



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: 11/21/2006
Placement: Set Hearing
Estimate Time: 5 minutes on 12/5/06
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Kathy Gallagher, 346-7101
Contact Info: Edna Terrell, 681-4485

SUBJECT: CalWORKS County Plan Addendum

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors:
Set a hearing for 12/5/06 to receive a briefing regarding the California Work Opportunity and Responsibility to Kids Program (CalWORKs) County Plan Addendum.

Summary:

Pursuant to State Regulation, this briefing is to advise the Board of Supervisors and the community of new CalWORKS County Plan addendum requirements resulting from the passage of Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006). The addendum identifies new or existing strategies that Santa Barbara County will employ to improve work participation rates in light of new Temporary Assistance to Needy Families Program (TANF) Reauthorization requirements and subsequent State law changes that were enacted through AB 1808. This letter also provides a brief overview of changes resulting from the reauthorization of the TANF program and their significance to Santa Barbara County. It is a specific requirement that the local County Welfare Department brief their Board of Supervisors on these changes, including the Plan addendum. Because of the Board schedule, we are not able to submit the final County Plan Addendum to your Board prior to the January 5, 2007 deadline for submission to the State. The attachment here is essentially an Executive Summary of the Addendum. The final County Plan will be submitted to the Board upon its completion.

Background:

Temporary Assistance to Needy Families (TANF) Reauthorization was included in the federal Deficit Reduction Act of 2005 which became law in February 2006. Federal TANF interim final regulations

CalWORKS County Plan Addendum

11/21/2006

Page 2 of 5

were issued June 29, 2006 that made additional changes. The effective date for implementation of most of the changes is October 1, 2006. On October 5, 2006, the California Department of Social Services provided guidance to the counties to help implement TANF Reauthorization requirements.

Summary of Federal TANF Law and Regulation Changes

Caseload Reduction Credit – Federal law changed the base year that is used for calculating the caseload reduction credit from federal fiscal year (FFY) 1995 to FFY 2005. This means that California will no longer receive credit for its 46 percent caseload reduction realized between FFY 1995 and FFY 2004. Although the Work Participation Rates (WPRs) did not change (remains at 50%), Santa Barbara County must increase its actual WPR, primarily due to the new base year for the caseload reduction credit which essentially has eliminated the caseload reduction credit.

	Personal Responsibility and Work Opportunity Reconciliation Act of 1996	Deficit Reduction Act of 2005	Comments
Caseload Reduction Credit	Base year – 1995 46% caseload reduction credit	Base year – 2005 Projecting 0% caseload reduction credit	Rate adjusted downward by the number of percentage points by which the caseload falls from for reasons other than changes in eligibility rules - essentially eliminates caseload reduction credit.

The most recent estimate of Santa Barbara County’s 2006 Federal WPR without a caseload reduction credit is 43.8 percent. Prior to TANF Reauthorization, the WPR for that same period was 48.8 percent. (All data based on quarterly monthly average of January, February, and March 2006.)

New Caseloads/Populations Added to the Work Participation Rate (WPR) – The new federal rules require “work-eligible individuals” to be included in the WPR and do not allow the State to exclude the separate State program funded with State Maintenance of Effort (MOE) funds. As mentioned in the previous paragraph and based on State estimates, Santa Barbara expects to realize a 5 percent decrease in WPR from this change in the formula.

	Personal Responsibility and Work Opportunity Reconciliation Act of 1996	Deficit Reduction Act of 2005	Comments
Two Parent Families	California established a “separate state program” to insulate two-parent families from the federal WPR.	The participation rates will be calculated based on the combination of families receiving TANF assistance and families receiving assistance in “separate state programs” funded with maintenance of effort	298 people in Santa Barbara County
Safety Net Families	California established a safety net program to continue cash aid to children when their parent(s) were subject to a sanction or time limit	Includes child-only cases in the WPR when states elect to remove a parent due to a sanction or time limit while their children continue to receive assistance	143 people in Santa Barbara County

An additional 210 families in Santa Barbara County will have to meet the WPR requirements. (All data based on quarterly monthly average of January, February, and March 2006.)

As Santa Barbara County has a long-standing philosophy of work first, we realize much higher work participation rates than many other California Counties. As such, the distance we need to travel to achieve the federal work participation rates is shorter, but it will be a monumental undertaking. The caseload is now the hard to serve, who will be the most difficult to mobilize.

- Our hard to serve population includes individuals with domestic violence issues; substance abuse problems; physical, mental, developmental or learning disabilities; language barriers; chronic health problems; criminal histories or ongoing legal entanglements.
- Hard to serve individuals are extremely difficult to place in jobs as employers generally don't want to take a risk on them.

Work Activity Definitions and Work Verification Plan – The new TANF regulations provide definitions for Welfare-to-Work (WTW) activities that are countable toward the federal WPR and require the State to submit a Work Verification Plan. Also included are requirements regarding supervision of these activities, some time limits, and specific prohibitions of certain activities. The new work verification requirements do not take effect until October 1, 2007. The State submitted a Work Verification Plan to the federal government on September 28, 2006. The State will provide guidance to the counties at a later date.

- The supervision requirements place an undue (and unfunded) burden on our local providers, especially the community colleges.
- Basic education including remedial math, reading, and writing will be more difficult to provide for our participants as the allowable training and education activities must lead *directly* to employment.

Financial Implications of Temporary Assistance to Needy Families (TANF) Reauthorization

If California does not meet the work participation rates (WPR), the State will incur a fiscal penalty depending on the degree of non-compliance. The State may require the counties not meeting the federal WPR to share up to 50 percent of the penalty. FFY 2009 is the first year Santa Barbara will be at risk of incurring a fiscal penalty based on performance in FFY 2007, which began on October 1, 2006. Ongoing improvement in the WPR would help demonstrate to the State and Federal government a good faith effort to meet requirements and may help mitigate penalties.

In addition to avoiding penalties, Santa Barbara County may earn Pay for Performance (P4P) program incentive funds for improvement in the rate of employment, the work participation rate, and the rate of CalWORKs "leavers" who are employed. There are three ways to earn P4P funds in each measure: 1) ranking in the top 20 percent of all counties (top 12 counties); 2) improving performance over a base period; or 3) exceeding a pre-determined performance improvement standard. These amounts are subject to the annual State budget.

County Plan Addendum

AB 1808 enacted Welfare and Institutions Code Section 10534, which requires each county to perform a comprehensive review of its existing CalWORKs Plan and prepare and submit to the State a Plan addendum detailing how the county will meet specified goals, taking into consideration the work participation requirements of TANF Reauthorization. As a precursor for writing the Plan addendum,

CalWORKS County Plan Addendum

11/21/2006

Page 4 of 5

Santa Barbara County formed the TANF Reauthorization Workgroup, consisting of key DSS staff and partner agencies, to conduct a comprehensive analysis of the opportunities for improvement and best practices to build upon. Key components of our initial analysis include administration of the State Self Diagnostic Tool to identify opportunities for improvement in our current business practices.

Additionally, the TANF Reauthorization Workgroup identified four strategic areas and created sub-workgroups to address them. They are:

- Countywide WPR & Job Placement Awareness Campaign;
- WPR Improvement & Pay 4 Performance Workgroup;
- Home Visit Program; and
- WTW Did You Know Workgroup.

In addition, to leverage existing partnerships and resources, the County has collaborated with local colleges and the Workforce Investment Act program. Meetings are planned with other key employment stakeholders at the Workforce Investment Board meeting on November 17, 2006. Ongoing analysis is anticipated, as are process improvement throughout this year, to achieve the necessary realignment of activities to meet the federal WPR and maintain the integrity of the County’s CalWORKs program.

In accordance with the new law, Santa Barbara must submit a Plan addendum to the State within 90 days from the date of the All County Letter. The addendum must include certification that the County Board of Supervisors has been briefed regarding the contents of the addendum. Counties must submit a Plan addendum once every three years. Counties are encouraged to treat the Plan addendum as a living document and to adjust them and submit an updated Plan addendum as it is discovered that a new strategy is not working. Counties will be requested in the future to update their entire CalWORKs Plan to remove any obsolete requirements, and integrate into one complete plan any previously approved Plan addenda that are still current.

Santa Barbara County’s Plan addendum is due to the State on January 5, 2007; however, information for this Board hearing is required to be filed by November 8, 2006. The multiple workgroups responsible for the local implementation of TANF Reauthorization have not yet concluded their work. Specific workgroup recommendations that are developed between now and the State deadline of January 5, 2007, will be included in the final draft of the attached addendum.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Staffing Impact(s):

Legal Positions:

FTEs:

Special Instructions:

CalWORKS County Plan Addendum

11/21/2006

Page 5 of 5

Attachments:

Santa Barbara County CalWORKs County Plan Addendum

Authored by: Maria Gardner, 346-8289

cc: