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AB-415 CalFresh: employment social enterprises. (2017-2018)





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Assembly Bill No. 415

CHAPTER 340

An act to add Section 18926.7 to the Welfare and Institutions Code, relating to CalFresh.

[Approved by Governor September 28, 2017. Filed with Secretary of State September 28, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 415, Chiu. CalFresh: employment social enterprises.

Existing federal law provides for the federal Supplemental Nutrition Assistance Program, known in California as CalFresh, under which food assistance benefits are distributed to eligible individuals by the counties. Existing law authorizes counties to participate in the CalFresh Employment and Training Program (CalFresh E&T), established by federal law, and requires participating counties to screen CalFresh work registrants to determine whether they will participate in, or be deferred from, the CalFresh E&T program.

This bill would authorize the State Department of Social Services, to the extent permitted by federal law, to contract directly with an entity that provides services on a regional or statewide basis and that has expertise in, and secures funds for, CalFresh E&T program services. The bill would authorize the department to act as the state entity for receipt of federal reimbursement on behalf of the entity in certain circumstances and would require the department to seek any county consultation necessary to implement the contract. The bill would authorize a county to contract with an employment social enterprise or designated intermediary to provide services to its CalFresh E&T program participants and would require the department to issue guidance instructing counties that elect to participate in CalFresh E&T program services of any special considerations for partnering with employment social enterprises in the development or implementation of their county CalFresh E&T programs. The bill would also make legislative findings and declarations relating to California's employment social enterprises.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

- (a) California's employment social enterprises employ people in transitional jobs and prepare people, many of them parents, facing multiple barriers, such as low skill and education attainment, criminal records, homelessness, substance abuse, and mental illness, to secure and retain long-term employment.
- (b) California's employment social enterprises are funded with a mix of public and private dollars and expect to employ over 20,000 people in the next five years.

- (c) Through their experience in combining short- or long-term wage-paying employment that combines real work, training and skill development, and supportive services for participants who are overcoming significant barriers to employment, California's employment social enterprises could leverage CalFresh Employment and Training program funding to expand services to even more Californians.
- **SEC. 2.** Section 18926.7 is added to the Welfare and Institutions Code, to read:
- **18926.7.** (a) (1) To the extent permitted under federal law, the department may contract directly with an entity that provides services on a regional or statewide basis and that has expertise in, and secures funds for, CalFresh E&T program services provided to participants that are allowable for partial federal reimbursement.
 - (2) The department may act as the state entity for receipt of federal reimbursement on behalf of the entity, provided that the entity complies with state and federal contracting requirements and the entity serves participants who face multiple barriers to employment and offers evidence-based skills development that results in a demonstrable increase in employment rates and earnings from work. The entity may include, but is not limited to, any of the following:
 - (A) An employment social enterprise.
 - (B) A private nonprofit.
 - (C) A public postsecondary educational institution, or other state or local agency.
 - (D) An organization serving as an intermediary for an entity described in subparagraphs (A) to (C), inclusive, and the department.
- (b) The department shall seek any county consultation necessary to implement subdivision (a), including, but not limited to, coordination with counties that have contracts in place pursuant to subdivision (c), or who are considering entering into contracts pursuant to subdivision (c).
- (c) Notwithstanding subdivision (a), a county may contract with an employment social enterprise or designated intermediary to provide services to its CalFresh E&T program participants. The department shall, no later than June 1, 2018, in consultation with the County Welfare Directors Association, issue guidance instructing counties that elect to participate in CalFresh E&T program services of any special considerations for partnering with employment social enterprises in the development or implementation of their county CalFresh E&T programs.
- (d) (1) For purposes of this section, "employment social enterprise" means a social purpose corporation, a benefit corporation, or a nonprofit corporation that earns 51 percent or more of its enterprise revenue from production or assembly of goods or the provision of services and that demonstrates evidence of its mission to provide employment with on-the-job and life skills training to a direct labor force, not including supervisors, administrators, and trainers, that is comprised of 80 percent or more participants who face multiple barriers to employment.
 - (2) For purposes of this section, "participant who faces multiple barriers to employment" means an individual who meets at least two of the following:
 - (A) An individual with employment barriers, as defined in subdivision (j) of Section 14005 of the Unemployment Insurance Code.
 - (B) An individual who is or has been a homeless individual, as defined in Section 254b of Title 42 of the United States Code.
 - (C) An individual who is an out-of-school youth, as defined in Section 3164(a)(1)(B) of Title 29 of the United States Code.