

Senate Bill No. 72

CHAPTER 8

An act to amend Section 9205 of the Family Code, to amend Section 1417.2 of the Health and Safety Code, and to amend Sections 10533, 11253.5, 11265.2, 11266.5, 11320.15, 11320.3, 11320.32, 11322.63, 11325.71, 11329.5, 11450, 11450.02, 11454.5, 11487, 12301.3, 12301.4, 12302.25, 14132.97, 15525, and 17021 of, to amend and repeal Sections 11327.5 and 11454 of, to add Sections 11323.25, 11450.025, 11454.2, 12200.03, 12309.1, 14132.956, and 14132.957 to, to add and repeal Section 11334.8 of, to repeal Sections 11320.2 and 11322.64 of, to repeal Article 3.3 (commencing with Section 11330) of Chapter 2 of Part 3 of Division 9 of, to repeal and add Sections 12301.03 and 12301.05 of, and to repeal, amend, and add Section 11451.5 of, the Welfare and Institutions Code, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately, bill related to the budget.

[Approved by Governor March 24, 2011. Filed with
Secretary of State March 24, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

SB 72, Committee on Budget and Fiscal Review. Human services.

Existing law contains various provisions relating to the disclosure of personal information between adoptees and their biological siblings, the implementation of which is delayed until July 1, 2011.

This bill would delay implementation of these provisions, until July 1, 2012.

Existing law establishes the State Health Facilities Citation Penalties Account into which moneys derived from civil penalties for violations of state law are deposited. Moneys in this account may be used, upon appropriation by the Legislature, for the protection of health or property of residents of long-term health care facilities, as specified.

Existing law, the Mello-Granlund Older Californians Act, establishes the Office of the State Long-Term Care Ombudsman in the California Department of Aging. Existing law requires the department to allocate all federal and state funds for local ombudsman programs according to a specified schedule.

This bill, upon appropriation by the Legislature, would include the costs associated with the Long-Term Care Ombudsman Program among the uses of the moneys in the State Health Facilities Citation Penalties Account.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which,

through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families.

Existing law requires the State Department of Social Services, commencing July 1, 2011, to establish a CalWORKs county peer review process. Existing law requires the department to implement the process statewide no later than July 1, 2012.

This bill instead would require the department to establish the peer review process commencing July 1, 2013, and to implement the process statewide no later than July 1, 2014.

Existing law provides that a parent or caretaker relative shall not be eligible for CalWORKs aid when he or she has received aid for a cumulative total of 60 months. Existing law excludes any month in which certain conditions exist from being counted as a month of receipt of aid for these purposes.

This bill would revise the requirements for providing aid under the CalWORKs program, including reducing the existing time limits on receipt of aid with a 48-month limit for parents and caregiver relatives, except as specified. The bill would make conforming changes, including, but not limited to, eliminating self-sufficiency reviews, and revising provisions relating to sanctions and general assistance, to reflect the shortened CalWORKs time limits. The bill would apply the revised time limits to all months of CalWORKs aid received on and after January 1, 1998, except as specified. The bill would make the time limit revisions operative on the first day of the first calendar month following 90 days after the effective date of the bill, or June 1, 2011, whichever is later.

This bill would require county welfare departments to provide a specified notice regarding the revised time limit requirements, thus imposing a state-mandated local program.

Existing law provides that when aid under the CalWORKs program is repaid to a county or recovered by a county, the state is entitled to a share of the amount received or recovered, proportionate to the amount of state funds paid. If funds advanced by the federal government were paid, existing law entitles the federal government to a share of the amount received or recovered, proportionate to the amount of federal funds paid. Existing law excepts from the above requirement designated payments from noncustodial parents for child or spousal support with respect to whom a specified assignment of support rights has been made, and requires those payments to be paid directly to the local child support agency and not to the family.

This bill would delete the exception for child and spousal support. It would entitle the state to the entire amount of any aid repaid to the state, except where federal and county funds were paid, in which case the federal government would remain entitled to a proportionate share of the amount received or recovered and the county would remain entitled to its proportionate share, except for county funds received or recovered during the 2011–12 fiscal year, which would be retained by the state.

Existing law requires the State Department of Social Services to administer a voluntary Temporary Assistance Program (TAP) to provide cash assistance and other benefits to specified current and future CalWORKs recipients who meet the exemption criteria for participation in welfare-to-work activities and are not single parents who have a child under one year of age. Existing law requires the TAP to commence no later than October 1, 2012.

This bill would delay the commencement date of the TAP until October 1, 2014.

Existing law makes specified findings and declarations with respect to the effect of decreased funding for CalWORKs for the 2009–10 and 2010–11 fiscal years. In connection with this decreased funding, existing law extends certain exemptions from months counted as a month of receipt of aid, and allows counties to redirect funding between specified employment assistance and substance abuse treatment programs during the specified fiscal years.

This bill would extend the above provisions to apply to specified decreases in CalWORKs funding for the 2011–12 fiscal year. The bill would authorize a county to revise a specified welfare-to-work exemption in order to implement the county's portion of this funding reduction.

Existing law requires recipients of aid under the CalWORKs program who are under 19 years of age who are pregnant or custodial parents to participate in certain educational programs, which are referred to as the Cal-Learn Program. Under existing law, a Cal-Learn Program participant is entitled to monetary supplements or bonuses, as specified, for maintaining satisfactory educational progress, and successfully completing high school or a California high school equivalency examination.

This bill would make the Cal-Learn Program inoperative from July 1, 2011, to June 30, 2012, inclusive, with the exception of the payment of supplements and bonuses to eligible participants. These provisions making the Cal-Learn Program inoperative would be repealed on July 1, 2012, as specified. The bill would repeal related inoperative provisions. This bill would authorize implementation of the Cal-Learn provisions by all-county letters or similar instructions from the department, pending the adoption, by July 1, 2012, of emergency regulations.

Existing law requires certain participants in the CalWORKs program to participate in certain welfare-to-work activities, which may include, but are not limited to, subsidized employment in either the public or private sector. Existing law requires the department to pay 50% of the wage subsidy to counties that include these activities within their welfare-to-work activities, subject to prescribed limitations. Existing law also requires the department, no later than January 10, 2011, to report to the Legislature on the outcomes of implementing these provisions.

This bill would revise the requirements relating to the state's financial participation in subsidized employment programs, including requiring the department to pay 50%, less \$56, of the total wage costs, as defined, of an employee for whom a wage subsidy is paid, as opposed to a percentage of the wage subsidy alone. The bill would establish maximum state contribution standards for subsidized wage program participants receiving CalWORKs

benefits, for participants who have exceeded applicable time limits for receipt of aid, and for those who are participating in subsidized employment as a part of continuing welfare-to-work services provided by a county to former CalWORKs participants who have become employed, as specified.

This bill would specify applicable income exemption and work requirements when an assistance unit applies for CalWORKs benefits after a participant's subsidized employment ends.

Existing law establishes maximum aid grant amounts to be provided under the CalWORKs program, subject to specified adjustments. Existing law reduces the maximum aid payments in effect on September 1, 2007, by 4%, commencing July 1, 2009.

This bill would reduce the maximum aid payments in effect on July 1, 2009, by an additional 8%, and would authorize implementation of this reduction by all-county letters or similar instructions from the State Department of Social Services, pending the adoption of regulations, as specified. The bill would require 3 subsequent 5% reductions to the computed aid grants for assistance units that do not include an aided adult, in the 61st, 73rd, and 85th cumulative months of aid. The bill would exempt assistance units in which all parents or caretaker relatives in the assistance unit are disabled and receiving SSI/SSP benefits from these subsequent reductions.

Existing law provides that certain amounts are exempt from the calculation of income of the family for purposes of determining eligibility for benefits under the CalWORKs program. These exempt amounts include \$225 of disability-based unearned income, and an amount of otherwise exempt earned income that is determined based on the amount of disability-based unearned income, as specified.

This bill would revise the above earned income calculation when the amount of disability-based unearned income is less than \$225, to exempt the total amount of the disability-based unearned income plus the lesser of (1) \$112 of earned income that is not otherwise exempt, or (2) the amount of otherwise nonexempt earned income that represents the difference between the amount of unearned disability-based income and \$225, and 50% of any additional earned income.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement Supplemental Security Income (SSI) payments made available pursuant to the federal Social Security Act. State payment levels for SSI/SSP recipients are established in accordance with prescribed requirements. Existing law also establishes the Medi-Cal program, which is partially governed and funded pursuant to the federal Medicaid Program.

This bill would require SSI/SSP rates for individuals to be reduced to equal the minimum amount required by the federal Social Security Act in order to maintain the state's eligibility for federal Medicaid funding, subject to prescribed exceptions. The bill would make this reduction effective on

the first day of the first month following 90 days after the effective date of the bill.

Existing law provides for the In-Home Supportive Services (IHSS) program, under which, either through employment by the recipient, or by or through contract by the county, qualified aged, blind, and disabled persons receive services enabling them to remain in their own homes. Counties are responsible for the administration of the IHSS program. Under the Medi-Cal program, similar services are provided to eligible individuals, with these services known as personal care option services.

Existing law, with certain exceptions, requires each county to appoint an IHSS advisory committee of 11 members, establishes the qualifications of its members, and sets forth its duties. Existing law makes counties eligible for state reimbursement of administrative costs of the committee. Existing law requires each county to consider the advice of the committee prior to making policy and IHSS funding decisions.

This bill would delete the provisions requiring establishment of the committee, would instead authorize appointment of an IHSS advisory committee, would delete provisions requiring state reimbursement for the costs of the committee, and would make conforming changes.

This bill would require the State Department of Health Care Services to establish a medication machine pilot project for certain at-risk Medi-Cal recipients, as specified, and would designate the duties of the department in this regard. The bill would require the Department of Finance to perform specified functions and make related notifications, in connection with determining and evaluating savings to the General Fund as a result of the implementation of the pilot project. The bill would authorize the State Department of Health Care Services to terminate the pilot project under designated circumstances.

Existing law authorized an individual who was eligible for IHSS services in the 1992–93 fiscal year, and who had his or her services reduced pursuant to specified provisions, but who believed that he or she was at serious risk of out-of-home placement unless all or part of the reduced hours were restored, to apply for an IHSS Care Supplement, as specified.

This bill would recast and revise these provisions, to instead require, if the medication machine pilot project established pursuant to the bill does not result in specified General Fund savings, as determined by the Department of Finance, a reduction in authorized hours of service to all recipients of in-home supportive services, as specified, which would be operative on October 1, 2012, or the first day of the first month following 90 days after the effective date of the bill, whichever is later. The bill would authorize an individual whose services have been reduced, and who believes that he or she is at serious risk of out-of-home placement, to submit an IHSS Care Supplement application, in accordance with specified provisions, in order to have all or part of the service hour reduction restored.

This bill would revise the definition of “waiver personal care services” received by certain recipients under the Medi-Cal program, to distinguish those services from other categories of personal care services provided under

the Medi-Cal program, and would prohibit waiver personal care services from replacing any hours of services authorized or reduced pursuant to the other service categories.

This bill would require an applicant or recipient of in-home supportive services to obtain a certification from a licensed health care professional, as specified, as a condition of receiving those services. The bill would require the State Department of Social Services, in consultation with the State Department of Health Care Services, to develop a standard certification form for this purpose. The bill would delay implementation of these certification provisions until the receipt of specified federal approval, under prescribed circumstances. To the extent that implementation of the certification requirement would increase county duties in implementing the In-Home Supportive Services program, this bill would impose a state-mandated local program.

Existing federal law authorizes states to exercise an option to amend the state Medicaid plan to provide home- and community-based attendant services and supports, as specified.

This bill would require the department to assess and determine the cost efficiency of exercising the federal option to provide home- and community-based attendant services and supports. The bill would require the department, if the department determines that exercise of the federal option would be cost efficient, to establish a development and implementation council, with specified membership, and to consult and collaborate with the council in exercising the federal option. This bill would authorize services and supports under the option to be rendered under the administrative direction of other state departments in accordance with the state plan amendment, as specified. This bill would authorize implementation of these provisions by all-county letters or similar instructions from the director, pending the adoption of emergency regulations, as specified.

Existing law requires the State Department of Social Services to establish a Work Incentive Nutritional Supplement (WINS) program, under which each county is required to provide a \$40 monthly additional food assistance benefit for each eligible food stamp household, as defined. The bill would require the state to pay the counties 100% of the cost of WINS benefits, using funds that qualify for the state's Temporary Assistance for Needy Families (TANF) program maintenance of effort requirements, as specified. Existing law prohibits WINS benefits from being paid before October 1, 2012, and requires full implementation of the program on or before April 1, 2013.

This bill would extend the time for payment of WINS benefits to commence to October 1, 2013, and the time for full implementation of the program to April 1, 2014.

Existing law authorizes the director to implement the WINS program by all-county letters by March 1, 2012, pending the adoption of emergency regulations.

This bill would extend the time for issuance of all-county letters to March 1, 2013.

Existing law requires the department to convene a workgroup on or before December 1, 2011, comprised of designated representatives, to consider the progress of the WINS automation effort in tandem with a preassistance employment readiness system (PAERS) program and any other program options that may provide offsetting benefits to the caseload reduction credit in the CalWORKs program. Existing law prohibits full implementation of the WINS program until the workgroup is convened.

This bill would extend the date by which the department is required to establish the WINS/PAERS workgroup to December 1, 2012, and would make conforming changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

This bill would declare that it is to take immediate effect as an urgency statute and a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 9205 of the Family Code is amended to read:

9205. (a) Notwithstanding any other law, the department or adoption agency that joined in the adoption petition shall release the names and addresses of siblings to one another if both of the siblings have attained 18 years of age and have filed the following with the department or agency:

- (1) A current address.
- (2) A written request for contact with any sibling whose existence is known to the person making the request.
- (3) A written waiver of the person's rights with respect to the disclosure of the person's name and address to the sibling, if the person is an adoptee.

(b) Upon inquiry and proof that a person is the sibling of an adoptee who has filed a waiver pursuant to this section, the department or agency may advise the sibling that a waiver has been filed by the adoptee. The department

or agency may charge a reasonable fee, not to exceed fifty dollars (\$50), for providing the service required by this section.

(c) An adoptee may revoke a waiver filed pursuant to this section by giving written notice of revocation to the department or agency.

(d) The department shall adopt a form for the request authorized by this section. The form shall provide for an affidavit to be executed by a person seeking to employ the procedure provided by this section that, to the best of the person's knowledge, the person is an adoptee or sibling of an adoptee. The form also shall contain a notice of an adoptee's rights pursuant to subdivision (c) and a statement that information will be disclosed only if there is a currently valid waiver on file with the department or agency. The department may adopt regulations requiring any additional means of identification from a person making a request pursuant to this section as it deems necessary.

(e) The department or agency may not solicit the execution of a waiver authorized by this section. However, the department shall announce the availability of the procedure authorized by this section, utilizing a means of communication appropriate to inform the public effectively.

(f) Notwithstanding the age requirement described in subdivision (a), an adoptee or sibling who is under 18 years of age may file a written waiver of confidentiality for the release of his or her name, address, and telephone number pursuant to this section provided that, if an adoptee, the adoptive parent consents, and, if a sibling, the sibling's legal parent or guardian consents. If the sibling is under the jurisdiction of the dependency court and has no legal parent or guardian able or available to provide consent, the dependency court may provide that consent.

(g) Notwithstanding subdivisions (a) and (e), an adoptee or sibling who seeks contact with the other for whom no waiver is on file may petition the court to appoint a confidential intermediary. If the sibling being sought is the adoptee, the intermediary shall be the department or licensed adoption agency that provided adoption services as described in Section 8521 or 8533. If the sibling being sought was formerly under the jurisdiction of the juvenile court, but is not an adoptee, the intermediary shall be the department, the county child welfare agency that provided services to the dependent child, or the licensed adoption agency that provided adoption services to the sibling seeking contact, as appropriate. If the court finds that the licensed adoption agency that conducted the adoptee's adoption is unable, due to economic hardship, to serve as the intermediary, then the agency shall provide all records related to the adoptee or the sibling to the court and the court shall appoint an alternate confidential intermediary. The court shall grant the petition unless it finds that it would be detrimental to the adoptee or sibling with whom contact is sought. The intermediary shall have access to all records of the adoptee or the sibling and shall make all reasonable efforts to locate and attempt to obtain the consent of the adoptee, sibling, or adoptive or birth parent, as required to make the disclosure authorized by this section. The confidential intermediary shall notify any located adoptee, sibling, or adoptive or birth parent that consent is optional, not

required by law, and does not affect the status of the adoption. If that individual denies the request for consent, the confidential intermediary shall not make any further attempts to obtain consent. The confidential intermediary shall use information found in the records of the adoptee or the sibling for authorized purposes only, and may not disclose that information without authorization. If contact is sought with an adoptee or sibling who is under 18 years of age, the confidential intermediary shall contact and obtain the consent of that child's legal parent before contacting the child. If the sibling is under 18 years of age, under the jurisdiction of the dependency court, and has no legal parent or guardian able or available to provide consent, the intermediary shall obtain that consent from the dependency court. If the adoptee is seeking information regarding a sibling who is known to be a dependent child of the juvenile court, the procedures set forth in subdivision (b) of Section 388 of the Welfare and Institutions Code shall be utilized. If the adoptee is foreign born and was the subject of an intercountry adoption as defined in Section 8527, the adoption agency may fulfill the reasonable efforts requirement by utilizing all information in the agency's case file, and any information received upon request from the foreign adoption agency that conducted the adoption, if any, to locate and attempt to obtain the consent of the adoptee, sibling, or adoptive or birth parent. If that information is neither in the agency's case file, nor received from the foreign adoption agency, or if the attempts to locate are unsuccessful, then the agency shall be relieved of any further obligation to search for the adoptee or the sibling.

(h) For purposes of this section, "sibling" means a biological sibling, half-sibling, or step-sibling of the adoptee.

(i) Implementation of the amendments made to this section by Chapter 386 of the Statutes of 2006 shall be delayed until July 1, 2012. It is the intent of the Legislature that implementation of some or all of the changes made to Section 9205 of the Family Code by Chapter 386 of the Statutes of 2006 shall continue, to the extent possible.

SEC. 2. Section 1417.2 of the Health and Safety Code is amended to read:

1417.2. (a) Notwithstanding Section 1428, moneys collected as a result of state and federal civil penalties imposed under this chapter or federal law shall be deposited into accounts that are hereby established in the Special Deposit Fund created pursuant to Section 16370 of the Government Code. These accounts are titled the State Health Facilities Citation Penalties Account, into which moneys derived from civil penalties for violations of state law shall be deposited, and the Federal Health Facilities Citation Penalties Account, into which moneys derived from civil penalties for violations of federal law shall be deposited. Moneys from these accounts shall be used, notwithstanding Section 16370 of the Government Code, upon appropriation by the Legislature, in accordance with state and federal law for the protection of health or property of residents of long-term health care facilities, including, but not limited to, the following:

(1) Relocation expenses incurred by the department, in the event of a facility closure.

(2) Maintenance of facility operation pending correction of deficiencies or closure, such as temporary management or receivership, in the event that the revenues of the facility are insufficient.

(3) Reimbursing residents for personal funds lost. In the event that the loss is a result of the actions of a long-term health care facility or its employees, the revenues of the facility shall first be used.

(4) The costs associated with informational meetings required under Section 1327.2.

(5) Support for the Long-Term Care Ombudsman Program established pursuant to Chapter 11 (commencing with Section 9700) of Division 8.5 of the Welfare and Institutions Code in an amount appropriated from the State Health Facilities Citation Penalties Account for this purpose in the annual Budget Act.

(b) Notwithstanding subdivision (a), the balance in the State Health Facilities Citation Penalties Account shall not, at any time, exceed ten million dollars (\$10,000,000).

(c) Moneys from the Federal Health Facilities Citation Penalties Account, in the amount not to exceed one hundred thirty thousand dollars (\$130,000), may also be used, notwithstanding Section 16370 of the Government Code, upon appropriation by the Legislature, in accordance with state and federal law for the improvement of quality of care and quality of life for long-term health care facilities residents pursuant to Section 1417.3.

(d) The department shall post on its Internet Web site, and shall update on a quarterly basis, all of the following regarding the funds in the State Health Facilities Citation Penalties Account and the Federal Health Facilities Citation Penalties Account:

(1) The specific sources of funds deposited into the account.

(2) The amount of funds in the account that have not been allocated.

(3) A detailed description of how funds in the account have been allocated and expended, including, but not limited to, the names of persons or entities that received the funds, the amount of salaries paid to temporary managers, and a description of equipment purchased with the funds. However, the description shall not include the names of residents.

SEC. 3. Section 10533 of the Welfare and Institutions Code is amended to read:

10533. Commencing July 1, 2013, the department shall establish a CalWORKs county peer review process, which shall be implemented on a statewide basis no later than July 1, 2014. The peer review process shall include individual CalWORKs data reviews of counties, based on existing data. Counties shall receive programmatic technical assistance from teams made up of state and peer-county administrators to assist with implementing best practices to improve their performance and make progress toward meeting established state performance goals, as specified in Chapter 1.5 (commencing with Section 10540) and Section 15204.6.

SEC. 4. Section 11253.5 of the Welfare and Institutions Code is amended to read:

11253.5. (a) All children in an assistance unit for whom school attendance is compulsory, except individuals who are eligible for the Cal-Learn Program under Article 3.5 (commencing with Section 11331), for any period during which that article is operative, and children subject to a county school attendance project under Article 2 (commencing with Section 18236) of Chapter 3.3 of Part 6, shall be required to attend school.

(b) Applicants for and recipients of aid under this chapter shall be informed of the attendance requirement and it shall be included in the recipient's welfare-to-work plan under Section 11325.21.

(c) A recipient shall cooperate in providing the county with documentation routinely available from the school or school district of regular attendance of all applicable children in the assistance unit when the county determines it is appropriate.

(d) If it is determined by the county that any eligible child under the age of 16 years is not regularly attending school as required, the needs of all adults in the assistance unit shall not be considered in computing the grant of the family under Section 11450 unless it has been determined by the county that good cause exists.

(e) If it is determined by the county that any child in the assistance unit who is age 16 years or older is not regularly attending school as required, or participating pursuant to a welfare-to-work plan, the needs of the child shall not be considered in computing the grant of the family under Section 11450 unless it has been determined by the county that good cause exists.

SEC. 5. Section 11265.2 of the Welfare and Institutions Code is amended to read:

11265.2. (a) The grant amount a recipient shall be entitled to receive for each month of the quarterly reporting period shall be prospectively determined as provided by this section. If a recipient reports that he or she does not anticipate any changes in income during the upcoming quarter, compared to the income the recipient reported actually receiving on the quarterly report form, the grant shall be calculated using the actual income received. If a recipient reports that he or she anticipates a change in income in one or more months of the upcoming quarter, the county shall determine whether the recipient's income is reasonably anticipated. The grant shall be calculated using the income that the county determines is reasonably anticipated in each of the three months of the upcoming quarter.

(b) For the purposes of the quarterly reporting, prospective budgeting system, income shall be considered to be "reasonably anticipated" if the county is reasonably certain of the amount of income and that the income will be received during the quarterly reporting period. The county shall determine what income is "reasonably anticipated" based on information provided by the recipient and any other available information.

(c) If a recipient reports that their income in the upcoming quarter will be different each month and the county needs additional information to determine a recipient's reasonably anticipated income for the following

quarter, the county may require the recipient to provide information about income for each month of the prior quarter.

(d) Grant calculations pursuant to subdivision (a) may not be revised to adjust the grant amount during the quarterly reporting period, except as provided in Section 11265.3 and subdivisions (e), (f), (g), and (h), and as otherwise established by the department.

(e) Notwithstanding subdivision (d), statutes and regulations relating to (1) the 48-month or 60-month time limit, (2) age limitations for children under Section 11253, and (3) sanctions and financial penalties affecting eligibility or grant amount shall be applicable as provided in those statutes and regulations. Eligibility and grant amount shall be adjusted during the quarterly reporting period pursuant to those statutes and regulations effective with the first monthly grant after timely and adequate notice is provided.

(f) Notwithstanding Section 11056, if an applicant applies for assistance for a child who is currently aided in another assistance unit, and the county determines that the applicant has care and control of the child, as specified by the department, and is otherwise eligible, the county shall discontinue aid to the child in the existing assistance unit and shall aid the child in the applicant's assistance unit effective as of the first of the month following the discontinuance of the child from the existing assistance unit.

(g) If the county is notified that a child for whom CalWORKs assistance is currently being paid has been placed in a foster care home, the county shall discontinue aid to the child at the end of the month of placement. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

(h) If the county determines that a recipient is no longer a California resident, pursuant to Section 11100, the recipient shall be discontinued. The county shall discontinue the case if the remaining assistance unit members are not otherwise eligible.

SEC. 6. Section 11266.5 of the Welfare and Institutions Code is amended to read:

11266.5. (a) Every applicant for aid under this chapter shall be informed of the availability of lump-sum diversion services to resolve the circumstances that require the family to apply for assistance prior to the family's approval for aid.

(b) When an applicant is determined to be eligible for assistance under this chapter, the county shall assess whether the applicant would benefit from the lump-sum diversion program. The county shall make this determination in its sole discretion. In making this determination, the county shall consider whether the applicant is likely to be able to avoid the need for extended assistance beyond the diversion period if the family was provided one-time assistance. In making this determination, the county may consider any of the following:

- (1) The applicant's employment history.
- (2) The likelihood of the applicant obtaining immediate full-time employment.
- (3) The applicant's general prospect for obtaining full-time employment.

(4) The applicant's need for cash assistance to pay for housing or substantial and unforeseen expenses or work-related expenses.

(5) Housing stability.

(6) The adequacy of the applicant's child care arrangements, if applicable.

(c) If the county determines, pursuant to subdivision (b), that an applicant could benefit from a lump-sum diversion payment, the county shall inform the applicant of its determination.

(d) An applicant for aid under this chapter may either participate in the lump-sum diversion program or decline participation in diversion and, instead, receive aid as otherwise provided for in this chapter.

(e) Lump-sum diversion services provided under this section may include any cash or noncash payment and shall be negotiated by the county and the applicant in order to assist the applicant in avoiding the need for aid under this chapter.

(f) If, after accepting a diversion payment pursuant to this section, the individual reapplies for aid under this chapter within the amount of time that corresponds with the number of months of aid that would have been received under this chapter that was received as a diversion payment, excluding a partial month, and he or she is determined to be eligible for aid, the county shall, at the option of the recipient, either recoup from the recipient's grant, over a period of time to be determined by the county, the amount of the diversion payment that the recipient received, or count the period of time that corresponds to the number of months of aid that would have been received, excluding a partial month of aid, towards the time limits on aid specified in subdivision (a) of Section 11454.

(g) To the extent permitted by federal law, lump-sum diversion payments shall not be considered income for the purpose of determining eligibility for food stamps.

(h) Any child support collected by the applicant or recovered by the county shall not be used to offset the diversion payment.

(i) During the period of the diversion, the applicant family shall be eligible for Medi-Cal and child care assistance pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code, if otherwise eligible.

SEC. 7. Section 11320.15 of the Welfare and Institutions Code is amended to read:

11320.15. After a participant has been removed from the assistance unit under subdivision (a) of Section 11454, additional welfare-to-work services may be provided to the recipient, at the option of the county. If the county provides services to the recipient after the 48-month or 60-month limit has been reached, the recipient shall participate in community service.

SEC. 8. Section 11320.2 of the Welfare and Institutions Code is repealed.

SEC. 9. Section 11320.3 of the Welfare and Institutions Code is amended to read:

11320.3. (a) (1) Except as provided in subdivision (b) or if otherwise exempt, every individual, as a condition of eligibility for aid under this chapter, shall participate in welfare-to-work activities under this article.

(2) Individuals eligible under Section 11331.5 shall be required to participate in the Cal-Learn Program under Article 3.5 (commencing with Section 11331) during the time that article is operative, in lieu of the welfare-to-work requirements, and subdivision (b) shall not apply to that individual.

(b) The following individuals shall not be required to participate for so long as the condition continues to exist:

(1) An individual under 16 years of age.

(2) (A) A child attending an elementary, secondary, vocational, or technical school on a full-time basis.

(B) A person who is 16 or 17 years of age, or a person described in subdivision (d) who loses this exemption, shall not requalify for the exemption by attending school as a required activity under this article.

(C) Notwithstanding subparagraph (B), a person who is 16 or 17 years of age who has obtained a high school diploma or its equivalent and is enrolled or is planning to enroll in a postsecondary education, vocational, or technical school training program shall also not be required to participate for so long as the condition continues to exist.

(D) For purposes of subparagraph (C), a person shall be deemed to be planning to enroll in a postsecondary education, vocational, or technical school training program if he or she, or his or her parent, acting on his or her behalf, submits a written statement expressing his or her intent to enroll in such a program for the following term. The exemption from participation shall not continue beyond the beginning of the term, unless verification of enrollment is provided or obtained by the county.

(3) An individual who meets either of the following conditions:

(A) The individual is disabled as determined by a doctor's verification that the disability is expected to last at least 30 days and that it significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities, provided that the individual is actively seeking appropriate medical treatment.

(B) The individual is of advanced age.

(4) A nonparent caretaker relative who has primary responsibility for providing care for a child and is either caring for a child who is a dependent or ward of the court or caring for a child in a case in which a county determines the child is at risk of placement in foster care, and the county determines that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities such that they impair the caretaker relative's ability to be regularly employed or to participate in welfare-to-work activities.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household and whose caretaking responsibilities impair the recipient's ability to be regularly employed or to participate in welfare-to-work activities.

(6) A parent or other relative who meets the criteria in subparagraph (A) or (B).

(A) (i) The parent or other relative has primary responsibility for personally providing care to a child six months of age or under, except that, on a case-by-case basis, and based on criteria developed by the county, this period may be reduced to the first 12 weeks after the birth or adoption of the child, or increased to the first 12 months after the birth or adoption of the child. An individual may be exempt only once under this clause.

(ii) An individual who received an exemption pursuant to clause (i) shall be exempt for a period of 12 weeks, upon the birth or adoption of any subsequent children, except that this period may be extended on a case-by-case basis to six months, based on criteria developed by the county.

(iii) In making the determination to extend the period of exception under clause (i) or (ii), the following may be considered:

- (I) The availability of child care.
- (II) Local labor market conditions.
- (III) Other factors determined by the county.

(B) In a family eligible for aid under this chapter due to the unemployment of the principal wage earner, the exemption criteria contained in subparagraph (A) shall be applied to only one parent.

(7) (A) A parent or other relative who has primary responsibility for personally providing care to one child who is from 12 to 23 months of age, inclusive, or two or more children who are under six years of age.

(B) The exemption provided for in subparagraph (A) shall be extended to include a parent or other relative who has primary responsibility for personally providing care to one child who is from 24 to 35 months of age, inclusive, if the parent or caretaker relative resides in a county that has made a finding that it is necessary to extend the exemption in this manner in order to implement its portion of the reduction to the CalWORKs program single allocation, in accordance with Item No. 5180-101-0001 of Section 2 of the Budget Act of 2011. The county may rescind a finding made pursuant to this subparagraph if it determines the extended age exemption is no longer necessary.

(8) A woman who is pregnant and for whom it has been medically verified that the pregnancy impairs her ability to be regularly employed or participate in welfare-to-work activities or the county has determined that, at that time, participation will not readily lead to employment or that a training activity is not appropriate.

(c) Any individual not required to participate may choose to participate voluntarily under this article, and end that participation at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way that would require participation.

(d) (1) Notwithstanding subdivision (a), a custodial parent who is under 20 years of age and who has not earned a high school diploma or its equivalent, and who is not exempt or whose only basis for exemption is paragraph (1), (5), (6), (7), or (8) of subdivision (b), shall be required to participate solely for the purpose of earning a high school diploma or its equivalent. During the time that Article 3.5 (commencing with Section

11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.

(2) Section 11325.25 shall apply to a custodial parent who is 18 or 19 years of age and who is required to participate under this article.

(e) Notwithstanding paragraph (1) of subdivision (d), the county may determine that participation in education activities for the purpose of earning a high school diploma or equivalent is inappropriate for an 18 or 19 year old custodial parent only if that parent is reassigned pursuant to an evaluation under Section 11325.25, or, at appraisal is already in an educational or vocational training program that is approvable as a self-initiated program as specified in Section 11325.23. If that determination is made, the parent shall be allowed to continue participation in the self-initiated program subject to Section 11325.23. During the time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.

(f) A recipient shall be excused from participation for good cause when the county has determined there is a condition or other circumstance that temporarily prevents or significantly impairs the recipient's ability to be regularly employed or to participate in welfare-to-work activities. The county welfare department shall review the good cause determination for its continuing appropriateness in accordance with the projected length of the condition, or circumstance, but not less than every three months. The recipient shall cooperate with the county welfare department and provide information, including written documentation, as required to complete the review. Conditions that may be considered good cause include, but are not limited to, the following:

(1) Lack of necessary supportive services.

(2) In accordance with Article 7.5 (commencing with Section 11495), the applicant or recipient is a victim of domestic violence, but only if participation under this article is detrimental to or unfairly penalizes that individual or his or her family.

(3) Licensed or license-exempt child care for a child 10 years of age or younger is not reasonably available during the individual's hours of training or employment including commuting time, or arrangements for child care have broken down or have been interrupted, or child care is needed for a child who meets the criteria of subparagraph (C) of paragraph (1) of subdivision (a) of Section 11323.2, but who is not included in the assistance unit. For purposes of this paragraph, "reasonable availability" means child care that is commonly available in the recipient's community to a person who is not receiving aid and that is in conformity with the requirements of Public Law 104-193. The choices of child care shall meet either licensing requirements or the requirements of Section 11324. This good cause criterion shall include the unavailability of suitable special needs child care for children with identified special needs, including, but not limited to, disabilities or chronic illnesses.

(g) (1) Paragraph (7) of subdivision (b) shall be implemented notwithstanding Sections 11322.4, 11322.7, 11325.6, and 11327, and shall become inoperative on July 1, 2012.

(2) The State Department of Social Services, in consultation with the County Welfare Directors Association of California, shall develop a process prior to January 1, 2012, to assist clients with reengagement in welfare-to-work activities by July 1, 2012. Reengagement activities may include notifying clients of the expiration of exemptions, potential reassessments, and identifying necessary supportive services.

SEC. 10. Section 11320.32 of the Welfare and Institutions Code is amended to read:

11320.32. (a) The department shall administer a voluntary Temporary Assistance Program (TAP) for current and future CalWORKs recipients who meet the exemption criteria for work participation activities set forth in Section 11320.3, and are not single parents who have a child under the age of one year. Temporary Assistance Program recipients shall be entitled to the same assistance payments and other benefits as recipients under the CalWORKs program. The purpose of this program is to provide cash assistance and other benefits to eligible families without any federal restrictions or requirements and without any adverse impact on recipients. The Temporary Assistance Program shall commence no later than October 1, 2014.

(b) CalWORKs recipients who meet the exemption criteria for work participation activities set forth in subdivision (b) of Section 11320.3, and are not single parents with a child under the age of one year, shall have the option of receiving grant payments, child care, and transportation services from the Temporary Assistance Program. The department shall notify all CalWORKs recipients and applicants meeting the exemption criteria specified in subdivision (b) of Section 11320.3, except for single parents with a child under the age of one year, of their option to receive benefits under the Temporary Assistance Program. Absent written indication that these recipients or applicants choose not to receive assistance from the Temporary Assistance Program, the department shall enroll CalWORKs recipients and applicants into the program. However, exempt volunteers shall remain in the CalWORKs program unless they affirmatively indicate, in writing, their interest in enrolling in the Temporary Assistance Program. A Temporary Assistance Program recipient who no longer meets the exemption criteria set forth in Section 11320.3 shall be enrolled in the CalWORKs program.

(c) Funding for grant payments, child care, transportation, and eligibility determination activities for families receiving benefits under the Temporary Assistance Program shall be funded with General Fund resources that do not count toward the state's maintenance of effort requirements under clause (i) of subparagraph (B) of paragraph (7) of subdivision (a) of Section 609 of Title 42 of the United States Code, up to the caseload level equivalent to the amount of funding provided for this purpose in the annual Budget Act.

(d) It is the intent of the Legislature that recipients shall have and maintain access to the hardship exemption and the services necessary to begin and increase participation in welfare-to-work activities, regardless of their county of origin, and that the number of recipients exempt under subdivision (b) of Section 11320.3 not significantly increase due to factors other than changes in caseload characteristics. All relevant state law applicable to CalWORKs recipients shall also apply to families funded under this section. Nothing in this section modifies the criteria for exemption in Section 11320.3.

(e) To the extent that this section is inconsistent with federal regulations regarding implementation of the Deficit Reduction Act of 2005, the department may amend the funding structure for exempt families to ensure consistency with these regulations, not later than 30 days after providing written notification to the chair of the Joint Legislative Budget Committee and the chairs of the appropriate policy and fiscal committees of the Legislature.

SEC. 11. Section 11322.63 of the Welfare and Institutions Code is amended to read:

11322.63. (a) For counties that implement a welfare-to-work plan that includes activities pursuant to subdivisions (b) and (c) of Section 11322.6, the State Department of Social Services shall pay the county 50 percent, less fifty-six dollars (\$56), of the total wage costs of an employee for whom a wage subsidy is paid, subject to all of the following conditions:

(1) (A) For participants receiving CalWORKs aid, the maximum state contribution of the total wage cost shall not exceed 100 percent of the computed grant for the assistance unit in the month prior to participation in subsidized employment.

(B) For participants who have received aid in excess of the time limits provided in subdivision (a) of Section 11454, the maximum state contribution of the total wage cost, shall not exceed 100 percent of the computed grant for the assistance unit in the month prior to participation in subsidized employment, with any reduction required by Section 11450.025.

(C) In the case of an individual who participates in subsidized employment as a service provided by a county pursuant to Section 11323.25, the maximum state contribution of the total wage cost shall not exceed 100 percent of the computed grant that the assistance unit received in the month prior to participation in the subsidized employment. For participants who have received aid in excess of the time limits provided in subdivision (a) of Section 11454, the maximum state contribution under this subparagraph shall also be reduced as described in Section 11450.025.

(D) The maximum state contribution, as defined in this paragraph, shall remain in effect until the end of the subsidy period as specified in paragraph (2), including with respect to subsidized employment participants whose wage results in the assistance unit no longer receiving a CalWORKs grant.

(E) State funding provided for total wage costs shall only be used to fund wage and nonwage costs of the county's subsidized employment program.

(2) State participation in the total wage costs pursuant to this section shall be limited to a maximum of six months of wage subsidies for each participant. If the county finds that a longer subsidy period is necessary in order to mutually benefit the employer and the participant, state participation in a subsidized wage may be offered for up to 12 months.

(3) Eligibility for entry into subsidized employment funded under this section shall be limited to individuals who are not otherwise employed at the time of entry into the subsidized job, and who are current CalWORKs recipients, sanctioned individuals, or individuals described in Section 11320.15 who have exceeded the time limits specified in subdivision (a) of Section 11454. A county may continue to provide subsidized employment funded under this section to individuals who become ineligible for CalWORKs benefits in accordance with Section 11323.25.

(b) Upon application for CalWORKs after a participant's subsidized employment ends, if an assistance unit is otherwise eligible within three calendar months of the date that subsidized employment ended, the income exemption requirements contained in Section 11451.5 and the work requirements contained in subdivision (c) of Section 11201 shall apply. If aid is restored after the expiration of that three-month period, the income exemption requirements contained in Section 11450.12 and the work requirements contained in subdivision (b) of Section 11201 shall apply.

(c) The department, in conjunction with representatives of county welfare offices and their directors and the Legislative Analyst's Office, shall assess the cost neutrality of the subsidized employment program pursuant to this section and make recommendations to the Legislature, if necessary, to ensure cost neutrality. The department shall testify regarding the cost neutrality of the subsidized employment program during the 2012–13 fiscal year legislative budget hearings.

(d) No later than January 10, 2013, the State Department of Social Services shall submit a report to the Legislature on the outcomes of implementing this section that shall include, but need not be limited to, all of the following:

(1) The number of CalWORKs recipients that entered subsidized employment.

(2) The number of CalWORKs recipients who found nonsubsidized employment after the subsidy ends.

(3) The earnings of the program participants before and after the subsidy.

(4) The impact of this program on the state's work participation rate.

(e) Payment of the state's share in total wage costs required by this section shall be made in addition to, and independent of, the county allocations made pursuant to Section 15204.2.

(f) For purposes of this section, "total wage costs" include the actual wage paid directly to the participant that is allowable under the Temporary Assistance for Needy Families program.

SEC. 12. Section 11322.64 of the Welfare and Institutions Code is repealed.

SEC. 13. Section 11323.25 is added to the Welfare and Institutions Code, to read:

11323.25. In addition to its authority under subdivision (b) of Section 11323.2, if provided in a county plan, the county may continue to provide welfare-to-work services to former participants who became ineligible for CalWORKs benefits because they became employed under Section 11322.63. The county may provide these services for up to the first 12 months of employment, to the extent they are not available from other sources and are needed for the individual to retain the subsidized employment.

SEC. 14. Section 11325.71 of the Welfare and Institutions Code is amended to read:

11325.71. (a) Notwithstanding subdivision (a) of Section 11325.7 and subdivision (e) of Section 11325.8, counties shall have the option to redirect funding, both from and to, the amounts appropriated for CalWORKs mental health employment assistance services and CalWORKs substance abuse treatment services, from and to other CalWORKs employment services that are necessary for individuals to participate in welfare-to-work activities. This section shall not be construed to limit a welfare-to-work participant's access to mental health or substance abuse treatment services that would otherwise be available under Section 11325.7 or 11325.8, to the extent the participant is not provided good cause or determined to be exempt from welfare-to-work requirements.

(b) This section shall become inoperative on July 1, 2012, and, as of January 1, 2013, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2013, deletes or extends that date on which it becomes inoperative and is repealed.

SEC. 15. Section 11327.5 of the Welfare and Institutions Code, as amended by Section 2 of Chapter 8 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

11327.5. (a) Sanctions shall be imposed in accordance with subdivision (b) or (c), as appropriate, if an individual has failed or refused to comply with program requirements without good cause and conciliation efforts, as described in Section 11327.4, have failed.

(b) The sanctions provided for in subdivisions (c) and (d) shall not apply to an individual who is exempt from the requirements of this article but is voluntarily participating in the program. If that individual engages in conduct that would bring about the actions provided for in subdivisions (c) and (d), except for his or her status as a voluntary program participant, the individual shall not be given priority so long as other individuals are actively seeking to participate.

(c) Financial sanctions for failing or refusing to comply with program requirements without good cause shall cause a reduction in the family's grant by removing the noncomplying family member from the assistance unit for a period of time specified in subdivision (d).

(1) For families that qualify for aid due to unemployment of the family's primary wage earner, the sanctioned parent shall be removed from the assistance unit. Unless the spouse or the family's second parent meets the

provisions of subparagraph (A) of paragraph (2), if the sanctioned parent's spouse or the family's second parent is not participating in the program, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit. The county shall notify the spouse of the noncomplying participant or second parent in writing at the commencement of conciliation of his or her own opportunity to participate and the impact on sanctions of that participation.

(2) (A) Except as provided in subparagraph (B), exemption criteria specified in Section 11320.3, conciliation specified in Section 11327.4, and good cause criteria specified in Section 11320.31 and subdivision (f) of Section 11320.3 shall apply to the sanctioned parent's spouse or the family's second parent.

(B) Exemption criteria specified in paragraphs (5) and (6) of subdivision (b) of Section 11320.3 do not apply to a spouse or second parent who is participating to avoid the sanction of the noncomplying parent.

(C) If the sanctioned parent's spouse or the family's second parent chooses to participate to avoid the noncomplying parent's sanction, subsequently fails or refuses to participate without good cause, and does not conciliate, he or she shall be removed from the assistance unit for a period of time specified in subdivision (d).

(D) If the sanctioned parent's spouse or the family's second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.

(3) For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit.

(4) If the noncomplying individual is the only dependent child in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(5) If the noncomplying individual is one of several dependent children in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(d) An instance of noncompliance without good cause shall result in a financial sanction. This sanction shall terminate at any point if the noncomplying participant performs the activity or activities he or she previously refused to perform.

(e) Sanctions shall become effective on the first day of the first payment-month that the sanctioned individual's needs are removed from aid under this chapter.

(f) In the event this section conflicts with federal law, the department shall adopt regulations to conform to federal law.

SEC. 16. Section 11327.5 of the Welfare and Institutions Code, as added by Section 3 of Chapter 8 of the Fourth Extraordinary Session of the Statutes of 2009, is repealed.

SEC. 17. Section 11329.5 of the Welfare and Institutions Code is amended to read:

11329.5. With respect to paragraph (7) of subdivision (b) of Section 11320.3 and Section 11325.71, the Legislature finds and declares all of the following, but only for the operative period of these added provisions:

(a) Due to the significant General Fund revenue decline for the 2009–10 fiscal year, funding has been reduced for the CalWORKs program.

(b) Due to the federal funding available under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) (ARRA) for CalWORKs grants, reductions in 2009–10 are being achieved in the county single allocation.

(c) Reduced funding, including a three-hundred-seventy-five-million-dollar (\$375,000,000) reduction to the county single allocation in the 2009–10 and 2010–11 Budget Acts, and increased caseload for CalWORKs will result in insufficient resources to provide the full range of welfare-to-work services in the 2009–10 and 2010–11 fiscal years.

(d) Reduced funding, including a four-hundred-twenty-seven-million-dollar (\$427,000,000) reduction to the county single allocation in the 2011–12 Budget Act, will result in insufficient resources to provide the full range of welfare-to-work services in the 2011–12 fiscal year.

(e) It is the intent of the Legislature that the limited resources for CalWORKs services be effectively utilized, as established in paragraph (7) of subdivision (b) of Section 11320.3.

(f) It is the further intent of the Legislature to provide additional flexibility to address funding constraints, as established in Section 11325.71, in addition to the existing flexibility provided under subdivision (f) of Section 11320.3.

(g) It is the further intent of the Legislature to minimize disruption of welfare-to-work services for individuals already participating, and prioritize exemptions and good cause for applicants.

(h) Funding and caseload factors will result in circumstances beyond the control of the counties in the 2009–10, 2010–11, and 2011–12 fiscal years, and relief should be provided for federal penalties that may result.

SEC. 18. Article 3.3 (commencing with Section 11330) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 19. Section 11334.8 is added to the Welfare and Institutions Code, to read:

11334.8. (a) Except as provided in subdivision (b), this article shall be inoperative from July 1, 2011, to June 30, 2012, inclusive.

(b) Notwithstanding subdivision (a), bonuses and supplements shall continue to be paid to eligible participants pursuant to subdivisions (a), (c), and (e) of Section 11333.7, and related requirements pursuant to Sections 11334.2 and 11334.5 shall also be operative, during the period that the remainder of this article is inoperative pursuant to subdivision (a).

(c) This section shall remain in effect only until July 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2012, deletes or extends that date.

SEC. 20. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, averaged for the prospective quarter pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1.....	\$ 326
2.....	535
3.....	663
4.....	788
5.....	899
6.....	1,010
7.....	1,109
8.....	1,209
9.....	1,306
10 or more.....	1,403

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, and 1997-98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of

Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount that would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child, if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision.

(1) Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(2) Paragraph (1) shall apply only when the Cal-Learn Program is operative.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child, if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping services, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), with the exception of funds deposited in a restricted account described in subdivision (a) of Section 11155.2, the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant, or which is otherwise available to the county welfare department, and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A family is also considered homeless for the purpose of this section if the family has received a notice to pay rent or quit. The family shall demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that could result in homelessness if preventative assistance is not provided.

(A) (i) A nonrecurring special need of sixty-five dollars (\$65) a day shall be available to families of up to four members for the costs of temporary shelter, subject to the requirements of this paragraph. The fifth and additional members of the family shall each receive fifteen dollars (\$15) per day, up to a daily maximum of one hundred twenty-five dollars (\$125). County welfare departments may increase the daily amount available for temporary shelter as necessary to secure the additional bedspace needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available

for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of a housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, when these payments are a reasonable condition of preventing eviction.

The last month's rent or monthly arrearage portion of the payment (i) shall not exceed 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size and (ii) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size.

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (ii) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability

of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency, except that domestic violence may also be verified by a sworn statement by the victim, as provided under Section 11495.25. Homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. In addition, if the domestic violence is verified by a sworn statement by the victim, the homeless assistance payments shall be limited to two periods of not more than 16 consecutive calendar days of temporary assistance and two payments of permanent assistance. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for homeless assistance benefits. The county welfare department shall immediately inform recipients who verify domestic violence by a sworn statement pursuant to clause (iii) of the availability of domestic violence counseling and services, and refer those recipients to services upon request.

(iv) If a county requires a recipient who verifies domestic violence by a sworn statement to participate in a homelessness avoidance case plan pursuant to clause (iii), the plan shall include the provision of domestic violence services, if appropriate.

(v) If a recipient seeking homeless assistance based on domestic violence pursuant to clause (iii) has previously received homeless avoidance services based on domestic violence, the county shall review whether services were

offered to the recipient and consider what additional services would assist the recipient in leaving the domestic violence situation.

(vi) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations ensuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) or Article 4.7 (commencing with Section 11385) there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child's income, is equal to the rate specified in Sections 11364 and 11387.

SEC. 21. Section 11450.02 of the Welfare and Institutions Code is amended to read:

11450.02. (a) Notwithstanding any other provision of law, commencing July 1, 2009, the maximum aid payments in effect September 1, 2007, as specified in paragraph (1) of subdivision (a) of Section 11450, shall be reduced by 4 percent.

(b) Notwithstanding any other law, the maximum aid payments in effect on July 1, 2009, as specified in subdivision (a), shall be reduced by 8 percent, effective on June 1, 2011, or on the first day of the first month following

90 days after the effective date of the act that added this subdivision, whichever is later.

SEC. 22. Section 11450.025 is added to the Welfare and Institutions Code, to read:

11450.025. (a) Notwithstanding any other law, effective on June 1, 2011, or on the first day of the first month following 90 days after the effective date of the act that added this section, whichever is later, for all assistance units that do not include an aided adult, the computed aid grant of the assistance unit, as reduced by subdivision (b) of Section 11450.02, shall be further reduced pursuant to this section as follows:

- (1) Commencing with the 61st cumulative month on aid, 5 percent.
- (2) Commencing with the 73rd cumulative month on aid, 5 percent, for a total reduction of 10 percent of the computed aid grant.
- (3) Commencing with the 85th cumulative month on aid, 5 percent, for a total reduction of 15 percent of the computed aid grant.

(b) Notwithstanding subdivision (a), the reductions provided for in this section shall not be applied when all of the parents or caretaker relatives of the aided child living in the home of the aided child are disabled and receiving benefits under Section 12200.

(c) All months of aid received on and after January 1, 1998, shall be counted for purposes of this section and shall be computed based on the cumulative time on aid of the member of the assistance unit who has received aid for the longest period.

SEC. 23. Section 11451.5 of the Welfare and Institutions Code, as amended by Section 4 of Chapter 933 of the Statutes of 2000, is repealed.

SEC. 24. Section 11451.5 of the Welfare and Institutions Code, as amended by Section 329 of Chapter 62 of the Statutes of 2003, is amended to read:

11451.5. (a) Except as provided by subdivision (f) of Section 11322.6, the following income, averaged over the quarter pursuant to Sections 11265.2 and 11265.3, shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All disability-based unearned income plus any amount of not otherwise exempt earned income equal to the amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars (\$225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars (\$225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.

(2) Disability-based unearned income means state disability insurance benefits, private disability insurance benefits, temporary workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

(c) This section shall become inoperative on the first day of the first month following 90 days after the effective date of the act that added this subdivision, or June 1, 2011, whichever is later, and as of the inoperative date is repealed.

SEC. 25. Section 11451.5 is added to the Welfare and Institutions Code, to read:

11451.5. (a) Except as provided by subdivision (f) of Section 11322.6, the following income, averaged over the quarter pursuant to Sections 11265.2 and 11265.3, shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All disability-based unearned income, plus any amount of not otherwise exempt earned income not in excess of the lesser of the following:

(i) One hundred twelve dollars (\$112).

(ii) The amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars (\$225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars (\$225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.

(2) Disability-based unearned income means state disability insurance benefits, private disability insurance benefits, temporary workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

(c) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or June 1, 2011, whichever is later.

SEC. 26. Section 11454 of the Welfare and Institutions Code, as amended by Section 5 of Chapter 8 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

11454. (a) A parent or caretaker relative shall not be eligible for aid under this chapter when he or she has received aid under this chapter for a cumulative total of 48 months, or when he or she has received aid from any state under the Temporary Assistance for Needy Families program (Part A (commencing with Section 401) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.)) for a cumulative total of 60 months.

(b) (1) Except as otherwise specified in subdivision (c), Section 11454.5, or other provisions of law, all months of aid received under this chapter from January 1, 1998, to the operative date of this section, inclusive, shall be applied to the 48-month time limit described in subdivision (a).

(2) All months of aid received from September 1, 1996, to the operative date of this section, inclusive, in any state pursuant to the Temporary Assistance for Needy Families program (Part A (commencing with Section 401) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.)), shall be applied to the 60-month time limit described in subdivision (a).

(c) Subdivision (a) and paragraph (1) of subdivision (b) shall not be applicable when all parents or caretaker relatives of the aided child who are living in the home of the child meet any of the following requirements:

(1) They are 60 years of age or older.

(2) They meet one of the conditions specified in paragraph (4) or (5) of subdivision (b) of Section 11320.3.

(3) They are not included in the assistance unit.

(4) They are receiving benefits under Section 12200 or Section 12300, State Disability Insurance benefits or Workers' Compensation Temporary Disability Insurance, if the disability significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities.

(5) They are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities.

SEC. 27. Section 11454 of the Welfare and Institutions Code, as added by Section 6 of Chapter 8 of the Fourth Extraordinary Session of the Statutes of 2009, is repealed.

SEC. 28. Section 11454.2 is added to the Welfare and Institutions Code, to read:

11454.2. For purposes of making the transition to the requirements of the act that added this section, county welfare departments shall provide any assistance unit that includes a member who will reach the 48-month time limit described in subdivision (a) of Section 11454 before January 1, 2012, and any assistance unit that will receive a grant reduction pursuant to Section 11450.025 before January 1, 2012, a notice of action 30 days prior to the date upon which the grant of the assistance unit will be reduced.

This notice shall include a statement of the rights granted pursuant to Chapter 7 (commencing with Section 10950) of Part 2.

SEC. 29. Section 11454.5 of the Welfare and Institutions Code is amended to read:

11454.5. (a) Any month in which the following conditions exist shall not be counted as a month of receipt of aid for the purposes of subdivision (a) of, and paragraph (1) of subdivision (b) of, Section 11454:

(1) The recipient is exempt from participation under Article 3.2 (commencing with Section 11320) due to disability, or advanced age in accordance with paragraph (3) of subdivision (b) of Section 11320.3, or due to caretaking responsibilities that impair the recipient's ability to be regularly employed, in accordance with paragraph (4) or (5) of subdivision (b) of Section 11320.3.

(2) The recipient is eligible for, participating in, or exempt from, the Cal-Learn Program provided for pursuant to Article 3.5 (commencing with Section 11331), for any period during which the Cal-Learn Program is operative, is participating in another teen parent program approved by the department, or, on or after January 1, 2012, is a nonminor dependent under the supervision of the county welfare or probation department who is placed in an approved relative's home and is eligible for aid under this section because he or she satisfies the conditions described in Section 11403.

(3) The cost of the cash aid provided to the recipient for the month is fully reimbursed by child support, whether collected in that month or any subsequent month.

(4) The family is a former recipient of cash aid under this chapter and currently receives only child care, case management, or supportive services pursuant to Section 11323.2 or Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

(5) To the extent provided by federal law, the recipient lived in Indian country, as defined by federal law, or an Alaskan native village in which at least 50 percent of the adults living in the Indian country or in the village are not employed.

(6) The recipient has been excused from participation for good cause pursuant to paragraph (1) of subdivision (f) of Section 11320.3. This paragraph shall become inoperative on July 1, 2012.

(7) The recipient is exempt from participation due to caretaking responsibilities that impair the recipient's ability to be regularly employed, or is otherwise exempt, in accordance with paragraph (7) of subdivision (b) of Section 11320.3. This paragraph shall become inoperative on July 1, 2012.

(b) In cases where a lump-sum diversion payment is provided in lieu of cash aid under Section 11266.5, the month in which the payment is made or the months calculated pursuant to subdivision (f) of Section 11266.5 shall count against the limits specified in Section 11454.

SEC. 30. Section 11487 of the Welfare and Institutions Code is amended to read:

11487. (a) Whenever any aid under this chapter is repaid to the state, the state shall be entitled to the amount received or recovered, except to the extent that county and federal funds were expended. If funds advanced by the federal government were paid, the federal government shall be entitled to a share of the amount received or recovered, proportionate to the amount of federal funds paid. Except as provided in subdivision (b), if funds were paid by a county, the county shall be entitled to a share of the amount received or recovered, proportionate to the amount of county funds paid.

(b) For the 2011–12 fiscal year, the county share of funds received or recovered pursuant to subdivision (a) shall instead be suspended and these funds shall be retained by the state.

SEC. 31. Section 12200.03 is added to the Welfare and Institutions Code, to read:

12200.03. (a) Notwithstanding any other law, and subject to subdivision (b), on the first day of the first month following 90 days after the effective date of the act that adds this section, the maximum aid payment for an individual, as specified in Section 12200, except subdivisions (e), (g), and (h) of that section, shall be reduced to equal the minimum amount required by the federal Social Security Act in order to maintain eligibility for federal funding under Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(b) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level of the state’s March 1983 payment standards, as adjusted by the federal Social Security Administration pursuant to Section 416.2096(b) of Title 20 of the Code of Federal Regulations.

SEC. 31.1. Section 12301.03 of the Welfare and Institutions Code is repealed.

SEC. 31.2. Section 12301.03 is added to the Welfare and Institutions Code, to read:

12301.03. (a) (1) Notwithstanding any other provision of law, if the Department of Finance determines that a reduction in authorized hours of service is necessary, pursuant to subdivision (d) of Section 14132.957, the department shall implement a reduction in authorized hours of service to each in-home supportive services recipient as specified in this section, which shall be applied to the recipient’s hours as authorized pursuant to his or her most recent assessment.

(2) The reduction required by this section shall not preclude any reassessment to which a recipient would otherwise be entitled. However, hours authorized pursuant to a reassessment shall be subject to the reduction required by this section.

(3) For those recipients who have a documented unmet need, excluding protective supervision, because of the limitations contained in Section 12303.4, this reduction shall be applied first to the unmet need before being applied to the authorized hours. If the recipient believes he or she will be at serious risk of out-of-home placement as a consequence of the reduction,

the recipient may apply for a restoration of the reduction of authorized service hours, pursuant to Section 12301.05.

(4) A recipient of services under this article may direct the manner in which the reduction of hours is applied to the recipient's previously authorized services.

(b) The department shall work with the counties to develop a process to allow for counties to preapprove IHSS Care Supplements described in Section 12301.05, to the extent that the process is permissible under federal law. The preapproval process shall be subject to the following conditions:

(1) The preapproval process shall rely on the criteria for assessing IHSS Supplemental Care applications, developed pursuant to Section 12301.05.

(2) Preapproval shall be granted only to individuals who would otherwise be granted a full restoration of their hours pursuant to Section 12301.05.

(3) With respect to existing recipients as of the effective date of this section, all efforts shall be made to ensure that counties complete the process on or before a specific date, as determined by the department, in consultation with counties in order to allow for the production, printing, and mailing of notices to be issued to remaining recipients who are not granted preapproval and who thereby are subject to the reduction pursuant to this section.

(4) The department shall work with counties to determine how to apply a preapproval process with respect to new applicants to the IHSS program who apply after the effective date of this section.

(c) The notice of action informing each recipient who is not preapproved for an IHSS Care Supplement pursuant to subdivision (b) shall be mailed at least 15 days prior to the reduction going into effect. The notice of action shall be understandable to the recipient and translated into all languages spoken by a substantial number of the public served by the In-Home Supportive Services program, in accordance with Section 7295.2 of the Government Code. The notice shall not contain any recipient financial or confidential identifying information other than the recipient's name, address, and Case Management Information and Payroll System (CMIPS) client identification number, and shall include, but not be limited to, all of the following information:

(1) The aggregate number of authorized hours before the reduction pursuant to subdivision (a) and the aggregate number of authorized hours after the reduction.

(2) That the recipient may direct the manner in which the reduction of authorized hours is applied to the recipient's previously authorized services.

(3) How all or part of the reduction may be restored, as set forth in Section 12301.05, if the recipient believes he or she will be at serious risk of out-of-home placement as a consequence of the reduction.

(d) The department shall inform providers of any reduction to recipient hours through a statement on provider timesheets, after consultation with counties.

(e) The IHSS Care Supplement application process described in Section 12301.05 shall be completed before a request for a state hearing is submitted. If the IHSS Care Supplement application is filed within 15 days of the notice

of action required by subdivision (c), or before the effective date of the reduction, the recipient shall be eligible for aid paid pending. A revised notice of action shall be issued by the county following evaluation of the IHSS Care Supplement application.

(f) (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 department may implement and administer this section through all-county letters or similar instruction from the department until regulations are adopted. The department shall adopt emergency regulations implementing this section no later than October 1, 2013. 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.

(2) The initial adoption of emergency regulations implementing this section and the one readoption of emergency regulations authorized by this subdivision 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 may be adopted.

(g) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or October 1, 2012, whichever is later.

SEC. 31.3. Section 12301.05 of the Welfare and Institutions Code is repealed.

SEC. 31.4. Section 12301.05 is added to the Welfare and Institutions Code, to read:

12301.05. (a) Any aged, blind, or disabled individual who is eligible for services under this chapter who receives a notice of action indicating that his or her services will be reduced under subdivision (a) of Section 12301.03 but who believes he or she is at serious risk of out-of-home placement unless all or part of the reduction is restored may submit an IHSS Care Supplement application. When a recipient submits an IHSS Care Supplement application within 15 days of receiving the reduction notice or prior to the implementation of the reduction, the recipient's in-home supportive services shall continue at the level authorized by the most recent assessment, prior to any reduction, until the county finds that the recipient does or does not require restoration of any hours through the IHSS Care Supplement. If the recipient disagrees with the county's determination concerning the need for the IHSS Care Supplement, the recipient may request a hearing on that determination.

(b) The department shall develop an assessment tool, in consultation with stakeholders, to be used by the counties to determine if a recipient is

at serious risk of out-of-home placement as a consequence of the reduction of services pursuant to section 12301.03. The assessment tool shall be developed utilizing standard of care criteria for relevant out-of-home placements that serve individuals who are aged, blind, or who have disabilities and who would qualify for IHSS if living at home, including, but not limited to, criteria set forth in Chapter 7.0 of the Manual of Criteria for Medi-Cal Authorization published by the State Department of Health Care Services, as amended April 15, 2004, and the IHSS uniform assessment guidelines.

(c) Counties shall give a high priority to prompt screening of persons specified in this section to determine their need for an IHSS Care Supplement.

(d) (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 department may implement and administer this section through all-county letters or similar instruction from the department until regulations are adopted. The department shall adopt emergency regulations implementing this section no later than October 1, 2013. 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.

(2) The initial adoption of emergency regulations implementing this section and the one readoption of emergency regulations authorized by this subdivision 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 may be adopted.

(e) If the Director of Health Care Services determines that federal approval is needed to implement this section, this section shall not be implemented until after any state plan amendments, pursuant to Section 14132.95, are received.

(f) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or October 1, 2012, whichever is later.

SEC. 32. Section 12301.3 of the Welfare and Institutions Code is amended to read:

12301.3. (a) Each county may appoint an in-home supportive services advisory committee that shall be comprised of not more than 11 individuals. No less than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance services paid for through public or private funds or as recipients of services under this article.

(1) (A) In counties with fewer than 500 recipients of services provided pursuant to this article or Section 14132.95, at least one member of the advisory committee shall be a current or former provider of in-home supportive services.

(B) In counties with 500 or more recipients of services provided pursuant to this article or Section 14132.95, at least two members of the advisory committee shall be a current or former provider of in-home supportive services.

(2) Individuals who represent organizations that advocate for people with disabilities or seniors may be appointed to committees under this section.

(3) Individuals from community-based organizations that advocate on behalf of home care employees may be appointed to committees under this section.

(4) A county board of supervisors shall not appoint more than one county employee as a member of the advisory committee, but may designate any county employee to provide ongoing advice and support to the advisory committee.

(b) Prior to the appointment of members to a committee authorized by subdivision (a), the county board of supervisors shall solicit recommendations for qualified members through a fair and open process that includes the provision of reasonable written notice to, and reasonable response time by, members of the general public and interested persons and organizations.

(c) The advisory committee shall submit recommendations to the county board of supervisors on the preferred mode or modes of service to be utilized in the county for in-home supportive services.

(d) Any county that has established a governing body, as provided in subdivision (b) of Section 12301.6, prior to July 1, 2000, shall not be required to comply with the composition requirements of subdivision (a) and shall be deemed to be in compliance with this section.

SEC. 33. Section 12301.4 of the Welfare and Institutions Code is amended to read:

12301.4. Each advisory committee established pursuant to Section 12301.3 or 12301.6 shall provide ongoing advice and recommendations regarding in-home supportive services to the county board of supervisors, any administrative body in the county that is related to the delivery and administration of in-home supportive services, and the governing body and administrative agency of the public authority, nonprofit consortium, contractor, and public employees.

SEC. 34. Section 12302.25 of the Welfare and Institutions Code is amended to read:

12302.25. (a) On or before January 1, 2003, each county shall act as, or establish, an employer for in-home supportive service providers under Section 12302.2 for the purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code and other applicable state or federal laws. Each county may utilize a public authority or nonprofit consortium as authorized under Section 12301.6, the contract mode as

authorized under Sections 12302 and 12302.1, county administration of the individual provider mode as authorized under Sections 12302 and 12302.2 for purposes of acting as, or providing, an employer under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code, county civil service personnel as authorized under Section 12302, or mixed modes of service authorized pursuant to this article and may establish regional agreements in establishing an employer for purposes of this subdivision for providers of in-home supportive services. Within 30 days of the effective date of this section, the department shall develop a timetable for implementation of this subdivision to ensure orderly compliance by counties. Recipients of in-home supportive services shall retain the right to choose the individuals that provide their care and to recruit, select, train, reject, or change any provider under the contract mode or to hire, fire, train, and supervise any provider under any other mode of service. Upon request of a recipient, and in addition to a county's selected method of establishing an employer for in-home supportive service providers pursuant to this subdivision, counties with an IHSS caseload of more than 500 shall be required to offer an individual provider employer option.

(b) Nothing in this section shall prohibit any negotiations or agreement regarding collective bargaining or any wage and benefit enhancements.

(c) Nothing in this section shall be construed to affect the state's responsibility with respect to the state payroll system, unemployment insurance, or workers' compensation and other provisions of Section 12302.2 for providers of in-home supportive services.

(d) Prior to implementing subdivision (a), a county may establish an advisory committee as authorized by Section 12301.3 and solicit recommendations from the advisory committee on the preferred mode or modes of service to be utilized in the county for in-home supportive services.

(e) If a county establishes an in-home supportive services advisory committee pursuant to Section 12301.3, the county shall take into account the advice and recommendations of the committee prior to making policy and funding decisions about the program on an ongoing basis.

(f) In implementing and administering this section, no county, public authority, nonprofit consortium, contractor, or a combination thereof, that delivers in-home supportive services shall reduce the hours of service for any recipient below the amount determined to be necessary under the uniform assessment guidelines established by the department.

(g) Any agreement between a county and an entity acting as an employer under subdivision (a) shall include a provision that requires that funds appropriated by the state for wage increases for in-home supportive services providers be used exclusively for that purpose. Counties or the state may undertake audits of the entities acting as employers under the terms of subdivision (a) to verify compliance with this subdivision.

(h) On or before January 15, 2003, each county shall provide the department with documentation that demonstrates compliance with the January 1, 2003, deadline specified in subdivision (a). The documentation shall include, but is not limited to, any of the following:

(1) The public authority ordinance and employee relations procedures.
(2) The invitations to bid and requests for proposal for contract services for the contract mode.

(3) An invitation to bid and request for proposal for the operation of a nonprofit consortium.

(4) A county board of supervisors' resolution resolving that the county has chosen to act as the employer required by subdivision (a) either by utilizing county employees, as authorized by Section 12302, to provide in-home supportive services or through county administration of individual providers.

(5) Any combination of the documentation required under paragraphs (1) to (4), inclusive, that reflects the decision of a county to provide mixed modes of service as authorized under subdivision (a).

(i) Any county that is unable to provide the documentation required by subdivision (h) by January 15, 2003, may provide, on or before that date, a written notice to the department that does all of the following:

(1) Explains the county's failure to provide the required documentation.

(2) Describes the county's plan for coming into compliance with the requirements of this section.

(3) Includes a timetable for the county to come into compliance with this section, but in no case shall the timetable extend beyond March 31, 2003.

(j) Any county that fails to provide the documentation required by subdivision (h) and also fails to provide the written notice as allowed under subdivision (i), shall be deemed by operation of law to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code as of January 15, 2003.

(k) Any county that provides a written notice as allowed under subdivision (i), but fails to provide the documentation required under subdivision (h) by March 31, 2003, shall be deemed by operation of law to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code as of April 1, 2003.

(l) Any county deemed by operation of law, pursuant to subdivision (j) or (k), to be the employer of IHSS individual providers for purposes of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code shall continue to act in that capacity until the county notifies the department that it has established another employer as permitted by this section, and has provided the department with the documentation required under subdivision (h) demonstrating the change.

SEC. 35. Section 12309.1 is added to the Welfare and Institutions Code, to read:

12309.1. (a) As a condition of receiving services under this article, or Section 14132.95 or 14132.952, an applicant for or recipient of services shall obtain a certification from a licensed health care professional, including, but not limited to, a physician, physician assistant, regional center clinician or clinician supervisor, occupational therapist, physical therapist, psychiatrist,

psychologist, optometrist, ophthalmologist, or public health nurse, declaring that the applicant or recipient is unable to perform some activities of daily living independently, and that without services to assist him or her with activities of daily living, the applicant or recipient is at risk of placement in out-of-home care.

(1) For purposes of this section, a licensed health care professional means an individual licensed in California by the appropriate California regulatory agency, acting within the scope of his or her license or certificate as defined in the Business and Professions Code.

(2) Except as provided in subparagraph (A) or (B) or subdivision (c), the certification shall be received prior to service authorization, and services shall not be authorized in the absence of the certification.

(A) Services may be authorized prior to receipt of the certification when the services have been requested on behalf of an individual being discharged from a hospital or nursing home and services are needed to enable the individual to return safely to their home or into the community.

(B) Services may be authorized prior to receipt of the certification when the deterioration of the recipient's health or mental health is likely to result in eviction from home, homelessness, or a hazardous living environment.

(3) The county shall consider the certification as one indicator of the need for in-home supportive services, but the certification shall not be the sole determining factor.

(4) The health care professional's certification shall include, at a minimum, both of the following:

(A) A statement by the professional, as defined in subdivision (a), that the individual is unable to independently perform one or more activities of daily living, and that one or more of the services available under the IHSS program is recommended for the applicant or recipient, in order to prevent the need for out-of-home care.

(B) A description of any condition or functional limitation that has resulted in, or contributed to, the applicant's or recipient's need for assistance.

(b) The department, in consultation with the State Department of Health Care Services and with stakeholders, including, but not limited to, representatives of program recipients, providers, and counties, shall develop a standard certification form for use in all counties that includes, but is not limited to, all of the conditions in paragraph (4) of subdivision (a). The form shall include a description of the In-Home Supportive Services program and the services the program can provide when authorized after a social worker's assessment of eligibility. The form shall not, however, require health care professionals to certify the applicant's or recipient's need for each individual service.

(c) The department, in consultation with the State Department of Health Care Services and stakeholders, as defined in subdivision (b), shall identify alternative documentation that shall be accepted by counties to meet the requirements of this section, including, but not limited to, hospital or nursing facility discharge plans, minimum data set forms, individual program plans,

or other documentation that contains the necessary information, consistent with the requirements specified in subdivision (a).

(d) The department shall develop a letter for use by counties to inform recipients of the requirements of subdivision (a). The letter shall be understandable to the recipient, and shall be translated into all languages spoken by a substantial number of the public served by the In-Home Supportive Services program, in accordance with Section 7295.2 of the Government Code.

(e) This section shall not apply to a recipient who is receiving services in accordance with this article or Section 14132.95 or 14132.952 on the operative date of this section until the date of the recipient's first reassessment following the operative date of this section, as provided in subdivision (f).

(1) The recipient shall be notified of the certification requirement before or at the time of the reassessment, and shall submit the certification within 45 days following the reassessment in order to continue to be authorized for receipt of services.

(2) A county may extend the 45-day period for a recipient to submit the medical certification on a case-by-case basis, if the county determines that good cause for the delay exists.

(f) This section shall become operative on the first day of the first month following 90 days after the effective date of the act that added this section, or July 1, 2011, whichever is later.

(g) The State Department of Health Care Services shall provide notice to all Medi-Cal managed care plans, directing the plans to assess all Medi-Cal recipients applying for or receiving in-home supportive services, in order to make the certifications required by this section.

(h) If the Director of Health Care Services determines that a Medicaid State Plan amendment is necessary to implement subdivision (b) of Section 14132.95, this section shall not be implemented until federal approval is received.

SEC. 36. Section 14132.956 is added to the Welfare and Institutions Code, to read:

14132.956. (a) The department shall assess and determine whether it would be cost efficient for the state to exercise the option made available under Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)). When performing this assessment, the department shall collaborate and consult with the State Department of Social Services, the State Department of Developmental Services, the California Department of Aging, and any other state agency that the department believes can assist in its determination whether it would be cost efficient for the state to exercise this option. If the department determines that it would be cost efficient for the state to exercise the federal option, it shall seek a Medi-Cal State Plan amendment to provide home- and community-based attendant services and supports that include assistance with activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks

pursuant to Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)).

(b) If the department determines that it would be cost efficient to exercise the option made available under Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k)), the department shall establish a development and implementation council that shall include, as a majority of its members, persons with disabilities and elderly individuals, and their representatives. The department shall consult and collaborate with the council when developing and implementing a Medi-Cal State Plan amendment to exercise this option.

(c) Services and supports pursuant to this section may be rendered under the administrative direction of other state departments in accordance with the Medi-Cal State Plan amendment and subject to the department's authority as the designated single state agency for the administration or supervision of the administration of the Medi-Cal program.

(d) (1) Notwithstanding 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 department, and any other state department pursuant to subdivision (c), may implement this section through all-county letters or similar instructions from the director, until regulations are adopted.

(2) The department, and any other state department rendering services and supports pursuant to subdivision (c), shall adopt emergency regulations implementing this section within 24 months from the date federal approval pursuant to this section is received. The adoption of regulations implementing this section shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be exempt from review and approval by the Office of Administrative Law. Any emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 18 months by which time final regulations shall be adopted.

SEC. 37. Section 14132.957 is added to the Welfare and Institutions Code, to read:

14132.957. (a) (1) It is the intent of the Legislature to adopt measures that will assist individuals who are living in the community to remain within their home environment and avoid unnecessary emergency room usage and hospital and nursing facility admissions due to those individuals not taking medications as prescribed.

(2) The Legislature finds and declares that certain seniors, persons with disabilities, and other Medi-Cal recipients are at high risk of not taking medications as prescribed and that measures to assist them in taking prescribed medications will advance the state's objectives to save lives, reduce health care costs, and assist individuals to continue living independently in their homes.

(3) The Legislature has determined that the achievement of these objectives will result in a net annual savings of one hundred forty million

dollars (\$140,000,000) to the General Fund, after fully offsetting costs for implementing and administrating the pilot project.

(4) The Legislature therefore authorizes the establishment of the Home and Community Based Medication Dispensing Machine Pilot Project for utilization of an automated medication dispensing machine with associated monitoring and telephonic reporting services to assist Medi-Cal recipients with taking prescribed medications. All Medi-Cal recipients who participate in the pilot project shall do so voluntarily and shall be selected using criteria that demonstrates their susceptibility to not taking their medications as prescribed without monitoring or assistance.

(b) On and after the effective date of this section, the department, in consultation with the State Department of Social Services, shall begin implementation of the pilot project described in subdivision (a) and shall do all of the following:

(1) Establish criteria to identify at-risk Medi-Cal recipients who demonstrate susceptibility to not taking medications as prescribed. These criteria shall be based on Medi-Cal, In-Home Supportive Services program and Medicare data and may include factors such as age, disability, multiple prescribed medications, and experience with or a high risk of experience with, numerous emergency department visits or hospital or nursing facility admissions within a specified time period as a result of not taking medications as prescribed.

(2) Identify an at-risk portion of Medi-Cal recipients of a sufficient number to achieve the intended savings. Recipients identified for this pilot project shall be limited to individuals who obtain Medi-Cal benefits through fee for service, who are not required to be enrolled on a mandatory basis in a Medi-Cal managed care health plan, and who are able to manage the medication dispensing machine independently or with the assistance of a family member or care provider and have a home environment capable of supporting the machine and associated telephonic reporting service that includes an active telephone line.

(3) To the extent necessary, the department shall do all of the following:

(A) Select and procure the automated medication dispensing machines, including costs for installation in a participant's home, as well as monitoring and repair services associated with operation of the machines.

(B) Provide an in-home, automated medication dispensing machine with telephonic reporting service for monitoring and assisting with taking medication, including installation, maintenance, alerts, training, and supplies at no cost to the recipient.

(4) Seek federal funding from the Centers for Medicare and Medicaid Services Innovation Center for the cost of the demonstration and other expenses, and to receive Medicare shared savings realized from the pilot project.

(5) Assess the potential for federal financial participation for these machines and any other expenses associated with this pilot project as well as receipt of federal reimbursement for savings accrued to the Medicare program. If the department determines that federal financial participation

is available under Title XI or XIX of the federal Social Security Act, the department shall seek a waiver or other federal approval, or submit a Medicaid State Plan amendment to implement the pilot project.

(c) (1) The department shall provide quarterly reports, beginning October 1, 2011, to the Department of Finance and the appropriate fiscal and policy committees of the Legislature, describing the number of recipients participating in the pilot project, the number of medication dispensing machines in use, costs of implementing and administering the pilot project, and any available data regarding medical and pharmacy utilization.

(2) The department shall also conduct an evaluation of the pilot project, including effects on service utilization, spending, outcomes, projected savings to the Medi-Cal program and the federal Medicare program, recommendations for improving the pilot project and maximizing savings to the state, and identification of other means of General Fund savings related to improving quality and cost-effectiveness of care, and shall report the evaluation to the appropriate policy and fiscal committees of the Legislature by December 31, 2013.

(3) (A) If the Department of Finance determines that the quarterly reports do not demonstrate the ability of the pilot project to achieve at least the estimated net annual savings of one hundred forty million dollars (\$140,000,000) to the General Fund, after fully offsetting implementation and administrative costs, the Director of Finance shall notify the Chair of the Senate Committee on Budget and Fiscal Review and the Chair of the Assembly Committee on Budget of this determination, in writing, by April 10, 2012. Within 10 days following this notification, the Department of Finance shall convene a meeting with legislative staff to review the estimates related to its determination.

(B) Subsequent to the meeting pursuant to subparagraph (A), the Department of Finance shall request that the Legislature enact legislation on or before July 1, 2012, to either modify the pilot project, if necessary, or provide alternative options to achieve the balance of the net annual savings of one hundred forty million dollars (\$140,000,000) to the General Fund, after fully offsetting implementation and administrative costs, or both.

(d) (1) Notwithstanding any other provision of law, if the Department of Finance determines after July 1, 2012, that the actions pursuant to subdivisions (b) and (c) will fail to achieve the net annual savings of one hundred forty million dollars (\$140,000,000) to the General Fund, after fully offsetting implementation and administrative costs, the Department of Finance shall notify the State Department of Social Services and the department, and the State Department of Social Services, in consultation with the department, shall implement a reduction in authorized hours for in-home supportive services recipients beginning October 1, 2012, in accordance with Section 12301.03, to achieve a net annual savings of one hundred forty million dollars (\$140,000,000) to the General Fund, after fully offsetting implementation and administrative costs of the pilot project and after taking into account any savings achieved pursuant to subdivisions (b) and (c).

(2) No earlier than 30 days after submission of the evaluation required by paragraph (2) of subdivision (c), the Department of Finance may adjust the amount of the reduction to meet net annual savings of one hundred forty million dollars (\$140,000,000) to the General Fund after fully offsetting implementation and administrative costs and after taking into account any savings achieved pursuant to subdivisions (b) and (c). The calculations shall be based on updated data contained in the evaluation.

(e) For the purpose of implementing this section, the director may enter into exclusive or nonexclusive contracts on a bid or negotiated basis, or utilize existing provider enrollment or payment mechanisms. Any contract, contract amendment, or change order entered into for the purpose of implementing this section shall be exempt from Chapter 5.6 (commencing with Section 11545) of Part 1 of Division 3 of Title 2 of the Government Code, the Public Contract Code, and any associated policies, procedures, or regulations under these provisions, and shall be exempt from review or approval by any division of the Department of General Services and the California Technology Agency.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement this section through all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(g) (1) Notwithstanding paragraph (2) of subdivision (c), the department may terminate operation of the pilot project if and to the extent that any of the following events occurs:

(A) Funding to implement and administer the pilot project is not appropriated in the 2012–13 fiscal year or annually thereafter.

(B) The Director of Finance notifies the Legislature that the pilot project is not projected to achieve a net annual savings or results in an overall increased cost.

(C) The pilot project conflicts with one or more provisions of state or federal law necessary to implement the pilot project.

(D) The department is unable to obtain from the Medicare program the data necessary to implement this pilot project, and the high-risk Medi-Cal only population is insufficient to conduct the pilot project.

(E) The department receives substantiated reports of adverse clinical outcomes indicating that continuing the pilot project poses unacceptable health risks to participants.

(2) Termination of the pilot project pursuant to paragraph (1) does not provide the department or the State Department of Social Services with authority to implement a reduction in authorized hours pursuant to Section 12301.03. Any reduction in authorized hours pursuant to Section 12301.03 shall comply with the requirements of subdivision (d).

(3) The department shall notify the appropriate fiscal and policy committees of the Legislature 30 days prior to terminating the pilot project.

SEC. 38. Section 14132.97 of the Welfare and Institutions Code is amended to read:

14132.97. (a) (1) For purposes of this section, “waiver personal care services” means personal care services authorized by the department for persons who are eligible for either nursing or model nursing facility waiver services.

(2) Waiver personal care services shall satisfy all of the following criteria:

(A) The services shall be defined in the nursing and model nursing facility waivers.

(B) The services shall differ in scope from services that may be authorized under Section 14132.95 or 14132.952.

(C) The services shall not replace any hours of services authorized or that may be authorized under Section 14132.95 or 14132.952.

(D) The services shall not replace any hours of service reduced under Sections 12301.03 and 12301.06, or any other state law that reduces hours of service under Section 14132.95 or 14132.952.

(b) An individual may receive waiver personal care services if all of the following conditions are met:

(1) The individual has been approved by the department to receive services in accordance with a waiver approved under Section 1915(c) of the federal Social Security Act (42 U.S.C. Sec. 1396n(c)) for persons who would otherwise require care in a nursing facility.

(2) The individual has doctor’s orders that specify that he or she requires waiver personal care services in order to remain in his or her own home.

(3) The individual chooses, either personally or through a substitute decisionmaker who is recognized under state law for purposes of giving consent for medical treatment, to receive waiver personal care services, as well as medically necessary skilled nursing services, in order to remain in his or her own home.

(4) The waiver personal care services and all other waiver services for the individual do not result in costs that exceed the fiscal limit established under the waiver.

(c) The department shall notify the administrator of the in-home supportive services program in the county of residence of any individual who meets all requirements of subdivision (b) and has been authorized by the department to receive waiver personal care services. The county of residence shall then do the following:

(1) Inform the department of the services that the individual is authorized to receive under Section 14132.95 or 14132.952 at the time he or she becomes eligible for waiver personal care services.

(2) Determine the individual’s eligibility for services under Section 14132.95 or 14132.952 if he or she is not currently authorized to receive those services and if he or she has not been previously determined eligible for those services.

(3) Implement the department’s authorization for waiver personal care services for the individual at the quantity and scope authorized by the department.

(d) (1) Waiver personal care services approved by the department for individuals who meet the requirements of subdivision (b) may be provided in either of the following ways, or a combination of both:

(A) By a licensed and certified home health agency participating in the Medi-Cal program.

(B) By one or more providers of personal care services under Article 7 (commencing with Section 12300) of Chapter 3 and subdivision (d) of Section 14132.95, when the individual elects, in writing, to utilize these service providers.

(2) The department shall approve waiver personal care services for individuals who meet the requirements of subdivision (b) only when the department finds that the individual's receipt of waiver personal care services is necessary in order to enable the individual to be maintained safely in his or her own home and community.

(3) When waiver personal care services are provided by a licensed and certified home health agency, the home health agency shall receive payment in the manner by which it would receive payment for any other service approved by the department.

(4) When waiver personal care services are provided by one or more providers of personal care services under Article 7 (commencing with Section 12300) of Chapter 3 and subdivision (d) of Section 14132.95, the providers shall receive payment on a schedule and in a manner by which providers of personal care services receive payment. The State Department of Social Services shall commence making payments for waiver personal care services when its payment system has been modified to accommodate those payments. No county shall be obligated to administer waiver personal care services until the State Department of Social Services payment system has been modified to accommodate those payments. However, any county or public authority or nonprofit consortium that administers the in-home supportive services program and personal care services program may pay providers for the delivery of waiver personal care services if it chooses to do so. In such a case, the county, public authority, or nonprofit consortium shall be reimbursed by the department for the waiver personal care services authorized by the department and provided to an individual upon submittal of documentation as required by the waiver, and in accordance with the requirements of the department.

(e) Waiver personal care services shall not count as alternative resources in a county's determination of the amount of services an individual may receive under Section 14132.95 or 14132.952.

(f) Any administrative costs to the State Department of Social Services, a county, or a public authority or nonprofit consortium associated with implementing this section shall be considered administrative costs under the waiver and shall be reimbursed by the department.

(g) Two hundred fifty thousand dollars (\$250,000) is appropriated from the General Fund to the State Department of Social Services for the 1998–99 fiscal year for the purpose of making changes to the case management,

information, and payroll system that are necessary for the implementation of this section.

(h) This section shall not be implemented until the department has obtained federal approval of any necessary amendments to the existing nursing facility and model nursing facility waivers and the state plan under Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.). Any amendments to the existing nursing facility and model nursing facility waivers and the state plan which are deemed to be necessary by the director shall be submitted to the federal Health Care Financing Administration by April 1, 1999.

(i) The department shall implement this section only to the extent that its implementation results in fiscal neutrality, as required under the terms of the waivers.

SEC. 39. Section 15525 of the Welfare and Institutions Code is amended to read:

15525. (a) The State Department of Social Services shall establish a Work Incentive Nutritional Supplement (WINS) program pursuant to this section.

(b) Under the WINS program established pursuant to subdivision (a), each county shall provide a forty dollar (\$40) per month additional food assistance benefit for each eligible food stamp household, as defined in subdivision (d).

(c) The state shall pay to the counties 100 percent of the cost of WINS benefits, using funds that qualify for the state's maintenance of effort requirements under Section 609(a)(7)(B)(i) of Title 42 of the United States Code.

(d) For purposes of this section, an "eligible food stamp household" is a household that meets all of the following criteria:

(1) Receives benefits pursuant to Chapter 10 (commencing with Section 18900) of Part 6.

(2) Has no household member receiving CalWORKs benefits pursuant to Chapter 2 (commencing with Section 11200).

(3) Contains at least one child under 18 years of age, unless the household contains a child who meets the requirements of Section 11253.

(4) Has at least one parent or caretaker relative determined to be "work eligible" as defined in Section 261.2(n) of Title 45 of the Code of Federal Regulations and Section 607 of Title 42 of the United States Code.

(5) Meets the federal work participation hours requirement set forth in Section 607 of Title 42 of the United States Code for subsidized or unsubsidized employment, and provides documentation that the household has met the federal work requirements.

(e) (1) In accordance with federal law, federal food stamp benefits (Chapter 10 (commencing with Section 18900) of Part 6), federal supplemental security income benefits, state supplemental security program benefits, public social services, as defined in Section 10051, and county aid benefits (Part 5 (commencing with Section 17000)), shall not be reduced as a consequence of the receipt of the WINS benefit paid under this chapter.

(2) Benefits paid under this chapter shall not count toward the federal 60-month time limit on aid as set forth in Section 608(a)(7)(A) of Title 42 of the United States Code. Payment of WINS benefits shall not commence before October 1, 2013, and full implementation of the program shall be achieved on or before April 1, 2014.

(f) (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 and Section 10554), until emergency regulations are filed with the Secretary of State pursuant to paragraph (2), the State Department of Social Services may implement this section through all-county letters or similar instructions from the director. The director may provide for individual county phase-in of this section to allow for the orderly implementation based upon standards established by the director, including the operational needs and requirements of the counties. Implementation of the automation process changes shall include issuance of an all-county letter or similar instructions to counties by March 1, 2013.

(2) The department may adopt regulations to implement this chapter. The initial adoption, amendment, or repeal of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption, amendment, or repeal of an emergency regulation pursuant to this paragraph, the department may request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(g) (1) The department shall not fully implement this section until the department convenes a workgroup of advocates, legislative staff, county representatives, and other stakeholders to consider the progress of the WINS automation effort in tandem with a pre-assistance employment readiness system (PAERS) program and any other program options that may provide offsetting benefits to the caseload reduction credit in the CalWORKs program. The department shall convene this workgroup on or before December 1, 2012.

(2) A PAERS program shall be considered in light of current and potential federal Temporary Assistance for Needy Families (TANF) statutes and regulations and how other states with pre-assistance or other caseload offset options are responding to federal changes.

(3) The consideration of program options shall include, but not necessarily be limited to, the potential impacts on helping clients to obtain self-sufficiency, increasing the federal work participation rate, increasing the caseload reduction credit, requirements and efficiency of county administration, and the well-being of CalWORKs recipients.

(4) If the workgroup concludes that adopting a PAERS program or other program option pursuant to this section would, on balance, be favorable for California and its CalWORKs recipients, the department, in consultation with the workgroup, shall prepare a proposal by March 31, 2013, for

consideration during the regular legislative budget subcommittee process in 2013.

(5) To meet the requirements of this subdivision, the department may use its TANF reauthorization workgroups.

SEC. 40. Section 17021 of the Welfare and Institutions Code is amended to read:

17021. (a) Any individual who is not eligible for aid under Chapter 2 (commencing with Section 11200) of Part 3 as a result of the 48- or 60-month limitation specified in subdivision (a) of Section 11454 shall not be eligible for aid or assistance under this part until all of the children of the individual on whose behalf aid was received, whether or not currently living in the home with the individual, are 18 years of age or older.

(b) Any individual who is receiving aid under Chapter 2 (commencing with Section 11200) of Part 3 on behalf of an eligible child, but who is either ineligible for aid or whose needs are not otherwise taken into account in determining the amount of aid to the family pursuant to Section 11450 due to the imposition of a sanction or penalty, shall not be eligible for aid or assistance under this part.

(c) This section shall not apply to health care benefits provided under this part.

SEC. 41. Notwithstanding any other law, and except as otherwise specified in this act, Sections 5 to 7, inclusive, and 9, 15, 26, 29, and 40, shall become operative on the first day of the first calendar month following 90 days after the effective date of this act or June 1, 2011, whichever is later, unless the amended or added section specifies a date on which the section becomes operative.

SEC. 42. (a) 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 department may implement and administer the changes to Sections 11265.2, 11266.5, 11320.15, 11320.3, 11322.63, 11323.25, 11450, 11450.02, 11450.025, 11451.5, 11454, 11454.5, 12309.1, and 17021 of the Welfare and Institutions Code, as contained in this act, through all-county letters or similar instructions from the department until regulations are adopted. The department shall adopt emergency regulations implementing these provisions no later than July 1, 2012. 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.

(b) 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 may be adopted.

SEC. 43. If any portion of this act is held unconstitutional or unenforceable by a court of law, that decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional or unenforceable.

SEC. 44. If the Commission on State Mandates determines that this act contains 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.

SEC. 45. The sum of one thousand dollars (\$1,000) is hereby appropriated from the General Fund to the State Department of Social Services for administration.

SEC. 46. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 47. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

SEC. 48. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make changes necessary for implementation of the Budget Act of 2011, it is necessary for this act to take effect immediately.