

**California Department of Social Services
Client Sanctions Under the CalWORKs Program**

FINAL REPORT

February 2000

EXECUTIVE SUMMARY

PURPOSE

Senate Bill (SB) 160, Chapter 50, Statutes of 1999, mandates that the State Department of Social Services shall collect information from the counties regarding the types of and reasons for sanctions on individuals in the CalWORKs program.

In response to the mandate of SB 160, the California Department of Social Services (CDSS) developed the attached report to provide information on sanctions under the California Work Opportunity and Responsibility to Kids (CalWORKs) welfare-to-work (WTW) program. The report's focus is on individuals who fail, without good cause, to comply with work requirements.

HIGHLIGHTS OF FINDINGS

Sanction Rates in the CalWORKs Program

- The Governor's Budget for State Fiscal Year (SFY) 2000-01 assumes that approximately 4 percent of the CalWORKs caseload will have a sanction or penalty imposed in any given month for failure to comply with program requirements. This percentage was based on nine months of calendar year 1998 sample data.
 - Two and one-half (2.5) percent are for sanctions imposed on recipients who fail to comply with welfare-to-work requirements. The remaining 1.5 percent accounts for other sanctions and penalties.
- More recent welfare-to-work sanction data, from the July 1999 WTW 25, shows the total number of individuals in a sanction status to be 6.1 percent of the total statewide caseload of 606,553 for that month.
 - The reason for the increase from the 4 percent to 6.1 percent is because, as the program is implemented, more recipients are required to participate in welfare-to-work activities. As this occurs, an increase in the number of CalWORKs sanctions is expected.

Reasons for Non-Compliance

- Counties report that clients identify child care and transportation most frequently as the reasons they fail to comply with work requirements. Preliminary results from the second RAND report suggests that approximately two-thirds of non-complying clients cite these problems for non-compliance.
 - While some clients may have good cause for failure to participate, they often do not relate this information to the counties. Typically when a client is not participating in work activities, the county makes multiple, and often unsuccessful, attempts to contact the client. If these attempts at communicating with the client fail, the county imposes sanctions for failure to participate. Often the client contacts the county only in response to the sanction. Once the county learns that the client has good cause for non-participation, the county remedies the situation or grants the client the good cause.
- The remaining one-third of non-complying clients indicate that they do not want to participate in welfare-to-work activities because they are either working (but not reporting), going to school or report that they do not want to work.

Counties Take Steps to Remove Barriers

- Counties are taking steps to establish contact with clients who fail to comply with program requirements, in order to determine reasons for non-compliance and to identify and remove barriers to participation. This often occurs in the form of a home visit. (See Appendix A for a description of activities specific counties are undertaking to address this area.)
- As will also be shown in this report, counties continue to work with their sanctioned clients to remove barriers that prevent compliance following the imposition of a sanction. The CalWORKs program provides supportive and other services to clients in order to remove barriers that prevent participation.

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INTRODUCTION

PURPOSE

Senate Bill (SB) 160 (Chapter 50, Statutes of 1999) mandates that the State Department of Social Services shall collect information from the counties regarding the types of and reasons for sanctions on individuals in the CalWORKs program.

BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193) fundamentally changed the American welfare system, replacing the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. The TANF program is a block grant program that gives individual states unprecedented flexibility to design their welfare programs that move individuals from welfare to self-sustaining employment.

The federal TANF law directs states to sanction clients for failure to participate in work activities and non-cooperation with child support enforcement efforts as spelled out and agreed to in a "personal responsibility agreement" between the client and the agency staff. States also may sanction recipients who fail to follow other guidelines, such as child immunization and school attendance requirements.¹ States that do not sanction non-compliant individuals are subject to a federal financial penalty of no more than five percent of the state's block grant funds.²

While the federal law limits states' ability to sanction by prohibiting them from penalizing a single parent with a child under age six if child care is not available, it also gives them a great deal of flexibility to determine their sanction structure (what constitutes non-compliance, the severity of the sanction, and the appeals process to restore benefits), as well as how sanctions are administered. The three primary types of sanctions

¹ PRWORA Section 408(a) and (b), "Prohibitions and Requirements," pp. 32 – 39.

² PRWORA Section 409(a)(5), "Penalties: Failure to Comply with Paternity Establishment and Child Support Enforcement Requirements Under Part D," 1996.

utilized by states are: 1) adult-only – the benefit for the non-compliant adult is reduced or eliminated for some length of time; 2) full-family – the benefit for the entire family is eliminated (or sometimes reduced); and 3) pay for performance – the amount of the penalty reduction is directly tied to the amount of hours that the non-compliant adult fails to work.³ Unlike forty other states that chose full-family sanction⁴, California chose to sanction recipients by cutting only the adult portion of the grant to provide a safety net for children. When a CalWORKs welfare-to-work sanction is imposed, the sanctioned adult also loses food stamp eligibility, unless he or she meets certain food stamp work exemptions, e.g., care of a dependent child under six years of age, participation in a drug or alcoholic treatment and rehabilitation program, etc.⁵ Although California has the option to terminate a client's Medi-Cal assistance, California continues to provide medical assistance for the sanctioned adult.⁶

Definition of Sanction and Penalty

Although the terms “sanction” and “penalty” are often used interchangeably, the following definitions help to clarify the distinction between the two terms:

A sanction is when an individual is taken out of the assistance unit (AU) for failure, without good cause, to comply with program requirements, e.g., the individual fails to meet work requirements or refuses to assign child support rights.

A penalty is when, because of noncompliance, the family grant is reduced or the individual's needs are not considered in computing the grant, e.g., when a parent fails to provide documentation that his or her children are immunized or attending school regularly.⁷

For purposes of this report, the findings and discussion refer primarily to sanctions that are imposed for the failure to comply with work requirements.

Client Sanctions Under CalWORKs

Under CalWORKs, adult recipients of aid, unless exempt, must participate in CalWORKs welfare-to-work activities and meet program requirements as a condition of receiving cash aid. Exempt recipients, such as individuals who have a disability that is expected to last at least 30 days and that significantly impairs regular participation, may opt to participate although they are not required to do so. Welfare-to-work program

³ Welfare Information Network (WIN) Issue Notes, “*The Use of Sanctions Under TANF*,” Vol. 3, No. 3, April 1999.

⁴ Full-Family Sanction Data Extrapolated from the Federal Health and Human Services Datafile, FFY October 1997-September 1998.

⁵ CDSS Manual of Policies and Procedures (MPP) Section 63-407.54

⁶ The California Department of Health Services (DHS) All-County Letter (ACL) No. 90-52, “*Recall of ACWDL Instructing Counties to Deny or Discontinue AFDC Recipients terminated Due to Failure to Participate in GAIN*,” June 7, 1990. State Medicaid Manual, Part 3 - Eligibility Section 3301.3.

⁷ Definitions were obtained from CDSS All-County Information Notice (ACIN) I-09-98, “*California Work Opportunity and Responsibility to Kids (CalWORKs) Program: Penalty Provisions*,” February 9, 1998.

requirements that must be met include the following: participating in assigned program activities; signing a welfare-to-work plan; providing required proof of satisfactory progress in an assigned activity; accepting a job; retaining a job; or maintaining earnings.

For non-exempt participants who do not comply with program requirements, cash aid is reduced by the adult portion of the family grant, as well as the removal of the individual from the AU. For example, for the average AU of three persons in Region 1, the family cash aid would be reduced from \$626 to \$505. For the same size family in Region 2, the family cash aid would be reduced from \$596 to \$481. For impact on other family sizes, please refer to attached tables 1 and 2.

Compliance Process and Sanction Duration

Counties take many steps before imposing a sanction on a client who refuses, without good cause, to comply with program requirements. These include establishing contact with individuals who fail, without good cause, to participate in work activities. The county sends a notice of action to inform the individual that an appointment has been scheduled for him/her to try to resolve the problem that prevents participation. During this process, individuals are allowed to reschedule this appointment. If they do not make a good-faith effort to contact the county, a sanction is still not imposed. Rather, the county makes another effort to make contact by telephone. If the individual still does not make any contact with the county to establish good cause, then a sanction is imposed. When the sanction is imposed, the individual often contacts the county and reveals problems such as child care and transportation as the reasons for nonparticipation. Once the county receives this information from the individual, the county is able to take the necessary steps to resolve the issue and the sanction is removed. The compliance process takes a minimum of 30 days and usually averages around 60 days before a sanction is imposed. The duration of a sanction ranges from zero to six months, depending on the severity of a sanction. A first instance sanction can be cured at any time. A second instance sanction is imposed for a minimum of three months or until the sanction is cured, whichever is longer. A third and subsequent sanction is imposed for a minimum of six months or until the sanction is cured, whichever is longer. Once a sanction is cured, the individual is reinstated to the AU as long as he/she is otherwise eligible.

FINDINGS

The collection of sanction data has been a process of continual evolution and refinement at the State level. Some early problems faced by California were that it took time for all counties to have fully functioning automated systems installed. Also, the transitioning of clients from the Greater Avenues for Independence (GAIN) program into the CalWORKs welfare-to-work program was administratively challenging, along with the need to enroll all clients into the new program by December 31, 1998. Suddenly,

counties were faced with transitioning GAIN cases and enrolling an increased number of new clients into the new program. As a result, sanction determinations were not taking place as frequently due to the demands of the transition process.

SANCTION RATES IN THE CalWORKS PROGRAM

The Governor's Budget for State Fiscal Year (SFY) 2000-01 assumes that approximately 4 percent of the CalWORKs caseload will have a sanction or penalty imposed in any given month for failure to comply with program requirements. This percentage was based on nine months of calendar year 1998 sample data. The 4 percent will be recalculated with the most recent data for the May 2000 revise. Two and one-half (2.5) percent are for sanctions imposed on recipients who fail to comply with welfare-to-work requirements. The remaining 1.5 percent accounts for other sanctions and penalties.

More recent welfare-to-work sanction data, from the July 1999 WTW 25, shows the total number of individuals in a sanction status to be 6.1 percent of the July 1999 total statewide caseload of 606,553. The reason for the increase from the 4 percent to 6.1 percent is because, as the program is implemented, more recipients are required to participate in welfare-to-work activities. As this occurs, an increase in the number of CalWORKs sanctions is expected.

REASONS FOR NON-COMPLIANCE

Counties report that clients identify child care and transportation most frequently as the reasons they fail to comply with work requirements. Preliminary results from the second RAND report suggests that approximately two-thirds of non-complying clients cite these problems for non-compliance.

While some clients may have good cause for failure to participate, they often do not relate this information to the counties. Typically when a client is not participating in work activities, the county makes multiple, and usually unsuccessful, attempts to contact the client. After these attempts at communicating with the client have failed, the county imposes sanctions for failure to participate. Often the client contacts the county only in response to the sanction. Once the county learns that the client has good cause for non-participation, the county remedies the situation or grants the client the good cause.

The remaining one-third of non-complying clients indicate that they do not want to participate in welfare-to-work activities because they are either working (but not reporting), going to school or report that they do not want to work.

COUNTIES TAKE STEPS TO REMOVE BARRIERS

Once a county recognizes that there are issues that prevent an individual from participating in a required activity, the county takes steps to resolve the issues and remove the sanction. CalWORKs provides for the removal of certain barriers by making supportive services available to clients in order for them to participate in the program. Such supportive services include: Child care, transportation, ancillary expenses such as cost of books, tools, job-required clothing, and personal counseling. Additionally, other services are available such as mental health, substance abuse, and domestic violence services that will help to enable a client to obtain and retain employment. Counties are developing approaches to engage clients who fail to comply with program requirements prior to imposing sanctions. Once a sanction is imposed, most counties are implementing strategies to make personal contact through home visits. (See Appendix A for a description of activities specific counties are undertaking to address this area.)

As counties continue to work with their sanctioned clients to remove barriers that prevent compliance following the imposition of a sanction, the number of clients who have successfully had barriers removed and avoided sanctions is evident. For example, San Bernardino County reports that about 60% of their sanctioned cases have had their sanctions removed as a result of home visits. (See Appendix A for details.)

CONCLUSION

To obtain a clear picture of the results of the CalWORKs program, the CDSS awarded a contract to RAND to conduct yearly statewide evaluations of the CalWORKs program for a three-year period. The first RAND report Welfare Reform in California, was completed in 1999 and presented information on the results of the first year of CalWORKs implementation from January to December 1998, including a discussion on nonparticipation and sanctions. Since the report covered only the first year of implementation, there was not sufficient data to provide definitive results. Preliminary results from the second RAND report suggests that approximately two-thirds of non-complying clients cite child care and transportation problems as reasons for their non-compliance. The remaining one-third of non-complying clients indicate that they do not want to participate in welfare-to-work activities because they are either working (but not reporting), going to school or report that they do not want to work.

In addition, the Welfare Policy Research Project is in the process of commissioning a comprehensive study of the CalWORKs sanction process in California as it relates to individuals who fail to comply, without good cause, with welfare-to-work requirements. The study, which is expected to be completed by the end of 2001, will address a number of research questions including the frequency of the use of sanctions and their impact on CalWORKs participants.

While awaiting further results from the research project mentioned above, the CDSS will continue to work with counties to determine the effectiveness of and/or to identify issues with the current sanction policy, and to also share best practices on methods for dealing with families who have been sanctioned or are subject to sanctions.

DESCRIPTION OF ATTACHMENTS

- Table 1: CalWORKs payment standards--Non-Exempt Maximum Aid Payment under Region 1
- Table 2: CalWORKs payment standards--Non-Exempt Maximum Aid Payment under Region 2
- Appendix A: County Specific Activities for Addressing Non-Compliance

TABLE 1
CalWORKs PAYMENT STANDARDS
 Effective July 1, 1999
 Non-Exempt Maximum Aid Payment under Region 1⁸

Assistance Unit Size	Maximum Aid Payment	Amount Reduced for Sanctions	Total Amount of Cash Aid After Reduction
1	310	0	310
2	505	195	310
3	626	121	505
4	746	120	626
5	849	103	746
6	953	104	849
7	1,048	95	953
8	1,141	93	1,048
9	1,233	92	1,141
10 or more	1,324	91	1,233

TABLE 2
CalWORKs PAYMENT STANDARDS
 Effective July 1, 1999
 Non-Exempt Maximum Aid Payment under Region 2⁹

Assistance Unit Size	Maximum Aid Payment	Amount Reduced for Sanctions	Total Amount of Cash Aid After Reduction
1	294	0	294
2	481	187	294
3	596	115	481
4	710	114	596
5	808	98	710
6	907	99	808
7	996	89	907
8	1,086	90	996
9	1,173	87	1,086
10 or more	1,260	87	1,173

⁸ Region 1 comprises counties with higher MAPs: 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.

⁹ Region 2 comprises counties with lower MAPs: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Placer, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba.

Appendix A

County Specific Activities for Addressing Non-Compliance

Alameda:

The county has established a special outreach unit to handle the sanctioned caseload. Approximately 98 percent of their sanctioned cases are on their first sanction, with the remainder on their second or third. To increase program participation, the county has developed a marketing campaign in collaboration with a private non-profit agency. The campaign focuses on sanctioned persons and involves a video available to each one, special written material and public service announcements. The county anticipates that this approach will be implemented by March 1, 2000.

Fresno:

The county utilizes a team of Eligibility Workers (EWs) and job specialists to conduct home visits on the day a recipient misses an appointment for an assessment. The county conducted 152 home visits in the month of September 1999. Of those, 61 clients were contacted and information was left at the home for the remainder. Of the 61 clients contacted, 21 responded by coming to the county welfare office. During the same month, the county experienced its highest attendance rate for assessments (70%). The county surmises that the home visits had a very positive effect on recipient participation, even if direct contact was not made and staff just left information. The county also makes a telephone call to each recipient scheduled for job club.

Kings:

The county has developed a Family Advocate Worker position and a home visit process to prevent sanctions. The county experienced a very high sanction rate with the implementation of CalWORKs in 1998. The county noted that its previous practice of sanctioning persons from the GAIN program and applying a vendorized payment system that removed all money management abilities from recipients was not successful in improving participation. Hundreds of sanctions were being imposed each month.

In July 1999, the county entered into a contract with a local community-based organization (CBO) to provide intensive case management services utilizing a "social worker" type position. The worker is assigned to the Agency's Social Services Division and remains co-located with welfare-to-work (WTW) staff.

The Family Advocate Worker makes home visits on all cases with proposed sanctions to assess the family's situation, reasons for non-compliance and attempts to resolve barriers to participation. With the success of this worker, and because the single Family Advocate Worker cannot meet all the obligations of this position, the WTW staff has begun making home visits on all sanction proposals before sanctions are applied.

Further, the county is proposing to institute a home visit project on all new program registrants, within 30 days of entry to the WTW program, to better assess family needs and barriers to self-sufficiency.

Los Angeles:

The county is in the early stages of developing a home visit policy for sanction cases.

Madera:

Initially the county experienced an increase in sanctions. Since implementation of CalWORKs, about 25% of those sanctions were cured. The county initiates home visits before sanctions, and sends Employment staff to the home to get to know clients. Since implementing home visits, they are preventing new sanctions.

Marin:

The county reduced their number of sanctioned cases by hiring two employment development counselors to contact clients who have been sent notices of action that they will be sanctioned and conduct home visits. The county sends a letter advising the client of a potential sanction. If indicated in the letter, both an office and home visit appointment is scheduled with the dates and times for the client. The client has an option to choose between the two appointments listed and is given an opportunity to reschedule them if necessary. If a home visit is conducted, the Employment Counselor and the EW visit the client to ensure that the client has a clear understanding of the ramifications of a sanction.

Monterey:

The county created a new Access Unit, comprised of an Employment Specialist or an Employment Technician and a social worker, whose priority is to visit individuals who fail to participate in required activities and then sanctioned individuals. The most common reason for nonparticipation is lack of clear understanding of the program and the services available to clients. The county surmises that home visits have been effective in improving client participation.

Orange:

Orange County did a study on the reasons why their clients did not comply with work requirements. They studied 211 cases from September 1998 through January 1999. Results showed that, of the 211 cases, the largest single category (55—slightly more than one-quarter of the total cases) were coded as “unknown.” This category included persons who withdrew when contacted by an investigator and persons who felt they were able to live without their portion of the grant and decided to accept the sanction. The two next largest categories involved situations where the client received financial assistance from relatives (45) or was already working (43). In these cases the financial

assistance from relatives probably makes up for the lost welfare cash benefits and those already working simply need to make the county aware of that fact. Another 23 individuals were unable to comply because they were caring for an ill person(s); the whereabouts were unknown for an additional 17 individuals. Seven individuals were looking for work and another six were having problems with child care. Only four refused to work or cooperate. The remaining 11 individuals had reasons such as: medical problems, attending school, had no children, received other income, or moved out of the county.

San Benito:

The county has been conducting home visits since the GAIN program. The county reports that they reduced their sanctioned cases by sending a team composed of a social worker and an Employment Training Worker to conduct home visits on all recipients. Home visits are utilized to ensure that clients' barriers to participation are identified and resolved before initiating a sanction. The most common barriers that the county has identified are transportation problems and fear of getting a job.

San Bernardino:

Initially the county conducted 30 home visits as a test sampling. The results were so successful that a full-scale plan to visit all sanctioned clients was developed. The plan was proposed to the Board of Supervisors, who approved funding for 12 positions to create a new Sanctioned Homecall Unit. The county reports that 59% of sampled individuals visited by the Unit are no longer in sanction, are attempting to cure their sanction, or have had their case discontinued; 16% of the sample are in the process of having their sanction removed.

San Francisco:

Recipients have been hired and classified as public service aides, paired with a caseworker to conduct home visits on those individuals who fail to comply with work activities before sanctions are imposed. The county has entered into an agreement with a community resource center to make home visits after a sanction is imposed. The county reports that these home visits have been effective in increasing client participation.

Santa Barbara:

The county is coordinating extensive outreach, phone calls, and home visits which has resulted in a decrease in the number of clients who fail to comply with work activities and sanction rate. The county contracts out job club services. If a client fails to attend, the contractor contacts the client in person or by phone to encourage participation. The contractor is paid by performance.

Santa Cruz:

Prior to the compliance process, an Employment Specialist or an Employment Technician and a social worker make home visits. The county reports that the reason for not participating typically involves domestic violence or substance abuse. The county surmises that home visits have been effective in addressing these issues.

Sonoma:

The county is piloting sending EWs to do home visits on those clients who fail to comply with work activities. During the SonomaWORKS orientation, clients are informed that if they miss the scheduled start date for Initial Job Search (IJS), a home visit will be scheduled to discuss barriers to participation. The home visit is also to inform the client of the services available through the SonomaWORKS program. On a Post Assessment visit, a social worker and eligibility worker visit a client in their home to better assess the client's situation, gaining insight and possibly building rapport that will help the worker serve the client, at the same time ensuring that program requirements are met.

Solano:

The county has a Request for Proposal (RFP) out to contract with a community-based organization to do home visits on those clients who fail to comply with work activities and sanctioned individuals.

Tulare:

Both sanctioned caseload and recipients receiving vendor payments are increasing. A new county department is doing home visits on sanctioned cases to access clients' barriers to participation. The county is making home visits before initiating sanctions to help recipients avoid sanctions. So far, home visits have been positive in reducing nonparticipation.

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