

AMENDED IN ASSEMBLY JANUARY 4, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1173**

---

---

**Introduced by Assembly Member Huber**

February 18, 2011

---

---

*An act to add and repeal Article 10 (commencing with Section 11550) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to public social services.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1173, as amended, Huber. ~~Preventing welfare fraud: county pilot program.~~ *CalWORKs: fraud prevention and reduction.*

Existing law establishes various social service programs that provide cash assistance and other benefits to qualified low-income families and individuals. Existing law establishes criminal penalties, including the imposition of specified fines, for violation of certain provisions relating to, among other offenses, willfully and knowingly making a false statement or failing to disclose a material fact in order to obtain designated public social services.

*Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families. Existing law authorizes counties to implement state-funded early fraud detection and prevention programs as a component of administering the CalWORKs program, under specified circumstances.*

This bill would ~~state the intent of the Legislature to enact legislation to~~ establish a pilot program *until January 1, 2018*, that would reimburse a county for the operation of a county program that prevents or reduces welfare fraud, provided that the county demonstrates the program produces a savings to the state that exceeds the cost of the operation of the program *by an unspecified percentage. The bill would require these programs to satisfy the criteria for early fraud prevention and detection programs authorized under the above existing law. The bill would require the State Department of Social Services to administer the program, and to conduct a statewide evaluation of the effectiveness of the program, as specified. Implementation of the bill would be contingent on an appropriation in the annual Budget Act.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
 State-mandated local program: no.

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

1     SECTION 1. Article 10 (commencing with Section 11550) is  
 2     added to Chapter 2 of Part 3 of Division 9 of the Welfare and  
 3     Institutions Code, to read:

4  
 5             Article 10. County Reimbursement for CalWORKs Fraud  
 6                             Prevention and Reduction  
 7

8     11550. It is the intent of the Legislature in enacting this article  
 9     to establish a pilot program to provide grants to reimburse counties  
 10    for operating programs to reduce or prevent CalWORKs fraud,  
 11    provided that the county demonstrates that its program produces  
 12    a savings to the state that exceeds the costs of the program, as  
 13    required under this article.

14    11551. (a) The State Department of Social Services shall  
 15    administer this article and award grants pursuant to the  
 16    application process provided for in this section.

17    (b) Grants shall be awarded to existing and new county-based  
 18    fraud reduction or prevention programs that satisfy the  
 19    requirements of this article.

20    (c) In order to qualify for a grant under this article, the  
 21    county-based program shall satisfy the requirements of subdivision  
 22    (d) of Section 11055.5.

1 (d) In order to qualify for a grant under this article, a county  
2 shall submit an application, on a form provided by the department,  
3 that includes, at a minimum, the following information for the  
4 fiscal year for which reimbursement is sought:

- 5 (1) A description of the program and its operation.
- 6 (2) The amount expended by the county to operate the program.
- 7 (3) The amount of savings realized as a result of the program.
- 8 (4) Any records, documentation, or other information necessary  
9 for the department to substantiate the amounts identified in  
10 paragraphs (2) and (3).

11 (e) The department shall only award a grant to reimburse an  
12 applicant county if the amount identified by the county in  
13 paragraph (3) of subdivision (d) constitutes a savings of at least  
14 \_\_\_ percent.

15 11552. (a) The department shall conduct a statewide  
16 independent evaluation of the grant program, assessing the  
17 program's effectiveness in reducing and preventing CalWORKs  
18 fraud. Notwithstanding Section 10231.5 of the Government Code,  
19 the department shall report the findings from its evaluation to the  
20 Legislature, within six months after the completion of each grant  
21 cycle. The evaluation shall be performed only when for this purpose  
22 funds are appropriated in the annual Budget Act.

23 (b) A report to be submitted pursuant to subdivision (a) shall  
24 be submitted in compliance with Section 9795 of the Government  
25 Code.

26 11553. The department's costs for administration of the grant  
27 program established pursuant to this article shall not exceed 5  
28 percent of the total appropriation for the program. The Legislature  
29 shall be notified of the administrative costs of the program.

30 11554. This article shall be implemented only to the extent that  
31 funds are appropriated in the annual Budget Act for purposes of  
32 this article.

33 11555. This article shall remain in effect only until January 1,  
34 2018, and as of that date is repealed, unless a later enacted statute,  
35 that is enacted before January 1, 2018, deletes or extends that  
36 date.

37 ~~SECTION 1. It is the intent of the Legislature to enact~~  
38 ~~legislation to establish a pilot program that would reimburse a~~  
39 ~~county for the operation of a county program that prevents or~~  
40 ~~reduces welfare fraud, provided that the county demonstrates the~~

- 1 ~~program produces a savings to the state that exceeds the cost of~~
- 2 ~~the operation of the program.~~

O