

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. As specified by Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), as amended by AB 1402 (Chapter 398, Statutes of 2003) CDSS shall adopt emergency regulations to implement those provisions that authorize the Quarterly Reporting/Prospective Budgeting system for the California Work Opportunity and Responsibility to Kids (CalWORKs) and the Food Stamp Program no later than July 1, 2004. These statutes further provide that the initial adoption of the emergency regulations and one re-adoption of the initial regulations shall be deemed to be an emergency and necessary for immediate preservation of public peace, health and safety, or general welfare. Also in accordance with these statutes, the initial emergency regulations and the first re-adoption of those regulations shall be exempt from review by the Office of Administrative Law.
2. Failure to implement these regulations will result in noncompliance with State law and leave the State and the counties without authority to enforce quarterly reporting requirements. Therefore, these regulations are being implemented on an emergency basis with a statewide effective date of July 1, 2004.

INFORMATIVE DIGEST

These regulations implement and make specific AB 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statute of 2002), and AB 1402 (Chapter 398, Statutes of 2003) which provides authority for the Quarterly Reporting/Prospective Budgeting (QR/PB) reporting system. This regulation package contains a tandem regulation format to allow for the operation of both Monthly Reporting/Retrospective Budgeting (MR/RB) and QR/PB during counties' staggered implementation of Quarterly Reporting (QR) in accordance with the QR/PB Director's Declaration as specified in Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002). This format is necessary to maintain current monthly reporting (MR) regulations for those counties that are pending QR implementation and will remain in place until all counties have implemented the QR system.

In current regulations under MR/RB, CalWORKs recipients are required to report income, household composition, and eligibility circumstances on a monthly income/eligibility report. Furthermore, recipient income is budgeted on a retrospective basis using actual income from two months prior to determine the current month's CalWORKs cash grant.

In proposed regulations QR/PB will require recipients to submit an income/eligibility report once per quarter. Recipient's eligibility and cash aid will be determined for a three-month quarterly period based on information provided by the recipient in a quarterly report. Income will be budgeted on a prospective basis using income reasonably anticipated to be received during the

QR Payment Quarter. Eligibility and cash aid will be "frozen" for the duration of the quarter, except mid-quarter adjustments may occur under specified circumstances. Circumstances in which eligibility and cash aid may be adjusted during the quarter include: 1) Recipient mid-quarter reports which result in an increase in cash aid; 2) Recipient mandatory mid-quarter reports which result in a decrease in cash aid or a discontinuance from aid; 3) County initiated actions which result in a decrease in cash aid or a discontinuance from aid.

COST ESTIMATE

1. Costs or Savings to State Agencies: There is costs of \$3.3 million in CalWORKs Grants and \$2.9 million in CalWORKs Admin included in the FY 2003-04 budget.
2. Costs to Local Agencies or School Districts: The current year budget includes \$749,000 in county share of funding for CalWORKs Grants.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: There is \$25.9 million in CalWORKs Grants and \$25.2 million in CalWORKs Admin included in the FY 2003-04 budget.

LOCAL MANDATE STATEMENT

These regulations impose a mandate upon county welfare departments but not on school districts. Since the county share of the program is capped at a specified maintenance of effort level, there are no state-mandated local costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code. 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars, reimbursement shall be made from the State Mandates Claims Fund.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553, 10554, and 11450.5, Welfare and Institutions Code; and Section 71, Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003). Subject regulations implement and make specific Welfare and Institutions Code Sections 11004.1, 11265.1, 11265.2, 11265.3, 11450.5; Section 70, AB 444 (Chapter 1022, Statutes of 2002); Section 71, AB 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003); and Section 37 of AB 444 (Chapter 1022, Statutes of 2002).