



CCWRO Welfare News-2020-03 March 23, 2020

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California Not Addressing the Needs of the Homeless and Incoming Economic Victims of COVID-19

California's response for means-tested public benefits programs is lacking relief for the newest victims of COVID-19 and the homeless families. However, the Newsom administration has taken significant steps to protect currently eligible persons and families for Medi-Cal, CalFresh, CalWORKs, CAPI and IHSS. The [Newsom Executive Order \(EO\)](#) waives eligibility re-determinations for 90 days.

Further clarification reveals that this waiver applies for April, May and June annual re-determinations and recertifications (RD/RC), SAR -7.

- March, April, May and June RD/RCs and SAR 7s - the computer system will update all records saying "received and complete".

- SAR 7s, RD/RCs for April, May and June will not be mailed out.

- Any negative actions for failure to submit a SAR 7 and do the RD/RC will be rescinded. • The state 48-month clock has been stopped from March through June, 2020.

- Action on IEVS matches is still in the works. Coming soon.

County welfare offices throughout the state have closed their doors. There are still a host of unanswered matters that are not covered by the Governor's EO that impact the victims of COVID-19 who are not currently receiving aid. Just look at the increase in unemployment insurance (UI) applications. Many workers are not eligible for UI in California – those working in the so-called gig economy. All applications are now being done on-line. Counties have drop boxes for applications. Many counties do not take general assistance applications on-line.

Sacramento does, and we hope other counties will follow this Sacramento best practice.

- How do applicants verify that they are no longer working? e.g. the business is shut down. Current practice is no verification - application denied – sorry. What is the COVID-19 practice/policy?

- How do the homeless families get their next CalWORKs temporary homeless assistance (THA)?

- How do the homeless get their permanent homeless assistance on the day of the request, but no later than the next working day? Is the county allowed to verify everything which could take days or weeks before homeless assistance is issued? This is a shut-down. Right?

- How do applicants get their same day THA upon application as required by law? Offices are closed and you cannot get an EBT the same day?

- Will THA be extended after 16 days or will families with children be thrown out of their hotel rooms possibly to contract the corona virus?

- Is there a robust toll free line that is empowered to assist applicants and recipients who are not able to contact their local county welfare department?

ACTION NEEDED NOW ! The Newsom Administration needs to issue another executive order to protect: **(1)** California's CalWORKs homeless families; **(2)** the thousands of families who are no longer working because of Newsom's warranted "Stay at Home" order; and they need to get access to the California safety net application process even though it is filled with bureaucratic barriers that need to be closed during this crisis.

California County Administrative Costs for the Refugee Cash Assistance Program Appear Excessive

Last year, counties had approximately 700 Refugee Cash Assistance (RCA) cases and claimed an average administrative cost of \$359.65 per case, per month. The average RCA monthly benefit issued is \$550. It takes \$359.65 a month to issue a \$550 on an EBT card and not a check. **TABLE #1** shows the progression of expenses being claimed over the years from \$74.74 per case, per month in 2010-2011 to \$359.65 per case per month in 2019-2020. That is an increase of more than 500% over 10 years.

What is the actual administrative costs for RCA administration?

Although counties claim monthly administrative costs of \$359.65, the same eligibility worker that processes RCA cases may also process SNAP/CalFresh and Medicaid/Medi-Cal cases as well, while counties claim federal money for all three programs.

The eligibility worker rate is \$58.27 per hour. CDSS estimates that the eligibility worker spends an average of 53 minutes for the RCA intake and another five (5) minutes per month for case management. \$3 for three minutes multiplied by eight months is equal to \$24. The estimated county time to process an SAR 7 is 16 minutes. Assuming that a worker uses two (2) hours for each case - the cost would be about \$120 a case and not over \$3,000 a month that counties have been claiming.

Counties do not explain the methods used to determine the expenses of each RCA case nor do they identify the activities that they include in the claiming form that is presented to the federal government.

We have been informed that CDSS is going to reconsider California County Human Services Agencies' questionable claims and modify the administrative cost funding for 2020-2021 budget year.

FY – May Revise	Average monthly administrative cost per RCA Case	Average monthly projected RCA Cases
2020-2021	\$359.65	700
2019-2020	\$359.65	700
2018-2019	\$234.66	1,026
2018-2017	\$131.07	2,498
2016-2017	\$114.90	1,969
2016-2015	\$127.54	1,815
2015-2014	\$88.55	2,092
2014-2013	\$103.08	2,027
2013-2012	\$99.13	2,321
2012-2011	Unknown	2,911
2011-2010	\$74.76	2,911

Governor Newsom Proposes Millions for Welfare Computers With No Explanation

In 2018, Food Nutrition Services of the United States Department of Agriculture and the Center for Medicaid and Medicare demanded that California reduce the number of welfare computers systems from three to one. California has budgeted millions of dollars for migration to a single system and maintain the existing three systems also known as the C-IV, CalWIN and LSR consortias.

The 2020-2021 State proposed budget proposes **\$180.6 million** to fund CalSAWS activities to migrate the three computer systems into one. This funding comes from SNAP, Foster Care Title IV-E, and Refugee Cash Assistance, Medi-Cal according to the budget documents of CDSS. Funding consists of federal, state and county dollars. County dollars are only to pay for the 58 county General Assistance programming and coding costs, including changes needing automation.

Maybe it is time for State Auditor General or the USDA Inspector General to conduct an investigation into how the federal and state money is being spent.

The Budget explanation also states that the counties will contribute approximately \$8 million to CalSAWS to write code for the 58 different county General Assistance/General Relief programs. The Proposed Budget also allocates **\$267.7 million** to maintain the current operation and maintenance of the three computer systems. The budget document states that LRS and C-IV will receive \$109.7 million while CalWIN will receive \$150.6 million. \$7.4 million funds the Statewide Project Management. The budget documents available to the public do not reveal how the \$448.3 million will be used and where it comes from.

Each of the CalSAWS consortias receive 8,000 hours a month for operations but the budget does not reveal the hourly costs. It's all a big secret that smells bad. When advocates asked CalSAWS how it's consortias use the 8,000 hours, the explanation was "maintenance" and refused to clarify what "maintenance" activities were performed. Fiscal responsibility demands that the State understands how and why CalSAWS and counties spend millions of dollars. Maybe it is time for State Auditor General or the USDA Inspector General to conduct an investigation to see how the federal and state money is being spent. **Table # 2** below, is our estimate of how much each consortia gets per hour.

CCWRO estimate of hourly costs. Each consortia gets 8,000 hours a month. There are three consortias. C-IV and LRS receive \$109.7 million annually while CalWIN receives \$150.6 million. Why? Who knows?

TABLE #2

Consortia	2020-2021 Annual Allocation	Monthly Funded Hours	Annual Funded Hours	Cost Per Hour
C-IV & LRS	\$109.7 million	16,000 hours	192,000 hours	\$1,569 per hour
CalWIN	\$150.6 million	8,000 hours	96,000 hours	\$571 per hour

\$750 Million California Homeless Proposal 2020

For further information contact CCWRO Andrew Chen, Staff Attorney

As part of its continuing efforts to end homelessness in California, the legislature is currently working on a trailer bill, tentatively titled the [California Access to Housing Act](#) (*hereinafter* CAHA), to centralize and coordinate its policy response statewide. The structure of the new law, broadly, is as follows:

1. The state vests authority in CDSS to administer and oversee regional authorities who collect and disperse state monies for homelessness services to local agencies.
2. CDSS also creates and administers a new set of regulations regarding the allocation of these funds, both in terms of the local organizations chosen as well as the particular homeless populations prioritized.
3. These regional administrators collect data on services provided in their administrative district and relay that information back to the state for analysis and reporting.

Overall, CCWRO believes the goals and structure of this bill are good and soundly reasoned. As part of California's commitment to providing a Housing First-centered response to homelessness, CAHA describes a system that responds holistically to the diverse and complicated needs of persons and families experiencing homelessness. We laud these priorities and encourage the Governor and the legislature to continue building a sodarity-oriented, compassionate system to assist this vulnerable population.

However, we also have constructive criticism. Our most pressing concerns are twofold:

1. The broad grant of discretionary authority granted to the "regional administrator" as written, and
2. The lack of specific, binding standards, details, and definitions by which contracts and grants are awarded, as written.
3. It does not provide due process for the beneficiaries of the bill by declaring that the benefits are not entitlement.

The latest draft of the bill can be found on the Department of Finance's website here:

CCWRO has proposed amendments to (1) ensure this system is as compassionate as possible, (2) create a baseline set of regulations and standards by which the regional administrator will award grants, and (3) increase transparency to the public in the reporting process. We will continue to be engaged in this process and welcome any feedback or comments from our community as the language for this bill develops.