



March 18, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom:

To help carry out your efforts to bolster the safety net for our most vulnerable families and provide direct economic stimulus we urge you to consider adoption of the one-time emergency measures listed below. Children and families in poverty were struggling with housing and food insecurity prior to the Covid -19 pandemic. With it has come increased job losses or reduced hours, additional health issues and even more trauma and insecurity. The proposals on the attached memo include:

- One- time Child Poverty Emergency Safety Net Payment
- One-time Supplemental Emergency CalEITC payment, to include families with ITIN Filers
- One-time Emergency Assistance Payments

Thank you for your leadership and for considering the immediate implementation of these emergency income supports for these families in desperate need of assistance.

For further information or follow up please contact Conway Collis at conwaycollis@grace-inc.org or (626) 356 – 4205 or Jackie Wong at jackiewong@grace-in.org or (916) 498 – 3320.

Sincerely,

Dolores Huerta
President
DHF

Conway Collis
President and CEO
GRACE/ECPCA

CC: Ann O’Leary
Ana Matosantos
Keely Bosler

Attachment



COVID-19 ANTI-POVERTY STIMULUS PACKAGE

The following one-time payments respond to the current COVID-19 crisis for California's most vulnerable children and families. They also provide an immediate economic stimulus as research shows that 80% of cash supports are spent locally.

Prior to the pandemic, California families were already faced with health, hunger, and housing instability. COVID-19 has exacerbated this crisis. We need to provide immediate cash assistance for vulnerable families NOW to allow parents and caregivers to stay home with their children, purchase necessities, and keep their families housed as California addresses this health and economic crisis.

Proposal # 1 Child Poverty Emergency Safety Net Payment

Families living in deep poverty will be hardest hit by the COVID-19 economic downturn. This safety net payment will help increase stability during this health crisis. A one-time cash payment of up to \$1,200 would be paid through the counties via the general assistance program to families with at least one child ages 6 or under and with income and earnings at 70% of the Federal Poverty Line, irrespective of immigration status.

Cost estimate: One-time GF cost of \$150 million. Counties would also incur administrative costs, which would be reimbursable from the state.

Proposal #2: Supplemental Emergency CalEITC Payments

The Cal EITC is well positioned to provide cash to lower-wage workers. We propose that all taxpayers eligible for 2019 expanded California EITC would be eligible immediately for a second credit equal to one-half the size of the credit they were eligible for in 2019. In addition, ITIN filers should be included in this payment.

Cost estimate: One-time GF cost of approximately \$550 million.

Proposal #3: Emergency Assistance Payments.

One-time emergency assistance from the state to the counties to provide a necessary supplement for the General Assistance program. The funds would be distributed by the counties to households with children having incomes of less than 70 percent of the federal poverty line who are not otherwise eligible for assistance through the first two proposals. This includes families with a recent job loss, were unable to work in the prior year or have major health expenditures. The funds would be available on a one-time basis for emergency needs such as food, prescription drugs, rents needed to avoid eviction, or car repair.

Cost Estimate: Variable, but recommended GF allocation of \$300 million.

Need for Immediate Implementation Through Recommended Payment Mechanisms

Given the urgency of the moment, the priority is to quickly and efficiently get cash in the hands of low-income families with children who are in dire need of immediate resources to protect them from the drastic COVID-19 economic downturn. Existing safety net programs such as CalWORKs and Cal EITC are designed to promote self-sufficiency and upward mobility over the long-term, but there are barriers to quickly modifying these programs to provide short term emergency relief.

Many Californian's experiencing deep poverty are not able to participate in existing safety net programs for various reasons, including citizenship status (which limits eligibility for public programs) and disabilities of parents or children. According to estimates prepared by Stanford Center on Poverty and Inequality, approximately 80 percent of children in families living in deep poverty do not participate in CalWORKs. Moreover, the emphasis on job training and employment is less relevant in today's extraordinary circumstance, since near term job prospects are extremely limited.