

UNDERSTANDING CALWORKs

**A Primer for Service Providers
and Policymakers**

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Dear California Leaders:

This primer provides an in-depth orientation to California's welfare program – the California Work Opportunity and Responsibility to Kids Act, known as CalWORKs. CalWORKs provides eligible needy families with time-limited cash assistance grants and welfare-to-work services.

In 2010, in the midst of a national recession, high unemployment rates, and increased welfare caseloads, the United States Congress is scheduled to deliberate reauthorization of the *federal* welfare program – Temporary Assistance for Needy Families (TANF). California's policymakers and advocates will not only be important stakeholders in this debate, they eventually will be responsible for working together to modify CalWORKs to align with expected changes in the federal law.

To anchor this analysis and deliberation in a thorough understanding of the current state welfare system, we are pleased to provide you with this revised and updated edition of *Understanding CalWORKs*. In addition to highlighting the major laws, programs, and financing mechanisms, the primer also presents a profile of welfare families and highlights some of the key issues confronting practitioners and lawmakers.

Heartfelt thanks go to Diane Reed, first author of the primer, for her thorough research and incomparable dedication, partnership, and commitment to accuracy. We also wish to acknowledge the original and substantial contribution of Deborah Reidy Kelch, who authored the 1st edition, released in 2002.

In the past year and a half, we have benefited greatly from advice and information provided by many state and county leaders. Three individuals were our constant partners – and the primer could not have been completed without their expertise and continuing commitment: Larry Lewis, Consultant, Welfare-to-Work Division/Employment Bureau, California Department of Social Services; Kathy Harwell, Assistant Director, Community Services Agency, Stanislaus County; and Anastasia Dodson, Senior Policy Analyst, County Welfare Directors Association of California.

We also extend considerable thanks to the Zellerbach Family Foundation, with a particular note of appreciation to Program Executive Ellen Walker. The Foundation funded the updating of both *Understanding CalWORKs* and its companion publication, *Understanding the Child Welfare System in California*, as well as the original publications. Both primers were originally developed when CCRWF directed the first phase of *Linkages*, which aims to coordinate the state's welfare and child welfare programs to better serve high-risk families. *Linkages* is now ably managed by Stuart Oppenheim and Danna Fabella of the Child and Family Policy Institute of California; we thank these expert partners, as well as the *Linkages* Advisory Council, for their steadfast support throughout our process of research, writing, and review.

We are in a time of financial uncertainty and at a key turning point in the formulation of welfare policy in both the nation and the state. We hope that *Understanding CalWORKs* offers practitioners and policymakers a concise and informative overview of this complicated, yet important, program, which serves many of California's most needy families.

Sincerely,



Kate Karpilow, Ph.D.
Executive Director

INTRODUCTION

This primer provides an in-depth orientation to California’s welfare program – the California Work Opportunity and Responsibility to Kids Act, known as CalWORKs.

Included in this review are:

- an overview of the federal and state laws and agencies that govern or affect welfare and welfare-to-work programs;
- information on the program structure and funding streams of county CalWORKs programs;
- a profile of California’s CalWORKs families; and
- a summary of key issues under discussion by federal, state, and local policymakers.

In 2010, in the midst of a national recession, high unemployment rates, and increased TANF caseloads, the United States Congress is scheduled to deliberate reauthorization of the federal welfare program – Temporary Assistance for Needy Families (TANF). California’s policymakers and advocates will not only be important stakeholders in this debate; they will also be responsible for working together to modify CalWORKs, California’s TANF program, to align with changes in the federal law.

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Brief Chronology of Welfare Policy in the United States

Prior to early 1900s	Local communities provided most care for the poor through almshouses, orphanages, and charities.
1911	The first federal government welfare program, Aid to Dependent Children (ADC), was enacted at the state level and spread throughout the country. Popularly called “Mother’s Pensions,” the program originally served mostly white, widowed women, then considered to be the deserving poor. The goal of the program was to help mothers stay home and provide a nurturing environment for their children.
1933	For the first time, the federal government provided temporary welfare relief for unemployed parents and their dependents.
1935	As part of the New Deal, Title IV of the 1935 Social Security Act created a permanent, but optional, ADC program administered by the states in order to provide benefits for children.
1950	The federal government began to provide cash aid to caretaker parents or relatives of children in the ADC program.
1960	The name of the ADC program was changed to Aid to Families with Dependent Children (AFDC).
1962	Federal legislation allowed states to obtain waivers from federal AFDC guidelines to develop innovative demonstration projects to promote the objectives of AFDC. This practice became more widely used in the 1990s.
1967	The first federal work requirement, the Work Incentive Program, was enacted. It was mandatory for males and voluntary for female recipients of AFDC.
1960s-1970s	Landmark judicial decisions resulted in the inclusion of many who had been excluded from the original ADC program (e.g., cohabiting or sexually active single mothers). In combination with the War on Poverty Program in the mid-1960s, these changes resulted in a significant increase in the number of families on AFDC.
1980s	States were permitted to impose work requirements through the Community Work Experience Program. The idea of welfare as an entitlement was questioned by some policymakers, and the concept of mutual obligation emerged.
1988	The federal Family Support Act codified state workfare options, including mandatory work for mothers with children over the age of 6, and required states to establish a Job Opportunities and Basic Skills Program (JOBS), named Greater Avenues for Independence (GAIN) in California. GAIN coupled training and work requirements with guaranteed child care. The JOBS program required a match from states to receive federal funding.
1980s-1990s	The federal government increasingly shifted program and financial responsibility to the states to reduce federal spending for open-ended programs.
Early 1990s	Many states obtained waivers allowing states to implement work training and other programs intended to change the behavior of welfare recipients, such as 1) “learnfare” programs that conditioned AFDC payments on the minors in a household attending school; 2) family caps that limited or reduced AFDC benefits for children conceived while the mother was on AFDC; and 3) “bridefare” programs that provided small monetary incentives for recipient mothers to marry the fathers of their children.
1996	Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was passed, creating the Temporary Assistance for Needy Families (TANF) program. TANF allowed states the flexibility to start or continue programs that had previously required waivers, and capped federal welfare spending through fixed annual allocations in the form of block grants to states.
2005	The Deficit Reduction Act (DRA) reauthorized TANF through 2010. The Act and its final regulations reset the caseload reduction credit “base” year from 1995 to 2005; increased the number of clients that must meet federal work participation requirements; provided the federal government with broadened regulatory authority to define work activities under TANF; increased oversight for uniformity across states; developed rules on how states must document, track, and verify hours of participation; and restricted how state funds must be spent for states to qualify for federal TANF dollars.
2009	In response to the recession, the American Recovery and Reinvestment Act (ARRA) of 2009 created a new, temporary TANF Emergency Contingency Fund (ECF), capped at \$5 billion and available only in FFY 2009 and FFY 2010. ARRA also temporarily modified the caseload reduction credit to hold states harmless for expected caseload increases due to high unemployment from FFY 2009 through FFY 2011. States must apply for TANF ECF, which can be used for increased expenditures in basic assistance, subsidized employment, and non-recurring short-term benefits. The purpose is to create jobs, provide benefits and services to low-income families, and stimulate the economy.
2010	TANF is due to be reauthorized.

THE FEDERAL WELFARE PROGRAM

PRWORA

In a historic shift in the nation's approach to welfare, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (Public Law 104-193) was signed into law by then-President Bill Clinton on August 22, 1996. While PRWORA is best known as "welfare reform" legislation, the scope of the 1996 law was much more extensive (see textbox).

PRWORA established the Temporary Assistance for Needy Families (TANF) program, which replaced the existing welfare programs – Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), and Job Opportunities and Basic Skills Training (JOBS). PRWORA eliminated the open-ended entitlement of the prior welfare programs and created TANF as a block grant to states to provide *time-limited* cash assistance and establish work requirements for needy families. TANF became effective on July 1, 1997, and was reauthorized in February 2006 under the Deficit Reduction Act (DRA) of 2005.

The TANF goals established by PRWORA, known as the "four purposes of TANF," are stated in Section 401(a) of the Social Security Act:

To increase the flexibility of States in operating a program designed to:

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. encourage the formation and maintenance of two-parent families.

Other PRWORA Reforms

In addition to redesigning the nation's welfare system, PRWORA also made substantial changes to other programs, which continue to affect TANF as it is currently implemented.

Child Care. Consolidated federal child care programs into one new funding stream, the Child Care and Development Fund (CCDF), and increased federal funds in the CCDF. Left states free to determine who would be eligible for child care subsidies. States can transfer up to 30 percent of TANF funds to the CCDF and spend TANF funds directly on child care without limit.

Health Insurance. De-linked Medicaid from welfare cash assistance. Created a new eligibility category (Section 1931) requiring states to continue Medicaid coverage for families that meet the AFDC eligibility standards in effect on July 1, 1996, unless the state chooses to terminate coverage for failure to meet work requirements.

Food Stamps. Reduced the number of persons eligible for food stamps by changing rules related to household income and deductions.

Child Support Enforcement. Required TANF recipients to assign their right to child support to the state while receiving TANF and cooperate with child support enforcement efforts in order to receive benefits. Expanded state authority to take legal steps aimed to establish paternity and collect support payments.

Supplemental Security Income (SSI). Modified the definition of childhood disability and required reconsideration of current recipient eligibility using the new definition. Terminated eligibility for individuals disabled as a result of drug or alcohol abuse.

Denial of Aid to Convicted Drug Felons. Prohibited states from providing cash assistance or food stamps to anyone convicted of a drug-related felony, unless the state passes subsequent authorizing legislation.

Non-Citizens. Limited immigrants' eligibility for TANF and Medicaid to "qualified immigrants" and banned them from receiving benefits during their first 5 years in the United States. Eliminated eligibility for Food Stamps and Supplemental Security Income for most legal immigrants. Subsequent changes in 2002 federal legislation restored Food Stamp benefits to many legal immigrants (P.L. 107-171).

Sources: U.S. Department of Health and Human Services. *Fact sheet: Major provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).* Retrieved from: <http://aspe.hhs.gov/HSP/abbrev/prwora96.htm>

Greenberg, M. H., et al. (2002, Summer/Fall). The 1996 welfare reform law: Key elements and reauthorization issues affecting children. The Future of Children, 12(2), 27-57. Available from the David and Lucile Packard Foundation's Future of Children website, <http://www.futureofchildren.org>

OVERVIEW OF TANF

Under TANF, the federal government provides a fixed annual block grant to states and territories that voluntarily participate in the program. All 50 states, along with the U.S. territories of Puerto Rico, Guam, and the Virgin Islands, participate. The block grant is intended to cover cash benefits, administrative expenses, and services to participating families. As a condition of receiving these funds, federal law requires states to meet specific federal statutory and regulatory requirements and to maintain a historical level of state spending, known as the Maintenance of Effort (MOE).

The TANF program is basically an employment services program with time-limited cash assistance for families as the parents move from welfare to work. The program also provides assistance to eligible children living with relatives or children living with a parent not eligible to receive assistance. With some exceptions, recipients receive a lifetime total of five years of support.

States operate two programs with TANF funds: one that provides cash grants to eligible families and another that offers employment services to those families. PRWORA established specific funding and policy rules, requirements, penalties, and incentives to encourage or discourage specific state actions and policies.

Reauthorization of TANF in 2005

The original 1996 law authorizing TANF expired in 2002. From 2002 until 2005, TANF operated under eight short-term extensions passed by Congress and signed by the President. In 2005, a five-year reauthorization was finally agreed upon.

The federal Deficit Reduction Act (DRA) of 2005, signed into law on February 8, 2006, reauthorized the TANF block grant through 2010.*

While the 2005 reauthorization of TANF continued the basic structure of the 1996 program (e.g., eligibility and work participation requirements, state penalties, and maintenance of effort requirements), it also made significant changes, some of which reduced the flexibility states formerly had to implement welfare reform. The DRA of 2005 and subsequent regulations changed the baseline year used to measure caseload reduction, added new categories of work-eligible individuals, narrowed allowable work activity definitions, and required states to increase documentation and verification of client work hours.

Welfare to Work

TANF changed the goal of welfare from income maintenance to employment.

The term “welfare to work” applies to the set of legislative reforms, programs, and services that help people leave or avoid welfare and become self-sufficient through employment assistance, job training, child care, and other supportive services.

KEY FEATURES OF TANF

In its current form, TANF establishes requirements for both families and states participating in TANF. For some program components, there is state flexibility to determine client eligibility and the type and level of benefits.

Work Requirements

Federal work requirements were initially phased in between 1997 and 2002, and then further modified by the DRA of 2005. There are minimum work participation levels for *states* and minimum work requirements for *families*.

Five-Year Time Limit

Families with an adult who has received federally funded assistance for a total of 5 years (60 months) are not eligible for additional cash assistance under the federal TANF program. However, a state can make an exception to the time limit for up to 20 percent of its caseload. States may also extend assistance beyond the 60-month time limit using other specified funds, such as the TANF MOE funds.

Eligibility

States have flexibility to establish objective criteria for eligibility and benefits. States set income and property standards to determine TANF eligibility and can establish different financial eligibility rules for different benefits or services. For example, a state can choose to target cash assistance to families with incomes below the poverty level and offer supportive services like child care and transportation to working families with incomes above the poverty level.

In addition to eligible citizens who qualify for assistance under TANF and other federal programs, federal law generally limits TANF and Medicaid eligibility to qualified immigrants who have been in the U.S. for at least 5 years. Exceptions include refugees, asylees, those who had 40 quarters of U.S. work history, and current and former dependents of U.S. military personnel.

* The TANF Final Rule (or regulations to implement the DRA) was published on February 5, 2008 and became effective on October 1, 2008. In the interim, states and counties used draft regulations that were released on June 30, 2006.

Family Formation

TANF includes policies to promote marriage and to reduce the growth of single-parent families. These are sometimes referred to as “family formation” policies. Three of the four TANF purposes address family formation by promoting marriage, reducing out-of-wedlock births, and encouraging two-parent families.

Unmarried minor parents must participate in education and training activities and live with a responsible adult or in an adult-supervised setting in order to receive assistance. States can spend TANF funds on programs to reduce teen pregnancy.

Work Participation Rate (WPR) for States

Federal law requires states to meet specific work participation rates (WPR) or face a penalty by losing a portion of their TANF grant allocation. The law requires a 50 percent participation rate for all families receiving cash assistance and a 90 percent participation rate for two-parent families. The DRA of 2005 provided the federal Department of Health and Human Services (DHHS) with broad authority to: 1) adopt regulations defining work and participation, and 2) establish the categories of families to be included in work participation calculations.

The WPR is determined by dividing the number of cases meeting the federal work requirements (the numerator) by the number of cases subject to the requirements (the denominator).

TANF reauthorization resulted in regulations that increased the type and number of families that states must count in their calculation of work participation rates (the denominator). The reauthorized TANF regulations also narrowed the definition of “allowable work activities” that can be counted towards the WPR. Both of these changes have made it more difficult for states to meet work participation requirements.

Caseload Reduction Credit (CRC)

States can get credit toward the WPR for reducing their TANF caseload. This “caseload reduction credit” (CRC) can reduce the WPR a state must achieve to avoid a penalty. The CRC is based on the decline in the state’s caseload since 2005.* States cannot receive CRC for caseload reductions that result from changes in eligibility rules.

* The DRA reset the original base year of 1995 to 2005 (see textbox on page 6).

** Penalties are based on the degree of noncompliance. If a state is in compliance with the single-parent rate but out of compliance with the two-parent rate, the penalty would be prorated down based on the percentage of two-parent cases.

Maintenance of Effort (MOE)

To receive the TANF block grant, states must spend a minimum amount of their own money – called Maintenance of Effort (MOE) – to assist needy families with children. The MOE requires that states spend at least 80 percent of what they spent on their AFDC program in Federal Fiscal Year (FFY) 1994. The percentage drops to 75 percent for states that meet all TANF work participation requirements.

Allowable MOE spending includes cash assistance; child care assistance; educational activities designed to increase self-sufficiency, job training, and work; other uses of funds to accomplish a TANF purpose; and associated administrative costs.

Penalties

Federal law allows DHHS to reduce a state’s block grant if the state fails to meet TANF requirements. For example, if a state fails to meet the required work participation requirements, it is subject to a penalty of up to a 5 percent reduction of its federal TANF block grant. Each penalty can increase by 2 percent for each successive year of noncompliance, but may not exceed 21 percent of a state’s block grant in any year.**

To reduce or eliminate these penalties, a state can: 1) dispute the penalty, 2) show reasonable cause, 3) enter into a corrective compliance plan, 4) show that it is a “needy state” (see page 7), or 5) demonstrate extraordinary circumstances.

The Recession and the TANF Emergency Contingency Fund

In response to the economic recession and surging unemployment, the federal American Recovery and Reinvestment Act of 2009 (ARRA), enacted in February 2009, created a new, temporary \$5 billion TANF Emergency Contingency Fund (ECF). States, territories, and tribes can apply for TANF Emergency Contingency Funds for Federal Fiscal Years 2009 and 2010.

States must apply for ECF through an established application process. The ECF will support basic assistance (cash grants), non-recurring short-term benefits, and subsidized employment. Federal stimulus funds available through the TANF ECF can be used to cover 80 percent of the increased expenditures, while the state/county is responsible for the other 20 percent.

In recognition of the likelihood of caseload increases due to increasing unemployment, ARRA also temporarily modified the caseload reduction credit that states receive toward their TANF work participation requirements. Under ARRA, a state’s credit will not be reduced for any caseload increases occurring in 2009 through 2011.

For more information, see page 11.

Key Changes Due to the Deficit Reduction Act (DRA) of 2005

More recipients must meet work participation requirements.

Federal reauthorization of TANF (DRA of 2005) did not change the work participation rates expected for all families (50 percent) or for two-parent families (90 percent). However, the DRA added additional categories of recipients that must now meet federal work participation requirements. These include: 1) non-recipient parents who receive cash aid only for their children, including Safety Net cases (see textbox, page 9), drug and “fleeing” felons (such as individuals who are avoiding prosecution), and sanctioned cases, and 2) two-parent, work-eligible families who had been in a Separate State Program (SSP) funded with state TANF MOE dollars.*

The addition of these two new categories has affected work participation rates in two ways.

First, adding the two new categories increases the total of number of individuals that must meet work participation rates – and in turn, the *denominator* used to calculate the work participation rate (which is calculated as the total number of cases meeting work participation requirements divided by the total number expected to meet work participation requirements).

Secondly, because the groups now expected to meet work participation rates have historically had low work participation rates (lower numbers in the *numerator* of the work participation rate), the effect of adding these two groups has typically meant that states now have lower *overall* work participation rates (fewer people meeting the work participation rate divided by a greater number of people expected to meet the requirements).

New baseline year required to calculate caseload reduction credit (CRC)

The CRC plays an important part in establishing a state’s WPR requirements. The DRA recalibrated the caseload reduction credit. As of October 1, 2006, adjustments to the WPR are based on caseload declines since 2005 rather than 1995. As a consequence, a state’s caseload reduction credits can no longer count the significant caseload declines that occurred from 1995 to 2005.**

Because changing the base year from 1995 to 2005 reduced states’ caseload reduction credits, there has been increased pressure on states to increase work participation rates and reduce caseload – or face significant fiscal penalties.

* Prior to TANF reauthorization, states had flexibility to create state-only, or Separate State Programs (SSP), which were funded with the MOE dollars required by TANF. California moved two-parent families into a SSP to avoid federal penalties for failing to attain the required 90 percent work participation rate for these families. Because the DRA of 2005 now requires all families served through any SSP be included in the work participation rate, California has discontinued this SSP.

** California achieved an all-families caseload decline of 46.1 percent between FFY 1995 and FFY 2003. This reduced the state’s WPR in FFY 2004 to 3.9 percent for all families (50 percent minus 46.1 percent) – even though California actually achieved a 23.1 percent WPR for FFY 2004.¹ Following the DRA, California achieved a WPR of 22.3 percent in 2007, well below the required rate of 40.7 percent (50 percent minus 9.3 percent CRC).²

¹ California Department of Social Services. (2007, January 12). All County Letter No. 07-03. Federal Reauthorization of the Temporary Assistance for Needy Families (TANF) Program. Retrieved from: <http://www.dss.cahwnet.gov/getinfo/acl07/pdf/07-03.pdf>

² Legislative Analyst’s Office. (2009). 2009-10 Budget Analysis Series: Social Services, CalWORKs. Retrieved from: <http://www.lao.ca.gov/laoapp/analysis.aspx?year=2009&roc=0&chap=0>

Child-Only Cases

Child-only cases are those in which no adult is included in the cash grant, either because: 1) the parent is present in the household, but is ineligible for TANF due to a sanction, time limits, a previous felony drug conviction, or status as an immigrant or SSI recipient; or 2) no parent is present, and the child is residing with a relative or other adult with legal guardianship or custody.

Extended Job Search/Job Readiness Assistance

The length of time an individual can be counted as participating in job search and job readiness activities (for the purpose of calculating the TANF WPR) is limited to 6 weeks, with no more than 4 weeks being consecutive. This limit is extended to 12 weeks in a fiscal year under two circumstances:

- when the state's unemployment rate is at least 50 percent higher than the national unemployment rate; or
- when the state qualifies, on a month-by-month basis, as a "needy state" through an "unemployment trigger" or a "food stamp trigger."¹

In the last month of FFY 2009 (September 2009), all states and territories, with the exception of the Virgin Islands, met the definition of a "needy state."²

FEDERAL AGENCIES

The following federal agencies have primary responsibility to provide services, funding, and oversight for welfare and welfare-to-work programs.

The federal *Department of Health and Human Services* (DHHS) is the largest grant-making agency of the federal government. Within DHHS, the Administration for Children and Families (ACF) is responsible for family assistance (welfare), child support, child care, Head Start, child welfare, employment services, and other programs relating to children and families. The following offices and bureaus within ACF have specific TANF-related responsibilities:

- *The Office of Family Assistance (OFA)* houses the TANF Bureau, which has primary responsibility to administer the federal TANF program. The TANF Bureau includes the divisions of State TANF Policy, Tribal TANF Management, State and Territory TANF Management, and Data Collection and Analysis. In addition, TANF Bureau Regional Program Units provide program and technical administration of the TANF block grants and collaborate with ACF, states, and other grantees.
- *The Child Care Bureau* administers the Child Care and Development Fund (CCDF), which provides funding to states, territories, and tribes to assist low-income and welfare families in obtaining child care.
- *The Office of Community Services* administers the Social Services Block Grant (SSBG). The block grant provides funding to states and territories for programs that help families achieve self-sufficiency, prevent child abuse and neglect, and enable families to stay together. SSBG funding levels are based on past state spending under the former AFDC program, resulting in differences among states in eligibility criteria and benefit levels.

Other federal agencies provide services and programs for TANF families as well as non-TANF populations.

- *The Centers for Medicare and Medicaid Services (CMS)*, also a DHHS agency, administers the Medicaid program (Medi-Cal in California), which provides health care coverage to eligible low-income children and families, including some on TANF.
- *The U.S. Department of Agriculture (USDA)* houses the Food and Nutrition Service, which administers 15 domestic nutrition assistance programs, including the Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, the National School Lunch and School Breakfast programs, the Child and Adult Care Food Program, and the Special Supplemental Program for Women, Infants, and Children (WIC). TANF families can be eligible for many of these federal nutrition programs.

Current CalWORKs Policies

California made a number of policy choices when it established CalWORKs after the enactment of PRWORA in 1996. Some CalWORKs policies were subsequently altered in response to reauthorization of TANF under the DRA of 2005. The following policies characterize CalWORKs as of December 2009:

Devolution to Counties. Major program design and decision-making authority for the Welfare-to-Work program is delegated to the county level.

Time Limits. There is a lifetime limit of 60 months of cash assistance for adults. Time limits can be extended beyond the 60 months for individuals unable to find and maintain employment or for those adults who meet specified exemption criteria.

Safety Net. When the lifetime limit of 60 months is reached, the adult portion of the cash grant is eliminated; eligible children can continue to receive a child-only grant until they reach age 18, or age 19 under certain circumstances. Adults in these households are counted when calculating the federal work participation rate.

Work First. Job search activities are required immediately upon receipt of assistance – typically for 4 weeks – and followed by a more thorough assessment of skills and barriers if employment is not found.

Work Participation Requirements. Single adults are required to participate at least 32 hours per week in work-related activities. Two-parent households are required to participate a combined total of 35 hours per week in work-related activities.

Allowable Work Activities. Core and non-core work activities beyond what is federally allowable are counted by the state as allowable work activities for recipients, including participation in mental health services, substance abuse treatment, and domestic abuse counseling.

Cash Grants. CalWORKs recipients who meet income and asset requirements receive cash payments. Financial eligibility and the grant amount depend on the size and income of the Assistance Unit and the region in which the family lives. Resource and property limits mostly conform to federal Food Stamp eligibility requirements.

Cash Bonuses/Sanctions. Pregnant or parenting teens in the Cal-Learn program can receive bonuses or be sanctioned, depending on their school performance.

Family Cap. There is a ban on additional cash benefits for a child born while the family is on welfare, with exceptions: 1) for rape, incest, or failed contraception; 2) when the child is not living with the parent; or 3) when the teen parent establishes their own Assistance Unit (AU).

Earnings Disregard. The first \$225 in earnings, plus 50 percent of the remainder, is exempted from being counted as income for purposes of calculating cash grant levels.

Child Support. The first \$50 of child support payments collected from non-custodial parents of children in CalWORKs is passed through to the family with no grant reduction. The remainder of the child support payment is retained by the state to offset the cost of providing aid.

Child Care. CalWORKs has established a three-stage system of child care for families as they move through the welfare-to-work process or the Cal-Learn program. Child care is funded through a combination of federal and state funds.

Medi-Cal. Health care services are available for eligible CalWORKs recipients and former recipients through Medi-Cal.

Substance Abuse, Mental Health, and Domestic Violence Services. Specific funding for substance abuse and mental health treatment is provided to counties, and counties can use CalWORKs funding for services for domestic violence victims. Hours spent receiving these treatment services count toward state work participation requirements.

Supportive Services. A variety of supportive services are offered within the CalWORKs WTW and Cal-Learn programs, including child care, transportation, and assistance with ancillary expenses.

Exemptions. Recipients can be exempted from participation in WTW under certain circumstances. Exemptions apply to Cal-Learn teens, full-time students between the ages of 16 and 18, a primary caregiver of a young child under 6 months or two children under the age of 6 years, individuals caring for an ill family member, and recipients with a medical disability.

Good Cause. When a good cause (e.g., lack of supportive services, such as child care or transportation) temporarily prevents a recipient from being employed or from participating in work activities, the recipient can continue to receive their full grant. Individuals who are excused from participation with good cause remain subject to the 60-month time limits.

THE CALIFORNIA PROGRAM

Two recent waves of federal reform legislation led to significant restructuring of California's welfare system.

To implement TANF, California adopted the California Work Opportunity and Responsibility to Kids Act (CalWORKs) in 1997.* Implemented in 1998, CalWORKs provides eligible needy families with time-limited cash assistance grants and welfare-to-work services.

The second wave of federal reform occurred with the Deficit Reduction Act (DRA) of 2005, which reauthorized TANF through 2010. Changes in the federal TANF program necessitated modifications to CalWORKs (see textbox on page 6), which were implemented in 2007.

CALWORKS

CalWORKs uses a *work-first* approach that places greater emphasis on employment as a first step, rather than focusing primarily on training or education. State law establishes the basic process for employment services through a welfare-to-work (WTW) program, child care eligibility and delivery, supportive services for recipients, and sanctions.

The CalWORKs program is supervised by the California Department of Social Services (CDSS) and administered by the counties (see page 17 for a list of state agencies involved in CalWORKs). California is one of 10 states that devolved,** or passed on, major decision-making for the design and delivery of TANF welfare-to-work services to the county level.³ Under this arrangement, counties that administer the program submit county plans, which are reviewed by CDSS for consistency with state and federal law.

Under federal law, if a state does not meet TANF requirements, such as required work participation rates, DHHS can reduce the state's block grant by up to 5 percent. In California, the 5 percent penalty would be approximately \$149 million annually, and would potentially grow by up to \$70 million per year.⁴ Current California law requires that the state and counties share in any federal penalty.

STATE ELIGIBILITY REQUIREMENTS

CalWORKs has requirements relating to eligibility, cash grant levels, work participation, exemptions, time limits, and sanctions.

Safety Net Grants

California is one of 11 states nationally that continue to provide aid to children through a Safety Net program as a part of its TANF program.*

A work-eligible CalWORKs parent that has reached their 60-month time limit may continue to receive a Safety Net grant for their eligible children until the children reach 18 years of age. The adults are not required to participate in work activities, and in most counties, do not receive employment services. However, the adults are eligible to voluntarily participate in the Welfare-to-Work program.

Since the passage of the DRA in 2005, Safety Net cases are now included in the calculation of the state's work participation rate.

* California Department of Social Services. (2009). 2009-10 Budget Facts. Sacramento: Author. Retrieved from: <http://www.dss.cahwnet.gov/cdssweb/entres/pdf/BudgetBlueBook.pdf>

Eligibility

All CalWORKs families receive cash assistance and most receive employment and supportive services aimed at promoting self-sufficiency. To be eligible, families must meet income and asset requirements and must include a child who is "deprived" of parental support or care.

Deprivation is defined as the absence, disability, or death of one or both parents. Deprivation can also exist when both parents are in the home and the principal earner is unemployed.

Factors considered in determining eligibility include:

Eligible Assistance Unit. Under CalWORKs, both financial eligibility and the grant amount a household can receive are determined by the size and income of the assistance unit (AU) – the group of all persons in the household eligible to receive or receiving aid.

Family Resources. Family resources or property generally must be less than \$2,000 for households not including someone at least 60 years of age, or \$3,000 in households with a disabled person or a person age 60 or over. Motor vehicles valued at \$4,650 or less may be excluded from the resource limit.

Child-Only Grants. A child may be eligible for a child-only grant under certain circumstances, including:

* CalWORKs was authorized through Assembly Bill 1542, Chapter 270, Statutes of 1997, which became effective on January 1, 1998. In addition to implementing TANF, CalWORKs also incorporated and restructured California's existing welfare programs to align with federal law.

** "Devolution" describes the process whereby one level of government shifts program design, administration, and/or financial responsibility to a lower level of government, such as from the federal government to the states, or from the states to counties. As implemented in federal welfare reform, devolution provided increased state and local flexibility, but was tied to a cap on federal spending and additional restrictions on the use of federal and state funds.

- The child is living with a non-aided, non-parental relative caregiver (such as a grandparent);
- The only parent in the home is receiving SSI;
- The child is living with the parent, but the parent is ineligible to receive CalWORKs benefits because they are an undocumented non-citizen or a drug or fleeing felon;
- The parent has been sanctioned for noncompliance and their portion of the grant is eliminated; or
- The parent(s) has reached the 60-month lifetime limit on aid and is eligible to become a Safety Net case (see textbox on page 9).

In all child-only cases, the caregiver adult receives the grant on behalf of and for the support of the child.

Legal Residents/Non-Citizens. While PRWORA significantly limited the eligibility of non-citizens for a variety of federally supported programs including TANF, states were given the authority to provide state-funded benefits to legally residing

non-citizens. California uses state funds for certain legal residents/non-citizens who are not eligible for federally funded assistance and who meet state eligibility requirements.

Children in Out-of-Home Care. CalWORKs adult recipients are eligible to continue to receive a CalWORKs grant and services for up to one full month after their biological or adoptive child has been removed from the home and placed in out-of-home care (foster care). If, after the first month, all eligible children have been removed from the home, the parents can no longer receive a cash grant. However, while their children are in foster care, the parents are eligible for CalWORKs employment services for up to 6 months, or longer with good cause, if the county determines that the services are necessary for Family Reunification.*

Victims of Trafficking and Crime. The Victims of Trafficking and Violence Protection Act of 2000 requires federal agencies to provide benefits and services, including TANF, to eligible non-citizens who have been victims of trafficking or serious crime (and have been certified as victims of trafficking by the federal Office of Refugee Resettlement). In addition, a

Table 1. CalWORKs Assistance Unit Maximum Aid Payment for Work-Exempt and Non-Exempt Recipients, Effective October 2009 through June 2010*

Assistance Unit Size	Region 1**		Region 2**	
	Exempt	Non-Exempt	Exempt	Non-Exempt
1	382	345	363	326
2	627	561	598	533
3	776	694	740	661
4	923	828	879	788
5	1,050	941	1,003	897
6	1,180	1,057	1,125	1,007
7	1,296	1,162	1,236	1,104
8	1,414	1,265	1,347	1,205
9	1,527	1,367	1,457	1,302
10+	1,641	1,469	1,564	1,398

* SBX3 6, (Chapter 13, Statutes of 2009) which was signed on February 20, 2009 and became effective on July 1, 2009, implemented a 4 percent reduction to maximum CalWORKs grant levels that is reflected in this chart.

** Region 1 (see Table 2) includes large, higher cost counties; Region 2 includes the remaining counties. The state establishes both the need levels and the maximum grant levels by family size for each region.

Source: California Department of Social Services. Auxiliary Tables. May 2009 Revise. Retrieved from: <http://www.cdss.ca.gov/cdssweb/entres/localassistanceest/May09/AuxiliaryTables.pdf>

* Family Reunification is the Child Welfare Services program component that, following removal of a child or children from the home, provides services to families with the goal of making the family environment safe for the child to return home. Assembly Bill 429, Chapter 111, Statutes of 2001, extended eligibility for CalWORKs services (not including cash assistance) to parents participating in Family Reunification services.

Table 2: Region 1 Counties

Alameda	San Luis Obispo
Contra Costa	San Mateo
Los Angeles	Santa Barbara
Marin	Santa Clara
Monterey	Santa Cruz
Napa	Solano
Orange	Sonoma
San Diego	Ventura
San Francisco	

California program, the Trafficking and Crime Victims Assistance Program, effective January 2007, extends eligibility for state-funded benefits and services to victims of trafficking, domestic violence, and other serious crimes. Applicants must meet program requirements, and non-citizen human trafficking victims must take steps to become eligible for federal benefits and must apply for appropriate visas.

Immunization and School Attendance. To be eligible for CalWORKs, parents or caretaker relatives must provide proof that children under age 6 in the AU have received age-appropriate immunizations. Children in the AU for whom school attendance is legally required must be attending school as a condition of CalWORKs eligibility.

Cash Grants

The cash grant that a CalWORKs family receives depends, in part, on the number of people in the family, the number eligible to receive aid, the region the family lives in, and whether anyone in the household is exempt from work participation (see page 12). Two-parent families where both are receiving disability benefits or families that include an unaided non-parent caretaker relative are eligible for a higher grant amount, up to the work-exempt Maximum Aid Payment level.

The state establishes the Maximum Aid Payment (MAP), which is used to determine the CalWORKs grant amount (see Table 1).

Regional variations. Countable monthly family income must be below the needs standard, known as the Minimum Basic Standards of Adequate Care (MBSAC). The state uses the MBSAC to determine eligibility at application for each of the two cost regions in California. Region 1 (see Table 2) includes 17 large urban counties, which are presumed to be higher-cost counties; Region 2 contains the remaining counties. For example, the monthly needs standard for a family of three for FY 2009-10 is \$1,097 in Region 1 and \$1,042 in Region 2.

In addition to earnings, other factors that affect a family's final grant calculation include the Earned Income Disregard and the Family Cap.

Income disregards. California's Earned Income Disregard policy is a key component of the CalWORKs program and a significant work incentive for CalWORKs recipients. Under this program, when determining a family's grant level, the first \$225 of disability (unearned income) or earned income is not counted. Fifty percent of the remaining earned income is also disregarded when determining a family's grant level.

All other unearned income, such as social security, disability-based income over \$225, or unemployment payments, is counted against the grant, dollar for dollar, which means the

Implementation of the TANF Emergency Contingency Fund in California

The TANF Emergency Contingency Fund (ECF), established by the American Recovery and Reinvestment Act (ARRA) of 2009, provides new funding to states to cover the increase in TANF and MOE expenditures in Federal Fiscal Years 2009 and 2010 compared to expenditures incurred in the base years of 2007 or 2008, whichever year has the lower assistance caseload.

During California's recent recession and budgetary crisis, the additional TANF ECF funding available for CalWORKs helped the state cover the costs of recent caseload increases and was a significant factor in the Legislature's decision to delay some program reforms until 2011 (see textbox on page 16).

California implemented TANF ECF under ABX4 4 (Chapter 4, Statutes of 2009), effective July 28, 2009, which was signed into law as Welfare and Institutions Code (WIC) 10545. In addition to the state receiving additional funding for basic assistance, the legislation established a mechanism for counties to develop local programs using TANF ECF to help CalWORKs families, along with other needy families, by creating jobs and stimulating local economies through increased expenditures.

With TANF ECF, a majority of California's 58 counties plan to implement subsidized employment programs through partnerships with businesses, nonprofits, and local government agencies. This represents a significant increase from the 6 counties with subsidized employment programs in FFY 2007. Nearly all counties also plan to provide non-recurring short-term benefits to CalWORKs and other low-income families, including emergency food, utilities, and housing assistance.

More information is available at:
<http://emergencycontingencyfunds.wikispaces.com/>

Table 3: Comparison of Federal and State Work Participation Requirements (WPR)

Population	Federal TANF Work Participation Requirements	State CalWORKs Work Participation Requirements
Single parent with child under 6	20 hours per week: <ul style="list-style-type: none"> • A single custodial parent or caretaker relative with a child under age 6 meets the WPR by participating in 20 “core” hours per week 	32 hours per week: <ul style="list-style-type: none"> • Minimum 20 hours in core activities • Up to 12 hours in non-core activities
Single-parent families with children ages 6 and over	30 hours per week: <ul style="list-style-type: none"> • Minimum of 20 hours in core activities • Up to 10 hours in non-core activities 	32 hours per week: <ul style="list-style-type: none"> • Minimum of 20 hours in core activities • Up to 12 hours in non-core activities
Two-parent families	35 hours per week: <ul style="list-style-type: none"> • Minimum of 30 hours in core activities • Up to 5 hours in non-core activities 	35 hours per week: <ul style="list-style-type: none"> • Minimum 20 hours in core activities • Up to 15 hours in non-core activities

Source: Adapted from CDSS presentation on work participation rates. CFPIC Fall Convening 2008 – Linkages: Working Together to Fight Poverty and Child Maltreatment, September 2008. Retrieved from: http://www.cfpic.org/downloads/link08/tw11_FedStateWork_comparison.doc

grant is reduced by the amount of any unearned income. Families also retain the first \$50 of collected child support with no grant reduction.

Family cap. The Maximum Family Grant (MFG), or the Family Cap, requires that the grant not increase when a child is born to a family that has received a CalWORKs grant for 10 months prior to the birth of the child.

WELFARE-TO-WORK (WTW) REQUIREMENTS

All CalWORKs recipients are required to participate in WTW activities as a condition of aid, unless the recipient is exempt. The program defines work participation requirements and allowable work activities.

Work Participation Requirements

Federal and state law divides work requirements into core activities and non-core activities. *Core activities* include activities such as employment, work experience, community service, and the first 12 months of vocational education. *Non-core activities* include job skills training, adult basic education, mental health and substance abuse treatment, and domestic abuse services.

Under CalWORKs, single-parent families are required to participate in work activities for 32 hours per week, averaged over the month, including a minimum of 20 hours per week in core activities.* Two-parent families must participate at

least 35 hours per week, averaged monthly, including a minimum of 20 hours per week in core activities. Adults in two-parent families can share in meeting the requirement, but one of the parents must average at least 20 hours per week (see Table 3).

Allowable Work Activities

For a recipient’s activities to count towards meeting a state’s federal work participation requirements, 20 hours of their participation must be in one or more core activities. “Non-core” activities only count toward the work participation requirement when a recipient has participated in 20 hours of core activities.

Core work activities under CalWORKs are the same as federal core activities. California has expanded the list of non-core work activities; some can be counted toward core work activities once the 20-hour minimum core-activities requirement has been met, and some cannot be counted toward core work activities (see Table 4 and “Combining Core and Non-Core Activities” textbox).

Exemptions from Welfare-To-Work Participation

A recipient can be exempted from participation in WTW if he or she is:

- under 16 years of age;
- 16 -18 years of age and attending school full-time (Cal-Learn);

* California requires a higher number of hours per week for single parents than the federal TANF work participation requirements.

Table 4: Comparison of Federal and State Allowable Work Activities

Federal and State Core Work Activities <i>(must make up at least 20 hours of work)</i>	Federal Non-Core Work Activities <i>These non-core activities are only countable as non-core activities and only when core hour requirements are met</i>	California Non-Core Work Activities	
		<i>Once core requirements are met, these non-core activities can be counted toward the core activities</i>	<i>These non-core activities cannot count toward core activities</i>
1. On-the-job training (OJT) 2. Vocational educational training (12-month lifetime total) ¹ 3. Providing child care to a community service program ² 4. Unsubsidized or subsidized private or public sector employment. ³ Examples include: <ul style="list-style-type: none"> • Work experience (allowable under federal law if sufficient private sector work is not available) • Community service programs • Job search and job readiness training • Grant-based OJT⁴ • Supported work and transitional employment⁴ • Work study⁴ • Self-employment⁴ 	1. Job skills training directly related to employment 2. Education directly related to employment (for individuals with no high school diploma or equivalent degree) 3. Satisfactory attendance at secondary school or in a course leading to general equivalence degree (GED)	1. Job skills training directly related to employment 2. Satisfactory attendance at secondary school or in a course leading to general equivalence degree (GED) 3. Adult basic education (reading, writing, arithmetic, high school proficiency or GED, and English as a Second Language) ³ 4. Education beyond high school (e.g., community college) directly related to employment 5. Mental health, substance abuse, or domestic abuse services	1. Vocational education and training beyond the 12-month lifetime total ⁵ 2. Other activities necessary to assist in obtaining employment 3. Participation required by school to ensure child's attendance 4. Non-credited study time (available as a county option)

¹ Only 30 percent of a state's caseload can meet the work participation requirements through vocational training or through participation of teen parents in high school. Federal law allows only 12 months of vocational education to be counted as a core activity.

² This activity only counts as a federal core work activity.

³ These activities are defined in California state regulations.

⁴ This activity is not identified in federal law, but is a form of subsidized or unsubsidized employment.

⁵ If hours in this activity are included in the welfare-to-work plan, then hours in any non-core activity *cannot* count towards the core hour requirement.

Source: Adapted from CDSS presentation on work participation rates. CFPIC Fall Convening 2008 – Linkages: Working together to fight poverty and child maltreatment, September 2008. Retrieved from: http://www.cfpic.org/downloads/link08/ws11_FedStateWork_comparison.doc

Combining Core and Non-Core Activities

In meeting work participation requirements, CalWORKs recipients often combine more than one activity at a time (such as job training, pursuing a GED or English as a Second Language (ESL) classes, and substance abuse treatment) that prepare them for work and add up to the required combination of core and non-core required hours. Following are sample scenarios of how some single- and two-parent families have met their work requirements.

John is a single parent. He is enrolled in a 14-month Vocational Training program to become an electrician through a community college. He is also participating in Work Study at the college for 14 hours a week. During the first 12 months of Vocational Training, the 18 hours per week he spends in the electrician program and 14 hours of Work Study make up the 32 hours per week he is required to work as a single parent. When his 12 months of Vocational Training time has passed, the 18 hours per week in the remaining 2 months of the program count as non-core hours, and he meets the minimum requirement of 20 core hours with Work Study. John exceeds the 32-hour requirement for single parent families, since he participates for a total of 38 hours per week.

Nicole is participating in mental health services, a non-core activity, for 15 hours a week, and is also employed 10 hours a week at Big Lots. Her husband, Henry, is employed 10 hours a week at a pizza restaurant. Nicole has 15 hours of non-core and 10 hours core (employment) for a total of 25 hours, and Henry's work is counted as 10 core hours. Together they meet the 35-hour requirement for two-parent families (with one parent averaging at least 20 hours per week).

Saundra participated in a 4-month Vocational Training program, participating 5 hours a day in the morning Monday through Thursday for a total of 20 core hours. In the afternoon for 4 hours a day Monday through Wednesday, she participated in her Community Service activity for a total of 12 hours, which, when combined with her Vocational Training program, met the 32-hour core requirement. After completing her training program, Saundra was reassessed and placed in a paid work experience program for 32 hours a week. After being in the program for 4 weeks she accepted full-time unsubsidized employment at a health services agency for 40 hours a week. She is no longer receiving CalWORKs.

Jane is attending Job Search for 20 core hours a week and is attending GED classes for 6 non-core hours a week. Her husband, George, is employed 15 hours a week at a car wash. George, who is unable to read beyond the third grade level, is attending an Adult Basic Education class at a literacy center for 6 non-core hours a week. Together, Jane and George have 35 core hours and 12 non-core hours.

Leticia was a homeless young woman living in her car with her two-month old daughter when she applied for CalWORKs assistance. After being evaluated and assessed, she was assigned to a substance abuse treatment program to get clean and sober. When she graduated from the program, she was assigned to Job Club as her next activity for 32 hours per week. Interested in becoming a teacher, Leticia was accepted into a substitute teacher program through a Regional Occupational Program. While waiting for classes to begin, she attended computer classes for 6 non-core hours, took a parenting class for 3 non-core hours a week, and was employed for 26 hours a week at a local consignment shop. A month later she enrolled in an Instructional Aide class for 15 core hours a week and continued her employment at 26 hours a week. Upon completing her training program she was hired to work full-time at a local school district, starting at \$12.98 an hour. She is no longer receiving CalWORKs.

Source: The above scenarios are based on actual CalWORKs cases, but the names of the CalWORKs participants and employers have been changed.

- age 60 or older;
- disabled;
- an aided non-parent relative caring for a dependent or ward of the court, a child receiving Kin-GAP benefits, or a child at risk of placement in foster care;
- caring for an ill or incapacitated member of the household;
- having a pregnancy that impairs their ability to be regularly employed; or
- a full-time volunteer in VISTA (the Volunteers in Service to America program).

In addition, state and federal law allow for exemption of a parent with a child under 6 months. However, if stipulated in a county plan, counties can, on a case-by-case basis, reduce the exemption period to no less than 12 weeks or increase the period to no more than 12 months after the birth of one child, and no less than 12 weeks and no more than 6 months after the birth or adoption of any subsequent children.*

Further, recipients who are victims of domestic abuse may have their WTW participation requirements waived or reduced if compliance would make it more difficult for them to escape abuse or would unfairly penalize a person who has been abused. Domestic abuse survivors can also have their time-limit clocks stopped, which means that their time on aid is not counted toward their 60-month lifetime limit.

Time-Limit Exemptions and Extenders

In general, CalWORKs is a time-limited cash assistance program with a 60-month lifetime limit. However, there may be months in which exempt conditions are in place and the month is not counted towards the 60-month time limit. The exemptions are referred to as “clock stoppers.”** Eligible adults may also face conditions that permit their aid or services to be extended beyond their 60-month limit. These extensions are referred to as “time extenders.”

Clock Stoppers. State law and regulations include specific exemptions to the 60-month time limit that effectively stop the clock. Exempted individuals include those who are:

- age 60 and older;
- disabled;
- caring for an ill or incapacitated person living in the home, a dependent child of the court, or a child at risk of placement in foster care, if this care creates a

significant barrier to working or participating in WTW activities;

- teens eligible for, participating in, or exempt from Cal-Learn or another teen parent program; or
- living in a federally recognized Indian territory where at least 50 percent of the adults are unemployed.

A month of aid is not counted against the 60-month time limit for any of the following reasons:

- The recipient did not receive CalWORKs cash aid because the grant was less than \$10;
- The cash grant was fully repaid through the collection of child support; or
- The recipient was receiving only supportive services such as child care, transportation, and case management.

Time Extenders. Counties have discretion, within state guidelines, to extend time limits for individuals who the county determines are:

- unable to work or take part in WTW activities;
- disabled and receiving certain types of disability benefits;

Temporary Exemptions and Clock Stoppers

The California Budget Act of 2009 established a work participation exemption and a “clock stopper,” both of which sunset (or become inoperative) on July 1, 2011.

Counties can exempt from work participation CalWORKs parents with a child between the ages of 12-23 months, or parents with two or more children under the age of 6. If a parent or guardian is determined to be exempt, the 60-month state time limit on aid does not apply – in other words, the clock stops.

The state 60-month time clock is also stopped when a recipient is unable to participate in WTW activities for good cause due to lack of necessary supportive services, such as child care.

Sources: California Department of Social Services. (2009). 2009-10 Budget Facts. Sacramento: Author. Retrieved from: <http://www.dss.cahwnet.gov/cdssweb/entres/pdf/BudgetBlueBook.pdf>

Child Care Law Center. (2009). Preliminary overview of child care provisions in the California budget signed July 28, 2009. Retrieved from: http://www.child_carelaw.org/docs/CCLC%20Budget%20Analysis%20731%2009%20Final%20rev%20928.pdf

* Under recent California law, families with two or more children under the age of 6 or one child between 12 and 23 months of age are also exempt from mandatory WTW requirements; these two exemption categories are scheduled to expire on June 30, 2011.

** The federal TANF and state CalWORKs time clocks both provide 60-month time limits for adults on aid, and usually run simultaneously. However, the federal and state clocks had different initial implementation dates, and a client’s state time clock may be stopped or extended for additional circumstances beyond the federal “clock stoppers.”

- caring for an ill or incapacitated person living in the home if this care creates a significant barrier to working or participating in WTW activities;
- 60 years or older;
- caring for a dependent child of the court, or a child at risk of placement in foster care, if this care creates a significant barrier to working or participating in WTW activities; or
- victims of domestic abuse who are unable to work or participate in WTW activities due to the abusive situation.

When an individual has been aided as an adult for 60 months, additional months of aid may be provided to that adult when all parents, aided stepparents, and/or caretaker relatives residing in the home of the aided child(ren) meet any of the above extender conditions.

Sanctions

State law requires counties to sanction individuals for noncompliance with specific WTW program requirements. CalWORKs families can be sanctioned for a variety of reasons, including failing or refusing to:

- sign a WTW Plan;
- participate in any assigned program activity;
- provide required proof that satisfactory progress is being made in any assigned program activity;
- accept employment;
- continue employment; or
- continue employment at the same level of earnings.

CalWORKs Program Changes in the California Budget Act of 2009

The California Budget Act of 2009 made significant changes to the CalWORKs program, including the elimination of the CalWORKs cost-of-living (COLA) annual adjustment, which was the only provision to go into effect immediately. The other changes, including new time limits, graduated sanctions, and self-sufficiency reviews, will not be implemented until July 1, 2011. CDSS estimates annual savings of \$600 million.

Elimination of the CalWORKs COLA

Automatic cost-of-living adjustments (COLA) for CalWORKs grants were eliminated. The COLA was based on the California Necessities Index, which reflects weighted average changes in the cost of food, rent, clothing, fuel, utilities, and transportation for low-income households.

Changes to be Implemented July 1, 2011

New State Time Limits

Under new state time limits, adult CalWORKs recipients may receive aid for up to 48 cumulative months. In the 49th month, the adult portion of the grant will be eliminated and the children will be supported with cash assistance through the Safety Net program for 12 months.

After 12 months, if the adult continues to be eligible, they are added back into the family grant for the remaining 12 months of his or her 60-month lifetime limit.

Graduated Sanctions

Stricter and graduated sanctions will be applied to families not complying with work requirements for most CalWORKs cases, including Safety Net and other child-only cases. Moreover, for the first time, sanction months will be counted towards the client's 60-month lifetime limit; in other words, the clock will keep running during a sanction period.

Self-Sufficiency Reviews

Counties will be required to conduct six-month Self-Sufficiency Reviews of families with adults who are not currently meeting state work requirements, including child-only families where the adult is not eligible for benefits. The reviews will assess services or resources that might be needed to help adults increase their work participation hours or remove barriers that might prevent them from working or participating in work activities. Failure to participate in the Self-Sufficiency Reviews without good cause will result in a 50 percent decrease in the family's CalWORKs grant.

Source: California Department of Social Services. (2009). 2009-10 budget facts. Sacramento: Author. Retrieved from: <http://www.dss.cahwnet.gov/cdssweb/entres/pdf/BudgetBlueBook.pdf>

When a family, without good cause,* does not comply with program requirements, the family's grant is reduced to remove support for the noncompliant adult (or adults), leaving a "child-only" grant. California law outlines a detailed notice and appeal process that must be followed before a sanction is imposed.

State law does not establish a set time period for sanctions to be in effect, although there are statutory requirements that counties must follow when implementing sanctions. A person who is financially sanctioned may contact the county at any time and request their sanction be rescinded (or "cured"), regardless of the number of times they have been sanctioned. The grant is only restored when the person cures their sanction.

STATE DEPARTMENTS INVOLVED IN CALWORKS

CDSS

The lead state department for the CalWORKs program is the California Department of Social Services (CDSS), which is under the California Health and Human Services Agency (CHHSA).

Within CDSS, the **Welfare-to-Work Division** is responsible for setting state policy and administering the CalWORKs program through its four branches:

- *Employment and Eligibility Branch* consists of two bureaus: the Employment Bureau and the CalWORKs Eligibility Bureau. These Bureaus are responsible for policy development, analysis, interpretation, and guidance for the CalWORKs employment program and CalWORKs eligibility requirements.
- *Food Stamps Branch* provides statewide policy direction to counties to administer Food Stamp (now Supplemental Nutrition Assistance Program, or SNAP) benefits, including protocols for serving CalWORKs clients. The Branch consists of the Food Stamp Policy Bureau, Food Stamp Management Operations Section, and Field Operations Bureau.
- *Child Care and Refugee Programs Branch* includes two bureaus. The Child Care Bureau oversees the local administration of Stage 1 CalWORKs child care services and coordinates/collaborates with the California Department of Education (CDE) on Stage 2 and Stage 3 CalWORKs child care. The Refugee Programs Bureau supervises the federally funded refugee and repatriation programs and the state-funded

Trafficking and Crime Victims Assistance Program, which extends eligibility for social services and other benefits to non-citizens, including eligible CalWORKs clients, who are victims of human trafficking, domestic abuse, and other serious crimes.

- *Program Integrity Branch* directs the Welfare-to-Work Division's fraud prevention and detection activities, develops program technology, and administers the federal Emergency Food Assistance Program.

The Federal Data Reporting and Analysis Bureau is also within CDSS. The Bureau compiles and reports CalWORKs work participation rates and other data to the federal Department of Health and Human Services.

In addition, the Children and Family Services Division in CDSS provides child welfare services to families and children to prevent and ameliorate child abuse and neglect. Many children and parents in the child welfare system also receive CalWORKs services.

Other Departments

Other state departments have a role in providing services to families involved in CalWORKs.

- *The California Department of Health Care Services (DHCS)* administers the Medi-Cal program, which covers health care services for low-income families, including eligible CalWORKs recipients and former recipients. DHCS also administers the Child Health and Disability Prevention Program, which provides CalWORKs family members under the age of 21 with regular, preventive medical check-ups.
- *The California Department of Public Health* funds and administers teen pregnancy prevention programs consistent with federal TANF goals for reducing out-of-wedlock pregnancies.
- *The California Department of Mental Health and the California Department of Alcohol and Drug Programs* are responsible for the administration and oversight of local public service programs to meet the mental health and substance abuse treatment needs of Californians, including CalWORKs families.
- *The California Department of Child Support Services* administers California's child support program by overseeing 58 local child support offices. The program locates non-custodial parents and collects and distributes support payments owed to custodial parents and their children.

* "Good cause" is a condition or other circumstance that temporarily prevents, or significantly impairs, the recipient's ability to be regularly employed or to participate in WTW activities. Some examples include lack of necessary supportive services, the applicant or recipient is a victim of domestic abuse, or child care is not reasonably available during the individual's hours of training or employment.

- *The California Employment Development Department (EDD)* administers California's Workforce Investment Act, which annually distributes federal funds to provide employment and training services for adults. EDD also administers the Intensive Services Program, which provides intensive and individualized employment services to CalWORKs recipients to enhance their job readiness and help them obtain employment and transition to the workplace.
- *The California Department of Education (CDE)* is designated in state law as the single state agency for child care and development programs. CDE administers two stages of child care subsidies for current and former CalWORKs recipients. CDE also funds and administers adult education and vocational programs that provide education, training, and job placement services to teens and adults, including CalWORKs recipients.
- *The California Community Colleges (CCC)* assist CalWORKs recipients with services, including curriculum development to design employment-focused programs, work study, job placement, child care, post-employment skills, training, and instructional services.

CALWORKS AT THE COUNTY LEVEL

The primary responsibility for implementing the CalWORKs program at the local level resides with California's 58 counties. CalWORKs is managed through each county welfare or social services department.

California's 58 counties each receive a single allocation in the form of a block grant to fund eligibility determination, employment/training services, supportive services, and child care. Each county must develop a CalWORKs plan that outlines how the county intends to deliver the full range of activities and services aimed at moving recipients from welfare to work. This plan must be approved by both the county's Board of Supervisors and CDSS.

Services counties provide include:

Eligibility/cash assistance

- initial eligibility determination and annual re-determination, as well as processing quarterly income and participation reports; and
- providing cash assistance to CalWORKs recipients.

Case Management

Case managers perform numerous activities to help CalWORKs recipients prepare for and succeed at work activities. They can:

- track hours of participant work participation and services;
- provide information about parenting classes;
- help the participant explore employment opportunities;
- link the participant to training;
- link the participant to employment;
- link the participant to substance abuse, mental health and domestic abuse counseling and services;
- evaluate supportive services and ancillary needs;
- help remove barriers, such as lack of dependable transportation;
- provide referrals to child care providers;
- provide coaching on money management, conflict resolution, and appropriate work behaviors; and
- link participants to other community services.

Employment assistance

- case management, assessment, and appraisals;
- job placement services, including job search, paid and unpaid work experience, and community service job placement;
- work activities that increase the capacity of participants to obtain and hold a job, such as vocational training, GED, English as a Second Language;
- supportive services, such as reimbursement for transportation and employment counseling;
- services to address mental health conditions, substance abuse, and domestic violence;
- information on child care;
- child care payments for Stage 1 child care providers; and
- tracking and documentation of monthly attendance of participants in WTW activities.

PUBLIC AND PRIVATE AGENCIES

Counties typically partner with numerous nonprofit and private agencies to implement their CalWORKs programs. This section provides an overview of the governmental, nonprofit, and private agencies and programs involved in providing services to CalWORKs families at the local level.

Public Agencies

County social services departments have primary program and administrative responsibility for CalWORKs. Their responsibilities include: determining recipient eligibility; deciding the extent and manner of services provided; organizing and administering the Welfare-to-Work component, including child care services; allocating CalWORKs funds to local service providers; and coordinating with government and private agencies. In addition, county social services departments have primary responsibility to administer the Supplemental Nutrition Assistance Program (known as Food Stamps in California), Medi-Cal program, Child Care program, and Refugee Services. County social

services departments also administer Child Welfare Services that provide protective services, support for abused and neglected children, foster care, and adoption services.

County mental health departments and county alcohol and drug departments receive special funds to provide mental health and substance abuse treatment services for CalWORKs families. Counties may choose to provide these services through contracts with private providers or through a combination of county staff and private providers.

County offices of education and local school districts fund and administer an array of educational programs, including adult education programs and vocationally oriented programs (such as the Regional Occupational and Career Programs), which are available to CalWORKs recipients as well as other teens and adults. County offices of education also administer state-funded preschool programs, which provide child care for the children of CalWORKs families and other low-income families.

Local colleges and universities, including community colleges, the California State Universities, and the University of California, offer degree programs and other educational courses that can help CalWORKs recipients find employment. The 110 local community colleges also offer a number of targeted services to CalWORKs recipients, in addition to training and educational opportunities. These services include information about available child care services (both on and off campus), work study and job placement opportunities, career counseling, and other support services.

Local child support agencies provide services such as locating absent parents, establishing paternity, obtaining and enforcing child support orders, and collecting and distributing payments. Child support enforcement and collection can affect the eligibility and benefits received by CalWORKs families.

Local employment agencies can provide employment assistance services to CalWORKs families. They may do so independently or based on formal arrangements with social services departments. Assistance provided to CalWORKs participants by local employment agencies can include the following:

- Local field offices of the California Employment Development Department (EDD) offer a variety of programs to bring together qualified job seekers with employers who have job openings, including programs focused on low-income and hard-to-employ populations.
- Local Workforce Investment Boards (LWIBs) administer state and federally funded employment programs in California's 49 Local Workforce Investment Areas (LWIAs). LWIBs also administer

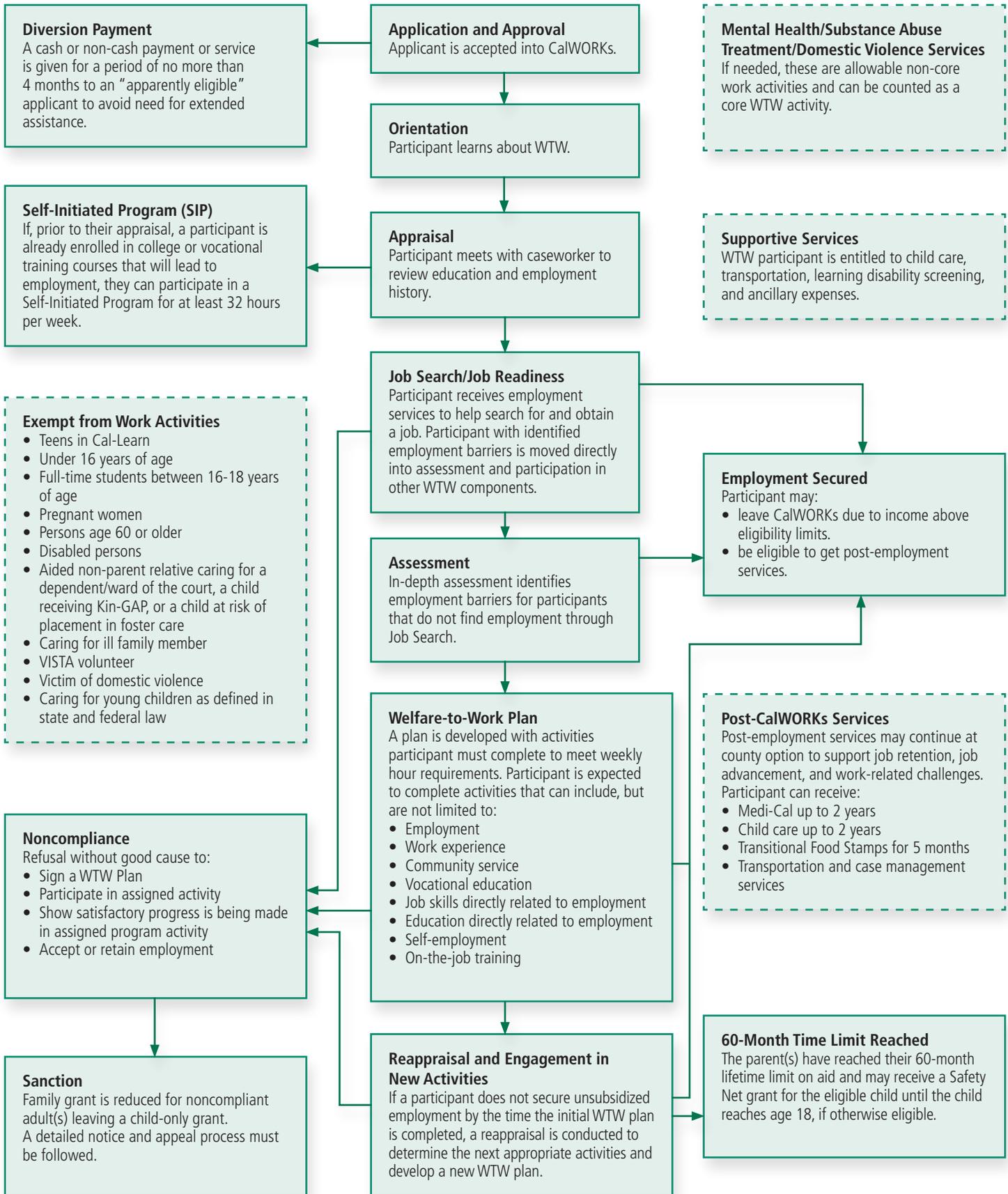
CalWORKs: Organizational and Cultural Shift in Counties

Implementation of CalWORKs in 1998 required county welfare departments to quickly reexamine and restructure their welfare service systems. Within a short time, each county welfare department had to move from primarily administering a cash grant program to deciding how to design, implement, and operate a complex and multi-faceted employment services program.

Unlike its small and under-funded predecessor, the GAIN program, CalWORKs called for nearly universal participation of recipients in WTW activities. Given the expanded workload and the shift in skills and expertise required of CalWORKs workers, counties confronted issues of adequate staffing, staff training, contracting out, and potential conflicts with union contracts.

The range of services that counties were required to provide under CalWORKs necessitated new relationships and coordination among county departments (welfare, mental health, alcohol and drug programs), as well as with workforce agencies, community and nonprofit agencies, educational institutions, child care referral agencies and providers, and employers. In response, many counties reorganized their social services agencies and, in some cases, co-located program staff from different departments (e.g., mental health and substance abuse workers).

CALWORKS WELFARE-TO-WORK (WTW) PROGRAM FLOW



local One-Stop employment centers, which provide a full range of employment services for job seekers, including job search and placement assistance, skills assessments, group and individual counseling, case management, training, and education for job seekers.

Nonprofit and Private Agencies

Local government agencies involved in providing CalWORKs programs and services work in partnership with nonprofit and private agencies and providers to deliver services to families and to meet program requirements.

Child care resource and referral agencies (R&Rs), based in counties, are funded by the California Department of Education (CDE) to help families find child care, recruit and train child care providers, and collect data from consumers and providers. Every county in California is served by at least one R&R agency.

Alternative payment providers (APPs) are CDE-funded programs that administer various types of child care programs by reimbursing eligible child care providers for child care services.

Community-based organizations (CBOs) are involved in providing services to low-income families participating in CalWORKs programs. Counties contract with CBOs to provide job training, education, and placement programs; case management; information and referral; transportation; treatment and support for families dealing with mental health, substance abuse, and domestic abuse issues; and other supportive services. CBOs typically receive funding from a variety of public and private sources.

*Faith-based organizations (FBOs)** participate in the delivery of social services to low-income families, including CalWORKs families. Counties contract with FBOs to provide services such as education, job training and skills development, counseling, parenting classes, and life management skills aimed at assisting individuals to become self-sufficient. Like CBOs, FBOs have multiple public and private funding streams and can have direct contracts with counties to provide CalWORKs and CalWORKs-related services.

Private providers can have contracts with counties to provide employment services and/or case management to CalWORKs participants.

Employers contribute to the success of CalWORKs by employing participants, either full- or part-time, through subsidized or unsubsidized employment, work experience, or on-the-job training. The U.S. Department of Labor, through its Work Opportunity Tax Credit (WOTC) program, provides an incentive (tax credit) to employers who hire current or former (within the last 24 months) TANF participants.

* Faith-based organizations (FBOs) are highlighted here because the 1996 federal welfare reforms for the first time allowed churches and religious groups to receive federal funds for social services without having to remove the religious content from their programs. In addition, California started a faith-based initiative in FY 2000-01, which continues to provide services, including subsidized employment opportunities, to CalWORKs families and others.

COUNTY SERVICES: CALWORKS CASH ASSISTANCE AND WELFARE-TO-WORK

The CalWORKs program includes an eligibility/cash assistance component and an employment services component.

Eligibility/Cash Assistance

Federal and state laws and regulations determine who receives cash assistance and how much is received. County eligibility workers determine eligibility and aid levels for each family (see page 10).

Welfare-To-Work Employment Assistance

California's 58 counties have discretion in the design of local Welfare-To-Work (WTW) employment services programs and services for families that include an adult who is required to participate in work-related activities.

This section provides an overview of the basic elements of CalWORKs WTW services required in state law, including:

- a series of employment services designed to assist participants in obtaining employment, and
- an array of supportive services to help the participant obtain and maintain employment.

CalWORKs Volunteers

CalWORKs volunteers are recipients who are exempt from WTW but who nevertheless choose to participate in WTW activities. While required core hour and other work requirements do not apply to them, volunteers must have a WTW plan.

As a cost-cutting strategy, the 2009 California budget created a temporary additional exemption category for families who have primary caretaking responsibility for one child between the ages of 12 and 23 months, or two children under the age of six years. This temporary exemption stops the CalWORKs 60-month time clock for as long as the client meets the criteria or through June 30, 2011, when the exemption becomes inoperative. It is not yet known how many people will be exempt, how many will volunteer, or how many can be served if they want to volunteer.*

*Some counties may not have sufficient funds to provide supportive services (transportation, child care, etc.) to volunteers.

CalWORKs Employment Services

CalWORKs employment services include the following:

1. orientation, appraisal, and job search;
2. assessment and development of the Welfare-to-Work plan;
3. support and monitoring of participation in WTW activities; and
4. reappraisal and assignment to new activities.

1. Orientation, Appraisal, and Job Search

Orientation and appraisal are the initial activities for all CalWORKs WTW participants.

Orientation acquaints participants with the WTW process and provides information regarding each participant's rights and responsibilities.

Appraisal involves a face-to-face meeting between the participant and a caseworker to discuss the participant's education, employment history, and job skills. During this time, the caseworker and participant identify supportive services needs (like child care or transportation) that will help the participant with their job search, and they develop a plan for providing and accessing the services.

Following appraisal, most CalWORKs participants are assigned to job search – unless they are exempt (see page 12), already enrolled in a self-initiated training or education program (SIP) (see textbox), or already working enough hours to meet WTW requirements.

Job search/job readiness offers participants employment services to help them search for and obtain a job. Typically a structured group process to help welfare recipients find a job, job search is intended to motivate and educate participants, many of whom have limited or no successful employment experience. Job search can include training and support for resumé writing, basic job search skills, information on completing job applications, mock interviews, and other activities that prepare participants for the job market.

The job search phase can last up to 120 or 180 hours in a calendar year, but may be shorter if the participant obtains a job. The county can also extend the job search phase.

When serious barriers to employment (e.g., very poor literacy or language skills, substance abuse, or mental health conditions) are discovered during the appraisal or job search stage, the county can move the participant directly into one of the next two components described below. Advancing a participant to the next phase

Self-Initiated Programs

Some CalWORKs participants find education and training programs on their own and are enrolled in the program prior to the appraisal appointment. These programs, called Self-Initiated Programs (SIPs), are typically at a community college, adult school, or vocational school, but may also be at a four-year college or university. State law grants SIP recipients up to the full 60 months of CalWORKs to finish an educational program. The program must result in a degree or certificate and lead to employment.

The time spent in an individual SIP counts towards required hours of WTW activities. Recipients must participate in the educational program at least 32 hours per week. If their classroom, lab, and supervised study time do not total 32 hours, the participant will be sent to "assessment," and a WTW plan will be developed for the remaining hours. Non-credit study time may not count for state participation hours, though it is federally countable within certain limits.

As of October 2009, 6.4 percent of CalWORKs recipients who were participating in WTW activities were in Self-Initiated Programs.

Source: California Department of Social Services. CalWORKs Welfare-To-Work Monthly Activity Report. Two-Parent Families and All (Other) Families. Released December 24, 2009. Retrieved at: <http://www/dss/cahwnet.gov/research/PG292.htm> and <http://www.dss.cahwnet.gov/research/PG291.htm>

provides them with access to educational programs, such as English language classes and treatment programs or other services that can increase the participant's chances of getting and keeping a job.

2. Assessment and Developing the WTW Plan

For participants who do not find a job during job search, state law requires an in-depth assessment, which is a more intensive analysis of the client's work history, skills, and needs than occurs in the appraisal. The assessment identifies conditions that might limit a participant's ability to undertake job search activities or to work. The assessment also identifies the need for education, training, or other services to prepare the client for the workforce.

The assessment may be conducted by a contracted specialist or by a caseworker. The results of this assessment are used to develop a written WTW plan. The WTW plan is essentially a contract between the participant and the county that outlines the activities the participant is expected to complete over the coming months to meet hourly participation requirements.

Plans include:

- activities and services that will move the participant into employment and toward self-sufficiency;
- core and non-core activities, with at least one core activity for the required minimum hours and no minimum hours for volunteers (see textbox, page 21);
- education or job skills directly related to employment, when necessary;
- needed supportive services (e.g., transportation, child care, payment of ancillary expenses); and
- school attendance requirements for children.

3. Support and Monitoring of Participation in WTW Activities

CalWORKs caseworkers support and monitor participants' progress in completing the work activities that are part of their WTW plan and ensure that appropriate supportive services are provided.

4. Reappraisal

The county is required to conduct a reappraisal when a participant does not obtain unsubsidized employment upon completion of all the activities identified in the WTW plan. During the reappraisal, the county evaluates any extenuating circumstances (e.g., a community's lack of jobs due to the recession, or parenting issues that require a parenting education class) that might have prevented the participant from obtaining employment. The caseworker then works with the participant to determine the next set of appropriate activities and to develop a new WTW plan.

If it is determined that there were no extenuating circumstances, the WTW activities will continue to focus on work experience, subsidized or unsubsidized employment, education or job skills training directly related to employment, and/or mental health, substance abuse, and/or domestic abuse services.

Community Service

Community service is allowed, in some circumstances, as a temporary and transitional training activity and must be in the public or nonprofit sector. Community service activities must be designed to help a participant develop basic job skills that can lead to employment. Community service is also an allowable work activity for recipients who cannot find employment.

Participants in community service must meet the hourly work requirements – 32 hours per week for a single parent and 35 hours per week for two-parent households. Participants can combine community service and another activity in order to meet the hourly participation requirements.

Extended Services

Former CalWORKs participants may be eligible for Medi-Cal and subsidized child care services for up to 2 years following the end of cash assistance. Beyond this two-year extension, eligible families may continue to receive Medi-Cal and child care subsidies to the extent child care funds and slots are available. Once cash assistance benefits end, eligible CalWORKs participants may also receive Transitional Food Stamps for five months, and when these transitional benefits run out, eligible families can then receive Food Stamps.

Post-Employment Services

CalWORKs recipients are not automatically discontinued from WTW supportive services when they “income off” aid because of earnings. Based on available resources at the county level, counties have the *option* to continue to provide, for one year, transportation, case management, training, parenting classes, or supportive services to participants who leave aid.

Post-employment services have three objectives:

- help participants (and former participants within the first year after leaving aid) keep their jobs (job retention);
- help participants increase their earnings and/or find a better job (job advancement); and
- maintain contact with participants to assist with work-related challenges.

Counties define job retention and job advancement services in their county plans. To help participants keep their current jobs, individual counties may offer a range of services, which can include child care, transportation, caseworker assistance, and mediation to work with participants and employers in resolving problems at the job site.

To help increase earnings, counties may offer working participants the option of additional education and training, both to build skills and to help participants improve their earnings capacity. Maintaining contact with participants allows counties to intervene early if employment situations are threatened in any way.

OTHER CALWORKS PROGRAMS

Diversion Program

State law requires that all counties implement a diversion program. CalWORKs Diversion is a one-time lump sum payment or service provided to individuals to avoid the need for extended assistance under the CalWORKs program.

Diversion payments can be both cash and non-cash and can be used, for example, to pay for vehicle repairs, car insurance, or rent for a family.

Counties have sole discretion to determine who can receive diversion payments, for what purposes, and in what amount. State law sets no limits on the maximum amount of diversion payments or services, or the number of times a county can provide this benefit to a family.

To receive diversion services, applicants must be “apparently eligible” for CalWORKs. The applicant can choose whether to receive diversion services or receive CalWORKs. If an applicant chooses to receive diversion services in place of receiving aid, their CalWORKs cash aid application is denied when the diversion payment is authorized.*

If the family or individual reapplies for CalWORKs within the diversion period and is determined to be eligible, then the applicant may choose to allow the county to either recoup the value of the diversion services from the CalWORKs grant or count the entire diversion period towards the 60-month time limit. If the family or individual reapplies for CalWORKs after the diversion period has ended and is determined eligible for aid, then only one month of the diversion period shall count toward the 60-month time limit.

Cal-Learn

Cal-Learn is the statewide mandatory program for teenagers who are under 19 years of age, do not have a high school diploma or equivalent, and are pregnant or parenting. Upon reaching the age of 19, participants can voluntarily continue until a high school diploma is earned or until age 20, whichever occurs first.

Cal-Learn consists of three coordinated services to help teens become self-sufficient adults and responsible parents while assisting them to complete their high school education. These services include: 1) intensive case management to help teens access health, educational, and social services; 2) payments for child care necessary for regular school attendance, transportation, and educational expenses, such as books and testing fees; and 3) financial incentives for good grades or graduation and penalties for low grades or failure to submit report cards. Approximately 10,000 teen parents per month participate in the Cal-Learn program.⁵

* When an applicant chooses to receive a diversion payment, and their CalWORKs application is closed, the determination of their eligibility for other benefits, such as Food Stamps and Medi-Cal, continues.

** Allowable CalWORKs activities include orientation, assessment, meetings with workers, job search, self-initiated education and training programs (SIPs), employment, community service, Cal-Learn, and any other assigned or approved activity.

MENTAL HEALTH/SUBSTANCE ABUSE/DOMESTIC ABUSE SERVICES

A number of CalWORKs recipients have special needs, and many face multiple barriers to employment and self-sufficiency, including mental illness, substance abuse, and domestic abuse. Under federal law, states are allowed to use TANF and MOE funds to provide non-medical services to these populations. Mental health, substance abuse, and domestic abuse services are countable job search and job readiness assistance activities.

California chose to allocate funds specifically for mental health and substance abuse treatment and has also authorized counties to use their CalWORKs funds for domestic abuse services. Under CalWORKs, time in treatment is an allowable non-core work activity and, under certain circumstances, can be counted as a core WTW activity.

SUPPORTIVE SERVICES

CalWORKs includes specific requirements and funding for supportive services that are available only to CalWORKs participants who are working or engaged in approved WTW activities. Supportive services include child care, screening for learning disabilities, transportation, and ancillary payments. Counties, at their discretion and depending on their resources, may also provide up to 12 months of post-employment services for former recipients (see page 23).

Child Care

Research indicates that lack of child care is one of the major barriers to working.^{6, 7} CalWORKs provides an *entitlement* for recipients on CalWORKs cash aid to receive child care benefits so that they can work or participate in approved CalWORKs activities.**

CalWORKs recipients are eligible for child care benefits when they are:

- working;
- participating in a county social services department-approved WTW activity;
- a teen participating in Cal-Learn; or
- they have received a lump sum diversion payment or services.

CalWORKs legislation created a three-stage child care system for welfare recipients, which is intended to transition a family smoothly from short-term child care to the stable long-term care needed for families to leave and remain off aid.

- **CalWORKs Stage One Child Care** is administered by CDSS through county social services departments and begins when a participant is approved for CalWORKs cash assistance. CalWORKs clients are served in Stage One for six months or until the county determines that the recipient's situation and need for child care has stabilized. If it takes longer for a recipient's child care situation or work activity to become stable (as determined by the county), or a space is not available in Stage Two, a county can extend the recipient's Stage One benefits.
- **CalWORKs Stage Two Child Care** is administered by CDE through contracts with Alternative Payment Program (APP) providers and is designed to serve CalWORKs recipients whose situations have stabilized (as determined by the county) or families that are transitioning off CalWORKs. Families that receive a lump sum diversion may also receive child care in Stage Two if there is no funding available in Stage Three. Stage Two serves CalWORKs recipients and former recipients until they have been off cash aid for 24 months, as long as:
 - their income is below 75 percent of State Median Income (SMI);
 - their children are under age 13; and
 - they are participating in a county-approved WTW activity.
- **CalWORKs Stage Three** is also administered by CDE through APP contractors. Stage Three is essentially a CalWORKs set-aside in the larger child care subsidy program for the working poor. After they have been off aid for 24 months, families can move into Stage Three, which has no time limit, provided funding is available and the family and child remain eligible for subsidized child care.

CalWORKs Stages One and Two are time-limited, whereas families in other subsidized child care programs maintain eligibility until their income reaches 75% of the state median income (SMI) level.

While the responsible agency, eligibility rules, and sources of payment are not the same for all stages, the intent is for CDSS and CDE to work together to assure that services are seamless when a client transitions from one stage to another, which usually allows families to retain the same child care provider.

Some CalWORKs families move through each of the three stages, some skip from Stage One to Stage Three, and some find subsidized child care services, such as Head Start or State Preschool, that are outside the CalWORKs three-stage child care program.

Local Resource and Referral Agencies (R&Rs) are located in each county and are funded through CDE. R&Rs are available to help all families find child care that best meets their needs, recruit and train child care providers, and collect data from parents and child care providers. R&Rs are required to co-locate in or near county welfare departments or "arrange by other means of swift communication" to help parents identify and access child care services. Counties must quickly refer families needing child care to the local R&R agency.

In each of the three stages, families may choose providers who are licensed by the state or those who are exempt from licensure. Generally, child care providers are exempt from licensure if they care only for their own children and the children of one other family or if they are providing care for their relatives, either in their own home or in the children's home. The counties generally pay the child care providers directly for the services performed.

Child Care Funding. State law includes legislative intent to sufficiently fund CalWORKs child care through the annual budget act. All individuals who are anticipated to need child care in order to participate in WTW activities and to transition to work are entitled to child care.

CalWORKs child care is funded through a combination of federal and state funds. Federal funds come from the Child Care and Development Fund (CCDF) and the TANF block grant. State funds spent on child care help meet the Maintenance of Effort (MOE) requirement. California allocates state funding to each of the three stages of CalWORKs child care.

Because child care is an entitlement for CalWORKs participants, CalWORKs recipients who need child care in order to work or engage in other WTW activities are excused from participation requirements if a county does not have sufficient funding to pay for child care.⁸

Table 5: The Three Stages of CalWORKs Child Care

	Family Eligibility	Eligible Children	Lead Agency	Local Providers
Stage One	<p>Stage One is designed to provide child care subsidies for the first 3 to 6 months that families are eligible to receive cash aid, typically while they are in training or a work activity program, volunteering, or beginning to work. However, families can remain eligible for up to 2 years after leaving aid under certain circumstances:</p> <ul style="list-style-type: none"> • until the county determines that their work situation is stable, or • during periods when Stage 2 funds are not available. 	<ul style="list-style-type: none"> • Children in the Assistance Unit (AU) 10 years and younger • 11- and 12-year-olds to the extent funds are available 	CDSS	<p>County Social Service Departments</p> <p>Counties may contract with Alternative Payment Programs (APPs)</p>
Stage Two	<p>Stage Two is available to:</p> <ul style="list-style-type: none"> • families on CalWORKs, once the WTW plan has been signed and their work situation is stable, as determined by the county. • families transitioning off CalWORKs. <p>Stage Two is also available to eligible diversion cases (see page 24).</p> <p>Families leave Stage Two when:</p> <ul style="list-style-type: none"> • they have received 24 months of child care after leaving cash aid. • their income exceeds 75 percent of the state median income. • they no longer need child care. 	Children in the AU up to 13 years of age	CDE	APPs
Stage Three	<p>Stage Three is funded as a set-aside in the larger child care subsidy program available to the working low-income families. Stage Three is available to eligible former CalWORKs families who have exhausted their two-year time limit in Stage One and/or Two.</p> <p>Families remain eligible as long as their income is at or below 75 percent of the state’s median income and there is space and funding available.</p>	Children in the AU up to 14 years of age	CDE	APPs

Alternative Payment Programs

Alternative Payment Programs (APPs) are organizations under contract with CDE to administer various types of child care funds, including CalWORKs Stages Two and Three, by providing payment vouchers to child care providers. Most APPs are private, nonprofit agencies, but some county welfare departments and some county offices of education are also APP contractors. Currently, out of 87 agencies with APP contracts, 19 are counties.

Some counties contract with *Alternative Payment Programs* (APPs) to administer Stage One funds.

Source: California Alternative Payment Program Association website at: <http://www.cappaonline.com/1000/1100mission.htm>

Screening for Learning Disabilities

For CalWORKs recipients who have a learning disability (LD) (e.g., significant difficulties in listening, speaking, reading, writing, reasoning, or mathematical abilities), state law requires the removal of barriers that prevent them from participating in the WTW program.

Employment service programs must offer all new and existing WTW participants the opportunity to be screened for an LD. If a participant requests an LD screening during the WTW orientation or appraisal, the employment site must ensure that the participant is screened prior to being assigned to any WTW activity, including initial job search. If a learning disability is found, the county must decide if the participant should be exempt or if the WTW plan should be changed to accommodate the participant's needs based on the evaluation. CalWORKs participants also have the right to decline LD screening and/or evaluation, and they cannot be sanctioned for refusing an evaluation.

Transportation

Counties are required to provide transportation to assist participants traveling to CalWORKs WTW activities or to obtain and keep employment. Counties develop a local plan to address the transportation needs of participants, and CalWORKs funds can be used to support local initiatives to pay transportation costs.

County transportation initiatives can be classified into three broad categories: 1) identifying and maximizing the use of existing transportation services; 2) expanding existing transportation resources; and 3) developing new transportation services. Most county initiatives focus on subsidizing recipient use of existing transportation, typically by distributing bus tokens and passes, providing taxi vouchers, or reimbursing mileage in a personal car.

Other Supportive Services and Payment for Ancillary Expenses

Counties must also provide CalWORKs WTW and Cal-Learn participants with the following services:

- counseling, to the extent it is available, for individual or family problems that could interfere with completion of the WTW plan or school program; and
- assistance with payment for ancillary expenses, such as the cost of books, testing or other educational or training fees, tools, or clothing necessary for employment or to regularly attend school programs.

* The child care program is not included here. Please see page 24 for information about child care services.

** The Food, Conservation, and Energy Act of 2008 renamed the Food Stamp Program as Supplemental Nutrition Assistance Program (SNAP), and allows states to choose their own name for the program. California has not yet chosen a new name.

*** Each time CalWORKs cash assistance ends and the family was receiving food stamps in the last month of cash aid, a new 5-month period of TFS eligibility begins. There is no limit to the number of times a household can go on and off TFS.

RELATIONSHIP BETWEEN CALWORKS AND OTHER PROGRAMS

In addition to the specific services and program components available in CalWORKs, a number of other state and local programs serve CalWORKs families. This section highlights these programs and offers a brief overview of how each is organized and related to CalWORKs. Programs include: Food Stamps/Supplemental Nutrition Assistance Program, Medi-Cal, Workforce Investment Act, Education and Training Programs, Child Welfare Services, Child Support Collections and Enforcement, Mental Health and Substance Abuse Services, and Domestic Abuse Services.*

FOOD STAMPS/SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

The Supplemental Nutrition Assistance Program (SNAP), the former Food Stamp Program, is a federally funded nutrition program that helps low-income people purchase the food they need for good health.** Food stamps can be used to buy food for human consumption and seeds and plants to grow food for household use. Emergency food benefits can be issued on an expedited basis within 3 days of application when the family or individual meets specified criteria. In addition, the California Food Assistance Program is a state-funded program for legal non-citizens who, due to their immigrant status, are not eligible for federal Food Stamp benefits.

Counties often use a joint CalWORKs/Food Stamp/Medi-Cal application to automatically assess the family's Food Stamp eligibility. Families that have been discontinued from CalWORKs due to increased income may, in some cases, remain on Food Stamps because that program has a higher income limit.

In addition, families that leave both CalWORKs and Food Stamps may receive Transitional Food Stamps (TFS) for 5 additional months. The county determines eligibility for TFS without the family having to apply for this benefit.***

In FY 2008-09, California's low-income families were expected to receive \$2.9 billion in food stamps from the federal government.⁹ In FY 2009-10, the value of Food Stamp benefits that families will receive in California is expected to increase to \$5.6 billion, due to increased need created by the recession and increased benefits authorized by

Congress under ARRA. In FY 2010-11, the estimate increases to \$6.6 billion.¹⁰

In FY 2009-10, CalWORKs recipients are expected to be 23.1 percent of all Food Stamp recipients in California.¹¹

MEDI-CAL

In California, the federal Medicaid program is administered as the California Medical Assistance Program (Medi-Cal), which provides health care services to CalWORKs recipients and other qualified low-income persons. Medi-Cal is the main source of health care insurance for 6.7 million Californians, drawing \$27 billion in federal funds into the state's health care system during FY 2008-09.¹² The program is administered by the California Department of Health Care Services, which sets eligibility, benefit, provider payment, and beneficiary cost-sharing levels. At the local level, county health and social services departments conduct eligibility determinations and oversee enrollment and recertification. Medi-Cal is funded equally by state and federal funds.

Federal law (under Section 1931(b) of the Social Security Act) requires states to provide Medicaid coverage for needy families participating in TANF programs. In California, as long as families are on CalWORKs they are eligible for Medi-Cal.

Families discontinued from CalWORKs as a result of excess earned income may receive Transitional Medi-Cal (TMC) for 6 months. At that time, if the family's income is below 185 percent of the federal poverty level, they are eligible to receive an additional 6 months of Medi-Cal through the TMC program. If their income is above the 185 percent threshold, they can no longer receive TMC, but they may qualify for other Medi-Cal programs (e.g., the Medi-Cal Share-of-Cost program, where recipients must pay a share of cost or deductible).

In FY 2008-09, CalWORKs recipients comprised 16 percent of total Medi-Cal enrollment.¹³

WORKFORCE INVESTMENT ACT

The U.S. Department of Labor and the California Employment Development Department (EDD) fund and administer the Workforce Investment Act (WIA), which can help CalWORKs recipients secure and retain jobs.

The federal Workforce Investment Act of 1998 (WIA) aimed to consolidate and reform federal laws governing job training, adult education, and vocational rehabilitation programs. WIA gives priority for intensive training and services to recipients of public assistance and other low-income individuals, but is available to all adults, dislocated workers, and low-income youth with employment barriers.

In California, EDD administers the WIA Title I program under the policy guidance of the California Workforce Investment Board. At the local level, the program is administered by Local Workforce Investment Boards (LWIBs). Local boards make funding allocation decisions and have significant discretion. Some counties co-locate LWIBs and county social services departments, while others manage LWIBs and county welfare in the same department.

WIA services in California are also delivered through One-Stop Career Centers, which provide a full range of job search and placement assistance, skills assessments, group and individual counseling, case management, training, and education services for job seekers. One-Stop Career Centers also offer employer services and business assistance.

EDUCATION AND TRAINING PROGRAMS

Education is an important element of the CalWORKs program. Many adults in CalWORKs families have limited education or work experience, limited literacy and language skills, and/or insufficient training for jobs available in the community. Nearly one-third of CalWORKs heads of household (31 percent) have a primary language other than English,¹⁴ 50 percent of the adults on CalWORKs have completed 11th grade or less, and only 32 percent have a high school diploma (see page 33).¹⁵

Local educational institutions offer CalWORKs teens and adults a variety of educational programs:

- *Adult education* programs provide English as a Second Language, high school equivalency, Adult Basic Education, vocational education, remedial and occupational education, and training support services.
- *The K-12* educational system serves CalWORKs high school-age recipients in the Cal-Learn program.
- *Regional Occupational Programs* provide occupational and on-the-job training and job placement services.
- *Community colleges* provide case management, employment-focused courses, job training, basic skills training, remedial classes, work study, and job placement. Community colleges design programs to fit the 12-month federal limit on vocational education.
- *Four-year colleges* (University of California and California State University) provide education/degree programs, work study, and job placement.
- *Miscellaneous training* programs through community-based organizations provide work experience, on-the-job training, and language-specific services.

CalWORKs recipients may be referred to education or training in one of four ways:

- self-referral through a self-initiated program (SIP), where the participant is already enrolled on the date of their CalWORKs appraisal appointment (see page 22);
- job search referral, where the participant is identified early in the CalWORKs process as needing basic education;
- following a comprehensive assessment after job search; or
- as an element of post-employment job retention services.

CHILD WELFARE SERVICES

The Child Welfare Services (CWS) program is administered by the counties and supervised by CDSS. CWS programs provide services to prevent child abuse and neglect; investigate reports of maltreatment and remove children from abusive or negative home environments; provide services and supports to families so that children may remain in or return to their home safely; and secure alternative homes, including foster care and adoption, for children who cannot be returned to their home.

Based on data provided by CDSS,* from July 2007 to December 2008, 5.3 percent of the more than 1 million children on CalWORKs were also in the child welfare system.¹⁶ During this same period, 26.5 percent of the nearly 210,000 children in the CWS program were also CalWORKs recipients.¹⁷

The overlap of clients in CalWORKs and CWS has prompted the state and many California counties to explore how these dual-system, high-risk clients and their families can be served in a more coordinated fashion. The effort at coordination aims to utilize TANF as a primary prevention program and child welfare as an anti-poverty program by focusing on self-sufficiency efforts, with emphasis on:

- improving methods to coordinate case plans;
- identifying additional and more flexible funding;
- configuring information systems to match clients in different programs; and
- addressing the organizational change issues that arise when workers in different bureaucracies collaborate.

CHILD SUPPORT COLLECTIONS AND ENFORCEMENT

Both federal and state welfare reform laws impose additional requirements on welfare families in order to increase child support collections on behalf of families applying for or receiving CalWORKs. If a CalWORKs family includes a child whose natural or adoptive parent is not living with the child, the county social services office will make a referral to the local child support agency, unless good cause (e.g., fear of reprisal from an abuser) is claimed by the applicant/recipient.

Local child support agencies provide necessary child support enforcement services, including establishing paternity, establishing and enforcing a support obligation, and collecting and distributing support payments. Unless the applicant or recipient has good cause, he or she is required to cooperate with the local child support agency to collect child support payments from absent parents as a condition of eligibility for CalWORKs. Child support payments collected from non-custodial parents of children in a CalWORKs family are retained by the state to offset the cost of providing aid, with the exception of the first \$50 collected each month, which is passed on to the CalWORKs family.

Linkages: CalWORKs and Child Welfare Collaboration to Improve Outcomes

The Linkages project seeks to improve collaboration between the CalWORKs and child welfare systems. Currently implemented in 32 of California's 58 counties, the program coordinates individualized services to families served by the two systems. Counties are required to develop protocols that enhance communication and case coordination between social workers and CalWORKs eligibility/Welfare-to-Work staff, while reducing bureaucratic burdens for families.

*For more information, go to:
http://www.cfpic.org/linkages/linkages_001.htm*

* The CalWORKs child population of 1,043,369 unduplicated child records were extracted for the 18-month period between July 2007 and December 2008 (where the child is on CalWORKs for at least one month during the period). For the same period, 209,961 open child welfare cases with California jurisdiction were identified in CWS/CMS. Based on these populations, 55,707 children were successfully matched between the systems.

MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

County welfare departments are required to refer CalWORKs recipients to the county mental health department or to the county substance abuse program for an evaluation if there is concern that a mental disability or substance abuse problem may impair the recipient's ability to obtain employment. Counties receive funds for these services through a separate annual General Fund appropriation in the state budget. Some counties also fund community outreach, co-location of substance abuse and mental health staff with CalWORKs staff, and expanded residential treatment services for CalWORKs parents and their children.

In October 2009, out of 215,467 participants enrolled in WTW, 7,580 received mental health services and 1,980 received substance abuse services.¹⁸

DOMESTIC ABUSE SERVICES

California adopted the federal Family Violence Option (FVO), which gives CalWORKs recipients access to domestic abuse counseling, safety planning, and other needed services prior to seeking work. When counties develop WTW plans for clients, they are required to consider including the following types of services for domestic abuse victims:

- community-based domestic abuse services;
- individual or group counseling for recipients and children;
- substance abuse and mental health counseling;
- medical and public health services;
- immigration and legal services;
- parenting and independent living skills training;
- financial planning; and
- relocation services.

In October 2009, 3,576 recipients enrolled in WTW were receiving domestic abuse services.¹⁹

CALWORKS FUNDING

The CalWORKs program is funded through a complex array of federal, state, and local streams, including a federal TANF block grant and state and county General Fund dollars that meet the state's Maintenance of Effort (MOE) requirement.

FEDERAL FUNDS

California receives a \$3.7 billion federal TANF block grant annually. The combined total amount of federal TANF block grant funds available to all states each year is \$16.6 billion.

Federal law provides states flexibility on how their TANF block grants may be spent and how their assistance programs are structured:

- Funds may be used for any of the four stated purposes of TANF (see page 3).
- States can determine how much is used for cash assistance, services, and other benefits.
- Unspent funds can be carried over and used in subsequent years for specified purposes.
- In addition to families receiving cash assistance, federal law also allows states to define and fund services for other needy families.
- States can transfer up to 30 percent of TANF block grant funds to two other federal funding streams – the Child Care Development Fund (CCDF) and/or the Social Services Block Grant (SSBG). The CCDF funds child care and development programs for low-income families with incomes less than 200 percent of the federal poverty level. The SSBG, also known as Title XX, provides funds to states to support social services for vulnerable populations, including low-income seniors and abused children. A maximum of 10 percent of TANF funds can be transferred to the SSBG.

To assist states with serving low-income families during the economic downturn that began in 2008, the federal government augmented TANF funding through the American Recovery and Reinvestment Act (ARRA) of 2009. ARRA authorized an additional \$5 billion to be available to states. During Federal Fiscal Year (FFY) 2009 and FFY 2010, states can apply for these funds through the TANF Emergency Contingency Fund (ECF). (See textboxes on pages 5 and 11.)

STATE FUNDS

To receive the federal TANF block grant, states must guarantee a minimum state expenditure level, or maintenance of effort (MOE), based on historical expenditures.

California's current MOE is \$2.9 billion per year.* California meets this requirement through General Fund spending on a combination of CalWORKs and other allowable programs that serve families who are eligible for CalWORKs but are not in the CalWORKs program, such as child care, child welfare, probation, and foster care. Combined with the \$3.7 billion federal TANF block grant, a total of \$6.6 billion in TANF/MOE funding each year supports CalWORKs and related programs in CDSS and other departments.

Out of its total of \$6.6 billion in federal TANF and state MOE funds each year, California spends about \$5.2 billion directly on the CalWORKs program and contributes \$1.4 billion to the General Fund for other programs eligible for TANF and MOE funding.²⁰

TANF/MOE contributions to the General Fund increased from \$708 million in FY 1998-99 to \$1 billion in FY 2004-05. From the inception of CalWORKs through FY 2004-05, \$6.9 billion in federal TANF and state MOE funds were spent on non-CalWORKs programs.^{21,**}

COUNTY FUNDS

County welfare departments receive CalWORKs-related funds through CDSS as follows:

Assistance Payments. Counties receive state and federal funds to pay 97.5 percent of costs for cash assistance payments to CalWORKs families, and counties pay 2.5 percent of grant costs.

Single Allocation. Each county receives a block grant, or single allocation of state and federal funds, to support CalWORKs employment services, child care, and eligibility determination. Counties must also meet a minimum county MOE requirement.^{***}

Mental Health and Substance Abuse Allocations. State law provides for separate funding streams for mental health and substance abuse services for CalWORKs recipients. Counties are not required to spend county funds for these programs.

While there is no separate allocation for domestic abuse services, counties have the option of using CalWORKs dollars to fund these services.

* The MOE is based on whether a state meets the minimum work participation rate requirements for a given fiscal year. If the state does not meet the WPR, it must spend 80 percent of the amount it spent in FFY 1994 on its AFDC program. The percentage drops to 75 percent for states that meet all TANF work participation requirements. For California, the FFY 1994 baseline figure was \$2.9 billion (80 percent) or \$2.7 billion (75 percent).

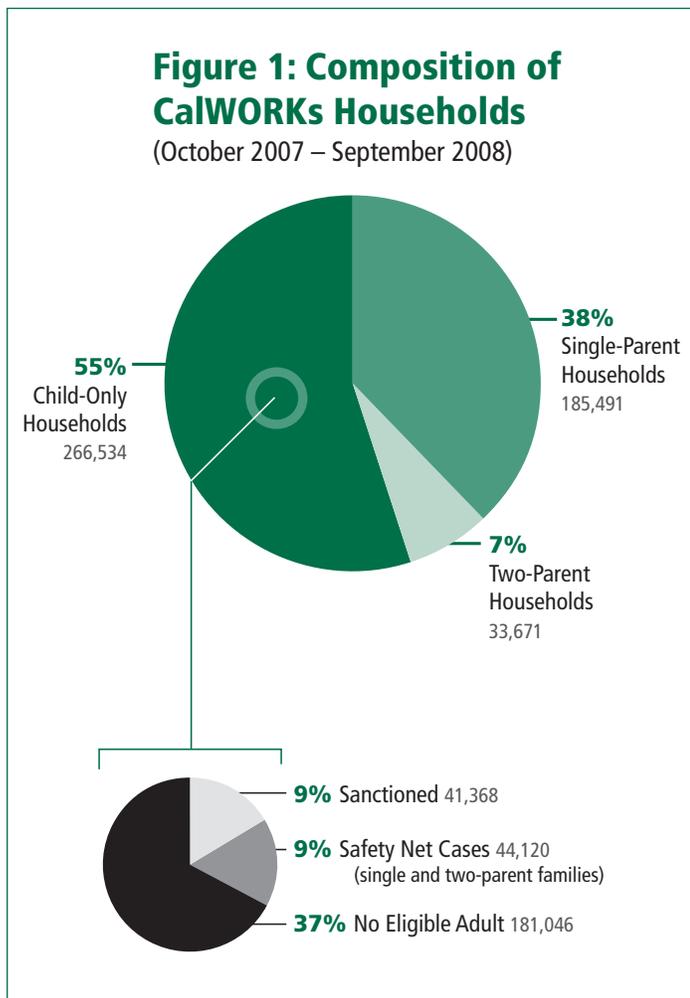
** This is the most recent information available from CDSS.

*** California counties provide, through their own budgets, a small portion of the total funding to the county social services department, referred to as the county MOE under the CalWORKs program. County funding contributions to the state's overall MOE requirement are based on the amount spent by the county for comparable activities during FY 1996-97.

PROFILE OF CALWORKS HOUSEHOLDS²²

From October 2007 to September 2008 (the most recent federal fiscal year for which data are available), a total of 485,696 cases were in the CalWORKs program. Single-parent households made up 38 percent, and two-parent households comprised 7 percent of CalWORKs cases. Households receiving child-only grants made up 55 percent of CalWORKs cases, including:

- households with no eligible adult, including: undocumented noncitizen, drug or fleeing felon, SSI recipient, or non-needy caretaker (37 percent);
- safety net cases (9 percent); and
- sanctioned cases (9 percent).



Other characteristics of the CalWORKs population from October 2007 to September 2008 include:

GENDER

- Female heads of household outnumbered males by more than 9 to 1 (nearly 92 percent), rising slightly to 94.5 percent in Safety Net families, and dropping to just over 85 percent in two-parent families.

CARETAKER

- Parents were the caretakers in nearly 90 percent of all CalWORKs households.
- Forty-seven percent of the parent caretakers were ineligible for CalWORKs due to a sanction, time limit, a felony drug conviction, or status as an immigrant or SSI recipient. Ineligible parents were the caretakers in over 75 percent of all child-only cases.
- Non-parent relatives made up 10 percent of all households, slightly more than 24 percent of households that received child-only grants, and nearly 3 percent of single-parent households.

MARITAL STATUS

- Two-thirds of all CalWORKs heads-of-household were single and never married; almost 16 percent were married and living with their spouse; nearly 11 percent were married but separated; just over 6 percent were divorced; and about 1 percent was widowed.
- About 63 percent of families receiving child-only grants were single-parent households.
- Nearly 92 percent of the single and never-married heads-of-households and 94.5 percent of Safety Net households were female.

AGE

- The average age among all CalWORKs heads-of-household was 34.8.
- The average age of single-parent and two-parent heads-of-household was the youngest (30.9 and 30.8, respectively), while the average age of heads-of-household in child-only families was the oldest (39.5).
- The average age of the youngest child in all CalWORKs families was 5.9 years, and the average age of the oldest child in all families was 9.4 years. Over half (55 percent) of children in all cases were under the age of 6.

Table 6. Percent Race/Ethnicity of Head of Household, CalWORKs Cases, October 2007 - September 2008

	All Cases	Single Parent*	Two-Parent	Child-Only		
				Safety Net	Sanctioned*	No Eligible Adult*, **
Hispanic	50.8	43.5	35.4	31.6	46.5	67.0
White	21.6	26.1	35.5	13.9	29.0	14.5
African American	19.3	22.9	12.2	40.3	18.7	11.8
Asian	5.7	4.4	13.5	12.7	2.7	4.7
Other***	2.6	3.2	3.4	1.5	3.0	2.2

* Does not add to 100 percent due to rounding.

** No eligible adult includes: undocumented noncitizen, drug or fleeing felon, SSI recipient, and non-needy caretaker.

*** "Other" includes Hawaiian/Pacific Islanders (nearly 1 percent), American Indians (less than 1 percent), and mixed ethnicity (less than 1 percent).

Source: California Department of Social Services, Federal Data Analysis and Reporting Bureau (2009). Characteristics of safety net cases and all family cases. RADEP FFY 2008 Database as of 10/5/09.

RACE/ETHNICITY

Hispanics made up over half (51 percent) of all heads-of-household. Whites comprised 22 percent of all heads-of-household, African Americans 19 percent, and Asians 6 percent (see Table 6).

- For single-parent cases, Hispanics made up just over 43 percent, Whites comprised just over 26 percent, African Americans were nearly 23 percent, and Asians accounted for just over 4 percent.
- For two-parent cases, both Whites and Hispanics made up just over 35 percent, African Americans accounted for just over 12 percent, and Asians made up nearly 14 percent.
- For Safety Net child-only cases, African Americans accounted for just over 40 percent, Hispanics were nearly 32 percent, Whites were nearly 14 percent, and Asians comprised nearly 13 percent.
- For sanctioned child-only cases, Hispanics accounted for nearly 47 percent, Whites made up 29 percent, African Americans were nearly 19 percent, and Asians made up nearly 3 percent.
- For child-only cases with no eligible adult, Hispanics comprised 67 percent, Whites were nearly 15 percent, African Americans were nearly 12 percent, and Asians were nearly 5 percent.

EMPLOYMENT

- Overall, one of every five participants (21 percent) was working, with average earnings of \$971 per month.

EDUCATION

- Half of all CalWORKs heads-of-household have an 11th grade or less education, while nearly one-third have a high school diploma or equivalent.
- Nearly 3 percent of two-parent heads-of-household have a college degree, compared to less than 1 percent of all other heads-of-household.

CITIZENSHIP

- U.S. citizens made up 70.5 percent of all CalWORKs heads-of-household; non-citizen legal residents account for 9 percent; and 20.5 percent were other/unknown.
- U.S. citizen heads-of-household accounted for about 89 percent of single-parent and sanctioned households and nearly 82 percent of Safety Net households. Legal resident/non-citizen heads-of-household comprised 23 percent of two-parent families. Unknown/other heads-of-households made up over half of child-only cases.

Other Issues Among CalWORKs Recipients

Various studies in single and multiple counties in California shed light on other characteristics of CalWORKs recipients.

Mental Health and Substance Abuse. An estimated 19 percent to over 33 percent of CalWORKs clients have mental or emotional health problems, and from 10 percent to 32.5 percent of CalWORKs clients have problematic use of alcohol and/or other drugs.^{1, 2, 3}

A five-county study of sanctioned and timed-out CalWORKs parents found 26.6 percent had mental health problems that were barriers to work, representing two to seven times the general population rate for mental health problems. In addition, between 14.3 percent and 48 percent reported drug use in the previous 12 months, compared to 10.7 percent in the general population.⁴

Domestic Abuse. Studies have found the incidence of domestic abuse among CalWORKs recipients ranges from one-third (with at least one incident of domestic abuse within the last 12 months) to about 80 percent (who had experienced domestic abuse sometime in their lives).³ A five-county study found that domestic abuse among sanctioned and timed-out parents in the past year ranged from 7.7 percent to 10.1 percent.⁴

Learning Disabilities. The prevalence of learning disabilities among CalWORKs participants in a five-county study was estimated to be from 9.5 percent to 28 percent.⁴

1. Podus, D, et al. (2006, August). *Access to substance abuse and health services for CalWORKs participants in Los Angeles County*. Berkeley: California Policy Research Center, University of California. Retrieved from: <http://www.ucop.edu/cpac/documents/poduscpcfindings.pdf>

2. Norris, J.C. & Speiglman, R. (2003, December). *Welfare and work status under TANF: Effect of barriers to employment and implications for program planning*. Oakland: Public Health Institute. Retrieved from: <http://www.phi.org/pdf-library/CalWORKsResearch.pdf>

3. Chandler, D., & Meisel, J. (2002, January). *Alcohol and other drugs, mental health, and domestic violence issues: Need, incidence and services*. Sacramento, CA: California Institute for Mental Health.

4. Speiglman, R. & Li, Y. (2008, March). *Barriers to work: CalWORKs parents timed-out or sanctioned in five counties*. Child-only CalWORKs Study, Report #2. Retrieved from: <http://www.cfpic.org/pdfs/CalWORKsChildOnlyStudyReport2.pdf>

KEY ISSUES

Against a backdrop of a national recession, continued budget crises in California, and the pending reauthorization of the federal TANF program, this section highlights current issues under discussion about welfare policy and CalWORKs.

FEDERAL LEGISLATION

TANF Emergency Contingency Fund

The American Recovery and Reinvestment Act (ARRA) of 2009 created a temporary \$5 billion TANF Emergency Contingency Fund (ECF) for Federal Fiscal Years (FFY) 2009 and 2010. States can apply for grants to assist with rising costs for basic assistance, non-recurring short-term benefits, and subsidized employment due to increased TANF caseloads.

Because the current ECF sunsets in September 2010, many states are advocating for a one-year extension to September 2011, to allow states to draw down the full \$5 billion.

TANF Reauthorization

TANF is due to be reauthorized by the end of 2010. Some of the recommendations being discussed by numerous stakeholders* include:

Policy

- Make *reducing poverty* a goal of TANF.
- Measure state performance fairly and comprehensively.
- Establish additional performance measures and credits toward the work participation rate; measurements could include employment, wages, and job retention, rather than specific hours of participation.
- Reward states for attaining *outcomes* that benefit CalWORKs families, such as reducing poverty and assisting families with increased job readiness activities (e.g., remedial education and English as a Second Language).
- Restore state flexibility to better meet families' needs, including support to coordinate TANF and child welfare services.
- Simplify the regulatory framework imposed by the 2005 DRA.
- Restrict states from enacting policies that prevent financially eligible families from receiving assistance.
- Preserve the work-first focus of the program with training and support for families.

* These policy options, compiled through conversations with numerous county, state and federal stakeholders, are provided as an overview of proposals currently being evaluated and debated, and do not represent recommendations from CCRWF, a program of the nonprofit Public Health Institute.

Work Participation Rate

- Establish a realistic and achievable WPR.
- Give states partial work participation credit for participants, including persons with disabilities, who are working part time and making progress towards self-sufficiency.
- Eliminate federal penalties associated with states not meeting requirements for work verification plans.
- Increase to 24 the number of months that vocational education can count as work participation.
- Eliminate the 30 percent cap on the number of TANF recipients that can participate in education/training at one time, and allow participation in post-secondary education to count towards the WPR.
- Allow family stabilization activities (e.g., substance abuse and mental health treatment, domestic abuse services, etc.) to count toward the WPR.
- Restore the pre-DRA policy that allowed unaided adults to be excluded from the WPR, thus decreasing pressure on states to dismantle the safety net that supports unaided adults and the children in their care.
- Provide an option to reduce the target WPR by a credit based on a state's increase in its rate of unemployment.
- Maintain the caseload reduction credit, including credit for maintenance of effort spending above the required minimum.

Funding

- Increase TANF block grant funding – which has remained the same since its inception – and index it for inflation.
- Restore full child support program funding and require all collected child support to go to families and children.
- Set aside funding for legal services providers to educate recipients about rights and obligations and provide alternative dispute resolution services.
- Target resources to low-income, never-married families and to those with an incarcerated parent or a parent lacking formal visitation arrangements.

IMPACTS OF THE RECESSION IN CALIFORNIA

California's recession and budget crises have had impacts on support and services for CalWORKs recipients and the capacity of counties to deliver services.

Rising Caseloads

When CalWORKs was implemented in FY 1997-98, the average annual caseload was 732,176. By FY 2007-08, the average annual caseload had declined to 456,951, a decrease of 37.6 percent.²³

The recent recession has reversed this decline. From August 2007 to August 2009, the monthly CalWORKs caseload increased from 457,657 to 536,464, an increase of 78,807 cases, or 17.2 percent (see Table 7).²⁴

Table 7. CalWORKs Program Caseload, and Percent Change, August 2007 and August 2009

	August 2007	August 2009		
	Cases	Cases	Increase since 8/07	Change from 8/07
Total	457,657	536,464	78,807	17.2
Single-Parent	187,863	222,061	34,198	18.2
Two-Parent	32,749	48,521	15,772	48.2
Child-Only	163,518	187,417	23,899	14.6
Timed-Out	28,166	30,457	2,291	8.1
Safety Net	45,361	48,008	2,647	5.8

Source: California Department of Social Services (2009). *CalWORKs Program Caseload by Category, July 2005-August 2009*. Retrieved from: <http://www.dss.cahwnet.gov/research/res/pdf/caltrends/CA237Caseload.pdf>

CalWORKs Grant Cut

The maximum monthly grant for a family of three was reduced in July 2009 from \$723 to \$694 (the same amount that was provided in 1989). When adjusted for inflation, a CalWORKs grant in 2009 was worth only 54.2 percent of its value 20 years ago.

Source: California Budget Project. (2009). Uncharted waters: Navigating the social and economic context of California's budget. Retrieved from: http://www.cbpp.org/documents/090311_unchartedwaters_signedbudget.pdf

Most striking for this period is the 48 percent increase in two-parent families on CalWORKs. During the same time, one-parent families increased by 18.2 percent, child-only cases by 14.6 percent, timed-out cases by 8.1 percent, and Safety Net cases by 5.8 percent. The spike in two-parent families applying for aid is attributed to job layoffs or reductions in hours for one or both parents.²⁵

State Budget Cuts

In 2009, there were significant budget cuts to CalWORKs.

- The February 20, 2009 budget agreement (SB3X 6) reduced CalWORKs grants by 4 percent, for a reduction of \$146.9 million in FY 2009-10.²⁶
- The February budget agreement also suspended the July 2009 cost-of-living adjustment (COLA) for CalWORKs grants, for a reduction of \$79.1 million (a COLA was last granted in 2004).
- The FY 2009-10 budget (enacted July 2009) cuts approximately \$528 million from the CalWORKs program, of which \$375 million was from the county single allocation.²⁷
- The FY 2009-10 budget agreement also permanently eliminated the statutory COLA for CalWORKs grants, effective July 2010.²⁸

Challenges Faced by Counties

County advocates highlight a number of challenges in the management and implementation of CalWORKs:

- The TANF block grant from the federal government continues to be based on 1996 funding levels.
- The DRA of 2005 increased requirements for reporting CalWORKs outcomes (e.g., monthly caseload reviews and work verification documentation), but did not provide additional funding to meet those goals.
- Since 2001, state funding that covers counties' actual operating costs to administer human services programs, or the "cost of doing business" (e.g., wages/benefits, rent/utilities, inflation), has been frozen, creating an estimated annual \$1 billion county human services funding deficit. At a time when local revenues are declining, counties must now spend more of their own local funds to maintain services.*
- The hardest-to-serve clients, who have remained in the program, have more barriers to employment and require more resources to address those barriers.
- Budget cuts in mental health and substance abuse treatment services have left some CalWORKs participants without sufficient support to enable them to participate in the program.
- A younger applicant population with no marketable skills is applying for CalWORKs, requiring counties to redesign operational procedures to meet their unique needs.
- Highly skilled middle-class workers who have been laid off are coming onto welfare for the first time, and counties are having to adjust CalWORKs orientations, job search curricula and other services to meet their needs.
- There is limited training available for county staff to acquire the new skills they need to work with new populations.

*County Welfare Directors Association of California and California State Association of Counties. (2009). Human services in a time of economic crisis. An examination of California's safety-net programs and related economic benefits for communities. Retrieved from: <http://www.cwda.org/publications/chhs.php>

Sources: Personal Communications: December 18, 2009, K. Harwell, Community Services Agency, Stanislaus County; December 7, 2009, A. Dodson, California Welfare Directors Association; December 10, 2009, D. Ladd, Employment and Eligibility Branch, California Department of Social Services.

Impacts on County Service Delivery

Increased Costs for Grants

Rising caseloads lead to increased grant expenditures, and counties are responsible for 2.5 percent of all aid payments. This increased cost comes at a time when local discretionary revenue has been significantly impacted due to decreases in local sales tax and property tax revenues.

Cuts to County Services

In 2009, over one-fourth of counties reported reducing their WTW services. Cutbacks occurred in employment training, job search, career education, and job placement services, along with program service reductions in domestic abuse prevention, learning disability and psychiatric evaluations, and substance abuse treatment. Some counties have reduced or eliminated assistance to families who are homeless or at risk of homelessness.²⁹

About 20 percent of California counties have closed office sites or reduced office hours, further decreasing access to services.³⁰ Hiring freezes and furloughs have reduced staff levels, creating long delays in handling the increased volume of applications for services.

Between FY 2004-05 and FY 2007-08, counties cut \$37 million in contracts with community-based partners that provide substance abuse treatment, job training, and other services to WTW participants.³¹ Statewide surveys of counties in late 2008 and early 2009 indicated a sharp rise in demand for other health and human services for which CalWORKs recipients are eligible, notably Food Stamps, Medi-Cal, and homeless assistance.³²

EVALUATING THE SUCCESS OF CALWORKS

When CalWORKs was launched in California in 1998, CDSS contracted with the RAND Corporation as part of the Statewide CalWORKs Evaluation to monitor the program's success and impacts. RAND subsequently conducted multi-year evaluation studies, with reports released from 1998 to 2004. Early evaluation studies found increased employment and earnings among former CalWORKs participants who received post-employment services during the first two years of follow-up.³³

Since 2004, California has not had the funding to invest in substantive program evaluation. Consequently, policymakers and program managers have limited evaluation data available to assess the current program.*

Conclusions from National Evaluations

Taken together, national evaluations conducted during the first decade of welfare reform reached the following general conclusions:

- Many TANF recipients obtained employment and left the program;
- Most families who exited TANF for work had low earnings and were not able to increase their wages significantly over time; and
- Many families unable to obtain stable employment face serious and numerous barriers.

Source: Parrott, S., Schott, L., et al. (2007). Implementing the TANF changes in the Deficit Reduction Act: "Win-Win" solutions for families and states. Center on Budget and Policy Priorities and Center for Law and Social Policy. Retrieved from: <http://www.clasp.org/admin/site/publications/files/0339.pdf>

Examples of questions that lack statewide evaluation data include:

- Do CalWORKs recipients benefit from the program – and if so, how?
- Are CalWORKs work preparation activities building long-term, marketable skills?
- Do sanctions compel compliance or make it more difficult for clients to stabilize their lives?

Basic research on CalWORKs has also been cut. The Welfare Policy Research Project at the California Policy Research Center, University of California at Berkeley, was responsible for research and data collection on CalWORKs until recent state budget cuts eliminated the program.

* The state of Minnesota has conducted significant research on a welfare-to-work model that has many parallels to CalWORKs. Like CalWORKs, the Minnesota model combined work-focused activities and financial incentives, such as the earned income disregard. A long-term evaluation of the Minnesota program found improved family earnings, reduced poverty, and increased child well-being, including better school performance and fewer behavioral problems. More information can be retrieved from: <http://www.mdrc.org/publications/411/full.pdf>

CHILDREN AND SERVICES

Increase in Child-Only Cases

Child-only cases have no aided adult; they include Safety Net and sanctioned cases and those cases where the adult is not eligible for aid (undocumented non-citizen, drug or fleeing felon, SSI recipient, or non-needy caretaker). Combined, these cases comprise 55 percent of the total CalWORKs caseload (see page 32).³⁴

Very little is known about the child-only caseload or the well-being of children in these families and the barriers they face. The most recent information about this population analyzes interviews of 143 sanctioned and Safety Net female parents living in five Northern California counties.³⁵ Additional research could further identify the barriers to employment these parents encounter and the areas in which CalWORKs programs can better assist with specialized case management and/or intensive supportive services for this population.

Child Maltreatment

Child advocates are concerned not only about the potential impacts of poverty on child abuse and neglect, but also about the possible impacts of specific welfare reforms. While family income has increased for many employed CalWORKs participants since 1996, work requirements, sanctions, and time limits effectively reduce cash benefits for other families – and financial hardships can increase family stress and the chances for abuse and neglect. CDSS data show that 5.3 percent of the more than 1 million children on CalWORKs from July 2007 to December 2008 were also in the child welfare system.³⁶

To prevent and address child abuse and neglect, child advocates have called for increased coordination and collaboration between welfare and child welfare programs, and targeted, coordinated supportive services, such as the Linkages Program (see page 29).

Services for CalWORKs Recipients

A number of issues relating to the amount and type of services continue to be debated.

Child Care

Child care is an essential support in a program focused on getting parents of young children into the workforce, and California has committed to providing child care for parents in CalWORKs and for former CalWORKs recipients.

However, it is not clear if the FY 2009-10 child care budget has sufficient funds for all current and prospective CalWORKs families, especially families with infants and toddlers. In addition, there is inadequate funding to provide child care to former recipients now in the workforce but not earning enough to afford child care.

Other key issues relating to CalWORKs child care (and child care in general) include availability and quality of care; administrative barriers to accessing care; compensation, training, and benefits for child care workers; coordination of services; staff turnover and shortages; limited care for children who are ill or have special needs; and limited off-hour care.

Coordinated Services for Families with Multiple Needs

Research indicates that many CalWORKs recipients who either have not been able to secure employment or leave the CalWORKs program before finding employment have significant and multiple barriers.

One study found that 57 percent of CalWORKs adults interviewed reported three or more barriers to employment.³⁷ The barriers most likely to have negatively impacted work participation in the past year included: lack of full-time work experience in the past three years, housing instability, lack of a GED or high school diploma, mental health or substance abuse issues, and problems in obtaining dependable child care.³⁸

Most social service providers recognize that families with multiple barriers face unique challenges and often require a complex array of interventions, case management, and coordinated services to assist them in obtaining and maintaining employment.

Health Coverage

Most CalWORKs families are enrolled in the Medi-Cal managed care health program. Those who leave CalWORKs due to income are eligible for the Transitional Medi-Cal Program for up to 12 months. However, many families that leave welfare are at high risk of eventually becoming uninsured, since the jobs they obtain typically do not have employer-sponsored health insurance.

Declining state revenues have already seriously eroded state funding for Medi-Cal outreach and enrollment activities. As cutbacks at the state level are enacted and federal health care reform is implemented, it will be critical to carefully monitor health care coverage and access to care among welfare and former welfare families.

CONCLUSION

The passage of federal welfare reform in 1996 and subsequent reauthorization in 2005 set in motion an enormous shift in how welfare programs are administered, funded, and organized around the country and in California.

As policymakers and social service professionals embark on yet another chapter of TANF reauthorization and, at the same time, continue with their responsibilities for program management and service delivery, this primer is intended to help inform stewardship of California's welfare system.

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ACRONYM LIST

AFDC	Aid to Families with Dependent Children
APP	Alternative Payment Programs
ARRA	American Recovery and Reinvestment Act of 2009
AU	Assistance Unit
CalWORKs	California Work Opportunity and Responsibility to Kids Act
CDE	California Department of Education
CDSS	California Department of Social Services
COLA	Cost-of-Living Adjustment
CRC	Caseload Reduction Credit
CWS	Child Welfare Services
DRA	Deficit Reduction Act
ECF	Emergency Contingency Fund
EDD	California Employment Development Department
FPL	Federal Poverty Level
FVO	Family Violence Option
FFY	Federal Fiscal Year
FY	Fiscal Year
GED	General Educational Development
LD	Learning Disabled
LWIB	Local Workforce Investment Board
MBSAC	Minimum Basic Standards of Adequate Care
Medi-Cal	California Medical Assistance Program
MFG	Maximum Family Grant
MOE	Maintenance of Effort
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
SMI	State Median Income
SNAP	Supplemental Nutrition Assistance Program
TANF	Temporary Assistance for Needy Families
TFS	Transitional Food Stamps
TMC	Transitional Medi-Cal
VISTA	Volunteers in Service to America
WIA	Workforce Investment Act
WPR	Work Participation Rate
WTW	Welfare-To-Work

ABOUT CCRWF

The California Center for Research on Women and Families (CCRWF) provides information, facilitation, analysis and policy options to help leaders improve the lives of women, families and children in our state and nation. Home to the California Working Families Policy Project, CCRWF also produces a series of primers to assist practitioners and policy leaders in advancing their basic knowledge of complex social services systems.

Professionals at CCRWF typically work collaboratively with individuals from a wide variety of fields and backgrounds. Research, development of educational materials, facilitation, training and other convenings hosted by CCRWF often involve policymakers; academic scholars and other researchers; national, state and local program managers; nonprofit leaders; and other issue experts and community leaders.

In addition to our commitment to collaboration and broad-based information gathering, staff at CCRWF are also dedicated to translating research and recommendations into practice and policy. CCRWF is a program of the Public Health Institute.

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Understanding CalWORKs is one in a series of primers published by the California Center for Research on Women and Families (CCRWF) to assist practitioners and policy leaders in advancing their basic knowledge of complex social services systems.

Funded by the Zellerbach Family Foundation, this Primer and a companion publication on child welfare have the additional goal of supporting *Linkages*, a statewide effort aimed at improving coordination between CWS and CalWORKs. CCRWF designed and managed the first phase of Linkages, which is now directed by the Child and Family Policy Institute of California (CFPIC). CFPIC was instrumental in partnering with the California Department of Social Services to secure a five-year grant from the federal Administration on Children and Families to enhance and expand welfare and CWS coordination. For more information, go to www.cfpic.org.

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