

News Release



Controller of the State of California - Kathleen Connell

300 Capitol Mall, Suite 1850

Sacramento, California 95814

Contact: *Byron Tucker, Linda Carlson*
310/342-5678 or 916/445-2636

FOR IMMEDIATE RELEASE

CONNELL'S TASK FORCE SUBMITS REPORT ON WELFARE-TO-WORK RECOMMENDATIONS

"Smart Card" for Transitional Assistance to Cut Bureaucracy, Reduce Fraud

LOS ANGELES, Dec. 3 -- State Controller Kathleen Connell and members of the bipartisan Work Opportunity Response Commission (*WORC Force*) she formed two months ago today submitted their report of recommendations to address job-related issues in connection with California's welfare-to-work transition. The report frames key issues for general public debate, suggests strategic approaches and offers specific techniques for Job Training, Tax Policy and Support Services. It is being submitted for consideration by policymakers and legislators who will be seeking public input and making critical decisions that will affect California for years to come.

Among the Commission's most innovative proposals are those related to transitional child care, an enormous hurdle for welfare parents who must now join the work force. For example, the Commission recommends an electronic benefit transfer (EBT) -- "smart card" -- system replace fraud-ridden, bureaucracy-laden food stamps, vouchers and cash assistance: "We cannot afford to have a single dollar lost to fraud or inefficiency. This technology is the most promising option to ensure that transitional benefits go directly to taxpayer-intended purposes," said Connell. She noted that a similar system for nutrition assistance has operated successfully in Texas; however, the Commission's recommendation that it be used for child care is a first.

-more-

"No mother can be productive at work if she is worried about her child's safety. This is especially challenging for those entry-level workers whose jobs require them to work night shifts and weekends, times when child care is most costly and difficult to secure," said Connell. To help overcome the dearth of affordable child care, her Commission recommends counties expand current IHSS (In Home Supportive Services) from senior care only to include off-hour child care. "This strategy serves the dual purpose of increasing job opportunities for welfare recipients who need to work, while meeting the child care needs of others," said Connell.

Along with specific techniques, the Commission explored philosophical issues that must be addressed with regard to job training and division of government responsibility. Though the state will face reduction of its overall block grant if federal goals for putting certain percentages of the welfare population to work are not met, the Commission favors broad flexibility for county government to devise and implement jobs solutions: "The federal government has dismantled its 60-year-old bureaucracy. The state should not simply rebuild it," said Connell. "The state should set standards and provide assistance to counties, but ultimately, the decisions are best made at the grassroots."

In the debate over "work first" or "training first" for welfare recipients who must get jobs, the Commission came down in favor of a "work first" approach where minimal job readiness skills are taught prior to placing the new worker in a job: "Additional skills training can and should take place on-the-job so the individual can rise up the economic ladder, but the Commission heard compelling evidence that work ethic is the most important component of a person's long-term success. The most effective way to instill a work ethic is to place people in real, wage-paying jobs where they can learn and experience the rewards of personal responsibility," said Connell.

Connell stressed that the discussion of job training raised larger questions about California's public education system overall: "The basics aren't being taught in our public schools. Without this foundation, we cannot hope to equip our young people with the skills to succeed in an increasingly knowledge-based job market. Both basic education and continuing training should be central to the public dialogue about welfare-to-work."

She also noted the Commission's strong concern about equity issues: "People who can and should provide for themselves should do so. In working to create opportunities for welfare recipients to become self-sufficient, we must ensure that the working poor, already striving to make a better life for themselves, are not disadvantaged."

Among the Commission's other recommendations to state and county government include:

* **SUPPORTIVE SERVICES** -- In addition to child care as noted above, the Commission recommends aggressive expansion of the Child Support Collection pilot program run by the State Controller and Franchise Tax Board, citing rampant unpaid child support as a key reason for many mothers' dependence on public assistance. The Commission also recommends a statewide registry of licensed child care facilities to help parents locate nearby providers.

* **JOB TRAINING AND APPRENTICESHIP** -- Following a "work first" strategy, the Commission recommends counties establish "one-stop" job centers to deliver job training and placement, thereby reducing bureaucracy and streamlining services. Partnerships between public, private and nonprofit entities are favored for technical training and for match prospective employers with workers who need jobs.

* **TAX/BUSINESS INCENTIVES** -- Proposed federal tax credits should be modified and state-level credits initiated to encourage California's small businesses to give welfare recipients an opportunity to prove themselves on the job; this includes *carryback* and *carryforward* provisions, with state credits mirroring federal plans to reduce complexity and paperwork. Connell said: "For any tax credit, there must be strong protections for workers from employers who may attempt to replace existing workers with tax-credited employees. Such a 'revolving door' would penalize people who have been working hard without the benefit of public assistance." Pre-employment screening/eligibility certification is also proposed to help place welfare recipients on equal footing with other job candidates in the hiring process.

Connell emphasized that every Californian has a stake in the success of the welfare-to-work transition and that every corner of the state is affected: "It isn't enough to simply cut people off from welfare. California counties, especially, are in for a rude awakening if we don't put an estimated one million Californians to work: county government, taxpayers at the local level, will bear the financial burden of potentially thousands of people being added to their general relief rolls."

With the final report now submitted, Connell noted that the Work Opportunity Response Commission has completed its charge and has, therefore, been dissolved. "We are indebted to the business leaders, labor leaders and county supervisors who dedicated their time and energy to help frame critical issues and suggest ways to overcome the challenges of welfare-to-work," said Connell. "I hope that citizens at large join their representatives in this public discourse. Just as our Commission came to the table with very diverse views, and forged a consensus, we need to reach public consensus. Decisions about how tax dollars will be spent in the post-welfare reform era will affect us all."

#

To receive the complete WORC Force Report, including full text of Tax Policy, Job Training and Support Services recommendations, contact Byron Tucker/Linda Carlson at 310-342-5678 or 916-445-2636.