

Assembly Joint Resolution No. 4

RESOLUTION CHAPTER 123

Assembly Joint Resolution No. 4—Relative to CalWORKs.

[Filed with Secretary of State September 12, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 4, Beall. CalWORKs.

This measure would request the United States Congress to repeal or amend provisions of federal law affecting the state's implementation of welfare-to-work and child support collection practices, in connection with the CalWORKs program.

WHEREAS, California implemented the federal Personal Responsibility and Work Opportunity Reconciliation Act through Assembly Bill 1542 (Chapter 270 of the Statutes of 1997), thereby establishing the California Work Opportunity and Responsibility to Kids (CalWORKs) program, implemented on January 1, 1998; and

WHEREAS, The CalWORKs program was created on a bipartisan basis, adopting essential goals of reducing child poverty and dependency on government benefits while promoting work and marriage; and

WHEREAS, Since its creation, CalWORKs has done both of the following:

(a) Offered a flexible array of welfare-to-work services to meet varied individual needs of parents working toward self-sufficiency.

(b) Assured a safety net for children when parents' aid is discontinued or the family continues to need assistance after the expiration of the 60-month time limit; and

WHEREAS, Since 1995, California has moved thousands of low-income families to self-sufficiency, reducing by over 50 percent the number of cases receiving cash assistance; and

WHEREAS, Significant challenges remain in CalWORKs, to address barriers to self-sufficiency, reduce poverty, engage a greater percentage of adults in welfare-to-work activities, and satisfy federal work participation requirements; and

WHEREAS, Child support is no longer primarily a welfare reimbursement, revenue-producing device for the federal and state governments and is a family-first program, intended to ensure families' self-sufficiency by making child support a more reliable source of income; and

WHEREAS, California's child support program annually collects over \$2.3 billion, distributes over \$1.7 billion to families directly, and retains

\$587 million as reimbursement for welfare costs, paying the remainder to the federal government; and

WHEREAS, The federal Deficit Reduction Act of 2005 (DRA) contained several provisions affecting the Temporary Assistance for Needy Families (TANF) block grant and the operation of state welfare-to-work programs; and

WHEREAS, The United States Department of Health and Human Services promulgated regulations implementing the DRA on June 28, 2006; and

WHEREAS, In several respects, the DRA and implementing regulations limit California's ability to operate its program and provide employment services in a manner the state has found to be most effective in achieving self-sufficiency for low-income families and in protecting the well-being of indigent children, specifically as follows:

(a) They deny credit for the state's substantial reduction in caseload since the CalWORKs program was established in 1997.

(b) They discourage the state from offering flexible programs and services appropriate for participants with disabilities, potentially violating the federal Americans with Disabilities Act and Section 504 of the Rehabilitation Act.

(c) They restrict a state's ability to offer employment and training programs that enhance skills and qualifications leading to jobs providing self-sustaining wages and benefits.

(d) They impose excessively burdensome duties on states to verify and report specific hours of participation beyond what is normally recorded by employers and training providers.

(e) They retain an unrealistically excessive 90-percent work participation rate for two-parent families which, in conjunction with the imposition of federal requirements on nonfederal state-funded programs and the elimination of the previous caseload reduction formula, set a standard that no state can expect to meet; and

WHEREAS, The DRA contained several provisions that changed how the federal government funds states for operating the child support program, including a prohibition against claiming federal matching funds for child support activities paid with federal performance incentive funds, and the imposition of an annual fee of \$25 for each family that has not received TANF assistance if the state collects at least \$500 in child support on behalf of the family; and

WHEREAS, The impact of the prohibition in the DRA against claiming federal matching funds for child support collection activities that the state pays with performance incentives will annually cost California over \$90 million in federal matching funds and result in an estimated loss of over \$800 million in child support collections over five years; and

WHEREAS, The \$25-fee requirement, if passed on to the family by the state, will constitute a financial barrier to parents who desire to use child support services, and if not passed on to the family and paid by the state, will cost California over \$1.7 million annually, because the automation and accounting costs of administering the fee will exceed the potential revenue generated through the imposition of the fee; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature hereby requests the United States Congress and President to repeal or amend provisions of the Deficit Reduction Act of 2005, as follows:

(a) Modify work participation rules to do all of the following:

(1) Give credit for persons with disabilities partial participation in welfare-to-work activities, consistent with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act.

(2) Allow credit for vocational training and education for 24 months, and include a Parents as Scholars Program for those for whom education is a path out of poverty.

(3) Allow credit for blended activities that include barrier removal as part of an employment program.

(b) Replace the caseload reduction credit with one based upon the numbers of adults leaving aid with employment.

(c) Eliminate the separate 90 percent work participation rate for two-parent families.

(d) Simplify the tracking, recording, and reporting of work activities.

(e) Repeal the prohibition on states' claiming of federal matching funds for child support activities paid with performance incentives.

(f) Repeal the imposition of a \$25-annual fee for each family that has not received assistance from the TANF block grant if the state collects at least \$500 in child support on behalf of that family; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.