

CCWRO Welfare News

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August 11, 2014
Issue #2014-08

Analysis of the Expanding Opportunities in America by Representative Paul Ryan Children and Families

On July 26, 2014, Representative Paul Ryan (Republican from Wisconsin) unveiled his plan entitled “Expanding Opportunity in America”. The plan would block grant various programs including SNAP and the Housing Assistance Program. This allows states to use the funds as they see fit. However, for the poor to receive benefits, families would have to enter into a so-called “contract” that contains work requirements and severe sanctions/penalties that often result in “economic child abuse”.

The Ryan Plan Falsely Presumes That Safety Net Programs Discourage Work

The plan is predicated on a long held FALSE propaganda piece of the far right that a family of three receives \$25,000 a year from various government benefit programs. Representative Ryan compares the phantom \$25,000 a year received by a welfare family to a family of three earning minimum wage that yields \$15,000 a year. He concludes that beneficiaries receiving \$25,000 from safety net programs refuse to work minimum wage jobs because they will lose \$10,000 a year. We challenge Mr. Ryan to find welfare families of three receiving benefits in the amount of \$25,000 a year.

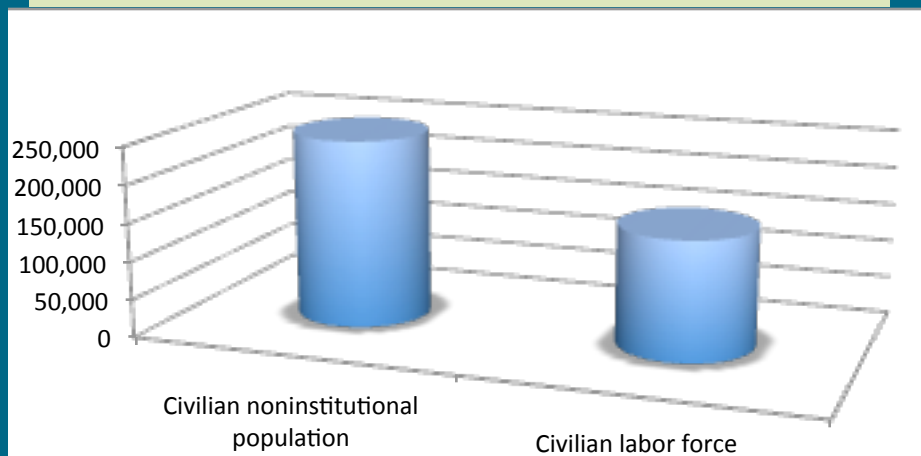
According to Mr. Ryan, the \$25,000 a year number assumes that a welfare family of three receives benefits from every governmental program – in all, 92 programs. That assumption is simply wrong. Most of these programs do not have open-ended funding. A clas-

The following programs would be block-granted:

*SNAP-Food Stamps - CalFresh
TANF-AFDC-CalWORKs
Section 8 Housing Choice Voucher Program
Section 521 Rural Rental Assistance
Section 8 Project-Based Rental Assistance
Public Housing Capital and Operating Funds
Child Care Development Fund
Weatherization Assistance Program
LIHEAP
Community Development Block Grant
WIA Dislocated Workers*

The Fundamental Problem that the Ryan Plan Overlooks is the Fact

1. Number of People in the USA Who Want to Work -- 248,023 million
2. Number of Jobs in the USA - 156,023 million
3. SAD FACT: 156,023 jobs for 248,023 people.



Source: Department of Labor

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sic example is housing assistance; not every TANF recipient receives Section 8 housing assistance. Mr. Ryan and his staffers should have found this out during the time he "...spent last year traveling the county- learning from people fighting poverty on the front lines."

Ryan Asserts that the Temporary Assistance for Needy Families Program Helps Poor Families And Reduces Poverty

Ryan’s plan uses the ill-conceived Temporary Assistance for Needy Families (TANF) block grant as an example of success. What he fails to disclose is the fact that while TANF’s predecessor, AFDC, 70% of the funds were used to assist poor families and only 30% as “assistance to state and local officials”. TANF reversed that on its head. TANF allows the use of 70% of the funds for state and local officials while a meager 30% is used to house and clothe needy families. TABLE #1 reveals how TANF resulted in less money for the needy families and children of America and loads of money for the state and local officials.

Since the inception of TANF, the State of California under Republican and Democratic governors have used over \$12 billion from TANF/TANF MOE to fund programs that are not means tested for impoverished families. The same is true for most states – TANF has been godsend for many governors and state legislatures who fleece the TANF program without shame.

Moreover, Mr. Ryan alleges that TANF has reduced poverty by asserting the poverty rate was 55% in 1992 under the AFDC Program and it was 39% in 2000. TANF was implemented in 1998-1999. Immediately prior to TANF’s implementation, the poverty rate was 29.9% in 1998. In 2012 the poverty rate was 30.9%. Moreover, TABLE #2 reveals that TANF has resulted in increased poverty for women with kids.

The Ryan Plan Would Impose Accountability

The plan would force the hungry and/or homeless to sign a contract agreeing to meet measurable benchmarks for success as defined by the state and local welfare officials. Calling this instrument a “contract” reveals the true nature of Ryan’s intent. A contract is a product of a bargain between two (2) equal parties that can be in writing or orally. A starving family is not an equal party to a welfare department worker. A starving family cannot sanction the state and county officials for violating

**TABLE # 1 -
TOTAL FEDERAL STATE AFDC/TANF
EXPENDITURES - FISCAL YEAR 1975 - in millions**

Year	Total AFDC Expenditures	Payments to Families	Percentage of Total Payments Used for Families
1975	\$9,494 ,000	\$8,412,000	89%
1976	\$10,745,000	\$9,676 ,000	90%
1977	\$11,565,000	\$10,388 ,000	90%
1978	\$11,839 ,000	\$10,591 ,000	89%
1979	\$12,129,000	\$10,779,000	89%
1980	\$13,435,000	\$11,956 ,000	89%
1981	\$14,493,000	\$12,845,000	89%
1982	\$14,613,000	\$12,857,000	88%
1983	\$15,437,000	\$13,607 ,000	88%
1984	\$16,069,000	\$14,371,000	89%
1985	\$16,359,000	\$14,580,000	89%
1986	\$17,195,000	\$15,235,000	89%
1987	\$18,456,000	\$16,323,000	88%
1988	\$19,016,000	\$16,663,000	88%
1989	\$19,657,000	\$17,240,000	88%
1990	\$21,200,000	\$18,539,000	87%
1991	\$23,029,000	\$20,356,000	88%
1992	\$25,087,000	\$22,250,000	89%
1993	\$25,242,000	\$22,286,000	88%
1994	\$26,098,000	\$22,797,000	87%
1995	\$25,553 ,000	\$22,032,000	86%
1996	\$23,677,000	\$20,411 ,000	86%
1997	\$19,603,000	\$13,901 ,000	71%
1998	\$23,942,000	\$13,000,000	58%
1999	\$27,008,000	\$13,166 ,000	49%
2000	\$28,290 ,000	\$11,180,000	40%
2001	\$28,500,000	\$10,143 ,000	36%
2002	\$28,372,000	\$9,408 ,000	33%
2003	\$29,057,000	\$10,219,000	35%
2004	\$28,542,000	\$10,389,000	36%
2005	\$28,440,000	\$10,739 ,000	38%
2006	\$28,446,000	\$9,906,000	35%
2007	\$30,006 ,000	\$9,069 ,000	30%
2008	\$30,990 ,000	\$8,649,000	28%
2009	\$33,517 ,000	\$9,324 ,000	28%
2010	\$35,848 ,000	\$10,699 ,000	30%
2011	\$33,324,000	\$9,604,000	29%
2012	\$31,358 ,000	\$8,982,000	29%

Source: Center on Budget Policies & Priorities and HHS

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TABLE # 2	
Year	Poverty rate for families with female head of household
2012	30.9%
2011	31.2%
2010	31.7%
2010	31.6%
2009	29.9%
2008	28.7%
2007	28.3%
2006	28.3%
2005	28.7%
2004	28.3%
2003	28.0%
2002	26.5%
2001	26.4%
2000	25.4%
1999	27.8%
1998	29.9%

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the contract but the state can sanction the beneficiary for violating the contract.

The “beneficiary” will naturally endure severe and often devastating sanctions for breaking the terms of the alleged contract. The basic idea is when the poor get help from the taxpayers; taxpayers should micromanage the use of that money.

As the [Washington Post](#) points out, conservatives who hate nanny-statism are the first to rail against the regulations that get in the way of businesses. When farmer recipients, corporate welfare recipients, Wall-Street millionaire and billionaire welfare recipients get help from the taxpayers it must be hands-off, no strings attached to the use of government grants. For non-poor welfare recipients, Ryan and his supporters have adopted the live-and-let-live rule. Yet, when it comes to the poor, most conservatives lose their live-and-let live attitude.

This is also true for the State of California. Annually, California sentences over 500,000 children to be vulnerable to homelessness by subjecting them to economic child abuse through a variety of mean-spirited sanctions like the maximum family cap rules, truancy penalty rule, welfare-to-work sanctions, immunization sanctions, etc.

Work Requirements For Food Stamps and Housing Programs

For years, conservatives have tried to impose failed work requirements on programs other than TANF that serves the poor. Work programs have a history of imposing economic child abuse upon poor families

TABLE

through sanctions that conservatives adore. Although most states do not keep good data comparing the rate of welfare-to-work (WtW) sanctions to WtW participants losing TANF due to finding work, California does. The results are revealing – the TANF WtW program is really the Welfare to Sanction (WtS) Program. Table #3 reveals the history of WtW and WtS in California.

Conclusion

The plan is very simple. Block granted assistance payments have been abused by states as evidenced by the TANF program. Give state and local officials more money and they will reduce the aid payment costs by taking it out of the mouths of impoverished families and children and using it to mostly line their own pockets and supplant state budgets.

The TANF program is famous for penalizing poor children and families who do not obediently and without question obey the often unreasonable demands of state and local officials running the program. Most, if not all state TANF programs, emphasize state sponsored “economic child abuse” and there are no civil or criminal penalties for the perpetrators of the “economic child abusers”. This will be no different but it would also extend the punitive nature and the economic child abuse features of the TANF program to SNAP, housing assistance programs, energy assistance,

January	Percentage of Unduplicated Participants Whose Aid Stopped Due to Getting a Job	Percentage of Unduplicated Participants Who Endures WtW Sanction and Economic Child Abuse
2000	4%	18%
2001	4%	16%
2002	3%	19%
2003	4%	30%
2004	4%	38%
2005	3%	37%
2006	3%	32%
2007	3%	27%
2008	2%	25%
2009	2%	25%
2010	2%	25%
2011	2%	24%
2012	3%	28%
2013	3%	31%
2014	2%	38%

Source: CDSS WtW 25 reports

June 2014

California Welfare-to-Work Program Outcomes Report

2013-2014 Welfare-to-Work Services Appropriation

\$1,479,084,400 million

Source: CDSS

Source: State Department of Social Services WtW 25 Report

Number of Unduplicated Participants During June, 2014	122,800
Gross Number of Unduplicated Participants Being Sanctioned During the month of June of 2014	62,734
Number of Participants Sanctioned During March of 2014	11,409
Percentage of Gross Unduplicated Participants being Sanctioned During June of 2014	60%
Dollar Loss to CalWORKs Families Due to Sanctions this Month Estimates at \$125 Per Sanction for During June of 2014	\$9.3 million
Number of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs During June of 2014	3,567
Percentage of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs During June of 2014	3%
Taxpayer Cost Per Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs During June of 2014	\$34,554.82
Number of Participants NOT Being Paid Transportation by the County During June, 2014	52,490
Percentage of Number of Participants NOT Being Paid Transportation by the County During June of 2014	43%
Estimated Dollar Amount Poor Families Defrauded by Counties Not Receiving Transportation @ \$100 Per Participant During June of 2014	\$5.3 million

June 2014

California Welfare-to-Work SB 1041 Program Participant Impact Report

ACTIVITIES	June 2013	June 2014	Percentage Change
Number of Unduplicated Participants	115,154	122,800	8%
Number of Participants Already Being Sanctioned	52,796	62,734	16%
Number of Unduplicated Participants Who Entered Employment That Resulted In Termination of CalWORKs	3,567	4,090	-15%
Number of Participants Being Paid Transportation by the County	57%	53%	4%