INITIAL STATEMENT OF REASONS

a) <u>Specific Purpose of the Regulations and Factual Basis for Determination that Regulations</u> <u>Are Necessary</u>

The proposed regulations implement changes consistent with the objectives of Assembly Bill (AB)X4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009) Sections 11320.3 and 11454.5, and reorganize the legal and regulatory requirements under which the California Work Opportunity and Responsibility to Kids (CalWORKs) program is operated. Renumbering of sections and amending of cross-references was not necessary in this instance.

Section 42-302.21(b)(3) and Section 42-712.474

Specific Purpose:

These sections are being adopted to include the requirements for the new Welfare-to-Work exemption for individuals with young children and to clarify that this new exemption will also stop an individual's CalWORKs 60-month time clock. Both paragraphs become inoperative on July 1, 2011, as required by ABX4 4.

Factual Basis:

ABX4 4 added a new Welfare-to-Work participation and CalWORKs 60-month time limit exemption. This exemption applies to a parent or other relative who has primary responsibility for personally providing care to one child who is from 12 to 23 months of age, or two or more children who are under six years of age. An individual who meets any of these criteria shall be excused from Welfare-to-Work activities and have their time clock stopped for as long as they meet the exemption or until July 1, 2011, whichever comes first. This revision is necessary to implement Welfare and Institutions Code Section 11320.3(b)(7) and Section 11454.5(a)(7), as amended by ABX4 4.

Section 42-712.64

Specific Purpose:

This section is being adopted to further clarify that the new exemption for individuals with young children stops the individual's CalWORKs 60-month time clock. This paragraph becomes inoperative on July 1, 2011.

Factual Basis:

When an individual is granted the new Welfare-to-Work exemption for individuals with young children, as described above in Section 42-712.474, this exemption also stops their CalWORKs 60-month time clock for as long as they meet the exemption criteria or until July 1, 2011, whichever comes first. This revision is necessary to implement Welfare and Institutions Code Section 11454.5(a)(7), as amended by ABX4 4.

Section 42-302.21 (k) and Section 42-713.43

Specific Purpose:

These sections are being adopted to revise the program requirements for exemptions from the CalWORKs 60-month time limit when an individual receives good cause due to lack of supportive services. These paragraphs become inoperative on July 1, 2011.

Factual Basis:

Currently, when an individual is given good cause due to lack of supportive services, it is only an exemption from Welfare-to-Work participation. Due to the changes mandated in ABX4 4, this exemption now stops the individual's CalWORKs 60-month time clock for as long as they meet the exemption or through July 1, 2011, whichever comes first. This revision is necessary to implement Welfare and Institutions Code Section 11454.5(a)(6), as amended by ABX4 4.

b) Identification of Documents Upon Which Department Is Relying

Assembly Bill 4, (Chapter 4, Statutes of 200).

c) 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.

d) Statement of Alternatives Considered

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

e) Statement of Significant Adverse Economic Impact on Business

CDSS has determined 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.