

RECIPIENT IMPACT STATEMENT

on

SB174 & AB36X

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PREPARED BY:

*California Rural Legal
Assistance Foundation
1900 "K" Street
Sacramento, CA 95814
916-446-7901*

ON BEHALF OF:

*Coalition of California
Welfare Rights Organizations
1505 Santa Clara Street
San Jose, CA 95116
408-259-9600*

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FOR FURTHER INFORMATION, CONTACT
KEVIN M. ASLANIAN AT CRLAF
916/446-7904.. 415/864-3405

EXECUTIVE SUMMARY

The Governor's proposed AFDC and SSI cuts embodied, in SB 174 and AB 36X, proposed several cutbacks that will severely hurt poor families and children who are already suffering from major cuts in federal and state human services programs over the past two years.

The major cuts proposed in these bills which will significantly impact upon poor families with children are:

- Delaying the beginning date of aid for all new applicants until the first day of the month following application and eliminating "immediate need" payments for families in dire need of emergency aid;
- Prorating the shelter and utility costs of AFDC recipients who share housing with non-family members;
- Eliminating the state-only program by which pregnant women with no other children on aid get AFDC during the first five (5) months of pregnancy;
- Reducing the benefits of aged, blind, disabled on SSI by one-third when they are living with non-SSI recipients.

These cuts are targeted for poor families who have experienced other numerous and severe cuts during the 1982-83 fiscal year:

- In 1982-83, 330,000 poor Californians had their assistance reduced due to these various cuts;
- AFDC recipients did not receive a cost-of-living adjustment (COLA) for this year, in spite of the fact that the cost of housing and utilities have gone up;
- The federal elimination of the work incentives of the "working mother's budget" hit those AFDC mothers who worked and were struggling to get off welfare very hard. Many of the women who continue to work are forced to spend their food money to meet their work related expenses; and
- Medi-Cal cuts resulted in less preventive care and treatment for poor families and their children.

PROPOSED CUT:

Paying AFDC beginning the first day of the month following the month of application and eliminating "Immediate Need" payments to families in need of emergency aid.

CURRENT PRACTICE:

Currently, when a family applies for AFDC during month "A", the county welfare department determines, among other things, whether the family is in immediate need of assistance. If the family is found to be, it is immediately given the sum of \$100.00. Upon determination of complete eligibility, it is given the remaining amount of aid to which it is entitled.

If the family is not in immediate need, but eligibility is determined during the month of application, aid will be paid retroactive from the date of application. [Federal law requires that: "A decision shall be made promptly on application. . . ."] However, if the family's eligibility is not established until the month following the month of application, aid is paid beginning the first of the month in which eligibility was established.

RECIPIENT IMPACT STATEMENT:

Families with no food, money or place to live who apply any time in month "A" will not be eligible for any assistance until the first of month "B".

Moreover, many families receiving AFDC are terminated from aid because they have problems completing monthly income reports or submitting required documentation. They then generally re-apply during the first five (5) days of the month so they can receive their AFDC check in time to pay rent, utilities and food. Under the new practice, these families would not be eligible for aid until the following month.

Many of these families will have to turn to the already overburdened private charities. Often, help will not be forthcoming.

POSITION:

We oppose this proposal because it will leave families who are in dire need of assistance foodless, without utilities and/or homeless, and it is inconsistent with federal law. Moreover, it may force some families to use their food stamps to pay their rent and utilities, which is illegal, for that is the only these families can receive during the month of application to meet their food, housing and utility expenses.

PROPOSED CUT:

To prorate the grant of AFDC families that are sharing housing and utilities with other persons not receiving AFDC. The bills do not specify how much the grant will be reduced or what types of shared housing and utility situations will be affected.

CURRENT PRACTICE:

Currently, AFDC families who are sharing shelter with other families in order to survive on their meager AFDC payments are not penalized for this by having their housing and utility costs cut back.

RECIPIENT IMPACT STATEMENT:

Given the dearth of adequate low-income housing and high cost of utilities, many AFDC families are forced to share shelter with others. Moreover, oftentimes, AFDC recipients pay more than the average cost of housing because they are considered to be "rental risks".

Penalizing AFDC families who maximize their benefits by sharing household costs with others provides a disincentive to prudent spending of the increasingly limited amount of money that they receive.

The exact impact that this proposal will have cannot be determined at this time, although we have set forth an anticipated impact, because the proposal does not specifically provide how the grant will be prorated and the types of situations to which it will apply.

POSITION:

We oppose this proposal because it will penalize families who are forced into a shared housing situation not only due to inadequate housing, but also due to the fact that they will need to come up with the first and last month's rent, plus a deposit before they could move into a new residence. Moreover, most families in shared housing situation pay more than the amounts set forth in the regulations describing how the AFDC grant is computed.

PROPOSED CUT:

Eliminate the aid that the State gives to pregnant women with no other children on AFDC during the first five (5) months of their pregnancy.

CURRENT PRACTICE:

Currently, a pregnant woman with no other children on aid is not federally eligible until the last trimester of her pregnancy. However, the State gives \$318.00 a month out of its own funds from the time of verification of the pregnancy to the last trimester (when they become federally eligible).

RECIPIENT IMPACT STATEMENT:

Eliminating aid to pregnant women until the last trimester of their pregnancy will mean that many poor pregnant women will not have enough money to meet their increased nutritional needs, and they will not have a safe and decent place to live during the first important months of the pregnancy.

Inadequate assistance for pregnant women could lead to many health difficulties for them and their fetuses, such an increase in the risk of infant morbidity, mortality and disabilities. This could also lead to increased need for neonatal intensive health care services at a greater cost.

POSITION:

We oppose this proposal because it will make the pregnant women with no other children on aid destitute and it has a great potential for inflicting irreparable harm upon the unborn.

PROPOSED CUT:

To reduce the benefits of the needy aged, blind and disabled on SSI by a third when they live with non-SSI recipients.

CURRENT PRACTICE:

Currently, the grants of SSI recipients are not cut back when they live with persons who are not on SSI.

RECIPIENT IMPACT STATEMENT:

Many of the needy aged, blind and disabled live with relatives and friends who are not on SSI. In many cases, this has saved the State the high cost of paying for nursing home care. Under the Governor's proposal, they could be forced into institutionalized care in lieu of living in the community.

POSITION:

We oppose this proposal because it will penalize the needy aged, blind and disabled on SSI trying to remain in the community rather than living in nursing homes.

COALITION OF CALIFORNIA WELFARE RIGHTS ORGANIZATIONS

FISCAL IMPACT OF AB 36X & SB 174

1. Eliminating Immediate Need assistance and requiring that all persons applying for aid be paid beginning the first of the following month. \$8.9 million

2. Reduce AFDC grants for any AFDC household that is living with another person(s) in shared housing. \$9.0 million

3. Eliminate aid to pregnant women with no other children during the first six months of their pregnancy. \$3.0 million

4. Reduce SSI/SSP payment by 1/3 for those needy aged, blind and disabled persons who are living with non-SSI persons. \$4.4 million