

CCWRO Welfare News

Coalition of California Welfare Rights Organizations, Inc. 1901 Alhambra Blvd. Sacramento, CA 95816
 • Telephone (916) 736-0616 • Cell (916) 712-0071 Fax (916) 736-2645

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Governor's 2009-2010 May Revise CalWORKs Overview

On May 15th, Governor Schwarzenegger launched another attack on the poor. In summary, May Revise, which is the 2009-2010 revised California state budget, proposes to recycle the old unconscionable termination of CalWORKs benefits that would sentence 223,000 impoverished children into total destitution and seriously harm a total of 785,000.

These cuts would cost the poor \$947.1 million. It is also a big "job killer" in that California's sagging economy would take another \$1.6 billion dollar economic stimulus hit.

This does not even begin to describe the long term economic and human harm that these cuts would do to California. How many of these children will end up in foster care? How many will end up in the criminal system?

CalWORKs' poor families are already suffering. This grant cut is a race to the bottom sinking **California's impoverished families with children even further down with fixed incomes at about 35% of the poverty level.**

The economic stimulus loss is based upon the analysis of economist Zandi. For every dollar spent on payments to poor families generates 1.7% economic activity in the community that the recipients of the benefits live. The data in

TABLE #2 Persons	Grants with the 6% cuts	2009 Federal Poverty levels	% of Federal Poverty levels
1	\$309	\$900	34.30%
2	\$500	\$1,214	41.14%
3	\$620	\$1,526	40.64%
4	\$739	\$1,838	40.21%
5	\$841	\$2,149	39.11%
6	\$944	\$2,461	38.37%
7	\$1,035	\$2,773	37.33%
8	\$1,130	\$3,084	36.62%

Table #1 reveal the human and fiscal impact of these cuts.

The data in **Table #2** reveal the poverty levels of the CalWORKs grant with a 6% benefit reduction based on the 2009 federal poverty levels for Region #1.

The budget also attacks immigrants by proposing to eliminate the CAPI program which was designed to provide aid to the elderly, disabled and blind who are here legally, but denied federal benefits due to the 1996 Republican cuts in Congress.

It also proposes to eliminate the California Food Assistance program for Californians who are here legally, but denied federal food stamp benefits due to the 1996 Republican cuts in Congress.

The budget also cuts SSI for single person down to \$830 a month and \$1,407 for couples.

TABLE #1 PROPOSED CUTS FOR 2009-2010	The Impact of the May Revise Proposed Cuts on Impoverished Families & Economy of California			
	CHILDREN CUT	CHILDREN HARMED	MONEY LOSS TO THE POOR (in millions)	LOSS TO THE CALIFORNIA ECONOMY (in millions)
6% Grant Reduction	18,000	785,000	\$344	\$584.4
CalWORKs Child Only Time Limit	82,000		\$250.7	\$426.3
CalWORKs Modified Safety Net	98,000		\$408.3	\$408.3
Self-Sufficiency Reviews	25,000		\$190.6	190.6
TOTAL	223,000		\$947.1	\$1.6 billion

Source: Dept. of Social Services