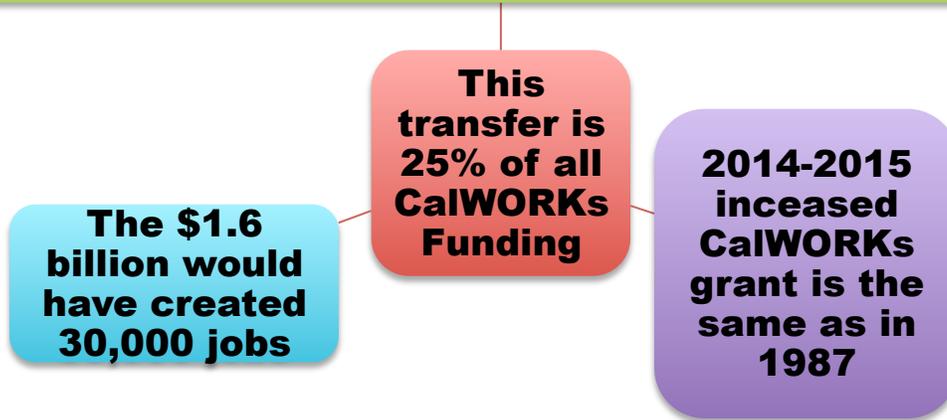


CCWRO ANALYSIS OF THE 2014-2015 GOVERNOR'S CalWORKs PROPOSED BUDGET

More than \$1.6 billion will be diverted from CalWORKs as an "involuntary CalWORKs contribution" to the General Fund



2014-2015 CalWORKs Average Grant for a Family of Three Is:



29% of the federal poverty level



18% of the federal supplemental poverty level

HIGHLIGHTS

On January 9, 2014, Governor Brown released his 2014-2015 Proposed State Budget. Press reports failed to mention that the budget once again fleeces the CalWORKs program. Of the total TANF/CalWORKs federal and state matching funds of \$6,573,463,000, Governor Brown proposes to make an INVOLUNTARY CalWORKs contribution to the general fund to the tune of \$1,628,157,394. This is a statistically significant 25% of funds denied CalWORKs families who live in deep poverty.

CalWORKs Involuntary Contribution to the State General Fund	
2013-2014	\$1,628,157,394
2014-2015	\$1,654,806,000

Source: Governor's budget documents.

Moreover, this is a job killer in that the \$1.6 billion would have created about 30,000 jobs. However the Governor has made it very clear – he is not interested in jobs. His budget is about education, health care, safety and paying off the debt – not JOBS for Californians. **See page 20 about CalWORKs and CalFresh creating jobs.**

The Proposed Budget forecasts that \$108.7 billion will be available for the State General Fund. The Budget also proposes \$106.8 billion in General Fund expenditures that include \$61.6 non-Prop 98 expenditures and \$45.1 in Prop 98 expenditures.

The Governor's budget proposes to double the rainy day fund to \$4.2 billion. This will increase the rainy day fund from 5% to 10% of the total budget. The \$1.6 billion in CalWORKs being siphoned off will cover over one-third of the rainy day reserve.

Budget Major CalWORKs Initiative

CalWORKs Major Policy Initiative – “The major CalWORKs policy initiative for 2014-2015 is the Parent/Child Engagement Demonstration pilot program for CalWORKs and Welfare-to-Work. In a nutshell, the Parent/Child Engagement Demonstration pilot is a six-county project to serve 2,000 CalWORKs families for a three-year period. The program will focus on both the parent and the child. For parents, the program will provide parenting skills, life skills and work-readiness activities all designed to improve the economic well-being of the family. The program will engage the parents in the child-care setting. For the children, the program will offer stable licensed childcare, which will continue part-time after the adult completes the “in-class” participation. The approach is modeled on the Chicago Child Parent Center Program. Evaluations of the Chicago model demonstrated improved outcomes for children and parents. There will be trailer bill to implement this project. See page

60 of the Governor’s Budget Summary for some additional details. The first year cost is \$9.9 million for partial year implementation.” The information in Table #1 is provided by the State Department of Social Services. *Source: Todd Bland, CDSS.*

TABLE #1 CalWORKs Early Engagement Redesign				
Item	2013-2014	2014-2015	Change Amount	Percent Change Amount
Expanded Subsidized Employment (ESE)	\$39.3	\$134.1	\$94.9	241%
Family Stabilization	10.8	26.4	15.6	144%
Standardized Appraisal Tool	8.3	16.7	8.3	100%
Subtotal	\$58.5	\$177.2	\$118.8	203%
Less grant savings from ESE	-\$11.2	-\$38.4	-\$27.13	241%
Net Totals	\$47.2	\$138.9	\$91.6	194%

Source: Governor’s budget documents.

CCWRO RECOMMENDATION - CCWRO is concerned that the counties will make this program mandatory for the participants. CCWRO reserves judgment on this proposal until we see the details of the program to assure that the program contains adequate protections for impoverished families who may be lured into this program.

CalWORKs Welfare-to-Work Performance Oversight State/County Peer Reviews – This initiative will provide eight new staff to DSS for conducting so-called quality control reviews. The request from DSS is for eight positions in Table #2.

TABLE #2 CalWORKs Welfare to Work Performance Oversight State/County Peer Reviews	
1.0 Staff Services Manager II (SSM II)	2.0 Research Analyst II (RA II)
1.0 Staff Services Manager I (SSM I)	4.0 Associate Governmental Program Analyst (AGPAs)

Source: Governor’s budget documents.

10533. The DSS shall establish a CalWORKs county peer review process, and shall implement this process first in pilot counties, and then statewide no later than July 1, 2007. The peer review process shall include individual CalWORKs data reviews of counties, based on existing data. Counties shall receive programmatic technical assistance from teams made up of state and peer-county administrators to assist with implementing best practices to improve their performance and make progress toward meeting established state performance goals, as specified in Chapter 1.5 (commencing with Section 10540) and Section 15204.6.

This new unit will be responsible for reviewing the implementation of the Work Incentive Nutrition Supplement (**WINS**) initiative that is expected to increase the WtW federal participation rates by 15%. The **WINS** program has been implemented pursuant to Section 15525 of the W&IC enacted in SB 1041, Chapter 47, and Statutes of 2012. This unit would also conduct the peer reviews mandated by W&IC §10533 in July 12, 2006. Last year DSS started reviewing county implementation of SB 1041. DSS visited 17 counties during 2013. The review process is rather informal. DSS staff reviews some case files that are cherry picked by county staff. DSS rejected the suggestion that cases being reviewed be randomly selected by DSS. The reviews consist of talking to county staff selected by the county administrators and reviewing cases files selected by the county administrators.

The review does not result in a report identifying the options the county uses in implementing the WtW program and how those options meet the purpose of the WtW program, the number of participants that achieved self-sufficiency and the real purpose of the WtW program. Since 2007 Counties still receive \$90 million each year in their “county single allocation” to reduce sanctions, pursuant to AB 1808, Chapter 75, Statutes of 2006. **In November of 2007, 33% of the unduplicated participants were sanctioned. In November of 2013 it grew to 45% of unduplicated participants who endured WtW sanctions.** The 2013 visits did not review the county processes for reducing sanctions and how counties are using the \$90 million annual allocation to reduce sanctions.

CCWRO RECOMMENDATION - *CCWRO supports funding for new staff provided that the Legislature amend Section 10533 to require that county staff and cases to be reviewed by DSS staff, be randomly selected and that they review options selected by the counties, and how the annual \$90 million allocation for reducing sanctions is being implemented in the county. The current review process does not appear to be designed to improve the process or achieve less sanctions and review of county compliance with the state laws and regulations.*

Affordable Care Act (ACA) Caseload Growth & Appeals Case Management Systems

– The Proposed Budget includes a Budget Change Proposal (BCP) from the Department of Social Services (DSS) State Hearings Division (SHD) that has two components. One is a request for additional staff to address the new hearings that DSS will undertake pursuant to the ACA. The other is to modernize the 1970 state hearing computer system that has 21 subsystems that make up the current State Hearings System (SHS). DSS State Hearing Division is seeking 74 new positions and a 21st century computer system that would meet the requirement of the ACA. The current SHD computer has been an impediment to

meeting language access since the current system can only generate information in English and Spanish. This puts California out of compliance with federal Civil Rights mandates.

CCWRO RECOMMENDATION – CCWRO supports this BCP request. Given the fact that Medi-Cal and Covered California will have new cases that would be eligible for due process hearings, there is a need for the DSS State Hearings Division to have the resources to address the need. It is estimated that there will be 551,000 new Medi-Cal applications and 630,000 Covered California applications. These applications are expected to generate an estimated 37,868 hearing requests and that 25% of the hearing requests will go to a hearing.

CalWORKs Budget Changes for 2014-2015.

WtW costs escalate by 13% in the Proposed Budget. However, funding for grants to California’s impoverished families will be reduced by 4%. Rather than increasing the grants for CalWORKs families, the budget puts the money into line items that do not meet the basic survival needs of impoverished families. **Table #3** shows the changes in funding for different parts of the CalWORKs program. On page 19 we have a annual increase/decrease of budget allocations for CalWORKs benefits compared to the funding of the county single allocatoin.

TABLE # 3		CHANGE		
Item	Governor’s 2014-2015 Proposed Budget	2013-2014 Appropriation	Amount	Percent
CalWORKs Payments to Eligible Families	\$3,050,933.00	\$3,161,374.00	\$(110,441.00)	-4%
CalWORKs Employment Program	1,360,793.00	1,177,326.00	183,467.00	13%
CalWORKs Eligibility Administration	510,650.00	560,293.00	(49,643.00)	-10%
CalWORKs Stage 1 Child Care	384,296.00	405,267.00	(20,971.00)	-5%
CalFresh Administration	1,980,677.00	1,853,459.00	127,218.00	7%
SAWS automation – LEADER, CalWIN, C- IV, EBT, etc.	377,308.00	329,897.00	47,411.00	13%

Source: Governor’s budget documents.

SOME FALSE ASSERTIONS IN THE STATE BUDGET

Governor Brown falsely implies that the 2014-2015 Budget provides a 5% grant increase effective March 1, 2014. In fact, this increase was enacted in June 2013, but the California state capitol press core falsely reported that the budget of 2014-2015 provides this increase. The Governor’s budget propoganda documents failed to mention that the 5% increase was embodied in AB 85, Chapter 24, Statutes of 2014. **TABLE #3** compare the 2013-2014 appropriations with the Governor’s 2014-2015 Budget.

WHAT ARE THE AVERAGE MONTHLY GRANTS FOR CHILDREN IN CALIFORNIA?

TABLE # 4 reveals severe child discrimination in the state budget. In 2014-2015 the State will pay \$201 a month for a CalWORKs child while paying \$2,343 a month for a foster care child. *This is anti-family in that children benefit financially for NOT living with their natural parents.*

TABLE #4 – CalWORKs Child Living with Parents v. Child Not Living with Natural Parents-\$201		
Program	FY 2013-2014	Governor’s Proposed Budget
CalWORKs Child	\$193	\$201
One Foster Care Child	\$2,343	\$2,397
One KinGAP Child	\$714	\$742
Adopted Child Assistance	\$924	\$961

Source: Governor’s budget documents.

CalWORKs children living in deep poverty receive the least amount of assistance while involuntarily being forced to contribute over \$1.6 billion to the State General Fund.

What will the average CalWORKs grant be in 2014-2015? \$480 per family? \$480 a month.

Program	FY 2013-2014	Governor’s Proposed Budget for 2014-2015
Monthly Average CalWORKs Case Payment	\$464	\$480

Source: Governor’s State Budget Documents

BENEFIT LEVELS FOR MARCH 2014 – Below 40% of the Federal Poverty Level

Pursuant to AB 85, Chapter 24, Statutes of 2013, CalWORKs grants will increase by 5% effective March 1, 2014. There is zero increase in the 2014-2015 Proposed Budget to help families receive an income that would meet their basic needs.

The actual average CalWORKs grant level for a family of three is \$480 a month in the Proposed Budget. **TABLE #5** shows the payment levels effective March 1, 2014.

TABLE # 5 – Benefit Levels Effective March 1, 2013 Authorized in the 2013-2014 State Budget

Assistance Unit Size	Region 1	Region 2
1	\$333	\$315
2	542	515
3	670	638
4	800	761
5	909	866
6	1,021	972
7	1,122	1,067
8	1,222	1,164
9	1,321	1,258
10 or more	1,419	1,350

CCWRO RECOMMENDATION - *The budget should fully restore and insure continued funding for the SSI, AFDC, and CalWORKs COLA that was repealed in 2009. Last year, the Legislature established a fund to pay for increases in CalWORKs. W&IC § 11450.025 provides that increases in maximum aid payments shall be funded with growth revenues from the Child Poverty and Family Supplemental Support Subaccount. Per W&IC 11450.025 (d) "If funds received by the Child Poverty and Family Supplemental Support Subaccount in a particular fiscal year are insufficient to fully fund any increases to maximum aid payments made pursuant to this section, the remaining cost for that fiscal year will be addressed through existing provisional authority included in the annual Budget Act. Additional grant increases shall not be provided until and unless the ongoing cumulative costs of all prior grant increases provided pursuant to this section are fully funded by the Child Poverty and Family Supplemental Support Subaccount."*

Obviously, the viability of this fund is uncertain. There is no guarantee that W&IC § 11450.025 can fully fund the annual COLA. For example, if the COLA for a particular year is 5% but the W&IC § 11450.025 increase is only 3%, then the 2% difference should be instituted automatically.

WELFARE TO WORK PROGRAM – 13% INCREASED FUNDING

The Budget falsely implies that the CalWORKs program protects needy families and “..preserve families...and foster independence.” The reality is that the monetary grant levels remain at the same level they were in the 1980’s notwithstanding the cost of living in the 21st century.

The Budget does nothing to address the severe misery that many CalWORKs families endure monthly. The entire Welfare-to-Work program is designed to make CalWORKs recipients completely dependent upon the whims of the Welfare-to-Work workers. The path towards independence taken by the CalWORKs recipient is dictated by the county and not the participant. The fact that participants have very little say in how they can achieve self-sufficiency is reflected in the outcomes of the program. State and County welfare officials have **vehemently opposed** any law that would actually allow CalWORKs recipients to decide how they can achieve self-sufficiency – which would foster independence.

Proponents of the punitive California Welfare-to-Work program argue that the program should be evaluated as to what steps the program forces participants to complete. The public, including participants of the program, believe that the test should be how many families achieved self-sufficiency, which is the alleged purpose of the program.

What does the Welfare-to-Work Program do? **See TABLE #6** which reflects the outcomes of the WtW program – 55% of the families are being sanctioned while about 2% of the participants find employment that result in termination of CalWORKs at a taxpayer cost of over \$46,000 per job. The 55% is computed by looking at the number of unduplicated participants in sanction at the beginning of the month and the number new sanctions added during that month.

The amount of funding used for the WtW program is set forth in **TABLE # 7**. Funding for WtW has been increasing annually while the outcomes have remained the same. More money to the county welfare-to-work programs does not yield more self-sufficiency for the participants of the WtW program. But it does certainly and very effectively yield immense misery and suffering to the participants in the form of sanctions which appear to be the primary purpose of the program as reflected in the outcomes of data reported by counties.

TABLE # 6	
October, 2013 WtW 25 & 25A Activity Reports By California Counties	
Number of Unduplicated Participants this Month	117,793
Number of Participants Already Being Sanctioned	51,442
Number of Participants Sanctioned During this Month	13,066
Percentage of Unduplicated Participants Sanctioned	55%
Dollar Loss to CalWORKs Families Due to Sanctions this Month Estimates at \$125 Per Sanction this Month	\$8,063,500.00
Number of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs this Month	2,656
Percentage of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs this Month	2%
Cost Per Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs this Month	\$46,407.02
Number of Participants NOT Being Paid Transportation by the County this Month	68,257
Percentage of Number of Participants NOT Being Paid Transportation by the County this Month	42%
Estimated Dollar Amount Poor Families Defrauded by Counties Not Receiving Transportation @ \$100 per Participant this Month	\$6,825,700.00

TABLE # 7 – 2013-2014 County Single Allocation for CalWORKs Welfare-to-Work Program	
Employment Services	\$940,857,000
Mental Health Services	\$76,303,000
Substance Abuse Services	\$58,302,400
Child Care Services	\$403,622,000
TOTAL WtW Funds	\$1,479,084,400

Source: Governor's budget documents and CDSS WtW 25 Reports.

WtW Supportive Services - 46% of Unduplicated Participants DO NOT Receive Transportation.

As **TABLE #6** reveals during October of 2013 there were 117,793 unduplicated participant and 68,257 of them received transportation while 49,538 participants did not receive transportation. This is an amazing number of CalWORKs families living on

a fixed income below 40% of the poverty being fleeced out of transportation supportive services by county welfare administrators.

Welfare & Institutions Code §11323.2 (a)(2) that transportation shall be paid and Section 11323.4 provides:

(a) Payments for supportive services, as described in Section 11323.2, shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services.

There is statewide violation of this section in that participants are rarely empowered to request transportation or advance payments for transportation. Often participants are forced to take this expense out of the mouths of their children to pay for transportation or face the WtW sanctions. Participants face a 40% chance of not even being reimbursed. California counties have a long history of fleecing WtW participants out of transportation.

TABLE # 8		
Percentage of WtW Unduplicated Participants Not Receiving Transportation Assistance		
November of Each Year	Unduplicated Participants Not Receiving Needed Transportation Assistance	Percentage of Unduplicated Participants Not Receiving Needed Transportation Assistance
2002	87684	54%
2003	69396	56%
2004	58451	53%
2005	50471	48%
2006	53308	49%
2007	53457	45%
2008	59419	45%
2009	74865	52%
2010	69947	50%
2011	55981	46%
2012	52337	45%
2013	50510	44%

Source: State Department of Social Services WtW 25 and WtW 25A November reports based upon information DSS received from counties.

TABLE # 8 reveals the history of California counties fleecing of CalWORKs WtW participants of transportation supportive services. We do not believe that state or county welfare officials can claim with a straight face that 40-50% of the state or county employees fail to submit a claim for transportation. Yet, for the past 15 years neither DSS nor county officials have done anything to address the statewide fleecing of CalWORKs WtW participants out of transportation claims of which they are entitled. Are we to believe that 50% of participants do

not incur transportation costs even though they must meet their mandatory WtW assignments or face a \$125 reduction in the fixed income that is less than 29% of the federal poverty level?

The average age of a WtW participant is about 33 years old. Most have an email addresses and are able to access on-line services. The WtW program operates in the 20th century and does not use any of the current technological efficiencies. While CalFresh and CalWORKs recipients are now able to navigate their case on-line, WtW recipients must call the worker who often does not answer the phone. There is no reason why participants should not be able to request supportive services and advance supportive services on-line. The technology is available. On-line access will reduce sanctions, avail supportive services to participants and even help California meet the federal work participation rates that they have not been able to do after spending more than a billion dollars annually for many years.

When GAIN started in 1990, DSS did a “needs assessment” of childcare and determined that 70% of the unduplicated participants would need childcare. About 30% of the GAIN/WtW participants have received childcare services. Historically about 50% of the unduplicated participants received transportation. When advocates suggested that WtW participants be allowed to request supportive services on-line, counties nixed the idea and continue to fleece WtW participants of over \$6 million each month of transportation services. The WtW hurdles:

Orientation/Appraisal - This is the activity where allegedly participants are given information about their rights and responsibilities and an alleged appraisal of the participant’s limitations. Generally this happens weeks after the approval of the application. The majority of the sanctions occur at this stage. Sanctions occur because of failure to attend orientation/appraisal as the participants lack childcare and transportation supportive services. The county does not inform the participant of the availability of these supportive services. Further, there is no requirement that the county verifies that the participant needs childcare and transportation to attend this activity.

Job Club – All WtW participants must attend Job Club unless the county allows participants without a high school (HS) diploma to complete their high school or GED requirements.

Assessment –This is a major failing of the program. The worker assigns the participant to the component that the worker wants completed not to the component that allows the participant to become self-sufficient. The current WtW model is “county knows best”. How can participants achieve self-sufficiency when the WtW program is designed to make the participant totally be dependent and obedient to the whims of the county welfare worker?

Advocates proposed that the participant be allowed to make a written request for a specific component to the county. Upon submission, the county could reject the participant’s choice if it would not lead to self-sufficiency and had the evidence to support it. The counties opposed this proposal. DSS labeled this proposal as a “fundamental change” in the program and rejected it.

Signing the WtW Plan – The participant is mandated to sign the county drafted WtW plan or be sanctioned for not signing. Participants are rarely given a third-party assessment as mandated by State regulation EAS §§ 42-711.556 & 42-715.22.

Sanctions - Sanctions are imposed for alleged failure to participate. Studies show that most sanctions are due to lack of supportive services. Sanctions result in 24-30% reduction of the family's fixed income.

CCWRO RECOMMENDATION - Orientation/Appraisal/Assessment – *DSS is developing an on-line orientation/appraisal/assessment tool. This tool would be used for the upfront assessment.*

Selection of Component by Participant: After assessment the participant will be given the opportunity to select either the component option recommended by the assessment or the participant's preferred component. Welfare recipients cannot become self-reliant by depending upon the county worker to make decisions for them. They must be afforded the dignity of making decisions independently to the extent that the participant wants to make these decisions. Participants shall have the option of seeking and receiving assistance from the county to make these decisions.

Selecting a Component After Assessment - *The participant-selected component shall be accepted unless the county has evidence that the component cannot lead to self-sufficiency and has evidence that the component option recommended by the assessment will lead to self-sufficiency. Participants should have the option of selecting a component on-line in consultation with their family, pastor and other support systems that they may have.*

Sanctions: *Sanctions should only go into effect if the reduction of benefits would be more than the rent and 50% of the food stamp utility allowance. If the participant cures the sanction, 50% of the sanctioned money, not to exceed \$500, should be returned to the family as a lump sum income payment and the remaining 50%, not to exceed \$500, shall be returned of the participant completes his or her compliance plan assignment.*

Supportive Services –*Participants should have the option of requesting supportive services and advance payments on-line to reduce sanctions and help California meet the federal work participation rates. Counties shall verify that the assistance unit actually has needed supportive services to prevent the imposition of the CalWORKs inhumane WtW sanctions before assigning the parent to any work activity that can result in a sanction.*

CalFresh (also known as Food Stamps)

The budget appropriates \$ 1.9 billion for the administration of the program. The benefits are 100 percent federally funded. The funding for the administration costs are 50 percent federal funds, 35 percent GF and 15 percent county funds, except for state-mandated program changes, which are 50 percent federal funds and 50 percent GF.

California has the lowest participation rate in the nation at 55% and even lower for the working poor at 42%. DSS has undertaken various measures to increase participation rates that have failed to propel California out of having one of the lowest in the Nation.

Some of the changes implemented in the program include telephone interviews rather than in-person, allowing applicants to apply on-line. These measures although enacted with good intentions have had a negative impact on participation. On-line applications are denied at a greater rate than applications in person. Many food banks and community organizations doing food stamp outreach have decided that on-line applications are a barrier to participation and do not work.

There are three different on-line application platforms in California. It is not unusual to get a call from someone who had a telephone interview but then get a notice of action denying the application for failing to complete the interview. California has a high rate of churning. Churning is a phenomenon where the application is denied, then the same person reapplies and benefits are approved for the second application causing unnecessary high administrative costs for the California CalFresh Program.

California also has a very bad record of issuing benefits to households in need of emergency food stamps. In order to be eligible for emergency food stamps, more commonly known as CalFresh Expedited Service, the household has to be otherwise eligible, have less than \$100 in liquid resources and less than \$150 in income.

DSS publishes quarterly reports known as DFA 296X. The last DFA 296X report for the last quarter of 2012 shows that 67% of the applications completed by households who were eligible for emergency food assistance were denied emergency food assistance. The DSS has failed to examine the reasons for this high rate of denial of emergency food assistance to needy food insecure households. On the other hand during October of 2013, 21% of all CalFresh applications were denied. **Table # 9** shows the large county rate of denials of emergency CalFresh versus regular CalFresh applications.

The major barriers to participation in the CalFresh Program are:

Access to county office - In order to apply for food stamps in the largest county of California, Los Angeles, applicants have to line up outside the county welfare office and wait for more than an hour just to enter the building and go through security. It is not unusual to spend the entire day at the county welfare office and then be told to come back again to bring verification that often the county could secure itself. Most offices have police officers that can be intimidating to applicants.

Verification – Procedural denials caused by failure to provide verification, is one of the major reasons for denying an application for CalFresh. Often the county requests verification that is often not needed. Other times, the information is actually needed but the applicant is unable

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to obtain the verification and counties fail to inform the applicants that the county could secure for the applicant. Counties have always been afforded flexibility to do whatever they want to do by the DSS that has resulted in the lowest participation rates in the country.

Lack of Oversight – DSS, as the single state agency responsible for administering the CalFresh program, refuses to act as a principle and make sure that California’s CalFresh program is administered uniformly throughout the state. Each county has different barriers to participation in the CalFresh program. Although DSS conducts annual reviews of the county CalFresh operations, the reviews are very superficial. The reviews yield corrective action plans that state “the county will train the workers” only to have the same issue reappear during the next review of the county. Accountability is cosmetic as DSS views counties as their equals or sometimes DSS staff act as if they are working for counties.

TABLE # 9- Emergency CalFresh Apps v. Regular CalFresh

October, 2013 - DFA 296	CalFresh Applications on Hand During October, 2013	CalFresh Applications Denied	Percentage of CalFresh Applications Denied	296X Report DFA for last quarter of 2012	Expedited service cases disposed of during the report quarter	Found not entitled to expedited service	Percentage of expedited service cases Found not entitled to expedited service
Statewide	283,885	60,967	21%	Statewide	311,089	210,076	68%
Alameda	18072	1,674	9%	Alameda	9,774	5,420	55%
Contra Costa	5535	1,265	23%	Contra Costa	4,834	3,340	69%
Fresno	6284	1,396	22%	Fresno	13,552	7,811	58%
Kern	8709	2,309	27%	Kern	14,417	8,995	62%
Los Angeles	65327	14,019	21%	Los Angeles	80,533	48,463	60%
Orange	19282	2,821	15%	Orange	15,548	9,984	64%
Riverside	16683	5,520	33%	Riverside	30,536	19,811	65%
Sacramento	12010	3,104	26%	Sacramento	15,986	11,866	74%
San Bern.	18620	6,199	33%	San Bern.	36,658	22,708	62%
San Diego	25028	4,947	20%	San Diego	29,175	17,361	60%
San Francisco	4228	863	20%	San Francisco	4,942	2,887	58%
San Joaquin	8916	1,675	19%	San Joaquin	6,414	2,809	44%
Santa Clara	6702	1,234	18%	Santa Clara	6,647	4,948	74%
Solano	2732	619	23%	Solano	2,362	1,046	44%
Stanislaus	4620	1,278	28%	Stanislaus	9,173	5,636	61%
Tulare	6624	629	9%	Tulare	7,290	3,870	53%
Tuolumne	422	118	28%	Tuolumne	799	473	59%
Ventura	5764	1,126	20%	Ventura	2,756	962	35%
Yuba	1059	14	1%	Yuba	1,420	772	54%

Source: CDSS DFA 296 and 296X reports.

Expedited Service (ES) – It is ironic that 68% of the ES determinations result in denials of ES while 21% of CalFresh applications result in denials. It is very clear that county human service agencies are very apprehensive about issuing expedited service benefits to food insecure households consistent with federal and state regulations. This has a direct link to California’s high poverty and child poverty rates. This has enormous implication on the development of children who are forced to endure hunger because county human services agencies finds creative ways to deprive food insecure children, toddlers and adults of food security.

CCWRO RECOMMENDATIONS (1) *The DSS shall convene a workgroup of advocates, state and counties to review the functionality and the customer experience with the on-line application platforms and make recommendations of how to improve the on-line application process to increase participation in the CalFresh program for the budget committees.*

(2) *The DSS shall establish a statewide, objective, uniform verification policy that assures the county human services agencies will first secure verification that is available to the county human services agencies before seeking verification from the applicant. The verification request shall have a space where the applicant or recipient can certify that he or she does not have access to the information and authorizes the county to get the information. At that point the information on the application shall be considered verified to the extent permitted by federal law and benefits shall be issue to the food insecure household.*

(3) *The DSS shall collect quarterly information on the reasons for CalFresh ES denials. Applicants who have been screened for ES shall be allowed to submit a written CalFresh application on the day of the application to assure that applications and CalFresh ES benefits are not denied for failure to submit a signed application. If the interview yields information that is different from what is on the signed application, the county human services agencies shall secure a telephone signature for the revised application and mail a copy of the revised application to the applicant.*

(4) *CalFresh ES benefits shall be issued if there is no verifiable information at the disposal of the state or the county human services agencies that indicates that the applicant is ineligible for expedited service or CalFresh benefits. The county human services agencies shall use all available state and federal databases to verify any factor of eligibility before requesting verification from the applicant including the use of any electronic means to verify identity of the applicant.*

(5) *The DSS annual review known as “management evaluations” shall be revamped to provide the Legislature and the public with a comprehensive analysis of the county human services agency operations. The report shall be posted on the Internet, including any corrective action plan and DSS response to the corrective action plan.*

SUMMARY OF CCWRO RECOMMENDATIONS

1. Parent/Child Engagement Demonstration pilot program for CalWORKs and Welfare-to-Work - CCWRO is concerned that the counties will make this program mandatory for the participants. CCWRO reserves judgment on this proposal until we see the details of the

Program to assure that the program contains adequate protections for impoverished families who may be lured into this program.

2. Eight (8) new staff for WtW Division - CCWRO supports funding for new staff provided that the Legislature amend Section 10533 to require that county staff and cases to be reviewed by DSS staff, be randomly selected and that they review options selected by the counties, and how the annual \$90 million allocation for reducing sanctions is being implemented in the county. The current review process does not appear to be designed to improve the process or achieve less sanctions and review of county compliance with the state laws and regulations.

3. 74 News staff for State Hearings Division – CCWRO supports this BCP request. Given the fact that Medi-Cal and Covered California will have new cases that would be eligible for due process hearings there is a need for the DSS State Hearings Division to have the resources to address the need. It is estimated that there will be 551,000 new Medi-Cal applications and 630,000 Covered California applications. These applications are expected to generate an estimated 37,868 hearing requests. It is estimate that 25% of the hearing requests will go to a hearing.

4. Restoration of SSI and CalWORKs COLA: The budget should fully restore and insure continued funding for the SSI, AFDC, and CalWORKs COLA that was repealed in 2009. Last year, the Legislature established a fund to pay for increases in CalWORKs. W&IC § 11450.025 provides that increases in maximum aid payments shall be funded with growth revenues from the Child Poverty and Family Supplemental Support Subaccount. Per W&IC 11450.025 (d) “If funds received by the Child Poverty and Family Supplemental Support Subaccount in a particular fiscal year are insufficient to fully fund any increases to maximum aid payments made pursuant to this section, the remaining cost for that fiscal year will be addressed through existing provisional authority included in the annual Budget Act. Additional grant increases shall not be provided until and unless the ongoing cumulative costs of all prior grant increases provided pursuant to this section are fully funded by the Child Poverty and Family Supplemental Support Subaccount.”

5. Welfare-to-Work Recommendations –

5-1. Orientation/Appraisal/Assessment – DSS is developing an on-line orientation/appraisal/assessment tool. This tool would be used for the upfront assessment.

5-2. Selection of Component by Participant - After assessment the participant will be given the opportunity to select either the component option recommended by the assessment or the participant's preferred component. Welfare recipients cannot become self-reliant by depending upon the county worker to make decisions for them. They must be afforded the dignity of making decisions independently to the extent that the participant wants to make these decisions. Participants shall have the option of seeking and receiving assistance from the county to make these decisions.

5-3. County Action on Participant Component Selection - The participant selected component shall be accepted unless the county has evidence that the component cannot lead to self-sufficiency and has evidence that the component option recommended by the assessment will lead to self-sufficiency. Participants should have the option of selecting a component on-line in consultation with their family, pastor and other support systems that they may have.

5-4. Sanctions: Sanctions should only go into effect if the reduction of benefits would be more than the rent and 50% of the food stamp utility allowance. If the participant cures the sanction, 50% of the sanctioned money, not to exceed \$500, should be returned to the family as a lump sum income payment and the remaining 50%, not to exceed \$500, shall be returned of the participant completes his or her compliance plan assignment.

5-5. Supportive Services –Participants should have the option of requesting supportive services and advance payments on-line to reduce sanctions and help California meet the federal work participation rates. Counties shall verify that the assistance unit actually has needed supportive services to prevent the imposition of the CalWORKs inhumane WtW sanctions before assigning the parent to any work activity that can result in a sanction.

6. CalFresh Recommendations

6-1. The DSS shall convene a workgroup of advocates, state and county to review the functionality and the customer experience with the on-line application platforms and make recommendations of how to improve the on-line application process to increase participation in the CalFresh program for the budget committees during 2015-2016 budget hearings.

6-2. The DSS shall establish a statewide, objective, uniform verification policy that assures the county human services agencies will first secure verification that is available to the county human services agencies before seeking verification from the applicant. The verification request shall have a space where the

applicant or recipient can certify that he or she does not have access to the information and authorizes the county to get the information. At that point the information on the application shall be considered verified to the extent permitted by federal law and benefits shall be issued to the food insecure household.

6-3. The DSS shall collect quarterly information on the reasons for CalFresh ES denials. Applicants who have been screened for ES shall be allowed to submit a written CalFresh application on the day of the application to assure that applications and CalFresh ES benefits are not denied for failure to submit a signed application. If the interview yields information that is different from what is on the signed application, the county human services agencies shall secure a telephone signature for the revised application and mail a copy of the revised application to the applicant.

6-4. CalFresh ES benefits shall be issued if there is no verifiable information at the disposal of the state the county human service agency that verifies the applicant's ineligibility for expedited service or CalFresh benefits. The county human services agencies shall use all available state and federal databases to verify any factor of eligibility before requesting verification from the applicant including the use of any electronic means to verify identity of the applicant.

6-5. The DSS annual review known as "management evaluations" shall be revamped to provide the DSS, the Legislature and the public with a comprehensive analysis of the county human services agency CalFresh and CalWORKS/WtW operations. The report shall be posted on the Internet, including any county corrective action plan and DSS's approval or disapproval of the corrective action plan.

**Annual Appropriations of County Single Allocation (CSA)
Compared to Appropriations for CalWORKs**

County Single allocation

INCREASED by 33% from 1998-1999 to 2012-2013

CalWORKs Grant allocation

DECREASED by 15% from 1998-1999 to 2012-2013

<i>State Fiscal Year</i>	<i>Total CSA Allocation</i>	<i>County Share</i>	<i>Total Grant Allocation</i>	<i>CSA allocation increase/decrease from previous State Fiscal Year</i>	<i>CalWORKs Grant allocation increase/decrease from previous State Fiscal Year</i>
1998-1999*	\$1,403,116,378	\$140,540,757	\$3,728,895,597		
1999-2000	1,466,239,771	140,540,757	3,409,184,226	4%	-9%
2000-2001	1,534,363,372	140,540,757	3,110,590,925	5%	-9%
2001-2002	1,703,597,672	140,540,757	3,128,453,615	11%	1%
2002-2003	1,614,776,793	140,540,757	2,998,104,490	-5%	-4%
2003-2004	1,684,758,200	140,540,757	3,058,377,136	4%	2%
2004-2005	1,628,196,518	140,540,757	3,272,331,000	-3%	7%
2005-2006	1,647,633,000	140,540,757	3,067,470,861	1%	-6%
2006-2007	1,708,315,000	140,540,757	2,949,089,178	4%	-4%
2007-2008	1,860,028,000	140,540,757	3,006,359,917	9%	2%
2008-2009	1,911,003,000	140,540,757	3,275,881,220	3%	9%
2009-2010	1,949,398,000	140,540,757	3,406,732,000	2%	4%
2010-2011	1,946,940,000	140,540,757	3,674,460,000	0%	8%
2011-2012	1,836,073,000	140,540,757	3,261,728,000	-6%	-11%
2012-2013	1,860,073,000	140,540,757	3,157,685,000	1	-3%

• *Based on the federal change in welfare law known as TANF CalWORKs enacted. Source: State Department of Social Services. CFLNo. 98/99-33; 99/00-12; 00/01-20; 01/02-04; 02/03-19; 03/04-10; 04/05-15; 05/06-19; 06/07-13; 07/08-21; 08/09-34; 09/10-12; 10/11-10; 11/12-12; 12/13-18 & California State Budgets*

Number of Jobs Welfare Recipients Create Annually and Monthly in California		
	Actual	1.79% Economic Multiplier
Food Stamps, SNAP/CalFresh Annual Benefits	\$8,156,325,528.82	\$14,028,879,909.57
Per Job Creation Costs		\$100,000.00
Annual Jobs Created by Food Stamp Recipients		140,289
CalWORKs/TANF	\$3,161,374,000.00	\$5,658,859,460.00
Per Job Creation Costs		\$100,000.00
Annual Jobs Created by CalWORKs Recipients		56,588.59
TOTAL TANF/SNAP BENEFITS ISSUED	\$11,317,699,528.82	\$19,687,739,369.57
Annual SNAP/TANF jobs in California		196,877
Monthly SNAP/TANF jobs in California		16,406.45

SOURCE OF COST PER JOB - The \$100,000 per job is based upon on estimate received from Chad Stone, Chief Economist working for Center on Budget Policy and Priorities in Washington D.C. There are other estimates that assert that a cost of an entry-level job is about \$60,000 per job. See: <http://economistsview.typepad.com/economistsview/2008/11/how-much-does-i.html>. Also see USDA, Economic Research Service, Economic Research Report Number 103, October 2010, The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP - Kenneth Hanson & CDSS Budget Documents of 2014-2015.

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