

May 17, 2016

The Honorable Mark Leno
Chair, Senate Budget and Fiscal Review Committee
California State Capitol
Sacramento, California 95814

The Honorable Phillip Ting
Chair, Assembly Budget Committee
California State Capitol
Sacramento, California 95814

Re: Human Service Issues in the 2016-17 Budget

Dear Chairmen Leno and Ting,

The Western Center on Law and Poverty represents California's poorest residents on issues of public benefits, affordable housing and health care. We are active participants in the state budget process and in advocating with state and federal agencies. We are writing to you today regarding the Administration's May Revision budget proposal for human service and poverty programs. We have three top priorities for enactment in the 2016-17 budget.

- **Adopt the Assembly Plan to Repeal the Maximum Family Grant and Increase CalWORKs Grants by 4 Percent.**
- **Adopt the Senate's No Place Like Home Initiative to Build 10,000 Units of Housing for Homeless Persons Living with Mental Illness**
- **Approve a Multi-Year Plan to Increase SSI/SSP Grants so that Grants for Individuals Exceed the Federal Poverty Level**

The progress made in recent years to address poverty is extraordinary including two minimum wage increases and a path towards \$15 an hour, passing a state EITC, increasing CalWORKs grants, eliminating rules which barred person with felony drug convictions from receiving public assistance, passing the Affordable Care Act and extending its' provisions to serve all children. These, and many more, are accomplishments to be proud of and we thank the Governor and the Legislature for their leadership.

As we enter the final month before enactment of the budget we remind the Legislature that there is still more work to be done. Many of the poorest families and individuals have yet to benefit from the progress that has been made and we ask you to bear in mind that:

- California continues to have the highest poverty level in the country. Nearly one out of every four people in California is living below the Supplemental Poverty level. In a state that boasts more billionaires than any state and most countries, we continue to have almost 7 million people living in poverty.
- The grants for CalWORKs families are shamefully low. Even with the Governor's proposed 1.4 percent CalWORKs grant increase, the MAXIMUM grant for a family of three is just 42.5 percent of the 2016 federal poverty level. This means that 1.3 million Californians, including 1 million children, are living in conditions which we know will have long term negative consequences to their health and their lifetime opportunities to wellness and economic security. Household incomes are even lower when a family is denied aid to a child due to the Maximum Family Grant (MFG) rule.
- Blind, aged and persons living with disabilities are still being subjected to recession era SSI/SSP grant levels. While the Governor and the Legislature have found ways to restore all or most of the cuts to many programs, in 2016 there have been no restorations for persons who must live entirely off the funding they get from SSI. Hundreds of recipients have testified to the horrifying choices they must make because the grant amount is inadequate for California's increasing housing costs.
- Homelessness has reached epidemic proportions and should be an embarrassment to every Californian. It is imperative that the budget take important steps this year in reducing the number of persons who are without housing. As the Governor's May Revision noted:

In 2015, although California comprised 12 percent of the nation's population, it had 21 percent (115,700) of individuals experiencing homelessness in the United States. California has an even greater share of the chronically homeless, with over one-third of the nation's total.

We ask the Legislature to work with the Governor to build upon the proposals made by the Governor in the May Revision by doing all of the following:

Repeal the Maximum Family Grant and Increase CalWORKs Grants by 4 Percent

WCLP was pleased to see that the May Revision included a 1.43 percent increase to the base CalWORKs grant levels. However, we believe more should be done and support the Assembly proposal to repeal the Maximum Family Grant rule on January 1, 2017 and to increase CalWORKs grants by 4 percent. Approximately 135,000 children are being denied assistance by a policy that should have never been enacted and for two decades has subjected children to destitution. As we have reported recently not only does the policy increase deep poverty but is discriminatory due to its' disproportionate impact on Latinos and African Americans, with nearly 70% being Latino and over 20% being African American.

Additionally we support increasing the CalWORKs grant by 4 percent in the 2016-17 budget. This would increase the value of CalWORKs grants to 43.5 percent of the federal poverty level and get the state closer to reaching the “floor” that we have called for of having all CalWORKs grants above 50 percent of the poverty level.

Increase State Contributions to the SSI/SSP Grant

More than 1.3 million Californians live entirely off SSI/SSP cash assistance provided by the state and federal government. These individuals, in the main, are unable to work and all are ineligible for federal SNAP benefits. Starting in 2008 the state gradually reduced the state’s contribution to the SSI grant by \$77 a month until it reached the maintenance of effort requirement of \$156 a month. Couples saw the state portion of the grants reduced from \$568 a month to \$396, a reduction of \$172 a month. To put this in perspective, just since the 2011-12 budget act the state has reduced payments to single individuals by over \$4 billion cumulatively and has reduced grants for couple by an additional \$3 billion.

While these cuts were difficult to make at the time they were enacted, the magnitude of the injustice of them has only grown over time, particularly in light of having budget surpluses in recent years. We appreciate that the Governor has proposed a 2.76 percent cost of living adjustment in the SSP amount. This will increase grants for individuals by \$4 a month and to couples by \$11 a month. At this rate though, the grant levels will never be restored.

WCLP is calling on the Legislature to adopt a multi-year plan for making more significant investments until the SSI grant is above the federal poverty level for individuals. We understand that this is a significant amount of funding but anything less will perpetuate the current impoverishment of the SSI recipients. The Legislature could consider following the model of the recent minimum wage increase by building in “pauses” or “delays” if the budget were to lose funding due to a recession. In the end though we believe the state must do more than simply restore the cost of living as the Governor proposes.

Approve the No Place Like Home Initiative and CalWORKs Housing Assistance Program Reform

WCLP supports the Senate proposal to build 10,000 units of housing for homeless persons living with mental illness by using a small portion of Prop 63 dollars to fund a \$2 billion bond. For many years, policy makers have been reluctant to make the investments to solve homelessness because they thought it was too expensive. Studies show that the opposite is true. A chronically homeless individual costs government nearly \$2,900 a month *not* to house them. This is not smart government.

The No Place Like Home initiative is smart government. It invests where it matters and will reduce the high cost of doing nothing. By building housing for persons living with mental illness we can not only give them dignity but we can save millions of dollars in interventions, hospitalizations, and incarcerations. We are pleased to see the Governor endorse the proposal to use Prop 63 funds for this purpose.

We also encourage the Legislature to approve the additional pieces proposed by the Senate.

- Increase funding for the CalWORKs Housing Support Program by \$50 million
- Increase funding for SSI grants (see above) and provide funding for counties to provide housing for the homeless while they are waiting for approval of their SSI application.
- Provide \$200 million in rental subsidies to help homeless persons find immediate supportive housing.
- Provide \$10 million to provide supportive housing and rapid rehousing to families in the child welfare system.

WCLP also supports modernizing the CalWORKs Homeless Assistance Program (HAP). HAP is the primary safety net for homeless CalWORKs families in California but it has major barriers that make it an inadequate tool to reduce homelessness. Many of these policies were adopted when state and local governments had little experience with serving homeless families. Assumptions and judgments about the causes of homelessness resulted in a program that is inflexible and impractical. Legislation to make reforms has received bi-partisan support in the Legislature over the past several years [AB 702 (Maienschein) and [AB 2631 \(Santiago\)](#)] and we believe that reforms will improve chances for homeless families with children to become housed and improve program efficiencies.

WCLP and others support eliminating the once in a lifetime limit on assistance, increasing the number of days for temporary assistance, making modest increases in the daily funding permitted and eliminating the arcane rule of counting each day permitted by law even if only a portion of the days were actually utilized.

Thank you for your leadership and consideration of our requests. We look forward to working with you in the coming weeks.

Sincerely,



Michael Herald
Policy Advocate



Jessica Bartholow
Policy Advocate