



# CalWORKs: Program Overview

*Handout for Senate Subcommittee No. 3*

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## CalWORKs Overview

The California Work Opportunity and Responsibility to Kids (CalWORKs) program is California's version of the federal Temporary Assistance for Needy Families (TANF) program. The program provides 48 months of cash grants and welfare-to-work services to low-income families with children. Children remain eligible for assistance up to age 18.

<b>Highlights FY 2015-16</b>
❖ 506,000 Families
❖ 970,000 are Children
❖ 338,000 Children under Six Years Old

## Combatting Child Poverty

CalWORKs serves nearly one million children in 506,000 cases. During Federal Fiscal Year (FFY) 2014, the CalWORKs program served over 50 percent of the children living in poverty in California. In contrast, 19 percent of children living in poverty were served in state TANF programs nationally.

### Key Features

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>✓ Cash Grants for Families</li> <li>✓ 48 Months of Cash Assistance and Welfare-to-Work Services</li> <li>✓ Safety Net for Children</li> <li>✓ Child Care/Supportive Services</li> <li>✓ Substance Abuse, Mental Health and Domestic Violence Services</li> </ul> | <ul style="list-style-type: none"> <li>✓ Exemptions from Time Clock and Participation</li> <li>✓ Federal Work Participation Mandates and Penalties</li> <li>✓ Immediate Needs Intervention</li> <li>✓ Cash Bonuses for Teen Academic Success</li> <li>✓ Earnings Disregard</li> </ul> |
|---|---|

### Program Enhancements

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>✓ 24 Months of Flexible Activities</li> <li>✓ Subsidized Employment Opportunities</li> <li>✓ Family Stabilization Program</li> </ul> | <ul style="list-style-type: none"> <li>✓ Housing Support Program</li> <li>✓ Online CalWORKs Appraisal Tool</li> <li>✓ Expanded Eligibility for Pregnant Women</li> </ul> |
|---|--|

<b>Table 1. Total CalWORKs Funding</b>	
<b>Revised State Fiscal Year (FY) 2015-16</b>	<b>\$5.4 Billion</b>
TANF Block Grant	\$2.4 Billion
Maintenance of Effort (MOE) – includes county funds	\$2.2 Billion
Other Funds (Non-MOE General Fund, Title XX)	\$0.8 Billion

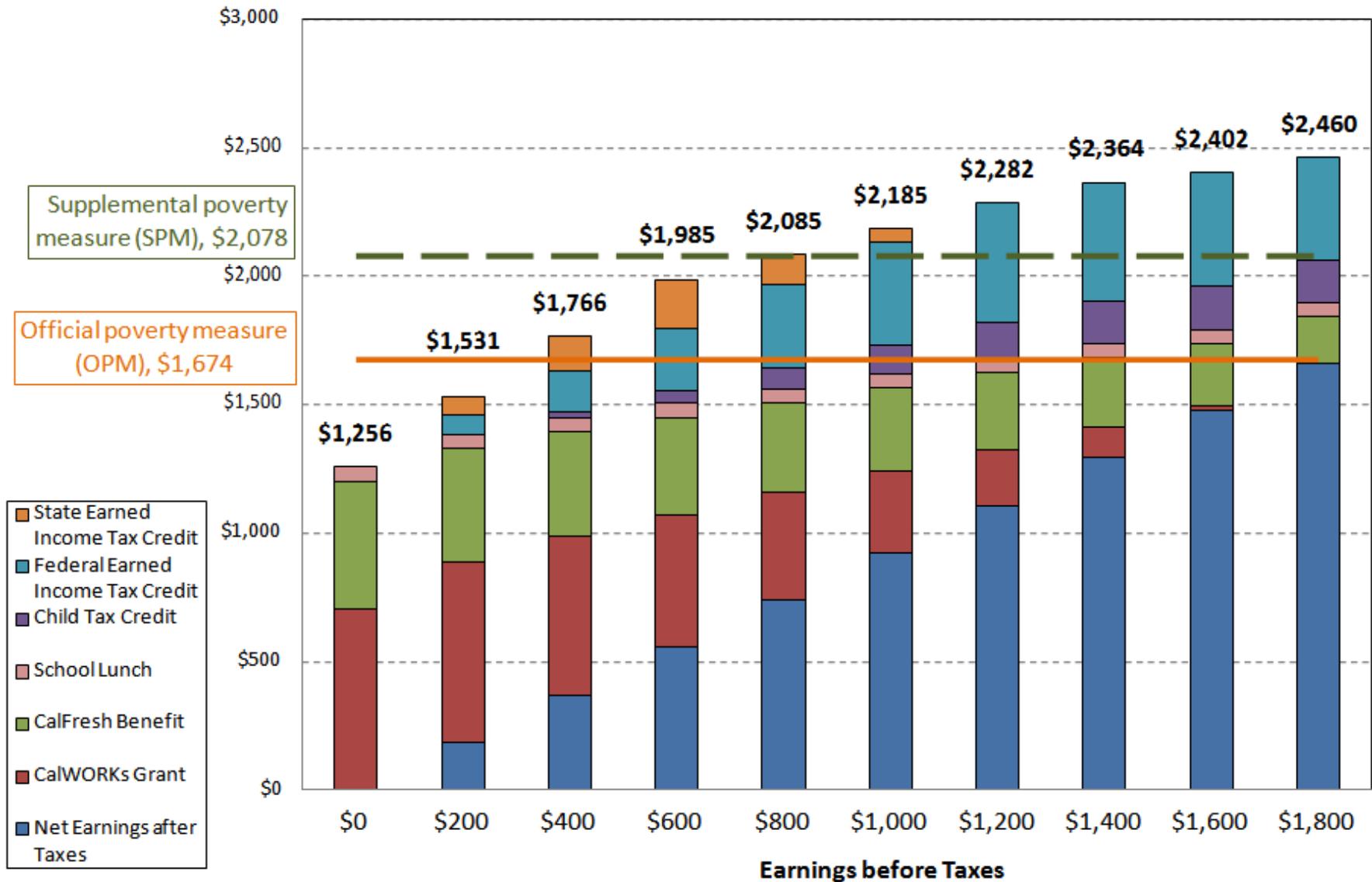
<b>Table 2. CalWORKs Caseload Breakdown in FFY 2015</b>		
Case Type	Cases	Percent
Aided Adult (Welfare-to-Work Participant)	175,859	
Aided Adult (All Other Exempt)	34,767	
Aided Adult (Young Child Exempt)	33,713	
Sanctioned	29,408	
<b><i>Welfare-to-Work Subtotal</i></b>	<b>273,747</b>	<b>51.4%</b>
Undocumented	101,761	
Non-Needy Caretaker Relative	29,919	
Supplemental Security Income (SSI) Parent	23,417	
Other	19,384	
<b><i>Other Child Only Subtotal</i></b>	<b>174,480</b>	<b>32.7%</b>
<b><i>Non-MOE (Safety Net, Long-Term Sanction)</i></b>	<b>84,563</b>	<b>15.9%</b>
<b>CalWORKs Total</b>	<b>532,790</b>	<b>100.0%</b>

## SOURCES:

***MOE funded case information*** - FFY 2015 Research and Development Enterprise Project (RADEP) Sample and Welfare Data Tracking Implementation Project (WDTIP) Extract;

***Non-MOE funded case information*** - FFY 2015 CA 237 CalWORKs Cash Grant Caseload Movement Report.

## Monthly Resources Available to a Family of Three (One Adult and Two Children) by Level of Monthly Earnings



## Program Oversight

The California Department of Social Services' (CDSS) oversight efforts are designed to promote quality service delivery to participants, and compliance with policies and procedures.

Current efforts include:

## County Monitoring

- **Program Monitoring Visits**

- County visits that include data collection, county staff interviews, case file reviews, and local welfare advocate input.
- 40 on-site Senate Bill (SB) 1041 visits completed; remaining 18 county sessions underway.
- Reports posted on CDSS website.
- On-going program oversight visits may include peer county participation.

- **Eligibility Case File Reviews**

- County visits include a review of the following major eligibility factors: citizenship and residency, income and resource limitations, family composition and grant levels.
- A summary of the review is forwarded to the county upon completion of each visit.
- Eight counties were reviewed in 2015 and 11 new counties will be reviewed in 2016.

## Reporting

- **Contracted Evaluation with RAND Corporation**

- An independent evaluation of the impact of SB 1041, including implementation of the flexible activities clock and work requirements, conducted by the RAND Corporation in partnership with the American Institutes for Research.
- Annual progress reports
  - First Annual Report: [http://www.rand.org/pubs/research\\_reports/RR919.html](http://www.rand.org/pubs/research_reports/RR919.html)
  - Second Annual Report: Spring 2016
- Covers the full range of adult and child impacts of CalWORKs reforms.

- **CalWORKs Program Summary**

- Provide high level summary of program information.
- 2016 available on CDSS Homepage: <http://www.cdss.ca.gov/cdssweb/default.htm>
- Topics include: caseload dynamics, financial overview, welfare-to-work participation, national comparisons, and program outcomes.

### CalWORKs Caseload and Grants with CalFresh Benefits Recent History and Projections (FY 2007-08 through FY 2015-16)

This table displays the average monthly CalWORKs caseload and grant, as well as the MAP and maximum CalFresh allotment for FY 2007-08 through 2015-16.

Fiscal Year	Average Monthly CalWORKs Cases	Average CalWORKs Grants	MAP for AU of 3 Region 1 <sup>1</sup>	CalFresh MCA for HH of 3 <sup>2</sup>
2007-08	465,951	\$538	\$723	\$426
2008-09	504,994	\$541	\$723	\$463
2009-10	553,347	\$514	\$694	\$526
2010-11	586,659	\$517	\$694	\$526
2011-12	575,988	\$466	\$638	\$526
2012-13	559,919	\$465	\$638	\$526
2013-14	550,928	\$474	\$670	\$526
2014-15 <sup>3</sup>	535,532	\$492	\$704	\$497
2015-16 <sup>4</sup>	505,504	\$501	\$704	\$511

**Acronyms** used in this table: **MAP** = Maximum Aid Payment; **AU** = Assistance Unit; **MCA** = Maximum CalFresh Allotment; **HH** = household

<sup>1</sup> California's grant levels are divided into two regions based roughly on cost of living. This chart reflects the CalWORKs MAP for an AU of three in Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Ventura.

<sup>2</sup> CalFresh benefit amounts are based on a Federal Fiscal Year (FFY - October-September) versus the State Fiscal Year (FY - July-June). The FY 2014-15 CalFresh benefit amount is based on the FFY 2014 household Maximum CalFresh Allotment with an adjustment for the American Recovery and Reinvestment Act of 2009 enhanced benefits expiring in November 2013.

<sup>3</sup> The CalWORKs MAP for an AU of three increased to \$704 April 1, 2015.

<sup>4</sup> Represents projections from the 2016-17 Governor's Budget. Prior years reflect actual data based on the CA 800 Expenditure Report.

## Welfare-to-Work 24-Month Time Clock and Post 24-Month Time Clock

### Overview

- A prospective 24-month time limit for welfare-to-work participants to receive a wide array of services and supports to enter and remain in the workforce.
- Other key elements include:
  - More opportunities for education or barrier removal.
  - The clock stops for a multitude of reasons, including when a client has good cause for not participating.
- After exhausting this time limit, clients are expected to meet federal work participation requirements.
- The clock was established by statute in 2012. January 2015 was the earliest any CalWORKs clients could have reached the end of the clock.
- Counties may provide 20 percent of the caseload with additional time to complete educational goals or find a job.
- Clients who do not receive an extension or are unable to meet federal requirements face the possibility of losing the adult portion of the family’s grant.

### Status

- Based on data from the Welfare Data Tracking Implementation Project (WDTIP), and the Medi-Cal Eligibility Data System (MEDS), as of December 2015:
  - Clients with fewer than 25 months ticked on the clock.....**245,617**
    - Exempt clients with less than 25 months ticked on the clock.....95,010
    - Sanctioned clients with less than 25 months ticked on the clock.....620
    - Clients with fewer than 25 months ticked on the clock (excluding sanctioned and exempt).....**149,987**
  - Clients who have exhausted the clock .....1,559
  - Clients removed from aid after exhausting the clock .....76

## Cal-Learn Program

- Mandatory statewide program for pregnant and parenting teens in the CalWORKs program
- Designed to encourage teens to graduate from high school or its equivalent, become independent, and form healthy families
- Features of the program that address the unique education, health, and social service needs of CalWORKs pregnant and parenting teens include (1) intensive case management, (2) financial incentives, and (3) supportive services, such as child care, transportation, and school supplies

## Cal-Learn Average Monthly Participation and Outcomes FYs 2011-12 Through 2014-15

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Total Monthly Participants</b>	10,308	9,272	7,729	6,400
<b>Satisfactory Progress Bonuses</b>	486	405	404	329
<b>Graduation Bonuses</b>	149	140	108	86
<b>Sanctions</b>	233	250	149	173
<b>Exemptions, Deferrals and Good Cause<sup>1</sup></b>	123	64	38	38
<b>Repeat Pregnancies/Subsequent Births</b>	N/A	64 <sup>2</sup>	48 <sup>3</sup>	28

SOURCE: STAT 45 monthly reports

<sup>1</sup>Good Cause data collected beginning in July 2011 through March 2013

<sup>2</sup>Data collected for FY 2012-13 Repeat Pregnancies includes April through June 2013 only

<sup>3</sup>Repeat Pregnancies category and definition changed to Subsequent Births in June 2014

## Key Cal-Learn Outcomes

- Sanctions in FY 2013-14 were the lowest in four years at 1.9 percent, but saw an increase to 2.7 percent in FY 2014-15.
- Repeat pregnancies are at the lowest point in FY 2014-15, both in number and as a percent of the caseload.
- Graduation bonuses remained consistent as a percent of the caseload over the four-year period.

## CalWORKs Homeless Assistance and Housing Support

### Homeless Assistance Program Overview

- Provides a once-in-a-lifetime payment to meet the costs of obtaining permanent housing, and/or temporary shelter while seeking permanent housing.
- A typical family receives \$65 per night for up to 16 consecutive days of temporary shelter.
- Families may also receive security deposit assistance to obtain permanent housing or rental arrearages to prevent eviction.
- An average of 3,248 requests for temporary and permanent assistance are approved every month. For FY 2014-15, there was a total of 38,987 cases approved at a cost of \$30.2 million.

### Housing Support Program (HSP) Overview

- HSP assists families in quickly obtaining permanent housing by offering financial assistance and wrap-around services to foster housing retention.
- Senate Bill 855 (Chapter 29, Statutes of 2014) allocated \$20 million for this program which provided funding for 20 counties.
- For FY 2015-16, the allocation increased to \$35 million which provided funding to 44 counties.

#### Highlights

- ❖ Between September 2014 and June 2015, CDSS convened four HSP seminars.
- ❖ As of November 2015, all HSP counties attended trainings on Rapid Rehousing.
- ❖ Between September 2014 – December 2015:
  - Nearly **8,000** families were approved for HSP.
  - Over **3,000** families were moved to permanent housing.

## CalWORKs Subsidized Employment

- Subsidized employment is a welfare-to-work activity in which counties partner with employers, nonprofits, and local public agencies to match low-income parents with jobs.
- Wages are fully or partially subsidized.
- Employers provide supervision and training.
- Jobs are in many industries, often entry level, with the expectation of building work experience to help land a permanent unsubsidized job.

### Highlights

- ❖ Post Subsidized Employment quarterly earnings are **\$3,240**.
  - As compared to \$1,114 prior to entering into a subsidized employment program.
- ❖ Subsidized employment program averages **4,500** participants per month (8,250 participants annually).
- ❖ **50** counties operate a subsidized employment program.

## Online CalWORKs Appraisal Tool (OCAT)

- Standardized statewide welfare-to-work appraisal tool that provides in-depth appraisals of client strengths and barriers to employment and self-sufficiency.
- Use of OCAT to conduct appraisals will lead to greater opportunities for CalWORKs clients by identifying strengths and barriers immediately upon entry into the welfare-to-work program.

### Status

Month	OCAT Appraisals
August 2015	2,977
September 2015	5,208
October 2015	6,494
November 2015	6,420
December 2015	7,408
January 2016	6,949
February 2016	6,562

- As of February 26, 2016, **44,191** total appraisals have been completed with recommendations since OCAT implementation began in June 2015.
  - **26,502** recommendations for mental health services.
  - **17,476** recommendations related to domestic abuse, human trafficking, or sexual exploitation.
  - **32,909** clients indicated they were not working at the time of appraisal.
  - **6,501** clients were enrolled in education or training programs at the time of appraisal.

### Next Steps

- OCAT report enhancements that will allow for better data access and tool reporting capabilities.
- Technical assistance to further enhance caseworker skills developed during the initial OCAT regional trainings.
- Planning for integration into the Statewide Automated Welfare System.

## Family Stabilization (FS) Program

- Provides intensive case management and crisis intervention to CalWORKs families to ensure a basic level of stability in combination with existing barrier removal services.
- FS services are available to all family members, including children and unaided adults.
- Can stop the Welfare-to-Work 24-Month Time Clock for six months if good cause exists.
- FS addresses situations including, but not limited to:
  - Homelessness;
  - Domestic abuse; and/or,
  - Mental health or substance abuse-related needs.

### Highlights July 2014 to December 2015

- ❖ Cases increased from 598 to over 2,400.
- ❖ The number of both adults and children increased from 574 to over 2,900.
- ❖ Children currently represent nearly 35 percent of the individuals receiving services.
- ❖ In addition to mental health and substance abuse services, children in family stabilization are receiving:
  - ✓ Mattresses
  - ✓ Car seats
  - ✓ Clothing
- ❖ Homeless support and services are currently provided to over 31 percent of FS cases.

**Proposed Trailer Bill Language (TBL)****Approved Relative Caregiver Program (ARC) Child Support Pass-Through**

- Proposes to clarify that children participating in the ARC program should receive a \$50 child support disregard, which would require the first \$50 of child support collected to be passed-through or “disregarded” before any money is distributed to federal, state, and county governments for child support recoupment.
- The proposed TBL is technical clean-up and will create consistency between Welfare and Institutions Code Section 11475.3 and Family Code Section 17504 by clarifying that a child support disregard should be applied for ARC participants.

**County Sharing Ratio Alignment for the Safety Net, Fleeing Felon and Long-Term Sanction Populations**

- Proposes to align the county sharing ratio for the CalWORKs Safety Net, Fleeing Felon and Long-Term Sanction populations to continue at 2.5 percent.
- By aligning the sharing ratios currently in practice with statute, this TBL will alleviate a cost burden on counties to meet a higher share of cost if they were required to comply with existing statute.

**Eliminate the Temporary Assistance Program (TAP)**

- Assembly Bill 1808 (Chapter 75, Statutes of 2006) required the state to establish a voluntary TAP with state-only funds providing cash aid and other benefits to certain current and future CalWORKs recipients who are exempt from state work participation requirements.
- The TAP was intended to increase the federal WPR. Since 2006, the Legislature has postponed implementation until October 1, 2016.
- With the successful implementation of alternative move-out strategies for the Safety Net and long-term sanction cases, which resulted in a tentative WPR of 55 percent, TAP is now obsolete and should be repealed.

## Work Participation Rate (WPR)

- 50 percent WPR required for All Families.
- 90 percent WPR required for two-parent families.
- Five percent reduction to TANF Block Grant for first-year failure to meet required WPR.
- Additional two percent for each successive year of failure to a maximum of 21 percent of the TANF Block Grant.

### Highlights

- ❖ **FFYs 2008 through 2013:** California did not achieve required WPR.
- ❖ **FFY 2015:** Successful WPR compliance would eliminate 2008, 2009, and 2010 penalties.
- ❖ **FFY 2016:** Projected compliance would eliminate 2011, 2012, and 2013 penalties.

## Summary of WPR Requirements and TANF Penalties

All Families WPR						
FFY:	2008	2009	2010	2011	2012	2013
<b>Required Rate: All Families</b>	50%	50%	50%	50%	50%	50%
<b>Caseload Reduction Credit<sup>1</sup></b>	21%	21%	21%	21%	<b>0%</b>	<b>0%</b>
<b>Adjusted WPR target</b>	29%	29%	29%	29%	<b>50%</b>	<b>50%</b>
<b>California Actual WPR</b>	25.1%	26.8%	26.2%	27.8%	27.2%	25.1%
<b>Potential Penalty Amount</b>	\$47.7 million	\$113.6 million	\$179.7 million	\$246 million	\$312 million	\$377 million

<sup>1</sup>Due to the American Recovery and Reinvestment Act, California received the 2008 Caseload Reduction Credit for FFYs 2009, 2010, and 2011.

## Recent Developments

- 55 percent All Families WPR projected for FFY 2015, meeting the 50 percent required.
- Federal confirmation of compliance in FFY 2015 would eliminate penalties for FFYs 2008, 2009, and 2010 (\$351 million).
- If achieved, compliance in FFY 2016 would eliminate penalties for FFYs 2011, 2012, and 2013 (\$935 million).
- California failed the two-parent WPR requirement in FFY 2012 and 2013 and mitigation strategies are under consideration.