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## **HOW ARE COUNTIES IMPLEMENTING CalWORKs?**

### **INTRODUCTION**

In 1996, the President signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) into law, fundamentally restructuring the nation's safety net for low income families with children. The PRWORA gave states broad authority to restructure welfare programs within the confines of strict time-limits and work participation requirements.<sup>1</sup> California, in turn, established the California Work Opportunity and Responsibility to Kids (CalWORKs) program in 1997 to conform the state's welfare system to the new federal law.

As compared to the state's previous Aid to Families with Dependent Children (AFDC) program, CalWORKs gives counties a significant amount of control over the design and direction of local welfare-to-work programs.<sup>2</sup> AB 1542 requires counties to submit a plan to the state for certification. County plans are required to describe welfare-to-work and supportive services that will be offered, the number of hours recipients will be required to participate in welfare-to-work activities, job creation strategies, and efforts made to collaborate with public and private agencies during planning and implementation of welfare reform. Under the new, decentralized structure, county CalWORKs provides the framework for the set of programs and services designed to move families off assistance and toward self-sufficiency.

### **WHICH ACTIVITIES ARE ANALYZED?**

In order to shed light on the new system, the California Budget Project (CBP) examined all 58 county CalWORKs plans. This analysis represents the first step of an ongoing monitoring of the implementation of welfare reform at the local level. At the outset, it is important to note that county plans provide a framework, but generally do not contain detailed program descriptions. However, the plans do illuminate the overall direction counties are choosing to take, given their new discretionary authority.

In this brief, CBP focuses on the welfare-to-work transition, looking specifically at the following:

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<sup>1</sup> For additional information on the federal welfare law, see the California Budget Project's, *What Will Federal Welfare Reform Mean for California?* (January 1997). For additional information on the state welfare reform law, see the California Budget Project's *Welfare Reform (AB 1542) and State Budget Enacted/Federal Budget Makes Changes to TANF* (August 14, 1997) and *Welfare Reform Moves To The Counties: Timeline And Checklist* (September 1997).

<sup>2</sup> AB 1542 (Chapter 270, Statutes of 1997) established the CalWORKs program.

- Number of work participation hours required for a participant to remain eligible for assistance;
- Criteria selected by the county to determine an applicant's eligibility for diversion services and the maximum diversion payment allowed;
- Work activities offered in addition to those specified by the state and work activities not offered of those specified by the state;
- Length of time a participant with an infant is exempt from welfare-to-work activities;
- Job retention services provided to recipients who obtain employment;
- Partnerships formed with religious entities for various services and assistance;
- Job creation plans; and
- Plans for establishing community service programs.

CBP reviewed plans as approved by the Board of Supervisors of each county. Counties then submitted the plans to the State Department of Social Services for certification. The Department recently completed certifying every county plan. Any changes required by the state as a condition of certification are not reflected in this analysis.

## WHAT ARE COUNTIES DOING?

**Work Participation Requirements.** Prior to July 1, 1998, 28 counties require CalWORKs recipients to participate in work activities for the state-required minimum of 20 hours per week. Thirty counties exceed the minimum state work participation rates. Nine counties require at least 26 hours and one county requires 30 hours of work participation per week. 19 counties require the maximum of 32 or up to 32 hours of work participation as soon as the county CalWORKs program goes into effect. Counties such as Lake specify that up to 32 hours of participation is required to the extent welfare-to-work activities or jobs are available. Other counties do not indicate how the required number of work participation hours for each individual will be determined. Other counties have indicated that they may increase the work participation requirements up to 32 hours if welfare-to-work activities and support services are available.

San Mateo is the only county which requires 40 hours of work participation per week. A state waiver granted to San Mateo on July 22, 1997 gives the county special permission to operate the Shared Undertaking to Change the Community to Enable Self-Sufficiency (SUCCESS) program from July 1, 1997 through July 31, 2000. SUCCESS was developed by the county as a demonstration project under the prior Aid to Families with Dependent Children (AFDC) program. Because the waiver was obtained under previously existing federal and state rules, the county is not subject to many of the new federal and state welfare provisions.

**Diversion Program.** Diversion services may be used to provide assistance to families confronting one-time or short-term crises in order to prevent the family from going onto welfare. Only ten counties described criteria they will use to determine if an applicant is eligible for a lump sum diversion service or payment. The criteria are generally based on an applicant's employment history and likelihood of maintaining or obtaining full-time employment. Imperial, Madera, Plumas, and Orange Counties plan to provide diversion payments equal to a maximum of 3 months of aid. Mendocino and Contra Costa Counties will provide up to \$2,000 in vouchers and vendor payments and Los Angeles County will provide assistance equal to a maximum of 6 months of aid.

**Welfare-to-Work Activities.** Twenty-two counties offer all of the welfare-to-work activities specified in the new state welfare law. In the remaining counties, the most commonly excluded services include subsidized public and private sector employment, grant-based on-the-job training, supported work, and transitional employment. Alameda and San Francisco Counties add study time associated with approved education activities as an activity that counts toward a recipient's work participation requirement. Other counties count parenting instruction and life skills classes as welfare-to-work activities for the purposes of calculating whether a recipient meets the work participation requirements.

In addition, many counties list participation in substance abuse, mental health, and domestic violence services as additional welfare-to-work activities. Although each county must make these services available to all recipients who need them in order to obtain unsubsidized employment, state law does not clearly indicate whether participation in such services automatically counts toward work participation requirements. State law does stipulate, however, that recipients cannot participate in substance abuse treatment programs for more than six months without concurrently participating in a work activity. Furthermore, victims of abuse may obtain a waiver, excusing them from participation in CalWORKs activities if participating would be detrimental to or unfairly penalize that individual or his/her family. Therefore, this brief does not consider these services as optional activities.

**Infant Exemption.** State law provides an exemption from the work participation requirements for the parent of a child under the age of six months, with an option for counties to limit the exemption to three months or extend the exemption to 12 months. Over one-third of counties are reducing, on a case-by-case basis, the exemption period from six months to three months for a primary caretaker of an infant. Approximately two-thirds of the counties (some of which are also reducing the exemption period to three months on a case-by-case basis) are extending, on a case-by-case basis, the exemption period to 12 months. Ten counties offer exemptions to all recipients who are the primary caretakers of an infant 12 months or younger. Two counties provide only a three-month exemption to recipients with an infant, while eight counties maintain the standard six-month exemption period recommended by the state.

**Job Retention Services.** State law requires counties to provide one year of case management and job retention services, but allows counties to tailor the package of services available. All counties plan to provide some type of job retention service, such as case management, to recipients transitioning off aid due to employment. Many counties are providing supportive services as well.

**Partnerships With Religious Organizations.** Many counties are contracting with religious organizations to provide services to CalWORKs recipients. Under welfare reform, some counties plan to contract employment services, community service jobs, childcare, and mentoring. Several counties did not specify whether or not they plan to utilize services of faith-based organizations.

**Job Creation.** State law requires counties to address job creation as part of their CalWORKs plan. Most counties state that their job creation plans are still under development as they complete the application process for California Job Creation Investment Fund grants. The Fund, created in AB 1542, provides funds for local job creation efforts that secure private, unsubsidized employment for CalWORKs participants. Generally, counties plan to analyze local labor market conditions, collaborate with public and private organizations, and provide business incentives to employers.

**Community Service Implementation.** State law requires counties to offer a community service option to individuals who actively seek, but fail to find, work by the time they reach their 18 or 24-month limit. Since CalWORKs recipients will not begin to reach time limits for another 18 to 24-months, most counties stated that they intend to file an addendum to their plan at a later date, describing plans for

implementing community service in greater detail. Several counties expect to continue and expand existing work experience sites utilized under the GAIN program. Alameda, San Diego, and San Francisco counties plan to offer wage-based community service, a work activity for which CalWORKs benefits, otherwise received in the form of an aid payment, are diverted and paid as wages.

## ISSUES TO CONSIDER

As noted above, county plans provide a framework, rather than a detailed description of programs and services. Portions of many county plans are vague and require further explanation. The level of detail varied significantly from county to county. Additional research highlights the difficulty of implementing changes of the magnitude of those mandated by welfare reform over a very short time horizon. For example, some counties indicate that participants will be required to work up to 32 hours per week, but in response to follow-up calls, departments stated that they will require a *minimum* of 32 hours of work participation. This type of discrepancy is not uncommon.

Some plans state that parents of an infant will be given an exemption for participating in welfare-to-work activities on a case-by-case basis when an infant is six months or younger without indicating whether the standard 6-month exemption period is being maintained, reduced or extended and by how much. Also, some counties' list of welfare-to-work activities does not include all of the options detailed in AB 1542, yet a plan may not specify that the activities omitted will not be provided. Broad definitions of listed activities in the plan could be read to encompass many of those activities not directly mentioned. Taking these issues into consideration, the information on the following pages attempts, to the greatest extent possible, to accurately reflect what was actually written in the plans submitted to each County Board of Supervisors.

Under welfare reform, California has not one, but 58 separate welfare systems. Monitoring the implementation, successes, and failures of a diverse array of approaches poses an important new challenge for those concerned with the well-being of California's low income families and children.

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