

In Brief

✓ **Cliff Allenby takes over CDSS** - On **January 3, 2006**, Cliff Allenby, 69, takes over as Director of the State Department of Social Services. Cliff started his career working for the State Department of Finance, the agency that runs the state by controlling the money. He worked his way up through the ranks to become Chief Deputy Director until 1987 when he was appointed Secretary of the Health and Welfare Agency.

Allenby worked for the California Building Industry Association and lobbied for Los Angeles County. He has also been director of the State Department of Developmental Services at different times. Allenby will need to be confirmed by the State Senate to keep his job as Director of DSS.

✓ **Bruce Barber, acting Deputy Director for Stated Hearings Division** - Bruce Barber, presiding judge for Child Support hearings in California has been appointed acting Deputy Director for the SHD. There are rumors that the job will be filled by Manuel Romero, who is currently an attorney with DSS.

✓ **Shwarzenegger's State of the Union** - On January 5, 2006, the Governor made his State of State address where the word "welfare" was not spoken. Of course his budget will slash welfare grants by denying a COLA once again. Stay tuned for more news.

✓ **CDSS proposes one place for all CalWORKs forms** - CDSS has made a decision to develop one CalWORKs form site that will be easily accessible and user friendly.

2006-2007 **5.07% CalWORKs COLA**

Denied in the Governor's
Proposed Budget

Cost of 06-07 COLA- \$172 million

Source for Funding the 2006-2007 COLA

TANF Reserve	\$127 million
TANF Carry Over	\$285 million
Title XX Transfer	\$189 million
Non-CalWORKS Exp.	\$1,043 million

Total TANF money Available for 2006-2007 CalWORKS COLA Over \$1.04 billion

The 2006-2007 CalWORKS COLA
will only use **16%** of this amount.
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STATE OF CalWORKs

Recipients in California

CalWORKs recipients are worse off today than they were 15 years ago when a family of three received \$694 a month. In 2006, a family of three receives \$689, five dollars less than in 1990.

In 1990, the poverty level for a family of three was \$10,419, In 2006 it is \$16,090. Yes, the poverty level has climbed upwards by 35%. Last year, the CalWORKs COLA was frozen for two two years in response to a legislative proposal by Governor Schwarzenegger to eliminate the COLA for CalWORKs recipients. What a guy that Schwarzenegger, sure can beat up on the poor kids.

Then we have the Welfare-to-Work (WtW) program which eats up a lot of money that should be given to families to meet their basic needs. The budget appropriated over \$5 billion for CalWORKs. About \$3.1 was used for payments to families, while over \$1.8 billion was used to pay for the WtW bureaucracy.

What did CalWORKs families get for the \$1.8 billion dollars spent on WtW bureaucracy?

The WtW bureaucrats are hired to help WtW participants become self-sufficient. That is the party line. When you look at the data, you see that on the average, they are able to sanction 30-35% of the WtW participants each month and can't even help less than 2% of the participants each month find employment that would get them off welfare.

It is evident that the WtW bureaucrats are really there to sanction participants for allegedly not participating in this failed WtW program. It should be noted that most sanctions

are caused by counties' refusal to pay for supportive services that participants need and are legally entitled to. Such payments would have avoided many of these frivolous sanctions.

Meanwhile, counties are unlawfully stealing millions of dollars from WtW participants by not paying for their transportation needs. Less than 35% of participants are getting transportation money to participate in a WtW activity. That means 65% are not being paid for the costs they are incurring to participate in a forced WtW assignment by county WtW bureaucrats. For this, bureaucrats are getting well paid - over \$1.8 billion a year.

On a monthly basis, over 1,200 families are denied homeless assistance and continue to be homeless in the United State of America, the richest country on the planet.

Transitional Food Stamp benefits-CDSS refuses to require counties to report how families received transitional food stamps. Thousands of families and children are unlawfully being denied Transitional Food Stamp benefits in California due to the incompetence of the California welfare bureaucracy. What does CDSS not want to report? Perhaps it's that thousands are denied food stamp benefits.

In summary, welfare recipients and their children are worse off now than they were 15 years ago.



TANF

Update

Budget Reconciliation Bill Awaits Final House Action

On December 21, 2005, by a vote of 51-50, the Senate passed the conference report for S.1932, the Deficit Control Act of 2005.

Vice President Cheney cast the tie-breaking vote. The legislation makes major changes in a number of public human service programs, including Medicaid, Temporary Assistance for Needy Families (TANF), child support, and child welfare. The final measure does not reduce funding or change policies for the Food Stamp Program (FSP), although the House version did contain FSP cuts. Before the final Senate vote, the Senate parliamentarian agreed with a point of order raised by Sen. Kent Conrad (D-N.D.) calling for removal of several reports in the bill. The approved bill therefore differs slightly from the House version, passed December 19, and must go back to the House for another vote. The House is scheduled to reconvene on January 31. Among the bill's major provisions are the following:

- Reauthorizes TANF and applies work participation rates and work requirements to recipients in separate state programs.
- Maintains separate two-parent work rates; maintains the work rate at 50 percent but revises the caseload credit to look back to fiscal year 2005 rather than FY 1996; and adds a new state penalty if states do not establish and maintain work verification procedures.
- Increases child care funding by \$1 billion and provides \$1 billion in new Low-Income Home Energy Assistance Program (LIHEAP) funding for FY 2007.
- Institutes a new \$25 child support user fee; eliminates the ability of states to use child support incentive grant funds to match federal dollars; and includes a series of child support changes from House and Senate TANF proposals.
- Leaves in substantial changes to the language on third-party liability and Targeted Case Management (TCM) that concerned states; the TCM language would prohibit certain foster care services from being covered by Medicaid's TCM.
- Eliminates child welfare administrative claims for most otherwise-federally eligible children in unlicensed foster homes and for children in ineligible facilities such as detention centers, psychiatric and medical hospitals, and institutions with more than 25 beds.

Both provisions have certain exceptions.

- Imposes a new requirement to conduct foster care candidacy redeterminations every six months in order to continue claiming administrative funds.
- Reverses the *Rosales v. Thompson* decision by limiting the determination of eligibility for IV-E foster care maintenance and adoption assistance for children placed with relatives.

In Medicaid, the bill would make the following major changes:

- Modifies the way in which pharmaceutical pricing is calculated.
- Increases the asset transfer look-back period from three to five years and changes the penalty period to begin at the time of application.
- Allows states to set up different benefit packages for selected beneficiary groups.
- At state option, allows states to enforce cost-sharing and premiums for certain beneficiaries.
- Increases federal programs designed to cut "waste, fraud, and abuse" in Medicaid programs by establishing additional programs and audits.
- Restricts the use of State Children's Health Insurance Program funds to cover adults without dependents.
- Requires that individuals present documentation proving citizenship prior to enrolling in Medicaid.
- Provides for some expansion of services for individuals with disabilities, including Money Follows the Person, Cash and Counseling, and psychiatric treatment for children.
- Changes the definition of TCM, case management services, and third-party liability.
- Provides for 10 months of 100 percent Federal Medicaid Assistance Percentage coverage for states that applied for Katrina 1115 waivers.

A link to the complete bill text is available on the House Rules Committee web site at <http://www.rules.house.gov/>.

Because of uncertainty over final passage of the budget reconciliation bill before the TANF authorization expiration date of December

31, 2005, the House and Senate passed by unanimous consent a three-month extension of the program, the TANF and Child Care continuation Act of 2005 (H.R. 4635). In addition to extending TANF, the legislation extends supplemental grants to states, the Child Care and Development Block Grant, transfer authority from TANF to the Social Services Block Grant, and child welfare waiver authority through March 31, 2006. (REPRINTED FROM APHSA.ORG)

CCWRO 2006-2007 State Budget Report



On January 10, 2005, Governor Schwarzenegger presented his State budget, including the budget for payments to impoverished families of California. The Governor has again demonstrated that his priorities in spending TANF funds are misguided. We believe the governor's first priority in deciding how to use the TANF funds should be to fund the 2006-2007 5.07% COLA to insure

that impoverished families with children have an adequate grant. The budget denies the Ronald Reagan COLA to welfare recipients that would have cost a meager \$173 million for 2006-2007. More than 55% of the budget is used to pay for activities other than payments to families. Before "welfare reform", 80% of the money was used for payments to families.

Where could have the Governor found the money to fund the COLA for 2006-2007? The \$285 million proposed carry-over of TANF funds for future years would easily cover the COLA with more to carry over. There was also \$127 million in the TANF reserve that could have been tapped into. Then there is the \$190 million transfer of TANF funds for social workers that could have been used to fund the 2006-2007 COLA.

The California State legislature has these same options and should exercise their authority and show more compassion for impoverished families with needy children than the Governor. (See Table # 1 for more budget details.)

We believe the governor's first priority in deciding how to use the TANF funds should be funding the 2006-2007 5.07% COLA to insure that impoverished families with children have an adequate grant.

His budget proposes to spend 38% of the money for the welfare bureaucracy. In essence, the Governor is proposing to spend 38¢ for every dollar of benefits distributed to impoverished families of California.

The Governor should be commended, however, for reducing the county single allocation by \$140 million as reported by press accounts. The reduction in moneys to counties to hire welfare workers means less families will be subjected to the mean-spirited Welfare to Work sanctions. These sanctions reduce benefits to poor families by an estimated 5% or more.

Currently, about 52% of the unduplicated WtW participants are sanctioned by counties for allegedly failing to participate in the WtW program.

The same data published by the State Department of Social Services shows 50% of the unduplicated participants are not receiving transportation supportive services as stated above.

Some counties and county representatives may argue that the WtW program helps welfare recipients become self-sufficient. This may be true for 3% of the participants, while 52% of the participants are sanctioned. It is evident that the real purpose of the WtW program is to deny transportation benefits to WtW participants, thereby assuring that they cannot participate in the program, then reduce their benefits by 25% or more.

TABLE #1 - GOVERNOR'S 06-07 BUDGET COMPARED TO 05-06 APPROPRIATION.

Budget Item	2005-2006 Appropriation 11/05 Thousands	2006-2007 Prop.Budget Thousands	Money Used for MOE	Diff. In \$\$	Diff. In %
Payments to Families	\$3,196,005.00	\$3,147,574.00		(\$48,431.00)	- 1.52%
CalWORKS Single Allocation for Services, Admin. and Child Care	\$1,820,195.00	\$1,755,244.00		(\$64,951.00)	- 3.57%
Non CalWORKs TANF Expenditures					
			General Fund		
Automation	\$ 89,515.00	\$ 72,887.00	\$ 2,845.00	(\$ 16,628.00)	-18.58%
Child Welfare Services - EA	170,883.00	16,443.00		(154,440.00)	-90.38%
Minor Parent Investigation	7,097.00	7,097.00	2,484.00	0.00	0.00%
Child Welfare Services	1,271.00	1,373.00		102.00	8.03%
SSP MOE Eligible	7,970.00	8,739.00	8,739.00	769.00	9.65%
EA-Foster Care	43,626.00	42,999.00	42,999.00	(627.00)	-1.44%
Community Colleges	34,580.00	34,580.00	34,580.00	0.00	0.00%
SDE Child Care	435,177.00	435,177.00	435,177.00	0.00	0.00%
\$50 Child Support Disr.	31,962.00	31,962.00	33,496.00	0.00	0.00%
EDD Training Panel	80.00	87.00	87.00	7.00	8.75%
TOTAL	\$ 822,161.00	\$ 651,344.00	\$ 560,407.00	(\$170,817.00)	-20.78%
Other CalWORKs Money Destinations					
Transfers to Title XX	\$ 190,619.00	\$ 188,928.00		(\$1,691.00)	-0.89%
Transfer to Stage 2	397,642.00	392,518.00		(5,124.00)	-1.29%
Child Care Holdback	52,636.00	54,140.00		1,504.00	2.86%
TANF Reserve	92,700.00	127,300.00		34,600.00	37.32%
TANF Block Grant Transf/Carry	628,532.00	284,678.00		(\$343,854.00)	-54.71%

TABLE #2 - PAYMENTS TO CHILDREN IN 06-07 STATE BUDGET

CalWORKs Child \$ 214/ mo.
Foster Care Child \$ 1,731/ mo.
Adopted Child Aid \$ 754/ mo.

Source: Governor's proposed budget

During 2006-2007, it is estimated that counties would have imposed sanctions upon more than 500,000 families. The \$140 million reduction means that over 50,000 participants will not be unlawfully sanctioned during 2006-2007.

The Governor's budget does insure that kids living in poor families are treated the worse. According to the Governors' own numbers, foster care kids will get \$1,731 a month. Adopted kids living in middle and upper class families will get \$754 a month while CalWORKs kids only get \$214 a month. (See Table #2 for more details.)

The CalWORKs budget is a large web of abuse perpetuated by State bureaucrats under the leadership of Arnold Schwarzsanger.

In order for the State to qualify for the over \$4 billion dollars of federal funds, they have to match it by 80% or 75%, if the state meets the federal participation rates.

Congress required states to match the federal block grant to assure that the States continue to invest in needy families. States do not want to invest in needy families and have devised all kinds of schemes to reduce the amount of TANF funds that go to meet the

needs of impoverished families with needy children. Of course all of this is done legally as the TANF law and regulations allow states to play these shameful budget games.

In California, the '06-'07 budget proposes to give \$190.9 million to social services. Another \$398 million will be given to State Department of Education for stage 2 child care services.

\$127 million will be held in reserve and \$285 million of available federal TANF funds will not be spent, rather, will be held in reserve as carry-over for future years.

The budget alleges that \$87 million of the EDD training panel is used for CalWORKs recipients and it is used to reduce the state match. There is no evidence that the EDD panel uses \$87 million for CalWORKs recipients, but the TANF budget has \$87 million less money that could be used to find an adequate level of payments to families.

For more information and verification of the information contained herein go to "<http://www.dss.cahwnet.gov/cdssweb/>" and double click on "Local Assistance Estimates for the 2006-07 Governor's Budget. Then open or download "Detailed Tables.pdf and read.

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California Welfare COLA at a Glance

THE CALIFORNIA AFDC/CalWORKs COLA In Brief

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The AFDC COLA (Cost of Living Adjustment) was a proposal signed into law by Ronald Reagan in 1971 when he was Governor of California. While Governor, he honored his commitment to pay decent benefits to impoverished families.

After Reagan left office, Republicans and Democrats launched numerous successful attacks against the meager benefits of California's poor women with children, which are easy targets for budget cuts.

Today, California's poor families live in deeper poverty than they did during the 70's. The worse is yet to come. Currently in 2004, CalWORKs families live on less benefits than what they received in 1988.

The 2004 COLA, mandated by State law, was unlawfully stopped by Arnold Schwarzenegger, and is currently in litigation.

Welfare Grant Levels for a Family of Three (3) in California

71-72	\$235	90-91	\$694
72-73	\$237	91-92	\$663
73-74	\$243	92-93	\$624
74-75	\$262	93-94	\$607
75-76	\$293	94-95	\$607
76-77	\$338	96-97	\$538
77-78	\$356	97-98	\$538
78-79	\$356	98-99	\$581
79-80	\$410	99-00	\$596

80-81	\$473	00-01	\$613
81-82	\$463	01-02	\$647-\$679 *
82-83	\$506	02-03	\$671-\$704
83-84	\$526	03-04	\$671-\$704
84-85	\$555	04-05	\$704-\$723
85-86	\$587	05-06	\$689-\$723
86-87	\$617	06-07	\$689-\$723
87-88	\$633		
88-89	\$663		
89-90	\$694		

*Region 1-Region 2

In 2006 Schwarzenegger proposed no COLA for CalWORKs families while proposing to use over \$1 billion dollars of TANF money for non TANF purposes, such as payments to social workers and middle class kids. See chart below.

CALWORKS CHILD
\$214.41

FOSTER CARE
CHILD
\$1,731.24

ADOPTED CHILD
\$754.41

KINGAP CHILD
(FAMILY BASED FOSTER CARE)
\$51,517.65

