



What TANF Reauthorization Will Mean in California

Welfare Task Force
10/31/06

The Good News....

- CalWORKs rules have not changed
 - Consensus among State, County Welfare Dept. Assoc. and legislators to keep CalWORKs structure and activities
- While counties and the state will be working to meet the WPR and verification requirements, the focus remains on individual needs for self-sufficiency
- Students still have the same rights to educations and other activities as before

State Education Rights Unchanged

- SIPs remain unchanged
 - No core/non-core requirement
 - School up to 5 years
- Education is available, as needed, for up to 60 months
 - Non-SIPs subject to 20-hour core requirement
 - Some non-core education can “convert” to count as core hours. See the [ACL 04-41 PowerPoint](#) on these rules.
 - Additional education may be available as Post-Employment service
 - WTW based on assessment
- \$9 million new Work-study \$ to help students meet WPR through work, while in school

Study hours

- Feds specifically count *monitored* study time!
 - Hours must be documented
 - Includes on-line study
 - Big boon to rural participants
 - Helps with scheduling hours to meet requirements
- For CalWORKs, study time counts ([ACL 04-41](#))
 - As core, if for educational credits/units that count towards the degree/certificate program, and meets the conversion criteria (otherwise, counts as non-core)
 - As non-core when county CalWORKs plan counts non-credit study, whether supervised or unsupervised, towards participation

CalWORKs vis-à-vis TANF

- State activities should be assigned as indicated by employment assessment
 - No caps on length of training ([ACL 02-03](#))
- SIPs remain, unchanged
 - No core requirements
 - Up to 5 years in program
 - Must accept up through BA if meet criteria
- Under any condition, WTW plan would meet the 20 core/non-core hour requirement, subject to ability to convert non-core to core
- 3rd Party assessment when can't agree on assessment or plan based on assessment



TANF Challenges

Snapshot of CalWORKs Today

- Fewer Cases on Aid, but Low Earnings
 - Caseload Reduced by 46% to 500K
 - 48% of recipients had earnings
 - Average earnings of \$678 a month
 - Only 16% earn above the poverty level
- Recipients have more Barriers
 - 12% had serious substance abuse issues
 - 19% had serious mental health issues
 - 24% had serious domestic violence issues
- More Two Parent Non-Citizen Cases
 - 58% of non-citizen two parent cases are refugees who often have serious cultural, linguistic, and educational barriers to employment

The CalWORKs Challenge

- 278,000 Cases Required to Work
- 139,000 Cases Must Work 30 hours
- 60,000 Meeting Requirement
- 31,000 Working Some, Not Enough
- 77,000 Sanctioned or non-compliant

California must get 80,000 participants up to 30 hours a week by Oct. 07, 2007 to avoid penalty review process

Federal Penalties

- Failure to meet 50% rate = penalty of \$185M escalating to \$780M over 5 years
 - State must make up federal \$ lost
 - State also has to increase state by \$181M
- Feds can waive penalty under “corrective compliance” procedures or for “reasonable cause” for failing to meet the work rates

Penalties are not imposed until 2009.

Counties do not have to achieve the WPR for 3 years!

County Penalties

- If the state gets a work participation penalty:
 - Counties must pay half the penalty and
 - Counties must backfill the amount lost from the county's General Fund (new)
- Only counties below state's work participation requirement will share in the penalty
- Counties are not responsible for penalties from cases which meet *Ca/WORKs* work requirements but not *TANF* requirements
- "Relief" from county penalty based on the degree of progress in meeting federal requirements
 - Failure to report data on time to state makes county ineligible for "relief" from penalties



TANF Changes

On-going TANF Requirements

- 50% work participation rate (WPR)
 - Separately calculated 90% WPR for two-parent families
- 30 hours single parent
 - 20 hours if child under 6
- 35 hours for 2-parents
 - One parent must do 20 hours
 - The single parent rate counts when one parent is not “work eligible” (i.e. on SSI, undocumented)

Key Reauthorization Changes

- Caseload reduction credit limited to cases reduced after 2005
 - Means state must be closer to actual WPR
- Counts state funded cash assistance programs for work participation rate
 - Adds previously excluded adults to federal count
- HHS defines define work activities
- Verification requirements
 - More work for workers and recipients
- Non-work activities supervision requirement
 - Creates barriers for counting non-work activities

Changes effective October, 2006

State must meet 50% rate by October, 2007

Who's in the Caseload Count

- Includes separate state funded/MOE programs
 - CA thus moved two-parents into TANF program, starting their federal clock
- Includes child-only cases when parents are sanctioned (> 3 mo.) or have reached time-limits (safety net cases)
 - Does NOT include non-needy Caretaker Relatives, teen parents, ineligible immigrants, SSI/CAPI recipients, parent providing care for a disabled family member living in the home who does not attend school FT and adults getting MOE-funded Tribal TANF
- Possibility of state general fund programs, which AREN'T counted towards MOE
 - CA (AB 1808) has decided to enact a "TAP" general fund program for exempt individuals. May also include others (SA/MH/DV, etc.)

Federal Activities

- **9 categories count for first 20 hours of work**
- **3 activities count after the 20-hours**

20-hour Activities	Post 20-hour Activities
Unsubsidized employment	Job skills training directly related to employment
Subsidized private employment	Education directly related to employment
Subsidized public employment	Attendance at secondary school/GED program
Work experience	
On-the-job training	
Job search/job readiness assistance	
Community service (includes self-initiated, per state plan to HHS)	
Vocational educational training	
Providing child care for community service participant	

Notes on Federal Activities

- Job Search
 - Counts (state and federal) for up to 6 weeks/year
 - Possible extension of time for ADA
 - Can include SA and MH treatment, or rehabilitation activities
- Vocational Education
 - State/Federally countable for 12 months in a lifetime
 - Federal and State count as core
 - Thereafter non-core for state, or counted as job skills or education leading to employment for federal count
 - Possible extension of 12-month countable core time for ADA
 - Only 30% of caseload can be counted for *federal* participation
 - Federal definition = training is for field that does not require a BA
 - State does NOT have this definition
 - Can include remedial and basic education in a work context
- Unpaid work
 - Meets WPR if hours limited by minimum wage rule
 - \$ + FS/min wage = max unpaid work hours = counted as WPR

How Ed Activities Count Federally

	Voc Ed	Job Skills	Ed → Empl (for those w/ no HSD or GED)	School Attendance	OJT
ESL	Yes if for specific occupation	Yes, if focused on skills for employment or combined w/ job trg	Yes	Yes, if linked to 2ndry school or GED	Yes, if provided in employer Workplace
Basic Ed.	Ditto	Ditto	Yes	Yes, if linked to 2ndry school or GED	Yes, if provided in employer Workplace
GED	No	Yes, if prereq for job or occupation	Yes, if prereq for job or occupation	Yes	No
Post-2ndry	Yes if for specific occupation NOT BA	Yes	No	No	No

Satisfactory progress is defined by provider

Voc Ed: State Response to Feds

- Vocational Ed. > 12 months counts as job skills training directly related to employment or education directly related to employment
- 12-month limit (state and federal) on *counting* Voc.Ed. excused or waived as a disability accommodation
- Count federal activities first: if in other federally-allowable activities that meet federal requirements, won't count as Voc.Ed.
 - Preserves 12 months countable activity time
- Basic/remedial education and ESL OK as part of vocational educational training

Encourage counties to carefully count vocational education hours to maximize voc ed. A day is not a month!

B.A. Degrees

- Federal regs disallow counting Voc Ed. *only* when the employment/occupation *requires* B.A. or higher degree
 - Can count federally IF employment field does NOT REQUIRE this level of degree
 - For non-SIPs: county can refer to BA program, if employment field not REQUIRE the higher degree, but assessment evaluates that program would be best for individual
 - County can develop plan that provides for AA/AS degree, followed by more education as needed

Example: Susie has 3 children, and would need to earn \$12.50/hr to be income ineligible for CalWORKs. The county can refer her to a B.S. in computer science or biology, as the *occupations* (computer technology or biotechnology) do not require a Bachelor's degree (ex: lab assistant, technicians), but the pay is higher and more employment options exist with higher degrees.

ADA Obligations/Options

- Disability law still applies
 - Regs refer to OCR guidance on ADA/TANF
- Improve screening and assessments to ensure appropriate services (required by CalWORKs)
 - SSI assistance programs
- Develop disability-related supportive services
 - Example: intensive case management, assistive technology for learning disabilities; special labs/tutorials (supervised study time!), assistance with special transportation
- Develop work activities tailored to the needs of individuals with certain types of disabilities
 - Example: supported work programs, training coupled with intensive case management or services
- Partner with agencies with expertise
 - Dept. of Rehab, Protection and Advocacy, Immigrant Mental Health groups, etc.

SB 1104 and TANF

- SB 1104 implemented requirement of core hours
 - Feds always required 20 core hours
- State has broader number of countable non-core hours
 - Difference is services (SA/MH/DV) and “other”
- State allows non-core hours to be counted as core under limited circumstances
 - Feds does not allow conversion of non-core hours, but requires “only” 50% of caseload to meet standards

DSS Work Group Process

- DSS organized 5 work groups of reps from counties, advocates and legislative staff
- Work Groups looked at caseload trends, research on welfare, legal options, and policy options
- Work groups developed consensus on basic problems that needed attention

Key Work Group Findings

- Accounting
 - Improve data reporting to get credit for all cases
- Gaps
 - Data shows most participants get sanctioned when there are gaps in meetings with workers
 - Collapsing steps in the process and more contact between steps by workers improves this
- Too Many Sanctions
 - Nearly 30% were non-compliant or sanctioned
 - These cases count in WPR after 3 months
- Training and Education
 - California underutilizes federal work categories
 - More families can meet work participation via vocational education, work study, apprenticeships and job skills training

AB 1808

- Remove Exempt Cases to Separate State Program to improve work participation rate
- Restores \$140 million to fully fund county operations
- \$90 million for upfront engagement, reducing sanctions and more education and training.
- \$40 million for Pay for Performance county incentives
- \$9 million for Comm. College work study
- \$13 million for Employment Training Panels
- \$5 million for CalWORKs homeless assistance
- Eliminates durational sanctions

Advantages of TAP

- Permits those with limitations that prevent meeting WPR from counting
 - Less expensive to fund through state than get federal penalty
- Incentive to provide full services to try to get out of TAP (treatment, SSI, PT WTW to get to self-sufficiency, etc.)

*Have until 4/07 to create TAP,
with extension possible through 10/07*

Verification Issues

- Work/OJT: can project hours for 6 months based on verified actual hours worked
 - Other activities must be verified monthly
 - Determine weekly participation by dividing monthly verified hours by 4.33
 - Use QR 7 and other records such as laboratory time and classroom time sheets, attendance records, and similar documentation
 - Self-employment: only counts hours at minimum wage hour (current state policy)
 - Use QR 7 or other documentation
- Daily Supervision (not same as verification)
 - “Daily supervision is the supervision determined appropriate and provided by the training or service provider at the same level as...” other employees, students and trainees

Verifying Education Hours

- Education hours can be verified by self-certification of participant and other evidence in the case file
 - Applies to Voc Ed., Job skills training, satisfactory attendance at a secondary school and education leading to employment
- Schools are not required to report hours
- Schools do not need to sign participant self-declarations, but may provide verification at their option

Verifying Other Hours

- Job Search
 - Participants and providers must provide documentation of hours monthly
 - Participants must be supervised daily
 - If activity does not include supervision (ex: job interview) the participant must *communicate* on a regular basis
 - Does not have to be in person
- Community Service
 - Requires monthly verification of hours by participant or service provider

Steps Already Taken

- State submitted Work Verification Plan
- Issued letters to Counties
 - Implementing end durational sanctions ([ACL 06-27](#))
 - Implementing changes to homeless assistance ([ACL 06-25](#))
 - Requiring County Plan addendum ([ACL 06-46](#))
 - Moved 2-parent families out of state program ([ACL 06-45](#))
 - Implemented Pay for Performance ([ACL 06-42](#))

County Plans (ACL 06-46)

- Counties to submit an update to DSS on how the county will increase work participation. Must list:
 - Up-front engagement activities
 - Engagement of non-complaint and sanctioned cases
 - Activities to encourage participation and prevent sanctions
 - Engagement of partially participating cases or cases between activities
 - Other activities designed to improve work participation
- Counties must also describe:
 - How it will impact county work participation
 - How it will measure progress
 - How the county will collaborate with other local public and private agencies

Key Next Steps

- State must create state general fund program for exempts by April 1, 2007
 - Extension possible through October 1, 2007
- State must determine any statutory or regulatory changes need to implement TANF reauthorization
- Additional ACL's re: TANF implementation
- Determine and implement AB 1808 additional data requirement
 - DSS is to publish 1/4ly data on caseload characteristics, welfare to work performance outcomes, engagement rates and any other outcome measures developed in county welfare to work plans
- Final TANF regulations (no due date)

What to expect

- Better coordination of services to 2nd parent
- Thoughtful education assignments
 - Try to meet federal requirements
 - If assessment doesn't call for federally countable education, meet state requirements
- Bridging activities
- More county effort to avoid sanctions
- More work to end sanctions
- Attempt to provide ESL and remedial education in conjunction with other activities
 - Combine with Voc Ed. or work activities to count
- Motivation to develop new programs
 - Examples: SSI advocacy, transitional/case-managed employment, increased DV services and waivers

Advocating with Your County

- Counties to meet with colleges for plan addendum (due 1/3/07)
- Opportunities to strengthen (and increase!) Ed. referrals
 - Ed programs combined with work-study to meet requirements
 - Bridging activities to help meet student needs outside academic program
 - Computer skills, tutoring, etc.

People interested in getting involved with county implementation can contact Mike Herald and Vanessa Lee at Western Center for help and ideas.

Western Center Contacts

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