

November 3, 2015

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

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. 15-0064) related to public social services.

Background

“Public Social Services” Include Multiple Government Programs. 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 Program (also known as Medi-Cal), In-Home Supportive Services, child welfare services, adoptions assistance, and foster care. Public social services programs are generally administered by counties and supervised by state agencies. Many public social services programs are partly funded by the federal government and are therefore additionally subject to federal regulation and oversight.

Public Social Services Programs Typically Verify Certain Information Relevant to Determining Eligibility. For purposes of determining eligibility for public social services programs, applicants are typically required to provide certain information about themselves—for example, income, citizenship, or residency—that is required to be verified by the administering agency. The verification may take place by comparing against electronic sources or through physical documentation. Which information must be verified and how it is verified differs by program. For some programs, such as CalFresh or Medi-Cal, federal law specifies how this verification may take place. For other programs, such as CalWORKs, the state has greater flexibility to establish its own verification procedures.

CalWORKs Program Features Employment Component. The CalWORKs program provides cash assistance and employment services to low-income families with children. As a condition of receiving aid through CalWORKs, able-bodied adults who do not qualify for an

exemption are required to be employed or participate in certain specified activities intended to lead to employment, known as “welfare-to-work” activities. Newly participating adults who are unemployed engage in an initial sequence of welfare-to-work activities described in state law. This sequence typically begins with a period of several weeks during which recipients 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 welfare-to-work activities—including, for example, education and training—that are intended to address each recipient’s barriers to employment.

Coordination of Criminal Justice and Public Social Services. The California Department of Corrections and Rehabilitation (CDCR) currently operates a program that assists some state prison inmates who would be eligible upon release to apply for various federal benefit programs like Social Security, as well as county-administered public social services, such as Medi-Cal. Additionally, in 2011, the state shifted responsibility for certain low-level offenders from the state to the counties on a prospective basis. As part of this shift, certain offenders released from state prison are now supervised in the community by probation officers instead of by state parole agents. Locally supervised offenders who violate the terms and conditions of their supervision are generally returned to county jails. Because counties also administer many public social services programs, some counties have established processes to enroll locally supervised offenders in these programs in an attempt to reduce recidivism and control ongoing public safety costs.

Proposal

Creates Additional Documentation Requirements for Public Social Services Eligibility. The 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 card, the county would cover the fee and then deduct this amount from the first of any future benefit payments. Those who 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 quarterly that no duplicate documentation has been submitted by another applicant or recipient.

Creates Job Placement Program Within CalWORKs. The measure creates a program within CalWORKs to identify and facilitate employment opportunities for recipients who are required to participate in welfare-to-work activities. Counties would identify employment opportunities by performing employer outreach in several specified industries. Recipients would be required as a condition of receiving aid to participate in interviews with potential employers and take offered employment unless good cause exists. Interview outcomes would be documented by the potential employers and submitted to the county. Recipients would be required to participate concurrently

in CalWORKs welfare-to-work activities as required by current law while they participate in the job placement program created by the measure.

Requires Development of Procedures to Identify Inmates Who May Be Eligible for CalWORKs Upon Release From State Prison. The measure requires DSS to work with CDCR to develop procedures to identify inmates who would be eligible for CalWORKs upon their release. To the extent that able-bodied former inmates identified through such procedures enroll in CalWORKs, they would be required to participate in welfare-to-work activities and the job placement program created by the measure.

Fiscal Effects

Federal Law Would Limit Application of New Documentation Requirements in Some Programs. The measure's provisions that relate to documentation requirements 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 would likely limit the measure's application in some programs. For example, federal law prohibits the state from requiring CalFresh applicants to present a social security card or birth certificate. The ultimate effects of, and related government costs to implement, the documentation provisions of the measure will depend on how they are implemented and the extent to which this implementation applies to public social services programs broadly.

Administrative and Automation Costs Related to New Documentation Requirements. The 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 the measure overlaps somewhat with existing county activities. The state and 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 the measure exceeds current activities, resulting in additional state and county costs that, 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. The measure could result in lower state and county costs to provide assistance by reducing the caseloads of public social services programs in different ways. Additional documentation requirements could result in fewer applicants being found eligible for public social services as well as fewer individuals choosing to apply. 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. This measure would require a formalized state-level procedure to identify inmates eligible specifically for CalWORKs. If the new procedure is ultimately used to enroll a greater number of eligible inmates in CalWORKs upon their release from state prison, state and local governments could incur both costs and savings. In the near term, identifying and enrolling additional individuals in CalWORKs would result in additional state and county costs to provide cash assistance and employment services. Over the longer term, participation in CalWORKs may result in improved employment outcomes for former inmates, potentially reducing the likelihood that such former inmates would reoffend and reenter the criminal justice system, resulting in savings to state and local governments. The net effect and magnitude of these costs and savings are uncertain because (1) the number of current CDCR inmates who would be eligible for CalWORKs upon their release from prison is unknown and (2) the number of eligible inmates who would have enrolled in CalWORKs absent the measure, for example through applying on their own or through procedures already developed by the state and counties, is also unknown.

Summary of Fiscal Effects

We estimate that the 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 changes to state information technology systems.

Sincerely,

Mac Taylor
Legislative Analyst

Michael Cohen
Director of Finance