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Coalition of California Welfare Rights Organizations, Inc.
1111 Howe Ave • Suite 150 • Sacramento • CA 95825-8551
Telephone (916) 736-0616 • Cell (916) 712-0071 • Fax (916) 736-2645

CalWORKs WtW Sanctions, County Barriers to Reengagement & Potential County Administrative Fiscal Incentives from Sanctions

In 2007, the State budget appropriated an additional \$90 million a year for counties to invest in reengaging WtW participants by reengaging sanctioned CalWORKs families. The \$90 million allocation has been a part of the annual county single allocation since 2007. What was the sanction rate in July of 2007 when the county got their \$90 million gift? 25%. What was it a years later in 2018? 43%. The \$90 million new allocation resulted in the unintended result of more sanctions not less. See Table #1.

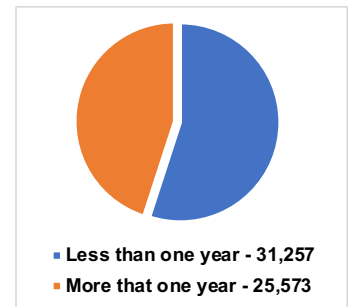
TABLE # 1

June 2007	2-Parent	1-Parent	Total
Sanctions	6533	34026	40559
Active Participants	31725	89515	12124
Sanction Rate	17%	28%	25%
June 2018	2-Parent	1-Parent	Total
Sanctions	16579	39508	56087
Active Participants	19389	53756	73145
Sanction Rate	46%	42%	43%

During June 2018, the CW 237 reported that 25,377 WtW CalWORKs beneficiaries have been sanctioned for more than one year. The CW 237 reflects the counties monthly data. During June 2017 a total of 56,830 CalWORKs families enrolled in WtW were sanctioned with 75,823 families actually participating. This is a 57% engagement rate. Once recipients are sanctioned, about 45%

of them are not reengaged for over one year. Why? Counties have a financial interest in making sure that the CalWORKs beneficiaries are not reengaged because a reengaged person costs counties money while the sanctioned person costs the county \$0 dollars. Meanwhile, counties receive over \$1,000 a month for each sanctioned or participating CalWORKs family.

Sanctions Over One-Year



Yes. It is true. Sanctioned CalWORKs beneficiaries do not participate in any WtW activities, do not receive case management services or supportive services. Yet, each month, the county receives \$1,000 or more for each non-participating CalWORKs beneficiary. This is a big windfall for counties and it is devastating for CalWORKs families being forced to live in deep-deep poverty. See table #2 on page 3 for more details.

Counties told CDSS that they need the money for sanctioned CalWORKs beneficiaries just in case the sanctioned CalWORKs beneficiary decided to participate.

Some CalWORKs beneficiaries cure their

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sanctions and reengage. If CDSS used the number of formerly sanctioned CalWORKs beneficiaries who reengaged last year as an estimate as to what to pay counties, the counties would have an incentive to reengage sanctioned CalWORKs beneficiaries. There are two major reasons for this:

1. Counties have a fiscal incentive to sanction WtW enrollees. See Table #1.
2. CDSS' policies and county's policies erect barriers to WtW engagement.

Barriers to WtW Curing Sanctions

CalWORKs applicants are sanctioned for alleged non-compliance

During the development of AB 1542, which enacted the WtW program, there was a proposal to require applicants to participate in a WtW activity. This proposal was rejected. However, CDSS regulations allow counties to reinstate sanctions when former recipients who were being sanctioned reapply for CalWORKs. The reinstated sanctions

STEPS	CalWORKs Beneficiary & County Actions	Barrier?
STEP # 1	Call the worker to request to cure the sanction	No
STEP # 2	Reaching the worker	Yes*
STEP # 3	Ask to cure the sanction	n/a
STEP # 4	Eligibility Worker (EW) says to call the GAIN/WtW office	n/a
STEP # 5	The EW gives the CalWORKs beneficiary the GAIN/WtW phone number	n/a
STEP # 6	CalWORKs beneficiary calls the GAIN/WtW office, only to be told that the CalWORKs beneficiary does not have an open case.	Yes
STEP # 7	The CalWORKs beneficiary calls the EW to ask how to open the GIAN/WTW case. Eligibility worker says to call the GAIN/WtW office.	Yes
A real circle.		

* Major barriers in 2018. About 33 counties have call centers. Many have long waiting periods. Many calls are dropped. Many are disconnected for failure to authenticate.

continue until the former sanction is cured. Assistance units who were sanctioned in the 20th century, left CalWORKs while still under a sanction and then reapply in the 21st century are required to cure the 20th century sanction. In the 20th century there was no OCAT, Family Stabilization. It appears that policy makers are more interested in carrying out the WtW punishment in lieu of rapid engagement by treating all applicants alike in the 21st century.

To reengage in the WtW program, the CalWORKs beneficiary must perform the activity that the CalWORKs beneficiary failed to perform. The WtW 29 and WtW 31 forms must be completed to start the process of re engagement. The CalWORKs beneficiary wishing to cure the sanction, must complete the following process in most counties before they can even get the WtW 29 and WtW 31: The other major barrier is counties afford sanctioned CalWORKs beneficiaries very limited opportunities to cure the sanction.

What can policy makers do to reengage sanctioned CalWORKs beneficiaries who are not applicants? These are common sense suggestions:

1. At the time of recertification or when completing the SAR 7, the counties should make an effort to cure the sanction.
2. After the CalWORKs beneficiary performs the activity that triggered the sanction, aid for the CalWORKs beneficiary shall be restored from the date that the CalWORKs beneficiary signed the WtW 29 or the revised WtW 31.
3. Each quarter, sanctioned CalWORKs beneficiaries shall receive a revised WtW 31 that shall include the reason for the initial sanction, a proposed county plan to cure the sanction, a space for CalWORKs beneficiaries to their own suggest a plan to cure the sanction, and space for the CalWORKs beneficiary to request supportive services needed to cure the sanction. Approximately 60% of the sanctions are for failure to sign a WtW 2. For these CalWORKs beneficiaries the combined form should include the WtW 2 that can be signed and returned, starting the

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engagement process.

One problem with the WtW 31 and WtW 32 is that they do not have space for the CalWORKs beneficiary to propose his/her own participation plan. Both forms do not explain the magnitude of the sanction. Often, CW beneficiaries have no idea they are being sanctioned. They believe the amount of aid they're getting each month is what they are entitled to receive. Counties should also send the revised WtW 3 with the SAWS 2 for annual redetermination and the SAR 7 for semi-annual reporting.

4. A previously sanctioned individual who now applies for CalWORKs shall be treated as an applicant and once aid is approved, be scheduled for engagement. Applicants shall not be required to complete a revised WtW 31.

CDSS is now reevaluating the way counties are funded for Welfare-to-Work portion of the CalWORKs program. We are hopeful that incentives for counties to sanction CalWORKs families will be carefully reexamined and corrected to assure that there is not even an appearance of counties sanctioning CalWORKs families living in deep poverty to enhance their coffers.

TABLE # 2

County- June 2018 Source: WtW 25 WtW & 25A	Participating	Sanctioned	Sanctioned + one year	Percentage of Sanctions + 1 year	County- June 2018	Participating	Sanctioned	Sanctioned + one year	Percentage of Sanctions + 1 year
Statewide	75,823	56,830	25,573	31%	San Francisco	1,066	213	91	30%
Fresno	6,367	1,078	1420	57%	Nevada	87	59	25	30%
Solano	360	156	155	50%	Butte	402	569	233	29%
Contra Costa	1,407	580	449	44%	Plumas	4	22	9	29%
Del Norte	106	15	11	42%	Los Angeles	19,920	16,735	6802	29%
Santa Cruz	521	68	49	42%	San Bernardino	6,001	9,618	3907	29%
Yolo	389	122	81	40%	Mendocino	173	166	66	28%
San Diego	6,294	1,414	874	38%	Santa Clara	1,237	469	179	28%
Lassen	10	18	11	38%	Colusa	10	21	8	28%
Santa Barbara	529	71	43	38%	San Benito	74	40	15	27%
Tulare	2,407	697	407	37%	Kings	522	286	107	27%
Glenn	21	23	13	36%	Yuba	360	226	84	27%
San Joaquin	1,109	3,165	1705	35%	Humboldt	390	194	71	27%
Imperial	934	1,133	608	35%	El Dorado	194	197	72	27%
Orange	3,534	1,148	610	35%	Mariposa	49	23	8	26%
San Mateo	240	51	27	35%	Riverside	4,268	3,755	1286	26%
Placer	298	69	35	34%	Napa	36	44	15	25%
Modoc	16	26	13	33%	Mono	3	3	1	25%
Madera	211	473	228	33%	Marin	97	82	27	25%
Stanislaus	1,355	1,488	712	32%	Sutter	208	215	70	25%
Tehama	151	144	67	32%	Sonoma	444	93	29	24%
Kern	2,039	5,619	2587	32%	Ventura	959	758	229	23%
Merced	766	1,390	635	31%	Siskiyou	55	63	19	23%
Lake	160	194	87	31%	San Luis Obispo	130	33	9	21%
Alameda	1,980	887	399	31%	Tuolumne	49	71	19	21%
Monterey	446	389	174	31%	Amador	14	16	4	20%
Shasta	356	512	226	31%	Calaveras	117	51	12	19%
Sacramento	6,891	1,846	801	30%	Trinity	48	13	3	19%
					Inyo	6	17	3	15%