



California Working Families Policy Summit 2007 Policy Update – March 31, 2007

The Safety Net: Child Support, EITC, CalWORKs, and Food Stamps

Child Support

Assemblyman Dave Jones introduced [AB 176](#) to implement a [National Center for Youth Law](#) recommendation proposed at the Summit. AB 176 would increase the child support "pass through" and "disregard" for CalWORKs recipients to \$100 for one child and \$200 for two or more children. AB 176 passed the Assembly Human Services Committee on March 27, 2007, on a 7-0 vote.

In response to another NCYL recommendation, Assemblyman Jim Beall introduced [AJR 4](#) to, among other things, call upon Congress to repeal the prohibition of the federal match on child support incentive funding and the requirement that states charge a \$25 administrative fee to non-welfare families receiving over \$500 in child support collections. AJR passed the Assembly Floor on March 12, 2007.

EITC

Assemblyman Dave Jones introduced [AB 21](#), which would establish a state Earned Income Tax Credit, as recommended by [ACORN](#). The bill will be heard on the Revenue & Taxation Committee on **April 16** at 1 pm. On **April 12**, ACORN members will go to the Capitol to educate members and staff. For more information on the bill and events, go to www.california.acorn.org

CalWORKs

The [Western Center on Law and Poverty](#) is moving forward to follow up on their Summit recommendations.

Policy Objective # 1

Implement and protect improvements to CalWORKs that will increase educational opportunities, increase upfront engagement, and reduce the number of families sanctioned.

Update

The Governor's budget proposed major policy changes in CalWORKs that would result in more than 100,000 families and more than 200,000 children having their cash aid eliminated. This is despite data from the Administration that shows that California will meet federal work participation requirements in 2008 without need for the Governor's drastic cuts. The

Administration has introduced their proposal in [SB 58](#) (Hollingsworth). The matter is also under consideration in the Senate and Assembly budget committees.

It appears that the Legislature will reject the Governor's proposals, but will consider ways to further improve the state's work participation rate. Advocates hope that the Legislature will take a serious look at how we can help families in this safety net program meet work requirements and what we can do to help families before they use up their federal TANF time clock.

Policy Objective #2

Implement and expand the Temporary Assistance Program in a way that permits an increase in child support being passed on to families that results in a net increase in family income.

Update

In the 2006-07 budget, the state created the Temporary Assistance Program (TAP) for CalWORKs families who are exempt from work requirements. Moving these families to a separate state program improves the state's work participation rate and gives the state a caseload reduction credit. Subsequent federal regulations allowed states to not count most of these same families in state work participation rates, but do require we count families who get barrier-removal services. Families who get such services have a work participation rate below 10%. DSS has chosen to delay the implementation of TAP due to a lack of guidance from the Legislature on how to treat child support income and technological barriers at the Department of Child Support. The Legislature will soon consider as part of the budget how much child support to disregard and whether to continue moving out the same populations to TAP.

One solution may be [AB 176](#) (Jones) which would implement the new flexibility in federal child support rules. Beginning October 1, 2008, the federal government will share in passing through child support to families. If the state agrees to increase the child support disregard to \$100 (doubling the current \$50 child support pass-through), the state would increase income for CalWORKs families and save the state \$3.5 million. If the same approach were taken in TAP, CDSS technological issues would disappear.

Policy Objective #3

Provide the 2007-08 statutory CalWORKs Cost of Living Adjustment.

Update

To reduce the state budget deficit, the state suspended the cost-of-living adjustment for CalWORKs for the past two budgets. The maximum grant for a CalWORKs family of three has been frozen at \$723 since 2004. The Governor's budget again proposes to suspend the COLA and freeze grant levels for a third straight year. If approved, it would be the 13th time in 19 years that the COLA has been suspended or the grant cut. The [Legislative Analyst's Office](#) (LAO) notes that the maximum aid for a CalWORKs family of three (combining Food Stamps and CalWORKs cash aid) is just 74% of the federal poverty level. The LAO recommends that the state COLA for SSI be shifted to CalWORKs. Advocates won't support the taking of the COLA, but the LAO's recommendation underscores the deplorable financial circumstances of our CalWORKs families.

Meanwhile the Governor's Office is seeking a COLA for their own budget, and is diverting \$181 million in TANF funds to Title XX programs. Advocates will urge the Legislature to provide a long overdue CalWORKs COLA before providing one for the Governor. Reversing the shift to Title XX programs would completely pay for a CalWORKs COLA.

For additional updates, go to www.wclp.org – and click on Welfare.

Food Stamp Program

The Food Stamp Program provides valuable nutrition benefits to families. However, far too many eligible families in California are not getting the help they need. Several Summit recommendations proposed by the [California Food Policy Advocates](#) (CFPA) have spurred legislative action.

Policy Objective #1: Reduce red tape and relieve administrative burdens.

Move from 3-month reporting to semi-annual reporting for food stamp and CalWORKS recipients.

Update: There is considerable legislative interest in this area. The Schwarzenegger administration is sponsoring reporting legislation, [SB 179](#) (Ashburn). California Food Policy Advocates is sponsoring 6-month reporting legislation, [AB 1060](#) (Laird).

Reduce or eliminate trips to the food stamp office made by working households through the elimination of the finger-imaging requirement and by utilizing out-of-office application pathways such as phone, fax and the internet.

Update: Assemblyman Mark Leno has introduced legislation, [AB 1382](#), to remove finger imaging requirements for “food stamp only” cases.

Make it easier to maintain food stamps by requiring the Department of Social Services to seek federal waivers of the face-to-face interview requirement at annual recertification.

Update: The Department of Social Services is in the process of requesting such a waiver from the U.S. Department of Agriculture.

Policy Objective #2: Connect food stamps with health care programs.

Make recipients of Medi-Cal “categorically eligible” for food stamps.

Rename the Food Stamp Program in California to reflect the role the program plays in improving health, the importance of the program to California agriculture, and the reality that the “stamps” are gone.

Update: Assemblyman Jim Beall has introduced [AB 433](#), which would make Medi-Cal recipients “categorically eligible” for food stamps and require CDSS to convene a group of stakeholders and propose a new name for the Food Stamp Program.

Policy Objective # 3: Use the Food Stamp Program to bring fresh fruits and vegetables to low-income communities.

The Governor and the Legislature should invest money to implement and evaluate the innovative approach to increasing produce consumption contained in [AB 2384](#).

While the Governor has publicly touted this legislation which passed in the last session and established a Healthy Food Purchase Pilot Program, funding was not included in his January Budget. Assemblyman Leno is leading the charge for inclusion in the budget.

CFPA fact sheets, letters of support, and other materials can be found on the [CFPA legislative tracking page](#), an excellent tool for monitoring legislation.