



May 25, 2017

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The Honorable Philip Ting  
Chair, Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

**Re: May Revision, Section 5180 – Restore Critical CalWORKs Funding and Revise Single Allocation Budget Methodology**

Dear Assembly Member Ting:

On behalf of the California State Association of Counties (CSAC), I write to express our SUPPORT for the recommendation from the Assembly Budget Subcommittee No. 3 to augment California Work Opportunity and Responsibility to Kids Act (CalWORKs) program funding by \$140 million in 2017-18 and revise the Single Allocation budgeting methodology to provide counties the resources necessary to effectively deliver CalWORKs services in the future.

The May Revision of the Governor's 2017-18 state budget proposes to cut \$248 from the CalWORKs Single Allocation, which funds local eligibility activities, employment and supportive services, and child care for CalWORKs recipients. This cut represents a 13.3 percent cut to the current year funding level, and is on top of a \$160 million reduction to the Single Allocation that counties already experienced as part recent budgeting methodology. This "double whammy" reduction in local funding for CalWORKs activities will have devastating effects on the CalWORKs services and administrative infrastructure and the families that counties serve. Counties will need to enact immediate service reductions, eliminate positions, and lay off existing staff if the Governor's proposal is included in the 2017-18 Budget Act. These local reductions will also impact participant engagement and the state Work Participation Rate.

It is clear that it is time to revisit the two-decade-old caseload-driven budget methodology used to develop the annual CalWORKs Single Allocation. Because CalWORKs caseload is closely tied to the performance of the economy, counties experience huge swings in funding levels for the Single Allocation, and this year is the perfect example: significant reductions in the current year and yet more proposed for next year. It is difficult for counties to ramp up quickly in years when funding drops, as well as to make rapid cuts when funding drops, as many of these local costs are tied to personnel. CSAC believes it is time to reexamine how the CalWORKs Single Allocation Budget is built. While caseload should remain a factor, funding should also be budgeted to support a minimum services infrastructure and ongoing administrative workload. Any allocation should also support the programmatic goals and outcomes for CalWORKs, as well.

It is for these reasons that CSAC supports the Assembly proposal to appropriate \$140 million in 2017-18 to augment the CalWORKs Single Allocation, and adopt trailer bill language to develop a new budgeting methodology for these costs that emphasizes stability in both funding and program outcomes. Should you have any questions about our position, please do not hesitate to contact me. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Dea Baker".

DeAnn Baker  
CSAC Deputy Executive Director, Legislative Affairs

cc: The Honorable Speaker, Anthony Rendon, California State Assembly  
Honorable Members, Assembly Budget Committee  
Nicole Vazquez, Consultant, Assembly Budget Committee  
Michael Cohen, Director, Department of Finance  
Will Lightbourne, Director, Department of Social Services  
Donna Campbell, Deputy Secretary of Legislative Affairs, Office of the Governor  
Chris Woods, Consultant, Office of Assembly Speaker Rendon  
Grail Gronert, Consultant, Office of Assembly Speaker Rendon  
Ginni Bella Navarre, Legislative Analyst's Office  
Cyndi Hillery, Assembly Republican Caucus  
Mary Bellamy, Assembly Republican Caucus  
Cathy Senderling-McDonald, County Welfare Directors Association