

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

ITEM # 01 ABX4 4 60-Month Time Clock Exemption

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

August 11, 2010
Office Building # 8
744 P St., Room 323
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The purpose of the hearing is to receive public testimony, not to engage in debate or discussion. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on August 11, 2010.

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

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

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

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CHAPTERS

Manual of Policies and Procedures (MPP) Division 42 (Non Linking Factors of Public Assistance Eligibility), Chapter 42-700 (Welfare-to-Work), Section 42-302 (Welfare-to-Work), Section 42-712 (Welfare-to-Work), Section 42-713 (Welfare-to-Work).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Assembly Bill (AB) X4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009) amends the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work Program. The CalWORKs Welfare-to-Work Program is the employment and training component of CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) Program.

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

The passage of the Budget Act of 2009 as well as AB X4 4 impacted the CalWORKs program significantly. The Budget Act included an approximate reduction of \$376 million to the CalWORKs single allocation in the 2009-10 budget year, and AB X4 4 enacted statutory changes which affect funding and exemptions in the CalWORKs program. This reduction, along with the overall increasing caseload for CalWORKs, will likely result in insufficient funding to provide the full range of Welfare-to-Work services to all current and new CalWORKs clients in the 2009-2010 and 2010-2011 fiscal years. In crafting AB X4 4, the intended goals of the Legislature were to allow for more effective utilization of limited resources for CalWORKs services, provide counties additional flexibility to address funding constraints, minimize disruption of Welfare-to-Work services for those clients already participating, and prioritize exemptions and good cause for new applicants.

In order to achieve these goals, the proposed regulations established two new, temporary CalWORKs exemptions and exemption requirements. The new exemptions apply to clients who are caring for young children and to clients who may be granted good cause from Welfare-to-Work participation due to a lack of supportive services. Clients who receive the exemption for young children will not be required to participate in Welfare-to-Work activities and will have their CalWORKs 60-month time clock stopped until they no longer meet these criteria, or until July 1, 2011, whichever comes first. Clients who receive the exemption because they were granted good cause from Welfare-to-Work participation due to a lack of supportive services will also have their CalWORKs 60-month time clock stopped until they no longer meet these criteria, or until July 1, 2011, whichever comes first.

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

COST ESTIMATE

1. Costs or Savings to State Agencies: The State will incur increased costs of approximately \$849,989 in FY 2009-10 associated with these program changes. Funding for these costs

were included in the FY 2010-11 Governor's Budget.

2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance With Government Code Sections 17500 - 17630: None
3. Nondiscretionary Costs or Savings to Local Agencies: The counties will incur increased costs of approximately \$352,496 in FY 2009-10 associated with these program changes.
4. Federal Funding to State Agencies: The federal funds associated with these program changes are approximately \$13,101,418 in FY 2009-10 and are assumed to be funded within the annual TANF block grant. These additional federal funds were reflected in the FY 2010-11 Governor's Budget.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not on school districts. If the Commission on State Mandates determines that these regulations contain reimbursable costs mandated by the state, reimbursement to local agencies for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

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

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

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

SMALL BUSINESS IMPACT STATEMENT

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

ASSESSMENT OF JOB CREATION OR ELIMINATION

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

STATEMENT OF EFFECT ON HOUSING COSTS

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

STATEMENT OF ALTERNATIVES CONSIDERED

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

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 11320.3 and 11454.5, Welfare and Institutions Code, ABX4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009).

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

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EMERGENCY STATEMENT

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