

**Introduced by Senator Ashburn**February 5, 2007

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An act to amend Sections 11020, 11450, 11450.12, 11450.13, 11451.5, and 18910 of, and to repeal and add Sections 11004.1, 11265.1, 11265.2, and 11265.3 of, the Welfare and Institutions Code, relating to CalWORKs.

## LEGISLATIVE COUNSEL'S DIGEST

SB 179, as introduced, Ashburn. CalWORKs: reporting requirements.

Existing law requires each county to provide cash assistance and other social services to needy families through the California Work Opportunity and Responsibility to Kids (CalWORKs) program using federal Temporary Assistance to Needy Families (TANF) program, state, and county funds. Under existing law, the county is required to annually redetermine eligibility for CalWORKs benefits. Existing law additionally requires the county to implement a recipient monthly reporting system, consistent with federal law until the Director of Social Services makes a specified declaration, at which time the county would be required to redetermine recipient eligibility and grant amounts on a quarterly basis, using prospective budgeting, and to prospectively determine the grant amount that a recipient is entitled to receive for each month of the quarterly reporting period. Under existing law, a CalWORKs recipient is required to report to the county, orally or in writing, specified changes that could affect the amount of aid to which the recipient is entitled. Existing law requires the quarterly redetermination report form to be signed by the recipient under penalty of perjury.

This bill would repeal the requirements relating to quarterly redetermination and prospective determination grant amounts, and

instead would impose similar requirements for a semiannual redetermination, operative January 1, 2009. The bill would authorize counties to adopt staggered semiannual reporting requirements, as specified. This bill would require the redetermination report form to be signed under penalty of perjury, thus creating a new crime and imposing a state-mandated local program.

This bill would authorize the State Department of Social Services to implement these provisions by all-county letters or similar instructions from the director, pending the adoption of complementing emergency regulations, no later than July 1, 2010.

Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would instead provide that the continuous appropriation would not be made for purposes of implementing the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11004.1 of the Welfare and Institutions  
 2 Code is repealed.  
 3 11004.1. ~~(a) In addition to Section 11004, this section shall~~  
 4 ~~apply to the CalWORKs program.~~  
 5 ~~(b) The amount of any CalWORKs grant overpayment shall be~~  
 6 ~~the difference between the grant amount the assistance unit actually~~  
 7 ~~received and the grant amount the assistance unit would have~~  
 8 ~~received under the quarterly reporting, prospective budgeting~~  
 9 ~~system if no county error had occurred or if the recipient had~~  
 10 ~~timely, completely, and accurately reported as required under~~  
 11 ~~Sections 11265.1 and 11265.3. No overpayment shall be~~  
 12 ~~established based on any differences between the amount of income~~  
 13 ~~the county reasonably anticipated the recipient would receive~~  
 14 ~~during the quarterly reporting period and the income the recipient~~  
 15 ~~actually received during that period, provided the recipient's report~~  
 16 ~~was complete and accurate.~~

1 ~~(e) No CalWORKs grant underpayment shall be established~~  
2 ~~based on any differences between the amount of income the county~~  
3 ~~reasonably anticipated the recipient would receive during the~~  
4 ~~quarterly reporting period and the income the recipient actually~~  
5 ~~received during that period.~~

6 SEC. 2. Section 11004.1 is added to the Welfare and  
7 Institutions Code, to read:

8 11004.1. (a) In addition to Section 11004, this section shall  
9 apply to the CalWORKs program.

10 (b) The amount of any CalWORKs grant overpayment shall be  
11 the difference between the grant amount the assistance unit actually  
12 received and the grant amount the assistance unit would have  
13 received under the semiannual reporting, prospective budgeting  
14 system if no county error had occurred and if the recipient had  
15 timely, completely, and accurately reported as required under  
16 Sections 11265.1 and 11265.3. No overpayment shall be  
17 established based on any differences between the amount of income  
18 the county prospectively determined for the recipient for the  
19 semiannual reporting period and the income the recipient actually  
20 received during that period, provided the recipient's report was  
21 complete and accurate.

22 (c) No CalWORKs grant underpayment shall be established  
23 based on any differences between the amount of income the county  
24 prospectively determined for the recipient for the semiannual  
25 reporting period and the income the recipient actually received  
26 during that period.

27 SEC. 3. Section 11020 of the Welfare and Institutions Code,  
28 as amended by Section 26 of Chapter 1022 of the Statutes of 2002,  
29 is amended to read:

30 11020. (a) Where a recipient under a categorical aid program  
31 other than CalWORKs has received aid in good faith but in fact  
32 owned excess property, he or she shall be considered to have been  
33 ineligible for aid during the period for which any excess property  
34 would have supported him or her at the rate of the aid granted to  
35 him or her. In such case the recipient or his estate shall repay the  
36 aid he received during this period of ineligibility.

37 (b) With respect to recipients under Chapter 3 (commencing  
38 with Section 12000) of this part, overpayments shall be collected  
39 by the federal government pursuant to federal law.

1 (c) Where a CalWORKs recipient has received aid in good faith,  
 2 but in fact owned excess property, the recipient shall have an  
 3 overpayment equal to the lesser of the amount of the excess  
 4 property or the aid received during the period the recipient owned  
 5 the excess property and the grant was not accurately determined  
 6 under the ~~quarterly~~ *semiannual* reporting, prospective budgeting  
 7 system due to the excess property.

8 SEC. 4. Section 11265.1 of the Welfare and Institutions Code,  
 9 as amended by Section 1 of Chapter 826 of the Statutes of 1999,  
 10 is repealed.

11 ~~11265.1. (a) Except as provided in Section 11265.5, in addition~~  
 12 ~~to the requirement for the annual redetermination of eligibility,~~  
 13 ~~the department shall establish regulations consistent with federal~~  
 14 ~~law to implement a recipient monthly reporting system for use in~~  
 15 ~~determining monthly eligibility and the amount of the grant. The~~  
 16 ~~department shall define what constitutes a complete report and~~  
 17 ~~shall specify the deadlines for submitting a complete report, as~~  
 18 ~~well as the consequences of, and good cause for, failure to submit~~  
 19 ~~a complete report. The department shall adopt fair and equitable~~  
 20 ~~regulations implementing the monthly reporting requirement.~~

21 ~~(b) This section shall become inoperative on the date that the~~  
 22 ~~director executes a declaration stating that Section 11265.2, as~~  
 23 ~~added by the act adding this subdivision, is fully implemented~~  
 24 ~~statewide, and shall be repealed on January 1 of the year following~~  
 25 ~~the year in which it becomes inoperative.~~

26 SEC. 5. Section 11265.1 of the Welfare and Institutions Code,  
 27 as added by Section 30 of Chapter 1022 of the Statutes of 2002,  
 28 is repealed.

29 ~~11265.1. (a) In addition to the requirement for an annual~~  
 30 ~~redetermination of eligibility, counties shall redetermine recipient~~  
 31 ~~eligibility and grant amounts on a quarterly basis using prospective~~  
 32 ~~budgeting. Counties shall use the information reported on a~~  
 33 ~~recipient's quarterly report form to prospectively determine~~  
 34 ~~eligibility and grant amount for the following quarterly reporting~~  
 35 ~~period.~~

36 ~~(b) A quarterly reporting period shall be three consecutive~~  
 37 ~~calendar months. The recipient shall submit one quarterly report~~  
 38 ~~form for each quarterly reporting period. Counties shall provide a~~  
 39 ~~quarterly report form to recipients at the end of the second month~~  
 40 ~~of the quarterly reporting period, and recipients shall return the~~

1 completed quarterly report form with required verification to the  
2 county by the 11th day of the third month of the quarterly reporting  
3 period.

4 (e) ~~Counties may establish staggered quarterly reporting cycles~~  
5 ~~based on factors established or approved by the department,~~  
6 ~~including, but not limited to, application date or case number.~~

7 (d) ~~The quarterly report form shall be signed under penalty of~~  
8 ~~perjury, and shall include only information necessary to determine~~  
9 ~~CalWORKs and food stamp eligibility and calculate the~~  
10 ~~CalWORKs grant amount and food stamp allotment, as specified~~  
11 ~~by the department. The form shall be as comprehensible as possible~~  
12 ~~for recipients and shall require recipients to provide the following:~~

13 (1) ~~Information about income received during the second month~~  
14 ~~of the quarterly reporting period.~~

15 (2) ~~Information about income that the recipient anticipates~~  
16 ~~receiving during the following quarterly reporting period.~~

17 (3) ~~Any other changes to facts required to be reported, together~~  
18 ~~with any changes to those facts that the recipient anticipates will~~  
19 ~~occur. The recipient shall provide verification as specified by the~~  
20 ~~department with the quarterly report form.~~

21 (e) ~~A quarterly report form shall be considered complete if the~~  
22 ~~following requirements, as specified by the department, are met:~~

23 (1) ~~The form is signed no earlier than the first day of the third~~  
24 ~~month of the quarterly reporting period by the persons specified~~  
25 ~~by the department.~~

26 (2) ~~All questions and items pertaining to CalWORKs and food~~  
27 ~~stamp eligibility and grant amount are answered.~~

28 (3) ~~Verification required by the department is provided.~~

29 (f) ~~If a recipient fails to submit a complete quarterly report form,~~  
30 ~~as defined in subdivision (e), by the 11th day of the third month~~  
31 ~~of the quarterly reporting period, the county shall provide the~~  
32 ~~recipient with a notice that the county will terminate benefits at~~  
33 ~~the end of the month. Prior to terminating benefits, the county shall~~  
34 ~~attempt to make personal contact to remind the recipient that a~~  
35 ~~completed report is due, or, if contact is not made, shall send a~~  
36 ~~reminder notice to the recipient no later than five days prior to the~~  
37 ~~end of the month. Any discontinuance notice shall be rescinded if~~  
38 ~~a complete report is received by the first working day of the first~~  
39 ~~month of the following quarterly reporting period.~~

1     ~~(g) The county may determine, at any time prior to the last day~~  
 2 ~~of the calendar month following discontinuance for nonsubmission~~  
 3 ~~of a quarterly report form, that a recipient had good cause for~~  
 4 ~~failing to submit a complete quarterly report form, as defined in~~  
 5 ~~subdivision (e), by the first working day of the month following~~  
 6 ~~discontinuance. If the county finds a recipient had good cause, as~~  
 7 ~~defined by the department, it shall rescind the discontinuance~~  
 8 ~~notice. Good cause exists only when the recipient cannot~~  
 9 ~~reasonably be expected to fulfill his or her reporting responsibilities~~  
 10 ~~due to factors outside of the recipient's control.~~

11     SEC. 6. Section 11265.1 is added to the Welfare and  
 12 Institutions Code, to read:

13     11265.1. (a) In addition to the requirement for an annual  
 14 redetermination of eligibility, counties shall redetermine recipient  
 15 eligibility and grant amounts on a semiannual basis using  
 16 prospective budgeting. Counties shall use the information reported  
 17 on a recipient's semiannual report form to prospectively determine  
 18 eligibility and grant amount for the following semiannual reporting  
 19 period.

20     (b) A semiannual reporting period shall be six consecutive  
 21 calendar months. The recipient shall submit one semiannual report  
 22 form for each semiannual reporting period. Counties shall provide  
 23 a semiannual report form to recipients at the end of the fifth month  
 24 of the semiannual reporting period, and recipients shall return the  
 25 completed semiannual report form with required verification to  
 26 the county by the 11th day of the sixth month of the semiannual  
 27 reporting period.

28     (c) Counties may establish staggered semiannual reporting  
 29 cycles based on factors established or approved by the department,  
 30 including, but not limited to, application date or case number.

31     (d) The semiannual report form shall be signed under penalty  
 32 of perjury, and shall include only the information necessary to  
 33 determine CalWORKs and food stamp eligibility and calculate the  
 34 CalWORKs grant amount and food stamp allotment, as specified  
 35 by the department. The form shall be as comprehensible as possible  
 36 for recipients and shall require recipients to provide the following:

37     (1) Information about income received during the fifth month  
 38 of the semiannual reporting period.

1 (2) Any other changes to facts required to be reported. The  
2 recipient shall provide verification as specified by the department  
3 with the semiannual report form.

4 (e) A semiannual report form shall be considered complete if  
5 the following requirements, as specified by the department, are  
6 met:

7 (1) The form is signed no earlier than the first day of the sixth  
8 month of the semiannual reporting period by the persons specified  
9 by the department.

10 (2) All questions and items pertaining to CalWORKs and food  
11 stamp eligibility and grant amount are answered.

12 (3) Verification required by the department is provided.

13 (f) If a recipient fails to submit a complete semiannual report  
14 form, as defined in subdivision (e), by the 11th day of the sixth  
15 month of the semiannual reporting period, the county shall provide  
16 the recipient with a notice that the county will terminate benefits  
17 at the end of the month. Prior to terminating benefits, the county  
18 shall attempt to make personal contact to remind the recipient that  
19 a completed report is due, or, if contact is not made, shall send a  
20 reminder notice to the recipient no later than five days prior to the  
21 end of the month. Any discontinuance notice shall be rescinded if  
22 a complete report is received by the first working day of the first  
23 month of the following semiannual reporting period.

24 (g) The county may determine, at any time prior to the last day  
25 of the calendar month following discontinuance for nonsubmission  
26 of a semiannual report form, that a recipient had good cause for  
27 failing to submit a complete semiannual report form, as defined  
28 in subdivision (e), by the first working day of the month following  
29 discontinuance. If the county finds a recipient had good cause, as  
30 defined by the department, it shall rescind the discontinuance  
31 notice. Good cause exists only when the recipient cannot  
32 reasonably be expected to fulfill his or her reporting responsibilities  
33 due to factors outside of the recipient's control.

34 SEC. 7. Section 11265.2 of the Welfare and Institutions Code  
35 is repealed.

36 ~~11265.2. (a) The grant amount a recipient shall be entitled to~~  
37 ~~receive for each month of the quarterly reporting period shall be~~  
38 ~~prospectively determined as provided by this section. If a recipient~~  
39 ~~reports that he or she does not anticipate any changes in income~~  
40 ~~during the upcoming quarter, compared to the income the recipient~~

1 reported actually receiving on the quarterly report form, the grant  
2 shall be calculated using the actual income received. If a recipient  
3 reports that he or she anticipates a change in income in one or more  
4 months of the upcoming quarter, the county shall determine  
5 whether the recipient's income is reasonably anticipated. The grant  
6 shall be calculated using the income that the county determines is  
7 reasonably anticipated in each of the three months of the upcoming  
8 quarter.

9 (b) For the purposes of the quarterly reporting, prospective  
10 budgeting system, income shall be considered to be "reasonably  
11 anticipated" if the county is reasonably certain of the amount of  
12 income and that the income will be received during the quarterly  
13 reporting period. The county shall determine what income is  
14 "reasonably anticipated" based on information provided by the  
15 recipient and any other available information.

16 (c) If a recipient reports that their income in the upcoming  
17 quarter will be different each month and the county needs  
18 additional information to determine a recipient's reasonably  
19 anticipated income for the following quarter, the county may  
20 require the recipient to provide information about income for each  
21 month of the prior quarter.

22 (d) Grant calculations pursuant to subdivision (a) may not be  
23 revised to adjust the grant amount during the quarterly reporting  
24 period, except as provided in Section 11265.3 and subdivisions  
25 (e), (f), (g), and (h), and as otherwise established by the department.

26 (e) Notwithstanding subdivision (d), statutes and regulations  
27 relating to (1) the 60-month time limit, (2) age limitations for  
28 children under Section 11253, and (3) sanctions and financial  
29 penalties affecting eligibility or grant amount shall be applicable  
30 as provided in such statutes and regulations. Eligibility and grant  
31 amount shall be adjusted during the quarterly reporting period  
32 pursuant to such statutes and regulations effective with the first  
33 monthly grant after timely and adequate notice is provided.

34 (f) Notwithstanding Section 11056, if an applicant applies for  
35 assistance for a child who is currently aided in another assistance  
36 unit, and the county determines that the applicant has care and  
37 control of the child, as specified by the department, and is  
38 otherwise eligible, the county shall discontinue aid to the child in  
39 the existing assistance unit and shall aid the child in the applicant's

1 assistance unit effective as of the first of the month following the  
2 discontinuance of the child from the existing assistance unit.

3 ~~(g) If the county is notified that a child for whom CalWORKs~~  
4 ~~assistance is currently being paid has been placed in a foster care~~  
5 ~~home, the county shall discontinue aid to the child at the end of~~  
6 ~~the month of placement. The county shall discontinue the case if~~  
7 ~~the remaining assistance unit members are not otherwise eligible.~~

8 ~~(h) If the county determines that a recipient is no longer a~~  
9 ~~California resident, pursuant to Section 11100, the recipient shall~~  
10 ~~be discontinued. The county shall discontinue the case if the~~  
11 ~~remaining assistance unit members are not otherwise eligible.~~

12 SEC. 8. Section 11265.2 is added to the Welfare and  
13 Institutions Code, to read:

14 11265.2. (a) The grant amount a recipient shall be entitled to  
15 receive for each month of the semiannual reporting period shall  
16 be prospectively determined and calculated using the income the  
17 recipient reported actually receiving in the fifth month of the  
18 previous semiannual period and other information reported on the  
19 semiannual report form.

20 (b) Grant calculations pursuant to subdivision (a) may not be  
21 revised to adjust the grant amount during the semiannual reporting  
22 period, except as provided in Section 11265.3 and subdivisions  
23 (c), (d), (e), and (f), and as otherwise established by the department.

24 (c) Notwithstanding subdivision (b), statutes and regulations  
25 relating to the 60-month time limit, age limitations for children  
26 under Section 11253, and sanctions and financial penalties affecting  
27 eligibility or grant amount, shall be applicable as provided in those  
28 statutes and regulations. Eligibility and grant amount shall be  
29 adjusted during the semiannual reporting period pursuant to those  
30 statutes and regulations effective with the first monthly grant after  
31 timely and adequate notice is provided.

32 (d) Notwithstanding Section 11056, if an applicant applies for  
33 assistance for a child who is currently aided in another assistance  
34 unit, and the county determines that the applicant has care and  
35 control of the child, as specified by the department, and is  
36 otherwise eligible, the county shall discontinue aid to the child in  
37 the existing assistance unit and shall aid the child in the applicant's  
38 assistance unit effective as of the first of the month following the  
39 discontinuance of the child from the existing assistance unit.

1 (e) If the county is notified that a child for whom CalWORKs  
2 assistance is currently being paid has been placed in a foster care  
3 home, the county shall discontinue aid to the child at the end of  
4 the month of placement. The county shall discontinue the case if  
5 the remaining assistance unit members are not otherwise eligible.

6 (f) If the county determines that a recipient is no longer a  
7 California resident, pursuant to Section 11100, the recipient shall  
8 be discontinued. The county shall discontinue the case if the  
9 remaining assistance unit members are not otherwise eligible.

10 SEC. 9. Section 11265.3 of the Welfare and Institutions Code  
11 is repealed.

12 ~~11265.3.—(a) In addition to submitting the quarterly report form~~  
13 ~~as required in Section 11265.1, during the quarterly reporting~~  
14 ~~period, a recipient shall report the following changes to the county~~  
15 ~~orally or in writing, within 10 days of the change:~~

16 ~~(1) The receipt at any time during a quarterly reporting period~~  
17 ~~of income, as provided by the department, in an amount that is~~  
18 ~~likely to render the recipient ineligible, as provided by the~~  
19 ~~department.~~

20 ~~(2) The occurrence at any time during a quarterly reporting~~  
21 ~~period of a drug felony conviction as specified in Section 11251.3.~~

22 ~~(3) The occurrence, at any time during a quarterly reporting~~  
23 ~~period, of an individual fleeing prosecution or custody or~~  
24 ~~confinement, or violating a condition of probation or parole as~~  
25 ~~specified in Section 11486.5.~~

26 ~~(b) Counties shall inform each recipient of the duty to report~~  
27 ~~under paragraph (1) of subdivision (a), the consequences of failing~~  
28 ~~to report, and the amount of income likely to render the family~~  
29 ~~ineligible for benefits no less frequently than once per quarter.~~

30 ~~(c) When a recipient reports income pursuant to paragraph (1)~~  
31 ~~of subdivision (a) the county shall redetermine eligibility and grant~~  
32 ~~amounts as follows:~~

33 ~~(1) If the recipient reports a change for the first or second month~~  
34 ~~of a current quarterly reporting period, the county shall verify the~~  
35 ~~report and determine if the recipient is financially ineligible. If the~~  
36 ~~recipient is determined to be financially ineligible based on this~~  
37 ~~income, the county shall discontinue the recipient after timely and~~  
38 ~~adequate notice in accordance with rules applicable to the federal~~  
39 ~~Food Stamp program.~~

1 ~~(2) If the recipient reports a change for the third month of a~~  
2 ~~current quarterly reporting period, the county shall not redetermine~~  
3 ~~eligibility for the current quarterly reporting period, but shall~~  
4 ~~redetermine eligibility and grant amount for the following quarterly~~  
5 ~~reporting period as provided in Section 11265.2.~~

6 ~~(d) (1) During the quarterly reporting period, a recipient may~~  
7 ~~report to the county, orally or in writing, any changes in income~~  
8 ~~or household circumstances that may increase the recipient's grant.~~

9 ~~(2) Counties shall act upon changes in income reported during~~  
10 ~~the quarterly reporting period that result in an increase in benefits,~~  
11 ~~after verification specified by the department is received. Reported~~  
12 ~~changes in income that increase the grant shall be effective for the~~  
13 ~~entire month in which the change is reported. If the reported change~~  
14 ~~in income results in an increase in benefits, the county shall issue~~  
15 ~~the increased benefit amount within 10 days of receiving required~~  
16 ~~verification.~~

17 ~~(3) (A) When a decrease in gross monthly income is voluntarily~~  
18 ~~reported and verified, the county shall redetermine the grant for~~  
19 ~~the current month and any remaining months in the quarterly~~  
20 ~~reporting period by averaging the actual gross monthly income~~  
21 ~~reported and verified from the voluntary report for the current~~  
22 ~~month and the gross monthly income that is reasonably anticipated~~  
23 ~~for any future month remaining in the quarterly reporting period.~~

24 ~~(B) When the average is determined pursuant to subparagraph~~  
25 ~~(A), and a grant amount is calculated based upon the averaged~~  
26 ~~income, if the grant amount is higher than the grant currently in~~  
27 ~~effect, the county shall revise the grant for the current month and~~  
28 ~~any remaining months in the quarter to the higher amount and shall~~  
29 ~~issue any increased benefit amount as provided in paragraph (2).~~

30 ~~(4) Except as provided in subdivision (c), counties shall act only~~  
31 ~~upon changes in household composition voluntarily reported by~~  
32 ~~the recipients during the quarterly reporting period that result in~~  
33 ~~an increase in benefits, after verification specified by the~~  
34 ~~department is received. If the reported change in household~~  
35 ~~composition is for the first or second month of the quarterly~~  
36 ~~reporting period and results in an increase in benefits, the county~~  
37 ~~shall redetermine the grant effective for the month following the~~  
38 ~~month in which the change was reported. If the reported change~~  
39 ~~in household composition is for the third month of a quarterly~~  
40 ~~reporting period, the county shall not redetermine the grant for the~~

1 current quarterly reporting period, but shall redetermine the grant  
2 for the following reporting period as provided in Section 11265.2.

3 ~~(e) During the quarterly reporting period, a recipient may request  
4 that the county discontinue the recipient's entire assistance unit or  
5 any individual member of the assistance unit who is no longer in  
6 the home or is an optional member of the assistance unit. If the  
7 recipient's request was verbal, the county shall provide a 10-day  
8 notice before discontinuing benefits. If the recipient's report was  
9 in writing, the county shall discontinue benefits effective the end  
10 of the month in which the request is made, and simultaneously  
11 issue a notice informing the recipient of the discontinuance.~~

12 ~~(f) The department, in consultation with the County Welfare  
13 Directors Association (CWDA), shall report to the relevant policy  
14 and fiscal committees of the Legislature in April 2005 regarding  
15 the effects upon program efficiency and integrity of implementation  
16 of the midquarter reporting requirement set forth in subdivision  
17 (a). The report shall be based on data collected by CWDA and  
18 select counties. The department, in consultation with CWDA, shall  
19 determine the data collection needs required to assess the effects  
20 of the specified midquarter report.~~

21 SEC. 10. Section 11265.3 is added to the Welfare and  
22 Institutions Code, to read:

23 11265.3. (a) In addition to submitting the semiannual report  
24 form as required in Section 11265.1, during the semiannual  
25 reporting period, a recipient shall report the following changes to  
26 the county orally or in writing, within 10 days of the change:

27 (1) The receipt at any time during a semiannual reporting period  
28 of an increase or decrease in monthly income of one hundred  
29 dollars (\$100) or more. The increase or decrease must be reported  
30 whether it occurs all at once or accumulates over one or more  
31 months of the semiannual period to a point where the recipient's  
32 total income has increased or decreased by at least one hundred  
33 dollars (\$100).

34 (2) The starting of a new job by any persons whose income is  
35 used in the determination of eligibility or grant amount, or both.

36 (3) The occurrence at any time during a semiannual reporting  
37 period of a drug felony conviction as specified in Section 11251.3.

38 (4) The occurrence, at any time during a semiannual reporting  
39 period, of an individual fleeing prosecution or custody or

1 confinement, or violating a condition of probation or parole as  
2 specified in Section 11486.5.

3 (5) A change in household composition.

4 (6) A change of address for the assistance unit.

5 (b) Counties shall inform each recipient of the duty to report  
6 under subdivision (a), and of the consequences for failing to report  
7 no less frequently than once per semiannual period.

8 (c) During the semiannual reporting period, a recipient may  
9 report to the county, orally or in writing, any changes in income  
10 or household circumstances that may increase the recipient's grant.

11 (d) When a recipient reports an increase in income of one  
12 hundred dollars (\$100) or more pursuant to paragraph (1) of  
13 subdivision (a), the county shall redetermine eligibility and grant  
14 amounts as follows:

15 (1) If the recipient reports the increase in income for the first  
16 through fifth months of a current semiannual reporting period, the  
17 county shall verify the report and determine the recipient's financial  
18 eligibility and grant amount.

19 (A) If the recipient is determined to be financially ineligible  
20 based on the increase in income, the county shall discontinue the  
21 recipient with timely and adequate notice effective at the end of  
22 the month in which the income was received.

23 (B) If it is determined that the recipient's grant amount should  
24 decrease based on the increase in income, the county shall reduce  
25 the recipient's grant amount for the remainder of the semiannual  
26 period with timely and adequate notice effective the first of the  
27 month following the month in which the income was received.

28 (2) If the recipient reports an increase in income for the sixth  
29 month of a current semiannual reporting period, the county shall  
30 not redetermine eligibility for the current semiannual reporting  
31 period, but shall consider this income in redetermining eligibility  
32 and grant amount for the following semiannual reporting period  
33 as provided in Section 11265.2.

34 (e) Counties shall act upon mandatorily and voluntarily reported  
35 changes in income reported during the semiannual reporting period  
36 that result in an increase in benefits, after verification specified by  
37 the department is received. Reported changes in income that  
38 increase the grant shall be effective for the entire month in which  
39 the change is reported. If the reported change in income results in

1 an increase in benefits, the county shall issue the increased benefit  
2 amount within 10 days of receiving required verification.

3 (1) (A) When a decrease in gross monthly income is mandatorily  
4 or voluntarily reported in the first through fifth months of the  
5 semiannual period and verified, the county shall redetermine the  
6 grant based on the recipients newly reported income amount for  
7 the current month and any remaining months in the semiannual  
8 reporting period.

9 (B) If the recipient mandatorily or voluntarily reports a decrease  
10 in income for the sixth month of a current semiannual reporting  
11 period, the county shall redetermine the recipient's grant amount.  
12 If it is determined that the recipient's grant should increase, the  
13 county shall increase the grant for the sixth month of the  
14 semiannual period and also consider this decrease in income in  
15 redetermining the recipient's eligibility and grant amount for the  
16 following semiannual reporting period as provided in Section  
17 11265.2.

18 (f) Counties shall act upon changes in household composition  
19 reported by a recipient during the semiannual reporting period  
20 after verification specified by the department is received.

21 (1) If the reported change in household composition is for the  
22 first through fifth months of the semiannual reporting period, the  
23 county shall redetermine the eligibility and grant amount.

24 (A) If the assistance unit is determined ineligible due to the  
25 change in household composition, the county shall discontinue the  
26 case with timely and adequate notice effective at the end of the  
27 month in which the change occurred.

28 (B) If it is determined that the grant amount should be decreased  
29 as a result of the change in household composition, the county  
30 shall reduce the recipient's grant amount for the remainder of the  
31 semiannual period with timely and adequate notice effective the  
32 first of the month following the month in which the change  
33 occurred.

34 (C) If it is determined that the grant amount should be increased  
35 as a result of the change in household composition, the county  
36 shall increase the grant for the remainder of the semiannual period  
37 effective the first of the month following the month in which the  
38 change was reported.

39 (2) If the reported change in household composition is for the  
40 sixth month of a semiannual reporting period, the county shall not

1 redetermine the eligibility or grant amount for the current  
2 semiannual reporting period, but shall consider this information  
3 in redetermining the eligibility and grant amount for the following  
4 semiannual reporting period as provided in Section 11265.2.

5 (g) During the semiannual reporting period, a recipient may  
6 request that the county discontinue the recipient’s entire assistance  
7 unit or any individual member of the assistance unit who is no  
8 longer in the home or is an optional member of the assistance unit.  
9 If the recipient’s request was verbal, the county shall provide a  
10 10-day notice before discontinuing benefits. If the recipient’s report  
11 was in writing, the county shall discontinue benefits effective the  
12 end of the month in which the request is made, and simultaneously  
13 issue a notice informing the recipient of the discontinuance.

14 SEC. 11. Section 11450 of the Welfare and Institutions Code,  
15 as amended by Chapter 75 of the Statutes of 2006, is amended to  
16 read:

17 11450. (a) (1) Aid shall be paid for each needy family, which  
18 shall include all eligible brothers and sisters of each eligible  
19 applicant or recipient child and the parents of the children, but  
20 shall not include unborn children, or recipients of aid under Chapter  
21 3 (commencing with Section 12000), qualified for aid under this  
22 chapter. In determining the amount of aid paid, and notwithstanding  
23 the minimum basic standards of adequate care specified in Section  
24 11452, the family’s income, exclusive of any amounts considered  
25 exempt as income or paid pursuant to subdivision (e) or Section  
26 11453.1, ~~averaged for the prospective quarter~~ *determined for the*  
27 *prospective semiannual period* pursuant to Sections 11265.2 and  
28 11265.3, and then calculated pursuant to Section 11451.5, shall  
29 be deducted from the sum specified in the following table, as  
30 adjusted for cost-of-living increases pursuant to Section 11453  
31 and paragraph (2). In no case shall the amount of aid paid for each  
32 month exceed the sum specified in the following table, as adjusted  
33 for cost-of-living increases pursuant to Section 11453 and  
34 paragraph (2), plus any special needs, as specified in subdivisions  
35 (c), (e), and (f):

36		
37	Number of	
38	eligible needy	
39	persons in	Maximum
40	the same home	aid

1	1.....	\$ 326
2	2.....	535
3	3.....	663
4	4.....	788
5	5.....	899
6	6.....	1,010
7	7.....	1,109
8	8.....	1,209
9	9.....	1,306
10	10 or more.....	1,403

11  
12 If, when, and during those times that the United States  
13 government increases or decreases its contributions in assistance  
14 of needy children in this state above or below the amount paid on  
15 July 1, 1972, the amounts specified in the above table shall be  
16 increased or decreased by an amount equal to that increase or  
17 decrease by the United States government, provided that no  
18 increase or decrease shall be subject to subsequent adjustment  
19 pursuant to Section 11453.

20 (2) The sums specified in paragraph (1) shall not be adjusted  
21 for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94,  
22 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through  
23 October 31, 1998, nor shall that amount be included in the base  
24 for calculating any cost-of-living increases for any fiscal year  
25 thereafter. Elimination of the cost-of-living adjustment pursuant  
26 to this paragraph shall satisfy the requirements of Section 11453.05,  
27 and no further reduction shall be made pursuant to that section.

28 (b) When the family does not include a needy child qualified  
29 for aid under this chapter, aid shall be paid to a pregnant mother  
30 for the month in which the birth is anticipated and for the  
31 three-month period immediately prior to the month in which the  
32 birth is anticipated in the amount that would otherwise be paid to  
33 one person, as specified in subdivision (a), if the mother, and child,  
34 if born, would have qualified for aid under this chapter. Verification  
35 of pregnancy shall be required as a condition of eligibility for aid  
36 under this subdivision. Aid shall also be paid to a pregnant woman  
37 with no other children in the amount which would otherwise be  
38 paid to one person under subdivision (a) at any time after  
39 verification of pregnancy if the pregnant woman is also eligible  
40 for the Cal-Learn Program described in Article 3.5 (commencing

1 with Section 11331) and if the mother, and child, if born, would  
2 have qualified for aid under this chapter.

3 (c) The amount of forty-seven dollars (\$47) per month shall be  
4 paid to pregnant mothers qualified for aid under subdivision (a)  
5 or (b) to meet special needs resulting from pregnancy if the mother,  
6 and child, if born, would have qualified for aid under this chapter.  
7 County welfare departments shall refer all recipients of aid under  
8 this subdivision to a local provider of the Women, Infants and  
9 Children program. If that payment to pregnant mothers qualified  
10 for aid under subdivision (a) is considered income under federal  
11 law in the first five months of pregnancy, payments under this  
12 subdivision shall not apply to persons eligible under subdivision  
13 (a), except for the month in which birth is anticipated and for the  
14 three-month period immediately prior to the month in which  
15 delivery is anticipated, if the mother, and the child, if born, would  
16 have qualified for aid under this chapter.

17 (d) For children receiving AFDC-FC under this chapter, there  
18 shall be paid, exclusive of any amount considered exempt as  
19 income, an amount of aid each month which, when added to the  
20 child's income, is equal to the rate specified in Section 11460,  
21 11461, 11462, 11462.1, or 11463. In addition, the child shall be  
22 eligible for special needs, as specified in departmental regulations.

23 (e) In addition to the amounts payable under subdivision (a)  
24 and Section 11453.1, a family shall be entitled to receive an  
25 allowance for recurring special needs not common to a majority  
26 of recipients. These recurring special needs shall include, but not  
27 be limited to, special diets upon the recommendation of a physician  
28 for circumstances other than pregnancy, and unusual costs of  
29 transportation, laundry, housekeeping service, telephone, and  
30 utilities. The recurring special needs allowance for each family  
31 per month shall not exceed that amount resulting from multiplying  
32 the sum of ten dollars (\$10) by the number of recipients in the  
33 family who are eligible for assistance.

34 (f) After a family has used all available liquid resources, both  
35 exempt and nonexempt, in excess of one hundred dollars (\$100),  
36 the family shall also be entitled to receive an allowance for  
37 nonrecurring special needs.

38 (1) An allowance for nonrecurring special needs shall be granted  
39 for replacement of clothing and household equipment and for  
40 emergency housing needs other than those needs addressed by

1 paragraph (2). These needs shall be caused by sudden and unusual  
2 circumstances beyond the control of the needy family. The  
3 department shall establish the allowance for each of the  
4 nonrecurring special need items. The sum of all nonrecurring  
5 special needs provided by this subdivision shall not exceed six  
6 hundred dollars (\$600) per event.

7 (2) Homeless assistance is available to a homeless family  
8 seeking shelter when the family is eligible for aid under this  
9 chapter. Homeless assistance for temporary shelter is also available  
10 to homeless families which are apparently eligible for aid under  
11 this chapter. Apparent eligibility exists when evidence presented  
12 by the applicant or which is otherwise available to the county  
13 welfare department and the information provided on the application  
14 documents indicate that there would be eligibility for aid under  
15 this chapter if the evidence and information were verified.  
16 However, an alien applicant who does not provide verification of  
17 his or her eligible alien status, or a woman with no eligible children  
18 who does not provide medical verification of pregnancy, is not  
19 apparently eligible for purposes of this section.

20 A family is considered homeless, for the purpose of this section,  
21 when the family lacks a fixed and regular nighttime residence; or  
22 the family has a primary nighttime residence that is a supervised  
23 publicly or privately operated shelter designed to provide temporary  
24 living accommodations; or the family is residing in a public or  
25 private place not designed for, or ordinarily used as, a regular  
26 sleeping accommodation for human beings. A family is also  
27 considered homeless for the purpose of this section if the family  
28 has received a notice to pay rent or quit. The family shall  
29 demonstrate that the eviction is the result of a verified financial  
30 hardship as a result of extraordinary circumstances beyond their  
31 control, and not other lease or rental violations, and that the family  
32 is experiencing a financial crisis that could result in homelessness  
33 if preventative assistance is not provided.

34 (A) (i) A nonrecurring special need of sixty-five dollars (\$65)  
35 a day shall be available to families of up to four members for the  
36 costs of temporary shelter, subject to the requirements of this  
37 paragraph. The fifth and additional members of the family shall  
38 each receive fifteen dollars (\$15) per day, up to a daily maximum  
39 of one hundred twenty-five dollars (\$125). County welfare  
40 departments may increase the daily amount available for temporary

1 shelter as necessary to secure the additional bedspace needed by  
2 the family.

3 (ii) This special need shall be granted or denied immediately  
4 upon the family's application for homeless assistance, and benefits  
5 shall be available for up to three working days. The county welfare  
6 department shall verify the family's homelessness within the first  
7 three working days and if the family meets the criteria of  
8 questionable homelessness established by the department, the  
9 county welfare department shall refer the family to its early fraud  
10 prevention and detection unit, if the county has such a unit, for  
11 assistance in the verification of homelessness within this period.

12 (iii) After homelessness has been verified, the three-day limit  
13 shall be extended for a period of time which, when added to the  
14 initial benefits provided, does not exceed a total of 16 calendar  
15 days. This extension of benefits shall be done in increments of one  
16 week and shall be based upon searching for permanent housing  
17 which shall be documented on a housing search form; good cause;  
18 or other circumstances defined by the department. Documentation  
19 of housing search shall be required for the initial extension of  
20 benefits beyond the three-day limit and on a weekly basis thereafter  
21 as long as the family is receiving temporary shelter benefits. Good  
22 cause shall include, but is not limited to, situations in which the  
23 county welfare department has determined that the family, to the  
24 extent it is capable, has made a good faith but unsuccessful effort  
25 to secure permanent housing while receiving temporary shelter  
26 benefits.

27 (B) A nonrecurring special need for permanent housing  
28 assistance is available to pay for last month's rent and security  
29 deposits when these payments are reasonable conditions of securing  
30 a residence, or to pay for up to two months of rent arrearages, when  
31 these payments are a reasonable condition of preventing eviction.

32 The last month's rent or monthly arrearage portion of the  
33 payment (1) shall not exceed 80 percent of the family's total  
34 monthly household income without the value of food stamps or  
35 special needs for a family of that size and (2) shall only be made  
36 to families that have found permanent housing costing no more  
37 than 80 percent of the family's total monthly household income  
38 without the value of food stamps or special needs for a family of  
39 that size.

1     However, if the county welfare department determines that a  
2 family intends to reside with individuals who will be sharing  
3 housing costs, the county welfare department shall, in appropriate  
4 circumstances, set aside the condition specified in clause (2) of  
5 the preceding paragraph.

6     (C) The nonrecurring special need for permanent housing  
7 assistance is also available to cover the standard costs of deposits  
8 for utilities which are necessary for the health and safety of the  
9 family.

10    (D) A payment for or denial of permanent housing assistance  
11 shall be issued no later than one working day from the time that a  
12 family presents evidence of the availability of permanent housing.  
13 If an applicant family provides evidence of the availability of  
14 permanent housing before the county welfare department has  
15 established eligibility for aid under this chapter, the county welfare  
16 department shall complete the eligibility determination so that the  
17 denial of or payment for permanent housing assistance is issued  
18 within one working day from the submission of evidence of the  
19 availability of permanent housing, unless the family has failed to  
20 provide all of the verification necessary to establish eligibility for  
21 aid under this chapter.

22    (E) (i) Except as provided in clauses (ii) and (iii), eligibility  
23 for the temporary shelter assistance and the permanent housing  
24 assistance pursuant to this paragraph shall be limited to one period  
25 of up to 16 consecutive calendar days of temporary assistance and  
26 one payment of permanent assistance. Any family that includes a  
27 parent or nonparent caretaker relative living in the home who has  
28 previously received temporary or permanent homeless assistance  
29 at any time on behalf of an eligible child shall not be eligible for  
30 further homeless assistance. Any person who applies for homeless  
31 assistance benefits shall be informed that the temporary shelter  
32 benefit of up to 16 consecutive days is available only once in a  
33 lifetime, with certain exceptions, and that a break in the consecutive  
34 use of the benefit constitutes permanent exhaustion of the  
35 temporary benefit.

36    (ii) A family that becomes homeless as a direct and primary  
37 result of a state or federally declared natural disaster shall be  
38 eligible for temporary and permanent homeless assistance.

39    (iii) A family shall be eligible for temporary and permanent  
40 homeless assistance when homelessness is a direct result of

1 domestic violence by a spouse, partner, or roommate; physical or  
2 mental illness that is medically verified that shall not include a  
3 diagnosis of alcoholism, drug addiction, or psychological stress;  
4 or, the uninhabitability of the former residence caused by sudden  
5 and unusual circumstances beyond the control of the family  
6 including natural catastrophe, fire, or condemnation. These  
7 circumstances shall be verified by a third-party governmental or  
8 private health and human services agency and homeless assistance  
9 payments based on these specific circumstances may not be  
10 received more often than once in any 12-month period. A county  
11 may require that a recipient of homeless assistance benefits who  
12 qualifies under this paragraph for a second time in a 24-month  
13 period participate in a homelessness avoidance case plan as a  
14 condition of eligibility for homeless assistance benefits.

15 (iv) The county welfare department shall report to the  
16 department through a statewide homeless assistance payment  
17 indicator system, necessary data, as requested by the department,  
18 regarding all recipients of aid under this paragraph.

19 (F) The county welfare departments, and all other entities  
20 participating in the costs of the AFDC program, have the right in  
21 their share to any refunds resulting from payment of the permanent  
22 housing. However, if an emergency requires the family to move  
23 within the 12-month period specified in subparagraph (E), the  
24 family shall be allowed to use any refunds received from its  
25 deposits to meet the costs of moving to another residence.

26 (G) Payments to providers for temporary shelter and permanent  
27 housing and utilities shall be made on behalf of families requesting  
28 these payments.

29 (H) The daily amount for the temporary shelter special need for  
30 homeless assistance may be increased if authorized by the current  
31 year's Budget Act by specifying a different daily allowance and  
32 appropriating the funds therefor.

33 (I) No payment shall be made pursuant to this paragraph unless  
34 the provider of housing is a commercial establishment, shelter, or  
35 person in the business of renting properties who has a history of  
36 renting properties.

37 (g) The department shall establish rules and regulations assuring  
38 the uniform application statewide of this subdivision.

39 (h) The department shall notify all applicants and recipients of  
40 aid through the standardized application form that these benefits

1 are available and shall provide an opportunity for recipients to  
2 apply for the funds quickly and efficiently.

3 (i) Except for the purposes of Section 15200, the amounts  
4 payable to recipients pursuant to Section 11453.1 shall not  
5 constitute part of the payment schedule set forth in subdivision  
6 (a).

7 The amounts payable to recipients pursuant to Section 11453.1  
8 shall not constitute income to recipients of aid under this section.

9 (j) For children receiving Kin-GAP pursuant to Article 4.5  
10 (commencing with Section 11360) of Chapter 2, there shall be  
11 paid, exclusive of any amount considered exempt as income, an  
12 amount of aid each month, which, when added to the child's  
13 income, is equal to the rate specified in Section 11364.

14 SEC. 12. Section 11450.12 of the Welfare and Institutions  
15 Code, as amended by Section 39 of Chapter 1022 of the Statutes  
16 of 2002, is amended to read:

17 11450.12. (a) An applicant family shall not be eligible for aid  
18 under this chapter unless the family's income, exclusive of the  
19 first ninety dollars (\$90) of earned income for each employed  
20 person, is less than the minimum basic standard of adequate care,  
21 as specified in Section 11452.

22 (b) A recipient family shall not be eligible for further aid under  
23 this chapter if ~~reasonably anticipated income, less exempt income,~~  
24 ~~averaged over the quarter pursuant to Sections 11265.2 and 11265.3~~  
25 *monthly income determined for the semiannual period pursuant*  
26 *to Sections 11265.2 and 11265.3, less exempt income,* and  
27 exclusive of amounts exempt under Section 11451.5, equals or  
28 exceeds the maximum aid payment specified in Section 11450.

29 SEC. 13. Section 11450.13 of the Welfare and Institutions  
30 Code, as amended by Section 40 of Chapter 1022 of the Statutes  
31 of 2002, is amended to read:

32 11450.13. In calculating the amount of aid to which an  
33 assistance unit is entitled in accordance with Section 11320.15,  
34 the maximum aid payment, adjusted to reflect the removal of the  
35 adult or adults from the assistance unit, shall be reduced by the  
36 gross *monthly* income of the adult or adults removed from the  
37 assistance unit, ~~averaged over the quarter determined for the~~  
38 *semiannual period* pursuant to Sections 11265.2 and 11265.3, and  
39 less any amounts exempted pursuant to Section 11451.5. Aid may

1 be provided in the form of cash or vouchers, at the option of the  
2 county.

3 SEC. 14. Section 11451.5 of the Welfare and Institutions Code,  
4 as amended by Section 329 of Chapter 62 of the Statutes of 2003,  
5 is amended to read:

6 11451.5. (a) Except as provided by subdivision (f) of Section  
7 11322.6, the following income, ~~averaged over the quarter~~  
8 *determined for the semiannual period* pursuant to Sections 11265.2  
9 and 11265.3, shall be exempt from the calculation of the income  
10 of the family for purposes of subdivision (a) of Section 11450:

11 (1) If disability-based unearned income does not exceed two  
12 hundred twenty-five dollars (\$225), both of the following amounts:

13 (A) All disability-based unearned income plus any amount of  
14 not otherwise exempt earned income equal to the amount of the  
15 difference between the amount of disability-based unearned income  
16 and two hundred twenty-five dollars (\$225).

17 (B) Fifty percent of all not otherwise exempt earned income in  
18 excess of the amount applied to meet the differential applied in  
19 subparagraph (A).

20 (2) If disability-based unearned income exceeds two hundred  
21 twenty-five dollars (\$225), both of the following amounts:

22 (A) All of the first two hundred twenty-five dollars (\$225) in  
23 disability-based unearned income.

24 (B) Fifty percent of all earned income.

25 (b) For purposes of this section:

26 (1) Earned income means gross income received as wages,  
27 salary, employer provided sick leave benefits, commissions, or  
28 profits from activities such as a business enterprise or farming in  
29 which the recipient is engaged as a self-employed individual or as  
30 an employee.

31 (2) Disability-based unearned income means state disability  
32 insurance benefits, private disability insurance benefits, temporary  
33 workers' compensation benefits, and social security disability  
34 benefits.

35 (3) Unearned income means any income not described in  
36 paragraph (1) or (2).

37 SEC. 15. Section 18910 of the Welfare and Institutions Code  
38 is amended to read:

39 18910. (a) To the extent permitted by federal law, regulations,  
40 waivers, and directives, the department shall implement the

1 prospective budgeting, ~~quarterly~~ *semiannual* reporting system  
2 provided in Sections 11265.1, 11265.2, and 11265.3, and related  
3 provisions regarding the Food Stamp Program, in a cost-effective  
4 manner that promotes compatibility between the CalWORKs  
5 program and the Food Stamp Program, and minimizes the potential  
6 for payment errors.

7 (b) The department shall seek all necessary waivers from the  
8 United States Department of Agriculture to implement subdivision  
9 (a).

10 SEC. 16. No appropriation pursuant to Section 15200 of the  
11 Welfare and Institutions Code shall be made for purposes of  
12 implementing this act.

13 SEC. 17. (a) Sections 1 to 15, inclusive, of this act shall  
14 become operative on January 1, 2009.

15 (b) Notwithstanding subdivision (a), if a county elects to stagger  
16 the reporting periods over six months pursuant to subdivision (c)  
17 of Section 11265.1 of the Welfare and Institutions Code, this act  
18 shall apply to an individual recipient on the first day of the month  
19 assigned to that recipient, but in no event later than July 1, 2009.

20 SEC. 18. (a) Notwithstanding the rulemaking provisions of  
21 the Administrative Procedure Act (Chapter 3.5 (commencing with  
22 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
23 Code), until emergency regulations are filed with the Secretary of  
24 State, the State Department of Social Services may implement the  
25 changes made to the Welfare and Institutions Code by Sections 1  
26 to 15, inclusive, of this act through all-county letters or similar  
27 instructions from the director. The department shall adopt  
28 emergency regulations, as necessary to implement those  
29 amendments no later than July 1, 2010.

30 (b) The adoption of regulations pursuant to subdivision (a) shall  
31 be deemed to be an emergency and necessary for the immediate  
32 preservation of the public peace, health, safety, or general welfare.  
33 The emergency regulations authorized by this section shall be  
34 exempt from review by the Office of Administrative Law. The  
35 emergency regulations authorized by this section shall be submitted  
36 to the Office of Administrative Law for filing with the Secretary  
37 of State and shall remain in effect for no more than 180 days, by  
38 which time the final regulations shall be adopted.

39 SEC. 19. No reimbursement is required by this act pursuant to  
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school  
2 district will be incurred because this act creates a new crime or  
3 infraction, eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section 17556 of  
5 the Government Code, or changes the definition of a crime within  
6 the meaning of Section 6 of Article XIII B of the California  
7 Constitution.

O