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THE GOVERNOR'S PROPOSED BUDGET WOULD ELIMINATE CALWORKS CASH ASSISTANCE FOR MORE THAN 1.4 MILLION LOW-INCOME CHILDREN AND PARENTS

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program provides cash assistance to low-income families with children, while helping parents find jobs and overcome barriers to employment. More than three-quarters (77.9 percent) of CalWORKs recipients are children. The Governor's Proposed 2010-11 Budget proposes to:

- Reduce CalWORKs payments by 15.7 percent effective June 1, 2010. This proposal would cut the maximum monthly payment for a family of three in high-cost counties from \$694 to \$585, thereby reducing cash assistance for more than 1.4 million children and parents and causing an estimated 20,500 recipients who receive small payments to lose the entire amount. CalWORKs payments have not kept pace with inflation and their purchasing power would decline further under this proposal, which would cut cash assistance by \$649.4 million between June 2010 and June 2011.
- Eliminate CalWORKs eligibility for 23,750 legal immigrants who have resided in the US for less than five years for savings of \$3.5 million in 2009-10 and \$57.6 million in 2010-11.¹
- Eliminate the CalWORKs Program if the state does not receive \$6.9 billion in additional federal funds, as assumed in the Governor's Proposed 2010-11 Budget. This proposal would terminate cash assistance and a range of services for more than 1.4 million low-income children and parents as of October 1, 2010.² Eliminating CalWORKs would cause California to lose three-quarters (\$2.8 billion) of the state's federal Temporary Assistance for Needy Families (TANF) block grant in 2010-11, and to lose the state's entire annual \$3.7 billion TANF block grant every year thereafter.³ In addition, an estimated \$1.8 billion in state and county CalWORKs funds would not be available to help low-income families with children in 2010-11.⁴ Moreover, California could lose more than \$500 million in additional federal funds to help offset state expenditures for CalWORKs in 2010-11 if Congress extends a key provision of the American Recovery and Reinvestment Act of 2009 (ARRA).⁵

¹ This proposal would take effect on June 1, 2010. The DSS was not able to provide information on the geographic distribution of legal immigrants who would be affected by this proposal. Therefore, the CBP could not develop local estimates of the impact of this proposal.

² This estimate includes roughly 8,700 individuals who do not receive cash assistance, but who can receive the full range of CalWORKs services.

³ California uses TANF dollars to fund CalWORKs and a range of other program costs that would otherwise be supported by the state's General Fund.

⁴ Some families who would lose CalWORKs cash assistance could become eligible for county-funded General Assistance. Therefore, this proposal could result in a potentially significant cost shift to counties.

⁵ These funds are provided through the ARRA's Emergency Contingency Fund (ECF), which provides increased federal funding for TANF-related assistance. The \$500 million figure reflects a CBP estimate of forgone ECF funds between October 1, 2010, and June 30, 2011 and assumes that Congress extends the ECF beyond the current expiration date of September 30, 2010.

Estimated County Impact of Governor's Major CalWORKs Program Proposals

County	Reduce CalWORKs Payments by 15.7 Percent			Eliminate CalWORKs Program	
	Number of Recipients for Whom Cash Assistance Would Be Reduced	Number of Recipients Who Would Lose All Cash Assistance	Total Loss of Funds, June 2010 Through June 2011	Number of Recipients Who Would Lose Cash Assistance and Services	Total Loss of Funds, October 2010 Through June 2011
Alameda	46,330	680	\$21,379,000	48,070	\$151,704,000
Alpine	10	0	\$7,000	10	\$47,000
Amador	940	10	\$434,000	980	\$3,077,000
Butte	8,840	130	\$4,079,000	9,170	\$28,944,000
Calaveras	1,430	20	\$660,000	1,480	\$4,686,000
Colusa	460	10	\$211,000	470	\$1,495,000
Contra Costa	25,610	370	\$11,819,000	26,570	\$83,866,000
Del Norte	2,280	30	\$1,052,000	2,370	\$7,467,000
El Dorado	2,650	40	\$1,224,000	2,750	\$8,689,000
Fresno	79,180	1,150	\$36,544,000	82,160	\$259,308,000
Glenn	1,280	20	\$593,000	1,330	\$4,205,000
Humboldt	4,040	60	\$1,864,000	4,190	\$13,228,000
Imperial	12,890	190	\$5,949,000	13,380	\$42,212,000
Inyo	250	4	\$116,000	260	\$826,000
Kern	52,000	760	\$24,000,000	53,960	\$170,302,000
Kings	7,550	110	\$3,483,000	7,830	\$24,713,000
Lake	2,880	40	\$1,331,000	2,990	\$9,445,000
Lassen	1,250	20	\$577,000	1,300	\$4,092,000
Los Angeles	411,750	6,000	\$190,023,000	427,240	\$1,348,375,000
Madera	7,730	110	\$3,566,000	8,020	\$25,305,000
Marin	2,560	40	\$1,182,000	2,660	\$8,389,000
Mariposa	520	10	\$241,000	540	\$1,712,000
Mendocino	3,400	50	\$1,567,000	3,520	\$11,123,000
Merced	19,490	280	\$8,997,000	20,230	\$63,841,000
Modoc	380	10	\$176,000	400	\$1,250,000
Mono	110	2	\$48,000	110	\$344,000
Monterey	11,940	170	\$5,511,000	12,390	\$39,103,000
Napa	1,660	20	\$767,000	1,730	\$5,445,000
Nevada	1,740	30	\$803,000	1,800	\$5,697,000
Orange	53,190	780	\$24,545,000	55,190	\$174,170,000
Placer	4,630	70	\$2,138,000	4,810	\$15,172,000
Plumas	430	10	\$200,000	450	\$1,420,000
Riverside	82,950	1,210	\$38,284,000	86,080	\$271,654,000
Sacramento	89,070	1,300	\$41,104,000	92,420	\$291,665,000
San Benito	2,130	30	\$981,000	2,210	\$6,961,000
San Bernardino	123,280	1,800	\$56,893,000	127,920	\$403,705,000
San Diego	77,310	1,130	\$35,678,000	80,220	\$253,167,000
San Francisco	11,190	160	\$5,165,000	11,610	\$36,647,000
San Joaquin	41,220	600	\$19,023,000	42,770	\$134,988,000
San Luis Obispo	4,940	70	\$2,279,000	5,120	\$16,169,000
San Mateo	6,410	90	\$2,960,000	6,660	\$21,005,000
Santa Barbara	11,420	170	\$5,272,000	11,850	\$37,412,000
Santa Clara	38,650	560	\$17,837,000	40,100	\$126,566,000
Santa Cruz	5,420	80	\$2,504,000	5,630	\$17,765,000

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Shasta	7,930	120	\$3,658,000	8,220	\$25,957,000
Sierra	70	1	\$34,000	80	\$244,000
Siskiyou	2,100	30	\$969,000	2,180	\$6,875,000
Solano	15,970	230	\$7,371,000	16,570	\$52,306,000
Sonoma	8,270	120	\$3,817,000	8,580	\$27,085,000
Stanislaus	30,180	440	\$13,928,000	31,310	\$98,830,000
Sutter	4,310	60	\$1,990,000	4,470	\$14,123,000
Tehama	3,510	50	\$1,621,000	3,640	\$11,501,000
Trinity	500	10	\$230,000	520	\$1,631,000
Tulare	39,940	580	\$18,431,000	41,440	\$130,780,000
Tuolumne	1,700	20	\$785,000	1,760	\$5,570,000
Ventura	18,170	260	\$8,383,000	18,850	\$59,486,000
Yolo	5,780	80	\$2,669,000	6,000	\$18,936,000
Yuba	5,200	80	\$2,398,000	5,390	\$17,013,000
Total	1,407,040	20,500	\$649,351,000	1,459,970	\$4,607,691,000

Note: As displayed in this table, the impact of reducing CalWORKs grants is discrete from the impact of eliminating CalWORKs; therefore, the lost funds associated with each proposal should not be combined. Total recipients whose grant would be reduced under the grant reduction proposal is based on a Department of Social Services (DSS) projection of the average monthly number of CalWORKs cash assistance recipients in 2010-11, assuming the elimination of eligibility for recent legal immigrants. Total recipients who would lose their entire grant under this proposal is based on a DSS projection of the number of families affected (8,400), adjusted by the CBP to reflect the average number of persons per family for families receiving cash assistance. Total loss of funds under this proposal is a DSS estimate of grant savings. Total recipients who would be affected by the CalWORKs elimination proposal reflects the average monthly CalWORKs caseload in 2010-11 based on a DSS forecast, adjusted by the CBP to represent the projected caseload assuming the Governor's proposals are not enacted and to include families who receive CalWORKs services but not cash assistance. Total loss of funds under the proposal to eliminate CalWORKs reflects federal, state, and county dollars and is based on a CBP projection of 2010-11 CalWORKs cash assistance, services, Stage 1 child care, and administrative expenditures for more than 1.4 million recipients under current law, adjusted to reflect the Governor's proposed implementation date of October 1, 2010. County estimates are based on each county's share of the average statewide CalWORKs caseload in August, September, and October 2009. Estimates of affected recipients are rounded to the nearest 10, except for several small counties, and estimates of loss of funds are rounded to the nearest \$1,000. County estimates may not sum to totals due to rounding.

Source: CBP analysis of Department of Social Services data