

# Strategies for Engaging CalWORKs Clients

MAGGIE WONG

## EXECUTIVE SUMMARY

San Mateo County has historically been a leader in welfare reform through its SUCCESS Model moving families dependent on public assistance to self-sufficiency. The county has a low unemployment rate, and many of the single parent and two-parent families remaining on aid have significant barriers to employment. The county has a high cost of living, and job growth projections indicate that many of the new jobs will not pay the wages that will provide economic self-sufficiency. The county has embarked on new and expanded strategies to increase its Work Participation Rate (from its initial 33.9% WTW<sub>30</sub> report published in September 2006)\* and has since

seen a fluctuation between a high of 25% to a low of 4% since October 2006. San Mateo County is interested in innovative strategies that may help its WPR efforts.

Contra Costa County has been exploring new strategies for engaging participants in Welfare to Work activities that have been promising. This case study draws from Contra Costa County's experience in this area and discusses best practices for improving the Work Participation Rate in San Mateo County.

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\*CDSS, Data Systems and Survey Design Bureau; September 2006 (Version 2)

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## Introduction

The CalWORKs program in San Mateo County has a long history of serving CalWORKs participants in the SUCCESS Services Delivery Model. Counties across the nation are now under immense pressures to increase their work participation rate (WPR) due to the passage of the Federal Deficit Reduction Act of 2005 or face substantial financial sanctions. The purpose of this case study is to explore strategies used in Contra Costa County to re-engage sanctioned participants as sanctioned individuals are now counted in the Federal Work Participation Rate.

## Background

The Federal Deficit Reduction Act of 2005 reauthorized TANF and became law in February 2006. The date for implementation of most of the DRA changes was October 2006, with the exception of the verification requirements that did not take effect until October 2007. Each state is required to meet a 50% WPR for all families receiving assistance and a 90% WPR for two-parent families. The DRA re-set the base year for application of the caseload reduction credit to 2005 for FFY 2007 through 2010.<sup>1</sup> Calculation is now based on all families that receive assistance in either a TANF funded program or a separate state program counting toward the TANF maintenance of effort requirement, which was previously excluded from the Federal WPR. In the years

following the 1996 Welfare Reform Act, caseloads had dropped dramatically both in California and in the rest of the nation and have since stabilized. In FFY 1995, California had a monthly average of 725,000 cases with an aided adult. By FFY 2005, the average declined to 280,000, a drop of 61%. The estimates for the state's 2005 Federal WPR without a caseload reduction credit is 27.9% for the all families rate and 33.6% for the two parent families.<sup>2</sup> The Act also redefined "work eligible individuals" that now include previously excluded individuals that has effectively reduced the state WPR to 23%. (*See Table 1, following page.*)

The first year a state fails to meet the all families WPR can result in a reduction of up to 5% of the state's block grant. For California, this is approximately \$185 million.<sup>3</sup> The bill also adds a new penalty of up to 5% for failure to establish or comply with procedures for counting and verifying work activities. The penalty can be waived under "corrective compliance" for states with an approved corrective compliance plan, and the Health and Human Services (HHS) Department may choose to waive penalties upon determination of "reasonable cause". Based on the administrative reviews in place, states would not be subject to penalties until October 2009, at the earliest. If states are able to meet the WPR before October 2009, penalties will not be issued. (*See Table 2, following page.*)

<sup>1</sup>The TANF Participation Rate Structure under the Budget Reconciliation Bill: A Summary of the Rules by Mark Greenberg at the Center for Law and Social Policy; January 2006.

<sup>2</sup>CalWORKs at a Crossroads: The Next Stage of Welfare Reform in California Published by the County Welfare Directors Association of California (CWDA) and the California State Association of Counties (CSAC); April 2006.

<sup>3</sup>Fiscal Effect on California: Pending Federal Deficit Reduction Act of 2005 by the Legislative Analyst's Office; January 2006.

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Required WPR	45.0%	50.0%	50.0%	50.0%	50.0%
Caseload Reduction Credit (CRC)	38.6%	43.4%	44.2%	46.1%	44.9%
Adjusted WPR	6.4%	6.7%	5.8%	3.9%	5.1%
Actual WPR	25.9%	27.3%	24.0%	23.1%	23.9%

Source: California State Senate Republican Caucus 8/22/06.

### Focused Restructure

In my research at the Contra Costa County Employment and Human Service Department (EHSD), I discovered that many counties are facing similar challenges in meeting the Federal WPR. Due to the changes in who is defined as an “eligible work participant,” new populations include families where the adult has exceeded the 60 month TANF limit or Safety Net cases, sanctioned individuals, two-parent families, fleeing felons, and drug felons. The CalWORKs Plan Addendums completed by each county in 2006 outlined expanded or new immediate and long-range efforts that would allow counties to meet the required Federal Adjusted WPR. Contra Costa County began refocusing efforts towards a more comprehensive system of workforce preparation by restructuring the Workforce Services (WFS) Bureau in September 2006 (*See Attachment 1*). The primary goal of this restructuring was to provide enhanced client engagement and work participation through dedicated supervisory and managerial oversight of Welfare to Work activities. The restructure includes the inclusion of two dedicated Welfare to Work Managers, one concentrating on the West County and the other focusing on the Central and Eastern portions of the county. Although not part of the restructure, I was impressed that the existing structure included a dedicated Welfare to Work policy manager as well as a Workforce Transportation Coordinator. With a refocused structure as the

<b>1</b>	California subject to federal penalty for failure to meet WPR.	FFY 2007
<b>2</b>	The State report to HHS on how the state performed.	March 2008
<b>3</b>	HHS evaluates the state report to determine if a penalty notice should be sent.	October 2008
<b>4</b>	Penalty notice is received and the state has 60 days to submit an appeal for reasonable cause.	December 2008
<b>5</b>	HHS denies the reasonable cause appeal. The state has 60 days to pay the penalty or submit a compliance plan.	February 2009
<b>6</b>	HHS then has another 60 days to approve or disapprove the state compliance plan.	June 2009
<b>7</b>	State has until end of fiscal year to meet compliance plan.	October 2009

Source: Advocate's Resource Guide on Implementing Recent Changes on CalWORKs Resulting from the Deficit Reduction Act and AB1808 Western Center on Law and Poverty; September 2006.

basis for implementing new and expanded strategies and activities, EHSD has also added case supportive services to enhance upfront engagement activities, expanded eligible activities and supportive ancillary services that are aimed at providing CalWORKs participants with the tools required for self-sufficiency.

### Outreach and Engagement Activities

Contra Costa County recently implemented an outreach effort aimed at re-engaging sanctioned families in the CalWORKs Welfare-to-Work program. The initiative includes calling sanctioned adults to encourage them to come into compliance; hosting “Sanction Clinics” to facilitate re-engagement; and hiring social workers dedicated exclusively to re-engagement activities. These new programs are part of a larger effort by Contra Costa County to improve the level of service offered to CalWORKs clients. Preliminary reports indicate that these new programs have led to a significant increase in the engagement of sanctioned families. Because many of these families have been in sanction status for years, some are not aware that they are out of compliance, let alone

what actions are needed to cure the sanction. These new outreach programs present an opportunity to inform families of compliance requirements and the potential benefits of complying.

In April 15, 2007, each of the four regional CalWORKs offices hired a Case Status Reviewer (CSR), who was tasked with calling sanctioned families to identify ways to bring these families back into compliance. These CSRs are staffed by a temporary staffing agency. Their lack of affiliation with the CalWORKs program often leads to more candid answers than a caseworker or employment specialist might receive. CSRs first inform the family of the additional benefits that are available with program compliance, and then, if the individual is interested, schedule a meeting with a caseworker. From these calls, CSRs have been able to identify the primary reasons that families have been non-compliant with program requirements.

The second method developed for re-engaging families is the use of Weekend Sanction Clinics. Clinics are offered periodically on a designated Saturday and offer an opportunity for sanctioned families to meet with representatives from multiple service agencies in a conference style setting with service booths. The county provides giveaways to provide incentive for attendance. The county has held four clinics at three of the regional offices since June 2007. Of the 100 people invited to the first clinic in June, 66 confirmed and 37 attended. Data are not yet available on how successful this event was in curing sanctions. The clinics are expensive due to staff overtime, weekend operational costs and child care is an issue on the weekends for participants. Expanding upon the lessons of Sanction Clinics, Contra Costa County has implemented a series of "911 Clinics" at regional offices. The idea is to have sanctioned families come to agency offices during the weekdays and in smaller groups of 20. The weekdays allow parents to attend while children are in school and agency offices are fully staffed with case managers and employment workers to assist individuals immediately. The 911 Clinics are held every two to three months depending on interest received from CRS calls. Data

from both CRS calls and Sanction Clinics reveal that of the sanctioned families that participate, 19% are employed and 16% are involved in vocational training, while 9% refuse to cooperate. This information highlights that there is a general lack of knowledge among sanctioned families of what sanctions mean or how to return to program compliance.

### **Intensive Case Management**

In October 2007 the county worked with labor and management to create a new classification of Client Engagement Specialists. The eight new Client Engagement Specialists (CES) are social workers who work exclusively with a caseload of clients that are not meeting their WPR requirements and not in compliance. These clients have been difficult to reach with the traditional service delivery model. The CES team is responsible for energizing parents and getting them stabilized in their required appropriate hours and activities. The CES immediately do outreach and contact clients, with the majority of their time spent out in the field making home visits. The CES work with clients who are not complying with assigned activities and those that are at risk of being sanctioned. They identify strengths and challenges that can be addressed and used to help build on success with strength-based approaches. They are committed to serving this special population and helping them take advantage of the opportunities that the CalWORKs program has to offer. The Bureau looks forward to the success of this team.

### **Ancillary Services**

Services spending has increased since 1995–96, when spending was at 9%, to 2004–05 when it was at 32%. The cost increases include child care, transportation, case management, job search, vocational assessment, job training, mental health and substance abuse treatment, services to assist with domestic violence and learning disabilities, and other services aimed at helping CalWORKs recipients find and maintain employment. CalWORKs caseloads are made up of a greater portion of hard-to-employ cases who experience multiple barriers to employment. Families

across the nation who remain on the caseload, as well as those that have left, require more in-depth assistance in order to reduce their dependency on public assistance and to reach self-sufficiency. Demand for these services is likely to increase in the foreseeable future. (See Table 3.) An interim ruling from HHS allows flexibility to count activities toward the WPR, including participation in domestic abuse and substance abuse services and mental health and rehabilitative treatment toward job search and job readiness assistance.

Contra Costa County contracts with a number of agencies to provide job club/job search for Limited English participants, translation services, criminal record expungement, domestic violence intervention and counseling services, special employment placements for the learning disabled, and mental health and substance abuse counseling services. Many of these services are provided by on-site liaisons located in the CalWORKs/Welfare to Work district offices. Contra Costa County has four CalWORKs/Welfare to Work district offices located in the cities of Antioch, Martinez, Hercules, and Richmond that offer a full array of work search, support and employment guidance and counseling services. EHSD also collaborates with Workforce Investment Partners in four EastBay WORKs One Stop Career Centers located in San Pablo, Concord, Pittsburg and Brentwood to enhance employment and training efforts and welfare to work clients support to obtaining employment and wage progression.

Ancillary Service Programs that have proven effective in supporting participants in Contra Costa County include Rides to Success, Children's Transportation, and KEYS Auto Loan. The Rides to Success (RTS) Program is a free employment-related transportation service for CalWORKs participants that picks up participants at home and takes them to a job interview, work and training or for an emergency ride home that assist with getting to employment-related destinations and removes barriers. Each participant enrolled in RTS can receive up to 100 free one-way rides that can include multiple stops to drop off or pick up children at school or childcare. The

**TABLE 3**  
**Increasing CalWORKs Caseloads**

	October 1999	October 2005
Mental Health	1,412	7,389
Substance Abuse	1,696	2,167
Domestic Violence	1,112	2,971
Total	4,220	12,527
Welfare to Work Cases	348,501	180,428
% Receiving Services	1.2%	6.9%

Source: WTW 25 & WTW 25A reports, California Department of Social Services

Children's Transportation Project is a free door-to-door transportation service to take children to and from daycare or school of CalWORKs participants. Keeping Employment Equals Your Success (KEYS) Auto Loan Program is EHSD's Auto Loan Program that assists employed participants in obtaining a low interest loan to purchase an automobile for participants who have difficulty obtaining an auto loan from other sources. Loans can be for up to \$4,000 and re-payments of loans are made over a two-year period.

Three special one time only housing programs, the Emergency Assistance Grant Program, the Relocation Grant Program, and the Transitional Support Grant Program, have assisted participants to stabilize their housing situations leading to increased employment and career advancement potential. Emergency Assistance Grants pay for rent for an average of up to two months or \$1,500, whichever is less, for individuals who have received a 3-day eviction notice. The Relocation Program issues a maximum of \$1,500 to eligible participants who have obtained a job and need to move closer to work, child care, or public transportation. It is also for employed participants living in temporary situations and in need of permanent housing. The Transitional Support Grant provides up to \$1,500 to help eligible families who are leaving a publicly funded, transitional housing program, emergency/temporary shelter, or residential facility to obtain permanent housing that results in the reunification of the family that include actual moving expenses, utilities, and or security deposits. For



all housing assistance programs, participants must actively be receiving CalWORKs or be within the 12 months of Job Retention Services following discontinuance from CalWORKs.

## Conclusions

As of September 2006 Contra Costa County's TANF Work Participation Rate (WTW<sub>30</sub>) Monthly report indicated an all families rate of 20.6%.<sup>4</sup> Like many counties in California, Contra Costa County has ramped up strategies and policies to address the need to meet federal work participation rates. With the CalWORKs caseloads consisting of a greater portion of the hard to serve with multiple employment barriers, counties must provide the necessary intensive case management support and ancillary services that this population requires. The unanswered question for many counties is whether these strategies will translate into an increase in the WPR. Counties are currently in the process of validating the state's calculated WPR for FFY 2006–2007, and many will not know their final WPR until mid-June at the earliest. The challenge facing California is its ability to work cohesively to share innovative strategies across counties as the Federal Work Participation Rate is not applied by county but at the state level. The success of each county that contributes to the calculation of the state WPR will determine the financial impact to the state and the shared impact to each county in this next period of time. More than ever the state must partner with counties to ensure success at the local level in order to avoid federal financial sanctions.

## Recommendations

- 1 Examine the current supervisory and management structure of the Welfare to Work Program in San Mateo County to ensure necessary resources to focus efforts that will have the required impact on the Work Participation Rate. A dedicated Welfare to Work Divisional Manager in each region with a separate policy divisional manager has allowed Contra Costa County to focus efforts in each area of the county with centralized directives.
- 2 Increase outreach efforts in direct client contacts through contracted and/or temporary agency staff to expand the resources available to assist the re-engagement unit, Creative Avenues to Successful Hires (CASH), to better reach this critical population. Look at feasibility of expanding central policy and regional management functions specific to Welfare to Work.
- 3 Review ancillary service agreements to determine capacity to focus additional efforts in addressing removal of employment barriers, such as domestic violence, mental health and substance abuse issues.
- 4 Increase co-location and partnership with these resources and Welfare to Work case managers to provide more on-site case management and/or home visit capacity.

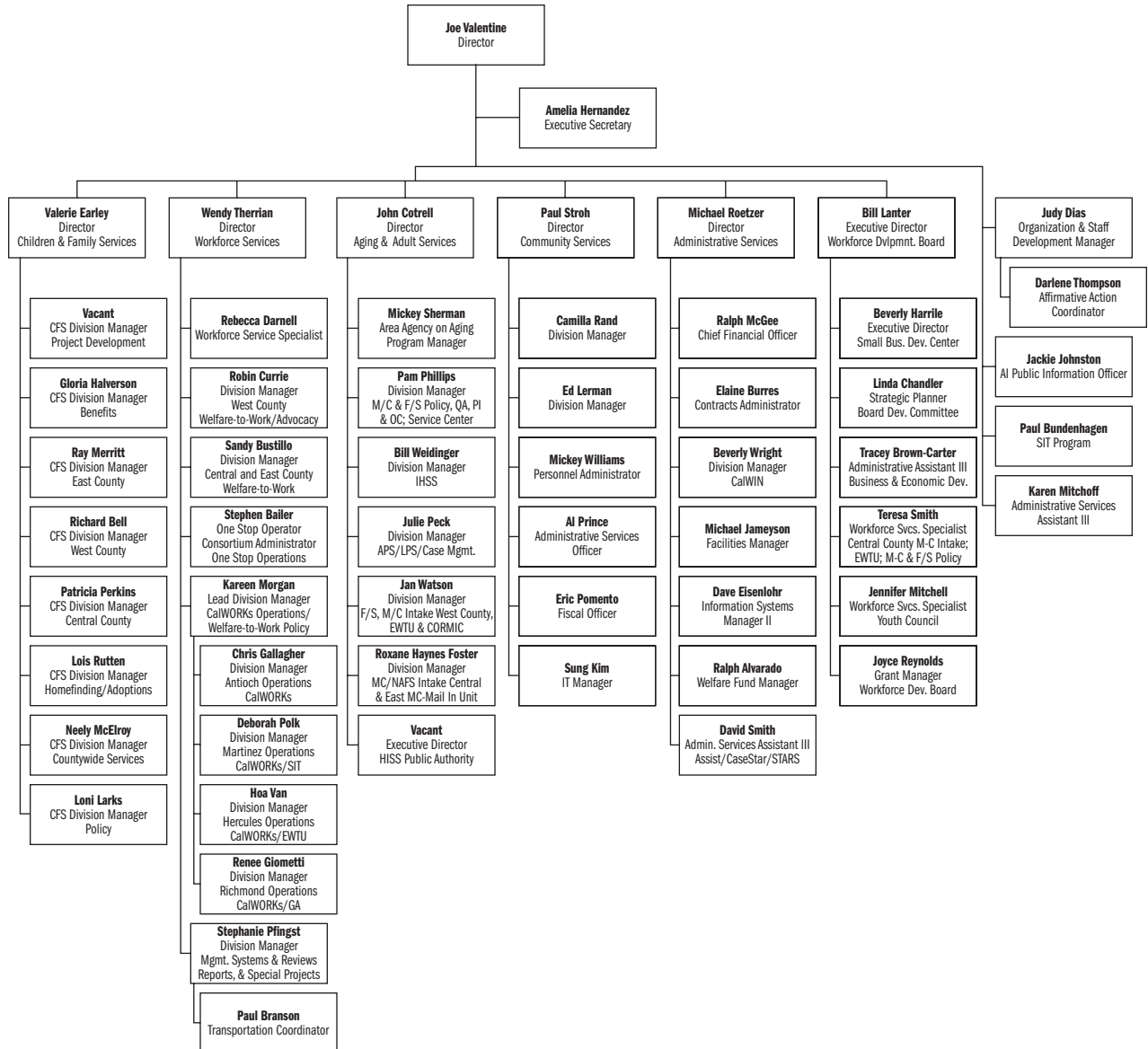
## Acknowledgements

I would like to thank Contra Costa County for their hospitality and the time spent in assisting me on this case study. Special thanks to Robin Currie, Division Manager, West County, Welfare to Work Advocacy, for accommodating me in her busy schedule and providing such mentorship.

<sup>4</sup>CDSS, Data Systems and Survey Design Bureau; September 2006 (Version 2)

# ATTACHMENT I

## Contra Costa County Employment and Human Services Department Organizational Chart<sup>5</sup>



<sup>5</sup><http://www.ehsd.org/ehs000.html>