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March 21, 2018

The Honorable Richard Pan, M.D.  
Chair, Senate Budget and Fiscal Review Subcommittee #3  
State Capitol, Room 5114  
Sacramento, CA 95814

**Re: CalWORKs Single Allocation Funding**

Dear Senator Pan:

On behalf of the California State Association of Counties (CSAC), I write to express our SUPPORT for restoring the \$56.5 million that is proposed to be cut from the California Work Opportunity and Responsibility to Kids Act (CalWORKs) program Single Allocation in 2018-19. The CalWORKs Single Allocation is the funding that the state provides to counties to administer the CalWORKs program and funds local eligibility activities, employment and supportive services, and child care for CalWORKs recipients. Restoring this proposed cut in the 2018-19 budget will provide vital funding to counties that will help prevent service and staffing reductions.

Last year, the Legislature restored \$108.9 million of the proposed \$248 million cut in the 2017-18 budget. The Governor's January budget proposal includes a \$187 million increase for the eligibility component of the Single Allocation, including a continuation of the \$108.9 million augmentation provided by the Legislature for the current year budget. However, the January budget proposal also includes funding reductions to the employment services and child care components due to caseload declines. The overall funding level represents a \$56.5 million cut from current year funding. If adopted, this reduction would be on top of the \$140 million reduction to the Single Allocation that counties have already experienced in the current year and another \$156 million reduction taken the year prior, resulting in a 17.4 percent reduction over the three-year period.

The 2017-18 budget also included a critical provision that requires the California Department of Social Services (CDSS) to work with the County Welfare Directors Association (CWDA) to develop a new budgeting methodology. A new methodology revising the current caseload-driven budget methodology is necessary to insulate counties and beneficiaries from experiencing huge swings in year-to-year funding levels. Good progress has been made, but the required budgeting methodology conversations are not yet completed. CWDA has worked closely with CDSS and developed an ambitious timeline for the eligibility component, as well as a plan to incorporate the ongoing implementation of the CalWORKs Outcomes and Accountability Review (CalOAR) into the employment services component, which will take more time.

Due to cuts from prior years, counties have already enacted service reductions, and have stopped hiring both welfare-to-work and eligibility staff and eliminated positions. This has led to reductions in subsidized employment programs, employment services, family stabilization services, support for the Housing Support Program, availability of supportive services, like child care, and to lengthening application processing times. Another \$56.5 million reduction would exacerbate these reductions and counties are expressing serious concerns about maintaining participant engagement and their Work Participation Rates.

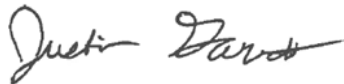
In addition, this proposed reduction will leave counties woefully unprepared for the inevitable next recession. When that recession occurs, there will be a spike in demand for CalWORKs,

but this proposed cut to the Single Allocation would almost guarantee significant disruption and delay in this vital safety net program.

Finally, restoring the proposed cut will allow counties to stabilize operations and focus on other CalWORKs reforms. The Legislature adopted CalOAR to establish and improve outcomes in the CalWORKs program, but an additional cut will further degrade services and hinder counties' ability to implement these reforms.

For these reasons, CSAC supports the restoration of the proposed \$56.5 million cut to the CalWORKs Single Allocation. Should you have any questions about our position, please do not hesitate to contact me at (916) 650-8117 or jgarrett@counties.org. Thank you for your consideration.

Sincerely,



Justin Garrett  
Legislative Representative

cc: Honorable Members, Senate Budget and Fiscal Review Subcommittee #3  
The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee  
The Honorable Toni Atkins, President pro Tempore, California State Senate  
Theresa Pena, Consultant, Senate Budget and Fiscal Review Committee  
Rebecca Hamilton, Senate Republican Fiscal Office  
Chris Woods, Office of the Senate President Pro Tempore  
Bernadette Lawrence, Office of Senator Richard Pan  
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