



CWDA
Advancing Human Services
for the Welfare of *All* Californians



Date May 25, 2018

To: The Honorable Phil Ting
Chair, Budget Conference Committee

Honorable Members
Budget Conference Committee

From: Justin Garrett, Legislative Representative, CSAC
Frank J. Mecca, Executive Director, CWDA

RE: CALWORKS SINGLE ALLOCATION FUNDING - SUPPORT ASSEMBLY
VERSION

The California State Association of Counties (CSAC) and the County Welfare Directors Association (CWDA) respectfully request your support of the Assembly's proposal to restore \$23.5 million that was proposed to be cut from the Single Allocation in the May Revision. The Senate also took an action to restore \$10 million to the Single Allocation for employment services, and we thank both houses of the Legislature for their support of this vital funding. The Assembly version of the budget to restore \$23.5 million to the Single Allocation on a one-time basis will greatly help to mitigate the devastating services and administrative cuts to the CalWORKs program that counties would have to impose. It will also bridge the time until a new budgeting methodology for employment services can be developed to support a minimum services infrastructure and ongoing administrative workload, as well as the programmatic goals and outcomes that are desired.

Although the May Revision provides a \$55 million augmentation for the Eligibility component of the Single Allocation in reflection of a new budget methodology developed by the California Department of Social Services (CDSS) in strong collaboration with counties, there is an additional reduction to the Employment Services component due to caseload declines. The result is that the May Revision on net only provided an additional \$30.8 million compared to the January budget, which still resulted in an overall reduction of \$23.5 million to the Single Allocation in 2018-19 when compared to the current year. Work on new budgeting methodologies for the Employment Services and Child Care components of the Single Allocation will begin in earnest this June. Stabilizing current service levels by restoring the full \$23.5 million to the Single Allocation while those new budgeting methodologies are being developed is critical.

A reduction of funding to the Single Allocation will force counties to carry additional staffing

vacancies to offset the funding shortfall. Counties have already enacted service reductions, and have stopped hiring both welfare-to-work and eligibility staff and eliminated positions in response to the almost \$300 million in Single Allocation reductions that have already occurred in recent years. Continued vacancies create very high caseloads and a need to work overtime for workers to meet deadlines. Additional funding reductions also degrade the counties' ability to meet Federal Work Participation Rate (WPR) outcome requirements which could result in significant fiscal sanctions. There will be an overall decline to customer engagements, employments, activity completions, as well as inevitable delays in processing supportive services payment requests, which are vital for customer's participation in employment and/or job-related activities.

The state also recently embarked on the planning process for the new Outcome and Accountability Review (CalOAR) local accountability system, which would promote continuous improvement in CalWORKs implementation and provides statewide alignment to baseline program expectations by collecting new and existing data. The new system will allow counties to identify strengths and weaknesses of current practice and resource development. The process will also consider how local operations and systemic factors affect program outcomes and consider what areas of improvement the CWD would like to focus on in their system improvement plan. This effort would be delayed or potentially stopped if counties cannot maintain resources for existing workload and services, let alone take on this new workload.

A reduction would also have negative impacts on non-mandated, but important practice initiatives such as CalWORKs 2.0, which improves customer service by providing customers with a whole family approach and intentional service delivery. Efforts like CalWORKs 2.0 may not have the meaningful changes anticipated due to over-burdened staff performing mandated activities. New optional initiatives, such as the Home Visitation Initiative program may also garner less interest due to competing priorities.

Any reduction to the Single Allocation in 2018-19 will continue to leave counties unprepared for the inevitable next recession. It is imprudent to erode the basic minimal infrastructure necessary to deal with what we know will be a spike in demand for CalWORKs. The Legislature and the Governor are prudently planning for that recession with the state's reserves but would almost guarantee significant disruption and delay in the core anti-child poverty safety net program when that next recession occurs.

For these reasons, CSAC and CWDA urge your support of the Assembly's proposal to provide \$23.5 million for the CalWORKs Single Allocation in 2018-19.

cc: Gail Gronert, Office of the Assembly Speaker
Jason Sisney, Office of the Assembly Speaker
Chris Woods, Office of the Senate President Pro Tempore
Mareva Brown, Office of the Senate President Pro Tempore
Nicole Vazquez, Assembly Budget Subcommittee No. 1
Cyndi Hillery, Assembly Republican Fiscal Office
Alex Khan, Assembly Republican Fiscal Office
Theresa Pena, Senate Budget and Fiscal Review Subcommittee No. 3
Rebecca Hamilton, Senate Republican Fiscal Office
Irene Ho, Office of Assembly Member Philip Ting
Hans Hermann, Office of Assembly Member Joaquin Arambula
Marla Cowan, Office of Assembly Member Joaquin Arambula
Sean MacNeil, Office of Assembly Member Richard Bloom
Kelly Ash, Office of Assembly Member Rocky Chavez
Veronica Badillo, Office of Assembly Member Rocky Chavez
Luan Huynh, Office of Senator Holly Mitchell
Matthew Montgomery, Office of Senator Richard Roth
Marvin Deon, Office of Senator Nancy Skinner
Spencer Street, Office of Senator John Moorlach
Colin Sueyres, Office of Senator Jim Nielsen
Mark Newton, Legislative Analysts' Office
Ginni Bella Navarre, Legislative Analyst's Office
Michelle Baass, Health and Human Services Agency
Marko Mijic, Health and Human Services Agency
Will Lightbourne, California Department of Social Services
Robert Smith, California Department of Social Services
Kären Dickerson, California Department of Social Services
Kristin Shelton, HHS, Department of Finance
Jay Kapoor, HHS, Department of Finance
County Caucus