



# CALIFORNIA

## • BUDGET PROJECT •

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### WELFARE REFORM MOVES TO THE COUNTIES: TIMELINE AND IMPLEMENTATION CHECKLIST

California's new welfare law (AB 1542) leaves many important decisions up to counties and local communities. Over the next several months, counties must make choices that will determine the array of services available to welfare recipients as they transition into the workforce; the range of services that will be available to help recipients overcome barriers to workforce participation; and the length of time assistance is available, among other decisions. The following outlines areas where the new law gives counties discretion to make major policy choices, the parameters established by state law, and key questions for consideration as welfare reform moves to the local level.

<b>CalWORKs Timeline</b>	
CalWORKs enacted	August 11, 1997
CA Department of Social Services (DSS) must issue instructions to counties	Within one month of enactment
Counties may apply to implement demonstration projects	At any time
Most CalWORKs provisions take effect	January 1, 1998
Time clock on 60-month time limit may begin	January 1, 1998
Work participation requirements effective Single parents: 20 hours per week 2-parent families: 35 hours per week	January 1, 1998
Counties begin to keep 75% of savings resulting from diversion, exits due to employment, decreased grants	January 1, 1998
New child care structure replaces former AFDC related child care programs	January 1, 1998
Counties must submit to DSS a plan for implementation of CalWORKs	January 10, 1998 (within 4 months of receipt of planning allocation letter). DSS must certify the completeness of county plans within one month of receipt
Counties must begin enrolling CalWORKs applicants.	April 10, 1998 (within 6 months of issuance of planning allocation letter or 2 months from certificate of completeness, whichever is later)

## 10 CRITICAL ISSUES COUNTIES MUST ADDRESS

### **Issue 1: Counties must offer an adequate range of welfare-to-work activities.**

*Parameters:* Counties must determine what types of welfare-to-work activities they will offer. However, they cannot offer only job-search and work-experience. Allowable activities may include, but are not limited to, the following: unsubsidized employment; subsidized private or public sector employment; work experience; on-the-job training; work-study; self-employment; community service; adult basic education, job training directly related to employment, vocational education and training, job search and job readiness assistance; education directly related to employment; progress toward a high school degree or general education development (GED) certificate; participation in mental health, substance abuse, or domestic violence services deemed necessary to obtain employment.

#### **Key Questions:**

- ✓ What welfare-to-work activities will counties offer?
- ✓ How will the county determine when mental health, substance abuse, and domestic violence services are “necessary” to obtain and retain employment?
- ✓ What is the definition of “other activities necessary” to assist an individual in obtaining unsubsidized employment?
- ✓ Who will deliver services -- counties or private providers?

### **Issue 2: Counties must provide community service for recipients who exhaust the 18- or 24-month time limit.**

*Parameters:* Once a recipient has exhausted her or his 18- or 24-month time limit, s/he must participate in community service in order to receive benefits. State law requires counties to provide community service in the public or private nonprofit sector as an option once they certify that no job is available for the recipient. Community service positions must not displace current workers or cause a reduction in existing workers’ wages, hours of work, or benefits. Counties are not required to provide a community service option for adults who reach the 60-month time limit.

#### **Key Questions:**

- ✓ What type of community service jobs will be offered? Are counties prepared to offer community service?
- ✓ How will counties ensure that current workers are not displaced?
- ✓ Who will pay costs associated with community service jobs -- the state or counties?

### **Issue 3: Counties may extend the 18-month time limit for an additional six months on a case by case basis if the county certifies that there is no job available for the recipient.**

*Parameters:* Counties may determine that a job is not available if a recipient takes and continues to take all steps necessary to apply for appropriate positions and has not refused a job offer without good cause.

#### **Key Questions:**

- ✓ What are the criteria for determining that a recipient has taken all steps necessary to obtain employment?
- ✓ Will a recipient have to prove that s/he has distributed a specific number of resumes or had a specific number of interviews?
- ✓ Who determines what is an appropriate position?

- ✓ Will extension be granted on the basis of labor market conditions and recipient's education or training?

**Issue 4: Counties have the authority to determine the length of exemption from work activities for parents with a child between the ages of three months and one year.**

*Parameters:* Counties may make this determination based on the availability of child care, local labor market conditions, and other factors.

**Key Questions:**

- ✓ What is the definition of "available" child care?
- ✓ What criteria will measure labor market conditions and how will this information be applied to the length of the exemption?
- ✓ What "other factors" should be considered?

**Issue 5: Counties must provide necessary supportive services to every participant so that s/he may participate in welfare-to-work activities.**

*Parameters:* Necessary supportive services are defined as child care for children 10 years of age or younger; transportation costs; costs of books, tools, fees, clothing specifically required for the job, and other necessary costs; and personal counseling.

**Key Questions:**

- ✓ What constitutes necessary supportive services in addition to the above list?
- ✓ Will the state provide funding for supportive services?

**Issue 6: Counties may require additional hours of participation in welfare-to-work activities.**

*Parameters:* Effective January 1, 1998, recipients must spend at least 20 hours per week in welfare-to-work activities. The number of required hours increases to 26 hours per week beginning July 1, 1998, and 32 hours per week on January 1, 1999. Counties have the option to require all recipients or individual recipients in single-parent assistance units to participate in up to 32 hours of welfare-to-work activities.

**Key Questions:**

- ✓ Will counties require single-parent recipients to participate in more than the required hours of welfare-to-work activities?
- ✓ What criteria will counties use to determine who must participate for a higher number of hours?

**Issue 7: Counties may provide case management and supportive services to former CalWORKs participants.**

*Parameters:* Counties may provide services to assist with job retention for up to the first 12 months of employment.

**Key Questions:**

- ✓ What services, if any, will counties provide to former CalWORKs recipients?
- ✓ If services are provided, for how long will they be provided?

- ✓ How will the county determine which services are not available from other sources, and which services are needed to retain employment?

**Issue 8: Counties may provide welfare-to-work services to community service participants who have reached the 60-month time limit.**

*Parameters:* After an adult has received aid for 60 cumulative months, s/he is no longer required to participate in welfare-to-work activities and is no longer eligible for assistance, though the children will still receive assistance. Counties are not required to provide supportive services after the 60-month time limit.

**Key Questions:**

- ✓ Will counties elect to provide services to those who have reached the 60-month time limit?
- ✓ What types of services will be appropriate for those who have reached the time limit?
- ✓ What happens to former recipients who do not receive services?

**Issue 9: Students enrolled in an undergraduate degree or certificate program may continue their studies (up to the 18- or 24-month time limit) only if the program leads to employment.**

*Parameters:* County welfare departments, together with local education agencies or providers, must compile a list of programs that lead to employment on an annual basis. Recipients who enroll in a program that is not on the approved list may attempt to demonstrate and document to the county that the program will lead to employment. Students must meet a 32 hour per week work requirement.

**Key Questions:**

- ✓ What criteria will counties use to determine whether a program leads to employment?
- ✓ How will the county coordinate with educational institutions to ensure that recipients who are in school are able to complete their education or training?
- ✓ What documentation will be required to show that a program will lead to self-supporting employment?

**Issue 10: Counties have the option to provide aid to children as either vouchers or cash in instances where adults are excluded from aid.**

**Key Questions:**

- ✓ What form of aid will counties choose, cash or voucher?
- ✓ If the county decides to use vouchers, how will this voucher system work?

**HOW IS FUNDING FOR WELFARE REFORM LINKED TO COUNTY PERFORMANCE?**

Funding for administering county welfare programs is based on projected costs and caseloads, while funding for welfare-to-work administration is based on historic allocations. For welfare-to-work services, two-thirds of amounts in excess of FY 1996-97 GAIN spending will be distributed based on counties' share of the statewide caseload. One-third of additional GAIN funds will be allocated among counties that historically received lower than average per-recipient allocations. In addition, the new state law includes a number of rewards and sanctions for counties that achieve or fail to achieve certain goals.

**Fiscal Rewards (Carrots)**

Individual counties may keep 75 percent of grant savings that result from:

- ✓ Recipients exiting the program for employment for at least six months.
- ✓ Recipients that have increased earnings due to employment.
- ✓ Applicants diverted from the program for at least six months (longer than six months for cases that receive a diversion payment).

The remaining 25 percent of savings will be distributed by the Department of Social Services (DSS) to counties that have not achieved savings but have performed in a manner “worthy of recognition.” Counties will also receive 25 percent of the state share of savings resulting from detection of fraud.

### **Fiscal Sanctions (Sticks)**

Counties are now liable for a portion of any penalties imposed on the state for failing to meet federal requirements. If the state is subject to a penalty for not meeting outcomes specified in federal law, counties that do not meet the federal requirements (i.e., work participation rates) will be liable for a proportionate share of half the state’s sanction. Counties may be relieved of this liability if DSS determines that circumstances beyond the county’s control caused the failure to meet the requirements. Counties that exempt more than 20 percent of their caseload from time limits under the hardship exemption are responsible for the cost of those cases.

### **CALWORKS DEMONSTRATION PROJECTS**

The new welfare law gives counties broad discretion to test alternatives for delivering services. County boards of supervisors must submit demonstration project proposals to the director of the state DSS. Any county may implement a three-year performance-based CalWORKs demonstration project to test whether alternate methods of service delivery are better able to:

- ✓ Serve highly distressed geographical areas
- ✓ Serve hard-to-employ target populations
- ✓ Meet local labor force demands
- ✓ Address the needs of the CalWORKs population in areas of chronic high employment
- ✓ Improve administration of program services to clients

Counties may not change eligibility or reduce benefit levels, but they can enhance grant levels or extend time limits at county expense. Counties may not implement demonstration projects that reduce the level of funding for services below the level that than would exist in the absence of a project. Demonstration projects must comply with state law regarding: dispute resolution procedures and penalties, including fair hearings; recipients’ confidentiality; child support collection; contracting out; collective bargaining law and agreements; civil service procedures; fair labor standards; displacement of current workers; eligibility; and minimum grant levels. Several specific types of demonstration projects are authorized in the new law:

#### ***School Attendance Demonstration Projects***

Merced and San Diego Counties may apply for demonstration project status to implement efforts aimed at increasing school attendance and graduation rates of teens in CalWORKs families. The success of these demonstration projects will be measured by achievement in the following outcomes: increased

attendance and graduation; decreased truancy; higher grade point averages; increased school attendance; decreased dropout rates; increased collaboration among agencies providing services for children; and reinforcement of parental responsibility.

### ***Microenterprise Demonstration Projects***

With the consent of participating counties, the DSS may implement up to six microenterprise demonstration projects providing self-employment training and technical assistance to CalWORKs recipients and those at risk of needing assistance. A microenterprise is defined as a small business in which a participant works as her or his own employer.

### ***Jobs-Plus***

Los Angeles County may change the earned income incentives available to CalWORKs recipients living in public housing and participating in the Jobs-Plus Community Revitalization Initiative.

### ***Child Support Assurance Demonstration Projects***

Up to three counties may implement Child Support Assurance Demonstration Projects to test child support assurance payments as alternatives to welfare. The child support assurance program permits families with a child support order and earnings to avoid welfare by receiving a monthly “assured” payment from the county instead of regular cash aid.