



# The Governor's Budget Threatens Low-Income & Children & Families by

## **Denying Families a Cost of Living Increase (COLA)**

The COLA that is due would raise the cash aid for a typical family (a mother and her two children) from \$723 to \$757 per month. No COLA means a loss of \$34/month. If CalWORKs grants had kept pace with inflation, today the grant for this family would be \$1,142/month.

## **Cutting CalWORKs Grants by an Additional 6.5%**

This will cut the cash aid of a three-person family from \$723 to \$676 each month. This is an additional cut of \$47/month on top of the \$34 cut due to no COLA. This means a loss of \$81/month.

## **Cutting CalWORKs' Work Incentives**

To reward work, CalWORKs does not count the first \$225/month and the next 50% of a person's earnings. The governor wants to lower these deductions to \$200 and 40%. The average working family would lose another \$79/month in income for a total cash cut of \$160. Some families will also lose their cash aid and access to dental care..

## **Cutting Child Care for Working Families**

The budget would end guaranteed childcare for families who leave welfare for work. They would go onto a waiting list with 280,000 other families, regardless of their need.

## **Ending Future CalWORKs' Cost of Living Increases**

The Governor wants to repeal the law that gives CalWORKs' annual cost of living (COLA), making it easier for politicians to limit cash aid in future years.

## **Breaking the promise to restore funding for California's K-12 public schools under Prop. 98**

In 1988 California voters approved Proposition 98 to guarantee a minimum level of funding for public schools. The proposed 2005-2006 State Budget breaks the promise made last year to California's schools to pay back the money borrowed from Prop. 98 and to avoid more harmful cuts in future years.

## **Further compromising education quality in schools serving low-income communities**

California's schools are among the lowest funded in the nation. Our average class size is the second largest in the nation. We are the last in the nation in the funding of school nurses, librarians, and counselors. In low-income communities, children lack textbooks, decent facilities, and qualified teachers. Not funding education as Prop. 98 requires would further harm public schools that are already suffering from inadequate resources.