
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

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Bill No: SB 321 **Hearing Date:** April 24, 2019
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Subject: CalWORKs: supportive services: childcare

SUMMARY

This bill increases access to childcare for welfare-to-work participants, by, among other things, requiring that CalWORKs first-stage childcare be full-time, requiring first-stage childcare to be authorized for one year, or until the participant is transferred to the second stage of childcare, and prohibiting the first stage or the second of childcare from being discontinued until the family has been enrolled or is ineligible for services in the subsequent stage of childcare. The bill also specifies additional activities for which childcare services are available and requires that welfare-to-work participants be informed of the availability of childcare services at various times and requires specified information sharing between the counties and childcare contractors.

BACKGROUND

Existing law:

- 1) Establishes the Child Care and Development Services Act to provide childcare and development services as part of a coordinated, comprehensive, and cost-effective system serving children (from birth to 13 years old) and their parents, and including a full range of supervision, health, and support services through full- and part-time programs. (Education Code (EC) § 8200 et seq.)
- 2) States the intent of the Legislature that all families have access to childcare and development services, through resource and referral where appropriate, regardless of demographic background or special needs, and that families are provided the opportunity to attain financial stability through employment while maximizing growth and development of their children and enhancing their parenting skills through participation in childcare and development programs. (EC § 8202)
- 3) Defines "child care and development services" to mean services designed to meet a wide variety of children's and families' needs while parents and guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements. (EC § 8208 (j))
- 4) Establishes three stages of services through which a CalWORKs recipient, or any successor program, will pass. Further provides that, as families' childcare

- needs are met by county welfare departments and later by other local childcare and development contractors, it is the intent of the Legislature that families experience no break in their childcare services due to a transition between the three stages of childcare services. (EC § 8350 (b))
- 5) Provides that current CalWORKs recipients are eligible for subsidized childcare services as long as they continue to receive CalWORKs aid. (EC § 8350.5)
 - 6) Provides that the county welfare departments shall manage the first stage of CalWORKs childcare during which a family shall receive a childcare subsidy for any legal care chosen by the parent and that the first stage begins upon entry into CalWORKs. (EC § 8351 (a))
 - 7) Requires a county to move recipients out of this first response stage as quickly as possible after the county determines that the need for childcare is stable. A recipient may be served in this stage for a maximum of six months, which may be extended if the county determines that the recipient's situation is too unstable to be shifted to the second stage or if no funds are available to provide childcare services in the second stage. (EC § 8351 (b))
 - 8) Permits former CalWORKs recipients who cannot be transitioned from the first stage of childcare because no funded slot is available to receive the first stage and any subsequent Stage Two childcare services for up to a total of 24 months after they leave cash aid, or until they are otherwise ineligible within that 24-month period, as specified. (EC § 8351 (c))
 - 9) Requires, as soon as appropriate, county welfare departments to refer families needing childcare services to the local childcare resource and referral program, staff for which shall co-locate with a county welfare department case management offices or arrange other means of swift communication with parents and case managers of this aid. Requires the local childcare resource and referral program to assist families to establish stable childcare arrangements as soon as possible. (EC § 8352)
 - 10) Requires that the second stage of CalWORKs childcare begins when the county determines that the recipient's work or approved work activity is stable or when a recipient is transitioning off of aid and childcare is available through a local Stage Two program, as specified. Further requires that the second stage shall be administered by agencies contracting with California Department of Education (CDE), as specified. (EC § 8353)
 - 11) Requires that the third stage of CalWORKs childcare, which shall be administered by programs contracting with CDE, begins when a funded space is available. (EC § 8354)
 - 12) Requires that upon establishing initial eligibility or ongoing eligibility for subsidized childcare and development services under CalWORKs Stages Two and Three, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need

recertified, and shall not be required to report changes to income or other changes for at least 12 months. (EC § 8263 (h))

- 13) Requires, except as otherwise provided, all applications and records concerning any individual made or kept by any public officer or agency in connection with the administration of public social services for which grants-in-aid are received by the state of California from the United States government shall be confidential. (WIC 10850)
- 14) Establishes in state law the CalWORKs program to provide cash assistance and other social services for low-income families through the federal TANF program. (WIC 11200 et seq.)
- 15) Requires necessary supportive services to be available to every CalWORKs participant in order to participate in an assigned program activity or to accept employment, to include childcare, diaper costs, transportation costs, ancillary expenses – which include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs – and personal counseling, as specified. (WIC 11323.2)
- 16) States Legislative intent that all CalWORKs applicants and recipients be aware of their potential liability for childcare payment, and that childcare providers be promptly paid for their services to eligible families. Requires that an applicant for, or a recipient of, CalWORKs benefits shall be provided written notice, both at the time of application and when he or she signs an original or amended Welfare-to-Work plan, of the availability of paid childcare, as specified. (WIC 11323.3)
- 17) Requires county welfare departments to share information necessary for the administration of the childcare programs and the CalWORKs program, notwithstanding existing confidentiality mandates. (WIC 11323.4(f))

ANALYSIS

This bill:

- 1) Prohibits, in order to ensure that there is no disruption in childcare services due to the planned transitions between the stages of CalWORKs childcare, the first stage or the second stage of childcare services from being discontinued until confirmation is received from the administrator of the subsequent stage of childcare that the family has been either enrolled in or is ineligible for the subsequent stage of childcare.
- 2) Requires necessary supportive services be offered and available to:
 - a) Every CalWORKs participant to enable them to participate in a program activity or to accept or maintain employment.
 - b) Every individual who is not required to participate in welfare-to-work, but chooses to participate voluntarily, to allow them to participate in a program activity, as specified, or accept or maintain employment.

- 3) Provides that a CalWORKs participant who is required to participate and who does not receive necessary supportive services have good cause for not participating, as specified.
- 4) Requires supportive services to be listed with the Welfare-to-Work plan or other agreement entered into, between the county and participant in addition to requirements specified in current law, include information relative to services, as specified.
- 5) Requires paid childcare that is offered and available to every participant, including an individual who chooses to participate voluntarily, with a dependent child in the household who needs paid childcare if the child is 12 years of age or under, rather than 10 years of age or under as provided in current law, or as specified. The bill authorizes a county welfare department to verify the need for childcare or supervision for a child over 12 years-old from an individualized education plan or a statement from a qualified professional that the child is a child with exceptional needs, as defined.
- 6) Deletes provisions that restrict the availability of paid childcare for participants with an 11 or 12 year-old dependent child in the assistance unit to the extent funds are available.
- 7) Requires first-stage childcare to be full-time, unless the welfare-to-work participant determines that part-time care better meets the family's needs. The bill requires first-stage childcare to be authorized for one year, or until the participant is transferred to the second stage of childcare, for every participant, including a sanctioned participant who indicates an intent to participate in any program activity, who indicates a need for childcare in order to engage in a program activity or employment and specifies that a participant may, at any time, indicate a new or increased need for childcare and that information be used, as applicable, to authorize childcare in accordance with the bill or increase the family's services.
- 8) Requires, in the 18th month following the date of last receipt of aid, the county send a notice, via mail to the last known address, text message, or email, to a former recipient who is not currently receiving second or third stage childcare informing them that their eligibility for stage-two childcare will expire by the end of the 24th month following their last receipt of aid and how to obtain stage-two childcare services.
- 9) Requires that, in addition to a child who is in foster care and a child receiving federal Supplemental Security Income benefits, a child who is not a member of the assistance unit but for whom the recipient is responsible for providing support, be deemed to be a dependent child.
- 10) Expands the services available to a participant who has personal or family problems that would affect the outcome of the welfare-to-work plan to receive necessary counseling or therapy to help the participant and the participant's

family adjust to the participant's job or training assignment to include related supportive services.

- 11) Provides that program activity includes, but is not limited to, any welfare-to-work activity, orientation appraisal, assessment, job search, job club, domestic violence services, court appearances, housing or homelessness activities, mental health services including therapy or personal counseling, home visiting, drug and substance abuse services, parent classes, and medical or educational-related appointments for the participant or their dependents.
- 12) Deletes legislative intent that all CalWORKs applicants and recipients be aware of their potential liability for childcare payment, and that childcare providers be promptly paid for their services to eligible families.
- 13) Requires that an applicant for, or a recipient of, CalWORKs benefits be informed of the availability of childcare services upon enrollment in the CalWORKs program, and at later times when participant expresses to the county a need for childcare. The bill requires that the county verify if childcare is needed to participate in a program activity, as defined and if needed, that childcare services are authorized and that the participant has secured appropriate childcare prior to requiring a participant to participate in any mandatory activity. Verification that childcare has been secured may be established by the participant, the childcare contractor, or the childcare provider.
- 14) Requires that an applicant for, or a recipient of, CalWORKs benefits be provided written notice, at the time of application, at the time of orientation, when they are assigned to a program activity, when they report new or increased participation in a program activity, when they report new earned income or employed and when they sign an original or amended welfare-to-work plan, of the availability of paid childcare, as specified.
- 15) Requires the notice to be provided in the applicant or recipient's primary language or that it be translated for the applicant or recipient.
- 16) Requires an applicant for, or recipient of CalWORKs benefits be asked, rather than required, to sign a copy of the written notice acknowledging that they have received the notice. The bill requires that the signed notice be retained in the client's file and a copy be given to the client.
- 17) Provides that, notwithstanding the rulemaking provisions of the Administrative Procedure Act, the California Department of Social Services may implement provisions of the bill by all-county letter or similar directive until regulations are adopted.
- 18) Requires, by July 1, 2020, a county welfare department provide read-only, online access through individual county-level Statewide Automated Welfare System services databases to local contractors providing CalWORKs childcare services in a form of a single summary page that contains current individual family data needed to enroll a family in CalWORKs childcare services or to transfer a family

between stages and requires that the data include certain information, as specified.

- 19) Provides that the online access to the Statewide Automated Welfare System to local contractors providing CalWORKs childcare services does not supersede any agreement between a county and a CalWORKs childcare contractor that is in effect on January 1, 2020, and provides for online access to the data described in that paragraph.
- 20) Requires, beginning no later than November 1, 2020, a county welfare department provide to stage-two contractors on a monthly basis a report of all families for which the parent's cash aid has been discontinued, the parent has not received aid for at least one month, and the parent has children in the home who are eligible for childcare services.
- 21) Requires that the report described in 20) above, include the parent's most up-to-date contact information and be jointly designed with representatives from the California Department of Social Services, the County Welfare Directors Association of California, and Parent Voices, in consultation with county welfare departments and the Statewide Automated Welfare System.
- 22) Authorizes a county welfare department to provide training on security protocols and confidentiality of individual family data to a contractor who is given access to data pursuant to the bill.
- 23) Provides that the bill is not intended to limit the information share for the administration of childcare.
- 24) Requires California Department of Social Services to after consultation with stakeholders, issue an all-county letter or similar directive by January 1, 2021, to implement the specified provisions of the bill until regulations are adopted.
- 25) Modifies existing Legislative intent regarding CalWORKs childcare to include ensuring there is no disruption in childcare services due to the planned transitions between the stages of CalWORKs childcare.
- 26) Makes related findings and declarations.

STAFF COMMENTS

- 1) ***Need for the bill.*** Under current law CalWORKs recipients are eligible for all childcare services as long as they continue to receive aid. Former CalWORKs recipients who cannot be transitioned from the first stage of childcare because no funded slot is available are eligible to receive the first stage and any subsequent stage two childcare services for up to a total of 24 months after they leave case aid, or until they are otherwise ineligible within that 24-month period. Current law also provides that CalWORKs participants who need childcare to participate in a welfare-to-work activity or to accept or maintain employment are to receive childcare services. According to the author, "the problem the bill seeks to solve is an overly onerous enrollment and ongoing authorization process for Stage 1

childcare. Despite eligibility and need, less than 30 percent of currently aided families who work or participate in welfare-to-work activities are actually receiving Stage 1 care. This goes against a foundational tenet of the CalWORKs program which is to provide necessary support services, including childcare, so families can move their lives forward.” This bill aims to provide families with continuous childcare with minimum disruption in service by streamlining CalWORKs stage one childcare eligibility rules and simplifying transitions between each of the three stages.

- 2) **Double-referral.** This bill was previously heard by the Human Services Committee, which has jurisdiction over bills relating to CalWORKs, including CalWORKs stage-one childcare services and other welfare programs including CalFresh, child welfare and foster care, services to persons with disabilities. The Senate Human Services Committee analysis notes that while the bill expands the list of activities that may qualify for childcare (stage one) and requires that welfare-to-work participants cannot be mandated to perform any activity until their childcare is verified, the bill does not change any welfare to work requirements, nor does it change county discretion regarding transfer from Stage one to Stage Two.
- 3) **CalWORKs Subsidized childcare.** Families may be eligible for state-subsidized childcare through participation in CalWORKs, or based on income (non-CalWORKs) and if they can show need for child care services. This bill pertains to childcare services offered through CalWORKs. CalWORKs provides cash grants and employment services to low-income families with children. Under the program, parents who work or are in school qualify for subsidized childcare benefits. Parents may progress through three CalWORKs childcare stages. Families are considered to be in Stage 1 when they first enter CalWORKs. Once CalWORKs families become stable (as determined by the county welfare department), they move into Stage 2. Families move into Stage 3 two years after they stop receiving cash aid. They can continue receiving subsidized care until their income exceeds 85 percent of the state median income or their child ages out of the program (turns 13 years old). At the state level, Stage 1 is administered by the Department of Social Services, while the California Department of Education (CDE) administers Stages 2 and 3.
- 4) **Transition between CalWORKs stages.** The transfer from CalWORKs families from Stage 1 to Stage 2 of childcare begins when the county determines that the recipient’s work or approved work activity is stable or when a recipient is transitioning off of aid and childcare is available through a local Stage 2 program. When a family transfers from Stage 1 into Stage 2, the sending Stage 1 contractor must provide information to the receiving Stage 2 childcare program. Because Stage 1 subsidized childcare is administered by the county and Stage 2 and Stage 3 are administered by CDE, the exchange of information between different administrators and providers can result in inefficiencies that may cause delay or breakdown in service. If the required information is not received, families may be deemed ineligible for subsidized childcare, which could jeopardize the family’s childcare and the parents’ employment.

All of the data required to transfer a family from CalWORKs Stage 1 to Stage 2 is maintained in Statewide Automated Welfare System, which is the technology that automates business processes for California county welfare departments.

This bill prohibits, for purposes of ensuring that there is no disruption in childcare services due to transitions between the stages of CalWORKs childcare, the first stage or the second stage of childcare services from being discontinued until confirmation is received from the subsequent stage administrator that the family has been enrolled in childcare or that the family is ineligible for that service. It further proposes to streamline the transfer process between the three stages of CalWORKs childcare by creating an online summary page from the county databases that contains the necessary information to transfer families to the next stage of CalWORKs childcare. The bill also provides that the online summary page be accessible to local contractors providing CalWORKs childcare services.

- 5) ***Related recommendations by the Blue Ribbon Commission.*** California Assembly Blue Ribbon Commission on Early Childhood Education Report (March 2019). The Assembly Blue Ribbon Commission held a hearing on March 11, 2019 on its draft report regarding development of an early learning system that meets the needs of children, families, and providers. The commission asserts that the current funding for the system is outdated and the need for access to childcare continues to grow. The report provides numerous recommendations for topics within early childhood education, some of which are related to this bill. The recommendations include:
- a) Provide 12-months childcare authorization for full-time early childhood education upon initiating CalWORKs cash grant with no need determination. Families should keep stable childcare for 12-months, or until transfer to Stage 2, whichever occurs first.
 - b) Make sure that children have safe, stable childcare before a parent is required to participate in mandatory CalWORKs activities.
 - c) Ensure continuity of care for foster children.
 - d) System integration should prioritize continuity of care ensuring that eligible families keep their childcare without any break in services even when transferring between programs.
 - e) Continuity of care should be a priority for all children and families and barriers should be examined and eliminated.
 - f) Ensure online access to needed data elements so that a family can transition seamlessly from Stage 1 to Stage 2.
- 6) ***Continuity of Care for children in other subsidized childcare programs.*** To promote stable childcare assistance, Budget trailer bill language, AB 99 (Ting, et. al., 2017) changed the eligibility determination and re-determination requirements for subsidized child care to promote continuity of services for no less than 12 months regardless of changes in income or need. Prior to its enactment,

concerns about families whose wages fluctuate or who receive incremental increases that bump them above the eligibility threshold were persistent both in California and nationwide. In addition, the effect of frequent changes in childcare arrangements on children and their development has also raised concerns. The requirement to adopt a 12-month eligibility redetermination period for families did not apply to Stage 1 childcare services. This bill extends the same 12-month continuity of care for children in CalWORKs Stage 1 as it currently exists for other subsidized childcare programs.

7) ***Related legislation.***

AB 60 (Santiago, 2018) would have prohibited CalWORKs stage one and stage two childcare from being discontinued until it is confirmed that a family has transitioned to subsequent stage of childcare or is no longer eligible for that stage of child care and requires the sharing of certain information by county welfare departments aimed at reducing disruptions in childcare services. AB 60 was vetoed by Governor Brown whose message read:

“This bill would require certain information to be automatically shared between county welfare departments and local child care contractors to facilitate an effortless transition of families between child care programs. This is a good goal, as any interruption in childcare coverage for a family can be devastating, particularly for working parents in the CalWORKS program.

However, this bill impacts an entitlement program and the changes contemplated in this bill have the potential to cost the state \$50 million a year and is more properly considered as part of the budget process.”

AB 99 (Committee on Budget, Chapter 15, Statutes of 2017) provided that families who meet eligibility and need requirements for subsidized childcare services receive services for not less than 12 months and made related changes.

AB 2150 (Santiago, 2016) would have made changes to the eligibility determination and redetermination for subsidized childcare for purposes of promoting continuity of service for no less than 12 months, except as specified. AB 2150 was placed in the suspense file in the Senate Appropriations Committee.

SUPPORT

American Academy Of Pediatrics, California
 American Federation of State, County and Municipal Employees, AFL-CIO
 Bay Area Equal Voice Coalition
 California Alternative Payment Program Association
 California Catholic Conference
 California Child Care Resource and Referral Network
 California Community College CalWORKs Association
 California Federation of Teachers
 California Labor Federation, AFL-CIO

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California Federation of Teachers
California Labor Federation, AFL-CIO
California Latinas for Reproductive Justice
California League of United Latin American Citizens
California Partnership
California State Council of Service Employees
California Women's Law Center
Center for Law and Social Policy (Clasp)
Central Valley Children's Services Network
Child Care Alliance of Los Angeles
Child Care Law Center
Child Care Resource Center
Child360
Children Now
Coalition of California Welfare Rights Organizations
Community Child Care Council of Sonoma County
Courage Campaign
Ella Baker Center for Human Rights
Equal Rights Advocates
First 5 California
Friends Committee on Legislation of California
Grace
Grace Institute - End Child Poverty in Ca
HHS Network
Kidango
League of Women Voters of California
Marin Family Child Care Association
National Association of Social Workers, California Chapter
National Council of Jewish Women (NCJW) Ca
Parent Voices Ca
Parent Voices Oakland
Parent Voices Solano
Public Interest Law Project
Riverside Temple Beth El
San Francisco Senior and Disability Action
Solano Family & Children's Services
Starting Over, Inc.
The W. Haywood Burns Institute
The Women's Foundation of California
Time for Change Foundation
UDW/AFSCME Local 3930
Western Center on Law & Poverty, Inc.

Working Partnerships USA
League of Women Voters of California

OPPOSITION

None received

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