

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



September 18, 2006

ALL COUNTY INFORMATION NOTICE NO. I-65-06

TO: ALL COUNTY WELFARE DIRECTORS
ALL CalWORKs PROGRAM SPECIALISTS
ALL WELFARE-TO-WORK COORDINATORS
ALL REFUGEE PROGRAM COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: CHANGES TO THE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) WELFARE-TO-WORK (WTW) PROGRAM DUE TO ASSEMBLY BILL (AB) 1808 (CHAPTER 75, STATUTES OF 2006)

REFERENCE: ALL COUNTY LETTER (ACL) 06-27

The purpose of this letter is to transmit a summary of changes made to the CalWORKs program based on AB 1808 (Chapter 75, Statutes of 2006). The changes are part of California's response to the Temporary Assistance for Needy Families (TANF) Reauthorization provisions of the federal Deficit Reduction Act of 2005, which will require a significant increase in the number of recipients participating in activities that count toward the TANF work participation rate (WPR) requirements of 50 and 90 percent for all families and two-parent families, respectively. The Department, county welfare departments, and State and local service providers will need to work closely together to achieve these rates and avoid federal fiscal penalties that are imposed on states that do not meet the WPR requirements. A summary of the major TANF reauthorization provisions will be transmitted in a separate All-County Information Notice (ACIN).

Many of the CalWORKs-related changes contained in AB 1808 are a direct result of work performed in TANF Reauthorization stakeholders meetings convened by the Department since April 2006. The stakeholders meetings include representatives from the County Welfare Director Association (CWDA), legislative staff, legal and welfare rights advocates, and others. Many strategies have been discussed in the stakeholders meetings to assist the State in meeting federal requirements and reduce its vulnerability to fiscal penalties, while maintaining the integrity of the CalWORKs program and its focus on moving families to self-sufficiency. The efforts of stakeholders have helped shape the CalWORKs provisions of AB 1808, which are intended to help counties improve their work participation rates, that are summarized below.

CalWORKs Plan Addendum (W&I Code Section 10534)

Requires counties to perform a comprehensive review of their existing CalWORKs county plan and submit to the Department a plan addendum detailing how the county will meet the goals of the CalWORKs program, while taking into consideration the TANF Reauthorization work participation requirements. Counties are to address short- and long-range actions to improve work participation rates. Actions that are to be addressed include, but are not limited to, early and ongoing engagement strategies, as well as engagement of sanctioned households. Additionally, the counties will describe how they intend to collaborate with local agencies including workforce investment boards, community colleges, and adult education. The Department is preparing an All County Letter (ACL) that lays out the requirements of the plan addenda and provides, at the request of stakeholders, a self-diagnostic tool for counties to use. The actions outlined by counties in their plan addenda will be important in improving California's work participation rate.

County Peer Review (W&I Code Section 10533)

Requires the Department to create and implement a statewide county peer review process first in pilot counties, and then statewide by July 1, 2007. The peer review process includes a review of existing individual county CalWORKs data. Counties will receive technical assistance from State and peer county administrators to assist with implementing best practices to improve performance toward meeting State performance goals.

County Penalty Pass-On (W&I Code Section 10544)

Amends existing statute to clarify how the State will pass on to counties 50 percent of any federal penalty imposed on the State for failure to meet federal TANF requirements. Only those counties that fail to meet the federal requirements, based on the degree of performance that contributes to the failure, are required to share in the fiscal penalty imposed on the State. A county that fails to meet federal requirements may be provided relief from penalty if the Department determines that there were circumstances beyond the county's control. Relief may also be provided to counties based on the degree of success or progress in meeting federal requirements, and, to the extent that there are differences between State and federal program requirements, the success in meeting State participation requirements. The Department will be working with one of the stakeholders workgroups (that includes county and CWDA representatives) to develop an implementing ACL and regulations. This provision makes it important for counties to take action to increase their federal work participation rates.

Pay for Performance (W&I Code Section 15204.6)

Changes the CalWORKs "Pay for Performance" program from being a three-year program to an ongoing program that is contingent upon a Budget Act appropriation and requires the Department to periodically publish program outcomes, identified by county. Forty million dollars of Fiscal Year (FY) 2006/07 TANF funding has been set aside for payment to counties in FY 2007/08. An ACL on the Pay for Performance program will be issued soon.

Data Master Plan and Data Publishing (W&I Code Sections 10540.6 and 25201, [AB 1808 Section 40])

Requires that by April 1, 2007, the Department will publish data reported by counties on at least a quarterly basis to include caseload characteristics, Welfare-to-Work (WTW) performance outcomes, and engagement rates. In addition, by April 1, 2007, the Department is required to submit to the Legislature a master plan for CalWORKs data that includes four elements:

- 1) An assessment of the State's data needs in light of the CalWORKs program goals pertaining to work participation, poverty status, and child well-being.
- 2) An outline for a new participation report that includes, but is not limited to, the number of hours of participation, as well as how many recipients are meeting the State CalWORKs and federal participation requirements.
- 3) Guidelines, requirements, time frames, and cost estimates for county automation improvements to collect participation data that is consistent with the master plan.
- 4) A plan for longitudinal data reports, which identify how the participation of cohorts of recipients changes over specified time periods.

The Department is working with a stakeholders workgroup to develop the plan.

Durational Sanctions (W&I Code Section 11327.5[d])

Removes the statutory requirement that noncompliant individuals in the CalWORKs WTW program be subject to durational financial sanctions for individuals in their second, third or subsequent instance of noncompliance. Instead, any sanction will end at the point the noncompliant individual contacts the county and performs the activity he or she previously failed or refused to perform. Please see ACL 06-27 for more information regarding changes to CalWORKs sanction policies. A more detailed ACL that clarifies sanction procedures and includes revised forms is under development.

CalWORKs Exempt Families (W&I Code Section 11320.32)

Requires the Department to establish a separate state program by April 1, 2007, to administer a voluntary Temporary Assistance Program (TAP). TAP will provide cash assistance and other benefits to current and future CalWORKs recipients who meet the exemption criteria for work participation activities. Absent written requests to the contrary, exempt recipients who volunteer to participate in WTW activities would stay in the TANF-funded CalWORKs program, and non-volunteers would move into TAP. If the Department determines that this separate state program is not feasible after reviewing the June TANF federal regulations, the program may be suspended until October 1, 2007. To the extent TAP's statutory provisions are inconsistent with federal regulations, the funding structure for exempt families may be amended to ensure consistency with the regulations. The Department has been working with one of the stakeholders workgroups to determine if this program can be established. At this point, it appears that federal Child Support program requirements pose a barrier to implementation without further State statutory change.

Kin-GAP Plus Program (W&I Code Sections 11380 and 11381[b])

Creates a voluntary Kin-GAP Plus Program with improved benefits, beginning October 1, 2006, that provides an alternative to the Kin-GAP program. The Department is implementing this program, effective October 1, 2006.

CalWORKs Homeless Assistance Program Changes (W&I Code Section 11450[ff])

Changes the CalWORKs Homeless Assistance Program as follows:

- Increases the daily rate for temporary homeless assistance from \$40 per day to \$65 per day for families of four or less, and adds \$15 per day for each additional family member up to a maximum of \$125 daily.
- Redefines homelessness criteria to include families who receive a notice to pay rent or quit.
- Allows payment of up to two months of rent arrearages to prevent homelessness.
- Allows families to secure permanent housing that rents for up to 80 percent of their total household income rather than limiting it to housing that only rents for up to 80 percent of their maximum aid payment.

Please see ACL 06-25 for more information regarding changes to the CalWORKs Homeless Assistance Program.

If you have questions regarding this notice, please contact your California Department of Social Services Employment Bureau county consultant at (916) 654-2137.

Sincerely,

Original Document Signed

By

KATHY B. LEWIS, Acting Chief
Employment and Eligibility Branch

c: CWDA
CSAC