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2016 MAR 24 PM 3:41

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March 24, 2016

RE: Resolution In Support Of Assembly Bill 1809 Introduced By Assemblymember Patty Lopez To Reform The Asset Limit For The California Works Opportunity And Responsibility To Kids (Cal-Works) Program To Encourage Low-Income Families To Save And Develop Behaviors That Lead To Economic Self-Sufficiency And It Reduces Administrative Inefficiencies.

Dear Fellow City Council Members,

California Assembly Bill 1809 introduced by Assemblymember Patty Lopez, would repeal the asset test for the California Work Opportunities and Responsibility to Kids program (CalWORKs). The repeal of the asset test would remove penalties for saving and increases government efficiency. The resolution before you is requesting your support for this important legislation.

The primary goal of the CalWORKs program is to move families out of poverty and towards economic self-sufficiency. A major component of financial self-sufficiency and stability is building up savings. Currently, families on CalWORKs find their progress restricted by an asset limit, which confines families to no more than \$2,250 in savings, excluding some retirement and higher education savings, and one car, with an equity value of no more than \$9,500. The asset limit restricts families who are working their way off of public assistance from setting aside savings as they seek to remain eligible for temporary assistance or risk losing their benefits. Recipients fear saving because they believe that even a small amount of emergency savings will make them appear less in need of assistance. As a result, these families lack the savings needed to cope with common financial setbacks, such as a car breakdown or a child with a medical emergency.

Eight states have completely eliminated their Temporary Assistance for Needy Families (TANF) asset tests and have seen very minimal or no increase in TANF cases. Eliminating the CalWORKs asset test to allow families to preserve the few resources they do have will allow them to establish modest savings, helping them to gain greater financial stability.

Oakland Promise

The Oakland Promise, which is Oakland's first universal college savings program, makes college savings available for every public school kindergarten student and sets college as an expectation for all. Financial education of Oakland students and their families is an integral component of the Oakland Promise. An important aspect of this program is the financial education element which will include an explanation of how banks work, how money grows over time and the impact of education on earnings. If the City of Oakland is expecting and facilitating financial education for all Oakland students and their families, it is important for those Oakland families on CalWORKS to have the opportunity to use that knowledge to save for their families and have the opportunity to gain financial self-sufficiency.

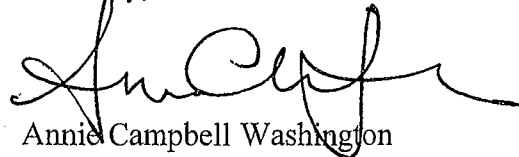
Administrative Savings

The majority of CalWORKs applicants and recipients never come close to exceeding the asset limit. Recent research found that only .1% of all CalWORKs cases are disqualified because they exceed cash and vehicle asset limits. Still, County workers are required to screen all applicants and recipients to verify their eligibility under the rule.

It is estimated that eliminating the asset test will result in \$6.4 million in administrative savings. Removal of the asset test will free up much needed staff resources towards supporting families economic goals and sends a clear message to CalWORKs families that savings is important and encouraged.

AB 1809 is an important step towards helping low-income Californians achieve financial stability. Thank you for your consideration of this legislation and I respectfully request your support for this legislation.

Sincerely,



Annie Campbell Washington
City of Oakland Vice Mayor

2016 MAR 24 PM 3:39

DRAFT

City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

INTRODUCED BY VICE MAYOR ANNIE CAMPBELL WASHINGTON

RESOLUTION IN SUPPORT OF ASSEMBLY BILL 1809 INTRODUCED BY ASSEMBLYMEMBER PATTY LOPEZ TO REFORM THE ASSET LIMIT FOR THE CALIFORNIA WORKS OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) PROGRAM TO ENCOURAGE LOW-INCOME FAMILIES TO SAVE AND DEVELOP BEHAVIORS THAT LEAD TO ECONOMIC SELF-SUFFICIENCY AND IT REDUCES ADMINISTRATIVE INEFFICIENCIES.

WHEREAS, California Assembly Bill 1809, would repeal the asset test for the California Work Opportunities and Responsibility to Kids program (CalWORKs); and

WHEREAS, currently, families on CalWORKs find their progress restricted by an asset limit, which confines families to no more than \$2,250 in savings, excluding some retirement and higher education savings, and one car, with an equity value of no more than \$9,500; and

WHEREAS, the primary goal of the CalWORKs program is to move families out of poverty and towards economic self-sufficiency and a major component of financial self-sufficiency and stability is having savings; and

WHEREAS, the asset limit restricts families who are working their way off of public assistance from setting aside savings in order to remain eligible for temporary assistance; and

WHEREAS, CalWORKs recipients are fearful of saving because they believe that even a small amount of emergency savings will make them appear less in need of assistance and as a result, these families lack the savings needed to cope with common financial setbacks, such as a car breakdown or a child with a medical emergency; and

WHEREAS, recent research found that only .1% of total CalWORKs cases are disqualified because they exceed cash and vehicle asset limits but county workers are required to screen all applicants and recipients to verify their eligibility under the rule; and

WHEREAS, it is estimated that eliminating the asset test will result in \$6.4 million in administrative savings; and

WHEREAS, removal of the asset test will free up much needed staff resources towards supporting families economic goals and sends a clear message to CalWORKs families that savings is important and encouraged; now, therefore, be it

RESOLVED, that AB 1809 would remove penalties for saving, increase government efficiency and is an important step towards helping low-income Californians achieve financial stability; and be it

FURTHER RESOLVED, that the City of Oakland supports AB 1809 to reform the asset limit for the Cal-WORKS program as to encourage low-income families to save and develop practices that lead to economic self-sufficiency.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN,
REID AND PRESIDENT GIBSON MCELHANEY

NOES -
ABSENT -
ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of the City
of Oakland, California