



County of Monterey

Board of Supervisors

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March 11, 2024

Honorable Caroline Menjivar, Chair
Senate Budget & Fiscal Review Sub. No. 3
1021 O Street, Suite 6720
Sacramento, CA 95814

Honorable Corey Jackson, Chair
Assembly Budget Subcommittee No.2
1021 O Street, Suite 6120
Sacramento, CA 95814

RE: CalWORKs Program – Oppose Governor’s Budget Proposed Cuts

Dear Chair Menjivar and Chair Jackson:

The County of Monterey respectfully requests that you oppose cuts to the CalWORKs program proposed in the Governor’s Budget, which total over \$400 million, including the permanent elimination of all funding for specific CalWORKs services. These cuts destabilize the CalWORKs program and unfairly and disproportionately place the burden of resolving a statewide budget deficit on very low-income families, jeopardizing counties’ ability to administer the CalWORKs program and serve our most vulnerable Californians.

The Governor’s Budget proposes to eliminate the CalWORKs Family Stabilization Program and the CalWORKs Expanded Subsidized Employment Program beginning in the current fiscal year and annually ongoing. The Family Stabilization (FS) program is vital to effectively serve families on CalWORKs today. It provides intensive case management and services to families experiencing crises or who have barriers hindering their ability to meaningfully participate in welfare-to-work activities; the range of services include domestic violence services, behavioral health, education supports, and housing supports. Uniquely, the FS program extends its services beyond adults to the children in the family and offers intentional service selection and family-centered case management. The FS Program also supports prevention of involvement of CalWORKs families in the child welfare system.

The CalWORKs Expanded Subsidized Employment (ESE) program offers CalWORKs participants subsidized employment placement, providing crucial training, skills, and experiences essential for securing and maintaining permanent employment. Many CalWORKs participants do not have any meaningful work experience or only have experience with low skilled work. Through the ESE Program, counties have cultivated relationships with local public, private, and non-profit employers committed to support CalWORKs participants in their professional development. The program has successfully transitioned CalWORKs participants from subsidized to unsubsidized employment, showcasing increased earnings and opportunities for clients leaving the program while aiding small businesses with wages.

In Monterey County, eliminating the Family Stabilization Program poses a significant risk to CalWORKs children by eliminating access to services that are critical for attaining family stability. This means the 30 to 40 families that we serve each month would no longer have access to housing resources that provide housing navigation, temporary rental assistance and help with move-in costs. High rents, move-in costs, and housing shortages are very real barriers to low-income families’ ability to withstand a destabilizing event. Additionally, FSP cuts greatly diminish our ability to support families navigating traumatic destabilizing events like intensive domestic abuse or substance abuse, which jeopardize both parents and children. The lack of access to domestic violence or recovery services creates dangerous circumstances for CalWORKs families, seriously increasing the risk of homelessness.



FSP provides a range of services that promote stability and prevent homelessness. Monterey County CalWORKs Employment Services customers in crisis are offered intensive case management and an array of services aimed at stabilizing the family. CalWORKs families are supported by a county-wide multi-disciplinary team comprised of Social Services, Behavioral Health, and service providers that meet monthly to coordinate services. The objective is to engage with the family and partners to deliver intervention services and support tailored to their specific needs and circumstances. Services include, but are not limited to:

- Mental health and substance abuse services for the entire CalWORKs family and not just the parent.
- Car repairs to ensure employment and education is not disrupted during the crisis.
- Utility payments to avoid shut offs or assist with move-in.
- Educational supports (tutoring, etc.) and advocacy for children who need extra support or are struggling.
- Domestic Violence Services including relocation assistance, safety plans, and DV recovery services.
- Legal/Credit Assistance to help repair damage from the past.
- Interactive Tele-Parenting Education Classes serving parents throughout the County.
- Expanded Subsidized Employment (ESE) Program, contract with Goodwill Central Coast.
- Housing plans that include securing housing and homelessness prevention that includes rental expenses (e.g., first and/or last month's rent, security deposit).
- Habitability supplies and furnishings, such as refrigerators and stoves.

Through the FS program, we've been able to help families experiencing homelessness, domestic violence, mental health issues, short-term financial problems, and substance abuse. Cutting funding for FSP would substantially curtail access to the critical services families need when facing destabilizing circumstances.

Likewise, Monterey County has a well-established successful track record with the Expanded Subsidized Employment (ESE) program. Eliminating the ESE program would be counterproductive to many of our CalWORKs families and to the local community. The ESE Program is a transformative and foundational service that's positively impacted hundreds of parents participating in the CalWORKs employment services (CWES) welfare to work program since its inception. ESE program empowers parents to initiate or re-enter the workforce and earn an income while learning, receiving extensive coaching, and supportive services.

Since January 2014, the ESE program has established partnerships with approximately 500 employers, many of whom have had multiple locations and offer ongoing subsidized employment opportunities for CWES parents. This program is designed to facilitate the transition from subsidized to unsubsidized employment to support self-sufficiency. In Monterey County, over 450 parents transitioned from ESE to unsubsidized employment as of December 2023. A majority have remained independent of cash aid. This fiscal year, the ESE allocation will inject over \$815,000 into the local economy. ESE brings value to our local communities within Monterey County by providing:

- **Job Creation and Economic Growth:** ESE contributes to the creation of employment opportunities in our local communities and stimulates economic growth due to client earnings. Subsidized positions support businesses and allow employers to train a potential permanent employee without significant risk and financial burden.
- **Workforce Development:** The ESE program helps develop a local workforce by providing CWES parents with on-the-job training and practical experience. This contributes to a more skilled and adaptable local labor pool, meeting the evolving needs of businesses.
- **Social Impact:** ESE promotes social inclusion and reduces dependency on public assistance programs by providing parents with the means and confidence to secure meaningful employment. Employed parents are more likely to contribute positively to the community and to their families, especially the children.

ESE brings value to our CalWORKs Parents and Families by providing:

- **Employment Opportunities:** ESE programs create accessible job opportunities for CalWORKs parents who may face a plethora of barriers to employment, facilitating their transition into the workforce with support while earning income.
- **Skill Enhancement:** Parents in ESE gain valuable on-the-job training and acquire both hard and soft skills that improve employability and competitiveness.
- **Income Relief:** The ESE program provides temporary income for our CalWORKs families, which reduces stress and allows the parents to feel successful and hopeful as they continue their job search for unsubsidized employment. Once unsubsidized employment is secured, reliance on public assistance is reduced promoting a more stable home environment.
- **Career Advancement:** The ESE program serves as a steppingstone for parents, enabling them to build a work history and pursue further career opportunities.
- **Personal and Professional Development:** Parents benefit from a supportive work environment, gaining not only technical skills but also valuable soft skills such as teamwork, communication, and problem-solving.
- **Pathway to Self-Sufficiency:** By engaging in subsidized employment, CalWORKs parents move closer to achieving self-sufficiency, reducing their dependence on public assistance over time.

In summary, the ESE program plays a dual role in supporting Monterey County's local communities and CalWORKs parents, fostering economic development, skill enhancement, and social inclusion. The program serves as a vital tool in promoting long-term self-sufficiency for CWES parents, allowing the most vulnerable families to earn while they learn, and contributing to the overall prosperity of the community.

In addition to the proposed program eliminations to FS and ESE, the Governor's Budget proposes \$218 million in ongoing cuts to the Single Allocation, which is the funding we use to engage with families to determine their needs, provide supportive services and job-related supports, and provide case management services, as well as for eligibility work for counties to process CalWORKs applications, redetermine eligibility, and maintain cases. The significant cuts proposed undermine the work that the counties have done over the past decade to move the CalWORKs program from a purely compliance-driven system to a family-centered approach that emphasizes support and stabilization of the family to provide the foundation for efforts to help families become self-sufficient. Counties have to perform state and federally mandated eligibility work within required timelines to ensure access to CalWORKs benefits, an administrative function that is already underfunded by \$100 million even prior to the cuts. Further reductions to eligibility funding in the Single Allocation will have to be backfilled by counties with funds intended for welfare-to-work and other services and supports. Combined with the cuts proposed to employment services funding within the Single Allocation, counties' ability to provide services and re-engagement with clients, in accordance with the CalWORKs 2.0 framework, and meet Cal-OAR metrics will be compromised. The cuts to the Single Allocation will impede the state's participation in the WPR alternative federal pilot program, should the state be chosen; the pilot program allows chosen states to focus their program on employment retention, family stability, and well-being, rather than the current federal work participation rate.

In Monterey County, cuts to the Single Allocation raises concerns about the potential discontinuation of crucial services and contractual commitments aimed at assisting parents in overcoming barriers to employment. This includes service providers dedicated to legal and credit recovery services are integral to the comprehensive support provided to our CalWORKs Employment Services (CWES) families. Credit recovery services play a pivotal role in facilitating access to housing and employment, while legal services contribute significantly to the resolution of historical legal issues that may act as impediments to employment, education, and career advancement. Presently, our CWES families derive substantial benefits from monthly educational workshops that center on credit recovery and legal services. These services assume critical significance when parents are navigating housing and employment opportunities.

Furthermore, cutbacks pose a threat to essential onsite services, including Learning Disability (LD) evaluations, educational coaching and tutoring, and High School Equivalency classes. It is crucial to underscore that LD evaluation services are mandated by the California Department of Social Services (CDSS). These services collectively contribute to the holistic support provided to our CWES families, contributing to their overall development.

The preservation of the Single Allocation is imperative for the continuity of these invaluable programs. These services not only empower parents to surmount obstacles but also contribute to the sustained well-being and self-sufficiency of their families. As we navigate potential budgetary challenges, it is essential to recognize the long-term impact that these support services have on the lives of individuals and families striving for economic independence and stability within the community. Conversely, it is essential that we prepare for the impacts to our CalWORKs families in the absence of these services.

For years, the Administration, the Legislature, and counties have collectively worked to shift the CalWORKs program from compliance driven and siloed to one that not only meet the immediate financial needs of a family but that also improves the lives of families. Our county looks forward to continued collaboration to ensure the well-being of California's most vulnerable families and urge the Legislature to reject these significant cuts.

For these reasons, the County of Monterey urges your opposition of these cuts to the CalWORKs program.

Sincerely,



Glenn Church, Chair
Board of Supervisors

cc: Members and Staff of the Senate Budget Subcommittee No. 3
Members and Staff of the Assembly Budget Subcommittee No.1
The Honorable Anna Caballero, 14th Senate District
The Honorable John Laird, 17th Senate District
The Honorable Robert Rivas, 29th Assembly District
The Honorable Dawn Addis, 30th Assembly District
Missy Talbot, County Welfare Directors Association (CWDA)
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)