

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



November 24, 1999

ALL-COUNTY INFORMATION NOTICE. NO. I-88-99

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY WELFARE-TO-WORK  
COORDINATORS

## REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: CHARITABLE CHOICE REGULATIONS

REFERENCE: SB 516, CHAPTER 551, STATUTES OF 1999

The purpose of this letter is to inform county welfare departments (CWDs) of the provision in Senate Bill (SB) 516 (Attachment A) that requires the State to develop regulations regarding charitable choice. The California Department of Social Services (CDSS) also is asking that counties assist the Department to gather information about their utilization of faith-based organizations in their CalWORKs programs, so that we can respond to Legislative inquiries about this issue.

SB 516 requires that the Employment Development Department (EDD) and CDSS initiate, by July 1, 2000, the adoption of regulations interpreting the charitable choice provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. In part, the charitable choice provisions of PRWORA allow states to provide vouchers for services that are redeemable at religious organizations, as well as contain protections from discrimination for both religious groups and CalWORKs recipients. The charitable choice regulations will be applicable to the California Work Opportunity and Responsibility to Kids (CalWORKs) program and to the Welfare-to-Work Grant program that is administered by EDD. SB 516 also requires that these regulations be consistent with federal law and the Establishment Clause in Amendment 1 of the United States Constitution and in Section 4 of Article I of the California Constitution.

CDSS is beginning the development of charitable choice regulations pertaining to the CalWORKs welfare-to-work program and intends to adopt final regulations by December 1, 2000. However, there is nothing in State law or regulations that currently prohibits CWDs from contracting with and utilizing religious organizations to provide services to recipients participating in CalWORKs welfare-to-work activities. The

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Department is aware that CWDs are collaborating with a variety of public and private sector organizations, including religious organizations, to accomplish the immense task of providing services to the large number of individuals who must participate in CalWORKs welfare-to-work activities. Adoption of the regulations will clarify charitable choice options and requirements for counties, but it is anticipated that they will not result in any significant State policy changes regarding the utilization of religious organizations to provide services to CalWORKs clients.

Counties have the flexibility to design their CalWORKs programs and select the services and service providers that they use, based on the needs of their respective clientele, local economic conditions, and availability of services and other resources. Given the increased demand for welfare-to-work services for CalWORKs recipients, CDSS encourages CWDs to continue to utilize or consider utilizing religious organizations as an additional resource for their CalWORKs program, for services offered by the religious organizations that are compatible with the CWDs' overall welfare-to-work efforts.

To assist the Department in its efforts to gather information about charitable choice use by counties, we ask that you complete the attached survey (Attachment B). The description should include any CalWORKs programs or partnerships that your county has with religious organizations through contracts, vouchers, or voluntary participation. Please limit your response to services and activities related to CalWORKs programs only; for instance, do not include descriptions of faith-based partnerships with Refugee Programs or General Assistance.

Thank you for your help. If you have any questions regarding the survey, please call the Regional Advisors Office at (916) 654-0617. Please fax your responses to (916) 654-1295, or e-mail them to [lriley@dss.ca.gov](mailto:lriley@dss.ca.gov), by December 27, 1999.

If you have any questions regarding the ACIN, please call Suzanne Nobles, Chief, Employment Bureau, at (916) 654-2137.

Sincerely,

**Original Document Signed By  
Suzanne Nobles on 11/24/99 for**

CHARR LEE METSKER, Chief  
Employment and Eligibility Branch

Attachments

c: CWDA  
CSAC



Subscribe      *~Current Session Legislation~*

Bill Info      **SB 516 Needy families: job training.**

Past Sessions      **BILL NUMBER: SB 516 CHAPTERED 09/28/99**

Codes

Statutes      CHAPTER 551

Constitution

FILED WITH SECRETARY OF STATE SEPTEMBER 28, 1999  
APPROVED BY GOVERNOR SEPTEMBER 28, 1999  
PASSED THE SENATE SEPTEMBER 2, 1999  
PASSED THE ASSEMBLY SEPTEMBER 1, 1999  
AMENDED IN ASSEMBLY AUGUST 30, 1999  
AMENDED IN ASSEMBLY JULY 12, 1999  
AMENDED IN ASSEMBLY JUNE 30, 1999  
AMENDED IN SENATE MAY 25, 1999  
AMENDED IN SENATE APRIL 26, 1999  
AMENDED IN SENATE APRIL 5, 1999

**INTRODUCED BY Senator Haynes**

**FEBRUARY 18, 1999**

An act to amend Section 10003 of, and to add Section 10006 to the Unemployment Insurance Code, relating to employment services.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 516, Haynes. Needy families: job training.

Existing law implements federal welfare-to-work grant program provisions provided pursuant to the federal Balanced Budget Act of 1997 (P.L. 105-33). Existing law requires the Employment Development Department to distribute 85% of these federal grant funds to private industry councils or alternate local administrative entities designated by the Governor, as specified, and to distribute the remaining 15% of these federal funds, at the direction of the Governor, to state and local projects that will assist in moving eligible program participants into unsubsidized employment.

Existing law requires that those remaining 15% of federal funds be distributed to employers, private nonprofit organizations, and for-profit and public entities, and that proposals submitted for state and local projects include, at a minimum, comments by the local private industry council or alternate local administrative entity, and the county welfare department, for a stated purpose.

This bill would delete the references to "at a minimum" in the requirement that proposals submitted for state and local projects include comments by the local private industry council or alternate local administrative entity, and the county welfare department, and would provide for an exception to that requirement if one of those entities is an applicant for grants

under those provisions.

This bill would require the Employment Development Department and the State Department of Social Services, for purposes of fully implementing this program and the CalWORKs program, to initiate, by July 1, 2000, the adoption of regulations interpreting a specified provision of federal law regarding state options in connection with the provision of welfare services by charitable, religious, or private organizations.

SECTION 1. Section 10003 of the Unemployment Insurance Code is amended to read:

10003. (a) Subject to subdivision (d), the department shall distribute 85 percent of the federal welfare-to-work grant funds to private industry councils or alternate local administrative entities designated by the Governor, according to the variables defined in the federal welfare-to-work program, and consistent with the following formula:

(1) A weight of 55 percent shall be given based on the relative number, as determined pursuant to federal law, by which the population in the area below the poverty line exceeds 7.5 percent of the total population.

(2) A weight of 30 percent shall be based upon the relative number of adults residing in the plan's service area who are receiving assistance under a state program funded in part through the federal Temporary Assistance for Needy Families grant program or the federal Aid to Families with Dependent Children Program for at least 30 months.

(3) A weight of 15 percent shall be based upon the relative number, as determined pursuant to federal law, of unemployed individuals residing in the plan's service area.

(b) Changes in the allocation formula established pursuant to subdivision (a) that may be needed for subsequent fiscal years may be implemented by the department only after public hearings have been conducted regarding the proposed changes. Any change in that allocation formula may be implemented not sooner than 30 days after notification in writing to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the appropriate committees and subcommittees in each house of the Legislature that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee, may in each instance determine.

(c) Subject to subdivision (d), the department, at the direction of the Governor, shall distribute the remaining 15 percent of federal welfare-to-work grant funds, less the amount necessary to administer the program, to state and local projects that will assist in moving eligible participants into unsubsidized employment. The Governor shall take into special consideration the needs of rural areas in distributing funds under this subdivision. Funds allocated pursuant to this subdivision shall be distributed to employers, private nonprofit organizations, and for-profit and public entities. Payments of these funds shall be contingent upon performance outcomes. Proposals submitted for state and local projects shall include comments by the local private industry council or alternate local administrative entity, and the county welfare department, except in cases where the local private industry council or alternative local administrative entity, or the county welfare department, is an applicant for grants under this section, to ensure that grants that are approved will be consistent with local plans for moving eligible participants into unsubsidized employment.

(d) Not more than 15 percent of federal welfare-to-work funds may be retained by the department for the cost of state administration of the welfare-to-work program.

SEC. 2. Section 10006 is added to the Unemployment Insurance Code, to read:

10006. For the purposes of fully implementing this program and the CalWORKs program, as established in Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, the Employment Development Department and the State Department of Social Services shall initiate, by July 1, 2000, the adoption of regulations interpreting the "charitable choice," or state option provisions contained in Section 604a of Title 42 of the United States Code. The regulations shall be consistent with federal law and the Establishment Clause in Amendment 1 of the United States Constitution and in Section 4 of Article I of the California Constitution.

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Please send any questions or comments about this site to **[WebMaster@sen.ca.gov](mailto:WebMaster@sen.ca.gov)**

## County Charitable Choice Survey

Please Return By December 27, 1999

County: \_\_\_\_\_

Contact Person Name & Phone Number: \_\_\_\_\_

Name of Faith Based Organization	Description of Services Provided	Services Through Contract, Vouchers, or Voluntary Relationship?	Dollar Amount of Contract

Other comments: