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**Stephen Goldberg,
President**

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The Honorable Darrell Steinberg

President pro tem
California State Senate
Sacramento, CA 95814

The Honorable Karen Bass

California Assembly
Sacramento, CA 95814

Opposition to Governor's Latest CalWORKs Proposals

Dear President pro tem Steinberg and Speaker Bass:

The Coalition of California Welfare Rights Organizations, Inc. (CCWRO) represents California's poorest residents in policy and budget discussions affecting public benefits. It is sad that we must write you again in opposition to Governor's Schwarzenegger's most recent proposal on CalWORKs. While most of these proposals have been heard and rejected many times by the Legislature, the proposed 24-month time limit makes this latest proposal substantially harsher. It would cause even greater harm than the Governor's earlier requests for full family sanctions.

Governor's Proposals and Rhetoric are Unworthy - California has a 11.5% unemployment rate and the Governor is wondering why welfare moms, often without a high school diploma, are not working and labels them "frauds". The fact is that 50% of welfare moms are members of the working poor, which is a miracle.

Many of those not working were or are victims of domestic violence, now being harassed by the Governor.

Governor Scapegoating Poor Families Who Work - The Governor argues that the CalWORKs program must be reformed because not enough families are meeting federal work participation results. Well, what do you expect with 11.5% unemployment rate? Moreover, the work requirements of the Bush Administration are not being met by any large state. In fact the Schwarzenegger Administration

had repeatedly asked the Bush Administration for TANF relief including this request from a letter sent just last fall:

“Our state has achieved notable success over the years in moving families from welfare to work. In fact, our caseload has declined by almost 50 percent since the beginning of TANF and the original promulgation of the rules. Since TANF Reauthorization, however, states are provided no further recognition of past success and federal rules have become more restrictive. As a result, it has become increasingly difficult for states, like California, to meet the federal work participation rate. We have implemented numerous efforts and policy changes focused at engagement and work participation. These efforts are continual; however, achieving outcomes takes time, and in some cases years, to fully benefit persons still on the welfare rolls.”

CCWRO agrees with the above and does not blame the Governor for the state's CalWORKs work rates since they were created by a bad federal law and implemented very poorly by the Bush Administration. But now the Governor is trying to blame the families and achieve the federal work participation rate through a “denominator” strategy of cutting off all those who are not meeting work requirements while keeping on the “worthy” recipients. This is wrong for the families and it is wrong for California.

CalWORKs is Not Causing the Budget Crisis – CalWORKs has helped the General Fund by making annually more than \$1 billion federal dollars available to the general Funds - The Governor is attempting to convince the public that the CalWORKs program is contributing to the state's budget crisis. He has called the program “fast growing” and a “budget problem.” These statements are not accurate. Due to the recession the CalWORKs caseload has increased to 526,473 families, the first increase in nearly 15 years. But this caseload pales in comparison to the caseloads under the old AFDC program, in which caseload in 1994 exceeded 900,000 families. Even in the height of the greatest recession in 70 years, the state is not seeing anywhere near the caseload size that the counties previously managed. The Governor's statement on this point is misleading, at best.

Moreover, since the enactment of the CalWORKs program, welfare moms living on a fixed income of 40% of the poverty level have been contributing at least \$1 billion a year to the General Fund and now he wants more. To date CalWORKs has contributed **\$12 billion** in Federal Funds to the General Funds. Does he want **\$2 billion** or more meant for the poor taken out of the mouths of impoverished families and needy children and pumped into the General Fund?

CCWRO Opposes All of the Following Proposals:

- Full Family Sanctions for families required to meet welfare to work requirements will eliminate all cash assistance for children. Parents are already sanctioned.
- “Modified” Safety Net actually cuts 98,000 children off all cash aid if their parents fail to meet federal work requirements. Research shows the parents in these families have the most barriers to work.
- 24 month time limit on child only cases where adult is not eligible due to immigration status. Cuts 82,000 children off all cash aid.
- Self-Sufficiency Reviews every 6 months if adult is not meeting work requirements. Failure by parent to attend review results in children being cut from aid. Cuts 25,000 children off all cash aid.
- Six Percent Grant Cut – Will reduce the maximum grant on October 1 from \$694 for a family of three down to \$651 a month beginning October 1, 2009. About 18,000 children lose all cash aid. WCLP opposes further reductions to the CalWORKs grant that is already at the lowest level it has been in 20 years. The state will sacrifice about \$88 million in federal ARRA funds to save \$115 million, a net savings of just \$27 million.
- Repeal the statutory CalWORKs Cost of Living Adjustment means that grants will continue to lose value as they have over the past 20 years.

CCWRO continues to support the Budget Conference Committee Report which, in contrast, made targeted cuts to the welfare to work program that do not harm families, increase employment and the drawdown of federal stimulus funds while making \$271 million in CalWORKs reductions. CCWRO strongly encourages the Legislature to reject the Governor’s latest CalWORKs proposals.

Sincerely,

Kevin M. Aslanian, Executive Director