AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

WEDNESDAY, FEBRUARY 25, 2015
SPECIAL START TIME OF 1:00 P.M. - STATE CAPITOL ROOM 444

ITEMS TO BE HEARD

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ISSUE 1	STATE STRATEGIES TO REDUCE POVERTY IN CALIFORNIA	2
ISSUE 2	CALWORKS PROGRAM AND BUDGET REVIEW, INCLUDING: • PROGRAM BACKGROUND, FUNDING, AND CASELOAD • CURRENT PROGRAM CONDITION • OVERSIGHT OVER RECENT CHANGES • GOVERNOR'S PROPOSALS FOR 2015-16 • ANTI-POVERTY STRATEGIES IN CALWORKS • ADDITIONAL ADVOCATES' REQUESTS • STAFF COMMENTS	12
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LIST OF PANELISTS IN ORDER OF PRESENTATION

ISSUE 1: STATE STRATEGIES TO REDUCE POVERTY

- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office
- Chris Hoene, Executive Director, California Budget Project
- Michele Stillwell-Parvensky, Senior Policy and Communications Associate, Children's Defense Fund - California
- Will Lightbourne, Director, California Department of Social Services

ISSUE 2: CALWORKS – PROGRAM AND BUDGET REVIEW

- Will Lightbourne, Director, and Todd Bland, Deputy Director, Welfare-to-Work Division, California Department of Social Services
- Mike Herald, Advocate, Western Center on Law and Poverty
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organizations
- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office
- Kris Cook, Finance Budget Analyst, Department of Finance
- Public Comment on All CalWORKs Issues

ISSUE 3: CALFRESH AND FOOD ASSISTANCE – PROGRAM AND BUDGET REVIEW

- Todd Bland, Deputy Director, Welfare-to-Work Division, California Department of Social Services
- Jessica Bartholow, Advocate, Western Center on Law and Poverty
- Keisha Nzewi, Advocacy Manager, Alameda County Community Food Bank
- Justin Rausa, Policy Director, Roots of Change
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office
- Kris Cook, Finance Budget Analyst, Department of Finance
- Public Comment on all CalFresh Issues

ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: STATE STRATEGIES TO REDUCE POVERTY

PANEL

Panelists have been invited by the Subcommittee to make presentations on state strategies to consider that would reduce California's highest-in-the-nation poverty rate. They include:

- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office
  - Options for a State Earned Income Tax Credit

- Chris Hoene, Executive Director, California Budget Project
  - State Strategies to Reduce Poverty

- Michele Stillwell-Parvensky, Senior Policy and Communications Associate, Children's Defense Fund - California
  - Ending Child Poverty Now Initiative

- Will Lightbourne, Director, California Department of Social Services

BACKGROUND

Subcommittee No. 1 on Health and Human Services has heard the issues around poverty in California in many hearings over the past several years, as the state's economy went through and then started to recover from the Great Recession. The Subcommittee reviews California's safety net programs against this contextual backdrop, so the topic of possible state strategies to be considered for adoption as part of the 2015-16 Budget to address the state's high poverty level will be explored and discussed here. This discussion may touch on specific program areas further addressed in this agenda and those that will be considered as part of the Subcommittee's deliberations throughout the spring process.

Poverty in California. California has the highest poverty in the country compared to any other state. Nearly one in four Californians (24 percent) lived in poverty between 2010 and 2012, on average, based on the United States Census Bureau's Supplemental Poverty Measure (SPM). Poverty is conventionally defined as the condition of having insufficient resources to achieve a minimum standard of living. The SPM is a newer method of comprehensively assessing resources that a household has available to meet basic needs, and, as it was applied to California (called the California

Poverty Measure, or CPM), illuminated that the high cost of living, along with the condition of the job market and the prevalence of a low-wage job sector, doesn't provide families with enough income to meet the most basic expenses of daily life.

The following table uses information from the Public Policy Institute of California, which has made available a data set on California's poverty rate by county.

County	CPM Rate	CPM Poverty Threshold for a Family of Four
Alameda	18.4%	$31,701
Alpine/Amador/Calaveras/Inyo/Mariposa/Mono/Tuolumne	16.1%	$26,377
Butte	19.9%	$25,532
Colusa/Glenn/Tehama/Trinity	15.7%	$24,659
Contra Costa	18.6%	$31,743
Del Norte/Lassen/Modoc/Siskiyou	20.4%	$23,856
El Dorado	13.6%	$28,152
Fresno	20.2%	$24,518
Humboldt	17.3%	$24,954
Imperial	22.1%	$23,236
Kern	19.2%	$24,307
Kings	14.5%	$24,419
Lake/Mendocino	19.5%	$26,349
Los Angeles	26.9%	$30,785
Madera	20.5%	$24,109
Marin	19.0%	$35,785
Merced	22.2%	$24,236
Monterey/San Benito	24.6%	$29,518
Napa	25.5%	$31,335
Nevada/Plumas/Sierra	14.6%	$27,518
Orange	24.3%	$33,842
Placer	13.8%	$29,659
Riverside	20.4%	$28,828
Sacramento	17.1%	$27,518
San Bernardino	19.5%	$27,926
San Diego	22.7%	$31,307
San Francisco	23.4%	$36,349
San Joaquin	18.1%	$26,518
San Luis Obispo	22.0%	$29,954
San Mateo	18.4%	$36,504
Santa Barbara	21.9%	$32,109
Santa Clara	18.7%	$34,377

County	CPM Rate	CPM Poverty Threshold for a Family of Four
Santa Cruz	22.1%	$32,884
Shasta	19.0%	$26,025
Solano	16.1%	$30,166
Sonoma	17.3%	$30,898
Stanislaus	23.1%	$26,391
Sutter/Yuba	13.7%	$24,602
Tulare	20.2%	$23,476
Ventura	21.2%	$33,433
Yolo	23.6%	$28,884

Child Poverty. A September 2014 report from the Public Policy Institute of California that further reviewed the CPM revealed that 25 percent of California's children live in poverty, about 2.3 million. The California Budget Project's (CBP's) August 2014 report titled "Five Facts Everyone Should Know About Poverty" included the following information on child poverty:

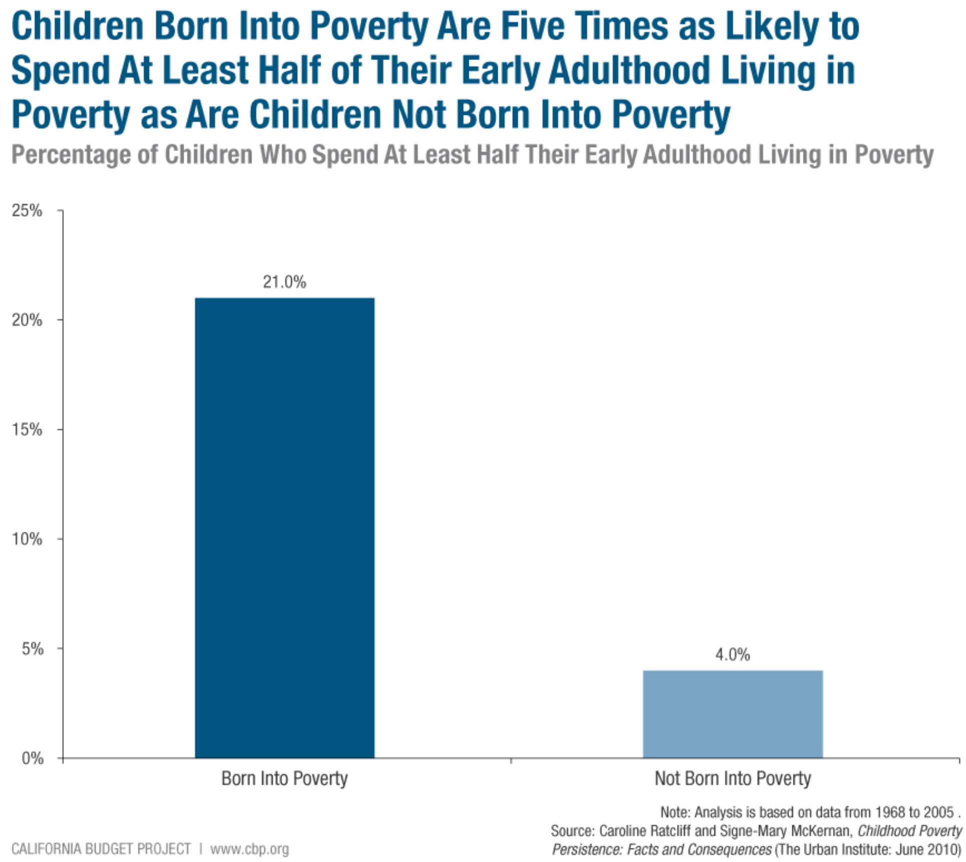
"Millions of our state's children suffer severe economic hardship every year. [One] in 10 lived in deep poverty, subsisting on family incomes below half the poverty line. In reality, many more children experience hardship during their lives than the official poverty rate suggests, because families tend to cycle in and out of poverty. Well over one-third of US children (37 percent) fall into poverty at some point during their childhood, while one in 10 remain in poverty for at least half of their childhood.

Growing up in poverty can be detrimental to children's futures, and children who are born into poverty are significantly more likely to remain in poverty throughout their childhood. In addition, they are five times as likely to spend half of their early adult years living in poverty as are children not born into poverty. This finding may reflect the fact that low-income children face numerous obstacles that make it challenging to perform well in school, potentially limiting their future job prospects. For example:

- Families living in poverty often struggle to afford sufficient food, and hungry, malnourished children can have trouble learning and concentrating at school.
- Low-income families also struggle to afford adequate housing and may be forced to live in crowded or unsafe conditions that increase their children's vulnerability to illness and stress, which could lead to poorer school performance.
- Low-income parents also may be unable to afford educational resources or enriching activities that help prepare their children for school, and they are more likely to live in neighborhoods with poorer-quality schools.

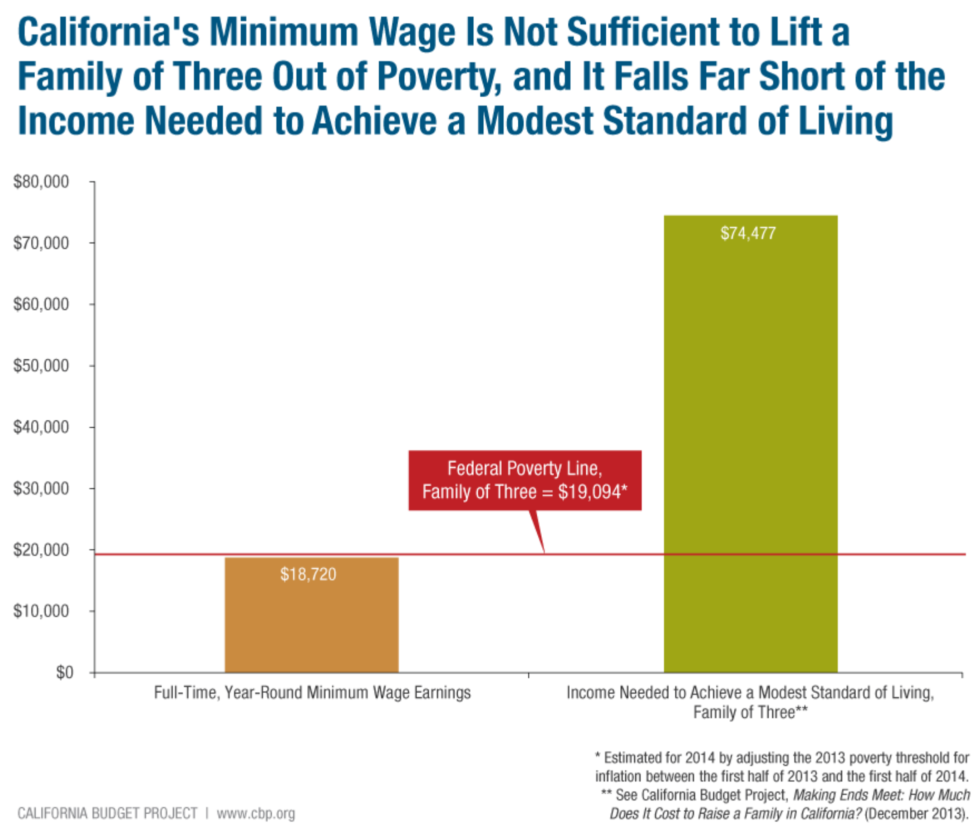
In addition, emerging research suggests that the stress associated with living in poverty can produce detrimental effects on children's developing brains, reducing their cognitive skills and ability to learn.

These disadvantages likely compound each other so that by the time children reach adulthood they are less prepared to compete for well-paying, high-quality jobs and less able to support themselves and their families. Research suggests, however, that low-income children's academic achievement improves when their families' incomes are boosted through public programs or tax credits, and some studies suggest that these gains translate into better outcomes, such as higher earnings and less need for public assistance, when children reach adulthood.



Working Poor Falling Behind. The CBP report also discusses that policymakers have increasingly emphasized work as the primary pathway out of poverty, but the effectiveness of this approach has been largely undermined by too few well-paying jobs. Since the mid-1990s, for example, cash assistance for low-income families has been largely contingent on parents transitioning into the workforce. However, the jobs that parents typically find pay low wages, often too low to lift them out of poverty. Other low-income parents are unable to secure stable employment due to a range of challenges, including a lack of jobs close to where they live, a lack of reliable and affordable child care or transportation, health problems, chronically ill family members in need of care, and limited work experience. Consequently, many parents remain in poverty with few options to support themselves and their families.

Indeed, poverty largely reflects low-paying jobs, not the absence of employment. Two-thirds of California families living in poverty (67 percent) were supported by one or more workers in 2012, down only slightly from 71 percent in 2006, the year before the Great Recession began, when the state's unemployment rate was less than half of what it was in 2012. This large share of "working poor" is not surprising given that California's minimum wage is too low to lift most families above the poverty line, despite its recent increase from $8 to $9 per hour. A full-time, year-round worker paid the minimum wage earns just $18,720 per year, below the poverty line for a family of three ($19,094). The inadequacy of minimum wage earnings is even more striking considering that a family of three needs an income close to $75,000 to achieve a modest standard of living given California's high cost of housing and other basic necessities.



POVERTY REDUCTION STRATEGIES

Investments and changes in the social safety net are key strategies to reduce poverty, substantiated in recent reports from the Stanford Center on Income and Inequality and the Public Policy Institute of California. According to the U.S. Census Bureau, safety net programs on average kept nearly 4 million Californians, including 1 million children, out of poverty between 2009 and 2011. The federal EITC and the Child Tax Credit together worked to lift 1.3 million Californians, including 629,000 children, out of poverty each year, on average, between 2010 and 2012. These two federal credits cut the child poverty rate by 6 percentage points. Some of the options that will be discussed as part of the panel presentation on the subject of possible strategies to affect California's high poverty rate are discussed further below.

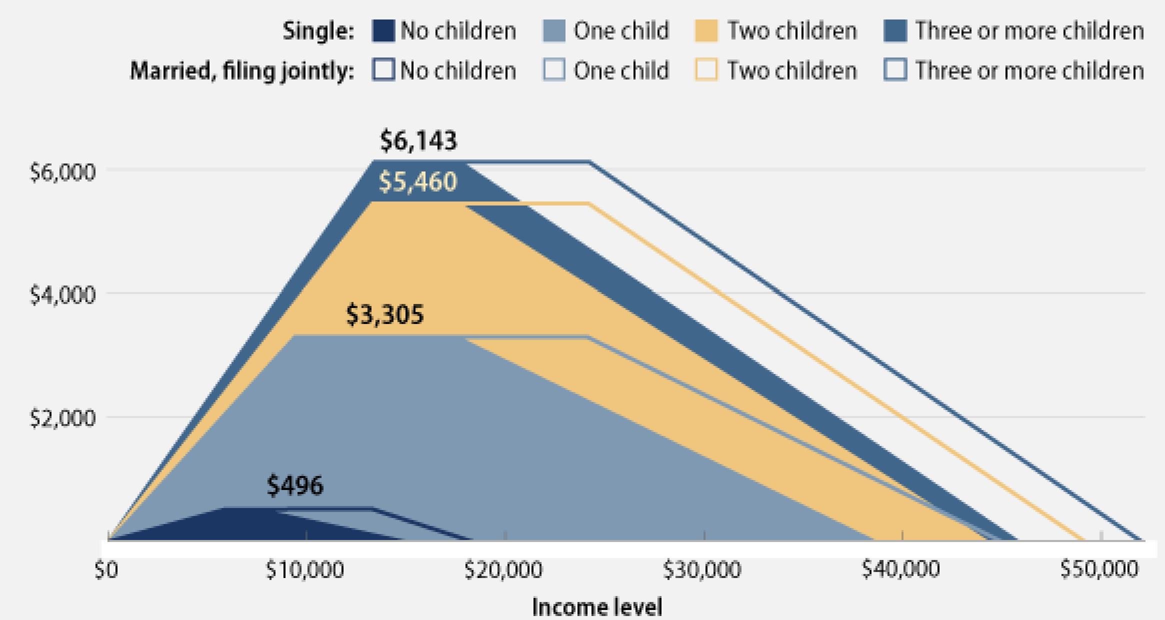
The Federal Earned Income Tax Credit (EITC). The federal Earned Income Tax Credit (EITC) is a refundable tax credit that is one of the nation's most effective tools for reducing economic hardship and ameliorating child poverty among working families. Research demonstrates that the EITC helps poor children by increasing family income, boosting academic achievement, and improving health outcomes. The EITC also increases employment among single parents by rewarding work, creating higher earnings in subsequent years. Many states have EITC provisions in their own income tax laws that supplement the federal EITC and in most cases are patterned after the federal EITC. California does not have its own EITC, though there have been several legislative attempts since 1999 to enact one.

The EITC is a provision of the federal income tax code that allows taxpayers with total income below a certain level to reduce their tax liability by an amount that depends on their "earned income," which primarily includes wages and self–employment income. Earned income does not include such sources as interest income, retirement income, or unemployment benefits. The chart below from the US Internal Revenue Service displays the value of the current federal EITC among various household scenarios.

FIGURE 1

Value of federal Earned Income Tax Credit, 2014

The EITC increases as you earn more money up to a certain level, gradually decreases in value as you need it less, and varies based on one's income and number of dependents.



Note: Figure is for illustrative purposes only and not all values are represented.

Source: Internal Revenue Service, *2014 Earned Income Credit (EIC) Table* (U.S. Department of the Treasury, 2014), available at http://apps.irs.gov-/app/vita/content/globalmedia/earned_income_credit_table_1040i.pdf.

A State EITC. As part of the Subcommittee's review last year of these same issues of poverty in California, it discussed the EITC among a range of other anti-poverty strategies, ultimately adopting language asking the Legislative Analyst's Office (LAO) to consult with stakeholders and prepare a report with options for a state EITC and analysis of the costs, benefits, and trade–offs associated with these options. The LAO completed its report in December 2014 and the full report is available at www.lao.ca.gov/reports/2014/finance/state-eitc/options-state-eitc-121814.aspx**.**

The LAO has been asked to present on its report, which first discusses the structure and effectiveness of the federal EITC. This is followed by a brief discussion of current state-level EITCs. The LAO then examined the key decisions state policymakers would face in designing an EITC for California and presented three options, described briefly below. These options are best viewed as building blocks that could be mixed and matched to meet the Legislature's objectives:

- Piggyback on the Federal Credit. The first option would piggyback on the federal EITC, matching 15 percent of the federal credit. This option would provide a relatively small benefit to a large number of people and would likely be simpler to administer. This option would encourage both part–time and full–time employment. The estimated revenue loss for this option is $1 billion with reach to approximately 120,750 households.

- Focus on Working Families With the Lowest Incomes. The second option would be available only to federal EITC filers with very low earnings. This option would provide a larger benefit to a smaller number of people, with the potential to raise approximately 56,250 families out of "deep" poverty (or living under one-half of the poverty threshold) and 45,250 families above the poverty line. The LAO estimates that roughly 2.7 million Californians were in households that would have benefited from this option 2012. This option would also encourage work participation, focusing on part–time rather than full–time employment. The estimated revenue loss for this option is $450 million.

- Supplement Federal Credit for Childless Adults. The third option would build on the federal EITC benefit for filers with no dependent children, who currently receive much smaller credits than filers with children. This option would similarly provide a larger benefit to a smaller population and could be more difficult to administer. This option would also encourage work participation, focusing on part–time rather than full–time employment. The estimated revenue loss for this option is $400 million with reach to approximately 21,000 households.

More than 3 million California households – almost one in five tax filers – received the federal EITC in 2012, although estimates suggest that only about 70 percent of eligible Californians claim the credit. The number of individuals in these households exceeds 10 million Californians, demonstrating the current reach of this social safety net policy and its potential if expanded through a state mechanism like any that the LAO has helped put forward for consideration.

Interaction with Raising the Minimum Wage. Research states that a state EITC works best in combination with continued increases in the minimum wage toward battling poverty. CBP states in its briefing report "A State EITC: Making California's Tax System Work Better for Working Families" that, "Creating a state EITC and boosting the minimum wage are two important strategies for helping working families and individuals to move up the economic ladder, and these policies should be thought of as complements, rather than alternatives, to each other. Together these two policies have the potential to boost financial security for low-income workers to a much greater extent than either policy could on its own.

One reason the EITC and minimum wage work best in combination is because they tend to benefit different groups of workers. The EITC primarily targets families with children, with more than 95 percent of federal EITC dollars going to families with children in 2012. In contrast, minimum wage increases benefit all workers earning that wage regardless of whether they have children. This means that minimum wage policies can fill in gaps where the EITC falls short. At the same time, the EITC can reach workers who have moderate earnings that are well above the minimum wage but who live in poverty due to insufficient work hours. Consider a single parent with two children who earns $12 per hour – above the minimum wage – but works only 30 hours per week due to a lack of child care. This individual would have the same take-home pay as a full-time minimum wage worker who also supports two children on her own ($18,720 per year). This means these two workers would be eligible for the same EITC. Although both workers have pre-tax incomes just below the poverty line, the part-time worker earning $12 per hour would not directly benefit from a minimum wage increase, but she would benefit from a state EITC.

There are other ways that a state EITC would work in tandem with increases to California's minimum wage. For instance, some evidence suggests that because the EITC encourages more people to work, it increases the total number of workers in the job market earning low wages. Increased competition among these workers could drive down their wages, thereby offsetting some of the financial gains that workers receive through the state EITC. However, regularly increasing the state's minimum wage would limit the extent to which wages at the low end of the distribution lose purchasing power. Consistently raising the minimum wage is also important for maintaining the EITC's value over time for the lowest earners. The EITC is structured such that a reduction in earnings means a lower credit for workers who receive very low wages. Therefore, if the minimum wage is not continually increased to keep up with the cost of living, minimum wage workers' earnings would be gradually eroded by inflation, and lower earnings would result in a smaller, inflation-adjusted EITC.

Repeal of CalWORKs Maximum Family Grant Rule. Currently a child born into a family receiving CalWORKs already does not receive a benefit unless the circumstance of the pregnancy is attested to be the result of rape, incest, or a failure in contraception. This policy is called the "Maximum Family Grant" or "MFG" rule and effectively suppresses the grant for a household with multiple children despite the demonstrated need for basic aid and living assistance required for CalWORKs eligibility. Children in households affected by MFG are therefore likely to be living in the condition of deepest poverty.

Repeal of the MFG would provide for the increased benefit payment starting now and into the future years for the current and incoming caseload. The Department of Social Services (DSS) has provided the following estimates for the MFG repeal.

Low Cost Estimate:

- Average per child increase in the grant on a monthly basis=$116
- Average monthly number of MFG Children is 134,906
- Annual Cost Estimate: 134,906 Children X $116 Average per Child Grant Increase X 12 Months=$187.8 million

High Cost Estimate:

- Average per child increase in the grant on a monthly basis=$136
- Average monthly number of MFG Children is 134,906
- Annual Cost Estimate: 134,906 Children X $136 Average per Child Grant Increase X 12 Months=$220.2 million

The high and low fiscal estimates are provided for perspective because the cost will vary depending on the actual distribution of MFG children and Assistance Unit (AU) or household size. The average per child increase in the grant on a monthly basis is between $116 and $136. The lower grant increase represents adding one child to the Maximum Aid Payment (MAP) MAP for an MFG family based on the average AU size in the CalWIN consortia. The higher grant increase represents the difference between the MAP for an AU of three and four, assuming one MFG child will be added to the AU for the grant calculation. These are two different assumptions for estimating purposes, as DSS does not have the data to see the true distribution of MFG children in all counties.

Raise CalWORKs Grants. CalWORKs grants, despite the 5 percent increase that will take effect on April 1, 2015, will still be at 43 percent of the federal poverty level. Cases where the adult is no longer receiving aid because they have either not been able to meet work requirements or they have exceeded their time limit receive an even smaller grant, pushing these families into extreme poverty. Increasing grant amounts in general, and considering an increase of the child-only and safety net grants that benefit children, continue to be pressing areas of need in the program. In addition, the reinstitution of the COLA to allow the grants to keep pace with inflation is a fundamental strategy to retain value in the grant as the economy changes.

Increase Months on the CalWORKs Welfare to Work Services Time Clock. Currently a participant receives 24 months of welfare to work (WTW) services and then must meet higher work standards to receive additional months after this, not to exceed 48 months of services in total. The federal TANF law that created CalWORKs allows for 60 months in a lifetime benefit. Bringing California's clocks back into alignment with the federal maximum is a critical area of policy in the program, as the case can be made that additional time for participants is needed to address barriers including educational and training needs, counseling, and mental health/substance abuse/domestic violence intervention services.

Increase the Earned Income Disregard. Currently CalWORKs families are allowed to keep a certain percentage of their earned income until their income grows too high (still below the Federal Poverty Level), and they “income out” or earn too much to qualify for the program. Proposals have been made in the past to allow for participants to keep more of their earnings, incenting work and allowing them more resources while they remain on the program. This strategy ensures that families don’t “income out” of the program too early to meaningfully give them an opportunity to pull themselves out of deep poverty.

Increase Investments for Seniors. Advocates are calling for an increase to the SSI/SSP grants, with reinstitution of a cost of living adjustment (COLA), to provide additional resources to those least able to improve their sources of income on their own – the aged, blind, and disabled. In addition, there is ongoing discussion about creating investments for Older Californians Act programs, such as Ombudsman, to provide proper oversight for residential facilities caring for those more frail in our community. The SSI/SSP issues will be discussed at the Subcommittee’s March 11th hearing.

ADVOCATES’ REQUESTS

The Subcommittee is in receipt of communication from several safety net advocacy organizations that write in support of many or all of the anti-poverty strategies outlined in this section. Their specific issues are and will be addressed under the program-specific subjects that constitute other sections of this and future agendas. As an exception, the recommendations from the Children’s Defense Fund’s Ending Child Poverty Now Initiative are included below as they lend themselves uniquely to this overarching subject. The recommendations are:

1. Enact a refundable state Earned Income Tax Credit (EITC).
2. Raise the state minimum wage.
3. Expand the number of child care slots for low income children.
4. Make the state Tax Credit for Child and Dependent Care Expenses refundable.
5. Increase CalWORKs basic needs benefits and eliminate the Maximum Family Grant rule in CalWORKs.
6. Fund transportation for low-income children.
7. Increase participation in CalFresh by integrating enrollment with health care enrollment.
8. Fund a state housing trust fund to develop affordable housing for extremely low income families.
   National Report: www.EndingChildPovertyNow.org
   California Report: www.cdfca.org/endchildpoverty

Staff Recommendation:

Staff recommends holding these issues open.

ISSUE 2: CALWORKS PROGRAM AND BUDGET REVIEW

PANEL

Panelists have been asked by the Subcommittee to make presentations on the issues discussed in this agenda.

- Will Lightbourne, Director, and Todd Bland, Deputy Director, Welfare-to-Work Division, California Department of Social Services
  - CalWORKs Overview, Program Update, and Governor's Budget

- Mike Herald, Advocate, Western Center on Law and Poverty
  - Discussion of Priority Issues

- Frank Mecca, Executive Director, County Welfare Directors Association of California
  - Discussion of Priority Issues

- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organizations
  - Discussion of Priority Issues

- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office

- Kris Cook, Finance Budget Analyst, Department of Finance

- Public Comment on All CalWORKs Issues

BACKGROUND

The California Work Opportunity and Responsibility to Kids (CalWORKs) program is California's version of the federal Temporary Assistance for Needy Families (TANF) program and is the state's main anti-poverty program, alongside CalFresh (formerly known as Food Stamps), offering a temporary basic needs benefit to families with children living in deep poverty. The program’s policies are set at the state level and are administered through county welfare departments (CWDs) at the local level.

CalWORKs was reengineered in the late-90s as part of "Welfare Reform" to change it from a mainly income support program to a program that could provide education, employment, and training programs to assist a family's movement to self-sufficiency. Components of CalWORKs include time limits on eligibility, work requirements, and supportive services, such as childcare and help with transportation, to support program participation.

Cash Assistance. Grant amounts vary across the state and are adjusted for family size, income, and other factors. For example, a family of three in a high-cost county that has no other income currently receives a cash grant of $670 per month (equivalent to 40 percent of the FPL). A family in these circumstances would generally also be eligible for food assistance through the CalFresh program in the amount of $503 per month and health coverage through Medi-Cal.

Work Requirement and Time Limit. As a condition of receiving aid, able–bodied adults are generally subject to a work requirement, meaning that they must be employed or participate in specified activities—known as "welfare–to–work activities"—intended to lead to employment. CalWORKs cases that include individuals subject to the work requirement are entitled to receive services to help meet the requirement, including subsidized child care and reimbursement for transportation and certain other expenses. Adults who fail to comply with the work requirement without good cause are sanctioned by being removed from the calculation of their family's monthly grant, resulting in decreased cash assistance (generally by about $130).

Adults are also generally limited to a cumulative lifetime maximum of 48 months of assistance in CalWORKs, reduced from the federally allowed 60 months as part of cost-saving actions taken in the 2011 Budget. In 2012, further reductions were made in the program, creating a 24-month Welfare to Work services clock, limiting the time period for most barrier-removal and employment services even further. Adults that exhaust their 48 months of lifetime cash assistance are also removed from the calculation of their family's monthly grant, resulting in decreased cash assistance. The family would continue to receive a reduced grant for children that remain eligible.

Funding and Caseload. CalWORKs is funded through a combination of California's federal TANF block grant allocation ($3.7 billion annually), the state General Fund, and county funds (including significant amounts spent by counties as a result of state–local realignment). In order to receive its annual TANF allocation, the state is required to spend a Maintenance of Effort (MOE) amount from state and local funds to provide services to families eligible for CalWORKs. In recent years, this MOE amount has been $2.9 billion. While the CalWORKs program makes up a majority of TANF and MOE spending, the TANF block grant is used to fund some programs in addition to CalWORKs, and some General Fund expenditures outside CalWORKs are counted toward the MOE requirement.

<u>Current Year.</u> The core CalWORKs program includes $5.5 billion in total funding, a $69.9 million net increase ($36.1 million decrease in Temporary Assistance for Needy Families [TANF]/ GF) in 2014-15. The expenditure increase is primarily due to a slower decline in the overall caseload projection and a higher rate of increase in the Employment Services caseload attributed to the full implementation of recent policy changes, including reengagement of previously exempt recipients. The cost increases are partially offset by lower than projected expenditures in Child Care, resulting in a lower base cost per case.

2015-16 Projections. The 2015-16 Budget includes $5.6 billion in total funding for the core CalWORKs program, an increase of $103.8 million over the revised 2014-15 level. While the overall CalWORKs final caseload is projected to decline by another 1.9 percent to 533,000 average monthly cases, 2015-16 reflects a full year of costs for providing a five percent grant increase to CalWORKs families as well as expanding program eligibility to individuals with a prior felony drug conviction.

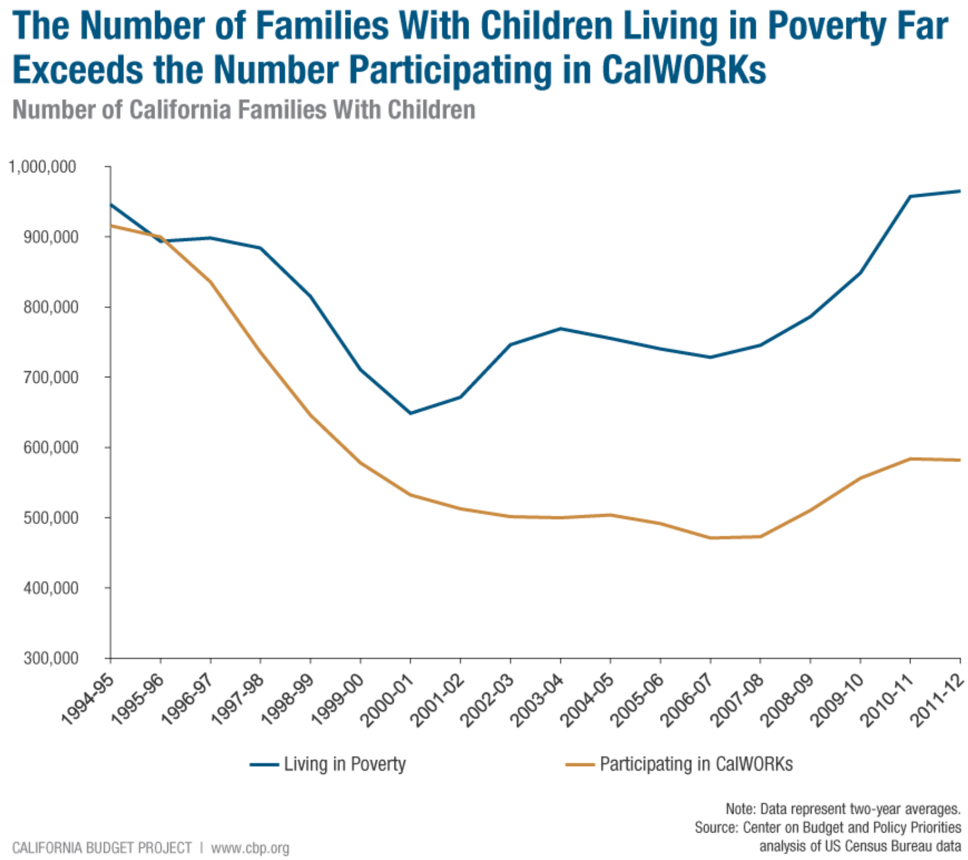
The 2015-16 costs also reflect a projected 3.8 percent increase in the Employment Services final caseload to about 240,000 cases primarily due to the 24 Month Clock and implementation of other policy changes. In addition, Stage One Child Care is projected to increase by 6.5 percent to about 41,800 children and the costs include a full year of increase to the Regional Market Rate for child care reimbursements.

The total CalWORKs budget, after accounting for funding adjustments and costs in eligible programs, reflects a $94.5 million net increase ($10.8 million TANF/GF) from the 2014-15 appropriation. The CalWORKs cost increases in 2015-16 are partially offset by less TANF used for CalGrants at the Student Aid Commission and more costs shifting from GF to CWDs, based on the latest projection of available Child Poverty and Family Support Subaccount funds.

Though not reflected in the Governor’s Budget, California continues to face potential fiscal penalties due to not meeting the federal work participation rate (WPR) from Federal Fiscal Year (FFY) 2008 through FFY 2011. To avoid or reduce the penalty, California entered into a Corrective Compliance Plan effective FFY 2015. California’s WPR is approximately 28.3 percent based on FFY 2014 and is estimated to increase substantially with current policies being implemented, such as the Work Incentive Nutritional Supplement (WINS), funding Safety Net and felons with non-MOE GF and Expanded Subsidized Employment. DSS is providing technical assistance to counties to improve the WPR and ensure the state achieves corrective compliance.

Who does CalWORKs serve? How does this interact with California's poverty rate? One million California children rely on the program and two-thirds of the CalWORKs caseload are Latino and Black families, most of whom are headed by a single female head of household. More children are expected to be the primary recipients of CalWORKs, receiving a child-only grant (where the adult is not aided as a member of the household), as the 24-month clock implements more fully in the 2015-16 year and adults not meeting work requirements are sanctioned off of the assistance unit.

Although public policies reduce hardship for millions of Californians, some public supports play a more limited role in helping families escape poverty today than they did in the past. According to the CBP, CalWORKs reaches fewer families today and provides far less support to those families it does reach. The number of families with children who lived in poverty exceeded the number participating in CalWORKs by two-thirds in 2011 and 2012, whereas the numbers were roughly equal in the mid-1990s. In addition, as mentioned previously, CalWORKs currently provides a family of three with no more than $670 per month — a level of support that, on its own, amounts to just 41 percent of the poverty line — well below the deep-poverty cut-off of half the poverty line. Twenty-five years ago, California's cash assistance program provided a maximum level of support equal to about 80 percent of the poverty line.



CURRENT PROGRAM CONDITION

Complex Changes Test Program Character, Effectiveness. The CalWORKs program has undergone complicated, continuous change over the past six years, the design of which reduced cumulatively over $1 billion dollars from the program. In short, the changed program has a (1) new, shorter lifetime time limit of 48 (versus the federally allowed 60) months, (2) flexibility within a 24-month period of that 48-month clock, called the 24-Month Welfare-to-Work services clock, (3) Early Engagement reforms that were intended to improve the experiences for families facing severe and multiple barriers to employment, such as homelessness and mental illness, given the shorter time limits, and (4) grants that, despite some increases, remain at historic lows.

Grant levels still below 50% of the poverty line. Maximum Aid Payment (MAP), or CalWORKs grant, levels were reduced by 4 percent in July 2009, followed by an additional 8 percent reduction in July 2011, for a cumulative 12 percent cut. An annual cost of living adjustment (COLA) was required for in statute to allow for grants to keep fair pace with inflation, though they often suspended in budget trailer bills to achieve savings. A significant change in COLA policy was made as part of the 2009 budget deal, when COLAs for both CalWORKs and SSI/SSP grants were permanently suspended absent an action from the Director of Finance. Grants were increased in March 2014 by 5 percent and are scheduled to increase again by 5 percent in April 2015, however, despite these changes, the levels remain at low levels and have lost dollar value significantly over time.

The chart below compares the CalWORKs grant (after it will rise by 5 percent on April 1, 2015) to what it was in 2007-08, and as a percent of the Official Poverty Measure (OPM, also known as the federal poverty level). When compared to the Supplemental or California Poverty Measure, both discussed earlier in this agenda, the percentages are even lower. Using 1996-97 as a base year, if grants have received no cuts or increases in the intervening years and received previously applicable COLAs, the 2015-16 maximum grant level would be $1,050 or 63 percent of poverty.

			Change	
	2007-08	**2014-15 (after 4/1/15)**	**Amount**	**Percent**
CalWORKs Grant for a family of three in a high-cost county with no income	$723	$704	-$19	-3%
CalFresh Benefit	356	493	137	38
Totals	$1,079	$1,197	$118	11
Grant as Percent of Poverty	**51%**	**42%**		

OVERSIGHT OVER RECENT CHANGES

Continuing, Slower-Than-Expected Early Engagement Implementation. Early Engagement components were approved as part of the enacted 2013-14 Budget. These include implementation of the Standardized Appraisal Tool, Family Stabilization program, and Expanded Subsidized Employment. These Early Engagement strategies were intended to align with implementation of the 24-month new time limit (January 1, 2013), but instead were operationalized to implement a year or longer after the 24-month policy went into effect. Complete implementation is now anticipated for some time in 2015-16.

The administration has been asked to provide a more current update on the implementation status and efforts as part of their hearing testimony.

Summary of Early Engagement Components in AB 74 (Chapter 21, Statutes of 2013)

Early Engagement Component	Status of Implementation
Standardized Appraisal Tool – Required development of a statewide appraisal tool and mandatory training for administration of the on-line tool or OCAT (Online CalWORKs Appraisal Tool)	**Not yet completed** - expected availability of OCAT in all counties is anticipated to begin July 1, 2015, with full automation implementation as late as August 2015
Family Stabilization (FS) Program – Intensive case management services designed to ensure a basic level of stability within a family prior to, or concurrently with, WTW activities	**Status requires update** – implementation and claiming of dollars began in 2013-14; outcome information pending from the administration
Expanded Subsidized Employment – Counties were given additional resources to create additional subsidized employment positions, gradually building up the number of new slots to 8, 250	**Full ramp up was planned by June 2014** – full ramp-up may mean counties implementing to their goal level of slots; outcome information pending from the administration

GOVERNOR'S PROPOSALS FOR 2015-16

The Governor's Budget, aside from several smaller changes, is a workload budget for CalWORKs. The Governor's Budget includes the following major proposals for the CalWORKs program.

1. **Backfill for CalWORKs Grant Increase**. The Governor's Budget provides additional General Fund of $73.3 million in 2015-16 to fund the grant increases of Maximum Aid Payments (MAPs) that will go into effect on April 1, 2015 pursuant to the 2014 Budget. For an assistance unit of three persons in high cost counties, the MAP will increase from $670 to $704 per month. The total average grant of all CalWORKs cases is estimated to increase by $24.

2. **Implementing CalWORKs Legislation**. The Budget reflects the total cost of 2014 legislation enacted for CalWORKs, excluding legislation that did not have an associated local assistance budgetary impact.

   - AB 1579, Chapter 632, Statutes of 2014 extends eligibility to pregnant women who are 19 years of age or older by an additional three months with verification of pregnancy. This implements July 1, 2015 and results in costs of $6.6 million total funds in 2015-16. The Budget reflects a phased-in approach, with approximately 257 recipients receiving an additional three months of grants, including a $47 special needs payment, each month, for a total of 3,088 cases affected over the full course of the budget year.

- AB 2382, Chapter 905, Statutes of 2014 implements January 1, 2015, and reflects the elimination of the grant reduction penalty for truant children under 16 receiving CalWORKs. This premise results in total funds costs of $1.7 million in 2014-15 and $3.3 million in 2015-16. There are approximately 4,500 cases that do not meet the school attendance requirement; this will eliminate the penalty imposed on the case, resulting in a grant increase.

ANTI-POVERTY STRATEGIES IN CALWORKS

The Subcommittee is in receipt of the following proposals in the CalWORKs area. These have largely been submitted by the Western Center on Law and Poverty (WCLP) and the Coalition of California Welfare Rights Organizations (CCWRO). Both of these organizations are represented on the panel for this hearing. Their recommendations include:

Advocates' Recommendation	Key Features
Repeal the Maximum Family Grant (MFG) Rule	• The Maximum Family Grant rule excludes children in families who have a child after the family is receiving aid.
CalWORKs Grant Increase	• Absent further action, grant levels will be, dollar for dollar, where they were set in the program 12 years ago (not adjusted for inflation).
Reinstitution of the CalWORKs COLA	• The COLA was eliminated in 2009 and had been suspended for several years prior. A reinstitution of an inflation adjustor that is tied to the California Necessities Index (CNI) would allow grants to rise with inflation.
Increasing the CalWORKs Earned Income Disregard (EID)	• Families are currently allowed to keep the first $225 they earn without seeing a reduction in their grant check, considered an effective work support. This strategy would increase the EID and allow families to keep more of their earnings from work ($700), allowing them to meet basic needs and spend more in the marketplace. • Advocates point out that the current amount has not increased since the inception of the program in 1997.
Reduce the use of sanctions	• Rates of sanction in the program continue to rise, from 17 percent in 2008 to 24.3 percent in 2014. • WCLP recommends (1) a work group to develop recommendations to reduce the incidence of sanctions, (2) a reduction in the sanction penalty amount, and (3) a maximum length of time for a sanction to be in place.
Increase Months on the Welfare to Work Services Time Clock	• Extend the time clock for adults to 60 months. • Restart time time clocks for the WTW 24-Month clock when DSS certifies that Family Stabilization services and the on-line assessment tool are available in all 58 counties

Advocates' Recommendation	Key Features
	• Lift the cap on the number of families that can receive extensions to the 24-Month clock
Review SB 1041 Outcomes and Fairness to Families	• Due to significant implementation challenges and confusion in the program, advocates recommend a thoughtful review to be convened by the administration with stakeholders on ways to consider and recommend future improvements in the program.

ADDITIONAL ADVOCATES' REQUESTS

1. **Housing Support Program Augmentation.** The County Welfare Directors Association (CWDA) and Housing California request consideration of a budget augmentation of $30 million for the CalWORKs Housing Support Program (HSP). The HSP was enacted as part of the 2014-15 budget and assists homeless CalWORKs families by moving them directly out of homelessness and into permanent housing, supporting movement toward self-sufficiency. Currently funded at $20 million, the HSP is expected to serve an estimated 6,900 children in 3,000 families in 2014- 15. A $30 million augmentation will enable the program to serve an additional estimated 10,350 children in 4,500 families.

   CWDA and Housing California argue that the need and demand for the CalWORKs Housing Support Program is high. Forty-two counties sought a portion of the $20 million provided to the HSP in its first year, requesting more than $52 million in funding. In order to most effectively utilize the limited funding in the start-up year, twenty counties were provided an allocation. Advocates continue to hear from counties not selected and counties that did not apply about the possibility of accessing this funding, and counties that are currently participating are looking to expand. WCLP also writes in support of this request.

2. **Enabling Access to Domestic Violence Waivers.** The California Partnership to End Domestic Violence has written with a request for consideration of a policy clarification in trailer bill to require the development and dissemination of a standard, statewide notice with information about waivers of certain CalWORKs requirements for CalWORKs applicants and recipients who are victims of domestic violence. This would also remove the county option to waive a program requirement and instead requires counties to waive a program requirement for a CalWORKs recipient who has been identified as a past or present victim of abuse when it has been determined that good cause exists, as specified.

STAFF COMMENTS

The Subcommittee staff is in receipt of recently released information on the projected changes in the caseload as a result of the past structural reductions in CalWORKs. Staff will continue to review this and ask questions of the administration on the foreseeable effects of past budget-related changes and the outcomes for CalWORKs families and children.

SB 1041 included a reporting requirement, with a formal report, now under contract with RAND for its production, due January 1, 2018. Updates to the Legislature in the intervening years was also required and DSS expects possible information from RAND by the end of the calendar year, which could provide insight into caseload changes and outcomes that may affect continuing evaluation of the SB 1041 changes.

Related to reporting, the Subcommittee adopted Supplemental Report Language as part of the 2014 Budget requesting an annual report on CalWORKs, with the first iteration of this due to the Legislature by April 1, 2015. DSS has worked closely with legislative staff and other stakeholders on the development of this report, which is meant to provide comprehensive information and create additional transparency about changes in the CalWORKs program over time.

In line with this consideration of program evolution and outcomes, the Subcommittee may wish to ask for the administration's partnership on the creation of an on-going and active venue for continuing oversight and program review. This may take the form of the existing CalWORKs Oversight Stakeholder group created under SB 1041 or could be a revitalization of Workgroup 1, which existed before the recession when federal changes related to the Deficit Reduction Act required a closer look at our program here. Using this kind of forum, stakeholders can work to prioritize key issues and discuss possible recommendations to improve the ability for CalWORKs to be a more effective anti-poverty and anti-child poverty program for California.

Staff Recommendation:

Staff recommends holding these issues open.

ISSUE 3: CALFRESH AND FOOD ASSISTANCE – PROGRAM AND BUDGET REVIEW

PANEL

- Todd Bland, Deputy Director, Welfare-to-Work Division, California Department of Social Services
  - CalFresh Overview, Program Update, and Governor's Budget
- Jessica Bartholow, Advocate, Western Center on Law and Poverty
  - Discussion of Priority Issues
- Keisha Nzewi, Advocacy Manager, Alameda County Community Food Bank
  - Discussion of Priority Issues
- Justin Rausa, Policy Director, Roots of Change
  - Discussion of Priority Issues
- Frank Mecca, Executive Director, County Welfare Directors Association of California
  - Discussion of Priority Issues
- Ryan Woolsey, Fiscal and Policy Analyst, Legislative Analyst's Office
- Kris Cook, Finance Budget Analyst, Department of Finance
- Public Comment on all CalFresh Issues

BACKGROUND

Food Assistance Programs in California. The CalFresh Program, formerly known as the Food Stamp Program and federally referred to as the Supplemental Nutrition Assistance Program (SNAP), provides for nutrition among eligible low-income households by offering them a benefit amount, posted to a debit card, for the purpose of purchasing food. The benefits are 100 percent federally funded. The funding for CalFresh administration costs are 50 percent federal funds, 35 percent General Fund, and 15 percent county funds, except for state-mandated program changes, which are 50 percent federal funds and 50 percent General Fund.

The CalFresh Employment and Training Program require certain non-assistance CalFresh recipients to participate in employment and training activities. The Department also administers the state-only California Food Assistance Program (CFAP) to provide food benefits to legal immigrants who meet federal SNAP eligibility criteria except for their immigration status. CFAP serves legal noncitizens over the age of 18 and under the age of 65, who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria (except for their immigration status). The program also serves legal noncitizens who entered the country on or after August 22, 1996, who are otherwise eligible.

The Emergency Food Assistance Program provides USDA commodities to local food banks for distribution to the working poor, low-income, unemployed, and homeless persons. This program is supplemented with food purchased by food banks using private donations and taxpayer contributions to the Emergency Food Assistance Program Fund made through a state income tax check-off, as well as surplus fresh fruits and vegetables donated by farmers and businesses.

CalFresh Funding and Caseload. The Governor's Budget includes $2.0 billion ($0.7 billion GF) for CalFresh administration in 2015-16, which represents a $67.4 million ($13.7 million GF) decrease from the 2014-15 Appropriation. This decrease is largely a result of revised caseload projections. While recent policy implementations such as the Affordable Care Act (ACA) implementation, the State Utility Assistance Subsidy, Modified Categorical Eligibility and School Lunch program continue to bolster the caseload growth rate, this growth is offset as overall economic conditions have improved. The base CalFresh caseload is increasing at a slower rate than previously projected. In addition, the Governor's Budget includes an adjustment to distinguish cases that have come onto CalFresh as a result of ACA from the base administrative funding.

The base CalFresh caseload is projected to increase 6.9 percent in 2014-15 and an additional 6.4 percent in 2015-16. The CalFresh caseload is projected to reach an average of 1.9 million households in 2014-15 and 2.0 million households in 2015-16 after accounting for all new policy impacts.

The CFAP caseload and corresponding benefits have been increasing at an unusually high rate during the past year as a result of fewer households terminating benefits due to recent changes in Semi-Annual Reporting (SAR). Additionally, the ACA impact on the overall CalFresh caseload has translated to a higher CFAP caseload over the past year than previously projected. In 2014-15 the projected CFAP caseload increased 17 percent compared to six percent in the previous year. The caseload is projected to increase by another 14 percent in 2015-16.

The Governor's Budget also includes funding for other key food assistance programs. The WINS is expected to reach 152,800 CalFresh households in 2014-15 and approximately 179,200 households in 2015-16. As the California drought continues to affect key counties, the Governor's Budget shifts a portion of the Drought Emergency Food Assistance Program funding to address food needs into 2015-16.

CURRENT FOOD NEEDS

Hunger in California. Hunger remains a serious issue in California. California's underperformance on enrollment of eligible cases onto the CalFresh program has been a topic of scrutiny in recent years, with 57 percent of those eligible and 44 percent of working poor eligible participating, some of the lowest numbers in the nation (California ranks 50th). However, recent policy implementations such as the Affordable Care Act, the State Utility Assistance Subsidy, Modified Categorical Eligibility and School Lunch have bolstered caseload growth. The Legislature will be interested in how these changes have altered the participation landscape for CalFresh and if there are further innovative, near-term efforts that can be undertaken to ensure that more eligible families are receiving food benefits. Over 2.5 million households are projected to receive CalFresh benefits in 2015-16.

According to data from the UCLA Center for Health Policy Research's California Health Interview Survey (CHIS), at least 4 million low-income Californians struggled with food insecurity during 2011-12. Food-insecurity is the inability to consistently afford enough food. Researchers find that food-insecure adults face higher risks of chronic diseases (like diabetes and hypertension) as well as depression and poor mental health. For children, food insecurity is also linked to poor academic outcomes.

GOVERNOR'S PROPOSALS FOR 2015-16

The Governor's Budget includes the following major proposals for the CalFresh program.

1. **Maintaining Access to CalFresh.** The Governor's Budget includes $9.2 million General Fund to provide a state-funded energy assistance subsidy for CalFresh recipients to comply with federal changes regarding the minimum energy assistance benefit that must be received by a household in order to access the standard utility allowance.

2. **CalFresh Reporting Simplification: Eliminate Change Reporting (CR).** The Budget reflects the net cost, or savings of $2.9 million General Fund ($8 million total funds) of eliminating CR, a new proposal effective October 1, 2015. Certain households, such as those containing elderly or disabled individuals or seasonal or migrant workers, were subject to CR when California originally implemented Quarterly Reporting. All CR households will be converted to semi-annual reporting (SAR) and implementation will be phased over the subsequent year at the recipient's recertification month.

3. **CalFresh and CFAP Caseload Impact of the ACA.** The Budget reflects the caseload impact to CalFresh and CFAP as a result of the implementation of the ACA. The Department of Health Care Services (DHCS) increased their caseload projections to reflect approximately 3 million individuals that will be added to the Medi-Cal program due to ACA by June 2015. The Medi-Cal application process allows potential CalFresh or CFAP-eligible individuals to initiate an application process for food assistance through California Healthcare Eligibility Enrollment and Retention System (CalHEERS). The 2015-16 costs of $93.9 million General Fund ($237.9 million total funds) reflect an increase in the projected caseload impact, partially offset by savings from a conforming methodology to include prospective budgeting savings.

4. **Drought Food Assistance Program (DFAP).** The Budget reflects funding for the temporary program implemented in response to the Governor's Drought Emergency Declaration in January 2014. The DFAP is designed to provide food assistance to drought-affected counties that suffer high levels of unemployment and is being provided through the California Emergency Foodlink, the non-profit contractor that purchases and distributes United States Department of Agriculture food statewide. The 2014-15 revised Budget reflects $6.9 million GF in DFAP claims and another $6.0 million General Fund anticipated by June 2015. The Governor's Budget reflects the remaining $7.1 million GF of the $20 million GF that was authorized being carried forward to 2015-16.

5. **Continuing Early Work of Horizontal Integration.** DSS requests the permanent extension of two existing limited-term positions and permanent funding for a third existing position. The requested positions will enable the DSS to continue to plan for and implement horizontal Integration efforts involving multiple automated systems, including Statewide Automated Welfare System (SAWS), Child Welfare Services – New System (CWS-NS), Medi-Cal Eligibility Determination System (MEDS), Leader Replacement System (LRS), and the Appeals Caseload Management System (ACMS). In addition to focusing on specific projects, requested staff will also work to establish standards for data exchange, attempting to ensure that new systems are able to communicate and share recipients information and implement improvements to streamline recipient paperwork and social worker workload. The staffing costs are $162,000 General Fund ($371,000 total funds).

6. **Complying with Federal Request on Oversight of SNAP-Ed.** The Budget requests six permanent positions (costing $747,000, all federal funds) to provide a higher level of program management and oversight and create a new Technical Assistance and Program Compliance unit for the Supplemental Nutrition Assistance Program-Education (SNAP-Ed). SNAP-Ed is a 100 percent federally funded program, with California receiving $136 million, the highest grant allocation for any state in the country. The requirement for greater oversight resulted from a recent management evaluation of DSS by the U.S. Department of Agriculture, Food, and Nutrition Services.

7. **CalFresh Student Eligibility Legislation.** The Budget includes $200,000 General Fund ($300,000 total funds) to implement AB 1930, Chapter 729, Statutes of 2015, which expands CalFresh eligibility to students who participate in certain educational programs that are considered employment training programs as determined by DSS. This will implement on October 1, 2015.

LAO NOTES UNCERTAINTY

The LAO notes that the federal government typically pays 50 percent of CalFresh administrative costs. However, projected need for federal funds in 2014-15 and 2015-16 exceeds a federal funding maximum target. In the past, federal administrative funds from other states that spent below their respective targets were made available to

California. To the extent that such funds are not available, as much as $270 million in additional General Fund spending would be required over the two years should the state backfill the lost federal funds.

ADVOCATES' REQUESTS

The Subcommittee is in receipt of the following proposals in the CalFresh and Emergency Food Assistance areas. These are:

1. **State Emergency Food Assistance - $5 M General Fund.** The California Association of Food Banks (CAFB) requests a $5 million General Fund appropriation for the State Emergency Food Assistance Program (SEFAP). Currently, there is no on-going General Fund dedicated for this use. In the 2013-14 fiscal year, the State Assembly donated $1 million of its own funds for this purpose for one-time use.

   The $5 million SEFAP request would be distributed to all counties based on the established formula for the distribution of EFAP, currently funded with federal dollars. The advocates state that there would not be prioritization for any particular region of the state, as there is unmet need in all areas. CAFB states that with respect to network capacity, food banks and EFAP distributors can effectively utilize all of the funds. The $5 million would be divided among all counties, based on the established allocation formula, to meet hunger needs among the general population. The SEFAP funds provide additional flexibility to food banks, as they can purchase the items that they need to complement the types of foods that are currently available to them.

   When asked about the interaction with recent funds made available for emergency food assistance through the drought package, advocates responded to say that the funds contained provided for drought are completely separate and are available only to those communities that can document increased need due to drought, and only to serve those people who are identified as drought impacted. Food banks are required to document drought impact and need so as not to utilize drought funds to serve the general population. Additionally, drought aid will not be distributed as flexible dollars, but rather food will be purchased centrally, and disaster boxes will be assembled in Sacramento and then distributed to qualifying food banks.

2. **California Nutrition Incentives Act / Market Match Proposal - $5 M General Fund.**

   A large coalition of organizations has written with the "Market Match" proposal, led by, among others, Roots of Change, Latino Coalition for a Healthy California, Ecology Center, and the Public Health Institute. This proposal would appropriate $5 million annually from the General Fund to establish a statewide nutrition incentive program for purchasing California grown fruits, nuts and vegetables (i.e. specialty crops), benefiting low-income families and California's economy. It builds upon the success of California Market Match, beginning in 2009, which doubles the purchasing power of nutrition assistance benefits (e.g. CalFresh) when spent on specialty crops at farmers' markets. Advocates contend that Market Match has demonstrated, on average, a six-fold return on investment in sales. This proposal would also expand these incentives into the small business retail setting to reach low-income Californians with limited access to a farmers' market.

3. **Implement County CalFresh Denials and Discontinuances Monthly Reporting.** The Coalition of California Welfare Rights Organizations writes to request that the CalFresh program provide county reporting data concerning the monthly denials and discontinuances, similar to what is provided in the CalWORKs program. DSS is aware of this request and states that it has been working toward making this information available administratively.

Staff Recommendation:

Staff recommends holding all issues in CalFresh open.