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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2021 - 2022 Regular Session

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### SB 854 (Skinner) - Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Act of 2022

**Version:** May 2, 2022

**Policy Vote:** HUMAN S. 3 - 1, GOV. & F.  
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**Urgency:** No

**Mandate:** Yes

**Hearing Date:** May 9, 2022

**Consultant:** Samantha Lui

**Bill Summary:** Senate Bill 854 would require, effective July 1, 2023 and subject to appropriation, the Department of Social Services (CDSS) to establish the California Survivor Benefit (CalSurvivor) Program. Would require, on or before February 15, 2023, the State Treasurer to convene a workgroup on steps to establish trust fund accounts for specified children.

**Fiscal Impact:** Staff estimates:

- State Treasurer's Office. High hundreds of thousands to \$1 million to convene a workgroup to produce a legislative report, and ongoing cost pressures to the General Fund to fund identified recommendations from the report.
- CDSS. Unknown, significant ongoing and limited-term costs (General Fund) including:
  - Low millions in automation changes to CalSAWS, changes to EBT automation, and changes to establish a new aid code.
  - Unknown, significant reimbursements to counties that establish an advocacy program
  - Unknown, significant costs for the actual payment of benefits.
  - Unknown, significant costs for reimbursement to attorneys, during the appeals phase of the federal OASDI survivor benefits application process.
  - Unknown, significant costs for CDSS to conduct eligibility determination. Currently, CDSS does not have staffing to conduct this workload for determination or redetermination, and enforcement and technical assistance to counties to establish an advocacy program to assist applications.
  - Unknown, significant IT costs to create a database that can be used to determine, and recertify, eligibility of recipients, as well as to collect the documentation specified in the bill (i.e., death certificate of deceased parent, birth certificate of applicant, proof that an applicant is not eligible for federal Old-Age, Survivors, and Disability Insurance (OASDI) benefits, and proof that the parent and child were California residents at a specified time). Currently, CDSS does not track parent deaths. This data sharing would require coordination with the federal Social Security Association.
  - Indeterminate costs to prepare and submit the legislative report.
- Department of Health Care Services. Indeterminate, limited-term costs to issue guidance to county human services agencies about the CalSurvivor Program.

Unknown, likely minor costs to attend the workgroup meetings, convened by the Treasurer.

- Department of Child Support Services. Indeterminate, limited-term costs to issue guidance to county human services agencies about the CalSurvivor Program.
- Franchise Tax Board. Unknown, indeterminate, short-term costs related to coordinating with CDSS in determining whether the program benefits may qualify as a tax credit.
- California Health and Human Services Agency. Unknown, like minor costs (low tens of thousands) to attend the workgroup meetings, convened by the Treasurer. This figure depends on meeting frequency and whether reimbursement for travel or per diem is allowed
- Department of Corrections and Rehabilitation. Unknown, like minor costs (low tens of thousands) to attend the workgroup meetings, convened by the Treasurer. This figure depends on meeting frequency and whether reimbursement for travel or per diem is allowed
- Department of Public Health. Unknown, like minor costs (low tens of thousands) to attend the workgroup meetings, convened by the Treasurer. This figure depends on meeting frequency and whether reimbursement for travel or per diem is allowed.

**Background:** The OASDI program provides monthly benefits to qualified retired and disabled workers and their dependents and to survivors of insured workers. An individual's eligibility and benefit amounts are determined by the worker's contributions to Social Security; as a result there is no means test to qualify for benefits. Under federal law, the maximum yearly amount of earnings subject to OASDI taxes was \$137,700 in 2020. The federal Social Security Administration (SSA), which administers OASDI, found, at the end of December 2019, about 64 million people were receiving benefits that totaled approximately \$80 billion a month, with all payments to beneficiaries totaling approximately \$1.05 trillion in calendar year 2019.

Noncitizens can obtain OASDI benefits if they were assigned an SSN for work purposes at any time on or after January 1, 2004, or if they were admitted to the United States as a nonimmigrant visitor for business or as an alien crewman, as provided. The primary insurance amount is the base figure from which monthly benefit amounts are determined for early retirement, delayed retirement, and for the worker's family members or survivors. Thus the actual benefit amount varies depending on these calculations, with the average monthly Social Security benefit for retirees being \$1,564 in November 2021.

**Proposed Law:** SB 854 would include the following provisions, among others:

State Treasurer. The bill would require, on or before February 15, 2023, the Treasurer to convene a workgroup to advise the Legislature on the policy and funds necessary to establish trust fund accounts for children whose parent or guardian died from the

COVID-19 virus and foster children most immediately, and eventually for all children born into low-income homes. The bill would specify workgroup membership, and would require the workgroup to consider program design, including, the process for program enrollment and continuous measurement of outcomes of the trust fund accounts. The workgroup shall consist of all of the following:

The bill would require the workgroup, no later than March 1, 2023, to submit a report to the Legislature that includes the advice and considerations and identifies the authority necessary to expand an existing trust fund program or create a new program, if one does not exist, to include all children born into low-income circumstances and assesses the funding to do that. The report shall include recommendations on how to best reach children disproportionately impacted by poverty and low wealth, including, but not limited to, foster youth, Indigenous children, migrant and refugee children, children living in communities with high poverty rates, and children whose parents or guardians are incarcerated.

CalSurvivor Program. The bill would require the CDSS to establish and oversee the CalSurvivor Program, a county- or county consortia-administered program to provide cash assistance for a minor who is a California resident with a deceased parent, who was also a California resident upon their death, when the minor is not eligible OASDI.

Program eligibility. The bill would require CDSS to conduct the eligibility determination, and redetermination, for individuals in the program. The bill would specify criteria for program eligibility.

County Advocacy Program. The bill would require CDSS to require counties a specified number of residents to establish an advocacy program to assist applicants and recipients of aid in the application process for federal OASDI survivor benefits if the applicant is denied for not having specified verification, unless the applicant affirmatively states that they do not want the assistance in writing.

The bill would require the department to provide assistance to counties in their efforts to implement the advocacy program.

The bill would require CDSS to reimburse fees incurred by attorneys or other authorized representatives during the appeals phase of the federal OASDI survivor benefits application process, but only when the county demonstrates that the legal representative successfully secures approval of federal OASDI survivor benefits.

The bill would provide that counties only need to operate the advocacy program to the extent that state funds have been provided to counties for this purpose.

Legislative report. The bill would require CDSS, by July 1, 2025, submit a report to the Legislature on the outcomes of the CalSurvivor Program and the advocacy programs.

Benefit amounts. The bill would require that CalSurvivor benefits be equivalent to the federal OASDI survivor benefits.

The federal and state laws and regulations governing the federal OASDI survivor benefits program must also govern the program.

The bill also would provide that nothing in the bill prevents program benefits issues from being a tax credit, as specified, and if the benefits are deemed to be a tax credit, the Director of CDSS must certify to the Legislature that they have received and complied with any additional authority from the Franchise Tax Board. .

County workload. The bill would require the CDSS to reimburse counties for the cost of actual CalSurvivor payments and for the administrative costs actually attributable to those payments.

Guidance. The bill would require CDSS to collaborate with the DHCS and CDSS to issue guidance, informing county human services agencies and local child support agencies, respectively, about the CalSurvivor Program when the county, or department, becomes aware that a child's parent or noncustodial parent has died.

All county letters, regulations. The bill would authorize CDSS to implement the bill through all-county letters or similar instructions, including authority to issue emergency regulations, and would require CDSS to adopt regulations no later than July 1, 2025.

Operative date and other. The bill would be effective on July 1, 2023 and implementation would be subject to an appropriation by the Legislature, or a provision of federal funds or private funds for these purposes, and only during any period that OASDI federal benefits are provided.

**Related Legislation:** SB 298 (Caballero, 2019) would establish, until January 1, 2039, the End Child Poverty Act of 2020 to require CDSS, beginning in 2020 and every 5 years thereafter, to submit a legislative report on the state child poverty rate and progress toward ending deep child poverty, as specified. This bill was held in the Assembly Appropriations Committee.

**Staff Comments:** Staff notes as currently as written, the income received as part of the CalSURVIVOR program would be counted against CalWORKs income/grant amount, which may not be the bill's intent. In addition, to the extent any automation changes are needed, a delayed implementation to 2024 may be advisable as the single SAWS migration is underway. The bill is also unclear on whether benefits are conferred to populations with specified immigration status.

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