



**2017-2018
California
State
Budget
CalWORKs
Recipient
Perspective of the
Governor's
Proposed
Budget**

February 2017

By

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Re: CalWORKs Budget Issues in the 2017-2018 State Budget

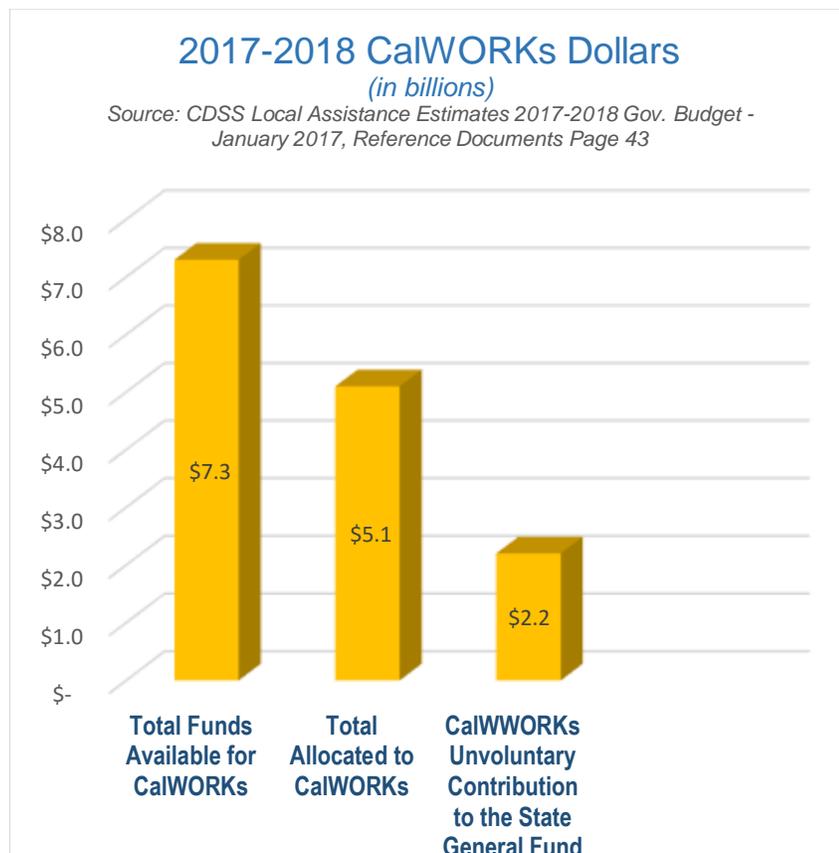
Graph #1

The Coalition of California Welfare Rights Organizations (CCWRO) has advocated for impoverished persons, families and children of California since the 1980s. We work in concert with legal services organizations throughout the State of California.

This is a recipient perspective of the 2017-2018 California State Budget for CalWORKs.

CalWORKs Available Money and its Disposition

The Governor's 2017-2018 budget reveals that there is \$7.3 billion available to address the needs of 773,006,000 California



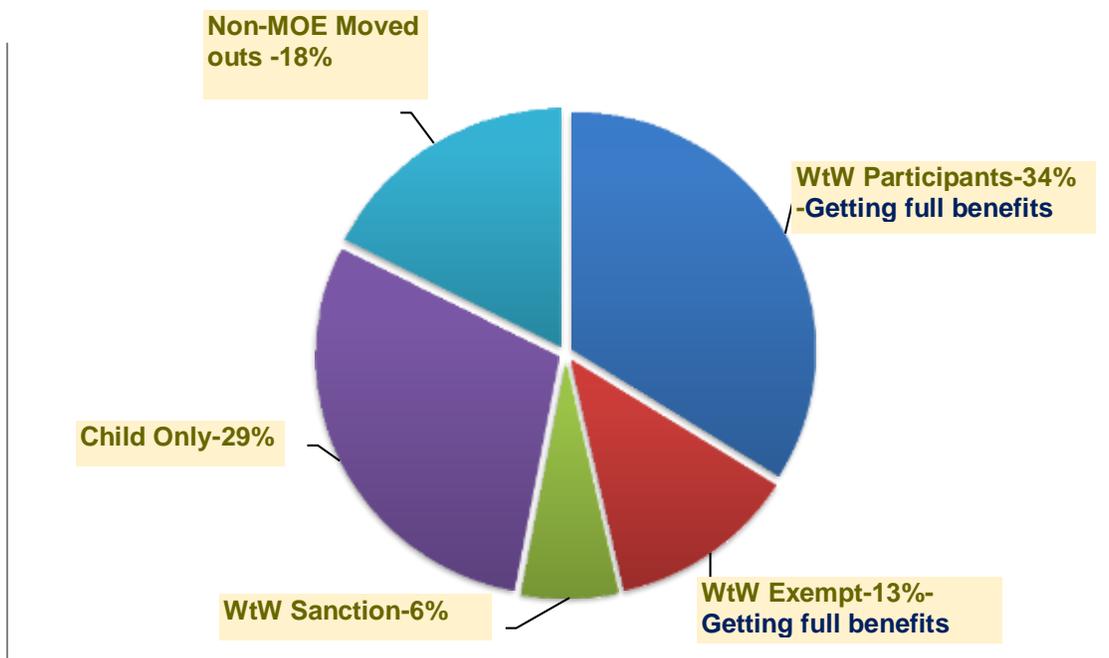
children living in deep poverty. Over 33% of the \$7.3 billion available to aid California’s CalWORKs babies and children enduring deep poverty is used for what the Administration calls “**CalWORKs contribution to the General Fund**”. See **Graph #1, pg.1**

CalWORKs families have been driven into deep poverty in California by repeated cuts in grants and the imposition of penalties and sanctions constructed like fences throughout the CalWORKs program. As revealed below in **Table #1** there are more than twice as many families living with a penalty or a sanction than there are families living on their full family-size CalWORKs grant. See also **Graph #2**.

(Table #1)

| 2017-2018 CalWORKs Caseload – 457,173 cases | |
|--|--|
| 47% of the total CalWORKs caseload received aid for the actual family size. | 53% of the total CalWORKs caseload received aid that had been reduced by one or more persons in the family. |

Graph #2 - Only “WtW participants-34%” & “WtW exempt-13%” receive maximum aid.



Source: [CDSS 2017 CalWORKs Annual Report](#)

The Real Grant Amounts Received by CalWORKs Families

Given the reality that majority of CalWORKs families do not receive the maximum benefits for their family size, it is important to know what California impoverished families actually live on. Although the maximum benefits for a family of three is \$714 a month and the maximum CalFresh (also known as Food Stamps) is \$495 a month, that does not mean that all families of three (3) receive \$714 plus \$495 in CalFresh benefits. In fact, less than 50% of the CalWORKs families of three (3) receive \$714 a month and none of them who receive a cash aid payment receive the maximum CalFresh benefits of \$495 a month. The average cash aid benefit is equal to 29% of the federal poverty level (FPL) while the maximum cash aid payment is equal to 38% of the FPL. **See Table #2.**

(Table #2)

| CalWORKs Monthly Maximum CalWORKs and CalFresh Benefits v. Average Benefits Received by a Family of Three | | | | |
|--|-----------------|----------------------------------|---|----------------------------------|
| MAXIMUM CalWORKs & CALFRESH BENEFITS | | | AVERAGE CalWORKs & CALFRESH BENEFITS | |
| Year | Monthly Benefit | Percent of Federal Poverty Level | Monthly Benefit | Percent of Federal Poverty Level |
| CalWORKs (CW) Maximum Grant | \$714 | 42% | \$534 | 31% |
| CalFresh (CF) Maximum Benefit | \$497 | 29% | \$292 | 17% |
| TOTAL | \$1,211 | 71% | \$826 | 49% |

Source CDSS

California leads the nation in poverty, based on the Supplemental Poverty Rates. The primary antidote to child poverty in California is the CalWORKs program – the sole source of funding for housing, clothing and other necessities for children and families.

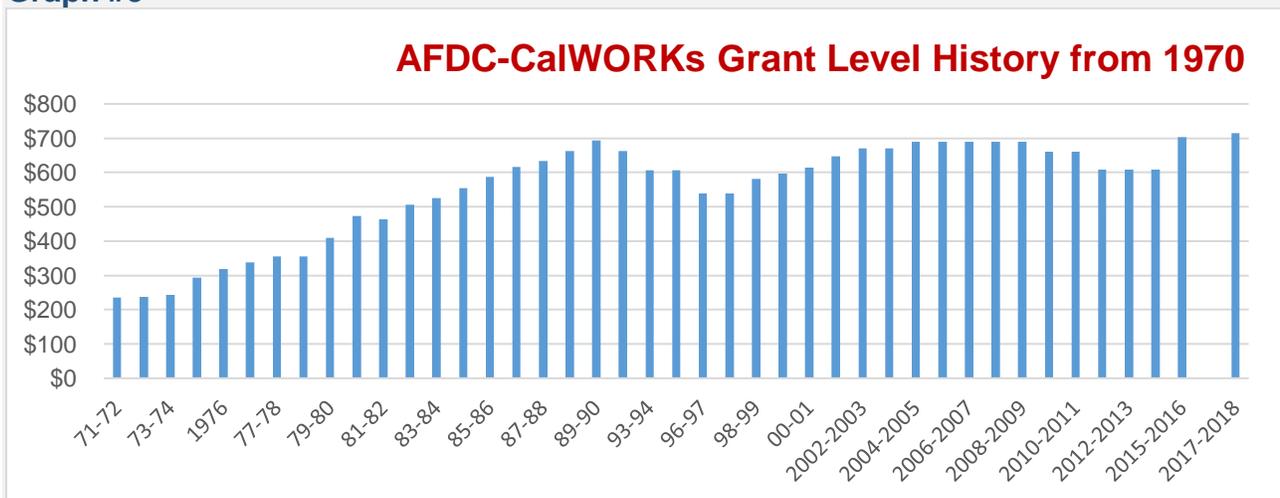
The maximum CalWORKs grant for a family of three (3) in 1988 was \$668 a month. Today, for 2017-2018, a family of three (3) receives a maximum grant of \$680. See Graph #3.

The CalWORKs program has been under attack for a long time as it became a battleground for winning elections while the country figures out how to treat our poor people. California's poor families with babies and children enduring deep poverty, have been under constant attack by California's political leaders since 1980. Since 1980, three governors have attacked AFDC and CalWORKs kids by reducing benefits; Jerry Brown I and II by 10.1%, Pete Wilson by 17.4%, and Arnold Schwarzenegger by 4% who repealed the Ronald Reagan-enacted AFDC COLA. **See Table #3.** Since 1998, the CalWORKs program made over \$24 billion involuntary contributions to the General Fund. **See Table # 4 on page 5.**

(Table #3) History of AFDC/CalWORKs Grant Reductions

| | |
|-----------|--|
| 1980-1981 | Jerry Brown reduced grants by - 2.1% |
| 1992 | Pete Wilson reduced grants by - 5.8% |
| 1993-94 | Pete Wilson reduced grants by - 2.7% |
| 1996-97 | Pete Wilson reduced grants by - 8.9% |
| 2010 | Arnold Schwarzenegger repealed the COLA & reduced grants by - 4% |
| 2011-2012 | Jerry Brown reduced grants by - 8% |

Graph #3



The Governor's Proposed Budget Takes \$2.2 billion from CalWORKs in 2017-2018

The CalWORKs budget is funded by a \$3.7 billion federal TANF block grant and a \$3 billion state match known as maintenance of effort (MOE). In 2017-2018 there is a \$.4 billion carry-over of CalWORKs money. That all adds up to \$7.3 billion available for 2017-2018. Last year, only \$5.2 billion was appropriated to CalWORKs families. The remaining \$2.1 billion is a “CalWORKs contribution to the General Fund”.

This year's proposed budget has CalWORKs recipients making a \$2.2 billion “involuntary contribution” to the General Fund. CCWRO views this as an inhumane act.

This is the first time that any governor has proposed to take \$2.2 billion or 33% of CalWORKs funds to pay for non-CalWORKs programs. **Table #4** shows the sad history of involuntary contributions from California's poor children and giving it to programs that do not meet the CalWORKs means-tested requirements.

(Table #4) History of CalWORKs Involuntary Contributions to the State General Fund

| State Fiscal Year | Amount taken from CalWORKs Recipients | State Fiscal Year | CalWORKs Recipient Involuntary Contribution to the General Fund |
|-------------------|---------------------------------------|------------------------------|---|
| FY 98-99 | \$708,502,000 | FY 08-09 | \$1,268,997,000 |
| FY 99-00 | \$745,249,000 | FY 09-10 | \$1,262,291,000 |
| FY 00-01 | \$1,021,913,000 | FY 10-11 | \$1,262,046,000 |
| FY 01-02 | \$1,126,647,000 | FY 11-12 | \$1,234,159,000 |
| FY 02-03 | \$1,088,940,000 | FY 12-13 | \$1,896,060,000 |
| FY 03-04 | \$1,163,238,000 | FY 13-14 | \$1,586,755,000 |
| FY 04-05 | \$1,087,321,000 | FY 14-15 | \$ 1,528,424,000 |
| FY 05-06 | \$1,299,448,000 | FY 15-16 | \$ 1,489,480,000 |
| FY 06-07 | \$1,184,134,000 | FY 16-17 | \$ 2,093,622,000 |
| FY 07-08 | \$1,745,291,000 | 2017-2018 Proposed Budget | \$ 2,209,428,000 |

Barriers Facing CalWORKs Recipients Trying to Achieving Self-Sufficiency Today

The purpose of the CalWORKs program is to assist low-income families achieve self-sufficiency. That is why the budget includes \$2,224,238,000 for county welfare-to-work activities which represents 43% of all CalWORKs funds proposed to be used for CalWORKs eligible families during 2017-2018 in the Governor's proposed budget. The annual number of welfare-to-work participants who will find employment that will result in the termination of CalWORKs is an estimated 50,000 cases. That does not mean these families will be receiving income above 100% of the federal poverty level. They will still be living in poverty, but not receiving CalWORKs.¹

This means that Californians are spending \$44,500 for each WtW participant (this does not include the CalWORK grant) who find employment that results in the termination of CalWORKs, but not overcoming poverty or achieving self-sufficiency. The WtW program has also been a major impediment to those who are trying to achieve self-sufficiency by not allowing WtW participants to exercise the option of using education as the path to self-sufficiency which is the most effective means to self-sufficiency.

Historically the WtW program has allowed less than 7 to 10 percent of the participants to achieve self-sufficiency through education.² The CalWORKs program has erected many barriers preventing CalWORKs recipients to embark upon the most effective path to self-sufficiency- education. Often CalWORKs recipients are forced to drop out of

postsecondary education due to the failure of CalWORKs program to provide ancillary services funds that they are entitled to secure college required books on time for classes, child care and transportation. This can be devastating to their already eroded self-esteem. WtW program's failure to provide the timely supportive services to which they are entitled to can often sentence CalWORKs families to irreversible poverty.

Today many of CalWORKs parents who have decided to achieve self-sufficiency through education are being severely punished by the CalWORKs program. A family of two (2) attending postsecondary publicly funded college to become self-sufficient, without the permission of the county welfare office, have their meager monthly benefits of \$549 a month reduced to \$336 a month for having the audacity to try to achieve self-sufficiency while receiving CalWORKs.

Advocates and community college advocates have identified barriers that students encounter in their endeavor to achieve self-sufficiency, such as failure to be allowed to attend college by WtW administrators, being sanctioned for attending college without the permission of the WtW administrators, not receiving supportive services at all or untimely that impedes their ability to attend postsecondary educational institutions.

Proposals #2 and #3 addresses the current barriers that CalWORKs recipient encounter in their endeavor to achieve self-sufficiency. These problems are not limited to postsecondary education. It also applies to recipients not being allowed to get a GED when 61% of the caseload does not have a GED.

¹ *This is based upon county [WtW 25 and 25 A](#) reports received, tabulated and published by CDSS.*

² *See [CCWRO Policy Briefing – 2015-02](#).*

CCWRO Budget Recommendation for 2017-2018 #1

Give CalWORKs children living in deep poverty “A Kid COLA” every year that the §15204.2 and 3 CalWORKs sub-account does not have enough funds to pay for the CNI COLA or enough for part of the CNI COLA.

SUMMARY OF THE PROPOSAL - Restoring the CalWORKs children’s COLAs would make up for what is not covered by the Child Poverty and Family Supplemental Support Subaccount of the LRF. Assuming the CalWORKs children’s CalWORKs COLA is 5%, and the Subaccount and the banked CSA funds covers 3%, the additional 2% would be paid with the TANF block grant and MOE - cover the difference in the increase.

PROBLEM: BACKGROUND INFORMATION – The maximum CalWORKs grant in 2017 is about equal to what CalWORKs (then known as AFDC) recipients were getting in 1988. **See Graph # 3 on page 4.** The average CalWORKs grant in 2017-2018 is scheduled to be equal to 31% of the federal poverty level. This means that about 1 million children will continue to endure deep poverty in California. Moreover, California’s children are sadly and unfortunately enduring one of the highest poverty rates in the United States of America.

Deep poverty has a major impact on the child’s education. Poverty is the fundamental reason for the low educational achievement rate of children living in poverty. Increased school budgets do not result in higher educational achievement rates when the children are living in deep poverty.

In 1971, Ronald Reagan signed [SB 796-Beilenson, Chapter 578, Statutes of 1971](#), authorizing automatic cost-of-living increases for Aid to Families and Dependent Children (AFDC). AFDC is now known as CalWORKs. The history of the AFDC COLA has been turbulent. During the 38 years that the statutory COLA was codified in California law impoverished families, with minor children in need of the COLA, were denied the COLA for 16 years. This has resulted in the current immoral poverty that poor children endure in California everyday by living on an average CalWORKs grant that is less than 31% of the federal poverty level.

The 2014-2015 budget provided a 5% increase in CalWORKs grants, effective April 1, 2015, which is a step in the right direction. However, the 2015 CalWORKs grant was less than what CalWORKs recipients received in 1982. When the 5% CalWORKs grant increase takes effect, the average CalWORKs grant for a family of three would equal 21% of the supplemental poverty level. The budget for fiscal year 2017-2018 DOES include a cost-of-living adjustment for CalWORKs children, but it includes COLAs:

6100-119-0001- \$376,000 is to reflect a cost-of-living adjustment.

6100-150-0001- \$8,000 is to reflect a cost-of-living adjustment

6100-151-0001- \$60,000 is to reflect a cost-of-living adjustment.

5210058 – Child Nutrition Programs - \$2,300,000 is to reflect a cost-of-living adjustment.

It is unjust to deny a COLA to CalWORKs families when California leads the nation in poverty; where families are set to live below 33% of the federal poverty level and 23% of the supplemental poverty level under the proposed 2017-2018 budget.

PROPOSED SOLUTION: Restore the CalWORKs children's CalWORKs COLA that would make up for what is not covered by the Child Poverty and Family Supplemental Support Subaccount of the LRF. Assuming the CalWORKs children's CalWORKs COLA is 5%, and the Subaccount and the banked CSA funds covers 3%, the additional 2% would be paid with the TANF block grant and MOE - cover the difference in the increase.

ESTIMATED COST OF THIS PROPOSAL

Cost of CalWORKs COLA - \$90 million - Less that 4% of the involuntary CalWORKs contribution to the state general fund for the state rainy day fund. Legislative analyst estimates that each 1% CalWORKs COLA costs about \$30 million.

| |
|--|
| CalWORKs Involuntary Contribution to the General Fund - \$2,209,428,000 |
| <u>-90,000,000</u> |
| Remaining for the State General Fund - \$2,119,428,000 |

LEGISLATIVE LANGUAGE – In Leg. Counsel.

CCWRO Budget Recommendation for 2017-2018 #2

Simplify the 24-month clock of the Welfare-to-Work Program

SUMMARY OF THE PROPOSAL: Repeal the 20% extensions and establish limited objective extensions to the 24-month clock that can be done automatically by programming the multi-billion-dollar county SAWS system.

PROBLEM: BACKGROUND INFORMATION: The 24-month clock was enacted into law through Senate Bill (SB) 1041, signed into law in June 2012. The 48-month lifetime limit for CalWORKs receipt was divided into two periods: the first 24 months, when a set of flexible CalWORKs WTW services and other supports are available, and the second 24 months, when more-restrictive CalWORKs federal standards for work activities apply. Since the enactment, it has been more and more evident that the rush enactment of SB 1041 has created more confusion and cries out for simplification. **TABLE #5, pg10** illustrates the extreme subjective nature of the current statutory 24-month extensions,

In order to extend the 24-month clock, the county welfare worker must decide if a CalWORKs recipient:

- (1) is likely to obtain employment within six months;
- (2) has encountered unique labor market barriers temporarily preventing employment, and therefore needs additional time to obtain employment;
- (3) has achieved satisfactory progress in an educational or treatment program, including adult basic education, vocational education, or a self-initiated program that has a known graduation, transfer, or completion date that would meaningfully increase the likelihood of his or her employment;
- (4) needs an additional period of time to complete a welfare-to-work activity specified in his or her welfare-to-work case plan due to a diagnosed learning or other disability, to meaningfully increase the likelihood of his or her employment;
- (5) has submitted an application to receive SSI disability benefits, and a hearing date has been established; and
- (6) Other circumstances as determined by the department. (See W&IC§ 11322.86)

Part of SB 1041 was to have an independent evaluation of the implementation of SB 1041. A recent report from RAND revealed that 79 percent of counties reported that explaining the complexity of SB 1041 to participants posed a moderate or major hindrance. In addition, caseworkers in many counties described a significant amount of confusion regarding SB 1041 and identified the WTW 24-month time clock as the most challenging component of the legislation, including when the clock should “tick” and “untick.” *The time involved in administering the time clock was also viewed as crowding out other services.* County caseworkers expressed significant concerns regarding the complexity of SB 1041, with a focus on the WTW 24-month time clock. **18 percent of counties reported that their WTW caseworkers did not understand at all or only slightly understood the WTW 24-month time clock.**

The RAND study also found that the WTW 24-month time clock has been extremely challenging for everyone involved. Determining each participant’s time-clock status is currently a time-consuming combination of automated and manual processes that are difficult to implement in a consistent way, at least for caseworkers in the six focal counties, partly because caseworkers vary in their understanding of the policy changes. This means that implementation of time-clock rules may vary across counties or even across caseworkers within the same county. Although full automation may not be feasible, there may be ways to improve upon the existing automation systems to alleviate confusion and standardize as much of the process as possible.

(TABLE #5)

| | |
|---|---|
| 11322.86(a)(1) Each county may provide an extension of time...” Thus, even if by some miracle, the CalWORKs recipient meets one of these overtly restrictive and highly subjective exceptions, it still does not entitle the family to an extension. | |
| (6) Other circumstances as determined by the department. | |
| 11322.87. (a) A recipient subject to the 24-month time limitation described in Section 11322.85 may request an extension in accordance with Section 11322.86 and may present evidence to the county that he or she meets any of the following circumstances: | CalWORKs families with identical facts may receive an extension in one county or by one worker in the same county and her neighbor with the same facts would not get an extension. |
| 1) The recipient is likely to obtain employment within six months. | To date there is no objective guidance from CDSS to determine who is likely to get a job and who is not. Under this statute, a participant can three different workers who could come to three different determination based on the same facts. |
| (2) The recipient has encountered unique labor market barriers temporarily preventing employment, and therefore needs additional time to obtain employment. | What is a unique labor barrier? There is no objective guidance from the department defining what is unique and what is not unique. There are many labor barriers – the major one that California still has a 7% unemployment rate. Is that a labor barrier? Would 6% unemployment be a labor barrier? |
| (3) The recipient has achieved satisfactory progress in an educational or treatment program, including adult basic education, vocational education, or a self-initiated program that has a known graduation, transfer, or completion date that would meaningfully increase the likelihood of his or her employment. | How does the county measure “likelihood”? Would the determination of “likelihood” be objectively defined? The Department has so far failed to issue objective guidance defining “likelihood”. |
| (4) The recipient needs additional period to complete a welfare-to-work activity specified in his or her welfare-to-work case plan due to a diagnosed learning or other disability, to meaningfully increase the likelihood of his or her employment | If a person has a diagnosed disability or learning challenge, why were they forced to participate and were not exempt? Moreover, what is the Department’s objective guidance for “meaningfully increase the likelihood of employment? How do you define “meaningfully” and “likelihood”? |
| (5) The recipient has submitted an application to receive SSI disability benefits, and a hearing date has been established. | This is the only exemption that is clear and objective. |
| (6) Other circumstances as determined by DSS | |

PROPOSED SOLUTION:

- Simplify the 24-month clock process to make sure that beneficiaries of the CalWORKs and the workers understand the application of the 24-month clock rule.
- Reduce the unnecessary *time involved in administering the time clock that can be better used to provide other services to eligible WtW participants with a savings of \$3 million a year.*
- Allow any participant enrolled in a publicly funded educational institution, including postsecondary education, full time and making satisfactory progress therein or meeting the federal work participation rates (WRP) and attending part time a publicly funded postsecondary educational institution full time and making satisfactory progress therein shall be deemed to be meeting the participation requirements of the WtW program.

This proposal would also assure that student barriers in the form of failure to receive supportive services that impedes their path to self-sufficiency would be improved to help students achieve self-sufficiency.

PROPOSED LANGUAGE

SEC. 1. Section 11322.86 is repealed.

SEC. 2. Section 11322.87 is repealed.

SEC. 3. Section 11322.87 is added to read:

11322.87. (an) Any recipient subject to the 24-month time limitation described in Section 11322.85 shall be mailed by the 21st month a request for extension provided for in subdivision (2), paragraph (1), (5) and (6) with a stamped return envelope to claim any of the following extensions to the 24-month clock or any exemptions pursuant to section 11320.3 and shall be accessed for an automatic extension provided for in subdivision (b), paragraphs (1), (2) and (3) by the first of the 23rd month and a 30-day advance written determination notice of action must be issued by the county for an extension to the participant by the county:

(1) The recipient needs an additional period to complete a welfare-to-work activity specified in his or her welfare-to-work case plan shall automatically be issued an extension without the need for the recipient to request an extension.

(2) Any month that a participant attended full time a publicly funded educational institution, including postsecondary education, and made satisfactory progress as defined by said publicly funded educational institution, including postsecondary education, shall automatically be issued an extension without the need for the recipient to request an extension.

(3) Any month that the participant has not been scheduled for participation pursuant to this article for more than 90 days.

(4) Other circumstances as determined by the department.

(5) Request for extension can be submitted by a CalWORKs recipient at any time.

(6) Within 120 days of the enactment of this section the automatic extensions provided for under this section shall be done electronically by the SAWS system without the need for a county worker “work around”.

(b) (1) The county shall grant an extension to a recipient in accordance with subdivision (a) unless the county determines that the evidence does not support the existence of the circumstances described in subdivision (a).

(2) At any hearing disputing a county's denial of an extension in accordance with paragraph (1), the county shall have the burden of proof to establish that an extension was not justified.

(c) If, because of information already available to a county, including the recipient's welfare-to-work plan and verifications of participation, the county identifies that a recipient meets any of circumstances described in subdivision (a), every county shall grant an extension of the 24-month time limitation described in paragraph (1) of subdivision (a) of Section 11322.85 to the recipient.

Explanation of Changes

§11322.86 provides that the county “may” give WtW participants an extension if the 24-month clock is repealed. This means no WtW recipient is entitled to a 24-month extension.

The current § 11322.87 provides for extensions if:

- (1) the participant is likely to get a job in six months;
- (2) the participant faces unique labor market barriers which are undefined;
- (3) the participant has achieved satisfactory progress that would possibly increase the likelihood of his or her employment;
- (4) needs more time to complete the WtW plan;
- (5) the participant has a SSI hearing pending.

The revised §11322.87 would establish objective extensions that can be done by computer so the employment workers can use their time to help CalWORKs recipients achieve self-sufficiency in lieu of wondering if the 24-clock should be extended. The new statute provides for extensions when:

- (1) needs more time to complete the WtW plan;
- (2) the participant has attended full-time postsecondary education and is making satisfactory progress therein;
- (3) the participant has not been scheduled for participation for more than 90 days. (See ACL 15-99)
- (4) would require the SAWS system be programmed to provide the extensions provided for in this section be automatically issued to reduce the administrative burden on counties and make sure that the participants get the extensions that they are entitled to.

ESTIMATED COST OF THIS PROPOSAL - Cost of simplifying the 24-month clock – Savings of \$3 million and unknown technology costs – DSS estimates that each month 4,120 cases will have exhausted their 24-month time clock and would have to be evaluated by a worker for extensions at the cost of \$59.39 an hour. The proposed computerized extension determination would save \$3 million annually.

CCWRO Budget Recommendation for 2017-2018 #3

Simplify postsecondary educational participation – WtW Program Self-Sufficiency Enhancement reforms

SUMMARY OF THE PROPOSAL: Deem Students in postsecondary education to be meeting the WtW participation requirements just like the current treatment of WIOA program participation & provide simplified standard issuance of supportive services to said participants as provided in section 10 of AB 1603, Chapter 25, statutes of 2016.

PROBLEM: BACKGROUND INFORMATION: The RAND study found that Education service providers in the reviewed counties (e.g., CalWORKs counselors on community college campuses) also noted that they had not observed the rate of referrals to education that they had expected, given the flexibility in activities afforded by SB 1041.

The RAND study also revealed that county workers were subtly deterred from allowing WtW participants from selecting education as a component for participation for education only meets the federal WPR for one-year. Although SB 1041 clearly decided that the WPR should not be a factor in deciding what component the participant can choose to participate in, the RAND II report reveals that it is one of the major reasons for the decline in the number of CalWORKs recipients choosing education.

TABLE 6 reveals the history of WtW participation in post-secondary education based on the county WtW 25 and 25 A reports to DSS.

| (TABLE #6) Percentage of Unduplicated Participants Allowed to Choose Education as a Path to Self-Sufficiency Under Current Law | | | | |
|---|---------------------------|---------------------------------|-------------|--|
| Year | Unduplicated Participants | WtW in Post-Secondary Education | WtW in SIPS | Percentage of Unduplicated Participants in Education |
| 2000 | 138,612 | 745 | 11,172 | 8% |
| 2001 | 135,471 | 357 | 9,178 | 7% |
| 2002 | 116,210 | 362 | 8,663 | 7% |
| 2003 | 92,918 | 391 | 7,669 | 8% |
| 2004 | 76,503 | 300 | 6,678 | 9% |
| 2005 | 79,702 | 276 | 7,520 | 9% |
| 2006 | 84,719 | 234 | 8,489 | 10% |
| 2007 | 88,812 | 223 | 8,718 | 10% |
| 2008 | 100,485 | 217 | 9,833 | 10% |
| 2009 | 102,501 | 461 | 10,933 | 11% |
| 2010 | 95,860 | 345 | 9,285 | 10% |
| 2011 | 84,644 | 327 | 8,740 | 10% |
| 2012 | 82,406 | 372 | 8,095 | 10% |
| 2013 | 85,705 | 152 | 7,039 | 8% |
| 2014 | 89,358 | 141 | 6,177 | 7% |
| 2015 | 110,474 | 133 | 5,918 | 5% |
| 7-15 for WtW 25 & 9-15 for WtW 25A | | | | |

NOTE: Statewide [WtW 25 and 25A](#) reports have not been available since July of 2015 from DSS

CalWORKs recipients seeking self-sufficiency through education are facing numerous barriers that have been identified by legal services advocates and community college advocates throughout the state. They are in part:

No On-Line request for “education and supportive services”. WtW is primarily stuck in the 20th century where emails and on-line applications were not an integral part of regular business practices. Today technology is the primary method of doing business. But not for our WtW program I 2017.

The decline of county referrals to CalWORKs programs. The WtW reports reveal that the number of SIPs have been declining. Community Colleges also report that referrals from counties are declining.

Not Having Timely Child Care Authorizations for CalWORKs Students - Clarification that an official transcript (which may not be available until a week before school starts) is not necessary to receive approval of childcare for a semester/quarter. Identify other forms of verification to reduce burden of finding/securing child care at the beginning of the session. It was suggested that there be a Student Child Care Assistance Application form that would allow the student to indicate thereon the hours of his or her classes. Verification is only needed if it is available with a CW 2200.

Students not being able to Secure Ancillary Services in a Timely Fashion –Students are dropping out of college because they do not receive their ancillary services on time. Establish standard allowance for ancillary services of qualified students with statewide uniform policies and practices for CalWORKs postsecondary education students school related expenses that meet the state definition of ancillary services.

LEGISLATIVE LANGUAGE

SEC. 1. Welfare and Institutions Code §11323.2 is repealed:

| |
|---|
| EXPLANATION OF Section 1. This section is repealed and then added in Section 2. |
|---|

SEC. 2. Welfare and Institutions Code §11323.2 is added to read:

11323.2. (a) A standard allowance for transportation costs determined by the Department shall be issued in advance to a participant for attending any appointment prior to signing a welfare to work plan pursuant to section 11320.134.

(b) Any participant participating in an educational activity full time, as defined by the publicly funded postsecondary school and making satisfactory progress therein as defined by said postsecondary educational institution, shall receive a standard allowance of five hundred dollars (\$500).

(c) If the participant has been assigned to an educational activity part time, as defined by the postsecondary school, he or she shall receive a standard allowance of two hundred fifty dollars (\$250).

(d) An allowance paid pursuant to this subparagraph shall be paid no later than 15 days before the start of the semester to ensure that the participant has the funds necessary to purchase books and supplies required by the educational institution.

(e) A participant is entitled to opt out of the standard allowance at any time and make a reimbursement claim for the actual costs of books and supplies, and may submit this claim to the county by mail, in person,-or, if the county already has the technological capacity to do so, via the county's Internet Web site.

(f) The standard allowance of this section shall be adjusted annually for inflation pursuant to the California Consumer Price Index.

(g) Any participant participating in a postsecondary educational activity full time, as defined by the publicly funded postsecondary school and making satisfactory progress therein as defined by said postsecondary educational institution, shall have a right to receive necessary child care without an official transcript for a semester or the quarter, if the participant certifies that such official transcript is not readily available. The official transcript for a semester or the quarter shall be provided to the county within 30 when it becomes available.

EXPLANATION OF SECTION 2- §11322.2. (a) provides that transportation should be advanced, at a rate determined by the department, for any and all appointments prior to signing the WtW plan. The WtW plan is the instrument where participants can request transportation. Most sanctions, according to previous RAND reports, occur prior to the signing of the WtW plan.

(b) Provides that qualified college students would be issued a standard allowance of \$500 for ancillary services meant for books and other college attendance related expenses other than child care and transportation.

(c) Part time student would receive \$250 at the same intervals.

(d) Advance payments would be issued 15 days before the start of the semester or quarter.

(e) Participants can opt out of the standard allowance and receive actual costs if they present evidence of cost on-line if the county has the technology for on-line submission on the 21th century.

(f) The standard allowances amount shall be adjusted annually, like how the CalWORKs automobile exemption of \$9,500 is adjusted in AB 74, Section 13, §11155(c)(2), chapter 21, statutes of 2013.

(g) This section would provide that child care be authorized based on the certification of the student if the student certifies that the actual documentation needed by the county is not readily available. The student would be required to provide the verification without 30 days.

SEC. 3. Section 11322.83 is added to the Welfare and Institutions Code to read:

11322.83. (a) Notwithstanding any other section of any other law an applicant or recipient who is enrolled full time meeting not meetings the hourly participation rates of 11322.8, or attending part-time and meeting the hourly participation rates of 11322.8, in a publicly funded secondary educational institution and making satisfactory progress therein as defined by the publicly funded secondary educational institution must be deemed to be meeting the hourly participation requirements described in subdivision (a) of Section 11322.8 and shall be entitled to all necessary supportive services provided in Section 11323.2 and 11323.4.

EXPLANATION OF SECTION 3- This section provides that any CalWORKs student enrolled full time in a publicly funded postsecondary educational institution and making satisfactory progress herein as defined by said publicly funded postsecondary educational institution shall be deemed to be meeting the participation requirement of the WtW program like the current statute deems CalWORKs recipients participating in a WIOA program are meeting the WtW requirements. The WIOA deeming proposal was offered by DSS during the May Revise and was included in the 2016 Budget Trailer Bill – AB 1603.

SEC. 4. Section 11325.23 is hereby repealed

EXPLANATION OF SECTION 3- This section repeals the current self-initiated education and section that would be unnecessary with the enactment of Section 3.

ESTIMATED COST OF THIS PROPOSAL

Savings for simplification of the postsecondary education and participation in the WtW program by aligning it to the WIOA participation – The cost of case management will be a savings, assuming 6,051 student cases not needing 2 hours of case management services a year to develop a new WtW plan for each semester, would yield savings of **\$718,738**.

The cost of ancillary services for students will derive from the county single allocation that is based on the assumption of 198,000 participants in 2017-2018, when historically there has been less than 111,000 participants for any month. The estimate for standard ancillary service is $6,051 \text{ pts} \times \$500 \times 2 = \$600,000$

It is estimated that monthly there are 15,000 pre-WtW plan appointments. Assuming the bus pass is \$10 = \$1.8 million for 2017-2018.

CCWRO Budget Recommendation for 2017-2018 #4

Don't punish CalWORKs recipients who meet the Federal Work Participation Rates by continuing the WtW sanction.

SUMMARY OF THE PROPOSAL: Any CalWORKs recipient who is meeting the federal work participation rates should not be sanctioned and shall receive WtW supportive services.

JUSTIFICATION FOR THE PROPOSAL -

In a meeting with DSS in 2015 it was revealed by a report from CDSS that 3,331 WtW participants who were meeting the federal work participation rates are still being sanctioned.

The reason CalWORKs recipients meeting the federal work participation rates are being sanctioned today is that current law provides if a person has been sanctioned, the only way that the sanction can be set aside is if the participant performs the activity that he or she failed to perform that caused the sanction.

The major reason for sanctions in the WtW program has always been failure to attend orientation and appraisal or job club. Some of these orientations and appraisals can take all day or more. Job club could up to 21 days.

In the WtW program the issue of supportive services is addressed during the development of the WtW plan, ([WtW 2](#)) which occurs after orientation and appraisal, and often, after up to 21 days of job club.

The clients that legal service providers have seen are ones who do not attend orientation and appraisal or job club because they do not have transportation or child care and then also do not attend the good cause determination meeting, again often due to lack of transportation and child care and then are sanctioned.

Many in sanction mode find a job on their own and start working meeting the federal WPR. While they are working, reporting to the county, having their benefits reduced due to earned income and the county uses their work to show how many people in the county are meeting the WPR, they continue to endure the WtW sanction.

To cure the sanction, the CalWORKs recipient now meeting the federal WPR would have to take a day from the new job they just got to go through Orientation and Appraisal and the several hours of OCAT interview or several weeks to complete job club.

Finding a job for welfare recipients is very difficult and it is precious to have a job. Taking off days and sometimes weeks from work to cure the WtW sanction can very well result in being laid off. Many employers do not hire or keep employees who are welfare recipients given the stigmatization that welfare recipients endure in our society. CalWORKs recipients have lost jobs because their employer found out that they were "welfare recipients".

PROPOSED SOLUTION

SECTION 1. Section 11322.81 is added to the Welfare and Institutions Code, to read:

11322.81. (a) (1) Notwithstanding any other law, if an adult recipient who is sanctioned pursuant to section 11327.4 reports and the county verifies, or the department or the county otherwise discovers, that the recipient is meeting the federally required minimum average number of hours per week of welfare-to-work participation as set forth in Section 607 of Title 42 of the United States Code, that recipient shall be eligible for benefits and services under this division. (2) Necessary supportive services shall be provided to recipients described in this section in accordance with Sections 11323.2 and 11323.4.

(b) A recipient described in this section shall not be subject to sanctions for failure or refusal to comply with program requirements under Section 11327.4 for any month that he or she meet or meets the federally required minimum average number of hours per week of welfare-to-work participation as set forth in Section 607 of Title 42 of the United States Code, that recipient shall be eligible for benefits and services under this division.

Explanation of Changes

This section provides that if the sanctioned CalWORKs recipient reports that he or she is meeting the federal work participation rates (WPR), or if the county or the state discover that he or she is meeting the federal WPR, then the sanction is rescinded and the parent meeting the federal WPR is also eligible for supportive services.

ESTIMATED COST OF THIS PROPOSAL — The county single allocation already includes the cost of WtW services for the sanctioned cases. The only new cost to this proposal would be the grant costs or the estimated 3,000 cases. The annual grant costs would be 3000 cases X \$125 X12= \$4.5 million

CCWRO Budget Recommendation for 2017-2018 #5

Restore the federal 60-month clock for CalWORKs

SUMMARY OF THE PROPOSAL: Restore the 60-month time clock by placing families not meeting the federal work participation rates (WPR) in the TANF timed out category and issuing benefits to all family members for 12 more months. This would be limited to families that hit the 48-month clock upon the effective date of this proposal. Families meeting the WPR would be placed in the regular CalWORKs caseload benefiting California’s ability to meet the federal WPR.

PROBLEM: BACKGROUND INFORMATION - The CalWORKs program provides monthly income assistance and employment-related services aimed at moving children out of poverty and helping families meet basic needs. Federal funding for CalWORKs comes from the TANF block grant. The average 2017-2018 monthly cash grant for a family of three on CalWORKs (one parent and two children) is \$533, and the maximum monthly grant amount for a family of three, if the family has no other income and lives in a high-cost county, is \$714. According to recent data from the California Department of Social Services, during 2017-2018, 459,173,000 families would need CalWORKs assistance, that includes 773,006,000 children. Nearly 60% of cases include children under 6 years old.

The federal 60-month time limit that was adopted by the Legislature in August 11, 1997 AB 1542 Chapter 270, Statutes of 1997. During California’s deep recession, at the insistence of then Governor Swarzanegger, on June 29, 2011, budget trailer bill AB 106, Chapter 32, Statutes of 2011 Section 11454 was amended to reduce the time limit from 60 months to 48 months. Nationally, the majority of the states have adopted the 60-month time limit. See Table #7 for the number of red states that have a 60-month time clock.

(TABLE #7) States, including many RED States that have a 60-month clock for impoverished families with children living in deep poverty.

| State | Lifetime Time Limits | State | Lifetime Time Limits | State | Lifetime Time Limits | State | Lifetime Time Limits |
|------------------|----------------------|----------------|----------------------|-------------|----------------------|---------------|----------------------|
| ALABAMA | 60 | NEW YORK | 60 | KENTUCKY | 60 | TEXAS | 60 |
| ALASKA | 60 | NORTH CAROLINA | 60 | LOUISIANA | 60 | VERMONT | 60 |
| CALIFORNIA | 48 | NORTH DAKOTA | 60 | MAINE | 60 | VIRGINIA | 60 |
| COLORADO | 60 | OHIO | 60 | MARYLAND | 60 | WASHINGTON | 60 |
| DIST.OF COLUMBIA | 60 | OKLAHOMA | 60 | MINNESOTA | 60 | WEST VIRGINIA | 60 |
| HAWAII | 60 | OREGON | 60 | MISSISSIPPI | 60 | WISCONSIN | 60 |
| ILLINOIS | 60 | PENNSYLVANIA | 60 | MISSOURI | 60 | WYOMING | 60 |
| INDIANA | 60 | SOUTH CAROLINA | 60 | MONTANA | 60 | | |
| IOWA | 60 | SOUTH DAKOTA | 60 | | | | |
| KANSAS | 60 | TENNESSEE | 60 | | | | |
| KENTUCKY | 60 | TEXAS | 60 | | | | |

PROBLEM: BACKGROUND INFORMATION: California is one of the only five (5) states that have a 48-month limit. Twenty-one (21) red states have a 60-month time limit while California, sitting on a \$4.2 billion surplus with the highest child poverty in the nation, still has a 24/48-month time limit. Table #1 shows the time-limits for other states.

Twenty-one (21) red states have a 60-month time limit while California, sitting on a \$4.2 billion surplus with the highest child poverty in the nation, still has a 24/48-month time limit.

California’s poor families living on a maximum fixed income that it is the same amount that CalWORKs families received in 1988 are now subject to a 48-month time clock. The average stay on CalWORKs is between 25 and 29 months per CDSS.

The 60-month time clock was put into place for families to be able to stabilize and then participate in a training and education program that would assist the families secure employment that would make them self-sufficient in 60-months. This is indeed true for families in crisis who need more time to achieve self-sufficiency. An estimated 14% of the timed-out families today are meeting the federal WPR, but are still receiving aid because of the low wages they receive.

The restoration of the 60-month clock would help families with extreme barriers to continue getting assistance to become self-sufficient.

According to the Children’s Defense Fund, “California has the highest child poverty rate in the nation. More than 1 in 4 California children are poor — 2.2 million children. The burden of poverty falls disproportionately on children of color, with 1 in 3 Black and Latino children in California living in poverty. Growing up poor has lifetime negative consequences, decreasing the likelihood of graduating from high school and increasing the likelihood of becoming a poor adult, suffering from poor health, and becoming involved in the criminal justice system.”

The extension of the 48-month clock to the federally allowable 60-month time limit would contribute to the partial alleviation of child poverty in California.

LEGISLATIVE LANGUAGE FOR THE EXTENSION OF THE 48-MONTH CLOCK – Coming from Leg Counsel soon.

ESTIMATED COST OF THIS PROPOSAL — The only cost for this proposal are the grant costs for families who have reached the 48th month clock and are not meeting the federal WPR. It is estimated that about 14% of the safety net families are already meeting the federal WPR. The FY 2015 [CDSS CA 253](#) CalWORKs termination reports reveal that on the average, 760 cases hit the 48th month clock wall and were transferred to the safety net family category. The annual cost of this proposal assumes that the grant cost of adding a person is \$125 a month.

ANNUAL GRANT COST ESTIMATE
760 persons X 12 months = 9,120 persons
9,120 persons X \$125 monthly grant X 12 months = \$13.7 million

Sincerely,



Kevin Aslanian, Executive Director
Coalition of California Welfare Rights Organizations, Inc.

cc: **Myesha Jackson**, Speaker's Office
Chris Woods, Speaker's Office
Gail Gronert, Speaker's Office
Graig Cornett, Office of the
President Pro Tem
Jen Troia, Office of the
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