

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

ITEM # 2 CalWORKs 48-Month Time Limit and Good Cause Exemption (SB 72 and AB 106)

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 August 29, 2012, as follows:

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 CDSS 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 29, 2012.

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 CDSS 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

CDSS Manual of Policies and Procedures (MPP), Eligibility and Assistance Standards Manual, Chapter 40-100 (General), Section 40-107 (County Responsibility); Chapter 42-300 (General Time Limit Requirements), Sections 42-301 (General Time Limit Requirements for Adults), and 42-302 (60-Month Time Limit Requirements for Adults); Chapter (Residence), Section 42-431 (Eligibility Requirements); Chapter 42-700 (Welfare-to-Work), Sections 42-712 (Exemptions from Welfare-to-Work Participation), 42-713 (Good Cause for not Participating), 42-716 (Welfare-to-Work Activities), 42-717 (Job Retention Services), and 42-721 (Noncompliance with Program Requirements); Chapter 44-100 (Income), Section 44-133 (Treatment of Income – CalWORKs); Chapter 44-300 (Aid Payments), Sections 44-307 (Voucher/Vendor Payments), and 44-316 (Reporting Changes Affecting Eligibility and Grant Determinations and County Actions); and Chapter 82-800 (Assistance Unit), Section 82-833 (Timed-out Adults).

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

SB 72 amends the CalWORKs WTW program. The CalWORKs WTW 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 federally funded cash aid to a family with an adult to a total of five years. The intent of the WTW 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.

Assembly Bill (AB) 106 as well as SB 72 impacted the CalWORKs program significantly. AB 106 continued the approximate reduction of \$376 million to the CalWORKs single allocation in the 2011-12 fiscal year, and SB 72 extended statutory changes which affect funding and exemptions in the CalWORKs program. In crafting SB 72, the Legislature still allowed for more effective utilization of limited resources for CalWORKs services and provide counties additional flexibility to address funding constraints.

In order to achieve these goals, the proposed regulations extended the two temporary CalWORKs exemptions for young children and reduced the number of months in which an aided adult in the Assistance Unit (AU) receive CalWORKs benefits to 48 months.

The proposed regulations also extend the two CalWORKs exemptions that were set forth in 2009 by AB X4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009) for one additional year. These exemptions apply to clients who are caring for young children and to clients who may be granted good cause from WTW participation due to a lack of supportive services. Clients who receive the exemption for young children will not be required to participate in WTW activities and will have their CalWORKs time clock stopped until they no longer meet these criteria, or until July 1, 2012, whichever comes first. Clients who are granted good cause from WTW participation due to a lack of supportive services will also have their CalWORKs time clock stopped until they no longer meet these criteria, or until July 1, 2012, whichever comes first.

The proposed regulations are consistent and compatible with existing regulations. These regulations simply extend the inoperable date of the provisions already put in place by regulations adopted in December 2010 under OAL File No. 2010-1115-01C.

PRWORA limited the number of months that a family could be aided by TANF to 60 months. CalWORKs previously imposed a 60-month time limit on the number of months an adult in the AU could receive benefits, unless otherwise exempt from the time limit.

SB 72 and AB 106 reduced the number of months in which an aided adult in the AU can receive CalWORKs benefits to 48 months including TANF months of aid received from other states after January 1, 1998, unless otherwise exempt from the time limit due to the reasons listed under MPP Sections 42-302.11 - .12 and 42-302.21.

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

The benefit of the regulatory action to the health and welfare of California residents, worker safety, and the state's environment is that it allows counties more effective utilization of limited resources for CalWORKs program services and provides counties additional flexibility to address funding constraints due to the continued reduction to the CalWORKs single allocation.

#### COST ESTIMATE

1. Costs or Savings to State Agencies: These regulations include a savings of approximately \$1,701,000 in FY 2011-12, and \$3,775,000 annually ongoing beginning FY 2012-2013..
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: These regulations include a savings of approximately \$325,000 in FY2011-12 and \$835,000 annually ongoing beginning FY 2012-13.
4. Federal Funding to State Agencies: These regulations include a savings of approximately \$461,173,000 in FY 2011-12, and \$106,896,000 annually and ongoing beginning FY 2012-2013.

#### LOCAL MANDATE STATEMENT

These regulations do impose a mandate on local agencies. 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. This determination was made because this regulatory action only affects CalWORKs program recipients.

#### STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

These regulations, mandated by SB 72 (Chapter 8, Statutes of 2011), are only applicable to CalWORKs program recipients. 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 do not have a cost impact on the private sector.

#### 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.

#### 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. The benefit of the regulatory action to the health and welfare of California residents, worker safety, and the state's environment is that it allows counties more effective utilization of limited resources for CalWORKs program services and provides counties additional flexibility to address funding constraints due to the continued reduction to the CalWORKs single allocation.

#### 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 than the one proposed because there were no other alternatives proposed. The statute is prescriptive and does not provide the flexibility to consider other approaches for implementation.

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 actions or would be more cost effective to affected private persons and equally effective in implementing that statutory policy or other provision of law.

#### AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554 of the Welfare and Institutions Code and SB 72 (Ch. 8, Stats. of 2011), Section 42. Subject regulations implement and make specific Sections 11320.3, 11454, 11454.2, and 11454.5, Welfare and Institutions Code.

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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.