
SENATE COMMITTEE ON HUMAN SERVICES

Senator Hurtado, Chair
2019 - 2020 Regular

Bill No: SB 1232
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Consultant: Taryn Smith
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Subject: CalWORKs: postsecondary education

SUMMARY

This bill requires California Work Opportunity and Responsibility to Kids (CalWORKs) recipients who are participating in specified educational activities to receive a standard allowance of \$250 to \$500 per semester or quarter, which may be provided, in whole or in part, in the form of an advance, book voucher, or reimbursement for verified actual expenses, as specified. The bill exempts CalWORKs recipients who are enrolled in specified educational activities from participating in specified CalWORKs activities. The bill provides that a recipient who is enrolled in a publicly funded postsecondary educational institution and making satisfactory progress that would meaningfully increase the likelihood of employment is entitled to an extension of the 24-month cumulative participation period, as specified.

ABSTRACT

Existing Law:

- 1) Establishes the federal Temporary Assistance for Needy Families (TANF) program, which permits states to implement the program under a state plan. (*42 USC § 601 et seq.*)
- 2) Establishes in state law the CalWORKs program to provide cash assistance and other social services for low-income families through TANF. Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds. (*WIC 11120 et seq.*)
- 3) Generally requires a recipient of CalWORKs benefits to participate in welfare-to work (WTW) activities as a condition of eligibility for aid. (*WIC 11320 et. seq.*)
- 4) Mandates the sequence of employment-related activities a CalWORKs participant must engage in subsequent to the receipt of aid, unless otherwise exempted. Further requires that recipients shall, and applicants may, at the option of the county and with consent of the applicant, receive orientation to the WTW program. (*WIC 11320.1*)

- 5) Requires a CalWORKs applicant or recipient to participate in WTW activities for 24 cumulative months, as specified, unless they are otherwise exempt. (*WIC 11322.85*)
- 6) Permits a CalWORKs recipient subject to the 24-month time limitation to request an extension, as specified, and to present evidence to the county that he or she meets certain specified circumstances. (*WIC 11322.87*)
- 7) Requires necessary supportive services to be available to every WTW participant in order to participate in an assigned program activity or to accept employment, to include childcare, diaper costs, transportation costs, ancillary expenses, which include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs and personal counseling, as specified. (*WIC 11323.2*)
- 8) Requires that payments for supportive services shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services. Further requires that payments for child care services shall be made, as specified. (*WIC 11323.4(a)*)
- 9) Requires any individual who is required to participate in WTW activities to enter into a written WTW plan with the county welfare department after assessment, but no more than 90 days after the date that a recipient's eligibility for aid is determined or the date the recipient is required to participate in WTW activities, as specified. (*WIC 11325.21*)
- 10) Requires that all participants, except for certain teenage parents, shall be assigned to participate for a period of up to four consecutive weeks in job search activities, which may include job club to identify the participant's qualifications, as specified. These activities may include the use of job clubs to identify the participant's qualifications, as specified. (*WIC 11325.22*)
- 11) Requires a participant to work with the county welfare department to develop and agree on a WTW plan on the basis of an assessment of the individual's skills and needs. The assessment must include the participant's work history and employment skills, knowledge, and abilities; the participant's educational history and present educational competency level; the participant's need for supportive services in order to obtain the greatest benefit from the employment and training services; an evaluation of the chances for employment given the current skills of the participant and the local labor market conditions; local labor market information; and physical limitations or mental conditions that limit the participant's ability for employment or participation in WTW activities. (*WIC 11325.4*)

This Bill:

- 1) Requires that a CalWORKs recipient who satisfies the criteria listed below shall be entitled to receive the advance or reimbursement for necessary supportive services and shall not be required to enter into a WTW plan; complete job club; or complete an assessment.
 - a. Attending a publicly funded postsecondary educational institution full time and making satisfactory progress at that institution; or

- b. Attending a publicly funded postsecondary educational institution part time and meeting hourly WTW participation rates, based on the number of academic units and the hours of study time required for those academic units.
- 2) Requires that, for purposes of calculating whether a recipient is meeting the hourly participation requirement, the number of hours for study time shall be three hours of study time for each academic unit.
 - 3) Requires that, if a recipient's academic units and study time do not meet the total number of hours required, the county shall assist the recipient in meeting the required hours by allowing the recipient to submit a proposal for meeting those hours based on the full array of options available to the recipient, which the county shall apply to satisfy the hourly participation requirement.
 - 4) Prohibits a recipient of the advance or reimbursement for necessary supportive services from being subject to WTW requirements.
 - 5) Provides that a recipient who is earning a high school diploma or the equivalent, or attending a publicly funded postsecondary educational institution and making satisfactory progress at that institution, is deemed to meaningfully increase the likelihood of employment and entitled to an extension of the 24-month clock.
 - 6) Requires that a recipient who is attending a publicly funded postsecondary educational institution shall provide verification that they are making satisfactory progress at the beginning of each term when that information is available from the institution the recipient attends.
 - 7) Provides that "full time," "part time," and "making satisfactory progress" shall be determined according to the rules and regulations of the publicly funded postsecondary educational institution that the individual attends.
 - 8) Requires that an individual who meets the criteria for an advance or reimbursement for necessary supportive services shall be required to sign a simplified education participation agreement each academic semester or quarter.
 - 9) Requires the county to make a copy of the simplified education participation agreement available to the individual 30 days prior to the registration for each semester or quarter. Requires the agreement document to be returned to the county after the individual registers for classes for the semester or quarter.
 - 10) Requires the simplified education participation agreement to include all of the following information:
 - a) The educational schedule for the semester or quarter;

- b) A description of the various supportive services that the recipient is entitled to, if necessary;
 - c) A request for the supportive services the individual wishes to receive;
 - d) The number of academic units for which the individual has enrolled;
 - e) Class times for the purposes of receiving child care assistance, if required by law;
 - f) Transportation and parking costs; and
 - g) Any other costs that are necessary for attending the publicly funded postsecondary educational institution.
- 11) Requires the simplified education participation agreement to be mailed to the recipient for completion and be returned by mail or by electronic means, if the county has the capacity to make the agreement electronically available. Requires that, if the county requires the agreement to be returned by mail, the county shall include a postage-prepaid envelope for that purpose. Permits the recipient to request, in writing, to meet with a county employer to receive assistance with completing this simplified education participation agreement.
- 12) Requires a CalWORKs eligible individual who provides the county evidence that the individual is participating in an educational activity full time at a publicly funded postsecondary educational institution shall receive an advance of \$500 for each semester or \$250 for each quarter, and a CalWORKs eligible individual who provides the county evidence that the individual is participating in an educational activity part time at a postsecondary educational institution shall receive an advance of \$250 for the purpose of paying costs associated with attending the postsecondary educational institution 10 days before the beginning of the academic semester or quarter, as specified.
- 13) Requires that the advance shall be considered a standard allowance for ancillary services for books and college supplies.
- 14) Permits a recipient to request actual costs for ancillary services, as specified, if the recipient provides verification of expenses that exceed advance for books and college supplies that are required for the classes in which the individual is enrolled.
- 15) Requires the county to issue payment for actual costs for ancillary services within 15 days of the recipient's request.
- 16) Permits a county to elect to satisfy the requirements of the advance in the form of a book voucher or other means of payment to a store or stores that carry the books required for the recipient. The county may only exercise this option if the county makes all required books available to the recipient at least 10 days before the start of the semester or quarter to ensure that the participant has the required books on the first day of class.

- 17) Requires the amounts of the advance shall be adjusted upward annually by the increase, if any, in the United States Transportation Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics (BLS).

FISCAL IMPACT

This bill has not yet been analyzed by a fiscal committee.

BACKGROUND AND DISCUSSION

Purpose of the Bill:

According to the author, “student parents on CalWORKs face an uphill battle in attaining a college education. After their first year of being a college student on CalWORKs, they must complete an additional 20-30 hours of core activities. This can lead to these students dropping out of college to meet these hours or receiving reduced benefits so they can continue going to school. This effectively punishes low-income parents for seeking a college education. SB 1232 ensures our student-parents have an opportunity to complete their education before timing out of CalWORKs” Specifically, the bill would exempt student parents on from entering into a WTW plan, completing job club and completing assessment.

According to the author, “CalWORKs students receive funds for books, but often get those funds too late, so they fall behind in their studies because they cannot buy their books in time. Our bill would require county welfare agencies to disperse these books funds prior to the academic term beginning.”

Education, Employment, and Earnings

The long-term earning potential for a person with a college degree is the highest it has been in decades. The Public Policy Institute of California (PPIC) reports that typical full-time worker with a bachelor’s degree earned \$81,000 in 2017, while the typical worker with a high school diploma earned \$36,000. Educational attainment is also associated with lower unemployment and less strain on the social safety net, as well as higher tax revenue and greater civic participation.¹

Employment data from the BLS shows a strong correlation between educational attainment and income level.² BLS data indicates that median weekly earnings in 2017 for those with doctoral and professional degrees were more than triple those with less than a high school diploma. Additionally, those with higher the levels of education had lower rates of unemployment.

¹ <https://www.ppic.org/wp-content/uploads/californias-future-higher-education-january-2020.pdf>

² <https://www.bls.gov/careeroutlook/2018/data-on-display/education-pays.htm>

Educational attainment	Median usual weekly earnings	Unemployment rate
Doctoral degree	\$1,743	1.5%
Professional degree	1,836	1.5
Master's degree	1,401	2.2
Bachelor's degree	1,173	2.5
Associate degree	836	3.4
Some college, no degree	774	4.0
High school diploma, no college	712	4.6
Less than a high school diploma	520	6.5
Total	907	3.6

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers in 2017. Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Data from the Social Security Administration demonstrates the substantial difference in lifetime earnings by educational attainment.³ Men with bachelor's degrees earn approximately \$900,000 more in median lifetime earnings than high school graduates. Women with bachelor's degrees earn \$630,000 more. Men with graduate degrees earn \$1.5 million more in median lifetime earnings than high school graduates. Women with graduate degrees earn \$1.1 million more.

According to the PPIC, by 2025, California will face a shortfall of 1 million college graduates.⁴ At the same time, college students in California are experiencing unprecedented levels of housing and food insecurity, making a college education less accessible, especially for low-income students.

CalWORKs

CalWORKs, the state's largest anti-poverty program, provides temporary cash assistance aimed at moving children out of poverty and helping qualified low income families meet their basic needs, such as rent, clothing, utility bills, food and other items needed to ensure children are cared for at home and safely remain with their families. In addition to cash assistance, adult CalWORKs recipients are provided education, employment and training services designed to help remove barriers to work and promote self-sufficiency. These services are typically outlined in a WTW plan.

³ <https://www.ssa.gov/policy/docs/research-summaries/education-earnings.html>

⁴ <https://www.ppic.org/publication/californias-need-for-skilled-workers/#fn-1>

CalWORKs provides cash assistance to more than 383,000 families and 450,000 children. CalWORKs is funded with a mix of federal TANF money, state, and county funds. CDSS is the designated state agency responsible for program supervision at the state level. The counties are responsible for administering the program at the local level.

In order to be eligible for CalWORKs, families must meet income and asset tests including net income below the Maximum Aid Payment, based on family size and county of residence. For example, a family of three living in a higher cost-of-living region could qualify to receive CalWORKs benefits if their monthly adjusted income is no more than \$1,453. The same family living in a lower cost-of-living region would qualify if their monthly adjusted income is no more than \$1,379. As of October 2019, the maximum monthly grant amount for a family of three, if the family has no other income and lives in a high-cost county, is \$878. The same family living in a lower cost-of-living county would be eligible for up to \$834 per month.

According to the CalWORKs Annual Summary dated March 2020, the average CalWORKs grant for families participating in WTW during Fiscal Year 2019-20 was \$689 per month.

Sequence of Employment-Related Services

After a person has been determined to be eligible for the CalWORKs program, the sequence of employment-related services starts with orientation and appraisal. After orientation and appraisal, recipients may be required to participate in job search and job club; family stabilization; substance abuse, mental health, or domestic violence services, whichever is appropriate. However, the county may determine that the recipient should skip these activities and go straight to assessment. Upon referral to assessment, participants work with the county welfare department to develop and agree on WTW plans that are based on participants' skills and needs. A recipient who has not received a high school diploma or its equivalent may choose to participate in a high school education or equivalency program.

Welfare-to-Work (WTW)

A key component of the federal welfare reform of the mid-1990s was the encouragement of job training and employment. Current CalWORKs rules reflect this focus on training and employment by limiting the length of time adults may receive benefits and requiring recipients to perform certain activities as a condition of receiving benefits.

Under the CalWORKs program rules, adults may not receive CalWORKs cash benefits for more than 48-months throughout the entirety of their lifetime. During those 48 months, adults may receive a total of 24 months of WTW services and activities, if they meet program requirements. Adult benefits in the CalWORKs program are contingent upon participation in WTW activities, which are designed to promote job readiness and self-sufficiency. WTW activities include subsidized and unsubsidized employment, community service, adult basic education, community college, job skills, training, mental health counseling, substance abuse treatment, and other activities necessary to assist recipients in obtaining employment.

Unless they are exempt, an adult parent in a one-parent assistance unit (this is a group of persons living in the same home who have been determined eligible for CalWORKs and for whom cash aid has been authorized) is required to participate in WTW activities for an average of 20 hours

per week, if the parent has a child less than six years of age. An adult in a one-parent assistance unit is required to participate in WTW activities for an average of 30 hours per week during the month, if the parent does not have a child less than six years of age. In a two-parent assistance unit, one or both adults must participate in WTW activities for a combined average of 35 hours per week.

CalWORKs requirements also limit the time during which a WTW participant may engage in certain educational activities to a cumulative of 24 months. However, a participant may obtain an extension for up to six months, which shall be reevaluated every six months under certain circumstances. Absent an extension, a CalWORKs recipient who is attending school may be required to complete an additional 20-30 hours of core activities. Fulltime education is not considered a core activity.

CalWORKs for College Students

CalWORKs recipients enrolled in WTW are typically required to work 20-30 hours per week in order to receive full CalWORKs benefits. Failure to meet work requirements, may cause the families' CalWORKs benefits to be reduced. This bill proposes to exempt CalWORKs students (full-time and part-time) from WTW requirements, job club and assessment.

The cost for college books can be prohibitive for CalWORKs recipients; thus, CalWORKs rules permit a recipient to obtain an advance for supportive services (including ancillary expenses for books and transportation). Ancillary expenses include the costs to purchase books, tools and other expenses related to WTW activities. Expenses for transportation can include but are not limited to gas for a vehicle, a bus pass, taxi fare, parking costs, etc., necessary to complete WTW activities. Under current law, such payments "shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services." Typically, in order to receive reimbursement for supportive services, including ancillary expenses, a recipient must have a signed WTW plan. However, supportive services can be provided to a client at any point after they have come onto aid to mitigate barriers to participation.

Related/Prior Legislation:

SB 374 (Glazer) would have required that a CalWORKs eligible individual participating in an educational activity full time and making satisfactory progress, as specified, receive a standard allowance of \$500; be deemed to be meeting all WTW requirements, including the hourly participation requirements; be entitled to advance payments for allowance or reimbursement and other necessary supportive services, as specified; and is entitled to an extension of the 24-month cumulative participation period, as specified. This bill was held in Senate Appropriations Committee.

AB 818 (Burke, Chapter 141, Statutes of 2017) clarified that a high school education or its equivalent, and education obtained subsequent to the acquisition of a high school diploma or its equivalent, is presumed to meaningfully increase the likelihood of employment for purposes of a recipient requesting an extension of the CalWORKs 24-month clock.

AB 227 (Mayes, 2017) would have created the CalWORKs Educational Opportunity and Attainment Program to offer education grants and stipends to eligible CalWORKs participants who complete certain educational programs. It did not pass out of this committee.

AB 1994 (Lopez, 2016) would have created the CalED program to provide a one-time \$500 supplement to eligible CalWORKs participants upon successful completion of a high school equivalency examination. It was held in the Assembly Appropriations Committee.

AB 2448 (Burke, 2016) would have changed CalWORKs requirements regarding permissible welfare-to-work activities to facilitate a recipient's completion of a high school equivalency program. It was vetoed by the Governor.

COMMENTS

According to the author, CalWORKs student parents are often unable to buy books before classes begin because they do not receive their funds from the county in time. In these scenarios, students might not buy books, which puts them behind in their coursework, or they buy books with their own funds or on credit, further straining them financially.

This bill seeks to make it easier for CalWORKs parents to continue their postsecondary education by providing a cash aid to pay for books and other costs associated with attending school and by exempting them from other CalWORKs requirements. SB 1232 is similar to SB 374 (*Glazer, 2019*), which was held in Senate Appropriations Committee. However, this bill takes a slightly different approach from SB 374, which appears to make implementation more feasible.

This bill permits fulltime students to receive a \$500 advance for costs associated with postsecondary education. Part time students would receive \$250. In the event a recipient's actual costs associated with books and college supplies exceed the amount of the advance, the bill permits a recipient to request to be paid the actual cost. The bill also permits counties to satisfy the requirement for an advance in the form of a book voucher, which is a current practice in some counties. Additionally, this bill excuses CalWORKs parents who are attending postsecondary school from the following elements of the CalWORKs program: WTW requirements, job club and assessment. This is intended to free the students from time-consuming program components that may not be appropriate for a person who is seeking higher education. However, such students might benefit from supportive services provided via WTW. Therefore, the committee recommends amending the bill to preserve the option for CalWORKs parents who are higher education students to receive WTW supportive services, such as childcare and behavioral health, by entering into a WTW plan.

The committee also suggests the following amendments, which are intended to clarify that cash aid for educational expenses is a "standard allowance," which currently exists as a CalWORKs benefit. These amendments also delete reference to high school education, as it is redundant to other provisions of the CalWORKs program. The remaining amendments are technical.

On page 3, line3:

(a) Notwithstanding any other law, a person who satisfies the criteria in subdivision (b) shall be entitled to receive the ~~advance or reimbursement for necessary supportive services standard allowance for ancillary services for books and college supplies~~ pursuant to Section 11323.21, and shall not be required to do any of the following:

- (1) Enter into a welfare-to-work plan, as provided in Section 11325.21, ~~except for the purpose of supportive services.~~
- (2) Complete job club, as provided in Section 11325.22.
- (3) Complete an assessment, as provided in Section 11325.4.

On page 3, line 33:

~~(c) A recipient who is earning a high school diploma or the equivalent, or attending a publicly funded postsecondary educational institution and making satisfactory progress at that institution, is deemed to meaningfully increase the likelihood of employment as described in Section 11322.87.~~

On page 4, line 10:

(f) (1) ~~To receive supportive services,~~ an individual who meets the requirements of this section shall be required to sign a ~~simplified education participation agreement~~ ~~welfare-to-work plan~~ each academic semester or quarter. The county shall make a copy of the ~~simplified education participation agreement~~ ~~welfare-to-work plan~~ available to the individual 30 days prior to the registration for each semester or quarter. The ~~agreement document~~ ~~plan~~ shall be returned to the county after the individual registers for the classes of the semester or quarter.

(2) The ~~simplified education participation agreement plan~~ shall include all of the following information:

On page 4, line 32:

(3) The ~~simplified education participation agreement plan~~ shall be mailed to the recipient for completion and shall be returned by mail or by electronic means, if the county has the capacity to make the agreement electronically available. If the county requires the agreement to be returned by mail, the county shall include a postage-prepaid envelope for that purpose. The recipient may request, in writing, to meet with a county ~~employer~~ ~~employee~~ to receive assistance with completing this simplified education participation agreement.

On page 5, line 3:

(a) A CalWORKs eligible individual who provides the county evidence that the individual is participating in an educational activity full time at a publicly funded postsecondary educational institution in accordance with Section 11322.84 shall receive an ~~allowance~~ ~~advance~~ of \$500 for each semester or \$250 for each quarter, and a CalWORKs eligible individual who provides the county evidence that the individual is participating in an educational activity part time at a postsecondary educational institution, in accordance with Section 11322.84, shall receive an ~~allowance~~ ~~advance~~ of \$250 for the purpose of paying costs associated with attending the postsecondary educational institution 10 days before the beginning of the academic semester or quarter.

(b) For the purposes of this section, the amounts set forth in subdivision (a) shall be considered a standard allowance for ancillary services for books and college supplies.

(c) A recipient may request ~~reimbursement for~~ actual costs for ancillary services pursuant to Section 11323.2 if the recipient provides verification of expenses that exceed the applicable amount set forth in subdivision (a) for books and college supplies that are required for the classes

in which the individual is enrolled. The county shall issue payment within 15 20 days of the recipient's request.

On page 5, line 36:

(1) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services may implement, interpret, or make specific this section by means of all-county letters or similar written instructions from the department until regulations are adopted. These all-county letters or similar instructions shall have the same force and effect as regulations.

(2) The department shall adopt emergency regulations no later than January 1, 2023. The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, an emergency regulation previously adopted under this section.

(3) The initial adoption of emergency regulations pursuant to this section and one readoption of emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and each shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

POSITIONS

Support:

Coalition of California Welfare Rights Organizations
County Welfare Directors Association of California (CWDA)
National Association of Social Workers, California Chapter
SEIU California
Student Senate for California Community Colleges
University of California Student Association
Western Center on Law & Poverty, INC.

Oppose:

None received

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