



CWDA

Advancing Human Services
for the Welfare of *All* Californians

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Honorable Gavin Newsom
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: CALWORKS PROGRAM INVESTMENTS

The County Welfare Directors Association (CWDA) respectfully urges your support of the Senate and Assembly Joint State Budget Plan's investment in the CalWORKs program to strengthen the program's ability to serve California families experiencing deep poverty.

Restore CalWORKs Eligibility Funding

The May Revision included a \$68.3 million (11 percent) reduction to the Eligibility component of the Single Allocation, the funding counties use to process CalWORKs applications, redetermine eligibility, and maintain cases. Part of the reduction is due to revised caseload growth assumptions, but most of the cut, \$40.8 million, is due to a technical budgeting adjustment. This proposal further cuts funding for activities that are already underfunded by the existing budget methodology. Because counties cannot stop providing mandated eligibility services to absorb this cut, the only way for them to cover such a large cut in one year is to shift funding provided for welfare-to-work services to cover eligibility activities instead. CWDA supports the Legislature's action to restore \$68.3 million in 2021-22 and provide \$40.8 million ongoing to adequately fund CalWORKs Eligibility activities. This will preserve both eligibility and welfare-to-work services in the program.

Align Applicant Earned Income Disregard to Recipient Earned Income Disregard

CWDA requested, and the Legislature approved, \$1.0 million in 2021-22, \$94.8 million in 2022-23, and \$179.2 million in 2023-24 and ongoing to increase the Applicant Earned Income Disregard (EID) from \$90 to \$600 effective June 2022, mirroring changes made to the Recipient EID in the 2019-20 Budget Act. The Applicant EID has not changed since the CalWORKs program was enacted in 1998. This is a barrier to working-poor families who need the services and supports CalWORKs offers. During the pandemic, more families dropped off the program due largely to paperwork requirements, yet many of these families – who would have remained eligible under the increased *recipient* EID – cannot get back on the program because of the extremely low *applicant* rules. CWDA requests your support for the Legislative action to align the applicant and recipient EIDs.

Implement CalWORKs Outcome and Accountability Review (Cal-OAR) and CalWORKs 2.0 Initiative Statewide

CWDA shares the vision of the Administration and the Legislature of a transformed CalWORKs program, focused on meaningful engagement between county staff and clients to help families in a more individualized way. This vision reflects an approach spearheaded by counties and CWDA over the past several years called CalWORKs 2.0. To further encourage and track improvement over time, a statewide continuous quality improvement approach, Cal-OAR, began rolling out in counties in 2019, but implementation was delayed due to the pandemic. Several necessary steps to restart Cal-OAR and implement the 2.0 approach statewide are included in the Legislative budget plan. These steps include:

- Adequate funding for intensive case management to support the more individualized case management necessary to tailor plans to family needs and strengths. (\$75 million in 2021-22, \$150 million in 2022-23, and \$257 million in 2023-24 and ongoing.)
- Resources and training to (1) assist counties in implementing both CalWORKs 2.0 and Cal-OAR to integrate these best practices in a consistent way across the state and (2) develop and implement consistent racial equity and implicit bias training for county staff, a foundational piece of improving interactions with families. (\$3 million in 2021-22 and \$10 million in 2022-23 and ongoing.)

In addition to the above steps, counties must be indemnified from penalties for failure to meet the federal Work Participation Rate (WPR). Indemnification is necessary for counties if they are going to shift focus away from the “all or nothing” measure of the WPR and instead focus on the more expansive (and relevant) outcome measures supported by Cal-OAR. The Legislative package includes trailer bill language to make this threshold change.

We urge your support of this important package. These key investments and statutory changes are necessary to enable counties and the CalWORKs families we serve to fully realize the promise of the CalWORKs 2.0 and Cal-OAR initiatives.

CalWORKs Overpayment Relief

CWDA supports overpayment relief for CalWORKs families. We have concerns with the ability to timely automate the Administration’s May Revision proposal to re-categorize non-fraudulent overpayments, which the Legislature adopted. We have been working with CDSS to clarify the specifics of the proposal. We believe we have found a path forward that will not require automation and are awaiting updated Trailer Bill Language to confirm this.

Thank you for your consideration of our requests.

Sincerely,



Cathy Senderling-McDonald
Executive Director

cc: Ana Matosantos, Cabinet Secretary, Office of Governor Gavin Newsom
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Joey Freeman, Chief Deputy Legislative Secretary, Office of Governor Gavin Newsom
Tam Ma, Deputy Legislative Secretary, Office of Governor Gavin Newsom
Honorable Toni Atkins, Senate President Pro Tempore
Honorable Anthony Rendon, Speaker of the Assembly
Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee
Honorable Phil Ting, Chair, Assembly Budget Committee
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review Subcommittee #3
Honorable Joaquin Arambula, Chair, Assembly Budget Committee Subcommittee #1
Keely Bosler, Director, Department of Finance
Dr. Mark Ghaly, Secretary, California Health and Human Services Agency
Kim Johnson, Director, Department of Social Services
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