



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4a

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Memorandum

TO: Legislation Committee

DATE: July 3, 2008

FR: Deputy Executive Director, Policy

W.I. 1131

RE: AB 2368 (Fuentes) — CalWORKs Program: Vehicles

Description

AB 2368 revises eligibility requirements for the federal Food Stamps program and the California Work Opportunity and Responsibility to Kids (CalWORKs), which is the state law implementing federal welfare reform legislation enacted in 1996. Specifically, the bill exempts the value of one automobile from a recipient's resource limit, thereby allowing more Food Stamps and CalWORKs recipients to own a personal automobile.

Recommendation: Support

Discussion

MTC supported similar legislation in 2003 (AB 231, Steinberg). While that bill was enacted, the vehicle exemption was removed — thus the current federal exclusion limit of \$4,650 remains. The auto resource rule was adopted in 1977, and it has increased by just three percent in the intervening years, even though the Consumer Price Index for cars has tripled in that same period. States have the option of adopting less restrictive policies, and California is one of only 11 states that have failed to do so. The state Welfare Directors Association estimates California counties would save \$3 million in administrative costs if they could eliminate the car test.

MTC's welfare-to-work transportation planning efforts have revealed that although the majority of CalWORKs participants depend on public transportation for accessing jobs, services and education, having access to a reliable automobile may be a cost-effective and convenient way for some individuals to obtain and retain jobs. Some key findings include:

- A majority of low-income job seekers must make time-consuming, complicated, multi-leg trips from home, child care/school sites and work.
- Many entry-level jobs involve late night, early morning, weekend and split shifts during hours when public transit is not available.
- Safety is a concern for many people who must travel at night or wait at bus stops.
- Many CalWORKs participants living in rural areas do not have convenient access to public transit service.

In addition, the \$4,650 threshold limits individuals to older, more dilapidated vehicles that often are unreliable and tend to be more polluting than newer models.

Through our planning efforts, MTC has advocated for a broad range of public transit and other transportation options for CalWORKs participants and other low-income persons who need to access employment, job training, childcare and other basic life services. Because the availability of a reliable automobile is a significant element in this mix of options, we recommend a support position on AB 2368.

Known Positions

Support

- Alliance of Automobile Manufacturers
- American Federation of State, County and Municipal Employees
- Asset Policy Initiative of California
- California Catholic Conference of Bishops
- California Commission on the Status of Women
- California Reinvestment Coalition
- California State Association of Counties
- City and County of San Francisco
- Coalition of California Welfare Rights Organizations, Inc.
- Community Development Technologies Center
- Consumers for Auto Reliability and Safety
- County of Santa Clara, Board of Supervisors
- County Welfare Directors Association of California
- Earned Asset Resources Network
- Jericho Urban Counties Caucus
- Lambda Letters Project
- New America Foundation (sponsor)
- Western Center on Law and Poverty

Opposition

None

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