



## Assistance to Low-Income Families Is Still Below the Deep-Poverty Level, Due to Recent Years' Budget Cuts

The Governor's 2015-16 budget proposal fails to boost assistance to low-income families, despite the state's higher-than-average poverty rate and an uneven economic recovery that is leaving many Californians behind. While the Governor mentions these troubling facts in the budget proposal, the proposed budget generally maintains recession-era benefit levels for many programs and services that together provide a critical safety net for the millions of Californians living in poverty.

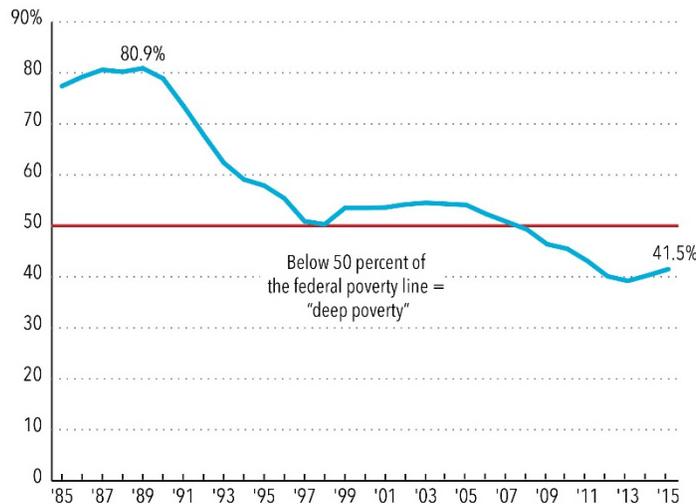
The California Work Opportunity and Responsibility to Kids (CalWORKs) Program is a key part of the state's safety net for low-income families with children. CalWORKs provides cash assistance to families, while helping parents overcome barriers to employment and find work. Nearly four out of five Californians receiving cash assistance through CalWORKs are children.

Recent years' budget cuts have hampered CalWORKs' ability to provide assistance to some of California's most vulnerable families. These cuts include reducing grant levels and eliminating the cost-of-living adjustment for grants. In addition, policymakers rolled back the CalWORKs time limit for adults from five years to four and changed the law so that adults now must meet more stringent work participation requirements in their final two years in the program. Policymakers have taken some steps recently to reverse some of these cuts, such as the modest increases to grants that were included in the 2013-14 and 2014-15 budget agreements.

Despite the small increase in CalWORKs grant levels, policymakers have additional work to do to assist the more than 1 million low-income children who rely on CalWORKs. Even with these grant increases, the maximum monthly grant for a family of three in a high-cost county will still be \$19 lower than in 2007-08, without adjusting for inflation. (The 2014-15 grant increase goes into effect on April 1, 2015.) Because grants have not kept pace with inflation, the value of the CalWORKs grant fell below the "deep poverty" threshold, defined as 50 percent of the federal poverty line, in 2008 and remains there today.

## Under the Governor’s Proposal, CalWORKs Grants Would Remain Far Below the Deep-Poverty Threshold

Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line



Note: Grants are for high-cost counties beginning in 1996. Prior to 1998, grants were provided through the Aid to Families with Dependent Children Program. The 2015 grant reflects a 5% increase scheduled for April 2015. Source: CBP analysis of Department of Social Services, US Department of Health and Human Services, and US Social Security Administration data

The Governor’s 2015-16 budget proposal gives lip service to the millions of Californians still struggling in the wake of the Great Recession. However, under his proposal many of the safety net programs that could help lift these families out of poverty – such as CalWORKs – would remain at recessionary levels serving fewer people and providing smaller benefits. As the Governor and the Legislature work together in coming months to craft a final budget, it is critical that they take clear steps to align state spending priorities with the real economic challenges that many California families face today.