

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose
SPONSOR: County Welfare Directors Association of California

BILL NUMBER: AB 1691
AUTHOR: Lowenthal, Bonnie

BILL SUMMARY: CalWORKs: welfare-to-work activities.

This bill would require English as a second language (ESL) education to count as a core welfare-to-work (WTW) activity for 8 months, and up to a maximum of 12 months at county discretion, in the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

FISCAL SUMMARY

Although an estimate of fiscal impact is not currently available, this bill would likely increase grant costs in the CalWORKs program. Under this bill, a WTW participant who is meeting a portion of the core activity requirement through paid employment could supplant some or all of those hours with ESL education for up to 12 months, thereby reducing the participant's earned income for purposes of the grant calculation.

Because the Budget fully allocates federal Temporary Assistance for Needy Families (TANF) Block Grant and state maintenance-of-effort (MOE) funds, the costs associated with this bill would be borne solely by the General Fund.

Because ESL education is not an eligible core WTW activity under federal TANF rules, this bill would likely reduce the state's work participation rate, thereby increasing the state's exposure to federal fiscal penalties. The state is currently appealing penalty assessments of \$47 million and \$113 million for failing to meet TANF work participation rate requirements in federal fiscal years 2008 and 2009, respectively.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- This bill is inconsistent with the Administration's CalWORKs restructuring and refocusing proposal included in the 2012-13 Governor's Budget.
Notwithstanding the Administration's CalWORKs proposal, this bill appears to be unnecessary as current law allows for certain exceptions to the core activity requirement.
This bill would likely increase General Fund costs and the state's exposure to federal fiscal penalties.

Analyst/Principal (0530) J.Kapoor Date Program Budget Manager Ken DaRosa Date
Department Deputy Director Date
Governor's Office: By: Date: Position Approved Position Disapproved
BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2011-2012 FC	2012-2013 FC	2013-2014	
5180/Social Svcs	LA	No				----- See Fiscal Summary -----	0001