



CWDA
Advancing Human Services
for the Welfare of *All* Californians

925 L Street, Suite 350
Sacramento, CA 95814
p: 916.443.1749 | f: 916.443.3202
cwda.org

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To: The Honorable Holly Mitchell
Chair, Senate Budget Subcommittee No. 3

Honorable Members, Senate Budget Subcommittee No. 3

From: Frank J. Mecca, Executive Director

**RE: REPEAL THE MAXIMUM FAMILY GRANT RULE IN
CALWORKS**

The County Welfare Directors Association of California (CWDA) respectfully requests your consideration and support of elimination of the Maximum Family Grant (MFG) rule in the CalWORKs program as part of the 2016-17 budget. During the 2015 Legislative session, legislation to repeal the MFG rule received bipartisan support in both houses of the Legislature and was supported by over 130 organizations. Repeal of the rule remains a critical policy and budget priority in light of its harmful effects on poor families and children.

The MFG rule was instituted in California in 1994 and denies families financial assistance for any child born into the family while any member of the household is receiving CalWORKs aid. This policy was established based on the misguided and disproven behavioral assumptions that welfare recipients have additional children in order to increase their assistance payments. Numerous studies have found no link between provisions like the MFG rule and a reduction in births, and California's experience, where we have not seen a decrease in the birth rate among poor women, is consistent with those findings.

What the MFG rule has done is plunged already poor families and children deeper into poverty. Without the MFG rule, the amount most families could receive in additional assistance for a newborn child is \$134 per month, barely enough to pay for the child's basic needs. Yet the absence of even this small amount of financial support increases the child's risk of homelessness and other hardships. A 2006 study by The Urban Institute demonstrated that policies like the MFG rule increase a child's poverty rate by over 13 percent. The authors of another study point out that "by every parameter of family security reported on, families with excluded children were less secure than families that" did not have children excluded

by the MFG rule.¹ The MFG rule directly contradicts the policy goal of the CalWORKs program to protect children from extreme poverty.

Research has consistently shown that the effects of poverty, and especially deep poverty, on children are devastating throughout their lifespan. These impacts include lower academic achievement and increased risk of school drop-out, behavioral problems, higher rates of risky behaviors and underage pregnancy, poorer physical and psychological health, and lower earnings as adults. Research is also showing that the effects of the stress of deep poverty can even impact brain development and cognitive ability in children. The MFG rule, by reducing benefits, exacerbates poverty and its effects among the youngest children at one of the most critical periods of a child's development.

Due to the ineffectiveness of these policies on birth rates and the harmful effects of these policies on families and children, eight of the 24 states that initially adopted child exclusion policies have repealed them. We hope that California will join them. We urge you to repeal this disproven and harmful policy as part of the 2016-17 budget. Thank you for your consideration of this important request.

¹ Burnham, Linda, and Anisha F Desai. "California's Child Exclusion Law Attacks Women and Children's Rights." *Race, Poverty & the Environment* 16, no. 1 (2009): 38-39.

cc: Jennifer Troia, Office of the Senate President Pro Tempore
Craig Cornett, Office of the Senate President Pro Tempore
Theresa Pena, Senate Budget Subcommittee No. 3
Chantele Denny, Senate Republican Fiscal
Will Lightbourne, Department of Social Services
Robert Smith, Department of Social Services
Michael Wilkening, Health and Human Services Agency
Matt Paulin, Department of Finance
Jay Kapoor, Department of Finance
Mark Newton, Legislative Analyst's Office
Ginni Bella Navarre, Legislative Analyst's Office
Ryan Woolsey, Legislative Analyst's Office
Farrah McDaid-Ting, California State Association of Counties
County Caucus