

ASSEMBLY BILL 160 (Stone)

CalWORKS Time Limits and Earned Income Disregard

BACKGROUND

According to the Public Policy Institute of California, the poverty rate in the state is 16.4%, a 4% increase from the prerecession levels of 2007. Under the Federal Supplemental Poverty Measure (SPM) which includes factors such as non-cash public assistance, regional differences, and work related expenditures, in addition to cash income, up to 23% of Californians live in poverty. Recovery from the recession has been unequally distributed, with minority communities living in poverty at higher rates compared to the general CA population. Seventy-eight percent of impoverished families have an adult working full time.

CalWORKs provide cash assistance for families in need to help cover non-food basic necessities such as rent, laundry, and toiletries. The program provides incentives to assist families who are transitioning into self-supporting employment.

During the Great Recession, CalWORKs recipients endured severe cuts to critical services. These cuts included a reduction in the amount of time a family could receive CalWORKs cash benefits, as well as a decrease in funding for program work incentives.

Furthermore, as family's income from employment increases, they qualify for and receive less aid. So a tool called the Earned Income Disregard (EID) is used to families can continue to work without losing their needed cash assistance until they earn a certain amount of income. The EID allows working families to have up to \$225 of their total monthly income disregarded without affecting their total CalWORKs grant. Past \$225, 50% of every dollar is disregarded in the grant calculation.

PROBLEM

Under the Temporary Aid to Needy Families (TANF) block grant rules, an adult may only receive aid for 60-months in a lifetime, but states are allowed to adopt shorter timelines.

During the recession, California limited the lifetime eligibility from 60 months to 48 months.

Since an adult is only eligible for CalWORKs if they are complying with all program rules, shortening the time limit only harms families that participate. By shortening the time limit, families must survive on an even more reduced income and undermines their job-training and readiness goals.

WHAT WOULD AB 160 DO?

AB 160 will restore the 60-month time limits for the California Work Opportunity and Responsibility to Kids (CalWORKs) eligibility and update the program's earned income disregard from

By restoring the 60 month time limit and increasing the EID, California will be able to better support its poorest citizens and help the state meet its federal TANF work participation goals by increasing the number of families in the program that are working.

SUPPORT

- Western Center on Law and Poverty (co-sponsor)
- Coalition of California Welfare Rights Organization (co-sponsor)

FOR MORE INFORMATION

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