



Elimination of the CalWORKs Program

The County of San Diego opposes the Governor's proposal to eliminate the CalWORKs program.

Issue:

Elimination of the California Work Opportunity and Responsibility to Kids (CalWORKs) program places over 70,000 San Diego County residents (children and their parents) in jeopardy of hunger, homelessness, and poverty, adding stress to an already weakened economy and shifting significant costs to counties.

CalWORKs Funding Process:

California must meet a match requirement or Maintenance of Effort (MOE) in order to receive the federal Temporary Assistance for Needy Families (TANF) block grant.

The state allocates TANF block grant dollars to counties for CalWORKs administrative costs through a single block grant. Counties are required to contribute a MOE, and use all funds to cover costs for eligibility determination, employment case management, supportive services such as child care and transportation, training and education, behavioral health services and other supports.

For FY 2008-09 the federal portion of the single block grant for San Diego County is \$72.2 million and the state allocation is \$15 million. The County's MOE is \$10.5 million.

In addition, the state uses the TANF block grant to pay assistance payments, and requires counties to contribute two and a half percent of assistance payment costs.

Fiscal Impact:

- The County of San Diego would lose \$87.2 million in federal and state dollars for CalWORKs administration.
- The San Diego region would lose approximately \$185 million in federal and state contribution to CalWORKs assistance payments for FY 2009-10.
- Approximately \$200 million in administration and General Relief (GR) aid payment costs could be shifted to the County.
- California would lose an estimated \$6 billion in federal funds for CalWORKs assistance payments and administration (approximately \$4 billion for assistance payments and \$2 billion for state administration costs).

Shifting Costs to the County:

The elimination of the CalWORKs program would shift financial responsibility for an estimated 80 percent of CalWORKs San Diego County families to the GR program at 100 percent County cost. The estimated cost to the County for serving this population could be as much as:

- \$121 million increase annually for GR aid payments.
- \$68.2 million annually for GR eligibility and administration.

- \$2.2 million annually for GR appeals.
- \$6.5 million to \$8.3 million annually for program integrity.
- \$748,625 annually for work activities such as community service and independent job search (potential federal share 50%).
- \$6.3 million in staff costs (one time) to convert families to Food Stamps and Medi-Cal.

San Diego County CalWORKs Recipients at Risk:

Elimination of the CalWORKs program would put families and children at risk. The economic crisis facing the nation has resulted in more families seeking and receiving assistance. From April 2008 to April 2009, San Diego County has seen a significant demand and growth in the program including:

- 8.6 percent increase in applications.
- 11 percent increase in individuals receiving assistance.

If CalWORKs is eliminated, the following San Diego County residents would be impacted (based on April 2009 data):

- 27,376 families would lose CalWORKs cash aid representing 54,142 children and 16,354 adults.
- 500 pregnant or parenting teens would no longer receive support to finish their high school education.
- 11,800 parents would no longer receive support services to achieve self-sufficiency.
- 10,916 children would not receive CalWORKs-funded child care.

Loss of Supportive Services:

The following services that prepare and allow families to work would be terminated:

- Child care assistance
- Alcohol and drug screening and treatment
- Mental health treatment
- Learning disability evaluation and services
- Assistance for parenting teens to complete high school

Impact on Children and Families:

- Parents would no longer receive preparation and support for work, impacting their ability to achieve self-sufficiency.
- Children and families will struggle to meet their most basic needs, including food, shelter and clothing.
- Family homelessness will likely increase.
- Children will be thrown deeper into poverty, risking health and well-being.

Impacts to the San Diego Region

Impact to County Staff:

As a result of the elimination of the CalWORKS program, the County of San Diego could be forced to reduce approximately 300 staff positions in the following areas:

- CalWORKs eligibility and administration
- Welfare to work employment services
- Child care
- Food stamps
- CalLearn
- Substance abuse and mental health

Impact to County Contractors/Service Providers:

The elimination of CalWORKS will have a potential fiscal impact on our community partners. The following county contracts/service providers could be at risk:

- Welfare-to-Work Contractors – \$8.4 million to three contractors serving 11,500 adults.
- Alcohol and Drug Treatment Providers – Nearly \$2 million paid to 19 contractors to screen 6,149 parents and serve approximately 500 recovering parents annually.
- Mental Health Contractor – \$3.2 million annually serving approximately 1,140 adults.
- Child Care – Nearly \$29 million annually in provider payments.
- CalLearn Contractor – \$834,416 annually for services to 497 pregnant and parenting teens.
- Translation Services – \$140,000 annually.
- Mentoring Services – \$350,000 annually.

Impact to Community Partners:

As a result of eliminating CalWORKs, families in need and in distress may request additional services from the following community agencies:

- 2-1-1 information and referral services
- Faith based & community based organizations
- Food banks
- San Diego Workforce Partnership
- Homeless shelters and housing assistance programs

Impact to other County Programs:

Elimination of the CalWORKS program could put California's entire TANF block grant at risk. Elimination of CalWORKS will impact the MOE which can result in the loss of all TANF block grant funds. The County uses TANF block grant funding to support various programs. Loss of TANF funding could result in additional cost shifts to the County.

The County's Health and Human Services Agency could experience an estimated loss of \$26.4 million in the following programs:

- Certain foster care assistance payments
- Child welfare hotline
- Polinsky Children's Center
- KinGAP