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June 29, 2009

To: The Honorable Governor Schwarzenegger
Honorable California Legislative Leaders

From: Frank J. Mecca, CWDA Executive Director
Kelly Brooks, CSAC Legislative Representative

Re: Administration's CalWORKs Proposal - OPPOSE

The County Welfare Directors Association of California (CWDA) and the California State Association of Counties (CSAC) strongly oppose the Administration's latest CalWORKs proposal, released this weekend, which would eliminate welfare-to-work services for all families except those currently meeting work participation rates, and severely cut funding for employment services. This proposal would decimate the core work focus of the program, and would leave many working families with little hope for accessing the services they need to become self-sufficient, both now and even more severely in the future. We also oppose the other components of the Administration's CalWORKs proposal, such as the 6 percent grant reduction and elimination of assistance for child-only cases, as they would increase homelessness, hurt children, and prevent the state from receiving badly-needed federal stimulus funds.

Our specific concerns with the proposal are set forth below.

- **Welfare-to-Work service reductions would decimate welfare reform and work focus.** The Administration has proposed to limit eligibility for welfare-to-work services to only those families meeting federal work participation standards. This would essentially limit services to 25 percent of CalWORKs families, and exclude newly entering families from any future services. Job club, job search, client assessments, training programs, child care assistance, transportation, and education services (including GED and other remedial programs) would be eliminated for most families. Families most affected by the proposal would be those newly applying for and entering CalWORKs, without full-time jobs, and with no way to access the employment services that they need to move into full-time work.

The Administration's proposal would essentially reverse the biggest social policy change in the last 70 years. Welfare reform has been an unequivocal success, lauded on a bi-partisan basis for changing the culture from dependency to self sufficiency for both clients and staff. Caseloads have dramatically decreased, and the welfare-to-work approach has brought hundreds of thousands of families out of generational poverty and into self-sufficiency and employment. The generational cycle of welfare dependence has been broken in these families, and all our communities have benefited from this change.

A cut of the magnitude proposed by the Administration would destroy welfare reform and bring the state back to the old days of AFDC for many years to come. CalWORKs would regress back to a system that screens eligibility, sends checks, serves a tiny fraction of the welfare-to-work population, and sends the rest of the clients home to remain disconnected from work or work readiness training.

Most pernicious would be the impact on the culture of the welfare office. CalWORKs transformed welfare from an eligibility/check writing culture, to a temporary assistance and welfare-to-work culture. That transformation was perhaps the most difficult aspect of implementing welfare reform – and from counties' standpoint the most important and most meaningful. The Governor's cut would quickly undo all that work. We cannot relieve 75 percent of the caseload from work requirements and put all of our efforts into eligibility, while simultaneously maintaining a focus among our staff and the understanding of our clients that welfare is temporary and every able-bodied recipient is expected to work or prepare for work. Once that damage is done, it will take years to reorient the culture of the office back to an employment focus.

- **The Administration's proposals to limit welfare-to-work services and eliminate benefits for families after 24 months seem intentionally designed to ensure failure, for both current and future low-income families.** Clients newly entering CalWORKs rely on employment services like job club, transportation, and child care simply to get a job, but would not even be able to access those services unless they were already fully employed. Since those clients could not access employment services, they would be unlikely to become sufficiently employed to meet federal requirements. Further, this proposal would actually increase unemployment among existing CalWORKs families, since many families not strictly meeting federal work requirements are indeed working or participating in required activities, and would lose child care or other services they need to continue working.

We note that approximately 70 percent of state work-eligible clients are participating in a given quarter, and 50 percent state are employed. Many of these families are working part-time for employers that do not offer additional work hours. These families rely on employment services such as child care or transportation to maintain their employment, and would have few alternatives to leaving their jobs or reducing their hours.

- **Aligning CalWORKs to 2006 federal policy is short-sighted, when TANF Reauthorization is upcoming in 2010.** The Administration's proposal to limit employment services to only those meeting 2006 federal regulations is particularly unwise in light of potential changes to federal requirements that may be included in TANF reauthorization in 2010. Congress and the Obama Administration have already signaled changes in TANF through the American Recovery and Reinvestment Act (ARRA), and those priorities of employment services and safety net assistance may well be maintained

in TANF reauthorization. Reorienting our entire CalWORKs program toward a set of 2006 federal policies that may be substantially changed in less than 18 months is short-sighted and inefficient, particularly considering the time and expense that would be required to re-establish employment services programs.

- **Grant cut and remaining reduction proposals would increase homelessness, hurt children and working families, and give back federal funds.** We continue to oppose the other components of the Administration's CalWORKs proposal, including the 6 percent grant reduction, elimination of assistance for certain child-only cases, limiting benefits to two years for families not meeting federal requirements, and additional cuts via a more restrictive sanction policy, as these proposals would leave over 100,000 families without basic assistance, place many at risk of homelessness, and have a negative impact on child well-being. Furthermore, the current 80 percent enhanced federal match on state spending for CalWORKs grants means that grant reductions save the state only 20 percent of the proposed cut, and would prevent the state from accessing millions in federal stimulus funds.

Please do not hesitate to contact us if you have any questions regarding this memo.