



## IN BRIEF

### NEW CHIEF DEPUTY DIRECTOR FOR CDSS

- On January 6, 2003, Kim Belshe, Secretary of Health and Human Services Agency issued a letter stating that Larry Bolton, the current Deputy Director for Legal Affairs of CDSS has been appointed one of the two Chief Deputy Directors of CDSS.

### NO MORE COUNTY REHEARINGS

- During the November 14, 2003 California Welfare Directors Association (CWDA) meeting Larry Bolton, Chief Deputy Director of DSS announced that because of CDSS down staffing rehearings will not be granted, according to the CWDA December Board of Directors meeting minutes. Welfare and Institution Code § 10960 provides for an opportunity to request a rehearing if welfare recipient or county disagrees with the hearing decision. According to CWDA minutes, Larry Bolton stated, "If counties have an issue, they are welcome to take the issue to court".

### LOOKING FOR NEW STATE WELFARE DIRECTOR.

Secretary Belshe's letter dated January 6, 2004 also states that "Appointing a new director of DSS is a high priority for the Governor and me and I am actively engaged in this effort While I cannot share with you specific timeframe for this appointment, I want to underscore the confidence I have in the department's executive staff to provide responsible and effective leadership individually and collectively during this period of transition." Her memo continues to say that she looks forward to working with DSS staff "... to advance the very ambitious agenda the

Governor has developed related to CalWORKs, foster care and in-home supportive services."

### STATE BUDGET IMPOSES TAXES ON THE POOR IN NEED OF CHILD CARE

- The 2004-2005 Schwarzenegger proposed budget will increase "user fees" for child care. "User fees" have been characterized as "taxes" by Republicans in past budget debates. The new user fees are 10% of the income of the needy family. There are also proposals to reduce the regional market rate, which would increase family co-payments. You can get more specific information about the child care cuts from the Child Care Law Center by e-mailing to [info@childcarelaw.org](mailto:info@childcarelaw.org).

**STATE BUDGET SOLUTIONS:** When a state budget is proposed by the Governor, it goes to the State legislature for hearings. There are five subcommittees that consider the budget during the months of March, April and May. During the beginning of May, the Governor issues a revised budget, which is known as the "May Revise", which includes most of the dots and crosses that were left out in the January proposed budget. The May revise also includes new revenue assumption.

A legislative staffer stated that the "First Official Stop" for any budgeted deficit solution is the Health and Human Services subcommittee in each house of the State Legislature that appropriate money for the poor.

### In This Issue

- IN BRIEF
- 2004-2005 CalWORKS Budget Arrives
- County Performance Incentive Payments

**IHSS Budget:** The 2004-2005 budget assumes that 25% usage of the IHSS program is fraudulent. This assumption is used to reduce the IHSS budget by 25%.

The county welfare departments often underauthorize hours of which IHSS recipients are entitled to by law. According to our sources, the practice of underauthorizing IHSS hours is widespread in Los Angeles County.

## 2004-2005 CalWORKs Budget Arrives

### Schwarzanegger 2004-2005 Budget Declares War on the Poor

On January 9, 2004, Arnold Schwarzanegger, who during his campaign promised to balance the State Budget by cutting waste, fraud and abuse, released his 2004-2005 proposed budget. This promise was not reflected in his proposed budget. The proposed budget was summarized by Senator John Burton, Democrat, President Pro Tem of the State Senate at a recent press conference as a budget that cuts fixed income benefits, services and health care to the poor to pay for Schwarzanegger's car tax cut.

What does Schwarzanegger propose to do? Reduce benefits by 5% and deny the 3.5% July 2003 and the 2.77% 2004 Cost Of Living Adjustment (COLA).

The budget plan proposes to make major revisions in the welfare program:

#### 2004-2005 SCHWARZANEGGER Proposed Budget Poor Children with Families Get Less

(monthly average)

CalWORKs Child Payment  
**\$191** a month per child

Foster Care Child Payment  
**\$1,804** a month per child

Adoption Assistance Program Payments  
**\$711** a month per child

**HIT #1.** Reducing Maximum Aid Payment (MAP) level by 25% for nonworking CalWORKs families whose parents have timed out.

Under current law, parents who have been on CalWORKs for more than 60 months are

taken off welfare and the children continue to get CalWORKs. This is a significant reduction in benefits. Often, the parents have not become self-sufficient because the county has failed to provide them with legally required services or because most of the American jobs are being "outsourced" overseas.

Schwarzanegger recognized in his State of the State speech that the lack of jobs is a problem and promised to deal with this issue. However, when it comes to CalWORKs parents, he will reduce the childrens' benefits by 25% because their parents have not found the jobs that he promised to bring back.

How would this work in real life? For example: Ms. Jones, a mother of a six (6) year old, has a learning disability and has been a victim of domestic abuse. She has held numerous jobs, but cannot find a job that pays a family wage. Because she has been on CalWORKs for sixty (60) months, her benefits are reduced from \$540 to \$331. In addition, because she is not working in that she is in between her intermittent jobs, her benefits would be reduced to \$248 a month.

**NUMBER OF FAMILIES AND CHILDREN IMPACTED:** 23,624 families will have their benefits reduced by \$135 a month. This

## CCWRO Welfare News Bulletin #2004-2-January 21, 2004

means about 50,000 children will be impacted by this proposed SCHWARZANEGGER cut.

**HIT #2.** Under current law, when a family is sanctioned, the benefits of the noncooperative parent(s) is deleted.

Under this proposal, if the parent(s) fail to participate after two months of being sanctioned, an additional 25% cut will be imposed upon the already once reduced benefits.

For example: Ms. Smith, a mother of a two (2) year old, is sanctioned for alleged failure to participate. Her benefits are reduced from \$540 to \$331. After two months she still cannot participate due to lack of child care. Under this proposal, her benefits would be reduced to \$248 a month.

Published studies reveal that in many cases, sanctions are imposed on families who failed to cooperate because of lack of child care and/or transportation, which is unlawful, because the law states that persons who have a lack of child care or transportation cannot be sanctioned.

This proposal is predicated on the assumption that sanctioned families do not want to cure the sanction. This is not true. There is no objective process in California to trigger the sanction cure process.

The first sanction can be stopped once the sanctioned person informs the county that he or she is willing to cooperate and performs the act that caused the sanction. This sounds simple, but it can be complicated. A participant would attempt to contact the worker, who rarely answer the phones and rarely return phone calls. Then they would have to make an appointment and be scheduled to perform the act that caused the sanction. This could take weeks or often months.

It is not unusual in California for the eligibility worker to pass the buck to the welfare- to- work worker, and the welfare- to -work worker passes the buck to the eligibility worker.

**NUMBER OF FAMILIES AND CHILDREN IMPACTED:** 26,219 families including 52,438 children will have their benefits reduced by \$154 a month.

**HIT #3.** Requires nonexempt adults to participate in 20 plus hours of direct work activity per week. At this time the details of this hit are not available. Those parents not doing direct work for 20 hours a week will be sanctioned.

**NUMBER OF FAMILIES AND CHILDREN IMPACTED:** 18,496 families, including 37,000 children, will be impacted by having their fixed income at meager 1990 levels, reduced by another \$154 a month.

### County Performance Incentives

Part of the 1997 Welfare Reform Act was to provide county welfare departments with positive reinforcements, such as "performance incentives" while providing no positive reinforcement to welfare families.

The incentives were paid to counties regardless of how the reason the recipient obtained employment.

Counties have received millions of performance incentive dollars, but not one penny was given to welfare families living on fixed incomes at the 1990 level or below.

The Schwarzanegger budget proposes to stop these performance incentives for 2004-2005.

The budget assumes that \$135.1 million dollars of unused County Incentive monies for 2002-2003 would be reappropriated to counties in 2003-2004 .