common statutory, regulatory, or fiscal barriers identified as inhibiting system improvements and any recommendations to overcome those barriers.

(5) (A) The department shall facilitate the provision of, and provide as appropriate, technical assistance to county human services agencies as part of the peer review that supports the county's selected areas for improvement as described in its system improvement plan.

(B) If, in the course of its review of county CalWORKs system improvement plans and annual updates, or, in the course of its review of regularly submitted performance indicator data, the department determines that a county is consistently failing to make progress toward its strategic focus areas for improvement or is consistently failing to meet the process measure standard target thresholds established pursuant to subparagraph (C) of paragraph (1) of subdivision (d), the department shall engage the county in a process of targeted technical assistance and support to address and resolve the identified shortcomings. If, after the assistance is provided, the county continues in its failure to meet its goals or performance thresholds, the department may engage in corrective action with the county.

(f) A county shall execute and fulfill components of its CalWORKs system improvement plan that can be accomplished with existing resources.

(g) A county shall not be required to execute and fulfill any components of its CalWORKs system improvement plan that creates new county costs, unless funding for those costs are appropriated in the annual Budget Act.

(h) Beginning in the 2019–20 fiscal year, and for each fiscal year thereafter, no more than two million dollars (\$2,000,000) from the General Fund shall be appropriated in the annual Budget Act to counties to complete the requirements described in subdivision (c).

IHSS

SEC. 39. Section 12300.4 of the Welfare and Institutions Code is amended to read:

12300.4. (a) Notwithstanding any other law, including, but not limited to, Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code and Title 23 (commencing with Section 110000) of the Government Code, a recipient who is authorized to receive in-home supportive services pursuant to this article, or Section 14132.95, 14132.952, or 14132.956, administered by the State Department of Social Services, or waiver personal care services pursuant to Section 14132.97, administered by the State Department of Health Care Services, or any combination of these services, shall direct these authorized services, and the authorized services shall be performed by a provider or providers within a workweek and in a manner that complies with the requirements of this section.

(b) (1) A workweek is defined as beginning at 12:00 a.m. on Sunday and includes the next consecutive 168 hours, terminating at 11:59 p.m. the following Saturday.

(2) A provider of services specified in subdivision (a) shall not work a total number of hours within a workweek that exceeds 66, as reduced by the net percentage defined by Sections 12301.02 and 12301.03, as applicable, and in accordance with subdivision (d). The total number of hours worked within a workweek by a provider is defined as the sum of the following:

(A) All hours worked providing authorized services specified in subdivision (a).

(B) Travel time as defined in subdivision (f), only if federal financial participation is not available to compensate for that travel time. If federal financial participation is available for travel time as defined in subdivision (f), the travel time shall not be included in the calculation of the total weekly hours worked within a workweek.

(3) (A) If the authorized in-home supportive services of a recipient cannot be provided by a single provider as a result of the limitation specified in paragraph (2), it is the responsibility of the recipient to employ an additional provider or providers, as needed, to ensure his or her authorized services are provided within his or her total weekly authorized hours of services established pursuant to subdivision (b) of Section 12301.1.

(B) (i) It is the intent of the Legislature that this section not result in reduced services authorized to recipients of waiver personal care services defined in subdivision (a).

(ii) The State Department of Health Care Services shall work with and assist recipients receiving services pursuant to the Nursing Facility/Acute Hospital Waiver *or the In-Home Operations Waiver, or their successors*, who are at or near their individual cost cap, as that term is used in the ~~waiver, waivers~~, to avoid a reduction in the recipient's services that may result because of increased overtime pay for providers. As part of this effort, the department shall consider allowing the recipient to exceed the individual cost cap, if ~~appropriate~~ *appropriate, and authorize exemptions as set forth in subdivision (e) of Section 14132.99*. The department shall provide timely information to waiver recipients as to the steps that will be taken to implement this clause.

(4) (A) A provider shall inform each of his or her recipients of the number of hours that the provider is available to work for that recipient, in accordance with this section.

(B) A recipient, his or her authorized representative, or any other entity, including any person or entity providing services pursuant to Section 14186.35, shall not authorize any provider to work hours that exceed the applicable limitation or limitations of this section.

(C) A recipient may authorize a provider to work hours in excess of the recipient's weekly authorized hours established pursuant to Section 12301.1 without notification of the county welfare department, in accordance with both of the following:

- (i) The authorization does not result in more than 40 hours of authorized services per week being provided.
- (ii) The authorization does not exceed the recipient's authorized hours of monthly services pursuant to paragraph (1) of subdivision (b) of Section 12301.1.

(5) For providers of in-home supportive services, the State Department of Social Services or a county may terminate the provider from providing services under the IHSS program if a provider continues to violate the limitations of this section on multiple occasions.

(c) Notwithstanding any other law, only federal law and regulations regarding overtime compensation apply to providers of services defined in subdivision (a).

(d) A provider of services defined in subdivision (a) is subject to all of the following, as applicable to his or her situation:

- (1) (A) A provider who works for one individual recipient of those services shall not work a total number of hours within a workweek that exceeds 66 hours, as reduced by the net percentage defined by Sections 12301.02 and 12301.03, as applicable. In no circumstance shall the provision of these services by that provider to the individual recipient exceed the total weekly hours of the services authorized to that recipient, except as additionally authorized pursuant to subparagraph (C) of paragraph (4) of subdivision (b). If multiple providers serve the same recipient, it shall continue to be the responsibility of that recipient or his or her authorized representative to schedule the work of his or her providers to ensure the authorized services of the recipient are provided in accordance with this section.
- (B) When a recipient's weekly authorized hours are adjusted pursuant to subparagraph (C) of paragraph (1) of subdivision (b) of Section 12301.1 and exceed 66 hours, as reduced by the net percentage defined by Sections 12301.02 and 12301.03, as applicable, and at the time of adjustment the recipient currently receives all authorized hours of service from one provider, that provider shall be deemed authorized to work the recipient's county-approved adjusted hours for that week, but only if the additional hours of work, based on the adjustment, do not exceed the total number of hours worked that are compensable at an overtime pay rate that the provider would have been authorized to work in that month if the weekly hours had not been adjusted.
- (2) A provider of in-home supportive services described in subdivision (a) who serves multiple recipients is not authorized to, and shall not, work more than 66 total hours in a workweek, as reduced by the net percentage defined by Sections 12301.02 and 12301.03, as applicable, regardless of the number of recipients for whom the provider provides services authorized by subdivision (a). Providers are subject to the limits of each recipient's total authorized weekly hours of in-home supportive services described in subdivision (a), except as additionally authorized pursuant to subparagraph (C) of paragraph (4) of subdivision (b).
- (3) Notwithstanding paragraph (2), the 66-hour workweek limit described in subdivision (b) does not apply to a provider of in-home supportive services described in subdivision (a), and a recipient of those services may receive those services from a requested provider, if the provider has an approved exemption as set forth in subparagraph (A) or (B). A provider who has an approved exemption pursuant to subparagraph (A) or (B) shall not work a total number of hours in excess of 360 hours per month combined for the recipients of in-home supportive services served by that provider and may not exceed any recipient's monthly authorized hours.*

(A) A provider is eligible for an exemption if he or she met all of the following on or before January 31, 2016:

(i) He or she provided services to two or more recipients of in-home supportive services described in subdivision (a).

(ii) He or she lived in the same home as all of the recipients for whom he or she provided services.

(iii) He or she is related, biologically, by adoption, or as a foster caregiver, legal guardian, or conservator, to all of the recipients for whom he or she provides services as the recipients' parent, stepparent, foster or adoptive parent, grandparent, legal guardian, or conservator.

(B) A provider is eligible for an exemption if he or she provides services to two or more recipients of in-home supportive services described in subdivision (a), if each recipient for whom the provider provides services has at least one of the following circumstances that puts the recipient at serious risk of placement in out-of-home care if the services could not be provided by that provider:

(i) He or she has complex medical or behavioral needs that must be met by a provider who lives in the same home as the recipient.

(ii) He or she lives in a rural or remote area where available providers are limited, and, as a result, the recipient is unable to hire another provider.

(iii) He or she is unable to hire another provider who speaks the same language as the recipient, resulting in the recipient being unable to direct his or her own care.

(C) At the time of assessment or reassessment, the county shall evaluate each recipient to determine if the recipient's circumstances appear to indicate that the provider for that recipient may be eligible for an exemption described in subparagraph (A) or (B). The county shall then inform those recipients about the potentially applicable exemptions and the process by which they or their provider may apply for the exemption.

(D) On a one-time basis upon implementation of this paragraph, the department shall mail an informational notice and an exemption request form to all providers of multiple recipients who may be eligible for an exemption pursuant to subparagraph (B) and to the recipients to whom those providers provide services.

(E) (i) The county shall review the requests for consideration for an exemption described in subparagraph (B) pursuant to a process developed by the department with input from counties and stakeholders. The county shall consider whether the denial of an exemption would place a recipient or recipients at serious risk of placement in out-of-home care due to any of the circumstances described in clauses (i) to (iii), inclusive, of subparagraph (B).

(ii) Within 30 days of receiving an application for an exemption described in subparagraph (B) from a provider or from a recipient on behalf of a provider, the county shall mail a written notification letter to the provider and the recipients for whom the provider provides services of its approval or denial of the exemption. If the county denies the exemption, the county shall also explain in the notification letter the reason for the denial and information about the process to request a review by the department, independent of the county's decision. The county shall use a standardized notification letter, developed by the department in consultation with stakeholders, for purposes of providing the notification letter that is required by this clause.

(iii) (I) A provider whose exemption under subparagraph (B) has been denied, or a recipient on behalf of his or her provider whose exemption under subparagraph (B) has been denied, may request a review by the department, independent of the county's decision.

(II) The department shall develop the review process with input from stakeholders. At a minimum, the review process shall ensure that it provides the provider or the recipient, or his or her authorized representative, with the opportunity to speak with, and provide written information to, staff of the department conducting the review about how the recipient meets the criteria described in subparagraph (B) and how any alternative services proposed by the county would place the recipient at serious risk of placement in out-of-home care.

(III) The department shall consider the information provided by the provider or the recipient, or his or her authorized representative, and the information provided by the county in reaching its decision.

(IV) The department shall mail its written decision within 20 days of the date the provider or the recipient is scheduled to speak with the staff of the department conducting the review, unless the provider or the recipient has requested additional time to submit information and the department has granted that request. The written decision shall inform the provider and the recipients for whom the provider provides services if the exemption is granted or denied. If the department denies the exemption, the department shall also explain in the written decision the reason for the denial.

(iv) The county shall record the number of requests for exemptions that are received from providers or recipients on the provider's behalf and the number of requests approved or denied, and shall submit these numbers to the department. The department shall record the number of requests for the review by the department that are received from providers or recipients and the number of exemptions that are approved or denied through the review process. The numbers by the county and the department shall be posted no later than every three months on the department's Internet Web site.

(e) Recipients and providers shall be informed of the limitations and requirements contained in this section, through notices at intervals and on forms as determined by the State Department of Social Services or the State Department of Health Care Services, as applicable, following consultation with stakeholders.

(f) (1) A provider of services described in subdivision (a) shall not engage in travel time in excess of seven hours per week. For purposes of this subdivision, "travel time" means time spent traveling directly from a location where authorized services specified in subdivision (a) are provided to one recipient to another location where authorized services are to be provided to another recipient. A provider shall coordinate hours of work with his or her recipients to comply with this section.

(2) The hourly wage to compensate a provider for travel time described in this subdivision when the travel is between two counties shall be the hourly wage of the destination county.

(3) Travel time, and compensation for that travel time, between a recipient of authorized in-home supportive services specified in subdivision (a) and a recipient of authorized waiver personal care services specified in subdivision (a) shall be attributed to the program authorizing services for the recipient to whom the provider is traveling.

(4) Hours spent by a provider while engaged in travel time shall not be deducted from the authorized hours of service of any recipient of services specified in subdivision (a).

(5) The State Department of Social Services and the State Department of Health Care Services shall issue guidance and processes for travel time between recipients that will assist the provider and recipient to comply with this subdivision. Each county shall provide technical assistance to providers and recipients, as necessary, to implement this subdivision.

- (g) A provider of authorized in-home supportive services specified in subdivision (a) shall timely submit, deliver, or mail, verified by postmark or request for delivery, a signed payroll timesheet within two weeks after the end of each bimonthly payroll period. Notwithstanding any other law, a provider who submits an untimely payroll timesheet for providing authorized in-home supportive services specified in subdivision (a) shall be paid by the state within 30 days of the receipt of the signed payroll timesheet.
- (h) This section does not apply to a contract entered into pursuant to Section 12302 or 12302.6 for authorized in-home supportive services. Contract rates negotiated pursuant to Section 12302 or 12302.6 shall be based on costs consistent with a 40-hour workweek.
- (i) The state and counties are immune from any liability resulting from implementation of this section.
- (j) Any action authorized under this section that is implemented in a program authorized pursuant to Section 14132.95, 14132.956, or 14132.97 shall be compliant with federal Medicaid requirements, as determined by the State Department of Health Care Services.
- (k) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services and the State Department of Health Care Services may implement, interpret, or make specific this section by means of all-county letters or similar instructions, without taking any regulatory action.
- (l) (1) This section shall become operative only when the regulatory amendments made by RIN 1235-AA05 to Part 552 of Title 29 of the Code of Federal Regulations are deemed effective, either on the date specified in RIN 1235-AA05 or at a later date specified by the United States Department of Labor, whichever is later.
- (2) If the regulatory amendments described in paragraph (1) become only partially effective by the date specified in paragraph (1), this section shall become operative only for those persons for whom federal financial participation is available as of that date.

Immigrant Services

SEC. 40. Section 13303 of the Welfare and Institutions Code is amended to read:

13303. (a) Subject to the availability of funding in the act that added this section or the annual Budget Act, the department shall provide grants, as described in subdivision (b), to organizations qualified under Section 13304.

(b) Grants provided in accordance with subdivision (a) shall be for the purpose of providing one or more of the following services, as determined by the department:

(1) Services to persons ~~living in California, including all~~ *residing in, or formerly residing in, California, including, but not limited to, any* of the following:

(A) Services to assist with the application process for initial or renewal requests of deferred action under the DACA policy with the United States Citizenship and Immigration Services.

~~(B) Services to assist with the application process for initial or renewal requests of deferred action under the DAPA policy with the United States Citizenship and Immigration Services, as federally established.~~

~~(C)~~(B) Services to ~~help~~ obtain other immigration ~~remedies for people receiving DACA or DAPA application assistance.~~ *remedies.*

~~(D)~~(C) Services to assist with the ~~application process for~~ naturalization *process* and any appeals arising from the process.

(2) Services to provide legal training and technical ~~assistance to other organizations qualified under Section 13304.~~ *assistance.*

(3) (A) (i) *Funds available for the purposes of this section shall not be used to provide legal services to an individual who has been convicted of, or who is currently appealing a conviction for, a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code, or a serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code.*

(ii) For the purposes of this subparagraph, "legal services" does not include activities relating to client intake, which shall be provided regardless of an individual's criminal history.

(B) Notwithstanding subparagraph (A), nothing in this section shall be construed to prohibit eligibility for services pursuant to this section for individuals whose criminal records are shown to be inaccurate.

(c) For purposes of this chapter, the following terms shall have the following meanings:

(1) "DACA" refers to Deferred Action for Childhood Arrivals status as described in guidelines issued by the United States Department of Homeland Security.

~~(2) "DAPA" refers to Deferred Action for Parents of Americans and Lawful Permanent Residents or Deferred Action for Parental Accountability status as described in guidelines issued by the United States Department of Homeland Security.~~

~~(3)~~(2) "Services to assist" includes, but is not limited to, outreach, workshop presentations, document review, Freedom of Information Act requests, and screening services that seek to

assist individuals with ~~DACA, DAPA, naturalization, or other immigration remedies.~~ *the services described in subdivision (b).*

~~(4)~~(3) “Legal training and technical assistance” includes, but is not limited to, ~~webinars, in-person trainings, and technical assistance in the form of answering questions via email, fax, or phone from organizations qualified under Section 13304 and their staff and volunteers that assist individuals with DACA, DAPA, naturalization, or other immigration remedies.~~ *educational and capacity building activities that will augment the competent provision of legal services to immigrants, including for organizations located in and serving underserved communities.*

(4) “Immigration remedies” include, but shall not be limited to, U-visas, T-visas, special immigrant juvenile status, Violence Against Women Act self-petitions, family-based petitions, cancellation of removal, and asylum, or other remedies that may also include remedies necessary to enable pursuit of immigration protections.

(d) No more than 40 percent of grant funds awarded to an organization qualified under Section 13304 shall be advanced to that organization.

(e) The department shall update the Legislature on the following information in the course of budget hearings:

(1) The timeline for implementation ~~of this section.~~ *and administration of this section, including important upcoming dates.*

(2) The participating organizations awarded contracts or ~~grants.~~ *grants, and the aggregate amounts awarded for each service described in subdivision (b).*

(3) The number of applications ~~submitted.~~ *submitted, and the aggregate amounts requested for each service described in subdivision (b).*

(4) The number of clients served.

(5) The types of services provided and in what language or languages.

(6) The regions served.

(7) The ethnic communities served.

(8) The identification of further barriers and challenges to ~~education, outreach, immigration assistance, and legal services related to naturalization and deferred action.~~ *the provision of services described in subdivision (b).*

(f) In accordance with Section 1621(d) of Title 8 of the United States Code, this section provides services for undocumented persons.

~~(f)~~(g) This section shall become operative on January 1, 2016.

SEC. 41. Section 13304 of the Welfare and Institutions Code is amended to read:

13304. (a) Grants awarded pursuant to Section 13303 shall fulfill all of the following:

(1) Be executed only with nonprofit organizations that meet the requirements set forth in Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code and that meet all of the following requirements:

(A) Except as provided in subparagraph (D), have at least three years of experience handling ~~immigration cases~~; *the type of immigration issues for which the organization is requesting a grant.*

(B) Have conducted trainings on immigration issues for persons beyond their staff.

(C) Are *recognized and* accredited by the ~~Board of Immigration Appeals~~ *Office of Legal Access Programs* under the United States Department of Justice's Executive Office for Immigration Review or meet the requirements to receive funding from the Trust Fund Program administered by the State Bar of California.

(D) For a legal services organization that provides legal training and technical assistance as defined in subdivision (c) of Section 13303, have at least 10 years of experience conducting immigration legal services and technical assistance and meet the requirements to receive funding from the Trust Fund Program administered by the State Bar of California.

(2) Require reporting, monitoring, or audits of services provided, as determined by the department.

(3) Require grant recipients to maintain adequate legal malpractice insurance and to indemnify and hold the state harmless from any claims that arise from the legal services provided pursuant to this chapter.

(b) For grants awarded prior to the effective date of the act that added this subdivision, with the consent of the department and the grantee, the grantee may provide any of the services described in Section 13303, as amended by that act, and any agreement between the department and grantee shall be deemed to authorize the provision of those services.

~~(b)~~(c) This section shall become operative on January 1, 2016.

SEC. 42. Section 13305 of the Welfare and Institutions Code is amended to read:

13305. (a) Subject to the availability of funding in the act that added this section or the annual Budget Act, the department shall provide grants to organizations qualified under Section 13306 to provide free education and outreach information, services, and materials about ~~DACA, DAPA, naturalization, or other immigration remedies~~; *services provided pursuant to subdivision (b) of Section 13303.*

(b) For purposes of this section, "education and outreach" activities means the dissemination of information or activities that promote the benefits of citizenship or ~~deferred action immigration remedies~~, and explain eligibility to prospective United States citizens or prospective individuals eligible for ~~deferred action~~; *action, or explain to individuals their immigration-related rights.*

(1) Education and outreach activities shall include referrals to educational or legal services that support the applicants' eligibility for ~~citizenship or deferred action~~ *citizenship, deferred action,*

or other immigration remedies, and the importance of participating in civic engagement as a naturalized citizen.

(2) Education and outreach activities do not include representation as legal counsel that would assist in the application process for a prospective citizen or prospective individual eligible for deferred ~~action~~ *action or other immigration remedies*.

(c) No more than 40 percent of grant funds awarded to an organization qualified under Section 13306 shall be advanced to that organization.

(d) The department shall update the Legislature on the following information in the course of budget hearings:

(1) The timeline for implementation of this section.

(2) The participating organizations awarded contracts or grants.

(3) The number of applications submitted.

(4) The number of clients served.

(5) The types of services provided and in what language or languages.

(6) The regions served.

(7) The ethnic communities served.

(8) The identification of further barriers and challenges to education, outreach, immigration assistance, and legal services related to naturalization and deferred action.

(e) This section shall become operative on January 1, 2016.

SEC. 43. *Section 13307 is added to the Welfare and Institutions Code, to read:*

13307. The department may transfer funds appropriated for the purposes of this chapter among services described in this chapter in response to the results of requests for applications received or to changing state or federal law. Following the award of funding pursuant to this section, the department shall provide written notification to the Joint Legislative Budget Committee of the items specified in subdivision (e) of Section 13303. Subsequent to this notification, and in addition to the update required by subdivision (e) of Section 13303, the department shall provide written notification to the Department of Finance and the Joint Legislative Budget Committee no less than 30 days prior to either of the following, unless a shorter timeframe is requested by the department due to emergent circumstances:

(a) Any proposed changes that adjust the aggregate amount awarded for any particular service described in subdivision (b) of Section 13303 by more than 15 percent.

(b) For any proposed transfers of funding between the purposes of Sections 13300 and 13303.

SEC. 44. *Section 13308 is added to the Welfare and Institutions Code, to read:*

13308. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

CHILD SUPPORT

SEC. 45.

Section 14124.93 of the Welfare and Institutions Code is repealed.

~~14124.93.~~

~~(a) The Department of Child Support Services shall provide payments to the local child support agency of fifty dollars (\$50) per case for obtaining third-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the annual Budget Act.~~

~~(b) A county shall be eligible for a payment if the county obtains third-party health coverage or insurance for applicants or recipients of Title IV-D services not previously covered, or for whom coverage has lapsed, and the county provides all required information on a form approved by both the Department of Child Support Services and the State Department of Health Care Services.~~

~~(c) Payments to the local child support agency under this section shall be suspended for the 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17 fiscal years.~~

SINGLE ALLOCATION REVISED

SEC. 47. *Section 15204.35 is added to the Welfare and Institutions Code, immediately following Section 15204.3, to read:*

15204.35. *(a) The State Department of Social Services shall work with representatives of county human services agencies and the County Welfare Directors Association to develop recommendations for revising the methodology used for development of the CalWORKs single allocation annual budget. As part of the process of developing these recommendations, legislative staff, advocates, and organizations that represent county workers shall be consulted.*

(b) (1) Recommendations for initial changes to the methodology for development of the CalWORKs single allocation for the 2018-19 fiscal year shall be made to the Legislature by January 10, 2018.

(2) Recommendations for additional changes to the methodology for the 2019-20 and subsequent fiscal years shall be made to the Legislature by October 1, 2018.

Safe Drinking Water Supplemental Benefit

SEC. 53. Section 18901.25 is added to the Welfare and Institutions Code, to read:

18901.25. (a) There is hereby created the Safe Drinking Water Supplemental Benefit Pilot Program, a state-funded program to provide additional CalFresh nutrition benefits for interim assistance to purchase safe drinking water in areas where it is necessary.

(b) The State Department of Social Services shall use moneys allocated for this program to provide time-limited additional state-funded nutrition benefits to residents of prioritized disadvantaged communities that are served by public water systems that consistently fail to meet primary drinking water standards, as defined in Section 116275 of the Health and Safety Code. Benefits shall be in addition to benefits provided for pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3, and shall not be considered as income for any program established in this code.

(c) The department may use its own existing databases and databases from the State Water Resources Control Board to determine which CalFresh households are eligible to receive benefits pursuant to this section. The following households shall receive priority:

(1) CalFresh recipients served by persistently noncompliant public water systems in disadvantaged communities, as defined in Section 79505.5 of the Water Code, as determined by the location of the recipient's residence.

(2) CalFresh recipients in communities deemed eligible for interim emergency drinking water benefits by the State Water Resources Control Board, as determined by the recipient's residence.

(d) Benefits granted pursuant to this section shall be delivered through the electronic benefits transfer (EBT) system created pursuant to Sections 10072 and 10072.2.

(e) The benefits authorized pursuant to this section are not entitlement benefits. A county is required to comply with the provisions of this section only to the extent funding for this purpose is appropriated in the annual Budget Act and available to the county. A county shall not be required to expend county funds for the provision of benefits authorized under this section.

(f) This section shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed.

ABAWDS IMPROVEMENTS

SEC. 54. Section 18926 of the Welfare and Institutions Code is amended to read:

18926. (a) To the extent permitted by federal law, the department shall annually seek a federal waiver of the existing federal Supplemental Nutrition Assistance Program limitation that stipulates that an able-bodied adult without dependents (ABAWD) participant is limited to three months of CalFresh benefits in a three-year period unless that participant has met the work participation ~~requirement.~~ *requirement or is otherwise exempt.*

(b) All eligible counties shall be included in and bound by this ~~waiver unless a county declines to participate in the waiver request. If a county declines, the county shall submit documentation from the board of supervisors of that county to that effect.~~ *waiver.*

~~(c) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 2 of the Government Code) the department may implement this section by all-county letters or similar instructions.~~

(c) At its option, when a county is not eligible for a countywide waiver, a county may request that the department apply for the waiver described in subdivision (a) for one or more eligible subareas of the county. The department shall seek the subarea waiver within a reasonable time frame following a request made by a county, and may seek any necessary information from the county to support the waiver request.

SEC. 55. Section 18926.1 is added to the Welfare and Institutions Code, to read:

18926.1. (a) *To the extent not prohibited by federal law and guidance, the department shall ensure that all recipients subject to the federal ABAWD time limit described in Section 18926 are permitted to meet the work requirements of the time limit through all forms of work, including, but not limited to, volunteer work at a nonprofit organization or a public institution that the recipient chooses, if the county can verify the hours of participation using the process established by the department pursuant to subdivision (b).*

(b) *On or before January 1, 2018, the department, with input from the County Welfare Directors Association and advocates for CalFresh recipients, shall issue an all-county letter instructing counties as to how to verify hours of the volunteer work specified in subdivision (a).*

SEC. 56. Section 18926.2 is added to the Welfare and Institutions Code, to read:

18926.2. *To the extent not prohibited by federal law and guidance, a recipient who is homeless shall be deemed to be exempt from the federal ABAWD time limit described in Section 18926. For purposes of this section, a recipient who is homeless is a person who does not have a regular nighttime residence.*

MH & SA REFERRAL EVALUATION

SEC. 57. (a) During the 2017–18 fiscal year, the State Department of Social Services and the State Department of Health Care Services shall work with the Department of Finance, the County Welfare Directors Association of California, and the County Behavioral Health Directors Association of California to evaluate the current process by which adult and child recipients of CalWORKs benefits are referred to and receive mental health and substance abuse services through the county behavioral health system. This evaluation shall include a determination of factors related to the provision of these services for CalWORKs recipients. The departments shall update the Legislature on the evaluation as part of the 2018–19 budget subcommittee hearings.

(b) This section shall remain in effect only until July 1, 2018, and as of that date is repealed.

EFFECTIVE DATES

SEC. 58. (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services may implement and administer Sections 10072.2, 10831, 11325.15, 11325.5, 11325.7, 11325.8, 11461.3, 11461.6, 13307, 13308, 18901.25, 18926.1, and 18926.2, and Article 3.7 (commencing with Section 11340) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, which are added by this act, and Section 8212 of the Education Code and Sections 10830, 11253.4, 11403, 11461.4, 11464, 11465, 13303, 13304, 13305, 16206, 16501.1, 16519.5, 16521.5, and 18926 of the Welfare and Institutions Code, which are amended by this act, through all-county letters or similar instructions until regulations are adopted.

(b) The department shall adopt emergency regulations implementing the sections specified in subdivision (a) no later than January 1, 2019. The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, any emergency regulation previously adopted pursuant to this section. The initial adoption of regulations pursuant to this section and one readoption of emergency regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and one readoption of emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for

filing with the Secretary of State, and each shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

SEC. 59. *Funds allocated for purposes of implementing and administrating the changes made to Sections 1522.41 and 1529.2 of the Health and Safety Code and Sections 304.7, 16206, 16501.1, 16519.5, and 16521.5 of the Welfare and Institutions Code shall not supplant funds allocated for any existing program.*

SEC. 60. *To the extent that this act has an overall effect of increasing certain costs already borne by a local agency for programs or levels of service mandated by the 2011 Realignment Legislation within the meaning of Section 36 of Article XIII of the California Constitution, it shall apply to local agencies only to the extent that the state provides annual funding for the cost increase. Any new program or higher level of service provided by a local agency pursuant to this act above the level for which funding has been provided shall not require a subvention of funds by the state or otherwise be subject to Section 6 of Article XIII B of the California Constitution.*

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 61. *This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately*

AMENDED IN SENATE JUNE 12, 2017

CHAPTER 15

[Approved by Governor June 27, 2017.
Filed with Secretary of State June 27, 2017.]

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

No. 99

Introduced by Assembly ~~Member Ting~~ *Members Ting, Arambula, Bloom, Caballero, Chiu, Cooper, Cristina Garcia, Jones-Sawyer, Limón, McCarty, Medina, Mullin, Muratsuchi, O'Donnell, Rubio, Mark Stone, Weber, and Wood*

January 10, 2017

SEC. 9. Section 8263 of the Education Code is amended to read:

8263. (a) (1) The Superintendent shall adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(A) A family is (i) a current aid recipient, (ii) income eligible, (iii) homeless, or (iv) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.

(B) A family needs the child care services (i) because the child is identified by a legal, medical, or social services agency, a local educational agency liaison for homeless children and youths designated pursuant to Section 11432(g)(1)(J)(ii) of Title 42 of the United States Code, a Head Start program, or an emergency or transitional shelter as (I) a recipient of protective services, (II) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (III) being homeless or (ii) because the parents are (I) engaged in vocational training leading directly to a

recognized trade, paraprofession, or profession, (II) employed or seeking employment, (III) seeking permanent housing for family stability, or (IV) incapacitated.

(2) If only one parent has signed an application for enrollment in child care services, as required by this chapter or regulations adopted to implement this chapter, and the information provided on the application indicates that there is a second parent who has not signed the application, the parent who has signed the application shall self-certify the presence or absence of the second parent under penalty of perjury. The parent who has signed the application shall not be required to submit additional information documenting the presence or absence of the second parent.

(b) Except as provided in Article 15.5 (commencing with Section 8350), priority for federal and state subsidized child development services is as follows:

(1) ~~(A)~~ First priority shall be given to neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social services agency. If an agency is unable to enroll a child in the first priority category, the agency shall refer the family to local resource and referral services to locate services for the child.

~~(B) A family who is receiving child care on the basis of being a child at risk of abuse, neglect, or exploitation, as defined in subdivision (k) of Section 8208, is eligible to receive services pursuant to subparagraph (A) for up to three months, unless the family becomes eligible pursuant to subparagraph (C).~~

~~(C) A family may receive child care services for up to 12 months on the basis of a certification by the county child welfare agency that child care services continue to be necessary or, if the child is receiving child protective services during that period of time, and the family requires child care and remains otherwise eligible. This time limit does not apply if the family's child care referral is recertified by the county child welfare agency.~~

(2) Second priority shall be given equally to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size, as determined by a schedule adopted by the Superintendent, shall be admitted first. If two or more families are in the same priority in relation to income, the family that has a child with exceptional needs shall be admitted first. If there is no family of the same priority with a child with exceptional needs, the same priority family that has been on the waiting list for the longest time shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(3) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this subdivision for agencies that wish to serve specific populations, including children with exceptional needs or children of prisoners. These new waivers shall not include proposals to avoid appropriate fee schedules or admit ineligible families, but may include proposals to accept members of special populations in other than strict income order, as long as appropriate fees are paid.

(c) Notwithstanding any other law, in order to promote continuity of services, a family enrolled in a state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive child development services in another state or federally funded child care and development program if the contractor is able to transfer the family's

enrollment to another program for which the family is eligible before the date of termination of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same administrative agency or to another agency that administers state or federally funded child care and development programs.

~~(d) In order to promote continuity of services, the Superintendent may extend the 60-working-day period specified in subdivision (a) of Section 18086.5 of Title 5 of the California Code of Regulations for an additional 60 working days if he or she determines that opportunities for employment have diminished to the degree that one or both parents cannot reasonably be expected to find employment within 60 working days and granting the extension is in the public interest. The scope of extensions granted pursuant to this subdivision shall be limited to the necessary geographic areas and affected persons, which shall be described in the Superintendent's order granting the extension. It is the intent of the Legislature that extensions granted pursuant to this subdivision improve services in areas with high unemployment rates and areas with disproportionately high numbers of seasonal agricultural jobs.~~

~~(e)~~ (d) A physical examination and evaluation, including age-appropriate immunization, shall be required before, or within six weeks of, enrollment. A standard, rule, or regulation shall not require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that the medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed the letter. However, if there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that the child is not suffering from that contagious or infectious disease.

~~(f)~~ (e) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department of Health Care Services relative to health care screening and the provision of health care services. The Superintendent shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of children who are ill or children with exceptional needs.

~~(g)~~ (f) The Superintendent shall establish guidelines for the collection of employer-sponsored child care benefit payments from a parent whose child receives subsidized child care and development services. These guidelines shall provide for the collection of the full amount of the benefit payment, but not to exceed the actual cost of child care and development services provided, notwithstanding the applicable fee based on the fee schedule.

~~(h)~~ (g) The Superintendent shall establish guidelines according to which the director or a duly authorized representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(h) (1) Except as provided in paragraphs (2) to (4), inclusive, upon establishing initial eligibility or ongoing eligibility for services under this chapter, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

(2) A family that establishes initial eligibility or ongoing eligibility on the basis of income shall report increases in income that exceed the threshold for ongoing income eligibility as described in subdivision (b) of Section 8263.1, and the family's ongoing eligibility for services shall at that time be recertified.

(3) A family that establishes initial eligibility or ongoing eligibility on the basis of seeking employment shall receive services under this chapter as follows:

(A) If seeking employment is the basis for initial eligibility, the family shall receive services under this chapter for not less than six months.

(B) If, at the time of recertification, the only basis established for ongoing eligibility is a parent's need to seek employment, the family shall receive services for no less than six months.

(4) A family may at any time voluntarily report income or other changes. This information shall be used, as applicable, to reduce the family's fees, increase the family's services, or extend the period of the family's eligibility before recertification.

(i) (1) Because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next recertification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during that same period.

(2) Notwithstanding paragraph (1), the Superintendent or his or her designated agent may seek to recover payments that are the result of fraud.

(j) (1) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and Section 33308.5 of this code, until regulations are filed with the Secretary of State to implement subdivision (h), the department shall implement subdivision (h) through management bulletins or similar letters of instruction on or before October 1, 2017.

(2) The department shall initiate a rulemaking action to implement subdivision (h) on or before December 31, 2018. The department shall convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding implementing subdivision (h).

~~(k)~~ (k) Public funds shall not be paid directly or indirectly to an agency that does not pay at least the minimum wage to each of its employees.

SEC. 10. Section 8263.1 of the Education Code is amended to read:

8263.1. (a) For purposes of *establishing initial income eligibility for services under* this chapter, “income eligible” means that a family’s adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, ~~and adjusted annually; as specified in subdivision (c).~~

(b) ~~Notwithstanding any other law, for the 2011–12 fiscal year, the~~ *For purposes of establishing ongoing income eligibility limits under this chapter, “ongoing income eligible” means that* ~~were in effect for the 2007–08 fiscal year shall be reduced to 70~~ *a family’s adjusted monthly income is at or below 85* percent of the state median ~~income that was in use for the 2007–08 fiscal year,~~ *income,* adjusted for family size, ~~effective July 1, 2011; as specified in subdivision (c).~~

(c) ~~Notwithstanding any other law, The Department of Finance shall calculate the state median income for family sizes of one to four, inclusive, by using the 2012–13, 2013–14, 2014–15, 2015–16, most recent census data available on state median family income in the past 12 months by family size. The Department of Finance shall calculate the state median income for family sizes of five and 2016–17 fiscal years; above by using the income eligibility limits most recent census data for a family of four and multiplying this number by the ratios for the appropriate family size used in the federal Low-Income Home Energy Assistance Program (42 U.S.C. Sec. 8621 et seq.) and specified in federal regulations at paragraphs (5), (6), and (7) of subdivision (b) of Section 96.85 of Title 45 of the Code of Federal Regulations. The Department of Finance shall be 70 percent update its calculations of the state median income that was for families according to the methodology provided in use for this subdivision and provide the 2007–08 fiscal year, adjusted for family size; updated data to the department no later than May 1 of each fiscal year.~~

(d) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for purposes of determining eligibility for child care under this chapter.

SEC. 12. Section 8273.1 of the Education Code is amended to read:

~~8273.1. (a) Families receiving services pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to three months.~~

~~(b) Families receiving~~

8273.1. (a) *A family that receives* services pursuant to ~~subparagraph (C) of~~ paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to 12 months.

~~(c) The cumulative period of time of exemption from family fees for families receiving services pursuant to paragraph (1) of subdivision (b) of Section 8263 shall not exceed 12 month~~

(b) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

~~(e)~~*(c)* Notwithstanding any other law, commencing with the 2014–15 fiscal year, family fees shall not be assessed for the part-day California preschool program to income eligible families whose children are enrolled in that program pursuant to Article 7 (commencing with Section 8235).

SEC. 71. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept employment or the participant shall have good cause for not participating under subdivision (f) of Section 11320.3. As provided in the welfare-to-work plan entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the assistance unit who needs paid child care if the child is 10 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other similar condition as verified by the county welfare department, or who is under court supervision.

(B) To the extent funds are ~~available~~ *available*, paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

(C) Necessary child care services shall be available to every former recipient for up to two years, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

(D) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.) or a child who would become a dependent child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) shall be deemed to be a dependent child for the purposes of this paragraph.

(E) The provision of care and payment rates under this paragraph shall be governed by Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code. Parent fees shall be governed by ~~subdivisions (g)~~ *Sections 8263* and ~~(h)~~ *8273.1* of ~~Section 8263~~ of the Education Code.

(2) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

2017-2018 STATE BUDGET BILL

PROPOSED IN CONFERENCE REPORT 1 JUNE 10, 2017
AMENDED IN SENATE MAY 22, 2017

CHAPTER 14

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, relating to the state budget, to take effect immediately, budget bill.

[Approved by Governor June 27, 2017.
Filed with Secretary of State June 27, 2017.]

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

[No. 97](#)

Introduced by Assembly Member Ting

January 10, 2017

~~An act relating to the Budget Act of 2017.~~ *An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, relating to the state budget, to take effect immediately, budget bill.*

5180-101-0001—For local assistance, State Department of Social Services

979,905,000
801,663,000

Schedule:

(1)	4270010-CalWORKs	788,290,000 621,648,000
(2)	4270019-Other Assistance Payments	191,905,000 180,305,000
(3)	Reimbursements to 4270010-CalWORKs	-290,000

Provisions:

1. (a) Funds appropriated in this item shall not be encumbered unless every rule or regulation adopted and every all-county letter issued by the State Department of Social Services that adds to the costs of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state’s fiscal situation.
- (b) Notwithstanding Sections 28.00 and 28.50, the availability of funds contained in this item for rules, regulations, or all-county letters that add to program costs funded from the General Fund in excess of \$500,000 on an annual basis, including those that are the result of a federal regulation, but excluding those that are (a) specifically required as a result of the enactment of a federal or state law or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or sooner than such lesser time after notification as the chairperson of the joint committee, or his or her designee, may in each instance determine.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the costs of a program or programs when the federal funds have not been received or funds in any subaccount within the Local Revenue Fund have not been deposited prior to the usual time for the state to transmit payment to the counties. This loan from the General Fund shall be

- repaid when the federal funds or the funds for any subaccounts within the Local Revenue Fund for the program or programs becomes available.
3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
 4.
 - (a) The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, including, but not limited to, the timing of federal payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a federal regulation, or a court action, during the 2017–18 fiscal year that are within or in excess of amounts appropriated in this act for that year.
 - (b) If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.
 5. Nonfederal funds appropriated in this item which have been budgeted to meet the state’s Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
 6. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-101-0890 to Items 5180-001-0001 and 5180-001-0890, for this purpose.
 7. Pursuant to the Electronic Benefits Transfer (EBT) Act (Chapter 3 (commencing with Section 10065) of Part 1 of Division 9 of the Welfare and Institutions Code) and in accordance with the EBT System regulations (Manual of Policies and Procedures Section 16-401.15), in the event a county fails to reimburse the EBT contractor for settlement of EBT transactions made against the county’s cash assistance programs, the state is required to pay the contractor. The State Department of Social Services may use funds from this item to reimburse the EBT contractor for settlement on behalf of the county. The county shall be required to reimburse the department for the county’s settlement via direct payment or administrative offset.
 8. The Department of Finance is authorized to approve expenditures for the California Food Assistance Program in those amounts made necessary by changes in the CalFresh Program Standard Utility Allowance, including those that result from midyear Standard

Utility Allowance adjustments requested by the state. If the Department of Finance determines that the estimate of expenditures will exceed the expenditure authority of this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.

9. Of the amount appropriated in Schedule (1), \$46,675,000 shall be available for housing supports for those families in receipt of CalWORKs for whom homelessness or housing instability is a barrier to self-sufficiency or child well-being pursuant to Section 11330.5 of the Welfare and Institutions Code.

10. Provision 5 of Item 5180-101-0890 also applies to this item.

5180-101-0122—For local assistance, State Department of Social Services, payable from the Emergency Food Assistance Program Fund 505,000

Schedule:

(1) 4270019-Other Assistance Payments 505,000

5180-101-0890—For local assistance, State Department of Social Services, payable from the Federal Trust Fund ~~4,176,221,000~~
4,185,458,000

Schedule:

(1) 4270010-CalWORKs ~~3,321,730,000~~
3,327,277,000

(2) 4270019-Other Assistance Payments ~~854,491,000~~
858,181,000

Provisions:

1. Provisions 1, 4, 6, and 7 of Item 5180-101-0001 also apply to this item.
2. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0890 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
3. The State Department of Social Services may transfer up to \$130,087,000 of the funds appropriated in this item for Program 4270010-CalWORKs, from the Temporary Assistance for Needy Families (TANF) block grant to the Social Services Block Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). Of this amount, \$10,000,000 shall be used to broaden access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers, and \$120,087,000 shall be used for CalWORKs local assistance Stage Two Child Care. The Title XX funds shall be pooled with TANF funds appropriated in this item for CalWORKs Child Care. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with funds from the Child Care and Development Fund or TANF funds, or both.

4. Upon request of the State Department of Social Services, the Director of Finance may increase or decrease the expenditure authority in this item to offset any increases or decreases in collections deposited in the Child Support Collections Recovery Fund and appropriated in Item 5180-101-8004. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.
5. Upon request of the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated expenditure amounts for counties participating in the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

5180-101-8004—For local assistance, Department of Social Services, payable from the Child Support Collections Recovery Fund 7,100,000

Schedule:

- (1) 4270019-Other Assistance Payments 7,100,000

Provisions:

1. Notwithstanding any other provision of law, upon request by the State Department of Social Services, the Department of Finance may increase or decrease this appropriation, for the purposes of Section 17702.5 of the Family Code. Adjustments to expenditure authority shall be consistent with those made pursuant to Provision 4 of Item 5180-101-0890. The Department of Finance shall provide notification of the adjustment to the Joint Legislative Budget Committee within 10 working days from the date of Department of Finance approval of the adjustment.

5180-101-8075—For local assistance, Department of Social Services, payable from the School Supplies for Homeless Children Fund 530,000

Schedule:

- (1) 4270019-Other Assistance Payments 530,000

5180-101-8106—For local assistance, State Department of Social Services, payable from the Special Olympics Fund 250,000

Schedule:

- (1) 4270019-Other Assistance Payments 250,000

5180-111-0001—For local assistance, Department of Social Services ~~5,922,979,000~~

Schedule:

- (1) 4270028-SSI/SSP ~~2,847,387,000~~
2,890,848,000

(2)	4275010-IHSS	11,556,897,000 11,630,425,000
(3)	Reimbursements to 4275010-IHSS	-8,481,305,000 -8,518,024,000

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$685,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The State Department of Social Services may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the county if the county fails to reimburse its share of cost of the IHSS program to the state.
3. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the IHSS program, without compromising the quality of the services provided to IHSS recipients.
4. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund increased costs due to workload associated with the retroactive reimbursement of Medi-Cal services for the IHSS program to comply with *Conlan v. Shewry* (2005) 131 Cal.App.4th 1354. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision and the number of positions to be established by the State Department of Social Services. The transfer shall be authorized at the time the report is made. The State Department of Social Services shall review the workload associated with the *Conlan v. Shewry* decision during the 2017–18 fiscal year and may administratively establish positions as the workload requires.
5. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid or service payments in the IHSS program. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.
6. The Department of Finance may increase expenditure authority in this item, up to a maximum of \$3,153,000, for prime vendor contract transition activities related to the Case Management,

Information and Payrolling System II, upon notification from the Office of Systems Integration that the contract was awarded to a new prime vendor. Any such increase shall be authorized no less than 30 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

7. *Of the funds appropriated in Schedule (1), \$43,461,000 shall be available for the Housing and Disability Advocacy Program to increase participation among homeless persons with disabilities who may be eligible for disability benefits programs pursuant to Section 18999.1 of the Welfare and Institutions Code. This funding shall be available for encumbrance or expenditure until June 30, 2020.*

5180-141-0001—For local assistance, State Department of Social Services

~~779,322,000~~
773,522,000

Schedule:

- | | |
|---|----------------------------|
| (1) 4270037-County Administration and Automation Projects | 966,609,000
960,809,000 |
| (2) Reimbursements to 4270037-County Administration and Automation Projects | -187,287,000 |

Provisions:

1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$140,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements have not been received by this state prior to the usual time for transmitting state payments for the federal or reimbursable share of costs. This loan from the General Fund shall be repaid when the federal share of costs or the reimbursements for the program or programs become available.
2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-141-0890 to Items 5180-001-0001 and 5180-001-0890, for this purpose.
3. Provision 1 of Item 5180-101-0001 also applies to this item.
4. Pursuant to public assistance caseload estimates reflected in the annual Governor’s Budget, the Department of Finance may approve expenditures in those amounts made necessary by a court action or changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this

- item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made by this item shall be increased by the amount of the excess unless and until otherwise provided by law.
5. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
 6. This item may be increased by order of the Director of Finance to address system changes necessary to implement the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148). The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval.
 7. The Department of Finance may increase expenditure authority in this item for the State Department of Social Services in order to fund the administrative costs to prepare for and respond to a declaration of a major disaster by the President of the United States and to maximize the amount of assistance requested and received through the federal Disaster Supplemental Nutrition Assistance Program and other federally funded nutrition assistance programs.
 8. Of the funds appropriated in Schedule (1), \$7,461,000 is for the support of activities related to the LEADER Replacement System/Consortia IV migration project. The State Department of Social Services and the Office of Systems Integration shall consult with the Department of Finance and the Department of Technology after county consortia negotiations with the vendor are complete and provide project documents containing detailed line item costs of the project. Expenditure of these funds is contingent upon approval of project documents by the Department of Finance and the Department of Technology.
 9.
 - (a) Of the funds appropriated in Schedule (1), \$893,000 is for the support of activities related to the Appeals Case Management System (ACMS) project. This amount may be increased by the Department of Finance during the 2017-18 fiscal year, upon approval of revised project documents by the Department of Finance and the Department of Technology. Such an increase shall only be used to support revision of project scope and schedule and shall not be used to increase total project costs. Any such increase shall be authorized no less than 10 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.
 - (b) The Department of Finance may authorize the transfer of funds appropriated for the ACMS project in Schedule (1) to

Item 5180-001-0001, for project-related activities, including, but not limited to, necessary personal services expenditures, interagency agreements, and contracts.

5180-141-0890—For local assistance, State Department of Social Services, payable from the Federal Trust Fund 1,004,729,000
1,014,329,000

Schedule:

(1) 4270037-County Administration and Automation Projects 1,004,729,000
1,014,329,000

Provisions:

1. Provisions 2, 3, 4, 6, 7, and 9 of Item 5180-141-0001 also apply to this item.
2. Upon request by the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated expenditure amounts for counties participating in the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.

5180-151-0001—For local assistance, State Department of Social Services 319,611,000
304,733,000

Schedule:

(1) 4275019-Children and Adult Services and Licensing 571,248,000
560,125,000

(2) 4275028-Special Programs 53,485,000
49,730,000

(3) Reimbursements to 4275019-Children and Adult Services and Licensing -305,122,000

Provisions:

1. Provision 1 of Item 5180-101-0001 also applies to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code and pursuant to Section 30029.8 of the Government Code, a loan not to exceed \$50,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program or programs when the federal funds or reimbursements have not been received by this state prior to the usual time for transmitting state payments for the federal or reimbursable share of costs. The loan from the General Fund shall be repaid when the federal or reimbursable share of costs for the program or programs becomes available.
3. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5180-001-0001, in order to allow the state to perform the facilities evaluation

- function of Community Care Licensing in the event the counties fail to perform that function.
4. Nonfederal funds appropriated in this item that have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
 5. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5180-001-0001 in order to allow the state to perform the adoptions function in the event that a county notifies the State Department of Social Services that it intends to cease performing that function.
 6. Funds appropriated in this item for the Commercially Sexually Exploited Children Program required by Chapter 5.2 (commencing with Section 16524.6) of Part 4 of Division 9 of the Welfare and Institutions Code shall be appropriately reduced by the Department of Finance to the extent any activities for which funding is included are also required by the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183).
 7. Provision 2 of Item 5180-151-0890 also applies to this item.
 8. Funds appropriated in this item ~~available~~ for legal services to unaccompanied undocumented minors in accordance with Chapter 5.6 (commencing with Section 13300) of Part 3 of Division 9 of the Welfare and Institutions Code *and for immigration services in accordance with Chapter 5.6 (commencing with Section 13303) of Part 3 of Division 9 of the Welfare and Institutions Code* shall ~~continue to~~ be available for liquidation until June 30, 2023.
 9. Of the total amount appropriated in this item, up to \$4,000,000 shall be available for a county-optional block grant program, for allocation to local agencies to fund activities the Commission on State Mandates identified as reimbursable state mandates in the Interagency Child Abuse and Neglect Investigation Reports (CSM-00-TC-22) mandate. A local agency that receives funding according to this item shall not be eligible to submit claims to the Controller for reimbursement under Section 17560 of the Government Code for any costs related to the reimbursable state-mandated activities identified in CSM-00-TC-22 incurred in the same fiscal year during which the local agency received funding according to this item. The State Department of Social Services, in consultation with the California State Association of Counties, shall develop an allocation methodology for the purpose of distributing these funds to participating counties. Block grant funding apportioned according to this item is subject to annual financial and compliance audits.
 11. (a) Of the funds appropriated in Schedule (1), \$87,962,000 is for the support of activities related to the Child Welfare Services-New System (CWS-NS) project. Expenditure of these funds is contingent upon approval of project documents by the Department of Finance and the Department of Technology. This amount may be increased by the Department of Finance,

up to a maximum of \$5,000,000 during the 2017–18 fiscal year, upon approval of revised project documents. Such an increase shall only be used to support an acceleration of planned project activities and shall not be used to increase total project costs. Any such increase shall be authorized no less than 10 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

- (b) The Department of Finance may authorize the transfer of funds appropriated for the CWS-NS project in Schedule (1) to Item 5180-001-0001, for project-related activities, including, but not limited to, necessary personal services expenditures, interagency agreements, and contracts.
- (c) The State Department of Social Services, in coordination with other state entities and counties involved in the CWS-NS project efforts, shall (1) provide stakeholders, counties, and the Legislature with monthly project status reports, including newly executed contracts, their purpose, and cost and (2) convene a regularly scheduled quarterly forum to provide project updates to stakeholders and legislative staff. The forums shall include updates on the progress of project development and implementation, expenditures incurred to date, significant issues and risks overcome in the prior quarter and presently being addressed, and upcoming project milestones and significant events.

5180-151-0279—For local assistance, State Department of Social Services, payable from the Child Health and Safety Fund 889,000

Schedule:

- (1) 4275019-Children and Adult Services and Licensing 889,000

5180-151-0803—For local assistance, State Department of Social Services, payable from the State Children’s Trust Fund 620,000

Schedule:

- (1) 4275019-Children and Adult Services and Licensing 620,000

5180-151-0890—For local assistance, State Department of Social Services, payable from the Federal Trust Fund ~~1,179,001,000~~

Schedule:

- (1) 4275019-Children and Adult Services and Licensing ~~1,176,751,000~~
1,177,914,000
- (2) 4275028-Special Programs 2,250,000

Provisions:

- 1. Provisions 1, 3, 5, and 11 of Item 5180-151-0001 also apply to this item.

2.	Upon request by the Department of Finance, the Controller shall transfer funds between this item and Item 5180-153-0890 as needed to reflect the estimated expenditure amounts for counties participating in the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.	
5180-151-8023	—For local assistance, Department of Social Services, payable from the Child Welfare Services Program Improvement Fund	4,000,000
	Schedule:	
(1)	4275019-Children and Adult Services and Licensing	4,000,000
	Provisions:	
1.	Notwithstanding any other provision of law, upon request by the State Department of Social Services, the Department of Finance may increase or decrease the expenditure authority in this item, for the purposes of Section 16524 of the Welfare and Institutions Code, not sooner than 30 days after notification in writing is provided to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations, unless the chairperson of the joint committee, or his or her designee, imposes a lesser time.	
5180-153-0001	—For local assistance, State Department of Social Services	68,245,000 71,800,000
	Schedule:	
(1)	4280-Title IV-E Waiver	68,245,000 71,800,000
	Provisions:	
1.	Provisions 6 and 7 of Item 5180-151-0001 also apply to this item.	
2.	Provision 1 of Item 5180-153-0890 also applies to this item.	
5180-153-0890	—For local assistance, State Department of Social Services, payable from the Federal Trust Fund	809,995,000
	Schedule:	
(1)	4280-Title IV-E Waiver	809,995,000
	Provisions:	
1.	Upon request by the Department of Finance, the Controller shall transfer funds between this item and Items 5180-101-0890, 5180-141-0890, and 5180-151-0890 as needed to reflect the estimated expenditure amounts for counties participating in the Title IV-E Child Welfare Waiver Demonstration Project pursuant to Section 18260 of the Welfare and Institutions Code. In addition, funds appropriated in this item may also be transferred to Item 5180-151-0890 for the Child Welfare Services Outcome Improvement Project. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.	

5180-402—Upon request from the State Department of Education, and upon approval by the Director of Finance, the Department of Social Services is authorized to transfer up to \$130,087,000 from the federal Temporary Assistance for Needy Families (TANF) block grant to the Social Services Block Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). These funds shall be provided to the State Department of Education, \$10,000,000 of which is to be pooled with moneys in the Child Care and Development Fund, TANF, or both, for the purpose of broadening access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers and \$120,087,000 of which is to fund CalWORKs Stage Two Child Care. In the event Title XX funds are provided to the State Department of Education pursuant to this provision, the State Department of Education shall comply with all Title XX regulations and reporting requirements. The Department of Finance shall provide written notification to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee at the time of the transfer.

5180-490—Reappropriation, Department of Social Services. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided in those appropriations and shall be available, pursuant to Section 18260 of the Welfare and Institutions Code, for encumbrance or expenditure until June 30, 2018:

0001—General Fund

- (1) Item 5180-153-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)

0890—Federal Trust Fund

- (1) Item 5180-153-0890, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (2) Item 5180-153-0890, Budget Act of 2014 (Ch. 25, Stats. 2014), as reappropriated by Item 5180-490, Budget Act of 2015 (Chs. 10 and 11, Stats. 2015), and as reappropriated by Item 5180-490, Budget Act of 2016 (Ch. 23, Stats. 2016)

Provisions:

1. Funds allocated to counties for the Title IV-E Child Welfare Waiver Demonstration Project in accordance with Section 18260 of the Welfare and Institutions Code, but unexpended as of June 30, 2017, shall be reappropriated for transfer to and augmentation of the corresponding items in this act.

5180-491—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the balances of the funds for the appropriations provided in the following citations are reappropriated for expenditure pursuant to Provision 1 and are available for encumbrance or expenditure until June 30, 2018:

0001—General Fund

- (1) Item 5180-111-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (2) Item 5180-141-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (3) Item 5180-151-0001, Budget Act of 2016 (Chs. 23 and 318, Stats. 2016)

0890—Federal Trust Fund

- (1) Item 5180-141-0890, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (2) Item 5180-151-0890, Budget Act of 2016 (Chs. 23 and 318, Stats. 2016)

Provisions:

1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on an approved special project report or equivalent document not sooner than 30 days after providing notification in writing to the chairpersons of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

5180-492—Reappropriation, State Department of Social Services. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2018:

0001—General Fund

- (1) \$27,578,000 in Item 5180-151-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (2) \$28,687,000 in Item 5180-153-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)

5180-493—Reappropriation, State Department of Social Services. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2018:

001—General Fund

- (1) Item 5180-101-0001, Budget Act of 2016 (Ch. 23, Stats. 2016)
 - (1) Funds allocated to counties pursuant to Provision 9 of Item 5180-101-0001 of the Budget Act of 2016 (Ch. 23, Stats. 2016) for housing support for those families in receipt of CalWORKs as required by Sections 11330 and 11330.5 of the Welfare and Institutions Code but unexpended as of June 30, 2017, shall be reappropriated for transfer to, and in augmentation of, the corresponding items in this act.

0890—Federal Trust Fund

- (1) Item 5180-101-0890, Budget Act of 2011 (Ch. 33, Stats. 2011), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (2) Item 5180-101-0890, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Items 5180-493 and 5180-494, Budget Act of 2016 (Ch. 23, Stats. 2016)

- (3) Item 5180-101-0890, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016)
- (4) Item 5180-101-0890, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016)
 - (1) Funds for fraud recovery incentive payments earned by counties in accordance with subdivision (j) of Section 11486 of the Welfare and Institutions Code, but unexpended as of June 30, 2017, shall be reappropriated for transfer to and in augmentation of Item 5180-101-0890.

5180-494—Reappropriation, Department of Social Services. The amounts specified in the following citations are reappropriated for encumbrance pursuant to Provision 1 and shall be available until June 30, 2018:

0890—Federal Trust Fund

- (1) Item 5180-101-0890, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Items 5180-493 and 5180-494, Budget Act of 2016 (Ch. 23, Stats. 2016)

Provisions:

- 1. Funds for CalWORKs performance incentives allocated to counties in accordance with Section 10544.2 of the Welfare and Institutions Code, but unexpended as of June 30, 2017, shall be reappropriated for transfer to and in augmentation of Item 5180-101-0890.

5180-495—Reversion, State Department of Social Services. As of June 30, 2017, the balances specified below, of the appropriations provided in the following citations shall revert to the balance in the funds from which the appropriations were made:

0001—General Fund

- (1) Item 5180-001-0001, Budget Act of 2016 (Ch. 23, Stats. 2016), appropriated in Program
4270028-SSI/SSP 513,000
- (2) Item 5180-111-0001, Budget Act of 2016 (Ch. 23, Stats. 2016), appropriated in Program
4270028-SSI/SSP 43,461,000

5180-496—Reversion, Department of Social Services. As of September 30, 2016, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) Subparagraph (B) of paragraph (2) of subdivision (g) of Section 11461.3 of the Welfare and Institutions Code.

5180-497—Reversion, Department of Social Services. As of September 30, 2017, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

- (1) Subparagraph (C) of paragraph (2) of subdivision (g) of Section 11461.3 of the Welfare and Institutions Code.

EQUAL ACCESS FUNDING PROVISIONS IN AB 97

0250-101-0001—For local assistance, Judicial Branch.

(5) 0150083-Equal Access Fund..... **\$20,392,000**

Provisions

1. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (5) are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Ten percent of the funds in Schedule (5) shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds in Schedule (5) shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality

control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.

0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund.....

(7) 0150083-Equal Access Fund..... **\$5,482,000**

Provisions: 1. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (5) are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Ten percent of the funds in Schedule (5) shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds in Schedule (5) shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code

Supplemental Report of the 2017-18 Budget Act

Containing Statements of Intent
And Requests for Studies
Adopted by the Legislature



Compiled by the
LEGISLATIVE ANALYST'S OFFICE
July 2017

HEALTH AND HUMAN SERVICES

Item 5180-001-0001—Department of Social Services

1. *Reversal of the CalFresh Cash-Out Policy With a Hold Harmless Approach for Supplemental Security Income/State Supplementary Payment (SSI/SSP) Caseload.* No later than January 1, 2018, the Legislative Analyst’s Office shall submit to the health and human services budget subcommittees and the human services policy committees of both houses of the Legislature and the Department of Finance a report reviewing the funding and program implications of reversing the CalFresh “Cash-Out” policy for recipients in the SSI/SSP program, and potential options for holding harmless any recipients who might be subject to a reduction in CalFresh benefits. The report shall include discussion of the following as they relate to ending the cash-out policy and the options identified to hold recipients harmless from a reduction in CalFresh benefits: (a) practical implications for administrative processes and any potential administrative challenges; (b) estimated costs; and (c) possible impacts on recipients, including examples of how much more CalFresh benefits SSI/SSP recipients could receive and how much closer to the federal poverty level this could bring those who live with benefits currently below that level.

Item 5180-141-0001—Department of Social Services

County CalFresh Denial and Discontinuance Reports. The department shall update the Legislature at budget hearings on the development of statistical reports relative to the CalFresh program. The department shall convene a workgroup composed of advocates of CalFresh beneficiaries, county workers or their representatives, the State Automated Welfare Systems (SAWS) and the County Welfare Directors Association to develop CalFresh and CalFresh Expedited Services application denials and benefit discontinuances report elements, to be reported by county and by consortia. These reporting elements identified by the workgroup shall be ones necessary to inform policy decisions which support maximum participation of eligible Californians and prevent duplication of effort for caseworkers, applicants and recipients. The workgroup shall take into consideration and provide input on the potential workload and automation impacts of its recommendations.