



SB-1066 California Farmworkers Drought Resilience Pilot Project. (2021-2022)

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CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

SENATE BILL

NO. 1066

Introduced by Senator Hurtado

February 15, 2022

An act to add and repeal Section 17131.18 of the Revenue and Taxation Code, and to add and repeal Chapter 13 (commencing with Section 18992) of Part 6 of Division 9 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1066, Hurtado. California Farmworkers Drought Resilience Pilot Project.

(1) Existing law establishes the State Department of Social Services and requires the department to administer various public social services programs, including the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals, and the CalFresh program, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county.

This bill would require the department, subject to an appropriation by the Legislature, to administer the California Farmworkers Drought Resilience Pilot Project to provide supplemental pay in the form of cash assistance for eligible households to help meet their basic needs. The bill would define eligible household to mean a household in which one member of the household is a farmworker, as specified, and would define supplemental pay to mean unconditional cash payments of equal amounts issued monthly to eligible households with the intention of ensuring the economic security of those households. The bill would require the department to implement the pilot project by awarding grants to eligible entities, as defined, for the purpose of issuing the

supplemental pay, and would require the department, in consultation with relevant stakeholders, to determine the methodology for, and manner of, distributing those grants. The bill would require an eligible entity, in order to receive a grant, to, among other things, present commitments of additional nongovernmental funding to supplement the grant in an amount equal to or greater than 50% of the amount of funding to be provided to the entity from the grant pursuant to the pilot project.

This bill would prohibit supplemental pay received by an eligible household from being considered income or resources for purposes of determining the household's eligibility for benefits or assistance, or the amount or extent of benefits or assistance, under any state or local means-tested program. The bill would require the department, in consultation with stakeholders, and after consultation with the Legislature, to identify federal benefit and assistance programs that require an exemption or waiver in order for supplemental pay received by an eligible household pursuant to the pilot project to be excluded from consideration as income or resources for purposes of the federal program. The bill would require a state department or agency that administers a program identified by the State Department of Social Services to, if possible, approve an exemption or waiver or seek one from the federal government.

This bill would require the department to work with at least one independent, research-based institution to identify existing, and establish additional, outcome measurements, and to submit a specified report relating to the pilot project to the Legislature on or before December 31, 2026. The bill would authorize the department to accept and expend funds from nongovernmental sources for the pilot project, as specified, and would authorize the department to accept in-kind contributions, including, but not limited to, financial mentorship services for households that receive supplemental pay pursuant to the pilot project. The bill would authorize the department to implement, interpret, or make specific the pilot project by means of a departmental directive or similar instruction.

(2) The Personal Income Tax Law imposes taxes based upon taxable income at specified rates. Existing law, in modified conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded.

This bill would exclude from gross income, for purposes of the personal income tax, any supplemental pay received by a household pursuant to the pilot project described above.

(3) This bill would repeal these provisions on January 1, 2027.

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

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

SECTION 1. Section 17131.18 is added to the Revenue and Taxation Code, to read:

17131.18. (a) Gross income does not include any supplemental pay received by a household pursuant to the California Farmworkers Drought Resilience Pilot Project established pursuant to Chapter 13 (commencing with Section 18992) of Part 6 of Division 9 of the Welfare and Institutions Code.

(b) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 2. Chapter 13 (commencing with Section 18992) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 13. California Farmworkers Drought Resilience Pilot Project

18992. (a) There is hereby established the California Farmworkers Drought Resilience Pilot Project to provide supplemental pay in the form of cash assistance for eligible households to help meet their basic needs.

(b) Subject to an appropriation by the Legislature for the express purpose of this chapter, the State Department of Social Services shall administer the pilot project with the goal of lifting farmworkers out of poverty.

18992.1. For purposes of this chapter, the following terms have the following meanings:

(a) "Eligible entity" means a public or private entity that provides services to the farmworker population.

(b) "Eligible household" means a household in which one member of the household is a farmworker.

(c) "Farmworker" has the same meaning as the term "agricultural employee," as defined in Section 1140.4 of the Labor Code.

(d) "Supplemental pay" means unconditional cash payments of equal amounts issued monthly to eligible households with the intention of ensuring the economic security of those households.

18992.2. (a) The department shall implement the pilot project established pursuant to this chapter by awarding grants to eligible entities for the purpose of issuing supplemental pay to eligible households.

(b) The department, in consultation with relevant stakeholders, shall determine the methodology for, and manner of, distributing grants awarded pursuant to this chapter. In determining the methodology and manner of distributing grants, the department shall ensure that grant funds are awarded in an equitable manner to eligible entities.

(c) In order to receive grant funds pursuant to this chapter, an eligible entity shall do both of the following:

(1) Present commitments of additional nongovernmental funding to supplement the grant to be received by the entity in an amount equal to or greater than 50 percent of the amount of funding to be provided to the entity from the grant pursuant to this chapter.

(2) Agree to assist the department in obtaining, or to pursue, to the extent necessary, all available exemptions or waivers to ensure that supplemental pay issued to an eligible household pursuant to this chapter is not considered income or resources of the household for purposes of eligibility for any means-tested federal benefit programs.

18992.3. (a) Notwithstanding any other law, supplemental pay received by an eligible household pursuant to this chapter shall not be considered income or resources for purposes of determining the household's eligibility for benefits or assistance, or the amount or extent of benefits or assistance, under any state or local benefit or assistance program.

(b) The department shall, in consultation with stakeholders, and after consultation with the Legislature, identify federal benefit and assistance programs that require an exemption or waiver in order for supplemental pay received by an eligible household pursuant to this chapter to be excluded from consideration as income or resources for purposes of the federal program. Notwithstanding any other law, a state department or agency that administers a program identified by the department shall, if possible, approve an exemption or waiver, or provide any other authority deemed necessary by the department, to exclude supplemental pay from consideration as income or resources for purposes of the federal program, or, if the state department or agency does not have that authority, seek a federal waiver or exemption. The state's failure to be granted a federal exemption or waiver, as described in this paragraph, shall not affect the department's ability to administer this chapter, and the department may consider alternatives to prevent adverse consequences for eligible households, in consultation with the Legislature and stakeholders.

18992.4. (a) The department may establish an appropriate method, process, and structure for grant management, fiscal accountability, payments to eligible households, and technical assistance and supports for entities receiving a grant under this chapter that ensures transparency and accountability in the use of state funds. The department may, at its discretion, contract with one or more entities, including, but not limited to, community development financial intermediaries, state financial entities, or other community-based organizations, for these purposes.

(b) The department may, at its discretion, require an eligible entity that receives a grant under this chapter to use a specified third-party vendor for purposes of administering the grants and to meet the requirements of this chapter.

(c) The department shall provide all households that are eligible for the pilot project established by this chapter information relating to other public assistance programs for which the household may be eligible. The department may, at its discretion, contract with a third-party vendor for the purpose of developing a benefits counseling tool or benefits counseling materials.

18992.5. (a) Notwithstanding any other law, the department may accept and expend funds from nongovernmental sources for any grant or contract described in this chapter.

(b) In administering the pilot project, the department may accept in-kind contributions, including, but not limited to, financial mentorship services for households that receive supplemental pay pursuant to this chapter.

18992.6. If, after a household begins receiving supplemental pay pursuant to the pilot project, the household no longer includes a member who is a farmworker, the household shall not be eligible to receive future supplemental pay. A household that becomes ineligible for supplemental pay pursuant to this section shall not be required to forfeit any supplemental pay already received through the pilot project.

18992.7. (a) The department shall work with at least one independent, research-based institution to identify existing, and establish additional, outcome measurements. These measurements shall inform an evaluation report that shall be provided to the Legislature on or before December 31, 2026. The evaluation shall include outcomes for farmworkers served under the pilot project, models utilized, and measures specific to the objectives of the pilot project. Notwithstanding any other law, the department may accept and expend funds from nongovernmental sources for the evaluation, for a longitudinal study of the pilot

project that is in addition to the evaluation, or for both. The report shall include, but not be limited to, all of the following information:

- (1) Starting income of participating households before receiving monthly supplemental pay under the pilot project.
- (2) Geographic indicators, including county of residence, city, and ZIP Code.
- (3) Employment status of the members of participating households before receiving monthly supplemental pay.
- (4) Housing status of participating households before receiving monthly supplemental pay.
- (5) Outcome measures that assess how a participating household has been affected by participating in the pilot project, including whether a household has been excluded from participating in other state or local benefit or assistance programs.
- (6) A description of the barriers that households experienced accessing the pilot project.
- (7) Additional descriptive and outcome indicators, as appropriate.

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

18992.8. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may, without taking any further regulatory action, implement, interpret, or make specific this chapter by means of departmental directives or similar instructions.

18992.9. This chapter shall remain in effect only until January 1, 2027, and as of that date is repealed.