

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

ITEM #1 AB 74 CalWORKs Regulations Changes

The 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 on September 2, 2015, at the following address:

Office Building # 8  
744 P St. Room 103  
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 September 2, 2015.

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:

CONTACT: Office of Regulations Development  
California Department of Social Services  
744 P Street, MS 8-4-192  
Sacramento, California 95814  
TELEPHONE: (916) 657-2586 FACSIMILE: (916) 654-3286  
E-MAIL: [ord@dss.ca.gov](mailto:ord@dss.ca.gov)

## CHAPTERS

CDSS Manual of Policies and Procedures (MPP), Eligibility and Assistance Standards Manual, Chapter 41-400 (Deprivation of Parental Support or Care), Section 41-440 (Unemployed Parent Program); Chapter 42-700 (Welfare-to-Work), Sections 42-711 (Welfare-to-Work Participation Requirements) 42-716 (Welfare-to-Work Activities) and 42-749 (Family Stabilization); and Chapter 44-200 (AU Composition and Need) Section 44-207 (Income Eligibility).

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Assembly Bill (AB) 74 (Chapter 21, Statutes of 2013) made substantial changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work Program requirements that were effective January 1, 2014. The CalWORKs Welfare-to-Work Program is the employment and training component of CalWORKs which is funded, in part, by the federal Temporary Assistance for Needy Families (TANF) block grant.

Federal welfare reform enacted the TANF Program through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, limiting federally-funded cash aid to adult recipients 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 individuals within the adult CalWORKs population to aid them in achieving economic self-sufficiency within this timeframe.

These proposed regulations amend welfare-to-work regulations to comply with AB 74 by adopting expanded subsidized employment as a permitted welfare-to-work activity distinct from other forms of subsidized employment, implementing a more comprehensive appraisal and early engagement process for welfare-to-work participation, and adopting the Family Stabilization Program to assist clients in crisis.

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

This regulatory action will establish programs and flexibility within the 24-month time period during which recipients can participate in any welfare-to-work activity they need, consistent with their assessments, to help them move to self-supporting employment. These regulations are intended to provide employment and training services to the maximum possible number of the CalWORKs population to aid them in achieving economic self-sufficiency. This regulatory action does not make changes to regulations involving worker safety or the state's environment.

The Department considered other possible related regulations in this area, and we find that these are the only regulations dealing in this subject area (CalWORKs welfare-to-work employment and training services), and therefore, the Department finds that these proposed regulations are compatible and consistent with the intent of the Legislature in adopting AB 74, as well as with existing state regulations.

## COST ESTIMATE

1. Costs or Savings to State Agencies: The funding was budgeted at approximately \$0.4 million in the 2015-16 Governor's Budget, under the Expanded Subsidized Employment, Family Stabilization, and Standardized Appraisal Tool premises.

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: There is no impact to the county share of cost for affected programs.
4. Federal Funding to State Agencies: The funding was budgeted at the cost of approximately \$140.9 million in the 2015-16 Governor's Budget, under the Expanded Subsidized Employment, Family Stabilization, and Standardized Appraisal Tool premises.

#### LOCAL MANDATE STATEMENT

These proposed CalWORKs regulations do impose a mandate upon local agencies but not on school districts. The mandate is not required to be reimbursed pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code or Section 6 of Article XIII B of the California Constitution because implementation of the regulations will, if anything, result in negligible savings.

#### STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The 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. This determination was made based on the proposed regulatory action, which was designed to impact only the CalWORKs population in order to aid them in achieving economic self-sufficiency.

#### 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

The 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. These regulations are mandated by AB 74 and are only applicable to CalWORKs program recipients; therefore, they do not have a cost impact on the private sector, including small businesses.

#### STATEMENT OF RESULTS OF ECONOMIC IMPACT ASSESSMENT

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. Worker safety and the state's environment will not be impacted by these amended regulations. This regulatory action does not make changes to regulations involving worker safety or the state's environment.

This regulatory action will benefit the health and welfare of California residents by establishing programs that adults in the Welfare-to-Work Program can participate in, consistent with their assessments, during the Welfare-to-Work 24-Month Time Clock period to provide them with the necessary training to obtain employment.

#### STATEMENT OF EFFECT ON HOUSING COSTS

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

### STATEMENT OF ALTERNATIVES CONSIDERED

In developing the regulatory action, CDSS did not consider any other alternatives because no alternatives were proposed. Additionally, as stated in AB 74, the Legislature mandated that regulations be done in accordance with the amended Welfare and Institutions Code sections 11320.1, 11322.63, 11322.64, 11322.85, 11323.25, 11325.2, 11325.21, 11325.22, 11325.24 and 11325.5.

The 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, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

### AUTHORITY AND REFERENCE CITATIONS

The CDSS adopts these regulations under the authority granted in Sections 10553, 10554 and 10604 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 11320.1, 11322.63, 11322.64, 11322.85, 11323.25, 11325.2, 11325.21, 11325.22, 11325.24 and 11325.5, Welfare and Institutions Code.

### CDSS REPRESENTATIVE REGARDING THE RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person:	Everardo Vaca	(916) 657-2586
Backup:	Ying Sun	(916) 657-2586

### EMERGENCY STATEMENT

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