

Fact Sheet as amended on August 27, 2009:
AB 1058 (Beall & Fuentes) CA Workforce Mobility Initiative
2009-2010 State Legislative Session

Summary: AB 1058, the CA Workforce Mobility and Savings Initiative, reforms the vehicle test in California Work Opportunity and Responsibility to Kids (CalWORKs) program. By reforming the vehicle limit, this measure restores the stated goal of the CalWORKs program by assisting families in achieving economic self-sufficiency through work.

What AB 1058 Does: AB 1058 eliminates the \$4,650 vehicle limit from CalWORKs eligibility rules. In addition, AB 1058 streamlines the CalWORKs, Food Stamp and Medi-Cal program. State law has eliminated vehicle tests for the Food Stamp and Medi-Cal programs; however, it continues to require a vehicle test for CalWORKs.

Need: At present, families on CalWORKs find their progress restricted by an asset limit which confines families to not more than \$2,000 in savings (excluding some retirement and higher education savings) and one car (with a value of no more than \$4,650). Currently, California is tied with Texas and Idaho in having the most restrictive asset test for vehicles of any state in the country. Twelve states exclude all vehicles owned by the household; another 15 exclude at least one vehicle per household. California, however, continues to employ an overly restrictive vehicle asset test—one that undermines a worker's ability to gain and maintain employment, thereby encouraging continued reliance on public assistance.

Fiscal Impact: AB 1058 will increase efficiency by reducing paperwork and staff hours spent tracking down the value of vehicles, which will result in an average net savings to the state totaling \$2 million for the FY2009-2010, \$2.7 million for FY 2010-11 and \$2.6 million ongoing.

To quantify AB 1058's impact to the CalWORKs caseload, the Los Angeles Department of Public Social Services (DPSS) researched caseloads and CalWORKs application denials for Los Angeles County. DPSS reported that **less than one-tenth of one percent** of monthly denials were due exclusively to the vehicle test. Currently, one third of the CalWORKs population resides in LA County. Based on these data, it is estimated that elimination of the vehicle asset test would increase annual CalWORKs caseloads statewide by about 279 cases. These additional CalWORKs cases could lead to an increase in the statewide Medi-Cal caseloads by an average of 45 cases. Despite the relatively low percentage of people impacted by the vehicle asset limit, caseworkers must continually request, evaluate, verify and re-verify the vehicle criteria. Therefore, any minor resulting caseload increases will still be offset by ongoing administrative savings.

Support: New America Foundation (Sponsor), Catholic Charities of California (co-sponsor), California Catholic Conference of Bishops, State of California, Commission on the Status of Women, California Welfare Directors Association, Western Center on Law and Poverty, Insight Center, California State Association of Counties

Opposition: There is no registered opposition to AB 1058.

For more information, visit:

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