

CCWRO Welfare News

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2013 The Good and the Bad

The Good

- ✓ The Legislature increased CalWORKs grants for the first time since state fiscal year 2004-2005. The 5% increase will go into effect March 1, 2014.
- ✓ CalWORKs recipients will see an increase in the automobile property limits. The new automobile limit is \$9,500.
- ✓ The Legislature enacted a provision for a standardized assessment tool and process for new "welfare-to-work" WtW recipients. Also enacted is "family stabilization" which authorizes counties to provide money or resources to help recipients overcome "destabilizing problems" before the recipients are forced to participate in the WtW program. The Legislature also authorized a program for subsidized employment in counties that want to do it. The program is designed with maximum county flexibility and minimal beneficiary, participant, recipients flexibility. We do not anticipate any significant improvement in the lives of CalWORKs recipients because of these new WtW changes. Counties received \$47.7 million as a block grant giving them maximum flexibility of how to use the money and no beneficiary/participant/recipient involvement at the county level.
- ✓ Effective January 1st, 2014 county workers, not a ro-bocaller, must contact a family before stopping their CalWORKs benefits. The worker must document in the case file that the contact was attempted in order to have a valid termination of benefits for failure to submit the SAR-7 or complete the annual recertification. After January 1st, when a person comes to legal services because their benefits were stopped for no SAR 7 or for failing to complete the CalWORKs recertification process check to see if the person lost some benefits upon reapplication. The lost benefits must be restored if there is no evidence in the case file that the contact was attempted by the county.

During 2013 CalWORKs and CalFresh recipients created over 195,000 jobs in California. Welfare recipients are not "takers" they are the "job creators" of the 21st century.

- ✓ Also effective January 1st, 2014 CalWORKs and CalFresh recipients do not have to report a change in address as a condition of eligibility. There is no requirement that the CalWORKs or CalFresh family be a resident of a certain

county as long as they live in California. A number of counties have launched criminal prosecutions against welfare parents for failure to report a change in address even though they were otherwise eligible for benefits. The new statute Section 11265.3(a)(2) states:

"The household address has changed. The act of failing to report an address change shall not, in itself, result in a reduction in aid or termination of benefits."

- ✓ During 2013 CalWORKs and CalFresh recipients created over 195,000 jobs in California. Recipients are not "takers" we are "job creators". Unlike corporations who allege to be job creators we do not ship our jobs to China. The jobs that we create are jobs that stay in California.
- ✓ During 2013 the CalWORKs program assisted over 1 million children with families. In as much as that assistance was meager, it was better than nothing.
- ✓ During 2013 the State Department of Social Services and the California Human Services Departments provided food assistance to over 4 million Californians.

The Bad

There were no cuts, but the Governor was able to fleece the CalWORKs program by an additional 31% over the 2012-2013 amount. In 2012-2013 the Governor extracted \$1,153,301,000 from CalWORKs families. This year he proudly extracted \$1,654,806,000 from the mouths of CalWORKs kids just so he can have a surplus. He never informed Californians of the involuntary contribution that CalWORKs families made to his budget. Table # 1 shows the history of involuntary contributions made by CalWORKs recipients to the California State general fund over the years. SB 1041 became effective repealing the exemptions of families with children under 2. CCWRO predicted that this would result in increased sanctions as that is the primary purpose of the California Welfare-to-Work program notwithstanding the propaganda promoted by the proponents of the program.

As evidenced on page 2 in the **Table #2** the sanction rates went up.

In 2012-2013 the Governor extracted \$1,153,301,000 from CalWORKs families. This year he proudly extracted \$1,654,806,000 from the mouths of CalWORKs kids just so he can have a surplus.

NOTE: The law provides that only "participants" can be sanctioned. Proponents of the programs would prefer that we use the "number of enrollees" (which includes individuals who are not subject to a sanction) so that the sanction rate is lower. CCWRO refuses to play that game.

Counties Received \$90 Million to Reduce Sanctions Every Year- What Is the Outcome? Did Sanctions Go Down?

WtW sanctions are a problem. In response, in 2006, the California State Legislature gave counties an additional \$90 million. Research reveals that most sanctions are a result of lack of supportive services and county failure to identify good cause before imposing the sanction. Historically about 50% of the persons participating in the WtW program do not receive transportation. The law mandates that transportation shall be provided when needed. There is no county option. But counties do not like helping WtW participants with transportation. The comment we have heard from counties is that "we don't get money for transportation from our home to work why should WtW participants get it." Of course county workers do not receive \$463 per month for a

family of three.

So what did the \$90 million achieve?

In October 2006 there was a 33% sanction rate. In October of 2013 the sanction rate is 44%. Yet every year the State Legislature blindly appropriates \$90 million to counties to reduce the sanction rate when the sanction rate is climbing through the roof.

When that parent is terminated from CalWORKs, and he or she reapplies, the county must determine if there are any exemptions that apply to the applicant before the applicant is found to be a mandatory participant – that includes the "young child exemption".

TABLE # 1

CalWORKs Recipient INVOLUNTARY Contribution to the California State General Fund

FY 1998-99	\$708,502,000
FY 1999-00	\$745,249,000
FY 2000-01	\$1,021,913,000
FY 2001-02	\$1,126,647,000
FY 2002-03	\$1,088,940,000
FY 2003-04	\$1,163,238,000
FY 2004-05	\$1,087,321,000
FY 2005-06	\$1,299,448,000
FY 2006-07	\$1,184,134,000
FY 2007-08	\$1,745,291,000
FY 2008-09	\$1,268,997,000
FY 2009-10	\$1,262,046,000
FY 2010-11	\$1,234,159,808
FY 2011-12	\$1,222,447,450
FY 2012-13	\$1,153,301,000
FY 2013-14	\$1,654,806,000

Source: <http://www.cdss.ca.gov/cdssweb/entres/localassstanceest/Jan13/AuxiliaryTables.pdf> Page 10 –

Welfare-to-Work October 2013 Outcome Report

TABLE # 2

Activity	October, 2012	October 2013
Number of Unduplicated Participants	117,112	117,794
Number of Unduplicated Participants Being Sanctioned	49,580	51,442
Percentage of Unduplicated Participants being Sanctioned	42%	44%
Dollar Loss to CalWORKs Families Due to Sanctions this Month Estimates at \$125 Per Sanction	\$ 6.2 million	\$ 6.4 million
Employment That Resulted In Termination of CalWORKs	3502	2665
Percentage of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs	3%	2%
Taxpayer Cost Per Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs	\$26,921	\$46,017
Number of Participants Being Paid Transportation by the County	67,211	68,227
Percentage of Number of Participants NOT Being Paid Transportation by the County During September 2012	57%	58%
Estimated Dollar Amount Poor Families Defrauded by Counties Not Receiving Transportation @ \$100 Per Participant		\$4,956,700