

Agenda Page 295, Trailer Bill Issue Item 5180-101-000—Department of Social Services LAO Compromise for Pre-Assistance Employment Readiness System (PAERS) Trailer Bill Language

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- **Potential Advantages of PAERS.** Federal law allows states to establish short-term programs (up to four months) which help families become self-sufficient. During these four months, the families are technically not receiving “assistance,” are not subject to federal work participation requirements or federal time limits, and are not in the California Work Opportunity and Responsibility to Kids (CalWORKs) caseload. By placing newly entering families in PAERS, the CalWORKs caseload is reduced, and this reduction offsets a caseload increase from the proposed Work Incentive Nutritional Supplement (WINS), if it is adopted. For technical reasons, adopting PAERS increases the work participation rate benefits of WINS, which will become operative in 2009-10, if adopted by the Legislature.
- **Legislative Action.** Although both houses adopted versions of PAERS, the placeholder language differs as to how recipients who do not comply with program requirements may be sanctioned.
- **Recent Federal Guidance.** On May 19, 2008, the federal administration for children and families issued new program guidance making it more difficult for states to establish PAERS programs which meet the federal definition of “non-assistance.”
- **LAO Compromise.** Given the uncertainty created by the recent federal guidance, and that there is no urgency in adopting PAERS prior to 2009-10, we recommend deleting all proposed trailer bill language (TBL), and instead adopting SRL requiring the Department of Social Service (DSS) to convene a work group to evaluate the viability of PAERS, its advantages and disadvantages, and if viable, to prepare TBL regarding PAERS implementation for review during budget hearings in spring 2009. Below is the suggested language.



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Proposed Supplemental Report Language:

Pre-Assistance Employment Readiness System (PAERS) Work Group and Report. The Department of Social Services (DSS) shall convene a working group of advocates, legislative staff, county representatives, and other stakeholders to evaluate the PAERS program in light of the May 19, 2009 Temporary Assistance for Needy Families (TANF) Program Instruction and any other relevant federal developments. The working group shall consider the advantages and disadvantages of PAERS. This consideration shall include, but not necessarily be limited to, the potential impacts of PAERS on (1) helping clients obtaining self-sufficiency, (2) increasing the federal work participation rate, (3) county administrative burdens, and (4) California Work Opportunity and Responsibility to Kids (CalWORKs) recipients. If the workgroup concludes that adopting PAERS would, on balance, be favorable for California and its CalWORKs recipients, DSS, in consultation with the workgroup, shall prepare draft trailer bill language by March 31, 2009, for consideration during budget hearings. To meet these requirements, DSS may use its existing TANF reauthorization work groups.