

In Brief

✓ **ABAWDS Waivers End 3/31/05 - Waiver Renewals Needed.** DSS has informed counties with ABAWDS waivers that the waivers are ending 3/31/05. In order to continue the waiver, counties must give DSS a new resolution from the county board of supervisors reaffirming their request for the waiver.

ACTION: If your county had a waiver, make sure that the county asks for an extension.

✓ **Combat Pay Exempt for Food Stamps.** DSS will shortly be issuing an ACL stating that additional "combat" pay issued to military members during deployment will be exempted as income for food stamp purposes.

✓ **More Food Stamp Changes Coming.** DSS is working on implementing several state options allowed by federal law which include:

1. Count child support payments made by the household as an income exclusion instead of a deduction;
2. Allowing income & resources exclusions to CalWORKs; exempt restricted accounts;
3. Use optional utility allowance - Limited Utility Allowance for water & sewer, garbage & trash;
4. Doing a statewide waiver for ABAWDS.

✓ **CharLee Metsker appointed Deputy Director** - On January 24, 2005, CharLee Metsker was appointed Deputy Director for CDSS's Welfare to Work Division. She has been acting director for several months.

✓ **CWDA to Establish Their Own Policy Interpretation System** - The County Welfare Directors Association members, who are county welfare department employees, have decided to set up their own policy interpretation process. Currently, policy interpretations are mailed to CDSS analysts, who then respond to the questions from various counties.

The CWDA 2/3/05 meeting minutes state: "Questions from individual counties would be shared and discussed at regional meetings. If regional representatives cannot arrive at the answers, the question will be elevated to the CAT." (CAT is another CWDA committee). "Questions will be shared between regions for discussion as well. Counties are encouraged to utilize the regional approach and not contact the State directly with their questions unless they cannot be resolved at that level."

CCWRO COMMENT: This is policy being promulgated without going through the APA process and it is not even available to the general public in any way, shape or form.

✓ **Draft Rand Report Withheld from Advocates** - A draft Rand report has been made available to counties to review and comment. This draft report has not been made available to advocates for review or comment. Counties were asked to look at the report to make sure the report correctly reports the number of sanctions they inflict upon CalWORKs recipients.

➤ **In Brief**
➤ **CalWIN News**
➤ **TANF Reauthorization Update -**
➤ **State Legislation**
➤ **State Budget Update**

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On February 10, 2005, Congressman Jim McDermott and four other democratic members of the Human Resources Subcommittee of the House Ways and means committee introduced H.R.751

“This bill would reauthorize and improve the Temporary Assistance for Needy Families (TANF) Program by promoting work, family, and opportunity, and for other purposes” is how the bill is described by the House Clerk’s Office.

This bill represents the Democratic spin on welfare reform, but in essence buys into the same anti-family concept as Republican welfare reform. When it comes to poor families, women must work in lieu of parenting because of the incompetency of the government in not being able to collect child support and provide jobs to fathers so they can pay child support.

The bill was referred to the House Committee on Ways and Means, and to the Committee on Energy and Commerce for a period to be subsequently determined by the Speaker. This could mean it will never get a fair hearing by the “republican democracy” of the House of Representatives.

Our sources inform us that the House will move H.R. 240, which is the Republican TANF re-

authorization bill, through the House in a typical Republican undemocratic fashion, then wait for the Senate to act. The Republican-controlled House rarely allows for meaningful minority participation in the passage of legislation on the House floor. The House Republicans completely reject and refuse to practice the type of Democracy Republicans promote in Iraq, give the minority a voice in the government.

A recent letter sent by Congresspersons Dennis Kucinich, George Miller, Fortney ‘Pete’ Stark, Jim McDermott, Donald Payne, Major Owens, Hilda Solis, John Lewis, Gerald Kleczka, Lynn Woolsey and Stephanie Tubbs Jones to Speaker Dennis Hastert and the Chairmen of the Education and Workforce and Ways and Means Committees urges them to hold full hearings on legislation to reauthorize the Temporary Access to Needy Families

Act (TANF).

The letter states in part: “It has been publicly reported that legislation to reauthorize the Temporary Access to Needy Families Act (TANF) will be brought directly to the floor in the next several months, bypassing both the Committees on Ways and Means and Education and the Workforce. We urge you to reconsider this plan and instead hold hearings and markups on TANF legislation in both committees.”

HR 240 WILL COST STATES BILLIONS

On February 9, 2005, The Congressional Budget Office issued a report concluding that H.R. 240 by House Republicans “would require

states to engage an increasing proportion of families receiving TANF in work activities. CBO estimates that the potential additional cost to states (including child-care expenses) of a work program that meets the proposed requirements would reach \$2.9 billion in 2010 and total \$8.3 billion over the 2006-2010 period. A copy of the estimate can be downloaded from <http://www.cbo.gov/showdoc.cfm?index=6095&sequence=0>.



STATE LEGISLATION ROUND-UP

The 2005-2006 Legislative session has kicked off and there are several welfare bills in the hopper this year. There are, of course, good bills and bad bills.

The leading bad bill is AB 1071 by Republican Senator Tom McClintock. This bill proposes to eliminate the annual cost of living adjustment (COLA) signed into law by Ronald Reagan in 1971. There are a whole host of other statutory COLAs in the law, but this bill only singles out of the easy target - welfare moms and children. It is a shameless act. Of course this is not the first time that Republicans have launched attacks on needy children in California.

Mr. McClintock has also introduced SB 786, which is a 100% home visit bill.

This bill would require the district attorney's office in the county of residence of an applicant for aid, within 10 days of the applicant's preliminary approval, to arrange for an authorized investigator

to conduct a home call, consisting of a brief interview with the applicant and walkthrough of the applicant's residence.

It appears that the Senator has been told that CalWORKs has a "preliminary approval" process, then a final approval process.

There is no "preliminary approval" of an application for CalWORKs in the law today.

The bill does not establish a preliminary approval and a final approval process.

The bill also fails to appropriate money for the district attorney visits to every applicant in the State of California.

The SB 786 home visit will be designed to determine:

- (1) Whether the applicant actually lives at the residence;
- (2) Whether there are paycheck stubs or other evidence of unclaimed income present in the residence. [**CCWRO Comment:** How does the investigator determine this. They would have to search every inch of the house. They would have to examine all clothing. Do they go through every piece of paper in the house? Do they tear down the walls because the applicant may have hidden \$20 in the wall? This search could take hours, if not days.];
- (3) Whether there are other assets at the residence;
- (4) Whether the applicant has any residency or criminal history problems that would prohibit the receipt of aid;
- (5) Whether a claimed absentee parent is actually living at the residence;
- (6) Whether there is evidence, such as diapers or other child care items, to confirm the presence of children claimed to reside with the applicant;
- (7) Whether collateral contacts with landlords, neighbors, and school officials corroborate the in-

formation provided in the application;
(8) Any other relevant criteria established by the district attorney. [CCWRO Comment: This is big loophole that allows the district attorney to do whatever he or she wants to do at their whim]

This bill is an attempt to have statewide implementation of the San Diego County home visit program.

FISCAL COST OF SB 786

In California, there are 40,000 applications a month. The way most home visit programs have been operated is that the home visit is done before the application is approved.

This means 480,000 home visits a year. Given the extensive search mandated by the law, the home visits can take several hours. It is estimated that the average home visit with administrative costs and personnel will be \$500 per visit. This is an underestimate. The annual cost of this bill would be \$240 million a year.

A more detailed report of welfare legislation will be forth coming.

California State Budget UPDATE

On February 22, 2005, the California Legislative analyst released its analysis of the State Budget. A complete copy of the report can be found at www.lao.ca.gov.

The 2005-2006 CalWORKs budget proposes an appropriation of \$5.1 billion. Annually California receives \$3.5 billion for CalWORKs.

Federal Funds \$ 2.9 billion - Annually California receives \$3.5 billion for CalWORKs. But not all of that money is used for needy families with children receiving CalWORK. Only \$2.9 is used and \$.6 billion is used for other purposes.

General Fund \$1.9 billion
County Funds \$153 million
ETP \$40 million- (This is the Employment Training Fund that is used for CalWORKs for some reason.)

The proposed budget is an 11% reduction from the 2004-2005 CalWORKs budget - or a reduction of \$551 million.

In order to qualify for TANF \$3.5 billion, California has to match \$2.7 billion expenditures for what is called Maintenance of Efforts (MOE). The idea was the States would match the federal money and use it for needy families.

But States have traditionally been huge abusers of federal funds by manipulating the law to enhance their coffers.

The 2004-2005 state budget TANF money was used for:

Child Welfare Services	\$138 million
Foster Care	\$ 51 million
Juvenile Probation	\$ 67 million
Child Care - Stage 2-	\$315 million
Title XX Block Grant	\$ 63 million
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TOTAL	\$634 million

The 2005-2006 Budget raids TANF funds again for non-CalWORKs programs. They are:

Child Care	\$ 57.1 million
Juvenile Probation	\$201.4 million
Stage 2 Child Care	\$ 69 million
Title XX Block Grant	\$ 60 million
Foster Care	\$ 55.1 million
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TOTAL	\$442.6 million

The 2005-2006 COLA will be 4.07%. The State budget assumes that the COLA for 2005-2006 would have been 4.6%. The Legislative Analyst reports that the actual COLA based on the CNI would be 4.07%.

In October 2003, Governor Schwarzenegger refused to issue the October, 2003 COLA mandated by law. When the governor breaks the law you cannot call the police and have him arrested for his unlawful behavior. Rather you have to file a lawsuit, which was done. The attorneys representing CalWORKs recipi-

ents prevailed and the Schwarzenegger administration decided to file an appeal - a frivolous lawsuit as it becomes evident looking at Schwarzenegger's budget.

The Schwarzenegger 2005-2006 State budget proposes a trailer bill to delete the 2003 October COLA in the event that the state loses it's appeal - this is a \$222 million issue.

\$407 Million TANF funds Found- The Governor's budget includes \$407 million unspent TANF funds from previous years.

The Budget Overstates Costs by \$118.5 million - The Schwarzenegger budget has overstated the cost of CalWORKs by \$188.5 million. The budget numbers were based on June, 2004 caseload data while the Analysts review of more recent caseload data through October of 2004 found that the caseload will be lower in 2005-2006.

Schwarzenegger's Major Assaults on Impoverished Families with Children.

The Schwarzenegger Budget for 2005-2006 proposes the following major assaults on CalWORKs recipients, over 50% are working poor:

1. No 4.07% COLA	\$143 M
2. 6.5% grand reduction	212 M
3. Reduction of Work Incentives	80 M
TOTAL	\$ 435 M

WHERE TO FIND THE MONEY FOR PROPOSED CALWORKS CUTS?

The total savings from reducing current benefits and denying COLA plus reducing work incentives will save \$435 million.

However, the Governor has found \$407 million unspent TANF money. Why can't that money be used to pay for the COLA?

Schwarzenegger also proposes to take \$442 million TANF funds that should be used for impoverished families with needy children and use it for non-impoverished families with needy children of California as MOE. That is not FAIR.

RECIPIENT IMPACT OF CUTS

The legislative analyst report does a valiant attempt to rationalize the Schwarzenegger attack on impoverished families with needy children. The report alleges that the average AFDC family of 3 receives \$303 a month. Most of the family three cases we have seen do not receive \$303 of food stamp a month. The maximum amount of food stamps that a family of three could get with no income is \$393 a month. According to the CDSS last report the average family was getting about \$200 in food stamps. When one considers that 50% of the households are working, those households get less than \$100 a month on the average.

The Legislative Analyst report failed to mention the cost of housing, food, utilities and transportation costs which are steadily rising. Gas prices have doubled since 2000 and current CalWORKs benefits are at the same level that families on AFDC received 14 years ago - 1990.

The proposed benefit levels will bring back benefit levels below what AFDC families were receiving in 1989.

Maybe Governor Schwarzenegger and his Finance Director Campbell have the illusion that expenses for welfare families have been frozen - they have not. Most kids on welfare do not eat properly the last 2 week of the month while Schwarzenegger and Campbell dump food.