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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2019 - 2020 Regular Session

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### SB 1232 (Glazer) - CalWORKs: postsecondary education

**Version:** May 21, 2020

**Urgency:** No

**Hearing Date:** June 9, 2020

**Policy Vote:** HUMAN S. 6 - 0

**Mandate:** Yes

**Consultant:** Samantha Lui

**Bill Summary:** Senate 1232 would require an eligible CalWORKs recipient receive a standard allowance of \$250 per semester to \$500 per quarter for books and college supplies, and to not be required to enter a welfare-to-work plan, except to receive any supportive services, complete job club, nor complete a specified assessment. Would require CDSS to adopt regulations by January 1, 2023.

#### **Fiscal Impact:**

- According to the Office of Systems Integration, one-time \$1.3 million for automation changes to the SAWS system. However, the funding, or a portion thereof, may need to shift to the out-years, depending on the time implementing the automation.
- Staff anticipates limited-term, indeterminate (potentially ten thousands) cost pressures for CDSS staff resources to promulgate regulations, which may be achieved through redirection of staff. However, to the extent, other bills propose to require the CDSS to promulgate regulations, there would be cumulative impact, which may require permanent staff.
- County welfare departments currently provide reimbursement to students for educational expenses, and this bill would change the point in time at which funds are disbursed to the participant. In addition, CalWORKs employment services are based on actual expenditures, so reimbursements to clients are captured in methodology.

**Background:** CalWORKs provides temporary cash assistance to qualifying low-income individuals to assist with basic needs and moving children out of poverty. In addition to cash assistance, adult CalWORKs recipients participate in welfare-to-work (WTW) programs, which may include education, training, and subsidized employment opportunities, to assist in barrier-removal and promote self-sufficiency. CalWORKs is funded with a mix of federal funding (Temporary Assistance to Needy Families), state, and county funds.

CalWORKs benefits for adults are limited to no more than 48-months in their entire lifetime. During those 48 months, adults may receive a total of 24 months of WTW services and activities, such as subsidized employment, education, community college, job skills, and counseling. Currently, CalWORKs limits the time during which a WTW participant may engage in certain educational activities to a cumulative of 24 months. A participant may obtain an extension for up to six months, which is 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 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.

Existing law 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. These expenses are provided at the actual costs and there is no cap.

**Proposed Law:** SB 1232 would provide a CalWORKs eligible individual with a \$250 (each quarter) or \$500 (per semester) standard allowance for ancillary services for books and college supplies, an amount which would be adjusted annually by the Consumer Price Index. In addition, the bill would:

- Require a county to issue reimbursement for actual costs of ancillary services within 20 days of the recipient's request.
- Authorize a county to provide the allowances in a 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 all the required books are made available to the recipient at least 10 days before the start of the semester or quarter.
- Specify how a county can determine whether a recipient meets the hourly participation requirement, and if a recipient's hours are not met, requires a county to assist the recipient in meeting the required hours of participation.
- Require the recipient who is attending a publicly funded postsecondary educational institution provide verification of satisfactory progress.
- Provides that definitions of "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.
- Authorize the CDSS to implement the bill's provisions through all-county letters until regulations are adopted, and requires the department adopt emergency regulations no later than January 1, 2023, and in effect for no longer than 180 days, and exempt from Office of Administrative Law review.
- Requires reimbursement to local agencies and school districts for costs if the Commission on State Mandates determines the bill contains state-local mandate.
- Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program. This bill would instead provide that the continuous appropriation would not be made for purposes of implementing the bill.

**Related Legislation:** SB 374 (Glazer, 2019) would have required 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.

**Staff Comments:** Staff notes that the actual costs for distributing the standard allowance will be dependent on the number of participants enrolled full-time in an educational activity. According to the CalWORKs Annual Summary, between July 1, 2017, and June 30, 2018, over 10,000 participants were enrolled in an education program. If all of these participants received the standard allowance, costs would exceed \$5 million. However, it is not known how many of those participants are attending a postsecondary educational institution.

The 2020 May Revision CalWORKs Employment Services includes \$4 million for additional contract costs due to the COVID-19 health crisis and resulting fiscal downturn, which may be used for educational expenses.

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