



November 18, 2013

Hon. Kamala D. Harris
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

RECEIVED

NOV 18 2013

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Attention: Ms. Ashley Johansson
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed a proposed statutory initiative (A.G. File No. 13-0024) related to public social services.

Background

Public Social Services. State law broadly defines public social services as activities and functions administered or supervised by the state Department of Social Services (DSS) or Department of Health Care Services that assist state residents who are in need due to economic circumstances or social condition. Some examples of state programs that fall under this definition are the California Work Opportunity and Responsibility to Kids (CalWORKs) program, the CalFresh program (formerly known as Food Stamps), the California Medical Assistance (Medi-Cal) Program, In-Home Supportive Services, child welfare services, adoptions, and foster care. Many public social services programs are operated as a partnership between the state and the federal government and are typically subject to federal regulation and oversight. Public social services programs are generally administered by counties, with state agencies in a supervisory role.

CalWORKs. The CalWORKs program provides cash assistance and welfare-to-work services to low-income families with children. In order for adults to receive assistance in the CalWORKs program, their household must have income and assets below certain limits and they must generally have custody of a child that is deprived of parental support, either through the absence or death of a parent, or through insufficient employment. Individuals that have been convicted of a drug-related felony are not eligible for CalWORKs assistance.

As an additional condition of receiving aid in the CalWORKs program, able-bodied adults are required to be employed or participate in certain activities intended to lead to employment, known as "welfare-to-work activities." Newly eligible recipients whose employment situation does not meet program requirements participate in a sequence of welfare-to-work activities that is broadly prescribed in state law. This sequence often begins with a period of up to four weeks in which recipients are expected to search for employment with the assistance of the county. If

these efforts do not result in employment, recipients are then assessed and placed in a combination of other work activities, including on-the-job training and education.

Criminal Justice Realignment Increases County Role. In 2011, the state shifted responsibility for certain low-level offenders from the state to the counties on a prospective basis. In addition, certain offenders released from state prison are now supervised in the community by county probation officers instead of by state parole agents. Locally supervised offenders that violate the terms and conditions of their supervision are generally returned to county jails. Some counties have established processes to offer and provide various public social services, including CalWORKs assistance, to locally supervised offenders in an attempt to reduce recidivism and control ongoing public safety costs.

Proposal

This measure has provisions that appear to apply broadly to public social services programs. However, given the regulatory and oversight role of the federal government in many public social services programs, conflicts between the measure's provisions and federal law could limit the measure's application in some programs. The ultimate effects of the measure would depend on how it is implemented and the extent to which this implementation applies to public social services broadly.

Creates Additional Documentation Requirements for Eligibility for Public Social Services. This measure creates additional documentation requirements for individuals applying for public social services. Specifically, adults applying on their own behalf would be required to present a California driver's license or state-issued identification (ID) card. In cases where an applicant is unable to pay the fee to obtain a driver's license or state-issued ID, the county would cover the fee and then deduct this amount from the first of any future benefit payments. Those that apply for public social services on behalf of a child would be required to provide a certified copy of the child's United States birth certificate or other official proof of birth document and the child's social security card.

Counties would be required to maintain scanned images of these documents on file, along with other specified information pertaining to each recipient. This information would be housed in a statewide database to be created by DSS. This database would be used to verify at least monthly that no duplicate documentation has been submitted.

Creates Job Placement Program Within CalWORKs. This measure creates a program within CalWORKs to identify and facilitate employment opportunities for recipients that are required to participate in welfare-to-work. Employment opportunities would be identified as counties perform employer outreach in several specified industries. Recipients would be required as a condition of receiving aid to participate in interviews with potential employers. Interview outcomes would be documented by the potential employer and submitted to the county. Participation in the outreach program would be required for two years; however, recipients would be able to participate concurrently in other welfare-to-work activities currently available under current program rules after a period of three months.

Permits Development of Procedures to Identify Inmates That May Be Eligible for CalWORKs Upon Release From State Prison. This measure allows, but does not require, DSS

to work with the California Department of Corrections and Rehabilitation (CDCR) to develop procedures to identify inmates that would be eligible for the CalWORKs program upon their release. To the extent that able-bodied former inmates identified through such procedures were to enroll in CalWORKs, they would be required to participate in welfare-to-work and the job placement program created by this measure.

Fiscal Effects

We have identified several potential fiscal effects of this measure which we list below. As noted previously, the ultimate fiscal effect of this measure will depend on how it is implemented and the extent to which this implementation applies to public social services programs broadly.

Administrative and Automation Costs Related to New Documentation Requirements. This measure would result in uncertain one-time and ongoing costs for counties to change administrative procedures to accommodate additional documentation requirements. The development of the statewide documentation database would result in one-time state costs that could be in the tens of millions of dollars. Additional unknown one-time costs would be incurred by the state to modify automated processes to allow driver's license and state-issued ID fees to be deducted from benefit payments.

Costs to Implement Job Placement Program. The job placement program required by this measure somewhat duplicates existing county activities. The state or counties would not incur additional costs to the extent that counties are already performing the employment outreach and placement activities required by the measure. However, the scope of the employment outreach required by this measure exceeds current activities, resulting in additional state and county costs which, while uncertain, are likely to be at least in the tens of millions of dollars annually.

Reduction in Costs to Provide Assistance Due to Smaller Caseloads. This measure could result in lower state and county costs to provide assistance by reducing the caseloads of public social services programs in a few ways. Additional documentation requirements could result in fewer applicants being found eligible for public social services as well as fewer individuals choosing to apply. Finally, the job placement program would also likely result in decreased CalWORKs caseloads as (1) a greater number of recipients find employment and leave public assistance and (2) some recipients choose not to participate, making them ineligible for public assistance. Taken together, these effects could result in reduced assistance costs for state and county governments potentially in the hundreds of millions of dollars annually.

Uncertain Costs and Savings From Identification of Released Inmates Eligible for CalWORKs. As noted previously, this measure would permit, but not require, DSS to coordinate with CDCR to develop procedures to identify inmates that would be eligible for CalWORKs upon their release. If such procedures were developed, costs for increased cash assistance and services utilization in the CalWORKs program could result. However, if additional cash assistance and services were to decrease recidivism, state and local governments would achieve savings through lower public safety costs. Information about which inmates are potentially eligible for CalWORKs is limited. However, the portion of inmates that would be eligible is likely small, for a number of reasons: (1) the overwhelming majority of released offenders are male and therefore less likely to have custody of a child in accordance with CalWORKs

eligibility requirements; (2) drug offenders, which comprise a substantial portion of the total offender population, are ineligible for CalWORKs assistance; and (3) procedures developed pursuant to this measure would somewhat duplicate existing practice in some counties to offer public social services to inmates released to county supervision. As a result, the magnitude of any cost or savings from this provision of the measure are highly uncertain.

Summary of Fiscal Effects

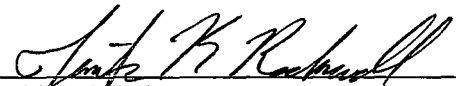
We estimate that this measure could have the following major fiscal effects on state and local governments:

- Annual state and local savings, potentially in the hundreds of millions of dollars, from reduced caseloads in the California Work Opportunity and Responsibility to Kids (CalWORKs) program and other public social services programs.
- Annual state and local costs at least in the tens of millions of dollars to implement a job placement program for CalWORKs recipients and administer additional documentation requirements.
- One-time state costs in the tens of millions of dollars for various automation changes.

Sincerely,



for
Mac Taylor
Legislative Analyst



for
Michael Cohen
Director of Finance