



CCWRO Welfare News - 2018-01

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28,000 Families May Be Victims of Computer Error

The county welfare department computer consortia (SAWS) made a mistake when they programmed changes from the repeal of the Maximum Family Grant rule. The result was incorrect child support distribution in approximately 28,000 cases. The problem occurred in two ways -- people who receive CalWORKs incorrectly received the full amount of current child support, and people who receive CalWORKs were not paid the \$50 monthly disregard payment.

The California Department of Social Services says it will not count the improper payments as income for CalWORKs because they are not reasonably anticipating income unless the payments continue for three or more months. CDSS also says that \$50 disregards that were not paid will be paid retroactively and the retroactive payments will not count as income for CalWORKs.

There are several potential issues that could arise for our clients that we should watch for:

1. Despite CDSS' instructions, counties counted either the full month child support payment or the retroactive disregard payments as income.
2. Other programs that count either the full month child support payment or the retroactive disregard payment as income. This could include MediCal or various housing programs.
3. Clients not being paid retroactive disregard payments that they are entitled to.
4. Local child support agencies calling the improperly distributed full month child support payment an overpayment and attempting to recoup it, perhaps by offset from future child support distributions.

The first two issues are standard income issues that hopefully will not be difficult to address. The child support distribution issue also should not be difficult to address. People can contact the LCSA's ombudsperson to try to resolve that, and if that is unsuccessful, can request complaint resolution.

The fourth issue may be more difficult to resolve. LCSA's should not be doing this, but some have in the past and we are concerned they will try again. If this happens, clients can request complaint resolution and if that is unsuccessful can request an administrative hearing.

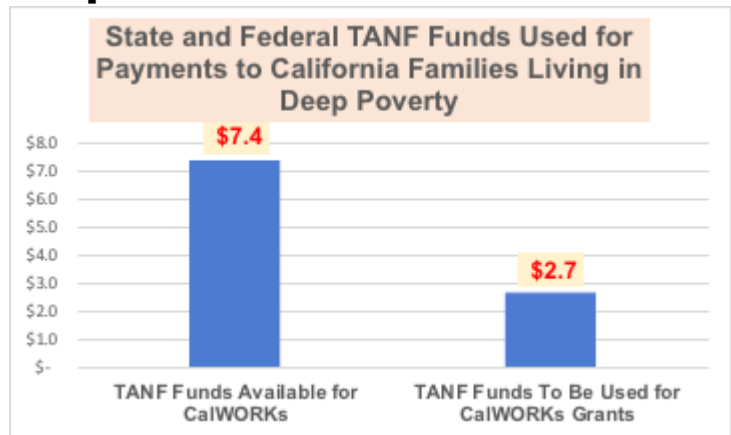
2018-2019 Governor's Proposed Budget-Bad News

"Total TANF expenditures are \$7.4 billion (State, Local, and Federal Funds) in 2018-2019. The amount budgeted includes \$5.1 billion for the CalWORKs program expenditures. See Graph #1. \$2.3 billion in other programs." *Governor's Budget Summary - 2018-2019 - page 62.*

This is an error, because the DSS budget reference documents reveal that actually the "CalWORKs Contribution to the General Fund" is \$2,404,295,000. See *DSS Local Assistance for FY 18-19 - Page 45.*

A mere \$2.7 billion, or 36% of all TANF funds go to benefits for CalWORKs families living at 33% of the federal poverty level and 23% of the supplemental poverty level. See **Graph #1** for actual amounts.

Graph # 1



\$2.1 billion will be used for segregated CalWORKs employment services for 2018-2019 primarily designed to impose Welfare to Work (WtW) sanctions upon 125,000 CalWORKs families. The average sanction duration is 9.7 months, according to the budget documents.

CalWORKs Home Visits - \$26.7 million: The budget proposes to appropriate \$26.7 million for a voluntary Home Visiting pilot program for first time CalWORKs parents. Low-income first time moms will have a middle-class person talking about diapers, when they cannot afford diapers or how to clothe the baby when there's no money for clothing.

More County Administration Money - The county single allocation will get an additional \$187 million. In the alternative, this same amount of money would completely fund the 4.04% COLA that CalWORKs recipients should be

getting in 2018-2019. Historically, counties do not spend all of the money they get. Thus, some of this money will be returned to the State General Fund, as it has in past years.

More Diaper Money - The budget also appropriates \$22 million for WtW diapers. A parent participating in a WtW activity would receive \$30 a month for diapers if the child care provider requires diapers. The budget assumes that 25 percent of WtW exempt cases will voluntarily participate in a WtW plan and receive diaper assistance. There is no basis for the DSS' assumption that 25% of exempts will volunteer. Actually only 1-3% of the WtW exempt cases volunteer. The 25% includes all families with children under 2 who may be exempt, if they request it. Many of these so-called exempt moms are being sanctioned today.

DSS asserts that MEDS and WDTIP project the diaper assistance caseload as 62,810 children in FY 2017-18 and 60,324 in FY 2018-19 under 36 months of age. Again, wrong. The 18-19 total CalWORKs caseload is projected to be 400,000. The kids under 3 is about 23%. Each month there are about 60,000 families participating. **BREAKING NEWS** - You can only get diapers if you participate. The budget assumes that there will be 170,000 persons participating in a WtW activity. That has not been true since 2003. The 170,000 assumes that persons exempt, sanctioned or not engaged in a WtW are eligible for diapers. That means each month the maximum number of 20,260 families have a child under 3. Assuming that one child is under 3, that would give us an average caseload of 20,260. Assuming that 50% of the families have both kids under 3, the caseload would be 30,392 and not 62,810.

Statewide Fingerprint Imaging System (SFIS) – In 2011, SFIS was stopped for CalFresh, but it continued for CalWORKs. The budget provides for \$2.4 million funds

for decommissioning SFIS, but proposes another \$8 million for a new SFIS system to identify applicants and avoid duplicate participation. CalFresh has been using MEDS since 2011 to identify applicants and avoid duplicate participation with no problems. The \$8 dollars could better be used for “payments to CalWORKs families living in deep poverty”.

Caseloads Going Down - CalWORKs caseloads will go down by 5.9% in 2018-2019. CalWORKs Employment services caseload will go down by 3.8% in 2018-2019

There is no explanation why caseloads for people getting aid is going down faster than the people getting aid are required to participate in WtW?

Finally, the budget reveals that during 2018-2019 over \$2.4 billion of the state and federal TANF money will be used for other than CalWORKs eligible families. CalWORKs families whose average cash aid payments are equal to 33% of the federal poverty level and 23% of the supplemental poverty level. See **Graph #2**.

Graph # 2



2017 Review of California's Primary Public Benefits Programs for the Poor - The Good and The Bad

The Good – CalFresh Benefits	The Bad - CalFresh Benefits
<p>About \$6.7 billion dollars of food stamps, (also known as SNAP/CalFresh) were made available to nutritionally challenged Californians during 2017 by county human services agencies of California under the supervision of the State Department of Social services.</p> <p>The CalFresh benefits created an estimated 66,000 jobs in California making a statistically significant contribution to the low unemployment rate of California</p>	<p>California's nutritionally challenged persons still endure many obstacles on the way to getting the CalFresh benefits that they are entitled to. These demeaning barriers include; (1) excess verification demands; (2) denied emergency food stamp issuance without being told why; (3) having to apply more than once before getting food to eat; (4) going hungry because the annual redetermination was not completed when the beneficiary did what he or she was asked to do, and much more.</p>

<p>The Good – CalWORKs Aid Payments</p>	<p>The Bad - CalWORKs Aid Payments</p>
<p>About \$3.1 billion dollars of cash aid were made available to families with babies and children living in deep poverty during 2017 by county human services agencies of California under the supervision of the State Department of Social services.</p> <p>The CalWORKs benefits created an estimated 31,000 jobs in California making a statistically significant contribution to the law unemployment rate of California.</p>	<p>The 2017-2018 enacted state budget-\$2.3 billion available to the CalWORKs program, was diverted for non-CalWORKs programs. Meanwhile, CalWORKs families with babies and children will be living on an average fixed cash aid payment that is less than 33% of the federal poverty level. The severe and lifelong impact of the neglect that CalWORKs babies and children endure from the State of California would cost taxpayers much more in future services and other negative effects that CalWORKs babies and children living deep poverty will endure throughout their adult life.</p>
<p>The Good- CalWORKs Aid Payment Level</p>	<p>The Bad- CalWORKs Aid Payment Level</p>
<p>The California State law provides for an assistance payment reflecting the Minimum Basic Standard of Adequate Care. <i>See Welfare & Institutions Code § 11452.</i></p> <p>What would it have cost to provide CalWORKs babies and children living with their natural parents or blood relative in 2017-2018? From current \$3.1 billion to \$4.5 billion.</p> <p>Another \$800 million CalWORKs money would have remained for the Governor and the Legislature for programs for non-CalWORKs recipients.</p>	<p>On the other hand, Welfare & Institutions Code § 11450 provides for a maximum payment level that is about 46% below the minimum amount needed for adequate care. Thus, the CalWORKs program is designed to provide inadequate care to babies and children living with their natural parents. This is indeed, “state child abuse”.</p>
<p>The Good – MFG Repeal</p>	<p>The Bad- MFG Repeal</p>
<p>The Maximum Family Grant rule was repealed. This sick rule, authored by Republican Brulte, passed by a Democratic-controlled Legislature and signed by Republican Pete Wilson, denied CalWORKs benefits to any child born to a welfare mom – punishing babies and children for being born into a poor family.</p>	<p>So many babies and children endured irreparable harm because of this sick in-human rule. California will be paying for decades of the damage that the MFG rule caused Californians.</p>

<p align="center">The Good- WtW Transportation Payments</p>	<p align="center">The Bad- WtW Transportation Payments</p>
<p>An estimated 55,000 unduplicated WtW participants in a given month received money for transportation to cover necessary expenses for participating in an assigned WtW activity or working by county human services agencies of California under the supervision of the State Department of Social services.</p>	<p>On the other hand, there were about 30,000 unduplicated participants who did not get money for transportation. This is especially troubling when in 2016-2017 California county human service agencies did not spend \$154 million dollars allocated for employment services, such as transportation assistance.</p> <p>There is also the phenomenon of several counties who pay mileage that is far less than what they pay themselves for mileage. While county administrators who make these decisions are living on incomes way above the federal poverty level, CalWORKs families with babies and children are living on fixed incomes less than 33% of the federal poverty level.</p>
<p align="center">The Good – Stage 1 Child Care</p>	<p align="center">The Bad- Stage 1 Child Care</p>
<p>Over 21,000 families received Stage 1 child care services from county human services agencies of California under the supervision of the State Department of Social services for participating in an assigned WtW activity or working.</p>	<p>The child care system in California could be more user friendly by simplifying the system. There are currently Stage 1, Stage 2 and Stage 3. Now if that does not spin your head, then maybe the fact that Stage 1 is operated by counties, supervised and regulated by DSS, while Stage 2 and 3 agencies are supervised and regulated by the Dept. of Education does.</p>
<p align="center">The Good – Federal WPR</p>	<p align="center">The Bad – Federal WPR</p>
<p>The federal WPR penalties from 2008 of a high \$1.8 billion were reduced down to \$18 million.</p>	<p>Notwithstanding the fact that counties are meeting the federal WPR, WtW participants are still being denied the opportunity to attend college and many are forced to endure WtW sanctions for having the audacity of attending college and trying to embark upon the path of self-sufficiency without the permission of county human services administrators.</p>

The Good - WtW Ancillary Payments	The Bad - WtW Ancillary Payments
<p>County human services agencies of California under the supervision of the State Department of Social services for participating in an assigned WtW activity or working issued ancillary services to about 13,000 a month.</p>	<p>The rules governing the issuance of ancillary services vary from county to county. Counties have made it an “art” of coming up with way to deter and undermine the issuance of ancillary services for persons in need thereof to participate in an assigned activity or work. Many CalWORKs recipients had to drop out of college because they did not get their books in time to participate in their course of study or some lose jobs because the county took too long or never issued ancillary services.</p>

WtW SIP Study Time for WPR-Counts.
WtW SIP Study Time For
WtW Participation-Does not count.

When the WtW program was enacted under Pete Wilson, one of the compromises was to allow students to continue their college education if they were already enrolled in college and the county approved their activity. The statute only allowed “study-time” if it was a credited activity. The whole idea was to make it as hard as possible for CalWORKs beneficiaries who had the audacity to enroll in college. For years, thousands of college students have been terrorized by the welfare system for attending college. As recent as 2014, DSS issued guidance stating that study time for SIPs does not count unless it is credited.

Then in 2017, ACL 17-08 issued guidance to counties that study time for SIPs does count when determining if the participant is meeting the federal work participation rates.

ACL 17-08 - SIP Study Time OK for WPR	ACL 14-47 -SIP Study Time not OK for SIPs
<p>“Homework Time-Homework time means actual hours of participation outside of the classroom in activities related to study or completion of class work associated with classes in which the individual is enrolled. Actual hours spent in supervised homework time and up to one hour of unsupervised homework time for each hour of class time may be counted as federal participation. This may apply to the participation in self-initiated program (SIP) because participation in SIP is not differentiated in any way from other educational activities for federal reporting.”</p>	<p>“Question 2: Can non-credit study time be included as part of a SIP? CDSS Response: No. Unless the individual receives academic credit for the study time, it is not one of the activities listed in MPP section 42-716.31(a) through (j), and may not be included in a SIP participant’s WTW plan. MPP Section 42-711.544 and Welfare and Institutions Code (WIC) Section 11325.23(a)(2)(C) explain that if participation in a SIP, as determined by the number of hours required for classroom, laboratory, or internship activities does not meet the per week hourly participation requirements, the county shall require concurrent participation in specified WTW activities to reach the hourly participation requirement.”</p>

