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Halting California welfare would shift costs to counties

County leaders say taxpayers would still have to foot the bill under Schwarzenegger's plan. The size of the monthly grant to recipients would drop, though.

By Jack Dolan, Los Angeles Times

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Reporting from Sacramento

Gov. Arnold Schwarzenegger's plan to save $1.6 billion a year by eliminating welfare is the budgetary equivalent of rearranging deck chairs on the Titanic, say county officials: The cost would simply get shifted to them, and California taxpayers would end up paying about the same amount for a smaller social safety net.

Under state law, counties are the welfare providers of last resort. Most of the roughly 580,000 families who would lose state aid would qualify for county assistance grants. In Los Angeles County, where more than 167,000 families get state welfare, the new claims would cost local taxpayers $450 million a year, said Phil Ansell, assistant director of the county Department of Social Services.

In San Bernardino County, more than 47,000 state welfare recipients would end up on county grants costing local taxpayers about $162 million a year, according to county spokesman David Wert.

A similar story would play out in the rest of California's 58 counties, amounting to a bookkeeping shift, said Frank Mecca, executive director of the County Welfare Directors Assn. of California. The money would come from local property and sales taxes instead of the state budget.

"We're not talking about a savings to the taxpayer," Mecca said. "It's a savings to the state's general fund."

The counties would have some flexibility over the amount they would have to spend. They can adjust eligibility requirements for welfare recipients. But even financially conservative estimates, like one from the nonpartisan Legislative Analyst's Office this week, say that eliminating the state welfare program would cost counties about $1 billion a year.

The California State Assn. of Counties estimates that the number could go as high as $2 billion, said spokeswoman Erin Treadwell.

"We knew going into this that this proposal would have a lot of consequences; one of them would be additional burdens on counties," said H.D. Palmer, a spokesman for the Schwarzenegger administration's Department of Finance.

Those consequences would be less severe if the Legislature had acted on a previous proposal to reduce welfare benefits without eliminating the program, Palmer said.

Many observers see the governor's threat to eliminate welfare as a bargaining tool meant to force the Legislature to accept severe cuts. But the move could alienate not just liberal defenders of the social safety net but also anti-tax conservatives who resent the administration's apparent willingness to solve the budget problem by simply shifting costs rather than reducing them further.

"This sounds like another dimension of the budgetary sleight of hand that is played all the time," said Lew Uhler, who was a member of Gov. Ronald Reagan's administration and is current president of the nonprofit National Tax Limitation Committee.

Another consequence of the proposal would be forgoing $3.7 billion in federal matching funds the state receives each year to supplement the welfare program, called CalWorks. Without the federal subsidy, the monthly benefit to recipients would be reduced.

Currently, the average monthly grant for a single mother with two children is about $500 a month. If counties were forced to support the same family, the benefit would drop to between $200 and $300 a month, county officials said.

Since the cash assistance often pays a recipient's rent, counties would have to brace for a spike in homelessness if the CalWorks program were eliminated, Treadwell said.

The federal money also pays for job-training programs and child care, which could lose funding if CalWorks were eliminated.

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