

Overview of CalWORKs With A Brief History of Poverty



**CALIFORNIA COMMUNITY
COLLEGES
CALWORKS NEW DIRECTOR'S
MEETING
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Who Is Western Center on Law and Poverty?



- We are a 50 year old legal advocacy organization that works in the areas of health, care, housing and public benefits.
- We work closely with local legal service providers and other poverty advocacy groups.
- We do litigation, administrative advocacy and lobbying in the State Capitol.
- Our focus is on extremely poor Californians.

Origins of Welfare



- **Concern for the poor dates from before the time of Christ.**
- **Early Christians up to the time of the Reformation followed the Seven Corporal Works of Mercy which included feeding the hungry, giving drink to the thirsty, welcoming strangers, visiting the sick and imprisoned, clothing the naked etc.**
- **Both churches and communities fed and took care of the poor. Saxon villages provided a form of food charity that was baked bread by the town's *hlafdige* (the origin of the word Lady).**
- **Churches mostly cared for widows and orphans but also for the oppressed.**

The Rise and Fall of Feudalism



- Feudalism was the practice of wealthy Lords indenturing “serfs” to farm a portion of land in return for the protection of the Lord. This is the origin of the word – landlord.
- Serfs either worked for the Lord or gave him a portion of the goods the Serf generated. More modernly we call this “sharecropping.”
- Serfs were “unfree” but the Lord had a moral duty to take care of them mostly because they were an economic asset to the Lord.
- Feudalism faded, in part, when new wool factories caused Lords to dump Serfs and replace them with large scale sheep rearing operations.

The Key Early Role of Churches



- Parishes and Monasteries each raised money (alms) to pay for aid for the poor.
- “Parish relief” varied greatly and led to people moving to more generous urban parishes.
- The end of fuedalism and a couple of bad harvests led to a growing class of poor and dispossessed people.
- Threats to social order grew and the parish based system proved incapable of handling the demand.

Pre-Elizabethan Poor Laws

The Beginning of Work Requirements and Sanctions

- 1349 - **The Plaque** caused massive labor shortages and rising costs for business resulting in the first laws to be passed obligating the poor to work. It abolished begging by the able bodied and forbid giving alms to the able bodied. It allowed for imprisonment for quitting a job without good cause.
- 1495 - England passed **the Vagabonds and Beggars Act** to force vagrants and able bodied adults to take jobs – failure to comply got you 3 days in the stocks and being run out of town.
- 1555 - England created a “House of Correction” to house the unemployed and compel them to work make garments.
- **King Edward** put able bodied adults into 2 years of servitude and punished the poor by branding them with a V, ear boring, hanging.
- During this time England began to ship the Poor to Ireland and later to America where they would serve two year terms of indentured servitude.

Lines Are Drawn

The First Anti-Panhandling Laws



- 1530 - **Henry VIII** replaced the stocks with whipping for able bodied adults. He later created “begging zones.” If an “impotent” person begged outside of the zone they got 2 days in the stocks. But an able bodied adult who begged outside of the zone was whipped and sent back home.
- In 1572 the poor are divided into two groups:

Deserving poor – able bodied adults willing to work were given “outdoor” assistance and those unable to work were given “indoor” assistance which meant an orphanage, almshouse or a hospital.

Undeserving poor – Persons who refused to work were punished, placed into “correctional” housing designed to be worse than life on the outside.

- Poverty is seen as a necessity to force people to work rather than be poor.
- In 1697 beggars were required to wear a red or blue cloth with a capital P for Pauper.

Elizabethan Poor Laws

The First Asset Tests



- **The Poor Acts of 1601** were the first to create a national program of aid for the needy. It mandated all local parishes to collect taxes (the poor rate) from property owners and tenants.
- **First Asset Rules** - Adults and their children were responsible for each other and if they didn't care for their family they could be assessed in court.

Welcome Thy Stranger?

Nope, Residency Requirements



- Parish relief varied across the country, Beggars were often characterized as outsiders (Immigration from Africa was on the rise) and parishes did not want to pay relief for someone not from their parish.
- In 1662, **the first residency requirements** were passed – called “settled laws”. They established specific eligibility requirements:
Parishes only responsible for providing parish relief to locals.
Ineligible persons could be removed back to their home parish.

Illegitimacy and Child Support



- Illegitimate children were another area of focus.
- Young girls were sent to work at the homes of wealthier families. If they got pregnant while away, they were dismissed.
- Parishes would try to send the girl back to her home parish before the birth so the home parish was responsible for the child.
- This led to parishes pursuing men to pay for the cost of church aid and to using courts to collect the costs.

1830's “welfare reform”



- Intended to deal with the dread of illegitimacy and bastardly children.
- It established regional bodies to distribute aid which eventually turned into a national program.
- It eliminated the practice of “roundsmen” (hiring out paupers for below market wages) and paying relief in return for labor.
- But the main goal was to punish the undeserving poor by making them live in “workhouses” that were designed to be worse than the outside world.
- Requiring living in a poor house as a condition of relief

Meanwhile, Across the Pond



American colonies adopted versions of the Elizabethan Laws in the 17th century, including the colonies of Plymouth, Virginia, Conn, Mass.

By 1830's Poor laws were widely in place and usually had three of the following components:

- Outdoor relief (aid for the deserving poor who stayed at their own home)
- Government paid a private provider for room and board.
- Auctioned off to a term of servitude –Private person paid government to get the labor of a pauper for a set term. Often done to children who would be sold to learn a skill and then set free later on.

The Impact of the New Deal



- FDR championed government (not churches and private agencies) as responsible to provide a uniform, national program to assist the poor.
- This led to passage of the Social Security program, unemployment insurance, aid for the blind and disabled, aid to mothers with dependent children and the Food Stamp program. All five of these programs continue to exist today in some form.

Attacks on the Poor Always Been Good Politics



- In 1970 a country singer named Guy Drake had a hit with a song called “Welfare Cadillac” that President Nixon liked.
- In 1976 Ronald Reagan began to frequently denounce “welfare queens” as part of his Presidential campaign.
- In 1994 Pete Wilson passed Prop 187 to limit public benefits to undocumented immigrants
- In 2009 Arnold Schwarzenegger tried to cut welfare by arguing it was full of “waste, fraud and abuse.”

The “New” Welfare Reform



- Bill Clinton promised to “end welfare as we know it” when he ran for President in 1992.
- Republicans made support for “welfare reform” a litmus test in the 1994 “Contract for America.”
- The repeal of welfare was a vital factor in the 1996 re-election of Bill Clinton.
- The language of the act and its legal requirements reflect a stereotype of poor families, particularly families headed by women of color and assumes that unless pushed hard they would do nothing to improve their lives on their own.

TANF Becomes CalWORKs



- In 1997 the Legislature adopted CalWORKs as California's version of TANF.
- CalWORKs is largely based on a pilot program known as GAIN (Greater Avenues for Independence) in which AFDC recipients were required to work.
- GAIN strongly encouraged recipients to go to work and to accept any job offer. GAIN increased the number of recipients working by 4.3%.
- The GAIN “work first” approach become mandatory in CalWORKs and is followed to this day.

Early Years of CalWORKs



- Families on assistance fell drastically from over 900,000 cases to under 450,000 cases.
- Employment increased among adults but earnings were meager - <\$700 a month
- High volume of sanctions for failure to meet work participation rules.
- But state not penalized because drop in caseload lowered state's work rate.

Deep Poverty the Norm in CalWORKs



- Deep poverty is when family income is below 50% of the federal poverty level.
- The **maximum grant of \$714** for a CalWORKs family of 3 is 42.5% of the poverty level.
- 54.8% of all CW cases have an excluded adult which means they get less grant income.
- A CW family of 3 with an excluded adult gets a **maximum grant of \$577** a month – just 34.3 of the poverty level.

A Shocker – Poverty is Not Good



- Childhood poverty increases the chances that this child is:
 - less likely to finish high school
 - more likely to be poor
 - less likely to be working as a young adult
- The longer that children are poor during the early years, the worse are adult outcomes
- The younger the child, the worse are adult outcomes

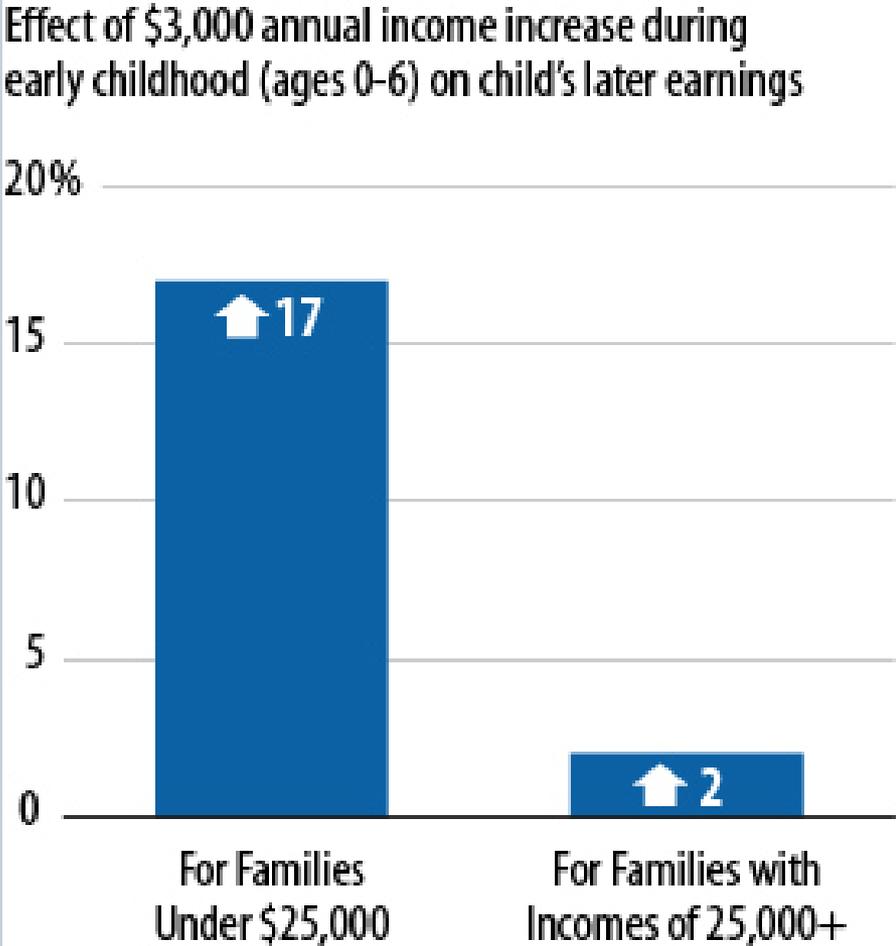
Poverty Is a Toxicant



- *“ [C]an disrupt the development of brain architecture, and children raised in poverty are more likely to experience toxic stress than non-poor children. Excessively stressful conditions early in childhood have been linked to a number of changes in the brain that compromise healthy development.*”

That is why interventions that address early sources of toxic stress are likely to lead to more positive life trajectories.”

The Implications are Far-Reaching: Boosting Incomes Among Poorest Families Increases Young Children's Earnings as Adults



Source: Duncan and Magnuson, "The Long Reach of Early Childhood Poverty"

How Many CalWORKs Families Are Getting the \$3,000 Boost?



- 76% of work eligible adults have no earnings.
- Average earnings are \$971 a month
- 49% of CalWORKs adults do not have a high school diploma.
- According to Oct 2014 data 31% of work eligible non-exempt adults were in sanction status.

Two Decades of Treading Water



California CalWORKs Work Participation Rate
1997-2015



Has CalWORKs Plateaued?



- Welfare to Work has been the single approach in CalWORKs for nearly 20 years but on average about 70% of families don't meet the work participation requirements.
- Beyond trying to meet federal requirements the state has never analyzed if the current approach is effective in reducing poverty.
- Is it time to explore new methods?

Does Welfare to Work Work? – A look at LA County Leavers 2011



- **Average of 82,000 left CW in LAC over a 3 month period.**
- **Just 46.4 % had earnings from work.**
- **Average earnings of \$695 a month or 45% of the federal poverty level.**
- **With minimum wage increase income is likely now closer to \$868 a month just 51% of FPL.**
- **17.7% had earnings above 119% of FPL.**

Research Says



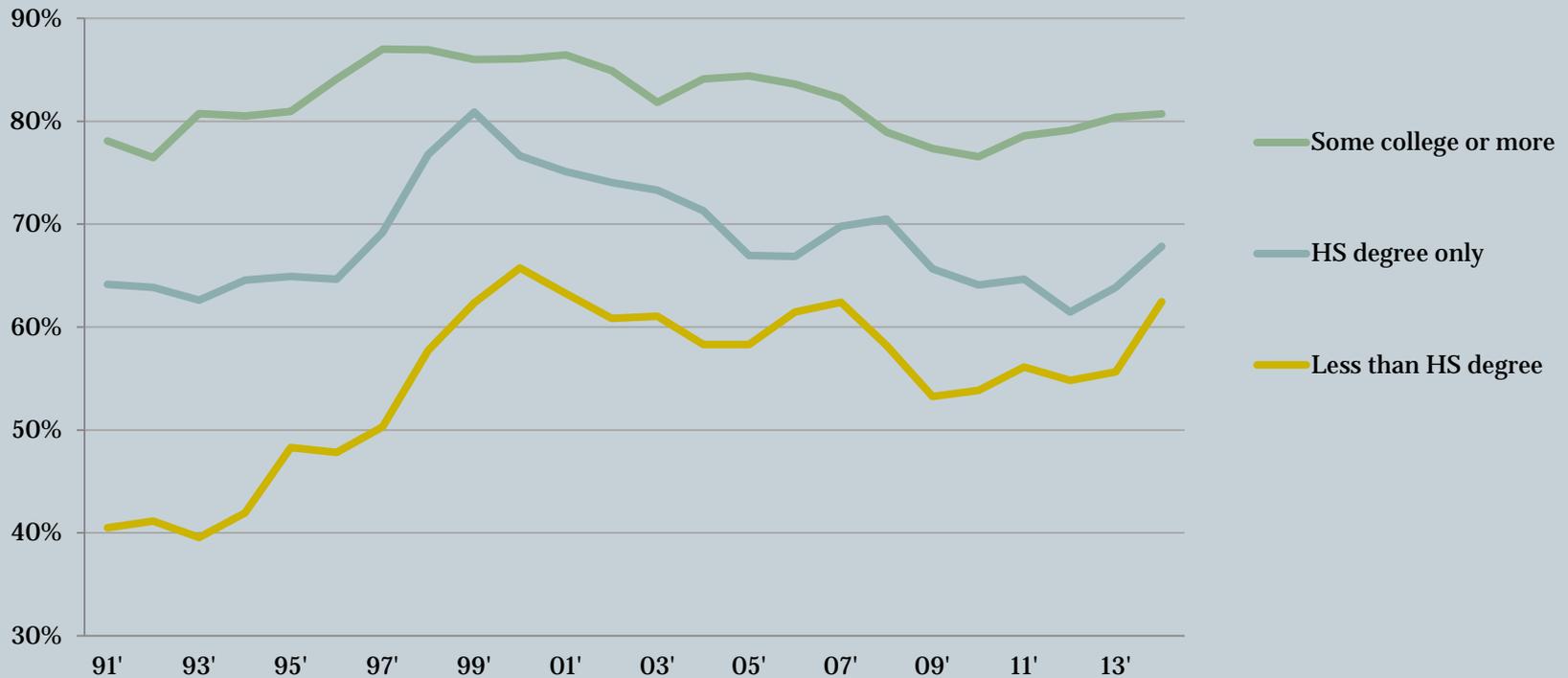
The Center on Budget and Policy Priorities summarized the research:

- Employment increases among recipients subject to work requirements were modest and faded over time
- Stable employment among recipients subject to work requirements proved the exception, not the norm
- Most recipients with significant barriers to employment never found work even after participating in work programs that were otherwise deemed successful
- **Over the long term, the most successful programs supported efforts to boost the education and skills of those subject to work requirements, rather than simply requiring them to search for work or find a job**
- The large majority of individuals subject to work requirements remained poor, and some became poorer
- Voluntary employment programs can significantly increase employment without the negative impacts of ending basic assistance for individuals who can't meet mandatory work requirements.

Education Is the Key to Increasing the Number of Poor Women Who Work



California: Percent of Single Mothers With Any Earnings During the Year (Using two-year rolling average)



Source: CBPP analysis of Census Bureau data from the March Current Population Survey

What is OCAT?



- In 2013 the Legislature approved a new online CalWORKs assessment tool in part to address concerns that the changes made in 2012 would harm families with the greatest barriers.
- It was intended to help counties devise more targeted welfare to work plans for clients.
- It also asks many questions about family and child well being in an effort to provide the support services needed for success.

Does OCAT Explain Why WTW Has Poor Results?



As of **July 29, 2016**, **80,950 total appraisals** have been completed with recommendations.

Here are the results:

- **39,585 recommendations for mental health services**
- **31,100 recommendations related to domestic abuse, human trafficking, or sexual exploitation**
- **60,455 clients indicated they were not working at the time of appraisal**

CalWORKs - A World of Change



- Semi-Annual Reporting for CW and CF
- Auto Resource Rule liberalized
- CalWORKs and CalFresh Benefits for formerly incarcerated
- Work Incentive Nutritional Supplement (WINS)
- EID down, EID up
- New Subsidized Employment Program
- Housing Support Program
- Family Stabilization Program
- On-line CalWORKs Assessment Tool (OCAT)
- Maximum Family Grant Rule Repealed
- Elimination of Once in a Lifetime Rule for HAP

CalWORKs Educational Opportunity and Attainment Program



- The Educational Opportunity and Attainment Program will provide a supplemental education incentive grant when a CalWORKs recipient reaches an educational milestone.
- Completion of a High School Degree or equivalent will result in a one time \$500 bonus
- Enrollment in a qualifying career technical program consistent with W & I 11341 and 11325.23 (f) will result in a \$1,000 award.

CalWORKs Outcome and Accountability Review



- This proposal establishes both process and outcome measures on how the CalWORKs program is doing in helping participating families move out of poverty.
- Counties will have to establish performance benchmarks and after three years have to evaluate progress and make adjustments.
- DSS will have the authority to direct corrective action if counties repeatedly fail to improve.
- The Legislature and the public will be provided with regular updates on outcomes

Where Does That Leave CalWORKs?



- CalWORKs has gone from a relatively simple program to a highly complex system.
- Rules have changed constantly over past 10 years.
- Welfare reform was supposed to benefit those who “played by the rules.”
- But the constant changes make it very hard for recipients, caseworkers and colleges to know what the rules are.