

# CalWORKs Program Overview Hearing

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LEGISLATIVE ANALYST'S OFFICE

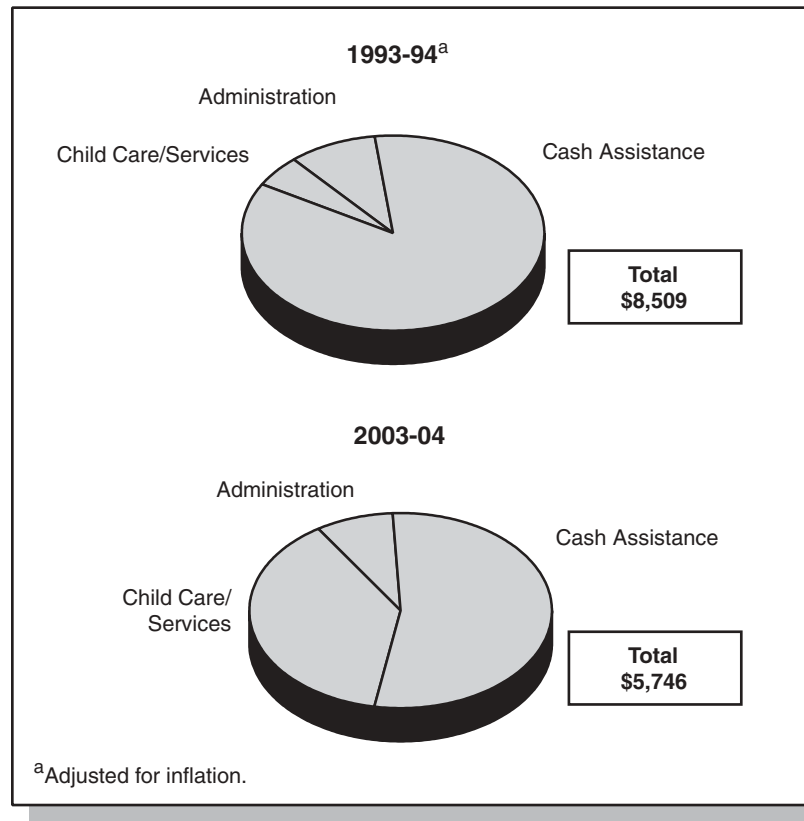
Presented To:  
Assembly Budget Subcommittee No. 1





## Welfare Spending Shifts From Cash Assistance to Services

### Expenditures in Millions



- With the implementation of the CalWORKs program, the state shifted its focus from providing cash assistance to trying to move families off welfare and toward self-sufficiency.
- The state began spending increasing amounts of its available funding on child care and services, rather than on grants.
- Parents began receiving education, training, and assistance with finding employment.
- Once employed or participating in an activity, families received child care and other supportive services to assist with the transition to work.



## Moving Toward Self-Sufficiency: Allowable Activities

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When parents come into the program, unless exempt, they are required to participate a minimum of 32 hours per week (or 35 for two-parent families). The types of allowable activities vary. They are required to spend 20 hours in core activities and have a broader choice for the remaining 12 or 15 hours. The allowable activities include:



Core activities (minimum of 20 hours):

- Job search and job readiness assistance
- Employment
- Community service
- Work experience
- Vocational training (up to 12 months)



Other allowable activities (maximum of 12 hours):

- Education
- Domestic violence counseling
- Mental health treatment
- Substance abuse treatment



## CalWORKs Grants

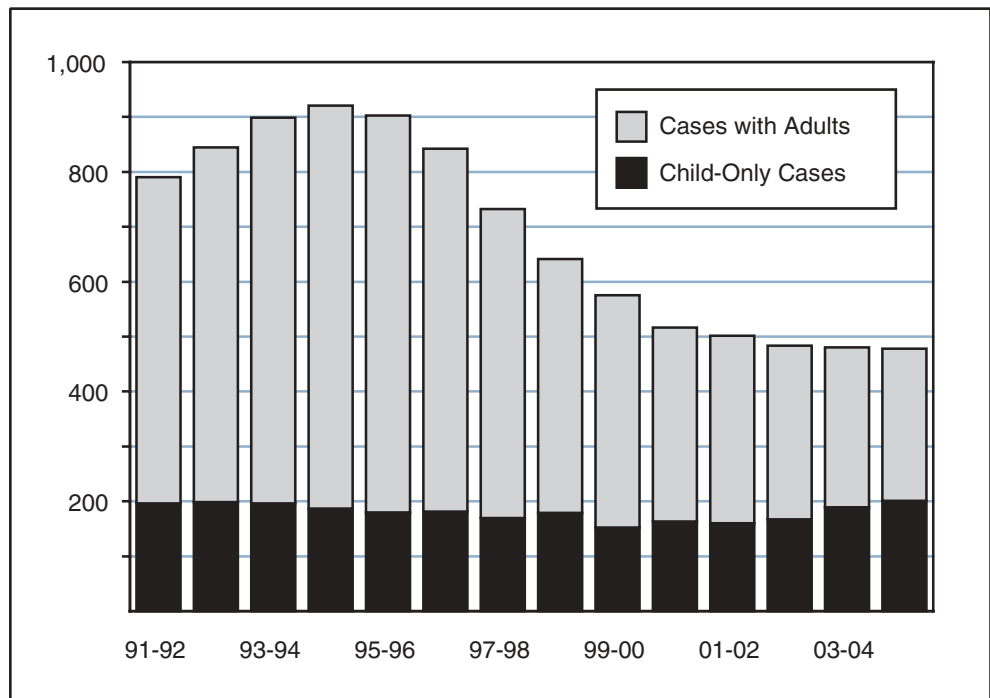
- One-Parent Family:** A family is eligible for the one-parent component of the program if it includes a child who is financially needy due to the death, incapacity, or continued absence of one or both parents.
  
- Two-Parent Family:** A family is eligible for the two-parent component if it includes a child who is financially needy due to the unemployment of one or both parents.
  
- As of July 2004, the maximum grant payment in a higher cost county for a family of three is \$723 per month. In a lower cost county, the grant is \$689. The amount of the grant decreases as income increases.
  
- In order to provide an incentive for CalWORKs recipients to work, current law disregards (does not count) the first \$225 in earned income and 50 percent of each additional dollar earned when determining a family's grant amount.

<b>CalWORKs Earned Income Disregard Family of Three, \$1,025 in Earnings</b>	
<b>Disregard Calculation</b>	<b>Amount</b>
Earnings	\$1,025
Initial disregard of \$225	225
Remainder	\$800
Apply 50% disregard to remainder	50%
Additional Earnings Disregarded	\$400
Initial disregard from above	225
<b>Total Earnings:</b>	
<b>Disregarded</b>	<b>\$625</b>
<b>Counted</b>	<b>\$400</b>
<b>Grant Calculation</b>	
Maximum grant	\$723
Less countable earnings	400
<b>Grant</b>	<b>\$323</b>



## Total CalWORKs Caseload Flattens

### Cases in Thousands



- From 1994-95 through 2002-03, caseloads declined steadily. Since that time, the caseload has remained relatively flat.
- For 2005-06, the administration has estimated that approximately 486,000 will be served each month in the CalWORKs program.
- While the caseload remains flat, the composition of the caseload is changing. As more adults reach their five-year time limit, the adult caseload is decreasing while child-only cases are increasing.