

Senate Bill No. 1041

CHAPTER 47

An act to amend Sections 17311.5 and 17706 of the Family Code, to amend Sections 1522 and 1596.871 of the Health and Safety Code, to amend Section 6151 of the Revenue and Taxation Code, and to amend Sections 11320.1, 11320.3, 11325.71, 11329.5, 11462.04, 11464, 11487, 12301.06, 12305.87, 12306.6, 14124.93, 15525, 18285, 19704, 19705, and 19709 of, to amend the heading of Chapter 7 (commencing with Section 19700) of Part 2 of Division 10 of, to amend, repeal, and add Sections 11322.63, 11322.8, 11451.5, and 11454.5 of, to add Sections 11265.45, 11265.46, 11265.47, 11265.48, 11322.85, 11322.86, 11322.87, 11334.6, 19705.1, and 19710 to, to repeal Sections 12301.03, 12301.05, 14132.957, 19700, 19701, 19702, and 19706 of, to repeal Part 1.75 (commencing with Section 10200) of Division 9 of, and to repeal, add, and repeal Section 11334.8 of, the Welfare and Institutions Code, and to amend Section 72 of Chapter 32 of the Statutes of 2011, relating to human services, and making an appropriation therefor, to take effect immediately, bill related to the budget.

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LEGISLATIVE COUNSEL'S DIGEST

SB 1041, Committee on Budget and Fiscal Review. Human services.

Under existing law, the parents of a minor child are responsible for supporting the child. Existing law establishes the Department of Child Support Services, which administers all federal and state laws and regulations relating to child support enforcement obligations. The Director of Child Support Services is also responsible for implementing and managing the statewide automated child support system, which includes the State Disbursement Unit. Existing law establishes the Child Support Payment Trust Fund in the State Treasury and authorizes the deposit of child support payments received by the State Disbursement Unit into that fund, including overpayments, for the purpose of processing and providing child support payments. Under existing law, the Department of Child Support Services may enter into a trust agreement with an intermediary to receive or disburse child support collections. A trust agreement under these provisions may create trust accounts held outside the State Treasury.

This bill, for the 2012–13 fiscal year only, would authorize money in those trust accounts to be invested in specified securities or alternatives that offer comparable security, including mutual funds and money market funds. The bill would not authorize an investment or transfer that would interfere with the objective of the Child Support Payment Trust Fund.

Existing law requires each county to provide cash assistance and other social services to needy families through the California Work Opportunity and Responsibility to Kids (CalWORKs) program, using federal Temporary Assistance to Needy Families (TANF) block grant program, state, and county funds.

Under existing law, the county is required to annually redetermine eligibility for CalWORKs benefits. Existing law additionally requires the county to redetermine recipient eligibility and grant amounts on a quarterly basis, using prospective budgeting, and to prospectively determine the grant amount that a recipient is entitled to receive for each month of the quarterly reporting period. Under existing law, a CalWORKs recipient is required to report to the county, orally or in writing, specified changes that could affect the amount of aid to which the recipient is entitled. Under existing law, the CalWORKs quarterly reporting system becomes inoperative on October 1, 2013. A semiannual reporting system becomes operative on April 1, 2013, and is required to be implemented by counties no later than October 1, 2013, as specified.

This bill, notwithstanding existing law, would exempt a CalWORKs assistance unit that does not include an eligible adult from periodic reporting requirements other than the annual redetermination, and would specify grant calculation income reporting thresholds, recipient reporting duties, and other criteria applicable to these assistance units.

Under existing law, a parent or caretaker relative is ineligible for CalWORKs aid when he or she has received aid for a cumulative total of 48 months, as specified. Certain months are not counted as months of aid for purposes of calculating the 48-month time limit.

Under the CalWORKs program, certain recipients are required to participate in specified welfare-to-work activities, unless an applicable exemption applies. Exempted individuals include, until July 1, 2012, 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 2 or more children who are under 6 years of age.

This bill would make the caregiver exemption described above inoperative on January 1, 2013. The bill would require counties to reengage the exempted individuals in welfare-to-work activities, by October 1, 2014, except as specified. The bill also would create a similar, one-time exemption for caregivers of a child from birth to 23 months of age, inclusive, as specified, and would provide, effective January 1, 2013, that a month during which this exemption applies and a month during which a recipient was exempted under the prior exemption and has not been reengaged would not be counted as a month of receipt of aid for the recipient. By expanding eligibility for CalWORKs aid under some circumstances, this bill would make an appropriation, and by expanding county duties, the bill also would impose a state-mandated local program.

Existing law requires a participant to participate for at least 20 hours per week in core activities, as specified.

This bill effective January 1, 2013, would modify the number of welfare-to-work participation hours to conform to certain federal requirements, and would eliminate the above-described requirement relating to core activities.

This bill would revise welfare-to-work requirements applicable to new CalWORKs recipients, on and after January 1, 2013. These recipients would receive 24 months of specified welfare-to-work services and activities, and would then be required to meet federal work participation requirements, as specified, unless they are exempted from participation, or receive an extension, as prescribed. By increasing county duties, the bill would impose a state-mandated local program.

Existing law gives counties, through the 2011–12 fiscal year, 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, and from and to other CalWORKs employment services that are necessary for individuals to participate in welfare-to-work activities.

This bill would extend this county authority through the 2013–14 fiscal year.

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. Certain exempt amounts are calculated based on the amount of disability-based unearned income and earned income. State funds are continuously appropriated to pay for a share of costs under the CalWORKs program.

This bill would change the exempt amount described above by revising the calculation. To the extent that this bill would expand CalWORKs eligibility or increase grant amounts, the bill would make an appropriation. In addition, by increasing county administrative duties, the bill would impose a state-mandated local program.

Existing law provides that when aid under the CalWORKs program is repaid to the state by means of child support collections, the state is entitled to the entire amount of the aid repaid, except where federal and county funds were paid, in which case the federal government remains entitled to a proportionate share of the amount received or recovered and the county remains entitled to its proportionate share, except for county funds received or recovered during the 2011–12 fiscal year, which are retained by the state.

This bill would extend the suspension of the county's recovery of repaid funds under the above provisions, for the 2012–13 fiscal year, thus allowing the state to retain those funds.

Existing law provides that the 10 counties with the best performance standards shall receive an additional 5% of the state's share of those counties' collections that are used to reduce or repay aid that is paid under the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Existing law requires these additional funds received by a county to be used for specified child support-related activities. Existing law suspends

the payment of this additional 5% for the 2002–03 to 2011–12 fiscal years, inclusive.

This bill would extend the suspension of the additional 5% payments through the 2014–15 fiscal year.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, and under which qualified low-income persons receive health care services. Existing law requires the Department of Child Support Services to provide payments to the local child support agency of \$50 per case for obtaining 3rd-party health coverage or insurance of Medi-Cal beneficiaries, to the extent that funds are appropriated in the Budget Act. Under existing law, these payments are suspended for the 2003–04 to 2011–12 fiscal years, inclusive.

This bill would extend the suspension of the above-described payments to local child support agencies through the 2014–15 fiscal year.

Existing law requires the State Department of Social Services, before issuing a license or special permit to any person to operate or manage a community care facility or a day care facility, to secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other specified person has ever been convicted of various crimes. Existing law, except during the 2003–04 to the 2011–12 fiscal years, inclusive, prohibits the Department of Justice and the State Department of Social Services from charging a fee for the fingerprinting of an applicant for a license to operate a community care facility that will provide nonmedical board, room, and care for 6 or fewer children, the fingerprinting of a day care facility applicant that will serve 6 or fewer children, or any family day care applicant, or for obtaining a criminal record of these applicants.

This bill would extend this authorization through the 2012–13 fiscal year.

Under existing law, one of the methods by which Medi-Cal program services are provided is pursuant to contracts with various types of managed care plans. Existing federal law provides for the federal Medicare Program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age. Existing law also provides for the county-administered In-Home Supportive Services (IHSS) program, under which, either through employment by the recipient, by or through contract by the county, by the creation of a public authority, or pursuant to a contract with a nonprofit consortium, qualified aged, blind, and disabled persons receive services enabling them to remain in their own homes.

Existing law requires the State Department of Health Care Services to establish a medication machine pilot project for certain at-risk Medi-Cal recipients, as specified, and designates the duties of the department in this regard. Existing law requires the State Department of Social Services, if the Department of Finance makes a specified determination, to implement, with some exceptions, a reduction in authorized hours of service to each IHSS recipient, as prescribed.

This bill would delete these latter provisions.

Existing law makes specified findings and declarations with respect to the effect of decreased funding for CalWORKs for the 2009–10 to 2011–12 fiscal years, inclusive. 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, and to revise a specified welfare-to-work exemption in order to implement the county’s portion of specified funding reductions.

This bill would extend the above provisions indefinitely to apply to specified decreases in CalWORKs funding.

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. Existing law makes the Cal-Learn Program inoperative until July 1, 2012, except as specified.

This bill would provide that from July 1, 2012, to March 31, 2013, inclusive, counties be provided full or partial year funding, depending on the pace of their progression to full implementation of the Cal-Learn Program by April 1, 2013. By increasing the duties of counties, this bill would impose a state-mandated local program.

This bill would require the State Department of Social Services to submit a report to the budget committees of the Legislature with specified information relating to the Cal-Learn Program.

Existing law prohibits the establishment of a new group home rate or change to an existing rate under the AFDC-FC program for a prescribed period, except for exemptions granted on a case-by-case basis, and repeals this prohibition on January 1, 2013.

This bill would limit exceptions for any program with a rate classification level (RCL) below 10 to exceptions associated with a program change.

Existing law also requires the State Department of Social Services to implement a 3.6% reduction in service hours to each IHSS recipient, until July 1, 2012.

This bill would extend this reduction in service hours through July 1, 2013.

Existing law, the Sales and Use Tax Law, imposes a sales tax on retailers for the privilege of selling tangible personal property at retail, measured by the gross receipts from the sale of tangible personal property sold at retail in this state. A violation of specified provisions of this law is a crime. Existing law similarly imposes a sales tax on providers of support services for the privilege of selling support services at retail, measured by the gross receipts from the sale of those services in this state at a specified rate of those gross receipts.

Existing law creates the Personal Care IHSS Quality Assurance Revenue Fund in the State Treasury, and requires the revenue from the tax, less refunds, to be deposited in the fund. The fund is continuously appropriated to the State Department of Social Services for purposes of providing specified supplementary payments to providers of in-home supportive

services. Existing law requires the IHSS provider tax and related supplementary payments to be implemented no earlier than July 1, 2010.

This bill would extend the earliest implementation date for the provider tax and supplementary payment provisions to January 1, 2012.

Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers, including group homes, on behalf of qualified children in foster care, according to a schedule of basic foster care rates. The program is funded by a combination of federal, state, and county funds. Under existing law, the basic AFDC-FC rates are adjusted annually on July 1 by the annual percentage change in the California Necessities Index applicable to the calendar year within which that July 1 occurs.

Existing law declares the need to provide enhanced reimbursement to address the extraordinary care and supervision needs of children who are consumers of regional center services and also receiving AFDC-FC, Kinship Guardianship Assistance Payment Program (Kin-GAP), or Adoption Assistance Program (AAP) benefits, at a rate that is higher than the average rate they would otherwise receive through the foster care system and higher than the rate other children with medical and other significant special needs receive. Existing law requires that if the schedule of foster care basic rates is increased on or after January 1, 2008, these enhanced rates shall be similarly adjusted.

This bill would revise the requirements relating to the adjustment of the enhanced rates payable for children who are dually eligible, as described above, to instead require those rates to be annually adjusted by the percentage change in the California Necessities Index, beginning with the 2011–12 fiscal year.

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. Under existing law, the WINS program, in tandem with a preassistance employment readiness system (PAERS) program, are required to be implemented by the department on specified dates.

This bill would reduce the amount of the WINS benefit to \$10 per month and would revise the various dates applicable to the implementation of the programs.

Existing law creates the Child Health and Safety Fund, consisting of revenues from a specified license plate program and civil penalties imposed on child day care facility providers. Upon appropriation by the Legislature, 50% of those moneys in the fund derived from the license plate program are required to be expended to address various child health and safety concerns, as specified.

This bill would include an additional \$501,000 allocation, upon appropriation by the Legislature, for these purposes.

Existing law vests in the Department of Rehabilitation the responsibility and authority for the provision of vocational rehabilitation services to

individuals with physical or mental disabilities. Existing law provides for the Rehabilitation Appeals Board within the department to hear appeals, as prescribed, that have been filed with the board by any applicant for, or client of, the department. Existing law provides that any applicant for, or client of, the department, upon filing a request, as prescribed, has the right to a fair hearing before the board that is required to be held within 45 days of the date the written request is received by the board.

This bill would eliminate the Rehabilitation Appeals Board, provide that a fair hearing will be held before an impartial hearing officer within 60 days of a written request for a hearing, and make related changes.

Existing law requires the State Department of Social Services, in consultation with designated stakeholders in the In-Home Supportive Services program, to develop a new ratesetting methodology for public authority administrative costs, to go into effect commencing with the 2012–13 fiscal year.

This bill would delay the effective date of the new ratesetting methodology to the 2013–14 fiscal year.

Existing law requires the State Department of Social Services to implement a single statewide Child Welfare Services Case Management System (CWS/CMS) to administer and evaluate the state’s child welfare services and foster care programs. Existing law also requires the department, in partnership with the Office of Systems Integration (OSI) and designated stakeholders, to perform various activities regarding the effectiveness and operation of the CWS/CMS, and to report on these activities to the Legislature, by January 10, 2012.

This bill would require the State Department of Social Services to use funding included in the Budget Act of 2012 related to replacement of the CWS/CMS for the next steps necessary to move forward with the recommendation of the Child Welfare Automation Study Team (CAST) to proceed toward procuring a new system, as specified. The bill would require the OSI and the department to report the results of these activities, in addition to key milestones and anticipated timelines, to the Legislature by March 1, 2013, for review during the 2013 budget hearings.

This bill would require the State Department of Social Services and the Office of Systems Integration to have a qualified 3rd party conduct a cost-reasonableness assessment of the costs proposed by the vendor to migrate the Consortium-IV counties to the newly developed Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System, in order to determine whether the proposed overall costs are within range of reasonableness, based on specified factors.

This bill would require the State Department of Social Services, in consultation with stakeholders, including counties advocates, and legislative staff, to convene a work group to identify best practices and other strategies to improve early welfare-to-work engagement and barrier removal efforts, to maximize a recipient’s welfare-to-work opportunities, as specified. The bill would require the work group to report its findings to the Legislature by January 10, 2013.

This bill would require the State Department of Social Services to annually update the Legislature regarding the changes made by the bill to the CalWORKs program, and contract with an independent, research-based institution for an evaluation and written report, with specified contents, which would be provided to the Legislature by October 1, 2017.

This bill would authorize the State Department of Social Services to implement certain of its provisions by all-county letters or similar instructions, pending the adoption of emergency regulations by July 1, 2014.

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.

This bill would appropriate \$1,000 from the General Fund to the California Health and Human Services Agency for administration.

This bill would declare that it is to take effect immediately as 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 17311.5 of the Family Code is amended to read:

17311.5. (a) The department may enter into a trust agreement with a trustee or fiscal intermediary to receive or disburse child support collections. The trust agreement may contain provisions the department deems reasonable and proper for the security of the child support payments. Any trust accounts created by the trust agreements may be held outside the State Treasury.

(b) For the 2012–13 fiscal year only, trust account moneys may be invested in any of the types of securities listed in Section 16430 of the Government Code or alternatives offering comparable security, including, but not limited to, mutual funds and money market funds. This subdivision does not authorize investments or transfers that would interfere with carrying out the objective for which the Child Support Payment Trust Fund was created.

SEC. 2. Section 17706 of the Family Code is amended to read:

17706. (a) It is the intent of the Legislature to encourage counties to elevate the visibility and significance of the child support enforcement program in the county. To advance this goal, effective July 1, 2000, the counties with the 10 best performance standards pursuant to clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 shall receive an additional 5 percent of the state's share of those counties' collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The counties shall use the increased recoupment for child support-related activities that may not be eligible for

federal child support funding under Part D of Title IV of the Social Security Act, including, but not limited to, providing services to parents to help them better support their children financially, medically, and emotionally.

(b) The operation of subdivision (a) shall be suspended for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years.

SEC. 3. Section 1522 of the Health and Safety Code is amended to read:

1522. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a community care facility, foster family home, or a certified family home of a licensed foster family agency. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety. An individual shall be required to obtain either a criminal record clearance or a criminal record exemption from the State Department of Social Services before his or her initial presence in a community care facility.

(a) (1) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the State Department of Social Services shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, of the Penal Code, subdivision (b) of Section 273a of the Penal Code, or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04 to the 2012–13 fiscal years, inclusive, neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license or special permit to operate a facility providing nonmedical board, room, and care for six or less children or for obtaining a criminal record of the applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a

crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (1) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (g).

(E) An applicant and any other person specified in subdivision (b) shall submit fingerprint images and related information to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by this subdivision. If an applicant and all other persons described in subdivision (b) meet all of the conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal offender record information search response for the applicant or any of the persons described in subdivision (b), the department may issue a license if the applicant and each person described in subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as prescribed in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or any other person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(F) The State Department of Social Services shall develop procedures to provide the individual's state and federal criminal history information with the written notification of his or her exemption denial or revocation based on the criminal record. Receipt of the criminal history information shall be optional on the part of the individual, as set forth in the agency's procedures. The procedure shall protect the confidentiality and privacy of the individual's record, and the criminal history information shall not be made available to the employer.

(G) Notwithstanding any other law, the department is authorized to provide an individual with a copy of his or her state or federal level criminal offender record information search response as provided to that department by the Department of Justice if the department has denied a criminal background clearance based on this information and the individual makes a written request to the department for a copy specifying an address to which it is to be sent. The state or federal level criminal offender record information search response shall not be modified or altered from its form or content as

provided by the Department of Justice and shall be provided to the address specified by the individual in his or her written request. The department shall retain a copy of the individual's written request and the response and date provided.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a client, residing in the facility.

(C) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the community care facility. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed community care facility pursuant to Section 1558.

(D) Any staff person, volunteer, or employee who has contact with the clients.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(F) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(2) The following persons are exempt from the requirements applicable under paragraph (1):

(A) A medical professional as defined in department regulations who holds a valid license or certification from the person's governing California medical care regulatory entity and who is not employed, retained, or contracted by the licensee if all of the following apply:

(i) The criminal record of the person has been cleared as a condition of licensure or certification by the person's governing California medical care regulatory entity.

(ii) The person is providing time-limited specialized clinical care or services.

(iii) The person is providing care or services within the person's scope of practice.

(iv) The person is not a community care facility licensee or an employee of the facility.

(B) A third-party repair person or similar retained contractor if all of the following apply:

- (i) The person is hired for a defined, time-limited job.
- (ii) The person is not left alone with clients.
- (iii) When clients are present in the room in which the repair person or contractor is working, a staff person who has a criminal record clearance or exemption is also present.

(C) Employees of a licensed home health agency and other members of licensed hospice interdisciplinary teams who have a contract with a client or resident of the facility and are in the facility at the request of that client or resident's legal decisionmaker. The exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(D) Clergy and other spiritual caregivers who are performing services in common areas of the community care facility or who are advising an individual client at the request of, or with the permission of, the client or legal decisionmaker, are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care licensee or employee of the facility.

(E) Members of fraternal, service, or similar organizations who conduct group activities for clients if all of the following apply:

- (i) Members are not left alone with clients.
- (ii) Members do not transport clients off the facility premises.
- (iii) The same organization does not conduct group activities for clients more often than defined by the department's regulations.

(3) In addition to the exemptions in paragraph (2), the following persons in foster family homes, certified family homes, and small family homes are exempt from the requirements applicable under paragraph (1):

(A) Adult friends and family of the licensed or certified foster parent, who come into the home to visit for a length of time no longer than defined by the department in regulations, provided that the adult friends and family of the licensee are not left alone with the foster children. However, the licensee, acting as a reasonable and prudent parent, as defined in paragraph (2) of subdivision (a) of Section 362.04 of the Welfare and Institutions Code, may allow his or her adult friends and family to provide short-term care to the foster child and act as an appropriate occasional short-term babysitter for the child.

(B) Parents of a foster child's friend when the foster child is visiting the friend's home and the friend, licensed or certified foster parent, or both are also present. However, the licensee, acting as a reasonable and prudent parent, may allow the parent of the foster child's friend to act as an appropriate short-term babysitter for the child without the friend being present.

(C) Individuals who are engaged by any licensed or certified foster parent to provide short-term care to the child for periods not to exceed 24 hours. Caregivers shall use a reasonable and prudent parent standard in selecting

appropriate individuals to act as appropriate occasional short-term babysitters.

(4) In addition to the exemptions specified in paragraph (2), the following persons in adult day care and adult day support centers are exempt from the requirements applicable under paragraph (1):

(A) Unless contraindicated by the client's individualized program plan (IPP) or needs and service plan, a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to the client.

(B) A volunteer if all of the following applies:

(i) The volunteer is supervised by the licensee or a facility employee with a criminal record clearance or exemption.

(ii) The volunteer is never left alone with clients.

(iii) The volunteer does not provide any client assistance with dressing, grooming, bathing, or personal hygiene other than washing of hands.

(5) (A) In addition to the exemptions specified in paragraph (2), the following persons in adult residential and social rehabilitation facilities, unless contraindicated by the client's individualized program plan (IPP) or needs and services plan, are exempt from the requirements applicable under paragraph (1): a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to that client.

(B) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individual exempt from the requirements of this section, provided that the individual has client contact.

(6) Any person similar to those described in this subdivision, as defined by the department in regulations.

(c) (1) Subsequent to initial licensure, a person specified in subdivision (b) who is not exempted from fingerprinting shall obtain either a criminal record clearance or an exemption from disqualification pursuant to subdivision (g) from the State Department of Social Services prior to employment, residence, or initial presence in the facility. A person specified in subdivision (b) who is not exempt from fingerprinting shall be fingerprinted and shall sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit fingerprint images and related information to the Department of Justice and the Federal Bureau of Investigation, through the Department of Justice, for a state and federal level criminal offender record information search, or comply with paragraph (1) of subdivision (h). These fingerprint images and related information shall be sent by electronic transmission in a manner approved by the State Department of Social Services and the Department of Justice for the purpose of obtaining a permanent set of fingerprints, and shall be submitted to the

Department of Justice by the licensee. A licensee's failure to prohibit the employment, residence, or initial presence of a person specified in subdivision (b) who is not exempt from fingerprinting and who has not received either a criminal record clearance or an exemption from disqualification pursuant to subdivision (g) or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency and the immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548. The fingerprint images and related information shall then be submitted to the Department of Justice for processing. Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(2) Within 14 calendar days of the receipt of the fingerprint images, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in subdivision (a). If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprint images. Documentation of the individual's clearance or exemption from disqualification shall be maintained by the licensee and be available for inspection. If new fingerprint images are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible, the Department of Justice shall notify the State Department of Social Services, as required by Section 1522.04, and shall also notify the licensee by mail, within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal history recorded. A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548.

(3) Except for persons specified in subdivision (b) who are exempt from fingerprinting, the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted. If it is determined by the State Department of Social Services, on the basis of the fingerprint images and related information submitted to the Department of Justice, that subsequent to obtaining a criminal record clearance or exemption

from disqualification pursuant to subdivision (g), the person has been convicted of, or is awaiting trial for, a sex offense against a minor, or has been convicted for an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The State Department of Social Services may subsequently grant an exemption from disqualification pursuant to subdivision (g). If the conviction or arrest was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (A) terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility; or (B) seek an exemption from disqualification pursuant to subdivision (g). The State Department of Social Services shall determine if the person shall be allowed to remain in the facility until a decision on the exemption from disqualification is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day and shall be grounds for disciplining the licensee pursuant to Section 1550.

(4) The department may issue an exemption from disqualification on its own motion pursuant to subdivision (g) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption from disqualification pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption from disqualification pursuant to subdivision (g). The individual may seek an exemption from disqualification only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) Before issuing a license or certificate of approval to any person or persons to operate a foster family home or certified family home as described in Section 1506, the State Department of Social Services or other approving authority shall secure California and Federal Bureau of Investigation criminal history information to determine whether the applicant or any person specified in subdivision (b) who is not exempt from fingerprinting has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in subdivision (c) of Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been

exonerated. The State Department of Social Services or other approving authority shall not issue a license or certificate of approval to any foster family home or certified family home applicant who has not obtained both a California and Federal Bureau of Investigation criminal record clearance or exemption from disqualification pursuant to subdivision (g).

(2) The criminal history information shall include the full criminal record, if any, of those persons.

(3) Neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license, special permit, or certificate of approval described in this subdivision. The record, if any, shall be taken into consideration when evaluating a prospective applicant.

(4) The following shall apply to the criminal record information:

(A) If the applicant or other persons specified in subdivision (b) who are not exempt from fingerprinting have convictions that would make the applicant's home unfit as a foster family home or a certified family home, the license, special permit, or certificate of approval shall be denied.

(B) If the State Department of Social Services finds that the applicant, or any person specified in subdivision (b) who is not exempt from fingerprinting is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services or other approving authority may cease processing the application until the conclusion of the trial.

(C) For purposes of this subdivision, a criminal record clearance provided under Section 8712 of the Family Code may be used by the department or other approving agency.

(D) To the same extent required for federal funding, an applicant for a foster family home license or for certification as a family home, and any other person specified in subdivision (b) who is not exempt from fingerprinting, shall submit a set of fingerprint images and related information to the Department of Justice and the Federal Bureau of Investigation, through the Department of Justice, for a state and federal level criminal offender record information search, in addition to the criminal records search required by subdivision (a).

(5) Any person specified in this subdivision shall, as a part of the application, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions or arrests for any crime against a child, spousal or cohabitant abuse or, any crime for which the department cannot grant an exemption if the person was convicted and shall submit these fingerprints to the licensing agency or other approving authority.

(6) (A) Subsequent to initial licensure or certification, a person specified in subdivision (b) who is not exempt from fingerprinting shall obtain both a California and Federal Bureau of Investigation criminal record clearance, or an exemption from disqualification pursuant to subdivision (g), prior to employment, residence, or initial presence in the foster family or certified family home. A foster family home licensee or foster family agency shall submit fingerprint images and related information of persons specified in subdivision (b) who are not exempt from fingerprinting to the Department

of Justice and the Federal Bureau of Investigation, through the Department of Justice, for a state and federal level criminal offender record information search, or to comply with paragraph (1) of subdivision (h). A foster family home licensee's or a foster family agency's failure to either prohibit the employment, residence, or initial presence of a person specified in subdivision (b) who is not exempt from fingerprinting and who has not received either a criminal record clearance or an exemption from disqualification pursuant to subdivision (g), or comply with paragraph (1) of subdivision (h), as required in this section, shall result in a citation of a deficiency, and the immediate civil penalties of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. A violation of the regulation adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the foster family home licensee or the foster family agency pursuant to Section 1550. The State Department of Social Services may assess penalties for continued violations, as permitted by Section 1548. The fingerprint images shall then be submitted to the Department of Justice for processing.

(B) Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the Department of Justice shall verify receipt of the fingerprints. Within five working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall notify the applicant of any criminal arrests or convictions. If no arrests or convictions are recorded, the Department of Justice shall provide the foster family home licensee or the foster family agency with a statement of that fact concurrent with providing the information to the State Department of Social Services.

(7) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) who is not exempt from fingerprinting, has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption from disqualification pursuant to subdivision (g).

(8) If the State Department of Social Services finds after licensure or the granting of the certificate of approval that the licensee, certified foster parent, or any other person specified in subdivision (b) who is not exempt from fingerprinting, has been convicted of a crime other than a minor traffic violation, the license or certificate of approval may be revoked by the department or the foster family agency, whichever is applicable, unless the director grants an exemption from disqualification pursuant to subdivision

(g). A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by paragraph (3) of subdivision (c) shall be grounds for disciplining the licensee pursuant to Section 1550.

(e) The State Department of Social Services shall not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the State Department of Social Services is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding any other law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(g) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraph (4) of subdivision (a), or for a license, special permit, or certificate of approval as specified in paragraphs (4), (7), and (8) of subdivision (d), or for employment, residence, or presence in a community care facility as specified in paragraphs (3), (4), and (5) of subdivision (c), if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character as to justify issuance of the license or special

permit or granting an exemption for purposes of subdivision (c). Except as otherwise provided in this subdivision, an exemption shall not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) (i) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (c) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(ii) Notwithstanding clause (i), the director may grant an exemption regarding the conviction for an offense described in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, if the employee or prospective employee has been rehabilitated as provided in Section 4852.03 of the Penal Code, has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years, and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code. This clause shall not apply to foster care providers, including relative caregivers, nonrelated extended family members, or any other person specified in subdivision (b), in those homes where the individual has been convicted of an offense described in paragraph (1) of subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(C) Under no circumstances shall an exemption be granted pursuant to this subdivision to any foster care provider applicant if that applicant, or any other person specified in subdivision (b) in those homes, has a felony conviction for either of the following offenses:

(i) A felony conviction for child abuse or neglect, spousal abuse, crimes against a child, including child pornography, or for a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault and battery. For purposes of this subparagraph, a crime involving violence means a violent crime specified in clause (i) of subparagraph (A), or subparagraph (B).

(ii) A felony conviction, within the last five years, for physical assault, battery, or a drug- or alcohol-related offense.

(iii) This subparagraph shall not apply to licenses or approvals wherein a caregiver was granted an exemption to a criminal conviction described in clause (i) or (ii) prior to the enactment of this subparagraph.

(iv) This subparagraph shall remain operative only to the extent that compliance with its provisions is required by federal law as a condition for receiving funding under Title IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.).

(2) The department shall not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1558.

(h) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the State Department of Social Services, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the State Department of Social Services shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of three years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department-delegated licensing authority:

(A) A county office with department-delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department-delegated licensing authority.

(C) A county office with department-delegated licensing authority may accept a clearance or exemption from any other county office with department-delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department-delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department-delegated licensing authority to receive the notice only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department-delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department-delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department, a county office with department-delegated licensing authority, or a county child welfare agency with criminal record clearance and exemption authority, a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(5) (A) A county child welfare agency with authority to secure clearances pursuant to Section 16504.5 of the Welfare and Institutions Code and to grant exemptions pursuant to Section 361.4 of the Welfare and Institutions Code may accept a clearance or exemption from another county with criminal record and exemption authority pursuant to these sections.

(B) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by a county child welfare agency with criminal record clearance and exemption authority, the Department of Justice shall process a request from a county child welfare agency with criminal record and exemption authority to receive the notice only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the State Department of Social Services and the Department of Justice.

(i) The full criminal record obtained for purposes of this section may be used by the department or by a licensed adoption agency as a clearance required for adoption purposes.

(j) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1558, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(k) The State Department of Social Services may charge a fee for the costs of processing electronic fingerprint images and related information.

(l) Amendments to this section made in the 1999 portion of the 1999–2000 Regular Session shall be implemented commencing 60 days after the effective date of the act amending this section in the 1999 portion of the 1999–2000 Regular Session, except that those provisions for the submission

of fingerprints for searching the records of the Federal Bureau of Investigation shall be implemented 90 days after the effective date of that act.

SEC. 4. Section 1596.871 of the Health and Safety Code is amended to read:

1596.871. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a child care center or family child care home. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with child day care facility clients may pose a risk to the children's health and safety. An individual shall be required to obtain either a criminal record clearance or a criminal record exemption from the State Department of Social Services before his or her initial presence in a child day care facility.

(a) (1) Before issuing a license or special permit to any person to operate or manage a day care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in subdivision (c) of Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04 through 2012–13 fiscal years, inclusive, neither the Department of Justice nor the department may charge a fee for the fingerprinting of an applicant who will serve six or fewer children or any family day care applicant for a license, or for obtaining a criminal record of an applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision

(b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit fingerprint images and related information to the Department of Justice and the Federal Bureau of Investigation, through the Department of Justice, for a state and federal level criminal offender record information search, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1596.885. The department may also suspend the license pending an administrative hearing pursuant to Section 1596.886.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

- (A) Adults responsible for administration or direct supervision of staff.
- (B) Any person, other than a child, residing in the facility.
- (C) Any person who provides care and supervision to the children.
- (D) Any staff person, volunteer, or employee who has contact with the children.

(i) A volunteer providing time-limited specialized services shall be exempt from the requirements of this subdivision if this person is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the volunteer spends no more than 16 hours per week at the facility, and the volunteer is not left alone with children in care.

(ii) A student enrolled or participating at an accredited educational institution shall be exempt from the requirements of this subdivision if the student is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the facility has an agreement with the educational institution concerning the placement of the student, the student spends no more than 16 hours per week at the facility, and the student is not left alone with children in care.

(iii) A volunteer who is a relative, legal guardian, or foster parent of a client in the facility shall be exempt from the requirements of this subdivision.

(iv) A contracted repair person retained by the facility, if not left alone with children in care, shall be exempt from the requirements of this subdivision.

(v) Any person similar to those described in this subdivision, as defined by the department in regulations.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer, other person serving in like capacity, or a person designated by the chief executive officer as responsible for the operation of the facility, as designated by the applicant agency.

(F) If the applicant is a local educational agency, the president of the governing board, the school district superintendent, or a person designated to administer the operation of the facility, as designated by the local educational agency.

(G) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(H) This section does not apply to employees of child care and development programs under contract with the State Department of Education who have completed a criminal record clearance as part of an application to the Commission on Teacher Credentialing, and who possess a current credential or permit issued by the commission, including employees of child care and development programs that serve both children subsidized under, and children not subsidized under, a State Department of Education contract. The Commission on Teacher Credentialing shall notify the department upon revocation of a current credential or permit issued to an employee of a child care and development program under contract with the State Department of Education.

(I) This section does not apply to employees of a child care and development program operated by a school district, county office of education, or community college district under contract with the State Department of Education who have completed a criminal record clearance as a condition of employment. The school district, county office of education, or community college district upon receiving information that the status of an employee's criminal record clearance has changed shall submit that information to the department.

(2) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individuals exempt from the requirements under this subdivision.

(c) (1) (A) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a child day care facility be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal conviction. The licensee shall submit fingerprint images and related information to the Department of Justice and the Federal Bureau of Investigation, through the Department of Justice, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the child day care facility.

(B) These fingerprint images for the purpose of obtaining a permanent set of fingerprints shall be electronically submitted to the Department of Justice in a manner approved by the State Department of Social Services

and to the Department of Justice, or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency, and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The State Department of Social Services may assess civil penalties for continued violations permitted by Sections 1596.99 and 1597.62. The fingerprint images and related information shall then be submitted to the department for processing. Within 14 calendar days of the receipt of the fingerprint images, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprint images. If new fingerprint images are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprint images, notify the licensee that the fingerprints were illegible.

(C) Documentation of the individual's clearance or exemption shall be maintained by the licensee, and shall be available for inspection. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal record. Any violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The department may assess civil penalties for continued violations, as permitted by Sections 1596.99 and 1597.62.

(2) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the department, on the basis of fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility. The department may subsequently grant

an exemption pursuant to subdivision (f). If the conviction was for another crime except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility; or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars (\$100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or 1596.886.

(3) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(4) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of

conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a child day care facility as specified in paragraphs (3), (4), and (5) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character so as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (c) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) or (b) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1596.8897.

(g) Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprint images.

(h) (1) For the purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing

district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearances to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department-delegated licensing authority:

(A) A county office with department-delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department-delegated licensing authority.

(C) A county office with department-delegated licensing authority may accept a clearance or exemption from any other county office with department-delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department-delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department-delegated licensing authority to receive the notice, only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department-delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department-delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department-delegated licensing authority a fee for each time a

request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) Notwithstanding any other provision of law, the department may provide an individual with a copy of his or her state or federal level criminal offender record information search response as provided to that department by the Department of Justice if the department has denied a criminal background clearance based on this information and the individual makes a written request to the department for a copy specifying an address to which it is to be sent. The state or federal level criminal offender record information search response shall not be modified or altered from its form or content as provided by the Department of Justice and shall be provided to the address specified by the individual in his or her written request. The department shall retain a copy of the individual's written request and the response and date provided.

SEC. 5. Section 6151 of the Revenue and Taxation Code is amended to read:

6151. (a) Beginning on the date for which the federal Centers for Medicare and Medicaid Services approves implementation of the state plan amendment described in subdivision (c) of Section 12306.6 of the Welfare and Institutions Code, but no earlier than January 1, 2012, for the privilege of selling support services at retail, the sales tax is hereby extended to all providers at the rate, as described in subdivision (b), of the gross receipts of any provider from the sale of all support services sold at retail in this state.

(b) The rate extended by subdivision (a) is the rate, as may be amended from time to time, imposed by Article 1 (commencing with Section 6051) plus the rate imposed by Section 35 of Article XIII of the California Constitution for the privilege of selling tangible personal property at retail in this state.

(c) Notwithstanding the implementation date of this article as provided for in subdivision (a), no tax shall be collected pursuant to this article prior to the receipt of approval by the federal Centers for Medicare and Medicaid Services of the implementation of Section 12306.6 of the Welfare and Institutions Code.

SEC. 6. Part 1.75 (commencing with Section 10200) of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 11265.45 is added to the Welfare and Institutions Code, to read:

11265.45. (a) Notwithstanding Sections 11265.1, 11265.2, and 11265.3, a CalWORKs assistance unit that does not include an eligible adult shall not be subject to periodic reporting requirements other than the annual redetermination required in Section 11265. This subdivision shall not apply to a CalWORKs assistance unit in which the only eligible adult is under sanction in accordance with Section 11327.5.

(b) For an assistance unit described in subdivision (a), grant calculations may not be revised to adjust the grant amount during the year except as

provided in subdivisions (c), (d), (e), and (f), Section 11265.46 and as otherwise established by the department by regulation.

(c) Notwithstanding subdivision (b), statutes and regulations relating to the 48-month time limit, age limitations for children under Section 11253, and sanctions and financial penalties affecting eligibility or grant amount shall be applicable as provided in those statutes and regulations.

(d) If the county is notified that a child for whom 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.

(e) 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.

(f) If an overpayment has occurred, the county shall commence any applicable grant adjustment in accordance with Section 11004 as of the first monthly grant after timely and adequate notice is provided.

(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. 8. Section 11265.46 is added to the Welfare and Institutions Code, to read:

11265.46. (a) For an assistance unit described in subdivision (a) of Section 11265.45, the grant amount a recipient shall be entitled to receive for each month of the year 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 year, compared to the income the recipient reported actually receiving on the annual redetermination 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 year, 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 for the upcoming year.

(b) For purposes of this section, 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 year. The county shall determine what income is reasonably anticipated based on information provided by the recipient and any other available information.

(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 October 1, 2012, whichever is later.

SEC. 9. Section 11265.47 is added to the Welfare and Institutions Code, to read:

11265.47. (a) The department shall establish an income reporting threshold for CalWORKs assistance units described in subdivision (a) of Section 11265.45.

(b) The income reporting threshold described in subdivision (a) shall be the lesser of the following:

(1) Fifty-five percent of the monthly income for a family of three at the federal poverty level, plus the amount of income last used to calculate the recipient's monthly benefits.

(2) The amount likely to render the recipient ineligible for federal Supplemental Nutrition Assistance Program benefits.

(3) The amount likely to render the recipient ineligible for CalWORKs benefits.

(c) A recipient described in subdivision (a) of Section 11265.45 shall report to the county, orally or in writing, within 10 days, when any of the following occurs:

(1) The monthly household income exceeds the threshold established pursuant to this section.

(2) Any change in household composition.

(3) The household address has changed.

(4) A drug felony conviction, as specified in Section 11251.3.

(5) An incidence of an individual fleeing prosecution or custody or confinement, or violating a condition or probation or parole, as specified in Section 11486.5.

(d) When a recipient described in subdivision (a) of Section 11265.45 reports income or a household composition change pursuant to subdivision (c), the county shall redetermine eligibility and grant amounts as follows:

(1) If the recipient reports an increase in income or household composition change for the first through 11th months of a year, the county shall verify the report and determine the recipient's financial eligibility and grant amount.

(A) If the recipient is determined to be financially ineligible based on the increase in income or household composition change, the county shall discontinue the recipient with timely and adequate notice, effective at the end of the month in which the change occurred.

(B) If it is determined that the recipient's grant amount should decrease based on the increase in income, or increase or decrease based on a change in household composition, the county shall increase or reduce the recipient's grant amount for the remainder of the year with timely and adequate notice, effective the first of the month following the month in which the change occurred.

(2) If the recipient reports an increase in income for the 12th month of a grant year, the county shall verify this report and consider this income in redetermining eligibility and the grant amount for the following year.

(e) During the year, a recipient described in subdivision (a) of Section 11265.45 may report to the county, orally or in writing, any changes in income that may increase the recipient's grant. If the reported change is for the first through 11th month of a grant year and results in an increase in benefits, the county shall redetermine the grant for the current month and

any remaining months in the year. If the reported change is for the 12th month of the grant year, the county shall not redetermine the grant for the current year, but shall redetermine the grant for the following year.

(f) During the year, a recipient described in subdivision (a) of Section 11265.45 may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request is verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's request is in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously shall issue a notice informing the recipient of the discontinuance.

(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. 10. Section 11265.48 is added to the Welfare and Institutions Code, to read:

11265.48. (a) To the extent permitted by federal law, regulations, waivers, and directives, the department shall implement Sections 11265.45, 11265.46, and 11265.47 in a cost-effective manner that promotes compatibility between the CalWORKs program and CalFresh, and minimizes the potential for payment errors.

(b) The department shall seek all necessary waivers from the United States Department of Agriculture to implement subdivision (a).

(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 October 1, 2012, whichever is later.

SEC. 11. Section 11320.1 of the Welfare and Institutions Code is amended to read:

11320.1. Subsequent to the commencement of the receipt of aid under this chapter, the sequence of employment related activities required of participants under this article, unless exempted under Section 11320.3, shall be as follows:

(a) Job search. Recipients shall, and applicants may, at the option of a county and with the consent of the applicant, receive orientation to the welfare-to-work program provided under this article, receive appraisal pursuant to Section 11325.2, and participate in job search and job club activities provided pursuant to Section 11325.22.

(b) Assessment. If employment is not found during the period provided for pursuant to subdivision (a), or at any time the county determines that participation in job search for the period specified in subdivision (a) of Section 11325.22 is not likely to lead to employment, the participant shall be referred to assessment, as provided for in Section 11325.4. Following assessment, the county and the participant shall develop a welfare-to-work plan, as specified in Section 11325.21. The plan shall specify the activities provided for in Section 11322.6 to which the participant shall be assigned,

and the supportive services, as provided for pursuant to Section 11323.2, with which the recipient will be provided.

(c) Work activities. A participant who has signed a welfare-to-work plan pursuant to Section 11325.21 shall participate in work activities, as described in this article.

SEC. 12. 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.

(iv) Effective January 1, 2013, the parent or other relative has primary responsibility for personally providing care to one child from birth to 23 months, inclusive. The exemption provided for under this clause shall be available in addition to any other exemption provided for under this subparagraph. An individual may be exempt only once under this clause.

(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 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.

(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), (2), (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 January 1, 2013.

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

(h) (1) A recipient who was not required to participate in welfare-to-work activities on December 31, 2012, because, in accordance with paragraph (7) of subdivision (b), he or she is 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 shall not be required to participate until the county welfare department reengages the recipient in welfare-to-work activities.

(2) For purposes of this subdivision, reengagement in welfare-to-work activities shall include the development of a welfare-to-work plan in accordance with Section 11325.21 and the provision of necessary supportive services pursuant to Section 11323.2.

(3) County welfare departments shall reengage all recipients described in paragraph (1) by January 1, 2015, unless the recipient is otherwise eligible for an exemption under subdivision (b).

(4) A recipient reengaged in accordance with this subdivision who has received assistance under this chapter, or from 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.)), may continue in a welfare-to-work plan that meets the requirements of Section 11322.6 for a cumulative period of 24 months commencing the first day of the first month after he or she is reengaged, unless or until he or she exceeds the 48-month time limitation described in Section 11454.

(5) All months of assistance described in paragraph (4) prior to the reengagement of the recipient shall not be applied to the 24-month limitation described in paragraph (1) of subdivision (a) of Section 11322.85.

SEC. 13. 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.

(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.

(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.

(g) This section shall become inoperative on October 1, 2013, and as of January 1, 2014, is repealed unless a later enacted statute that is enacted before January 1, 2014, deletes or extends that date.

SEC. 14. Section 11322.63 is added to the Welfare and Institutions Code, to read:

11322.63. (a) For counties that implement a welfare-to-work plan that includes subsidized private sector or public sector employment activities, the State Department of Social Services shall pay the county 50 percent, less one hundred thirteen dollars (\$113), 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.

(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.

(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.

(g) This section shall become operative on October 1, 2013.

SEC. 15. Section 11322.8 of the Welfare and Institutions Code is amended to read:

11322.8. (a) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 32 hours each week.

(b) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in at least 35 hours of welfare-to-work activities each week. However, both parents in a two-parent assistance unit may contribute to the 35 hours if at least one parent meets the federal one-parent work requirement applicable on January 1, 1998.

(c) An adult recipient required to participate under subdivision (a) or (b) shall participate for at least 20 hours each week in core welfare-to-work activities. The welfare-to-work activities listed in subdivisions (a) to (j), inclusive, and (m) and (n) of Section 11322.6, are core activities for the purposes of this section. Participation in core activities under subdivision (m) of Section 11322.6 shall be limited to a total of 12 months. Additional hours that the applicant or recipient is required to participate under subdivisions (a) or (b) of this section may be satisfied by any of the welfare-to-work activities described in Section 11322.6 that are consistent with the assessment performed in accordance with Section 11325.4, and included in the individual's welfare-to-work plan, described in Section 11325.21.

(d) Hours spent in activities listed under subdivision (q) of Section 11322.6 shall count toward the core activity requirement in subdivision (c) to the extent that these activities are necessary to enable the individual to participate in core activities and to the extent these activities cannot be accomplished within the additional noncore hours of participation required by subdivision (c).

(e) Hours spent in classroom, laboratory, or internship activities pursuant to subdivisions (k), (l), (o), and (p) of Section 11322.6 shall count toward the core activity requirement in subdivision (c) to the extent these activities cannot be accomplished within the additional noncore hours of participation, the county determines the program is likely to lead to self-supporting employment, and the recipient makes satisfactory progress. The provisions in paragraph (2), and subparagraphs (A) and (B) of paragraph (3), of subdivision (a) of Section 11325.23 shall apply to participants in these activities.

(f) Spending hours in any or all of the activities specified in subdivision (r) of Section 11322.6 shall not make a recipient ineligible to count activities set forth in subdivisions (d) and (e) toward the core activities requirements, as appropriate.

(g) This section shall become inoperative on January 1, 2013, and as of that date is repealed unless a later enacted statute that is enacted before January 1, 2013, deletes or extends that date.

SEC. 16. Section 11322.8 is added to the Welfare and Institutions Code, to read:

11322.8. (a) For a recipient required to participate in accordance with paragraph (1) of subdivision (a) of Section 11322.85, unless the recipient is otherwise exempt, the following shall apply:

(1) (A) An adult recipient in a one-parent assistance unit that does not include a child under six years of age shall participate in welfare-to-work activities for 30 hours each week.

(B) An adult recipient in a one-parent assistance unit that includes a child under six years of age shall participate in welfare-to-work activities for 20 hours each week.

(2) An adult recipient who is an unemployed parent, as defined in Section 1120I, shall participate in at least 35 hours of welfare-to-work activities each week. However, both parents in a two-parent assistance unit may contribute to the 35 hours.

(b) For a recipient required to participate in accordance with paragraph (3) of subdivision (a) of Section 11322.85, the following shall apply:

(1) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 30 hours per week, subject to the special rules and limitations described in Section 607(c)(1)(A) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(2) Unless otherwise exempt, an adult recipient in a one-parent assistance unit that includes a child under six years of age shall participate in welfare-to-work activities for 20 hours each week, as described in Section 607 (c)(2)(B) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(3) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in welfare-to-work activities for 35 hours per week, subject to the special rules and limitations described in Section 607(c)(1)(B) of Title 42 of the United States Code as of the operative date of this section, as provided in subdivision (c).

(c) This section shall become operative on January 1, 2013.

SEC. 17. Section 11322.85 is added to the Welfare and Institutions Code, to read:

11322.85. (a) Unless otherwise exempt, an applicant or recipient shall participate in welfare-to-work activities.

(1) For 24 cumulative months during a recipient's lifetime, these activities may include the activities listed in Section 11322.6 that are consistent with the assessment performed in accordance with Section 11325.4 and that are included in the individual's welfare-to-work plan, as described in Section 11325.21, to meet the hours required in Section 11322.8. These 24 months need not be consecutive.

(2) Any month in which the recipient meets the requirements of Section 11322.8, through participation in an activity or activities described in paragraph (3), shall not count as a month of activities for purposes of the 24-month time limit described in paragraph (1).

(3) After a total of 24 months of participation in welfare-to-work activities pursuant to paragraph (1), an aided adult shall participate in one or more of the following welfare-to-work activities, in accordance with Section 607(c) and (d) of Title 42 of the United States Code as of the operative date of this section, that are consistent with the assessment performed in accordance

with Section 11325.4, and included in the individual's welfare-to-work plan, described in Section 11325.21:

- (A) Unsubsidized employment.
 - (B) Subsidized private sector employment.
 - (C) Subsidized public sector employment.
 - (D) Work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available.
 - (E) On-the-job training.
 - (F) Job search and job readiness assistance.
 - (G) Community service programs.
 - (H) Vocational educational training (not to exceed 12 months with respect to any individual).
 - (I) Job skills training directly related to employment.
 - (J) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency.
 - (K) Satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate.
 - (L) The provision of child care services to an individual who is participating in a community service program.
- (b) Any month in which the following conditions exist shall not be counted as one of the 24 months of participation allowed under paragraph (1) of subdivision (a):
- (1) The recipient is participating in job search or assessment pursuant to subdivision (a) or (b) of Section 11320.1, is in the process of appraisal as described in Section 11325.2, or is participating in the development of a welfare-to-work plan, as described in Section 11325.21.
 - (2) The recipient is no longer receiving aid, pursuant to Sections 11327.4 and 11327.5.
 - (3) The recipient has been excused from participation for good cause, pursuant to Section 11320.3.
 - (4) The recipient is exempt from participation pursuant to subdivision (b) of Section 11320.3.
 - (5) The recipient is only required to participate in accordance with subdivision (d) of Section 11320.3.
- (c) County welfare departments shall provide each recipient who is subject to the requirements of paragraph (3) of subdivision (a) written notice describing the 24-month time limitation described in that paragraph and the process by which recipients may claim exemptions from, and extensions to, those requirements.
- (d) The notice described in subdivision (c) shall be provided at the time the individual applies for aid, during the recipient's annual redetermination, and at least once after the individual has participated for a total of 18 months, and prior to the end of the 21st month, that count toward the 24-month time limit.

(e) The notice described in this section shall include, but shall not be limited to, all of the following:

(1) The number of remaining months the adult recipient may be eligible to receive aid.

(2) The requirements that the recipient must meet in accordance with paragraph (3) of subdivision (a) and the action that the county will take if the adult recipient does not meet those requirements.

(3) The manner in which the recipient may dispute the number of months counted toward the 24-month time limit.

(4) The opportunity for the recipient to modify his or her welfare-to-work plan to meet the requirements of paragraph (3) of subdivision (a).

(5) The opportunity for an exemption to, or extension of, the 24-month time limitation.

(f) For an individual subject to the requirements of paragraph (3) of subdivision (a), who is not exempt or granted an extension, and who does not meet those requirements, the provisions of Sections 11327.4, 11327.5, 11327.9, and 11328.2 shall apply to the extent consistent with the requirements of this section. For purposes of this section, the procedures referenced in this subdivision shall not be described as sanctions.

(g) (1) The department, in consultation with stakeholders, shall convene a workgroup to determine further details of the noticing and engagement requirements for the 24-month time limit, and shall instruct counties via an all-county letter, followed by regulations, no later than 18 months after the effective date of the act that added this section.

(2) The workgroup described in paragraph (1) may also make recommendations to refine or differentiate the procedures and due process requirements applicable to individuals as described in subdivision (f).

(h) (1) Notwithstanding paragraph (3) of subdivision (a) or any other law, an assistance unit that contains an eligible adult who has received assistance under this chapter, or from 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.)) prior to January 1, 2013, may continue in a welfare-to-work plan that meets the requirements of Section 11322.6 for a cumulative period of 24 months commencing January 1, 2013, unless or until he or she exceeds the 48-month time limitation described in Section 11454.

(2) All months of assistance described in paragraph (1) prior to January 1, 2013, shall not be applied to the 24-month limitation described in paragraph (1) of subdivision (a).

(i) This section shall become operative on January 1, 2013.

SEC. 18. Section 11322.86 is added to the Welfare and Institutions Code, to read:

11322.86. (a) (1) Each county may provide an extension of time during which a recipient may participate in activities described in paragraph (1) of subdivision (a) of Section 11322.85 for recipients who are unlikely to meet the requirements of paragraph (3) of subdivision (a) of Section 11322.85

upon the expiration of the 24-month time limitation described in Section 11322.85.

(2) A county may grant extensions pursuant to paragraph (1) for a number of assistance units equal to no more than 20 percent of the assistance units in the county in which all adult members have been provided aid under this chapter for at least 24 months, in accordance with paragraph (1) of subdivision (a) of Section 11322.85, but not more than 48 months, in accordance with Section 11454.

(b) Counties are required to report information regarding the number and percentage of these extensions they have granted to the state.

(c) After consultation with stakeholders, the department shall issue an all-county letter by November 1, 2013, to define the process for implementing the extensions described in this section and the methodology for calculating the 20 percent limitation in paragraph (2) of subdivision (a).

(d) It is the intent of the Legislature that the state shall work with counties and other stakeholders to ensure that the extension process pursuant to subdivision (a) is implemented with minimal disruption to the impending completion of the welfare-to-work plans for recipients.

(e) This section shall become operative on January 1, 2013.

SEC. 19. Section 11322.87 is added to the Welfare and Institutions Code, to read:

11322.87. (a) A recipient subject to the 24-month time limitation described in Section 11322.85 may request an extension in accordance with Section 11322.86 and may present evidence to the county that he or she meets any of the following circumstances:

(1) The recipient is likely to obtain employment within six months.

(2) The recipient has encountered unique labor market barriers temporarily preventing employment, and therefore needs additional time to obtain employment.

(3) The recipient has achieved satisfactory progress in an educational or treatment program, including adult basic education, vocational education, or a self-initiated program that has a known graduation, transfer, or completion date that would meaningfully increase the likelihood of his or her employment.

(4) The recipient needs an additional period of time to complete a welfare-to-work activity specified in his or her welfare-to-work case plan due to a diagnosed learning or other disability, so as to meaningfully increase the likelihood of his or her employment.

(5) The recipient has submitted an application to receive SSI disability benefits, and a hearing date has been established.

(6) Other circumstances as determined by the department.

(b) (1) Except for an extension requested in accordance with paragraph (5) of subdivision (a), and subject to the limitation described in paragraph (2) of subdivision (a) of Section 11322.86, a county shall grant an extension to a recipient who presents evidence in accordance with subdivision (a) unless the county determines that the evidence presented does not support the existence of the circumstances described in subdivision (a).

(2) An extension requested in accordance with paragraph (5) of subdivision (a) shall be granted if evidence that a hearing date has been established is provided to the county.

(3) At any hearing disputing a county's denial of an extension in accordance with paragraph (1), the county shall have the burden of proof to establish that an extension was not justified unless the county demonstrates that the denial was due to the unavailability of an extension in accordance with the 20-percent limitation described in paragraph (2) of subdivision (a) of Section 11322.86.

(c) If, as a result of information already available to a county, including the recipient's welfare-to-work plan and verifications of participation, the county identifies that a recipient meets a circumstance described in subdivision (a), and subject to the limitation described in paragraph (2) of subdivision (a) of Section 11322.86, a county may grant an extension of the 24-month time limitation described in paragraph (1) of subdivision (a) of Section 11322.85 to the recipient.

(d) An extension granted in accordance with subdivision (b) or (c) shall be granted for an initial period of up to six months and shall be reevaluated by the county at least every six months.

(e) This section shall become operative on January 1, 2013.

SEC. 20. 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, 2014, and, as of January 1, 2015, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2015, deletes or extends that date on which it becomes inoperative and is repealed.

SEC. 21. 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 three hundred seventy-six million eight hundred fifty thousand dollar (\$376,850,000) 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) Reduced funding, including a reduction to the county single allocation, for the period between July 1, 2012, until January 1, 2015, will result in insufficient resources to provide the full range of welfare-to-work services during that time period.

(f) 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.

(g) 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.

(h) 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.

(i) 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. 22. Section 11334.6 is added to the Welfare and Institutions Code, to read:

11334.6. (a) The department shall provide to the budget committees of the Legislature, no later than February 1, 2013, and, notwithstanding Section 10231.5 of the Government Code, on February 1 annually thereafter, a report that includes all of the following information:

- (1) The number of counties implementing a Cal-Learn Program.
- (2) The number of recipients being served in each county with intensive case management services.
- (3) Outcomes for recipients, including graduation rates and repeat pregnancies.

(b) The report described in subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 23. Section 11334.8 of the Welfare and Institutions Code is repealed.

SEC. 24. Section 11334.8 is added to the Welfare and Institutions Code, to read:

11334.8. (a) Notwithstanding any other law, this article shall be fully operative commencing April 1, 2013. For the period of July 1, 2012, to March 31, 2013, inclusive, this article shall be operative in accordance with the provisions described in subdivision (b).

(b) Commencing July 1, 2012, until March 31, 2013, all of the following shall apply:

(1) For the 2012–13 fiscal year, counties shall be provided with full or partial year funding, depending on the pace of their phase-in to full implementation of the program by April 1, 2013, as determined by the department, in collaboration with county welfare directors.

(2) Recipients of aid, as defined in Section 11331.5, shall be required to participate in Cal-Learn Program intensive case management services, as defined in subdivision (a) of Section 11332.5, only in counties where those services are available.

(3) A pregnant woman with no other children who was determined to be eligible for aid in the first or second trimester of her pregnancy for purposes of participating in the Cal-Learn Program prior to July 1, 2011, shall be eligible to receive aid upon verification of pregnancy as long as she remains otherwise eligible for aid under this chapter.

(c) Each recipient who qualifies for benefits under this article shall be entitled to benefits to the degree that they are provided by the recipient's county.

(d) This section shall remain in effect only until April 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before April 1, 2013, deletes or extends that date.

SEC. 25. Section 11451.5 of the Welfare and Institutions Code, as added by Section 20 of Chapter 501 of the Statutes of 2011, is amended to read:

11451.5. (a) Except as provided by subdivision (f) of Section 11322.6, the following income, determined for the semiannual period 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) (1) This section shall become operative on April 1, 2013. A county shall implement the semiannual reporting requirements in accordance with Chapter 501 of the Statutes of 2011 no later than October 1, 2013.

(2) Upon implementation described in paragraph (1), each county shall provide a certificate to the director certifying that semiannual reporting has been implemented in the county.

(3) Upon filing the certificate described in paragraph (2), a county shall comply with the semiannual reporting provisions of this section.

(d) This section shall become inoperative on October 1, 2013, and, as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 26. Section 11451.5 is added to the Welfare and Institutions Code, to read:

11451.5. (a) The following income, except for recipients described in subdivision (a) of Section 11265.45, except as provided by subdivision (f) of Section 11322.6, determined for the semiannual period 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 operative on October 1, 2013.

SEC. 27. 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.

(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.

(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.

(c) This section shall become inoperative on January 1, 2013, and as of that date is repealed unless a later enacted statute that is enacted before January 1, 2013, deletes or extends that date.

SEC. 28. Section 11454.5 is added to the Welfare and Institutions Code, 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 (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 was exempt from participation under paragraph (7) of subdivision (b) of Section 11320.3 and has not been reengaged in accordance with subdivision (h) of Section 11320.3.

(7) The recipient is exempt from participating in welfare-to-work activities because he or she has primary responsibility for personally providing care to a child 24 months of age or younger, pursuant to clause (iv) of subparagraph (A) of paragraph (6) of subdivision (b) of Section 11320.3.

(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.

(c) This section shall become operative on January 1, 2013.

SEC. 29. Section 11462.04 of the Welfare and Institutions Code is amended to read:

11462.04. (a) Notwithstanding any other law, no new group home rate or change to an existing rate shall be established pursuant to Section 11462. An application shall not be accepted or processed for any of the following:

- (1) A new program.
- (2) A new provider.
- (3) A program change, such as a rate classification level (RCL) increase.
- (4) A program capacity increase.
- (5) A program reinstatement.

(b) Notwithstanding subdivision (a), the department may grant exceptions as appropriate on a case-by-case basis, based upon a written request and supporting documentation provided by county placing agencies, including county welfare or probation directors.

(c) For the 2012–13 fiscal year, notwithstanding subdivision (b), for any program below RCL 10, the only exception that may be sought and granted pursuant to this section is one associated with a program change, such as an RCL increase. The other exceptions shall not be available to programs below RCL 10 during this period.

SEC. 30. Section 11464 of the Welfare and Institutions Code is amended to read:

11464. (a) The Legislature finds and declares all of the following:

(1) Children who are consumers of regional center services and also receiving Aid to Families with Dependent Children-Foster Care (AFDC-FC), Kinship Guardianship Assistance Payment (Kin-GAP) benefits, or Adoption Assistance Program (AAP) benefits have special needs that can require care and supervision beyond that typically provided to children in foster care. Clarifying the roles of the child welfare and developmental disabilities services systems will ensure that these children receive the services and support they need in a timely manner and encourage the successful adoption of these children, where appropriate.

(2) To address the extraordinary care and supervision needs of children who are consumers of regional center services and also receiving AFDC-FC, Kin-GAP, or AAP benefits, it is necessary to provide a rate for care and supervision of these children that is higher than the average rate they would otherwise receive through the foster care system and higher than the rate other children with medical and other significant special needs receive.

(3) Despite the enhanced rate provided in this section, some children who are consumers of regional center services and also receiving AFDC-FC, Kin-GAP, or AAP benefits may have care and supervision needs that are so extraordinary that they cannot be addressed within that rate. In these limited circumstances, a process should be established whereby a supplement may be provided in addition to the enhanced rate.

(4) Children who receive rates pursuant to this section shall be afforded the same due process rights as all children who apply for AFDC-FC, Kin-GAP, and AAP benefits pursuant to Section 10950.

(b) Rates for children who are both regional center consumers and recipients of AFDC-FC or Kin-GAP benefits under this chapter shall be determined as provided in Section 4684 and this section.

(c) (1) The rate to be paid for 24-hour out-of-home care and supervision provided to children who are both consumers of regional center services pursuant to subdivision (d) of Section 4512 and recipients of AFDC-FC and Kin-GAP benefits under this chapter shall be two thousand six dollars (\$2,006) per child per month.

(2) (A) The county, at its sole discretion, may authorize a supplement of up to one thousand dollars (\$1,000) to the rate for children three years of age and older, if it determines the child has the need for extraordinary care and supervision that cannot be met within the rate established pursuant to paragraph (1). The State Department of Social Services and the State Department of Developmental Services, in consultation with stakeholders representing county child welfare agencies, regional centers, and children who are both consumers of regional center services and recipients of AFDC-FC, Kin-GAP, or AAP benefits, shall develop objective criteria to be used by counties in determining eligibility for and the level of the supplements provided pursuant to this paragraph. The State Department of Social Services shall issue an all-county letter to implement these criteria within 120 days of the effective date of this act. The criteria shall take into account the extent to which the child has any of the following:

- (i) Severe impairment in physical coordination and mobility.
- (ii) Severe deficits in self-help skills.
- (iii) Severely disruptive or self-injurious behavior.
- (iv) A severe medical condition.

(B) The caregiver may request the supplement described in subparagraph (A) directly or upon referral by a regional center. Referral by a regional center shall not create the presumption of eligibility for the supplement.

(C) When assessing a request for the supplement, the county shall seek information from the consumer's regional center to assist in the assessment. The county shall issue a determination of eligibility for the supplement within 90 days of receipt of the request. The county shall report to the State Department of Social Services the number and level of rate supplements issued pursuant to this paragraph.

(d) (1) The rate to be paid for 24-hour out-of-home care and supervision provided for children who are receiving services under the California Early Start Intervention Services Act, are not yet determined by their regional center to have a developmental disability, as defined in subdivisions (a) and (l) of Section 4512, and are receiving AFDC-FC or Kin-GAP benefits under this chapter, shall be eight hundred ninety-eight dollars (\$898) per child per month. If a regional center subsequently determines that the child is an individual with a developmental disability as that term is defined by subdivisions (a) and (l) of Section 4512, the rate to be paid from the date of that determination shall be consistent with subdivision (c).

(2) The rates to be paid for 24-hour out-of-home nonmedical care and supervision for children who are recipients of AFDC-FC or Kin-GAP and

consumers of regional center services from a community care facility licensed pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code and vendored by a regional center pursuant to Section 56004 of Title 17 of the California Code of Regulations, shall be the facility rate established by the State Department of Developmental Services.

(e) Rates paid pursuant to this section are subject to all of the following requirements:

(1) The rates paid to the foster care provider under subdivision (c) and paragraph (1) of subdivision (d) are only for the care and supervision of the child, as defined in subdivision (b) of Section 11460 and shall not be applicable to facilities described in paragraph (2) of subdivision (d).

(2) Regional centers shall separately purchase or secure the services that are contained in the child's Individualized Family Service Plan (IFSP) or Individual Program Plan (IPP), pursuant to Section 4684.

(3) Beginning with the 2011–12 fiscal year, the rates in paragraph (1) of subdivision (c) and paragraph (1) of subdivision (d) shall be adjusted annually by the percentage change in the California Necessities Index, as set forth in paragraph (2) of subdivision (g) of Section 11461. No county shall be reimbursed for any increase in this rate that exceeds the adjustments made in accordance with this methodology.

(f) (1) The AFDC-FC rates paid on behalf of a regional center consumer who is a recipient of AFDC-FC prior to July 1, 2007, shall remain in effect unless a change in the placement warrants redetermination of the rate or if the child is no longer AFDC-FC eligible. However, AFDC-FC rates paid on behalf of these children that are lower than the rates specified in paragraph (1) of subdivision (c) or paragraph (1) of subdivision (d), respectively, shall be increased as appropriate to the amount set forth in paragraph (1) of subdivision (c) or paragraph (1) of subdivision (d), effective July 1, 2007, and shall remain in effect unless a change in the placement or a change in AFDC-FC eligibility of the child warrants redetermination of the rate.

(2) For a child who is receiving AFDC-FC benefits or for whom a foster care eligibility determination is pending, and for whom an eligibility determination for regional center services pursuant to subdivision (a) of Section 4512 is pending or approved, and for whom, prior to July 1, 2007, a State Department of Developmental Services facility rate determination request has been made and is pending, the rate shall be the State Department of Developmental Services facility rate determined by the regional center through an individualized assessment, or the rate established in paragraph (1) of subdivision (c), whichever is greater. The rate shall remain in effect until the child is no longer eligible to receive AFDC-FC, or, if still AFDC-FC eligible, is found ineligible for regional center services as an individual described in subdivision (a) of Section 4512. Other than the circumstances described in this section, regional centers shall not establish facility rates for AFDC-FC purposes.

(g) (1) The department shall adopt emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division

3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, on or before July 1, 2009.

(2) The adoption of regulations pursuant to paragraph (1) shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, and general welfare. The regulations authorized by this subdivision shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(h) (1) The State Department of Social Services and the State Department of Developmental Services shall provide to the Joint legislative Budget Committee, on a semiannual basis, the data set forth in paragraph (2) to facilitate legislative review of the outcomes of the changes made by the addition of this section and the amendments made to Sections 4684 and 16121 by the act adding this section. The first report shall be submitted on October 1, 2007, with subsequent reports submitted on March 1 and October 1 of each year.

(2) The following data shall be provided pursuant to this subdivision:

(A) The number of, and services provided to, children who are consumers of regional center services and who are receiving AAP, Kin-GAP, or AFDC-FC, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(B) A comparison of services provided to these children and similar children who are regional center consumers who do not receive AFDC-FC, Kin-GAP, or AAP benefits, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(C) The number and nature of appeals filed regarding services provided or secured by regional centers for these children, consistent with Section 4714, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(D) The number of these children who are adopted before and after the act adding this section, broken out by children receiving the amount pursuant to paragraph (1) of subdivision (c), the amount pursuant to paragraph (1) of subdivision (d), and the level of supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(E) The number and levels of supplements requested pursuant to subparagraph (B) of paragraph (2) of subdivision (c).

(F) The number of appeals requested of the decision by counties to deny the request for the supplement pursuant to subparagraph (A) of paragraph (2) of subdivision (c).

(G) The total number and levels of supplements authorized pursuant to subparagraph (A) of paragraph (2) of subdivision (c) and the number of these supplements authorized upon appeal.

(i) Commencing January 1, 2012, the rate described in subdivision (c) shall be paid for an eligible nonminor dependent who is under 21 years of age, is receiving AFDC-FC or Kin-GAP benefits pursuant to Section 11403, and is a consumer of regional center services.

SEC. 31. 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 by means of child support collections, 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 and 2012–13 fiscal years, 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. 32. Section 12301.03 of the Welfare and Institutions Code is repealed.

SEC. 33. Section 12301.05 of the Welfare and Institutions Code is repealed.

SEC. 34. Section 12301.06 of the Welfare and Institutions Code is amended to read:

12301.06. (a) (1) Notwithstanding any other provision of law, except as provided in subdivision (d), the department shall implement a 3.6-percent reduction in hours of service to each recipient of services under this article, which shall be applied to the recipient's hours as authorized pursuant to the most recent assessment. This reduction shall be effective 90 days after the enactment of the act that adds this section. 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 3.6-percent reduction required by this section.

(2) 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.

(3) For those individuals who have a documented unmet need, excluding protective supervision because of the limitations on authorized hours under Section 12303.4, the reduction shall be taken first from the documented unmet need.

(b) (1) The reduction in hours of service pursuant to subdivision (a) shall cease to be implemented on July 1, 2013.

(2) It is the intent of the Legislature that on July 1, 2013, services shall be restored to the level authorized pursuant to the recipient's most recent assessment, and increased by the previously deducted 3.6 percent.

(c) The notice of action informing the recipient of the reduction pursuant to subdivision (a) shall be mailed at least 30 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) That the reduction of hours shall remain in effect until July 1, 2013, at which time service hours shall be restored to the recipient's authorized level, based on the most recent assessment, and increased by the previously deducted 3.6 percent.

(d) A recipient shall have all appeal rights otherwise provided for under Chapter 7 (commencing with Section 10950) of Part 2.

(e) (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 instructions from the department.

(f) This section shall become inoperative on July 1, 2013, and, as of January 1, 2014, is repealed, unless a later enacted statute that is enacted before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 35. Section 12305.87 of the Welfare and Institutions Code is amended to read:

12305.87. (a) (1) Commencing 90 days following the effective date of the act that adds this section, a person specified in paragraph (2) shall be subject to the criminal conviction exclusions provided for in this section, in addition to the exclusions required under Section 12305.81.

(2) This section shall apply to a person who satisfies either of the following conditions:

(A) He or she is a new applicant to provide services under this article.

(B) He or she is an applicant to provide services under this article whose application has been denied on the basis of a conviction and for whom an appeal of that denial is pending.

(b) Subject to subdivisions (c), (d), and (e), an applicant subject to this section shall not be eligible to provide or receive payment for providing

supportive services for 10 years following a conviction for, or incarceration following a conviction for, any of the following:

(1) A violent or serious felony, as specified in subdivision (c) of Section 667.5 of the Penal Code and subdivision (c) of Section 1192.7 of the Penal Code.

(2) A felony offense for which a person is required to register under subdivision (c) of Section 290 of the Penal Code. For purposes of this paragraph, the 10-year time period specified in this section shall commence with the date of conviction for, or incarceration following a conviction for, the underlying offense, and not the date of registration.

(3) A felony offense described in paragraph (2) of subdivision (c) or paragraph (2) of subdivision (g) of Section 10980.

(c) Notwithstanding subdivision (b), an application shall not be denied under this section if the applicant has obtained a certificate of rehabilitation under Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code or if the information or accusation against him or her has been dismissed pursuant to Section 1203.4 of the Penal Code.

(d) (1) Notwithstanding subdivision (b), a recipient of services under this article who wishes to employ a provider applicant who has been convicted of an offense specified in subdivision (b) may submit to the county an individual waiver of the exclusion provided for in this section. This paragraph shall not be construed to allow a recipient to submit an individual waiver with respect to a conviction or convictions for offenses specified in Section 12305.81.

(2) The county shall notify a recipient who wishes to hire a person who is applying to be a provider and who has been convicted of an offense subject to exclusion under this section of that applicant's relevant criminal offense convictions that are covered by subdivision (b). The notice shall include both of the following:

(A) A summary explanation of the exclusions created by subdivision (b), as well as the applicable waiver process described in this subdivision and the process for an applicant to seek a general exception, as described in subdivision (e). This summary explanation shall be developed by the department for use by all counties.

(B) An individual waiver form, which shall also be developed by the department and used by all counties. The waiver form shall include both of the following:

(i) A space for the county to include a reference to any Penal Code sections and corresponding offense names or descriptions that describe the relevant conviction or convictions that are covered by subdivision (b) and that the provider applicant has in his or her background.

(ii) A statement that the service recipient, or his or her authorized representative, if applicable, is aware of the applicant's conviction or convictions and agrees to waive application of this section and employ the applicant as a provider of services under this article.

(3) To ensure that the initial summary explanation referenced in this subdivision is comprehensible for recipients and provider applicants, the

department shall consult with representatives of county welfare departments and advocates for, or representatives of, recipients and providers in developing the summary explanation and offense descriptions.

(4) The individual waiver form shall be signed by the recipient, or by the recipient's authorized representative, if applicable, and returned to the county welfare department by mail or in person. Except for a parent, guardian, or person having legal custody of a minor recipient, a conservator of an adult recipient, or a spouse or registered domestic partner of a recipient, a provider applicant shall not sign his or her own individual waiver form as the recipient's authorized representative. The county shall retain the waiver form and a copy of the provider applicant's criminal offense record information search response until the date that the convictions that are the subject of the waiver request are no longer within the 10-year period specified in subdivision (b).

(5) An individual waiver submitted pursuant to this subdivision shall entitle a recipient to hire a provider applicant who otherwise meets all applicable enrollment requirements for the In-Home Supportive Services program. A provider hired pursuant to an individual waiver may be employed only by the recipient who requested that waiver, and the waiver shall only be valid with respect to convictions that are specified in that waiver. A new waiver shall be required if the provider is subsequently convicted of an offense to which this section otherwise would apply. A provider who wishes to be listed on a provider registry or to provide supportive services to a recipient who has not requested an individual waiver shall be required to apply for a general exception, as provided for in subdivision (e).

(6) Nothing in this section shall preclude a provider who is eligible to receive payment for services provided pursuant to an individual waiver under this subdivision from being eligible to receive payment for services provided to one or more additional recipients who obtain waivers pursuant to this same subdivision.

(7) The state and a county shall be immune from any liability resulting from granting an individual waiver under this subdivision.

(e) (1) Notwithstanding subdivision (b), an applicant who has been convicted of an offense identified in subdivision (b) may seek from the department a general exception to the exclusion provided for in this section.

(2) Upon receipt of a general exception request, the department shall request a copy of the applicant's criminal offender record information search response from the applicable county welfare department, public authority, or nonprofit consortium. Notwithstanding any other provision of law, the county, public authority, or nonprofit consortium shall provide a copy of the criminal offender record information search response, as provided to the county, public authority, or nonprofit consortium by the Department of Justice, to the department. The county, public authority, or nonprofit consortium shall provide this information in a manner that protects the confidentiality and privacy of the criminal offender record information search response. The state or federal criminal history record information

search response shall not be modified or altered from its form or content as provided by the Department of Justice.

(3) The department shall consider the following factors when determining whether to grant a general exception under this subdivision:

(A) The nature and seriousness of the conduct or crime under consideration and its relationship to employment duties and responsibilities.

(B) The person's activities since conviction, including, but not limited to, employment or participation in therapy education, or community service, that would indicate changed behavior.

(C) The number of convictions and the time that has elapsed since the conviction or convictions.

(D) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanction lawfully imposed against the person.

(E) Any evidence of rehabilitation, including character references, submitted by the person, or by others on the person's behalf.

(F) Employment history and current or former employer recommendations. Additional consideration shall be given to employer recommendations provided by a person who has received or has indicated a desire to receive supportive or personal care services from the applicant, including, but not limited to, those services, specified in Section 12300.

(G) Circumstances surrounding the commission of the offense that would demonstrate the unlikelihood of repetition.

(H) The granting by the Governor of a full and unconditional pardon.

(f) If the department makes a determination to deny an application to provide services pursuant to a request for a general exception, the department shall notify the applicant of this determination by either personal service or registered mail. The notice shall include the following information:

(1) A statement of the department's reasons for the denial that evaluates evidence of rehabilitation submitted by the applicant, if any, and that specifically addresses any evidence submitted relating to the factors in paragraph (3) of subdivision (e).

(2) A copy of the applicant's criminal offender record information search response, even if the applicant already has received a copy pursuant to Section 12301.6 or 12305.86. The department shall provide this information in a manner that protects the confidentiality and privacy of the criminal offender record information search response.

(A) The state or federal criminal history record shall not be modified or altered from its form or content as provided by the Department of Justice.

(B) The department shall retain a copy of each individual's criminal offender record information search response until the date that the convictions that are the subject of the exception are no longer within the 10-year period specified in subdivision (b), and shall record the date the copy of the response was provided to the individual and the department.

(C) The criminal offender record information search response shall not be made available by the department to any individual other than the provider applicant.

(g) (1) Upon written notification that the department has determined that a request for exception shall be denied, the applicant may request an administrative hearing by submitting a written request to the department within 15 business days of receipt of the written notification. Upon receipt of a written request, the department shall hold an administrative hearing consistent with the procedures specified in Section 100171 of the Health and Safety Code, except where those procedures are inconsistent with this section.

(2) A hearing under this subdivision shall be conducted by a hearing officer or administrative law judge designated by the director. A written decision shall be sent by certified mail to the applicant.

(h) The department shall revise the provider enrollment form developed pursuant to Section 12305.81 to include both of the following:

(1) The text of subdivision (c) of Section 290 of the Penal Code, subdivision (c) of Section 667.5 of the Penal Code, subdivision (c) of Section 1192.7 of the Penal Code, and paragraph (2) of subdivisions (c) and (g) of Section 10980.

(2) A statement that the provider understands that if he or she has been convicted, or incarcerated following conviction for, any of the crimes specified in the provisions identified in paragraph (b) in the last 10 years, and has not received a certificate of rehabilitation or had the information or accusation dismissed, as provided in subdivision (c), he or she shall only be authorized to receive payment for providing in-home supportive services under an individual waiver or general exception as described in this section, and upon meeting all other applicable criteria for enrollment as a provider in the program.

(i) (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 instructions from the department until regulations are adopted. The department shall adopt emergency regulations implementing these provisions no later than July 1, 2011. 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 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.

(j) In developing the individual waiver form and all-county letters or information notices or similar instructions, the department shall consult

with stakeholders, including, but not limited to, representatives of the county welfare departments, and representatives of consumers and providers. The consultation shall include at least one in-person meeting prior to the finalization of the individual waiver form and all-county letters or information notices or similar instructions.

SEC. 36. Section 12306.6 of the Welfare and Institutions Code is amended to read:

12306.6. (a) (1) Notwithstanding any other provision of law, beginning on the date for which the federal Centers for Medicare and Medicaid Services authorizes commencement of the implementation of this section, but no earlier than January 1, 2012, and concurrent with the collection of the sales tax extended to support services pursuant to Article 4 (commencing with Section 6150) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code, a provider of in-home supportive services shall receive a supplementary payment under this article equal to a percentage, as set forth in paragraph (2), of the gross receipts, as defined in subdivision (b) of Section 6150 of the Revenue and Taxation Code, of the provider for the sale of in-home supportive services, plus an amount described in paragraph (3) if applicable. If the underlying payment for in-home supportive services that is being supplemented is a Medi-Cal payment, then the supplementary payment shall also be a Medi-Cal payment. Supplementary payments shall be made only to those providers from whom the tax imposed pursuant to Section 6151 of the Revenue and Taxation Code has been collected.

(2) The percentage applicable to the supplementary payment required by paragraph (1) shall equal the rate described in subdivision (b) of Section 6151 of the Revenue and Taxation Code and shall only be applied to services provided under this article, including personal care option services reimbursable under the Medi-Cal program.

(3) The supplementary payment of an individual provider whose payroll withholding required for federal income tax purposes and for purposes of taxation for the Social Security and Medicare programs is increased due to the supplementary payment, in comparison to the amounts for those purposes that would be withheld without the supplementary payment, shall be increased by an additional amount that is equal to the amount of this additional federal withholding.

(b) (1) All revenues deposited in the Personal Care IHSS Quality Assurance Revenue Fund established pursuant to Section 6168 of the Revenue and Taxation Code shall be used solely for purposes of the In-Home Supportive Services program, including, but not limited to, those services provided under the Medi-Cal program. All supplementary payments required by this section shall be paid from the Personal Care IHSS Quality Assurance Revenue Fund.

(2) The Director of Finance shall determine the sum required to be deposited in the Personal Care IHSS Quality Assurance Revenue Fund to fund the initial supplementary payments from the fund. As soon thereafter as reasonably possible, this sum shall be transferred, in the form of a loan, from the General Fund to the Personal Care IHSS Quality Assurance

Revenue Fund. At the time sufficient revenues have been deposited in the Personal Care IHSS Quality Assurance Revenue Fund pursuant to Section 6168 of the Revenue and Taxation Code to sustain the continued operation of the fund for that portion of the supplementary payment described in paragraph (2) of subdivision (a) plus an additional amount equal to the General Fund loan made pursuant to this paragraph, plus interest, the sum transferred from the General Fund, including interest, shall be repaid to the General Fund. Subsequent supplementary payments pursuant to this section shall be made from revenue deposited in the Personal Care IHSS Quality Assurance Revenue Fund pursuant to Section 6168 of the Revenue and Taxation Code.

(3) The Department of Finance, on an ongoing basis, shall determine the amount necessary to implement paragraph (3) of subdivision (a), and subdivision (c) of Section 12302.2, and immediately transfer this amount from the General Fund to the Personal Care IHSS Quality Assurance Revenue Fund.

(c) (1) The Director of Health Care Services shall seek all federal Medicaid approvals necessary to implement this section, including using the revenues obtained pursuant to Article 4 (commencing with Section 6150) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code as the nonfederal share for supplementary payments. As part of that request for approval, the director shall seek to make the supplementary payments effective as of January 1, 2012.

(2) This section shall become operative only if the federal Centers for Medicare and Medicaid Services grants Medicaid approvals sought pursuant to paragraph (1).

(3) If Medicaid approval is granted pursuant to paragraph (2), within 10 days of that approval the Director of Health Care Services shall notify the State Board of Equalization and the appropriate fiscal and policy committees of the Legislature of the approval.

(d) If Article 4 (commencing with Section 6150) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code becomes inoperative pursuant to subdivision (b) of Section 6170 of the Revenue and Taxation Code, supplementary payments shall cease to be made pursuant to subdivision (a) when all moneys in the fund have been expended.

(e) (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 and the State Department of Health Care Services may implement and administer this section through all-county letters or similar instruction from the department and the State Department of Health Care Services until regulations are adopted. The department and the State Department of Health Care Services shall adopt emergency regulations implementing this section no later than 12 months following the initial effective date of the supplementary payments. The department and the State Department of Health Care Services 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 and approval 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.

(f) This section shall remain in effect only until the January 1 following the date supplementary payments cease to be made pursuant to subdivision (d), and as of that date is repealed.

SEC. 37. Section 14124.93 of the Welfare and Institutions Code is amended to read:

14124.93. (a) The Department of Child Support Services shall provide payments to the local child support agency of fifty dollars (\$50) per case for obtaining third-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the annual Budget Act.

(b) A county shall be eligible for a payment if the county obtains third-party health coverage or insurance for applicants or recipients of Title IV-D services not previously covered, or for whom coverage has lapsed, and the county provides all required information on a form approved by both the Department of Child Support Services and the State Department of Health Care Services.

(c) Payments to the local child support agency under this section shall be suspended for the 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, 2009–10, 2010–11, 2011–12, 2012–13, 2013–14, and 2014–15 fiscal years.

SEC. 38. Section 14132.957 of the Welfare and Institutions Code is repealed.

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 ten-dollar (\$10) per month additional food assistance benefit for each eligible CalFresh 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 CalFresh 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 Supplemental Nutrition Assistance Program benefits administered in California as CalFresh (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 January 1, 2014, and full implementation of the program shall be achieved on or before July 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 June 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, 2013.

(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, 2014, for consideration during the regular legislative budget subcommittee process in 2014.

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

SEC. 40. Section 18285 of the Welfare and Institutions Code is amended to read:

18285. (a) There is hereby created in the State Treasury the Child Health and Safety Fund for the purposes specified in this section.

(b) Moneys for this fund shall be derived from the license plate program provided for pursuant to Section 5072 of the Vehicle Code and from civil penalties on child day care facility providers.

(c) Moneys in the fund shall be expended, upon appropriation by the Legislature, for the purposes specified in subdivisions (d), (e) and (f).

(d) Fifty percent of moneys derived from the license plate program pursuant to Section 5072 of the Vehicle Code shall be available, upon appropriation, to the State Department of Social Services for the purpose of administering provisions of Sections 1596.816, 1596.87, 1596.872b, 1596.893b 1596.895, 1596.95, 1597.091, 1597.54, 1597.541, 1597.542, 1597.55b and 1597.62 of the Health and Safety Code. Upon appropriation by the Legislature, an additional five hundred one thousand dollars (\$501,000), in excess of the 50 percent derived from the license plate program, also shall be made available for these purposes. The State Department of Social Services shall allocate these special funds according to the following priorities:

(1) Site visits performed pursuant to Sections 1597.091 and 1597.55b of the Health and Safety Code.

(2) The monitoring responsibility of the child care advocate program.

(3) Training for investigative and licensing field staff.

(4) Other aspects of the child care advocate program performed pursuant to Section 1596.872b of the Health and Safety Code.

(5) The salary of the chief of the child care licensing branch.

In order to implement the list of priorities set forth in this subdivision, and to complete implementation of subdivision (a) of Section 1596.816 of the Health and Safety Code, the State Department of Social Services may, as necessary, fund appropriate administrative support costs.

(e) The balance of funds remaining after the appropriations specified in subdivision (d) derived from the license plate program pursuant to Section 5072 of the Vehicle Code shall be available, upon appropriation, for programs that address any of the following child health and safety concerns and that are either to be carried out within a two-year period or whose implementation is dependent upon one-time initial funding:

(1) Child abuse prevention, except that not more than 25 percent of the moneys in this fund shall be used for this purpose. Ninety percent of the 25 percent shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, for the support of child abuse prevention services in the community, and 10 percent of the 25 percent shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969, for public education, training, and technical assistance.

(2) Vehicular safety, including restraint warnings and education programs.

(3) Drowning prevention.

(4) Playground safety standards.

(5) Bicycle safety.

(6) Gun safety.

(7) Fire safety.

(8) Poison control and safety.

(9) In-home safety.

(10) Childhood lead poisoning.

(11) Sudden infant death syndrome.

(f) Moneys derived from civil penalties imposed on child day care facility providers shall be made available, upon appropriation, to the State Department of Social Services exclusively for the technical assistance, orientation, training, and education of child day care facility providers.

SEC. 41. The heading of Chapter 7 (commencing with Section 19700) of Part 2 of Division 10 of the Welfare and Institutions Code is amended to read:

CHAPTER 7. APPEALS

SEC. 42. Section 19700 of the Welfare and Institutions Code is repealed.

SEC. 43. Section 19701 of the Welfare and Institutions Code is repealed.

SEC. 44. Section 19702 of the Welfare and Institutions Code is repealed.

SEC. 45. Section 19704 of the Welfare and Institutions Code is amended to read:

19704. (a) If any applicant for, or client of, the department is dissatisfied with any action of the department relating to his or her application or receipt of services, or if any person who desires to apply for that assistance is refused the opportunity to submit a signed application therefor and is dissatisfied with that refusal, he or she shall, upon filing a request with the department within one year after the decision or action complained of, have a right to an administrative review and redetermination by a member or members of the supervisory staff of the department and a fair hearing before an impartial hearing officer.

(b) An administrative review shall not delay a hearing before an impartial hearing officer if that hearing is requested. The review shall be held and the decision of the reviewer shall be rendered to the applicant or client within 15 days of the date the request was filed.

(c) A fair hearing shall be held within 60 days of the date a written request is received by the department.

(d) Notwithstanding Sections 19130, 19131, and 19132 of the Government Code, the department shall contract with another office, entity, or department for the provision of impartial hearing officers.

SEC. 46. Section 19705 of the Welfare and Institutions Code is amended to read:

19705. (a) (1) After consulting with the appellant, the department shall set the time and place of the hearing specified in Section 19704 before an impartial hearing officer and shall give all parties concerned written notice of the time and place of the hearing.

(2) An impartial hearing officer may change the time and place of the hearing after further consultation with, and to accommodate the convenience of, the appellant. If the appellant consents and each participant in the hearing has an opportunity to participate in the entire proceeding while it is taking place and to examine exhibits, all or part of the fair hearing may be conducted by means other than an in-person hearing.

(b) At the hearing, the appellant may appear, may be accompanied by a representative of his or her own choosing, or may designate a representative to appear on his or her behalf. The appellant may submit the matter on the written record and waive the right to appear at the hearing.

(c) Upon a joint request of the parties or upon a showing of good cause by either party, the impartial hearing officer may grant extensions of time or continuances of the hearing.

(d) (1) The hearing shall be conducted by an impartial hearing officer who has no personal, financial, professional, or other interest that would conflict with his or her objectivity in conducting the hearing. The impartial hearing officer shall be knowledgeable regarding the federal and state laws and regulations applicable to the department.

(2) The hearing shall not be conducted according to the technical rules of evidence and those related to witnesses. Any relevant evidence shall be admitted if it is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in a civil action. All testimony shall be under oath or affirmation, which the impartial hearing officer is empowered to administer.

(3) The impartial hearing officer shall do all of the following:

(A) Consider the presentation of relevant viewpoints about the issues of disagreement.

(B) Examine the evidence presented during the hearing.

(C) Issue a decision to the parties, written in ordinary and concise language and in compliance with federal and state law and regulations, that includes findings and grounds for the decision, within 30 days of the completion of the hearing.

SEC. 47. Section 19705.1 is added to the Welfare and Institutions Code, to read:

19705.1. Training for impartial hearing officers shall include, but not be limited to, both of the following:

(a) Information regarding the goals and requirements of the vocational rehabilitation program, the state plan, and federal and state statutes and regulations governing the program.

(b) Instruction in how to protect the rights of appellants at administrative hearings, with emphasis on assisting, where appropriate, those appellants represented by themselves or an advocate inexperienced in administrative hearings in fully developing the administrative record.

SEC. 48. Section 19706 of the Welfare and Institutions Code is repealed.

SEC. 49. Section 19709 of the Welfare and Institutions Code is amended to read:

19709. (a) The appellant, within six months after receiving notice of the impartial hearing officer's final decision, may file a petition with the superior court, under Section 1094.5 of the Code of Civil Procedure, praying for a review of the entire proceedings in the matter, upon questions of law involved in the case. The review, if granted, shall be the exclusive remedy available to the appellant for review of the impartial hearing officer's final decision. The department shall be the sole respondent in the proceedings.

(b) No filing fee shall be required for the filing of a petition pursuant to this section. Any of these petitions to the superior court shall be entitled to a preference in setting a date for hearing on the petition. No bond shall be required in the case of any petition for review, nor in any appeal therefrom. The appellant shall be entitled to reasonable attorney's fees and costs, if he or she obtains a decision in his or her favor.

SEC. 50. Section 19710 is added to the Welfare and Institutions Code, to read:

19710. Until January 1, 2014, the adoption and readoption of regulations to modify appeals processes consistent with this part shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement that it describe facts showing the need for immediate action and from review of the emergency regulations by the Office of Administrative Law.

SEC. 51. Section 72 of Chapter 32 of the Statutes of 2011 is amended to read:

Sec. 72. The State Department of Social Services, in consultation with stakeholders including, but not limited to, counties and public authorities, including representatives of the California Association of Public Authorities, shall develop a new ratesetting methodology for public authority administrative costs, to go into effect commencing with the 2013–14 fiscal year.

SEC. 52. (a) The State Department of Social Services shall use funding included in the Budget Act of 2012 related to replacement of the Child Welfare Services/Case Management System (CWS/CMS) for the next steps necessary to move forward with the recommendation of the Child Welfare Automation Study Team (CAST) to proceed toward procuring a new system, consistent with a buy/build strategy, as described in the CAST report submitted to the Legislature. These next steps shall include, but shall not be limited to, completing, in consultation with the counties and the County Welfare Directors Association, a Feasibility Study Report (FSR) and federal Advance Planning Document (APD), as well as conducting other planning activities. The Office of Systems Integration (OSI) and the department shall report the results of these activities, in addition to the key milestones and anticipated timelines for any resulting procurement process, to the Legislature by March 1, 2013, for review during budget hearings in 2013.

(b) (1) The requirement for submitting a report imposed under subdivision (a) is inoperative on March 1, 2017, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 53. (a) The State Department of Social Services (DSS) and the Office of Systems Integration (OSI) shall have a qualified third party conduct a cost-reasonableness assessment of the costs proposed by the vendor to migrate the Consortium-IV counties to the newly developed Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS). The purpose of the assessment is to determine whether the proposed overall costs are within range of reasonableness, based on current market rates and prices for the products and services proposed under the vendor contract terms and conditions, and given the proposed migration plans, project requirements and objectives, implementation approach, and project risks, among other factors.

(b) The assessment shall be conducted during the LRS development period and the results shall be ready within an appropriate time for DSS and OSI to determine how best to negotiate with the vendor in order to proceed with the Consortium-IV migration to LRS.

SEC. 54. (a) The State Department of Social Services, in consultation with stakeholders, including counties, advocates, and legislative staff, shall convene a workgroup to identify best practices and other strategies that may improve early engagement and barrier removal efforts so that the initial months during which an adult recipient is subject to welfare-to-work requirements are as meaningful an opportunity as possible. The scope of the workgroup may include, but is not limited to, evaluating the processes described in Section 11320.1 of the Welfare and Institutions Code and determining the extent to which the current orientation, appraisal, assessments, evaluations, job search and job club, welfare-to-work activities, and sanctions, meet the needs of and lead to successful outcomes for CalWORKs recipients, including recipients with barriers to participation. The State Department of Social Services shall report to the appropriate policy and fiscal committees of the Legislature by January 10, 2013, regarding the recommendations developed pursuant to this subdivision, including those that will be implemented through administrative changes and those that would require statutory changes.

(b) The requirement for submitting a report imposed under subdivision (a) shall become inoperative on January 10, 2017, pursuant to Section 10231.5 of the Government Code and as of that date, this section shall be repealed.

SEC. 55. (a) The State Department of Social Services shall annually update the Legislature regarding the implementation of the changes contained in this act. Additionally, the department shall contract with an independent, research-based institution for an evaluation and written report that shall be provided to the Legislature by January 1, 2018. The report shall include, but not be limited to, the following information, with respect to the period of evaluation:

(1) (A) The number of adult recipients who were eligible for CalWORKs prior to the operative date of this act.

(B) The number of recipients participating in welfare-to-work activities pursuant to paragraph (1) of subdivision (a) of Section 11322.85 of the Welfare and Institutions Code.

(C) The number of recipients participating in welfare-to-work activities pursuant to paragraph (3) of subdivision (a) of Section 11322.85 of the Welfare and Institutions Code.

(2) For each of the categories of recipients described in paragraph (1):

(A) The activities in which recipients are participating.

(B) The number of recipients who are exempt from participation in welfare-to-work activities.

(C) The average time that recipient families receive assistance.

(D) The number of families who complete their welfare-to-work plan and exit the CalWORKs program as a result of earned income or other factors.

(E) The number of families that reach the 24-month time limit but are granted an extension pursuant to Section 11322.87 of the Welfare and Institutions Code, the bases for those extensions, and the average length of those extensions.

(F) The number of families for whom the provisions of Section 11322.85 of the Welfare and Institutions Code apply and who exit the welfare-to-work program and have no aided adult in their assistance unit as a result of the 24-month time limit.

(G) The number of recipients who do not complete their welfare-to-work plans and for whom this lack of completion may be due to barriers to employment, which may include the following:

- (i) The recipient does not have a GED.
- (ii) The recipient is an English language learner.
- (iii) The recipient is a victim of domestic violence.
- (iv) The recipient has behavioral health needs, including those related to mental health or substance abuse.
- (v) The recipient has a learning or other disability.
- (vi) Other barriers identified by the advisory group established pursuant to subdivision (b).

(H) Additional information identified by the advisory group established pursuant to subdivision (b).

(3) The report shall also include information regarding relevant caseload trends in the CalWORKs program.

(b) By March 1, 2013, the department shall convene an advisory group of stakeholders, including counties, advocates, and legislative staff, to inform the scope of the evaluation and report. This group shall meet as necessary during the period of the evaluation, and leading up to the finalization of the report.

(c) (1) The requirement for submitting a report imposed under subdivision (a) shall become inoperative on January 1, 2021, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 56. (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 made pursuant to Sections 11265.45, 11265.46, 11265.47, 11265.48, 11320.3, 11322.63, 11322.8, 11322.85, 11322.86, 11322.87, 11451.5, and 11454.5 of the Welfare and Institutions Code, as amended or added by this act, through all-county letters or similar instructions from the director until regulations are adopted. The department shall adopt emergency regulations implementing these provisions no later than July 1, 2014. The Department of Social Services may readopt any emergency regulation authorized by this section

that is the same as, or substantially equivalent to, any emergency regulation previously adopted under this section.

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

SEC. 57. 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. 58. The sum of one thousand dollars (\$1,000) is hereby appropriated from the General Fund to the California Health and Human Services Agency for administration.

SEC. 59. The changes made by this act to Chapter 7 (commencing with Section 19700) of Part 2 of Division 10 of the Welfare and Institutions Code shall become operative 30 days after the effective date of this act.

SEC. 60. 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.