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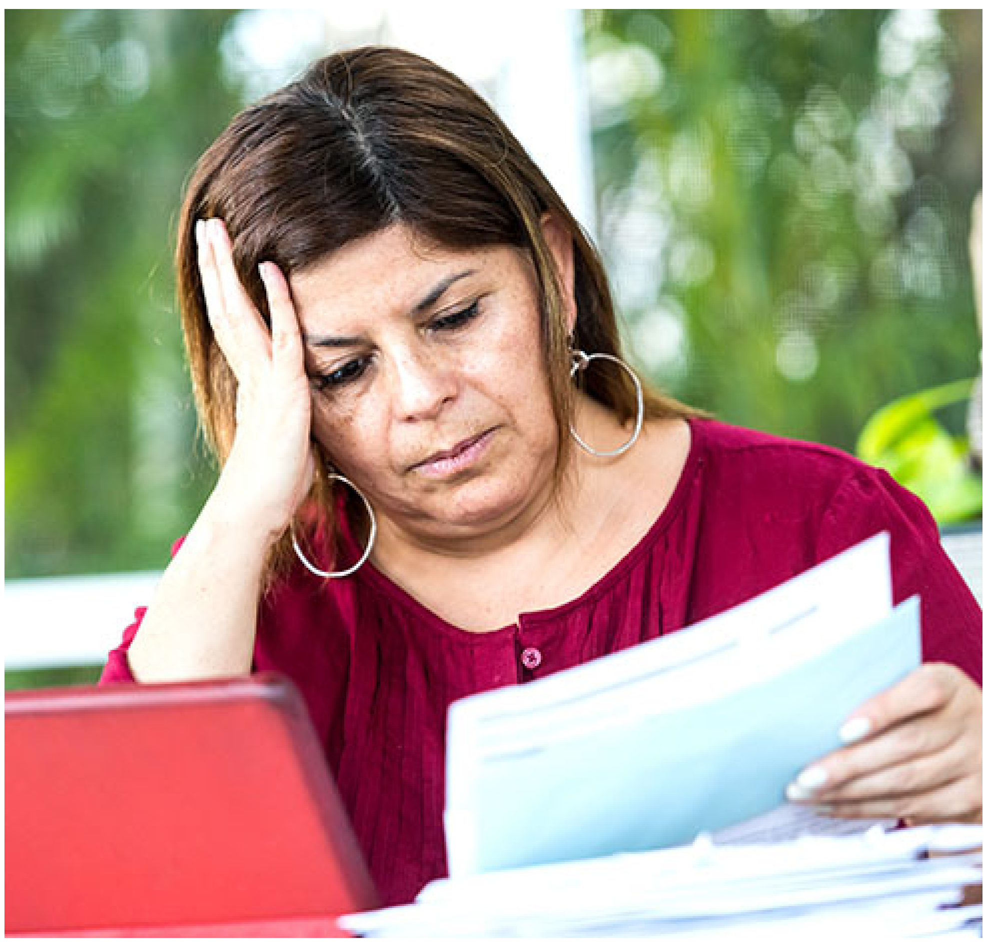
California's Safety Net in Recession and Recovery



SUMMARY

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Technical appendices to this report are available on the PPIC website.

The COVID-19 pandemic has brought about health, employment, and educational crises in California and in the nation. State and federal policy measures—including stimulus payments, increased unemployment insurance (UI) payments, increased food assistance benefits, and extended eligibility periods for some safety net programs—averted a sharp increase in poverty in the early months of the pandemic. Nonetheless, we know low-wage workers take longer to recover from recessions and may have an even longer-term need for the social safety net than they did after other recent downturns.

California's social safety net bolsters low incomes, and many safety net programs also have individual goals, including providing a safety net for children, supporting nutrition and health, and incentivizing work. When economic crises occur, how well do—and can—these programs respond to increased demand? Are there gaps in the safety net? In this report we look at evidence from the Great Recession and draw from stakeholder convenings that we held in January 2021. Our analysis focuses on the responsiveness of Earned Income Tax Credit (EITC), CalWORKs cash assistance, and several nutrition programs: CalFresh, WIC, and school meals.

- We find that benefits and participation increased after the Great Recession. This is true even of CalWORKs—California's Temporary Assistance for Needy Families (TANF) program—despite national evidence that cash assistance through TANF did not expand to meet increased need.
- We find robust evidence of elevated need for safety net benefits during the last economic recovery. Likely reasons for this prolonged need include laid-off workers turning to unemployment insurance first, families relying initially on informal resources such as food banks or family and friends, and a slower economic recovery for low-income workers compared to high-income workers.
- We also find evidence of gaps in the availability of expanded support. Key groups facing serious limitations in the social safety net include working-age adults who do not live with dependents and undocumented immigrants and their family members.
- California's largest social safety net programs share several features that create particular challenges during economic downturns. Stakeholders point to gaps in program eligibility, incomplete take-up of programs, and an insufficiently systemic approach.

Although much of the safety net is funded and regulated by federal policymakers, state decisionmakers can take steps to support the safety net and foster an equitable recovery:

- Filling gaps in the federal recessionary response, such as those that affect adults without dependents or mixed-status families.

- Developing a state toolkit of administrative measures to increase the responsiveness of programs during recessions.
- Creating multiple points of delivery—state lawmakers recently took a step in this direction by providing Golden State Stimulus and Grant Program rebates to tax filers but also one-time payments to Supplemental Security Income (SSI/SSP) recipients and to CalWORKs participants.
- Improving handoffs across programs to reduce bureaucratic obstacles to enrollment.
- Continuing to increase participation among eligible Californians.

Now that California seems to be emerging from the COVID-19 economic crisis, this may be an opportune time to take stock of the pandemic's impact on the social safety net and consider how best to leverage safety net resources to promote an equitable recovery in the aftermath of this recession and in the future.

Introduction

California has experienced health, employment, and educational crises as a result of the COVID-19 pandemic (Bohn et al. 2020; Gao, LaFortune, and Hill 2020). The economic shutdown in the early months of the pandemic prompted rapid federal policies that averted a sharp increase in poverty (Giannerelli, Wheaton, and Acs 2020; Han, Meyer, and Sullivan 2020b; Parolin, Curran, and Wimer 2020). Additional federal actions later in 2020 and 2021—including increased SNAP food assistance benefits, expanded child tax credits (CTCs), and tax stimulus checks—have combined to temporarily lower poverty; together, federal measures taken in 2021 are projected to cut child poverty by half (Parolin, Curran, and Wimer 2021). Federal steps taken so far are larger than in the 2007–09 Great Recession (Committee for a Responsible Federal Budget 2020).

Declining unemployment rates indicate that California is emerging from the pandemic recession, and the April 2021 PPIC Statewide Survey indicates that more than half (54%) of adults expect good economic times in the next year (Baldassare et al. 2021). Moreover, in another departure from past recessions, the state budget is strong: state revenues in the 2020 fiscal year exceeded forecasts, and revenues in 2021 are at record levels. This has made possible programs such as the Golden State Stimulus and Golden State Grant Program, and the expansion of the state's Earned Income Tax Credit (CalEITC) to those filing taxes without social security numbers.[1]

However, we know that low-wage workers have been hit harder by recent recessions and that it takes longer for their incomes to recover (Bohn et al. 2020; Murphy et al. 2019). The pandemic recession has been even more bifurcated than other recent downturns: low-income residents have been severely affected and are likely to feel its repercussions for several years. As a result, need for the social safety net may be greater than it was in the aftermath of the last recession.

To help policymakers facilitate an equitable recovery from the COVID-19 crisis, we analyze the responsiveness of the safety net during and after the 2007–09 Great Recession. We focus on three of the largest social safety net programs that assist low-income families: the Earned Income Tax Credit (EITC), the Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF). (SNAP is known as CalFresh in California, and TANF is known as CalWORKs.) We also consider the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and federal school nutrition programs, which are broadly available to low-income mothers and children from birth through high school.[2] In addition, we draw from two stakeholder convenings on the safety net's response to recessions and recoveries that we held in January 2021.

California's social safety net programs have the shared goal of bolstering incomes, while individual programs also aim to support employment, nutrition, and health. How well do—and can—these programs meet increased economic need during and after downturns, and what can be done to broaden access and expand participation? Although opinions about the appropriate scope of programs differed, participants in our stakeholder convenings agreed that programs should be designed to help meet increased need during recessions. In this vein, several themes emerged:

- Gaps in program eligibility
- Incomplete program take-up

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[1] The spring 2020 Disaster Relief Assistance for Immigrants (DRAI) program provided stimulus payments to only about 150,000 undocumented immigrants and their families.

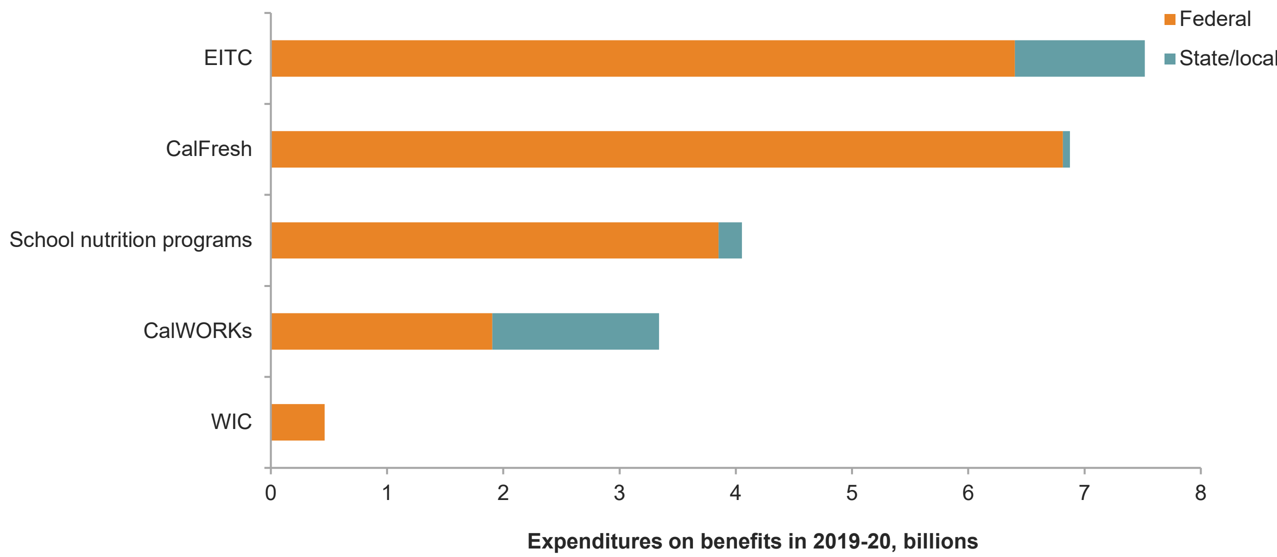
[2] We do not consider UI in this report because it is not a targeted program and is typically less available to low-income families. We do not consider Supplemental Security Income (SSI), another large program, because it is not intended to provide recessionary support. We also do not consider Medicaid, which may provide recessionary support but is not a cash or near-cash program. In the case of both CalFresh and CalWORKs, we include amounts from state-only programs.

- Looking beyond single programs at systems that serve low-income residents
- Preserving flexibility to address unique recessionary circumstances

It is important to consider that safety net programs are largely funded by the federal government. Figure 1 demonstrates this point by summarizing federal and state dollar amounts expended on benefits in California in 2019–20. Federal spending covers at least half—often close to 100 percent—of the cost of major safety net programs. While state revenues are healthy right now—and the state has built up more robust reserves than it had during the Great Recession—the federal-state relationship can constrain state efforts to expand social safety net programs.

FIGURE 1

Federal funding undergirds California's safety net



SOURCES: California Department of Education; California Department of Social Services; California Franchise Tax Board; US Department of Agriculture Food and Nutrition Service; Internal Revenue Service.

NOTES: EITC bar combines the federal and state credits, along with the state Young Child Tax Credit (YCTC). Federal Earned Income Tax Credit (EITC), CalEITC and YCTC amounts for tax year 2019 (received in 2020). CalFresh, CalWORKs, General Assistance, school nutrition and WIC amounts for state fiscal year 2019–2020. State CalWORKs expenditures include amounts for the Cash Assistance Program for Immigrants (CAPI) and CalFresh expenditures include amounts for the California Food Assistance Program (CFAP) and the Work Incentive Nutrition Supplement (WINS). WIC amounts exclude infant formula rebates. School nutrition amounts are estimated from national and state data and include free and reduced-price meals and the first round of P-EBT payments.

Nonetheless, the state can take some steps to strengthen the safety net. After we assess the strengths and limitations of these safety net programs, we consider how state policymakers can increase the responsiveness of the safety net within the constraints of federal policy.

Data and methodology

To assess program responsiveness to family needs during economic downturns, we use California Poverty Measure (CPM) data for the years 2011–18. We employ a "time series of cross sections" approach that filters out constant county differences and flexibly captures statewide trends. This is entirely parallel to the approach taken in national research. The unit of observation is the county-year; due to data limitations, small counties are grouped. We examine levels of participation in programs as well as amounts of assistance. Our 2011–18 time period captures California's recovery from the 2007–09 recession, and the methodology relies on county-by-county differences in the pace of recovery. We assume that programs expand and shrink symmetrically; this allows us to extrapolate empirical evidence from the period of economic recovery to the period of the recession.

The two goals of this descriptive analysis are to establish whether broad national takeaways hold true for California and to assess systematic differences in safety net responsiveness across California households with differing numbers of children, immigration statuses, and races/ethnicities. Our study population includes families with at least one adult between the ages of 18–64, at least one adult who does not self-report a disability, and at least one documented immigrant (imputed) or citizen (self-reported) member. This includes an average of 33.5 million Californians and excludes 4.3 million annually over the 2011–18 period.

See Technical Appendix A for more details.

Identifying Strengths and Weaknesses of California's Safety Net

An effective countercyclical social safety net—one that expands in response to economic downturns—is important for the families most affected by recessions (Bohn et al. 2020). National research notes several key gaps in the US social safety net (Boushey, Nunn, and Shambaugh 2019; Bitler, Hoynes, and Schanzenbach 2020; Moffitt and Ziliak 2019; Moffitt and Ziliak 2020). First, the means-tested safety net is largely work-focused, raising questions about its effectiveness when jobs become harder to find. Second, few programs automatically ramp up when recessions hit. Instead, federal or state action via legislation or executive order is required to expand programs when the economy worsens—and these actions can sometimes be delayed. Finally, eligibility restrictions limit safety net coverage of residents in need.[3]

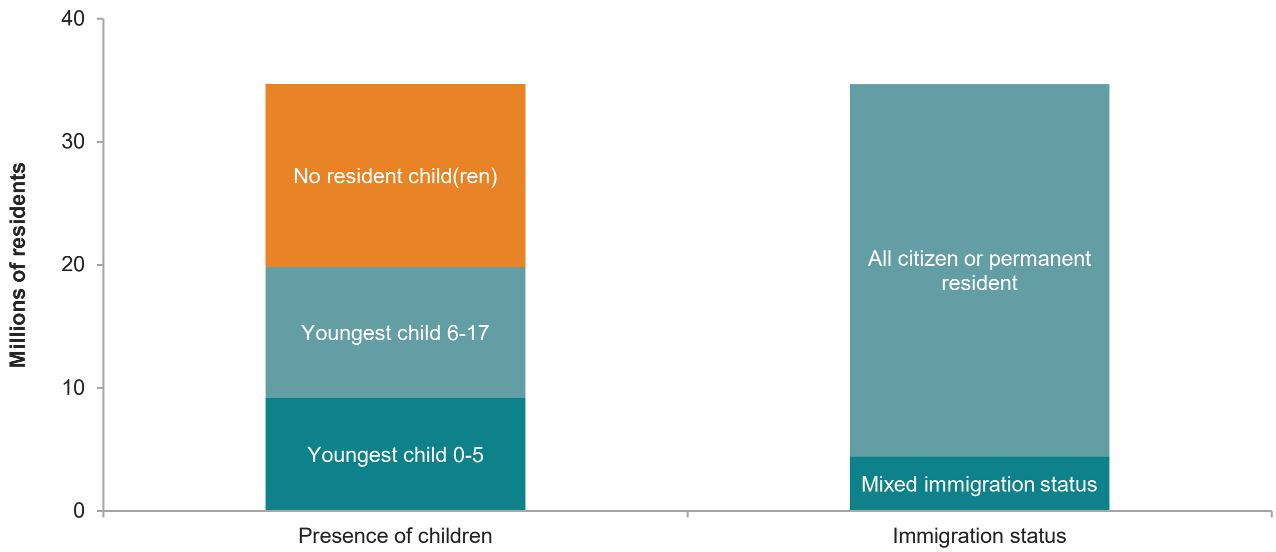
Not surprisingly, the share of Californians with any income from earnings fell and poverty increased as a result of the Great Recession (see Technical Appendix Table C1). California's safety net responded to this increased need, but gaps created by eligibility rules made programs less available—or simply unavailable—to some families. To provide more specificity about these limitations of the safety net, we examine the responsiveness of programs for families categorized by the dimension on which access varies: those with and without children, and families with

[3] See Technical Appendix C for a lengthier discussion of national research.

citizen or permanent resident members versus those with some undocumented immigrant members. We also examine safety net use across racial/ethnic groups.[4]

We focus on roughly 34 million Californians out of the total population of 39 million.[5] Within this group, we see 9.2 million people in families with young children (ages 0–5), 10.6 million people with youngest children aged 6–17, and 14.9 million people in families with no resident children (Figure 2). Looking at the population through the lens of immigration, the state has 4.4 million people living in families with undocumented immigrant members—fewer than half are themselves undocumented—and 30.2 million people in families with citizen and/or permanent resident members.

FIGURE 2
Californians by family characteristics



SOURCE: Author calculations from the 2018 CPM.

NOTES: Californians grouped by family characteristics: presence and age of youngest child; citizenship and immigration status. The sample includes those in families with at least one member between the ages of 18 and 64, at least one adult who does not self-report a disability, and at least one member who is a citizen or permanent resident. See Technical Appendix A for further details.

CalFresh Is the Most Broadly Responsive Safety Net Program

CalFresh serves working and unemployed Californians, the disabled and the nondisabled, and families with and without children.[6] Research indicates that CalFresh serves half of California children at some point before they turn six; the program assists even larger shares of Black and Latino children, who experience much higher poverty rates (Danielson, Thorman, and Bohn 2020).

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[4] Throughout, we treat estimates for relatively small groups in the population—mixed immigration status families, Black families, South and East Asian American families, and Southeast American families—cautiously because regression coefficients are relatively imprecisely estimate. In the case of immigrants, our ability to accurately identify documentation status is also limited.

[5] The analysis includes families in which at least one member is between the ages of 18 and 64 and does not self-report a disability and at least one member is a US citizen or legal resident.

[6] California's SSI cashout policy meant that many disabled Californians were not eligible for CalFresh during the time period of the data analyzed in this report. Therefore, the empirical analysis in this report does not include disabled survey respondents. The state did expand CalFresh eligibility to SSI participants in June 2019.

California's experience with CalFresh during the Great Recession was broadly similar to the national experience.[7] We find increases in the amount of CalFresh benefits reaching Californians as well as an increase in the share of the population participating in the program specifically associated with the unemployment rate rising (Figure 3). The increases are larger when we incorporate the possibility of delayed applications for CalFresh, a finding that is consistent with the evidence that low-income families experience more drawn-out effects of recessions.[8]

CalFresh benefits grew among citizen families, families with mixed immigration statuses, and families with children.[9] CalFresh is also relatively more responsive for Black families during recessions than it is for other race/ethnic groups. However, levels of participation and benefits among adults without children did not seem to increase as the unemployment rate rose.[10] This is surprising—low-income adults without dependents are eligible for CalFresh, and work requirements they may face in good economic times are suspended during economic downturns—and may indicate a need for more robust outreach to this group, which does not qualify for several other safety net programs. However, it is important to acknowledge that the June 2019 extension of CalFresh eligibility to Supplemental Security Income (SSI) participants particularly affected adults without children; as a result, this group has broader eligibility for CalFresh now than they did during the Great Recession (Barocio 2018).

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[7] For a summary of the national evidence, see Technical Appendix B.

[8] In other words, the estimates are larger when we incorporate two annual lags of the unemployment rate. The estimates shown in Technical Appendix Table B1, panel A indicate that CalFresh grew by $12–$17 per capita—translating into $413–$586 million—for every percentage point increase in the unemployment rate. Dividing that range by 2018 expenditures on benefits implies a 7–10% increase in expenditures associated with a percentage point increase in the unemployment rate.

[9] The evidence for mixed immigration status families is mixed. The coefficient on the contemporaneous unemployment rate is insignificant, but the sum of the coefficients in the lagged model is significant. See Technical Appendix Table B3.

[10] Not only are the point estimates insignificant, the substantive size of the coefficients is small. See Technical Appendix Table B2.

FIGURE 3

Summary of estimated effects across programs and populations

		All families	Families with young children	Families with older children	Families with no resident children	Families with all citizen or permanent residents	Families with mixed immigration status
CalFresh	Benefits	↑	↑	↑		↑	↑
	Participation	↑	↑				
CalWORKs	Benefits	↑	↑	↑	NA		
	Participation	↑	↑	↑	NA		
EITC	Benefits		↑			↑	NA
	Participation					↑	NA
WIC	Benefits	↑	↑	NA	NA		
	Participation	↑	↑	NA	NA		↑
Free and reduced-price school meals	Benefits		NA	↑	NA		
	Participation	↑	NA	↑	NA	↑	↑

SOURCES: Regression estimates shown in Technical Appendix Tables B1 through B4, contemporaneous and lagged unemployment rate models.

NOTES: Statistically significant results (at the 5% level or better) indicated with arrows. "Up" arrows indicate an increase in the unemployment rate is associated with an increase in program benefits or caseload; there are no "down" arrows because we find no significant decreases in program benefits or caseload. Unshaded cells indicate potential eligibility; shaded cells indicate partial ineligibility due to immigration status. "NA" indicates the group is ineligible for the program.

CalWORKs Provides Important Support for Families with Children

CalWORKs benefits and participation grew in response to higher unemployment rates during the Great Recession—and this growth is more pronounced if we consider drawn-out effects of recessions (Figure 3).[11]

The CalWORKs responsiveness is notable because nationally the Temporary Assistance for Needy Families (TANF) is *not* responsive to recessions; in part this is because federal funding comes in the form of a block grant to states that does not automatically increase when caseloads grow.[12] However, the block grant allows states a considerable amount of flexibility in managing the program. During the Great Recession, California lawmakers made cuts to CalWORKs benefit amounts, adult eligibility, and work supports (Murphy et al. 2019). Nonetheless,

[11] The estimates shown in Technical Appendix Table B1 (panel A) indicate that CalWORKs grew by $4–$5 per capita—translating into $126–$160 million—for every percentage point increase in the unemployment rate. Dividing that range by 2018 expenditures on benefits implies a 4–5% increase in expenditures associated with a percentage point increase in the unemployment rate.

[12] For a summary of the national evidence, see Technical Appendix B.

our analysis indicates that the program did see increases in both benefits and participation among families with children.

After the Great Recession, this growth was particularly marked for families with young children. Black and Latino families also saw relatively larger increases compared with white and Asian families (Technical Appendix Table B4). County General Assistance programs do provide some cash support to adults with no dependents, but we do not find evidence those programs act as a recessionary support in the way that CalWORKs does.[13]

The CalEITC Is Designed to Provide More Recessionary Support than the Federal EITC

The federal EITC has a mixed record of meeting needs during recessions, both nationally and in California. Given the program's connection to a substantial level of work, this is somewhat unsurprising: during recessions, the share of families with any income from earnings or self-employment declines (see Technical Appendix B and Table C1). While CalFresh, CalWORKs, and WIC are available to families with no income from employment, the state and federal EITCs are not.

Evidence from the last recession suggests that support from the federal EITC did not increase across the board (Figure 3). If we focus in on families made up entirely of citizens or permanent residents, we do see increases in both benefits and participation associated with the last economic downturn. We also find some evidence of increases for families with young children.[14] But we do not see increases for families without children—these families may even have experienced decreases.[15]

The CalEITC has several design features that make it better suited than the federal credit to be an effective recessionary support program. In particular, the CalEITC provides higher benefits to workers with very low incomes, and families with children under age 6 can get a Young Child Tax Credit (YCTC) of up to $1,000. Instead of increasing with higher incomes, the entire YCTC is available to families with even just $1 in earnings.[16] In other words, low-income workers who lose jobs or see their hours cut back during a recession are more likely to be eligible for a higher CalEITC payment, and they will not lose any of their YCTC so long as they have some earnings. These features are in line with recommendations from the research literature (Hoynes 2019; Maag and Marron 2020).

Further, starting in 2021, tax filers with Individual Tax Identification Numbers (ITINs)—most of whom are likely to be undocumented immigrants—are eligible for the CalEITC and YCTC, while the federal EITC remains available only to those who file with social security numbers.[17] This expansion promises to make the CalEITC a safety net program for mixed-status families. However, a gap still exists for adults without tax dependents: such adults are still eligible for far smaller credits than are families with children.

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[13] The CalWORKs outcomes shown in Technical Appendix B do factor in cash assistance from GA. Technical Appendix Table B2 shows uniformly negative, and in one case a significant, estimate for adults not living with children. GA programs are far smaller than CalWORKs and some counties do not offer GA, so these estimates should be interpreted with caution.

[14] The regression estimates shown in Technical Appendix Table B2 also indicate increases for families with older children, but they are significant only at the 10 percent level.

[15] The regression estimates shown in Technical Appendix Table B2 indicate decreases for families without children, but they are significant only at the 10 percent level.

[16] In other words, the YCTC phases out, but does not phase in. In contrast, both the federal and state EITCs phase in and phase out. The 2021 federal Child Tax Credit (CTC) expansion incorporated as part of the American Rescue Plan (ARP) goes further by paying the CTC temporarily to families with children regardless of whether they had earned income in 2020.

[17] The federal CTC is available to those whose dependents have social security numbers.

WIC and School Meals Respond for both Citizen and Mixed-Status Families with Children

We also highlight two additional food assistance programs: our analysis indicates that WIC—a program for low-income pregnant women, new mothers, infants, and young children to meet their nutritional needs—and free or low-cost school meals provide broad-based recessionary support to families with children.[18]

While these programs do not represent major state investments, both saw increased benefits and higher participation associated with a growth in unemployment among families with young children in the case of WIC, and those with older children in the case of school meals (Figure 3). Importantly, our empirical evidence indicates the increase in WIC participation was shared by mixed-immigration-status families. We also find evidence that, while growth in WIC participation was shared across families of different race/ethnicities, it was relatively larger for Latino and Black families.

Thus it appears that WIC and school meals have a potentially broad reach among families with young children.[19] This is partly because they are trusted programs—and they do not collect information on immigration status. For policymakers looking to make the safety net more broadly responsive, these programs are instructive.

State Policymakers Can Strengthen California's Safety Net

As California emerges from the pandemic, policymakers are looking for ways to facilitate an equitable recovery. While the state is adding jobs, employment for many Californians has not recovered relative to early 2020 levels. And as we have seen, those who faced economic instability before the pandemic are likely to need support well after the rebound of statewide economic indicators. Targeted assistance programs can protect individuals and families from hardship while they are getting back on their feet.

Evidence from the last recession indicates that California's social safety net does respond—and that California's cash assistance program for families with children is more robust than that of the rest of the nation. However, we have also seen that there are gaps in coverage for some groups, including adults without children and mixed-immigration-status families.

During this recession, CalFresh and CalWORKs have not grown as expected, prompting some concern. For example, in the state's 2020–21 spending plan CalFresh was projected to grow by 50 percent. Between February and June 2020, participation increased by nearly 20 percent (from 4.1 to 4.8 million people), but the caseload dropped to 4.4 million as of March 2021 (California Department of Social Services 2020a; California Department of Social Services 2020b).[20]

How can the state leverage its funds to reduce gaps in federally funded safety net programs? What other kinds of measures can the state take?

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[18] The estimates shown in Technical Appendix Table B1, panel A indicate that WIC grew by \$1–\$2 per capita—translating into \$50–\$55 million—for every percentage point increase in the unemployment rate. Dividing that range by 2018 expenditures on benefits implies an 8 percent increase in expenditures associated with a percentage point increase in the unemployment rate.

[19] See Gray et al. (2019) for evidence that California participation in WIC is above the national average—although it has been declining since about 2012.

[20] The federal stimulus package passed in December 2020 broadened eligibility for CalFresh by temporarily excluding income from UI in calculating eligibility and temporarily exempting students from work requirements. These provisions are likely to produce a caseload increase in 2021. In the state's 2020–21 spending plan, the administration projected that the CalWORKs caseload would grow by 50 percent; however, between February and June 2020 the caseload held relatively constant at about 900,000 participants and has since declined.

Strategically fill federal gaps. Federal safety net funding is subject to eligibility and other restrictions. The state has the most flexibility in deploying funds in the block-granted CalWORKs program. Eligibility requirements and benefit amounts for CalFresh and EITC are largely set by the federal government, but the state can implement supplemental programs. The supplemental programs that have already been created could serve as starting points for filling additional gaps.

For example, the state has funded supplemental programs that provide benefits for certain documented immigrants who are ineligible for CalFresh and CalWORKs due to federal rules. Policymakers could consider expanding these supplemental programs to serve all immigrants, regardless of legal status. In 2018–19, legislators signaled their intent to increase CalWORKs grants to participating family members at or below 50 percent of the poverty level plus one additional member, although this plan has not to-date been implemented (Legislative Analyst's Office 2019). This upward adjustment of case size is an acknowledgment that more than half of CalWORKs cases include assistance for children but not adults. This situation arises in families with mixed immigration status—as well as in the context of CalWORKs time limits and sanctions.

Policymakers could also consider leveraging the flexibility of the CalWORKs block grant to provide a boost to those hard hit by recessions, perhaps using the mechanism of diversion payments for those not currently participating in CalWORKs.

Consider increasing administrative flexibility. The COVID-19 pandemic has shown that programs may need to be adjusted during recessions. In 2020, federal and state actions reduced or paused paperwork requirements, and waived work requirements and time limits (Legislative Analyst's Office 2021; Food and Nutrition Service 2020).[21] We do not yet have detailed analyses of how well these measures worked, and for whom.[22] Since recessions occur regularly, assessing the effectiveness of temporary changes and adopting measures that are successful can help make the safety net more responsive.

Social safety net programs are designed with multiple goals in mind—supporting family incomes, improving children's outcomes, and incentivizing work, in particular. Broadly speaking, the income support role of the programs—bolstering families' resources in an immediate sense—comes to the fore during recessions (Bohn et al. 2020; Murphy et al. 2019). In recognition of this, policymakers may want to prioritize flexibility vis-à-vis work-focused requirements as part of their recessionary toolkit; they may also want to consider pegging these modifications to conditions in the low-wage labor market.

Consider multiple points of delivery. Because targeted programs serve differing populations, it is important to assess which programs offer the most robust support for different types of families. While we do not directly consider the interconnection of CalFresh, CalWORKs, and the CalEITC in this report, the evidence of differential responsiveness that we have provided indicates that delivering recessionary responses through the most appropriate channels is a key issue for policymakers.

For example, while the WIC program is federally funded, it provides broad support for mothers and their young children. Further, WIC benefits are provided monthly, and do not phase out until the family reaches the income eligibility cut-off (185% of the federal poverty line). Eligibility is not linked to work or immigration status, and the income cut-off is high enough to provide a reasonable cushion against the state's high cost of living. Further,

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[21] Some of these actions would require federal approval. For example, the state requested federal waivers in the CalFresh program; only some were granted, but later federal legislation effectively reversed the denials (Food and Nutrition Service 2020).

[22] An early analysis by the LAO suggests that the reduction of paperwork may have benefited existing CalWORKs participants rather than assisting the newly eligible in obtaining benefits (Legislative Analyst's Office 2021).

in 2019 California's WIC program transitioned to electronic benefit transfer (EBT) cards, making it more feasible to provide supplemental benefits to WIC participants.

Lawmakers have relied on multiple points of delivery during the rollout of the Golden State Stimulus and Grant Program by providing rebates to tax filers but also one-time payments to SSI/SSP recipients and to CalWORKs participants.[23] Recent research indicates that relying solely on the tax system to deliver federal relief payments is likely to exclude a substantial number of low-income individuals and families who do not file taxes (Augustine, Davis and Ramesh 2021). Low-income individuals may have many reasons for not filing taxes, including mistrust of government, bureaucratic barriers—such as the need for an Individual Tax Identification Number (ITIN)—or recognition that tax credits will be garnished for child support or per other legal orders.

Continue to improve handoffs across programs. As is typical in the US, California has a complex and fragmented social safety net. Better program integration to reduce costs and complexity for both those implementing the program and those applying for benefits has been long on the policy agenda, and federal and state policymakers have taken important steps in that direction. For example, low-income individuals who apply for health insurance through Covered California are now informed of their potential eligibility for CalFresh, and low-income students who are participating in CalFresh, CalWORKs, or Medi-Cal are automatically enrolled in school meal programs. Indeed, this automatic enrollment—known as direct certification—helped the state implement the first round of pandemic EBT (P-EBT) payments for children during school closures (California Department of Social Services 2020c).

Policymakers should continue to invest in data systems and program integration to lower barriers to access as new programs are launched. For example, there is overlapping eligibility for the CalEITC, WIC, and CalFresh, but participants are not directly connected (Linos et al. 2020). Also, applicants for CalWORKs currently need to show that they are ineligible for UI; however, more seamless two-way coordination across UI, CalWORKs, and CalFresh could better serve families and improve efficiency.

Reach full participation. Full participation in safety net programs allow them to respond adequately when the economy falters. This is particularly the case because the federal government typically provides recessionary support directly to individuals and families through tax rebates and increased CalFresh benefits.

California has long sought to improve participation among those eligible for CalFresh (Cunnygham 2020) and has provided funds to conduct outreach to increase tax filing among those not required to file—in order to improve uptake of the CalEITC and YCTC (California Department of Community Services and Development 2019). California also has a solid record of reaching eligible women and children in the WIC program, although declining caseloads raise some cause for concern (Gray et al. 2019). However, improving take-up in CalWORKs has not been a prominent goal in recent years. A recent effort to calculate the share of eligible Californians who participate in CalWORKs could lead to a more robust outreach program (Anderson 2021).

As California emerges from the COVID-19 crisis, policymakers are looking for ways to facilitate an equitable recovery. A key place to start is by supporting a safety net that provides immediate relief to all Californians who need it. Evidence from the last recession indicates that social safety net programs do grow to respond to increased needs. However, even in the context of federal requirements, state policymakers can take additional steps to deliver benefits more effectively and equitably.

[23] Grants to cash assistance recipients included those in the CAPI program.

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