



WESTERN CENTER ON LAW & POVERTY

IMMEDIATE RELEASE

July 7, 2009

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**County Leaders, Advocates Denounce Governor's
Misstatements on CalWORKs Program
Data Shows Abuse and Fraud Allegations Inaccurate and Misleading**

Sacramento - County officials and advocates for the poor on Tuesday denounced the recent comments by the Governor and his Administration questioning the efficiency of the CalWORKs program and misleading the public about the costs and success of the program.

During a recent press conference, the Governor erroneously said there is "massive waste, fraud and abuse" in the CalWORKs program and "80 percent of California's welfare recipients aren't meeting simple work requirements, yet they are receiving weekly their paychecks and their benefits..." In a Los Angeles Time editorial Friday, he also claimed that "only 22% of CalWORKs clients are working or participating in the program, and 78% are doing nothing at all."

In fact, data shows that 50 percent of work-required families have employment earnings and 65 percent of work-required adults are participating. The CalWORKs program has extensive program integrity safeguards, from third-party validation of income and assets to the direct investigation and prosecution of fraud.

More than 450,000 families across the state – half the caseload – have left the aid program and become self-sufficient between 1997, when welfare reform began, and 2007. More adults are not only working under CalWORKs but they are also earning more income. In addition, the average time of aid assistance is less than two years.

"Given the data showing the success of the CalWORKs program, we are baffled by the Governor's criticisms of the program, especially since the Governor himself has argued about the success of the program," said Cathi Grams, Butte County Department of Employment and Social Services. "These grants provide an immediate return in investment as families spend money on rent, food purchases and household goods in their local communities. If not for CalWORKs, many more families and children would find themselves homeless and more people would be out of work."

The Governor also claims that making every CalWORKs recipient participate in "self sufficiency reviews" twice a year will save the state \$850 million over the next two budget years, and ultimately \$1.5 billion per year. But the Administration's own May Revision indicated the self sufficiency reviews would save about \$185 million over two years, and \$100 million annually.

Since 1997, the CalWORKs program has directly saved the state more than \$12 billion in General Fund money as federal welfare funds have been used to support other state programs for low income families and children. The state spends 20 percent less on public assistance than it did 15 years ago. In addition, a recent study by Beacon Economics found that for every \$1 in state spending on CalWORKs, \$7.35 is generated in economic output. It's estimated CalWORKs generates a total of \$7.1 billion in economic output, 137,000 jobs, and \$130 million in sales tax revenues.

"CalWORKs is simply not the source of California's budget deficit," said Michael Herald, legislative advocate for Western Center on Law & Poverty. "CalWORKs is in fact helping to contribute to the solution and our overall economy. The Governor's proposals would destroy welfare reform and essentially reverse the biggest social policy change in the last 70 years."

The Governor's proposals to drastically cut or eliminate CalWORKs will have a devastating effect on children and families, many of whom have never applied for assistance before, and is counterproductive to efforts to revive the state's economy. The Administration's proposal would eliminate the program's work focus, and, with the Governor's \$850 million in cuts to child care and employment services, 70 percent of participants will get no assistance in moving into the workforce.

"We are still very deep in the state's severe recession and with sky-high unemployment, families are turning to CalWORKs grants and employment services now more than ever," said Sacramento County Supervisor Roger Dickinson. "How does cutting or eliminating these vital services at a time when they are needed the most help the state recover? Scaling back this program will have long-lasting effects in our local communities and will only prolong the economic recession. Make no mistake, families and children will be hurt if CalWORKs is cut back or eliminated."

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The County Welfare Directors Association of California, based in Sacramento, is a nonprofit association representing the human service directors from each of California's 58 counties. The Association's mission is to promote a human services system that encourages self-sufficiency of families and communities, and protects vulnerable children and adults from abuse and neglect.

The California State Association of Counties, headquartered in Sacramento, is the voice of California's 58 counties at the state and federal level and educates the public about the value and need for county programs and services.

The Western Center on Law and Poverty advances and enforces the rights of low-income Californians to the basic necessities of life by working statewide for systemic change. Through legislative and administrative advocacy and impact litigation, we improve the lives of our clients.