



# CCWRO Welfare News-2021-01

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## CalWORKs State Budget for 2021-2022

The Governor's Budget Summary for 2021-2022 states that the "Total TANF expenditures are \$9.3 billion (state, local, and federal funds) for 2021-2022. (Page 108 of the Budget Summary.)

\$9.3 billion provides enough TANF/CalWORKs money to meet the needs of the program and also pay for changes needed in the CalWORKs program to streamline program rules that will reduce barriers to entry, reduce CalWORKs racism and retain current families in CalWORKs.

However, the 2021-2022 Governor's proposed budget has over \$1.9 billion TANF/CalWORKs funds that are not allocated to meet the basic survival needs of California's needy families with children who are eligible for CalWORKs. This is nothing novel. CalWORKs families have long endured deep poverty because California's budget writers have intentionally taken food right out of the mouths of California's needy children at the annual rate of more than \$1 billion a year.

\$904,200,000 of the \$1.9 billion is used for CalWORKs cases that have been moved to the state general fund to help California meet the federal work participation rates (WPR), also known as WPR adjustments. Those are legitimate CalWORKs expenditures.

But the remainder of the expenditures are not used to meet the needs of the CalWORKs eligible needy children and families. Historically, since FY 98-99, California has regularly had over \$1 billion a year of TANF/CalWORKs dollars that have not been allocated for expenditures that directly benefit CalWORKs eligible families. **See Table #1** on page 2 for the history of CalWORKs funds not allocated to meet the needs of the CalWORKs children and families of California enduring deep poverty for decades.

## CWD Victim of the Month

Ms. B1QW781 of Los Angeles County applied for cash aid and food stamps on December 1, 2020 at the Exposition Park welfare office. She and her 4 children, ages 3, 5, 6 and 8 were homeless. Her application languished at Los Angeles Department of Public Social Services (LADPSS) for 45 days. Over Christmas, the family had to figure out how to comply with the stay at home order despite being homeless, but the case continued to accumulate LADPSS dust while LADPSS staff celebrated Christmas and New Year's.

On January 15, 2021 LADPSS decided to issue a \$ 200 immediate need check that should have been issued on December 2, 2020--44 days late. What would have happened to Ms. B1QW781 if she was 44 days late submitting requested verification to the county? On the 10th day all benefits would be halted – period. What happened to LADPSS as a consequence for being 44 days late? Nothing.

LADPSS refused to issue all of her benefits because they did not have the immunization verification of all her children and could not locate the children's birth certificates even though Ms. B1QW781 had given the birth certificates to LADPSS numerous times. Ms. B1QW781 was also told that she had to provide school attendance verification for the minor children. Wrong - **see ACL 15-22**. This has not been the law since 2015.

LADPSS also informed Ms. B1QW781 that she needed to apply for new birth certificates. Ms. B1QW781 stated that there was a fee for the birth certificates application. The LADPSS representative said that the county does not pay for fees.

**See 40-105.36** "When the county has determined the applicant has made a good faith effort to obtain the evidence and a third party imposes a fee to obtain the evidence, the county shall pay the fee on behalf of the applicant or recipient."

**40-126.332 Third Party Fees** "If necessary, the county shall pay a third-party fee to obtain existing evidence of eligibility on behalf of the applicant."

As of 12/20/21, Ms. B1QW781 has only received the \$200 immediate need payment that should have been issued on 12/2/20. There are thousands of cases just like Ms. B1QW781 in Los Angeles County and other counties in California – needy families who had a horrible Christmas.

(cont'd from page 1- State Budget)

**TABLE #1 - History of CalWORKs funds not allocated to meet the needs of CalWORKs children and families.**

FY 98-99	\$708,502,000
FY 99-00	\$745,249,000
FY 00-01	\$1,021,913,000
FY 01-02	\$1,126,647,000
FY 02-03	\$1,088,940,000
FY 03-04	\$1,163,238,000
FY 04-05	\$1,087,321,000
FY 05-06	\$1,299,448,000
FY 06-07	\$1,184,134,000
FY 07-08	\$1,745,291,000
FY 08-09	\$1,268,997,000
FY 09-10	\$1,262,291,000
FY 10-11	\$1,262,046,000
FY 11-12	\$1,234,159,000
FY 12-13	\$1,896,060,000
FY 13-14	\$1,586,755,000
FY 14-15	\$1,661,424,000
FY 15-16	\$1,661,764,000
FY 16-17	\$2,076,557,000
FY 17-18	\$2,312,158,000
FY 18-19	\$2,312,158,000
FY 19-20	\$2,662,827,000
FY 20-21	\$1,887,895,000
FY 21-22	1,929.813,000

Historically, since FY 98-99, California has always had over \$1 billion a year of TANF/CalWORKs dollars that have not been allocated to for expenditures to meet the needs of CalWORKs eligible families of California enduring deep poverty.

**Most of the CalWORKs Budget is Allocated for CalWORKs Administration Costs**

Less than 39% of the available \$9.3 billion is allocated for “assistance payments” to California’s needy children and families living in deep poverty. \$1,929,813,000 of the CalWORKs/TANF dollars will NOT be allocated to pay for expenditures for CalWORKs eligible children and families.

**TABLE # 2 – 2021-2022 CalWORKs Budget - In Thousands**

Program	TOTAL	Federal	State	County
CalWORKs Grants	\$ 3,546,606	\$ 2,469,263	\$ 986,652	\$ 91,691
WtW Costs	\$ 1,731,787	\$ 1,519,171	\$ 21,616	\$ 00.00
CalWORKs Child Care	\$ 1,555,401	\$ 682,200	\$ 780,729,588	\$ 00.00
County CalWORKs Administrative Costs (without WtW costs)	\$ 680,407	\$ 301,017	\$ 379,390	\$ 00.00

California’s CalWORKs program has its major focus on the administration and not the task of housing California’s needy families. As evidenced above, less than 39% of the TANF/CalWORKs funds are used for the task of housing and feeding CalWORKs families. Stated another way, for every dollar-- 61¢ goes to administration and 39¢ assistance goes to CalWORKs grants.

The negative and devastating impact of deep poverty is well researched and publicly available – it is indeed “CalWORKs state child abuse” that needs to be stopped in its tracks. The 2021-2022 receives a very low mark for this task of reducing or eliminating CalWORKs child deep poverty.

The 2020-2021 CalWORKs caseload was estimated to be 538,962. The new estimate for 2020-2021 is 403,317. **That is a 25% overestimate of the caseload, which is significant.** The 2021-2022 budget estimates caseload of 482,436.

The immense need is out there for benefits. However, since March 15, 2020 most of the county welfare offices have shut their doors. Counties have blatantly violated many state laws when it comes to emergency CalWORKs and CalFresh benefits to thousands of homeless and hungry families. It is indeed unconscionable and reflects larger systematic racism in that office closures disproportionately impact Black and Latino families and children of California.

**CCWRO recommends that the CalWORKs Grants be increased to 50% of the federal poverty level for an assistance unit plus one.**

The budget published by the administration alleges that a three-person grant of \$891 for 2021-2022 will bring CalWORKs families MAP up to 49% of the federal poverty level. This is ONLY true for a meager 36% of the caseload, but not true for 64% of the CalWORKs caseload. In fact, the administration’s budget document reveals that the average grant for a family of 3, is estimated to be \$752 not \$891.

The 2018 budget act included a historic commitment to end deep childhood poverty by bringing all grant levels to 55% of the federal poverty level in California. The budget agreement provided a three step process to increase CalWORKs grants and the first two steps were completed in the 2018-19 and 2019-20 budget. We are requesting that the Legislature provide additional funding to complete the process of bringing the CalWORKs average grants to 5% of the federal poverty level.

**“Golden State Stimulus” proposal excludes CalWORKs, General Assistance and SSI beneficiaries**

**CCWRO recommends a budget amendment to include CalWORKs, General Assistance and SSI beneficiaries who did not receive a State EITC for tax year 2019.**

Unlike the federal stimulus, the EITC expressly excludes the most vulnerable persons and families of California – CalWORKs families with children, general assistance, and SSI beneficiaries.

The Governor states that the “...Golden State Stimulus is a tax refund for low-income households intended to provide cash support to families who are most likely to have suffered economically from the COVID-19 Pandemic. Regardless of income, all Californians pay a variety of taxes, including on the purchase of taxable goods. Totaling \$2.4 billion,”

CalWORKs, General Assistance and SSI beneficiaries by far meet the definition of people who suffered economically during the COVID-19 and continue to suffer irreparable harm.

The budget limits the “Golden State Stimulus” to tax filers which excludes a large number of CalWORKs, General Assistance and SSI beneficiaries

**The CalWORKs 2021-2022 COLA**

**CCWRO recommends that the Legislature enact trailer bill language to authorize the full cost-of-living adjustment for CalWORKs families in 2021.**

The budget proposes to increase CalWORKs maximum aid payment (MAP) by 1.5%. The CNI for 2020-2021 was 3.72%, The cost of the 1.5% CalWORKs MAP increase is \$1,209,000 for grants to families and \$247,000 administrative costs. That is a significant 20% administrative cost.

The budget published by the administration alleges that a three-person grant of \$891 for 2021-2022 will bring CalWORKs families MAP up to 49% of the federal poverty level. That may be true for a meager 36% of the caseload, but it is not true for 64% of the CalWORKs caseload. **In fact, the administration’s budget document reveals that the average grant for a family of 3, in reality during 2021-2022, will be \$752 not \$891.**

**CalWORKs and CalFresh Caseload Saga**

The 2021-2022 budget reveals, that again, the caseloads estimated for 2020-2021 did not materialize.

**CalWORKs Caseload**

Cases Estimated for 2020-2021	<b>586,962</b>
Actual 2020-2021 caseload	<b>405,317</b>

This is a **32% overestimate** for the CalWORKs program.

Governor’s 2021-2022 Estimate	<b>482,436</b>
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**CalWORKs Employment Services (WtW) Caseload**

Cases Estimated for 2020-2021	<b>250,953</b>
Actual 2020-2021 caseload	<b>175,774</b>

This is a **30% overestimate** for the WtW program.

Governor’s 2021-2022 Estimate	<b>206,749</b>
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**CalFresh Caseload**

Cases Estimated for 2020-2021	<b>3,528,017</b>
Actual 2020-2021 caseload	<b>2,772,548</b>

This is a **22% overestimate** for the CalFresh program.

Governor’s 2021-2022 Estimate	<b>3,247,632</b>
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What was missing in the assumption used to make these caseload projections? The major factor that was not considered: in mid-March of 2020 95% of the CalWORKs and CalFresh caseload were living in counties that shut their doors and we not accessible to CalWORKs and CalFresh applicants and recipients.

Access was, and still is today, virtually limited to persons and families with needy children who had computers or smart phones and internet access. Since the end of March 2020, 44 of large, medium and small California’s counties violated, and continue to violate, state laws and regulations outlined in **TABLE #3** below relative to emergency aid. In these 44 counties, families with needy children needing emergency aid are not able to access the California safety net emergency assistance benefits of which thousands are eligible.

These 44 counties are also violating a federal court order known as [Blanco v. Anderson](#), 39F.3d 969(1994), State Regulation MPP §11-601 and California State Department of Social Services Policy guidance known as [ACL 93-92 \(December 17, 1993\)](#) and [ACL 94-11 \(February 14, 1994\)](#) – Blanco v. Anderson.

**TABLE # 3 –California Safety Net Emergency Assistance Programs**

Safety Net Program	Statute/State Regulation Mandate	Who is eligible	When are Benefits Due
CalWORKs Temporary Homeless Assistance	W&IC§11450(f)(3)(iii) MPP§44-211.523	Any CalWORKs eligible family or apparently eligible family with minor children	On the date of requesting temporary homeless assistance.
CalWORKs Permanent Homeless Assistance	W&IC§11450(f)(3)(D)	Any CalWORKs eligible family or apparently eligible family with minor children	On the date of requesting Permanent homeless assistance, but no later than the next working day.
CalWORKs Immediate Need	W&IC§ 11266	Any CalWORKs eligible or apparently eligible family with minor children	On the date of application, but no later than the next working day.
CalFresh Expedited Services	W&IC§ 18914	Any household whose combined monthly gross income and liquid resources are less than the monthly shelter cost and standard utility allowance.	Within three (3) calendar days of application.

Lack of access to the offices created major barriers for applicants to secure much needed aid that they desperately needed. Thousands of homeless beneficiaries were not able to access their mail at the closed down county welfare offices and to date, this problem continues.

CDSS, the alleged single state agency that has the ministerial duty to supervise their agents, and the counties, have failed to do its job **which continues today**. CDSS defers to counties to carry out the laws governing the California safety net programs without any meaningful accountability.

In essence for counties, it is do whatever you want to do, and you still get every penny of your single allocation. What a life.

The same is not true for CalWORKs and CalFresh beneficiaries. Over 50% of the CalWORKs and CalFresh applications were denied benefits by unaccountable county welfare offices not because the applicants were ineligible for the benefits they applied for, but because they failed to comply with the county so-called racist “procedural requirement”. See **TABLE #4** for CalWORKs and **TABLE #5** for CalFresh below.

**TABLE # 4 - CalWORKs applications denied due to failure to meet the county procedural requirements during Covid-19 - Source CA 237CW**

Jul-20 CalWORKs	Two-Parent Families	Zero-Parent families	All other Families	TANF Timed Out Families	Safety net- Fleeing Felon- Long Term Sanction	Total
Total Denials	1394	1426	10376	97	264	13557
Procedural Denials	690	447	5957	39	131	7264
Percentage of Cases Denied due to Procedural Reasons	49%	31%	57%	40%	50%	54%

**TABLE # 5- CalFresh applications denied due to failure to meet the county procedural requirements during the COVID-19 pandemic - Source CF 296**

Month	Denied	Denied due to Procedural Reasons	Percentage of Cases Denied due to Procedural Reasons
July, 2020	91396	53282	58%
August, 2020	69283	42076	61%
September, 2020	55531	36880	66%

Under current law, CDSS is the “principle” and the counties are the “agents”. CDSS views counties as their partners, in many cases it’s as if CDSS works for the counties. This relationship is not reflective of state law:

“W&IC§10600. It is hereby declared that provision for public social services in this code is a matter of statewide concern. The department is hereby designated as the single state agency with full power to supervise every phase of the administration of public social services, except health care services and medical assistance, for which grants-in-aid are received from the United States government or made by the state in order to secure full compliance with the applicable provisions of state and federal laws.”

CDSS has taken the position that although they are supervising the counties, if the counties do not issue benefits in accordance with state duly enacted laws and regulations – it’s not their problem.

**We would recommend that the statute be amended to read:** Section 10600 of the &IC is amended to read: It is hereby declared that provision for public social services in this code is a matter of statewide concern. The department is hereby designated as the single state agency with full power to supervise every phase of the administration of public social services, *and shall be deemed to be responsible for any violation of any of the laws of this division and any regulation or rule adopted or promulgated thereunder and only full compliance shall meet the department’s duty under this section*, except health care services and medical assistance, for which grants-in-aid are received from the United States government or made by the state in order to secure full compliance with the applicable provisions of state and federal laws.

**CONCLUSION:** These recommendations to stop the current widespread “state child abuse” by forcing over 700,000 California’s children to endure continued deep poverty, causing irreparable harm to the children as evidenced by the statement of public benefit administrators who describe the impact of deep poverty on children, are vital and achievable within the CalWORKs budget. The Legislature has a simple job - to allocate CalWORKs funds to California’s CalWORKs eligible families with needy children.