
	MANAGEMENT AND OFFICE PROCEDURES	
Regulations	PURCHASE OF SERVICE	23-650 (Cont.)

23-650	PROCUREMENT BY NEGOTIATION	23-650
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This section contains policies and procedures which shall be observed by counties in procurements by negotiation, as distinguished from formal advertising, and the limitations upon its use.

- .1 Contracts may be negotiated without formal advertising when one or more of the following exists:
 - .11 When a public emergency exists and the urgency is such that time is not available for formal advertising. This should be applied only in emergencies caused by circumstances outside of the county's control and not for delays caused by county inaction.
 - .12 If rates established by the state are to be used for payments and CDSS has notified the counties that formal advertising is not necessary for a particular program.
 - .13 If the aggregate annual amount involved does not exceed \$100,000. However, qualifications and price must still be solicited through a manner consistent with the county's own procurement policies. Selection shall be made using the criteria set forth in Section 23-650.2.
 - .14 For any service to be rendered by any federal, state, or local government agency, public university, public college or other public educational institution. CDSS may require formal advertising when contracts with government agencies or public educational institutions are considered excessive in price when compared to similar services provided through competition, or where competition between public and private agencies is necessary to accomplish program purposes.

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BILL ANALYSIS

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|SENATE RULES COMMITTEE           |                               | SB 1041 |
|Office of Senate Floor Analyses  |                               |         |
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|327-4478                         |                               |         |
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UNFINISHED BUSINESS

Bill No: SB 1041
 Author: Senate Budget and Fiscal Review Committee
 Amended: 6/26/12
 Vote: 21

PRIOR VOTES NOT RELEVANT

ASSEMBLY FLOOR : Not available

SUBJECT : Budget Act of 2012: Human Services Omnibus

SOURCE : Author

DIGEST : This bill contains the necessary statutory and technical changes to implement the Human Services provisions of the Budget Act of 2012.

Assembly Amendments delete the Senate version of the bill and insert the above language.

ANALYSIS : This bill includes the following provisions:

1. CalWORKs : Makes changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) program that result in savings of approximately \$469.1 million General Fund, as follows:

A. Changing Time Limits and Work Participation Requirements:

CONTINUED

Modifies the number of welfare-to-work participation hours to conform to current federal requirements and eliminates requirements related to participation in core and non-core activities.

Changes welfare-to-work requirements applicable to CalWORKs recipients, on or after January 1, 2013, by creating a new 24-month time limit. Unless otherwise exempt from participation, applicants and recipients would receive 24 months of welfare-to-work services and activities under current state rules, and would then be required to meet federal participation requirements to access the remainder of the months toward their 48-month lifetime time limit. Provides that this 24-month time limit is a prospective change, and that months of assistance prior to January 1, 2013 shall not be counted toward the 24-month time limit.

Further, specifies that months of assistance during which the recipient has been sanctioned or excused from participation for good cause, qualifies for an exemption, or is a custodial parent who is under 20 years of age and who has not earned a high school diploma or its equivalent, do not count toward the 24-month time limit. Additionally, months during which the recipient is participating in job search or assessment, is in the process of appraisal, or is participating in the development of a welfare-to-work plan, as specified, do not count toward the 24-month time limit. Finally, months in which the recipient is meeting federal participation requirements do not count as a month of activities for purposes of the 24-month time limit.

Provides for notice requirements to recipients regarding the 24-month time limit that explain the process by which recipients may claim exemptions from, and extensions to, the 24-month time limit when 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.

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Requires the Department of Social Services (DSS), in consultation with stakeholders, to convene a workgroup to determine further details of the noticing and engagement requirements for the 24 month time limit, and to instruct counties by way of an all-county letter, followed by regulations, no later than 18 months after the effective date of January 1, 2013.

Provides that counties may extend assistance for no more than 20 percent of recipients, as specified, upon expiration of the 24-month time limit. Requires DSS to consult with stakeholders and to develop and issue instructions on the process for implementing these extensions and calculating this 20 percent limitation.

With respect to extensions of the 24-month time limit, allows recipients to submit evidence that the following circumstances exist: a) is likely to obtain employment within six months; b) has encountered unique labor market barriers preventing employment; c) has achieved satisfactory progress in an educational or training program; d) needs additional time to complete a welfare-to-work activity included in the case plan due to a diagnosed learning or other disability; or e) has submitted an application to receive SSI disability benefits and is awaiting an established hearing date. Subject to the 20 percent limitation described above, requires counties to grant extensions of time under these circumstances, unless they determine that the evidence presented does not support the existence of the circumstances. If the county makes such a determination and there is a hearing disputing the denial of an extension, establishes that the burden of proof is on the county to establish that the extension was not justified.

Provides that a county may, again subject to the 20 percent limitation, grant an extension of the 24-month time limit if, as a result of information

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already available to a county, the county identifies that a recipient meets the circumstances described above.

States that it is the Legislature's intent that the state shall work with the counties and other stakeholders to ensure that the extension process will be implemented with minimal disruption to the impending completion of welfare-to-work plans for recipients.

Provides that for a recipient who is not exempt or granted an extension pursuant to the above, and who does not meet the federal participation requirements between their 24th and 48th month time limits, the same policies regarding the removal of the adult portion of the grant and opportunities for engagement and curing are available as those applicable to sanctions pursuant to current law. For purposes of this new policy, however, states that the procedures referenced shall not be described as sanctions.

A. Changes Related to Exemptions from Work Participation Requirements:

Extends the current temporary exemptions provided in relation to the reduction in the county single allocation from July 1, 2012 until January 1, 2013, when these exemptions will sunset. These temporary exemptions are provided to 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. These exemptions are commonly referenced as "temporary young child" exemptions.

States that reduced funding, including a reduction to the county single allocation, for the period between July 1, 2012 and January 1, 2015, will result in insufficient resources to provide the full range of welfare-to-work services during that time period.

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Extends through January 1, 2015, the option for a county to redirect funding 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.

Requires counties to reengage recipients who had received the temporary young child exemption in welfare-to-work activities starting January 1, 2013 and over a period of two years (unless those recipients are otherwise exempt from participation). Recipients will not be required to participate until the county welfare department reengages them.

Creates a similar, ongoing, one-time young child exemption for caregivers of a child 24 months of age or younger, and provides that a month during which this exemption applies would not be counted as a month of receipt of aid for the recipient.

A. Other Changes:

Requires DSS to convene a workgroup to identify best practices and other strategies to improve early engagement and barrier removal efforts, as specified, and to report back to the Legislature by January 10, 2013 regarding its related actions and recommendations.

Requires DSS to annually update the Legislature regarding the changes made by this bill to the CalWORKs program, and to 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.

Exempts a CalWORKs assistance unit that does not include an eligible adult from periodic reporting requirements other than annual

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redetermination and makes corresponding changes.

Restores the earned income disregard policy to that which existed prior to the enactment of the 2011-12 Budget Act, allowing a participant to retain \$225 and \$.50 of each dollar thereafter of monthly earnings (altering the 2011-12 policy that allows retention of \$112 and \$.50 of each dollar). This policy will apply to the entire caseload with earnings and will take effect October 1, 2013.

Delays the effective date for the Work Incentive Nutritional Supplement (WINS) program until January 1, 2014 and reduces the amount of the WINS benefit, which is an additional food assistance benefit for each eligible food stamp household, from \$40 to \$10 per month. Correspondingly, delays dates associated with the development of policy toward a pre-assistance employment readiness system (PAERS) program and other options that may benefit the CalWORKs program, as specified.

1. Phase-in and Reporting Related to Cal-Learn Program:

Restores the operation of intensive case management services provided through the Cal-Learn program within CalWORKs. State funding for these services was suspended during the 2011-12 fiscal year. From July 1, 2012 to March 31, 2013, inclusive, authorizes counties to provide full or partial year funding, depending on the pace of their progression to full implementation, by April 1, 2013. Additionally requires the Department of Social Services (DSS) to annually report specified information related to the program to the budget committees of the Legislature. The phase-in approach included in this bill provides for savings in 2012-13 of approximately \$10 million GF.

2. Child Support Payment Trust Fund : For the 2012-13 fiscal year only, authorizes money in the Child Support Payment Trust Fund accounts to be invested in specified securities or alternatives that offer comparable security, including mutual funds and money market funds. The provision does not authorize an investment or transfer that would interfere with the objective of

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the Child Support Payment Trust Fund.

3. Continues Suspension of Child Support Incentive

Payments : Extends the suspension of performance and health insurance-related incentive payments to local child support agencies (LCSAs) through the 2014-15 fiscal year. Existing law, in the absence of a suspension, would award the ten highest performing counties with an additional share of collections and require the state to provide payments to LCSAs of \$50 per case for obtaining 3rd-party health coverage or insurance of Medi-Cal beneficiaries.

4. Continues Suspension of Fingerprint Fee Exemption :

Extends the suspension of a prohibition on the state charging fees for fingerprinting in order to conduct background checks of applicants for licenses to operate specified community care facilities that serve children.

5. Changes to Implementation Date for Sales Tax on

Support Services : Delays the date when the state can implement existing law related to the extension of the sales tax to apply to support services (i.e., homecare)- from July 1, 2010 to January 1, 2012. Under existing law, corresponding supplementary payments would be made to specified providers of those services.

6. Repeals Sections Related to Statewide Eligibility and

Enrollment Processing : Repeals a statute that was enacted as part of the 2009 Budget Act that required the Administration to develop a statewide eligibility and enrollment determination process for CalWORKs, Medi-Cal, and Supplemental Nutrition Assistance Program (SNAP, also known as CalFresh or food stamps) programs, and directed the development of a comprehensive plan with respect to a centralized eligibility and enrollment process. Subsequent statutes changes related to the Statewide Automated Welfare System have obviated these requirements. Thus, this repeal resolves potential statutory conflicts with respect to the state's information technology systems and enrollment processes.

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7. Moratorium on Group Home Rate-Setting : Permanently extends the moratorium on the licensing of new group homes or approvals of specified changes for existing providers, with some allowable exceptions. This moratorium was initially established as a part of the 2010 Budget Act. New provisions further limit, for one year, exceptions for any programs with rate classification levels below 10 to those associated with a program change.

8. Cost-of-Living Adjustment for Dual Agency Rates : Requires annual adjustment by changes in the cost of living (as measured by the California Necessities Index) of rates payable for care and supervision of children who are dually eligible for the Child Welfare Services and Developmental Services systems. This change is consistent with changes made last year to foster family home and related rates in response to litigation. Under the provisions of this bill, the change to dual agency rates would begin retroactively with the 2011-12 fiscal year.

9. Repeal of Medication Dispensing Machine Pilot : Repeals statute that required the Department of Health Care Services to establish a medication dispensing machine pilot project for certain at-risk Medi-Cal recipients. This pilot project was also associated with a reduction, with some exceptions, in authorized hours of service for In-Home Supportive Services (IHSS) recipients that would have been triggered if savings from the pilot had not been achieved. This bill would repeal both of these policies.

10. Extension of 3.6 Percent Reduction in Authorized IHSS Hours : Extends, for the 2012-13 fiscal year, an existing reduction of 3.6 percent in authorized IHSS hours that is otherwise scheduled to sunset on July 1, 2013. This reduction is anticipated to save approximately \$58.9 million GF in 2012-13.

11. Criminal Offender Record Information (CORI) Sharing : Authorizes local public authorities or nonprofit consortia to share CORI background reports with DSS in

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specified circumstances. More specifically, allows the public authority or nonprofit consortia to share this information when an individual who is applying to become an IHSS provider has requested from the department an exception to a prohibition on his/her ability to become a provider because of his/her criminal record.

12. Rate-setting for IHSS Public Authorities : Extends by one year, to the 2013-14 fiscal year, the required time by which DSS, in consultation with designated stakeholders, must develop a new rate-setting methodology for estimating the costs of public authorities with respect to administration of specified requirements related to the state's IHSS program.

13. Rehabilitation Appeals : Eliminates the Rehabilitation Appeals Board, which currently serves as the entity which hears appeals by applicants for, or clients of, programs provided by the Department of Rehabilitation. Instead provides for fair hearings to be held before an impartial hearing officer and establishes standards, training, and due process requirements related to those fair hearings.

14. Kids' Plates Funding : Amends existing requirements related to distribution of funds in the Child Health and Safety Fund that are derived from the Have a Heart, Help Our Kids specialized license plate program (Kids' Plates). Specifically, redirects \$501,000 from child abuse and injury prevention programs to support specific DSS responsibilities related to child day care licensing.

15. Child Welfare Services Automation System : Requires DSS to use specified funding included in the 2012 Budget Act for the next steps necessary to move forward with the recommendation of the Child Welfare Automation Study Team (CWAST) to proceed toward procuring a new information technology system to replace the existing Child Welfare Services/Case Management System (CWS/CMS). Further, requires the Office of Systems Integration (OSI) and the department to report the results of these activities, in addition to key

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milestones and anticipated timelines, to the Legislature by March 1, 2013, for review during 2013 budget hearings.

16. Assessment of Automation Costs : Requires DSS and the Office of Systems Integration (OSI) to have a qualified 3rd party conduct a cost-reasonableness assessment of specified costs related to changes in the Statewide Automated Welfare System (SAWS). More specifically, requires this assessment with respect to costs that will be proposed by the project vendor in order to consolidate two of the state's three existing consortia systems into one new consortium (leaving the state with a two-consortium system). This migration will consolidate data and functionality for the counties currently served by Consortium-IV into the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System, which is newly being developed. The cost reasonableness assessment is intended to assist the state in determining whether the proposed overall costs for this migration are within range of reasonableness, based on specified factors.

FISCAL EFFECT : Appropriation: Yes Fiscal Com.: Yes
Local: Yes

DLW:d 6/27/12 Senate Floor Analyses

SUPPORT/OPPOSITION: NONE RECEIVED

**** END ****

WELFARE AND INSTITUTIONS CODE - WIC**ARTICLE 3.2. Welfare-to-Work Activities [11320 - 11329.5]**

(Heading of Article 3.2 amended (as added by Stats. 1990, Ch. 1568) by Stats. 1997, Ch. 270, Sec. 59.)

11322.6.

The welfare-to-work plan developed by the county welfare department and the participant pursuant to this article shall provide for welfare-to-work activities. Welfare-to-work activities may include, but are not limited to, any of the following:

(a) Unsubsidized employment.

(b) Subsidized private sector employment.

(c) Subsidized public sector employment.

(d) Work experience, which means public or private sector work that shall help provide basic job skills, enhance existing job skills in a position related to the participant's experience, or provide a needed community service that will lead to employment. Unpaid work experience shall be limited to 12 months, unless the county welfare department and the recipient agree to extend this period by an amendment to the welfare-to-work plan. The county welfare department shall review the work experience assignment as appropriate and make revisions as necessary to ensure that it continues to be consistent with the participant's plan and effective in preparing the participant to attain employment.

(e) On-the-job training.

(f) (1) Grant-based on-the-job training, which means public or private sector employment or on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings resulting from employment, or both, is diverted to the employer as a wage subsidy to partially or wholly offset the payment of wages to the participant, so long as the total amount diverted does not exceed the family's maximum aid payment.

(2) A county shall not assign a participant to grant-based on-the-job training unless and until the participant has voluntarily agreed to participate in grant-based on-the-job training by executing a voluntary agreement form, which shall be developed by the department. The agreement shall include, but not be limited to, information on the following:

(A) How job termination or another event will not result in loss of the recipient's grant funds, pursuant to department regulations.

(B) (i) How to obtain the federal Earned Income Tax Credit (EITC), including the Advance EITC, and increased CalFresh benefits, which may become available due to increased earned income.

(ii) This subparagraph shall only become operative when and to the extent that the department determines that it reflects current federal law and Internal Revenue Service regulations.

(C) How these financial supports should increase the participant's current income and how increasing earned income should increase the recipient's future social security income.

(3) Grant-based on-the-job training shall include community service positions pursuant to Section 11322.9.

(4) Any portion of a wage from employment that is funded by the diversion of a recipient's cash grant, or the grant savings from employment pursuant to this subdivision, or both, shall not be exempt under Section 11451.5 from the calculation of the income of the family for purposes of subdivision (a) of Section 11450.

(g) Supported work or transitional employment, which means forms of grant-based on-the-job training in which the recipient's cash grant, or a portion thereof, or the aid grant savings from employment, is diverted to an intermediary service provider, to partially or wholly offset the payment of wages to the participant.

(h) Workstudy.

(i) Self-employment.

(j) Community service.

(k) Adult basic education, which shall include reading, writing, arithmetic, high school proficiency, or general educational development certificate of instruction, and English as a second language. Participants under this subdivision shall be referred to appropriate service providers that include, but are not limited to, educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code.

(l) Job skills training directly related to employment.

(m) Vocational education and training, including, but not limited to, college and community college education, adult education, regional occupational centers, and regional occupational programs.

(n) Job search and job readiness assistance, which means providing the recipient with training to learn job seeking and interviewing skills, to understand employer expectations, and learn skills designed to enhance an individual's capacity to move toward self-sufficiency, including financial management education.

(o) Education directly related to employment.

(p) Satisfactory progress in secondary school or in a course of study leading to a certificate of general educational development, in the case of a recipient who has not completed secondary school or received such a certificate.

(q) Mental health, substance abuse, and domestic violence services, described in Sections 11325.7 and 11325.8, and Article 7.5 (commencing with Section 11495), that are necessary to obtain and retain employment.

(r) Other activities necessary to assist an individual in obtaining unsubsidized employment.

Assignment to an educational activity identified in subdivisions (k), (m), (o), and (p) is limited to those situations in which the education is needed to become employed.

11322.61.

(a) Except as provided in subdivisions (c) and (d) of Section 11327.5, if there is any interruption in receipt of income for an employee in a grant-based on-the-job training program, as provided for pursuant to subdivision (j) of Section 11322.6, that is caused by an employer's conduct, the county shall ensure that a recipient receives 100 percent of the maximum aid payment, not counting the unpaid wages, that the assistance unit is eligible to receive. The payment shall be made as a supplemental grant payment. The county shall act to recover from the employer any amount of the grant diverted to the employer that was not paid as wages to the recipient. The agreement between the county and the employer pertaining to grant-based on-the-job training shall state that the county will take action to collect from the employer the amount of the grant diverted to the employer that was not paid as wages to the recipient.

(b) Pursuant to subdivision (f) of Section 11322.6, counties using grant-based on-the-job training shall monitor employers participating in grant-based on-the-job training, and shall cancel the participation of employers who demonstrate, over time, any of the following:

(1) An unwillingness to hire recipients who have participated in grant-based on-the-job training with that employer.

(2) An inability to provide job skills that enable participants to obtain nonsubsidized employment with other employers.

11322.62.

Employers, sponsors of training activities, and contractors shall not discriminate against participants on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code.

11322.65.

(a) Unless otherwise specified in this chapter, assignment to any activity otherwise authorized under this article shall be limited in any county to the number or percentage of participants specified under Section 407 of the federal Social Security Act (42 U.S.C. Sec. 607) and subsequent amendments thereto, unless the recipient is concurrently participating in any activities that will count for the required number of hours of participation under federal law.

(b) Subdivision (a) shall not apply if the statewide percentage, as determined by the department, is less than the limits described in federal law

11322.67.

(a) If a pregnant woman is required to participate in work under this article, she may satisfy the work participation requirements by participating in a voluntary maternal, infant, and early childhood home visiting program or another voluntary home visiting program for low-income Californians that is approved by the United States Department of Health and Human Services. The hours that the woman participates in the home visiting program shall be applied to the work participation hours required by Section 11322.8 for a period of no longer than 10 months.

(b) In accordance with Section 11329.2, this section shall be implemented only upon receipt of a waiver of compliance with Section 602 of Title 42 of the United States Code by the United States Department of Health and Human Services, for purposes of establishing more effective ways to meet the goals of CalWORKs, particularly helping parents successfully prepare for employment and supporting the health and well-being of children