



WESTERN CENTER
ON LAW & POVERTY



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March 21, 2019

The Honorable Holly J. Mitchell
Chair, Senate Budget Committee
California State Senate
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
California State Assembly
Sacramento, CA 95814

The Honorable Richard Pan
Chair, Senate Budget Committee Sub 3
California State Senate
Sacramento, CA 95814

The Honorable Eloise Gómez Rey
Chair, Assembly Budget Committee Sub 1
California State Assembly
Sacramento, CA 95814

RE: End Deep Poverty of CalWORKs Families

Dear Budget Leaders:

We are writing regarding the Administration's proposed CalWORKs grant increase proposals in the 2019-20 budget. Our organization views the Governor's proposal as a significant step toward alleviating deep childhood poverty in the CalWORKs program. But we urge the Legislature to amend the proposal to be consistent with the approach adopted in the 2019-20 budget.

For many years, we have advocated for higher grant amounts for CalWORKs families and to eliminate policies that reduce grant levels for families based on flawed policy assumptions. Due to the leadership of the Senate and Assembly, we have seen a series of improvements to the program including, long overdue increases to grants, restoration of the grant Cost of Living Adjustment (COLA), the elimination of the Maximum Family Grant Rule, the creation of a home visiting program for CalWORKs families, repealing the ban on assistance for persons with prior drug convictions, and expanding housing and service supports to families facing homelessness.

Even with these improvements, CalWORKs families receive grants that are below half of the federal poverty level. A key goal of advocates was to ensure that all households, even those with unaided adults, would receive a grant that exceeded 50 percent of the poverty level. This would ensure that truly no child was living in deep poverty in the CalWORKs program.

The Governor's across-the-board 13.1 percent increase is the largest increase proposed by any Governor in recent memory. It has the merit of ensuring that all households get badly needed grant increases. It would, however, perpetuate inequities in the current grant structure that the Legislature has made it a priority to correct. It also provides less overall funding than the Legislature and the Governor's 2018-19 budget "roadmap" provided.



Illustrative of the difference between the Governor's proposal and the Legislature's approach is the impact on CalWORKs families with one adult and one child. Under the Governor's plan, a two-person CalWORKs family with an unaided adult will receive a grant of \$442 a month while a two-person CalWORKs family with no unaided adults receives \$718 a month. The Legislature's plan would raise grants for all household sizes but increase grants more for households furthest from the federal poverty level.

As the recent report from the Legislative Analyst Office noted the Legislature has options in how to proceed in light of the Governor's proposal. **One option** is to approve the across the board increase which would increase grants for all households and move grants for families of two and three above deep poverty. As we note above, adopting the Governor's approach would preserve grant funding inequities which harm smaller families the most. **A second option** is to take the estimated \$347 million in funding proposed by the Governor and distribute it the way the Legislature proposed in which grant levels that were further from deep poverty would get a larger increase than those closer to 50 percent of the federal poverty level. According to the LAO, if the Legislature adopted this approach grants for all household sizes would rise to 48 percent of the federal poverty level. Finally, the LAO provides **a third option** that would meet the target established in the roadmap by increasing funding above the amount proposed by the Governor and distribute the funds the way proposed by the Legislature last year. This would bring all grants halfway to the goal of 50 percent of the poverty level plus one additional household member. This approach would increase 2019-20 costs by \$60 million and \$250 million over a full year.

On balance, while we appreciate the Governor's proposal, Western Center supports the third option provided by the LAO. We think it will do the most to address historical inequities in the CalWORKs grant structure and keep intact the "roadmap" agreement reached in the 2018-19 budget. While it will mean that California cannot claim that we are ending deep poverty for some children, it will mean that the families that need the largest grant increase get it this October and not have it delayed for yet another budget.

We urge you to modify the Governor's proposed increase for CalWORKs grants to be consistent with the roadmap so that California will be on the path to end childhood deep poverty in CalWORKs by July 2020. Thank you for your consideration.

Sincerely,

Mike Herald, Director of Policy Advocacy
Western Center on Law and Poverty

Kevin Aslanian, Executive Director
Coalition of California Welfare Rights Organizations

cc: Honorable Toni Atkins, President Pro-Tempore of the California State Senate
Honorable Anthony Rendon, Speaker of the California State Assembly
Members of the 2019-20 Budget Committee
Mr. Michael Wilkening, California Health and Human Services Agency
Richard Figueroa, Office of the Governor
Tam Ma, Office of the Governor
Director Keely Bosler, Department of Finance
Ms. Pat Leary, California Department of Social Services
Mr. Chas Alamo, Office of the Legislative Analyst Office