

CalWORKs: AN EVALUATION OF PARTICIPATION REPORTING TOOLS

**Gayle Pitt
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CalWORKs: AN EVALUATION OF PARTICIPATION REPORTING TOOLS

A Project

by

Gayle Pitt

Approved by:



, Committee Chair

Mary Kirlin, D.P.A.



, Second Reader

William Leach, Ph.D.

August 5, 2009
Date

Student: Gayle Pitt

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Robert Wassmer, Ph.D., Department Chair

August 6, 2009
Date

Department of Public Policy and Administration

Abstract
of
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Statement of Problem

Welfare reform and the subsequent reauthorization made a number of changes to the federal program, emphasized work participation for recipients and established a minimum state participation requirement. The California Department of Social Services must publish no fewer than quarterly work participation reports. These reports serve as indicators of employment program effectiveness. This analysis evaluates the effectiveness of the methods and data used to develop the work participation reports.

Conclusions Reached

Collectively, the four published reports provide some insight into the work participation status of CalWORKs participants, but there is still no single report that provides an accurate and timely "snapshot" of the activities and level of engagement of California's public assistance recipients. I recommend that CDSS and the counties continue their efforts to develop a statewide engagement report or a similar publication to assess employment services program effectiveness and measure progress toward program goals.



, Committee Chair

Mary Kirlin, D.P.A.

August 5, 2009
Date

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Chapter 1

INTRODUCTION

In the last decade, California's public assistance program has changed dramatically due to welfare reform efforts. California and its counties have altered the way they do business as the focus has shifted from the provision of cash assistance as an entitlement to requiring recipients to participate in employment and work readiness activities as a condition of continued assistance. Through Public Law 104-193, Congress established the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and created the Temporary Assistance for Needy Families (TANF) block grant. The four goals of TANF are (1) To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) To 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) To encourage the formation and maintenance of two-parent families (U.S. Government Accountability Office, 2005). The Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) administers the TANF program, but states have the authority to structure programs that meet federal and state priorities. Seventeen states, including California, chose to shift responsibility for TANF to the local level.

In 1997, Assembly Bill 1542 established the California Work Opportunity and Responsibility to Kids (CalWORKs) program to carry out TANF requirements. Effective

January, 1998, each county is required to develop employment service programs whose goals are consistent with federal law and to describe the full range of services available to move participants off aid and into the work force. These programs must address the needs of public assistance recipients to prepare for, find, and maintain stable employment. In an attempt to increase the level of participation in employment readiness programs, counties offer a variety of services such as job search, employment preparedness, behavioral health services, and other supportive services designed to lift recipients out of poverty and reduce dependence on welfare.

The California Department of Social Services (CDSS) and the counties are also developing new program strategies to increase the level of participation. However, measuring program effectiveness and outcomes requires the collection of meaningful data. Counties collect a variety of data elements and provide the information to CDSS in three monthly reports along with the results of random case reviews. CDSS submits the county-supplied data to several federal agencies including HHS and ACF, both of which measure and track state TANF performance. In addition, CDSS uses the data to develop a number of work participation reports to measure the effectiveness of employment programs.

The purpose of this project is to conduct an analysis of the published work participation reports and data to determine whether the information is meaningful for federal and state purposes. The following chapters provide background information on the TANF and CalWORKs programs, data collection methods, methodology used to develop the work participation reports, and an analysis comparing the published work

participation reports with the thesis objectives, and finally, recommendations for improving the reporting process.

Chapter 2

PUBLIC ASSISTANCE PROGRAMS AND DATA COLLECTION

TANF

In 1996, Public Law 104-193 established the TANF program that represents a major shift in welfare philosophy and moves the welfare system from a federal entitlement to a work-based system: one that requires an increase in the percentage of adults engaged in work or work-related activities. The legislation was touted as an "end to welfare as we know it" and the beginning of an end to dependency on government assistance (Center on Budget and Policy Priorities, 2009).

The TANF program put an end to the 60-year-old Aid to Families with Dependent Children (AFDC) entitlement program and imposed new federal work requirements. AFDC regulations were very specific as to which individuals were included in the assistance unit, defined as a group of individuals treated as a single unit for the purposes of determining eligibility for program benefits and the amount of case assistance. A single unit or family consisted of all individuals residing in a household linked by blood or marriage. Under TANF, states have flexibility to define family composition, but the family is still a single unit or "case" for the purposes of data collection (Kelch, 2002).

CDSS routinely gathers monthly employment readiness data on the activities of individuals and family cases, but the importance of the collection process grew under TANF, which established minimum work requirements for families. Single-parent families with a child over the age of six must participate in work activities at least 30 hours per week, while families with a child under age six must participate 20 hours per

week. Two-parent families must participate in work activities for a combined total of at least 35 to 55 hours per week (Falk, 2006). Furthermore, adult members of TANF families are now subject to a lifetime limit of five years of federally funded benefits. If an adult reaches the five-year time limit, she is no longer eligible to receive federally funded assistance. Some states discontinue aid to the entire family when the adult reaches the five-year limit. Under California's Safety Net program, the adult is not eligible to assistance and the remaining family members continue to receive a state-funded grant reduced by the adult's share. Effective July 2011, Safety Net families that fail to meet participation requirements are subject to graduated sanctions that reduce the amount of assistance payable to the family.

TANF also established work participation rates for the state and imposed fiscal penalties for failure to meet the rate. Recipients of assistance must be engaged in at least one or more federally countable work activities for the appropriate number of hours to meet the federal participation standard. The state minimum participation level for single-parent families increased each year from 25 percent in federal fiscal year (FFY) 1997, to 50 percent in FFY 2002, and thereafter. The participation rate for two-parent families increased each year from a minimum of 75 percent in FFY 1997, to 90 percent in FFY 1999 (Falk, 2006). The increase in the required level of participation is significant when compared with the AFDC-administered employment program, Job Opportunities and Basic Skills, which had a target rate of 20 percent and did not impose any penalties. The chart below summarizes the key differences between AFDC and TANF programs (HHS, 1996).

Table 1**AFDC and TANF Program Comparison**

PROVISION	AFDC	TANF
Cash Assistance and Employment Services	Federal government administers both programs.	States administer both programs within federal guidelines.
Individual Work Requirements	None.	Single parent: 30 hours per week. Single parent with child under age six: 20 hours per week. Two-parent families: 35 hours per week.
Time Limits for Cash Assistance	Unlimited.	Five-year limit.
State Work Requirements	20 percent.	50 percent.

CalWORKs

Effective 1998, California implemented CalWORKs, also known as the Welfare to Work Act of 1997, which is based on the federal TANF program. California uses a "work first" model that focuses on employment and activities to promote employment readiness through training and education (Brown, 1997). Counties are responsible for the administration and design of the employment program. Each county develops a county plan that identifies programs and services, along with anticipated spending levels. Following approval by the Board of Supervisors, CDSS reviews the plans for compliance with state and federal law. California annually receives \$3.7 billion in federal block funds and passes through a portion of these funds to counties for administration, employment and training programs, and other services such as childcare. In addition to

federal funds, counties also receive state general funds. TANF requires the state to maintain AFDC spending levels or “maintenance of effort” funding equivalent to 75 percent of FFY 1994 spending, an additional \$2.7 billion in general fund (Falk, 2007).

Counties have considerable flexibility in the development of employment services and work activities, but they must follow federal TANF guidelines. The following are the 12 federally allowable activities: unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, on-the-job training, job search and job readiness assistance, community services programs, vocation educational training, job skills training directly related to employment, education directly related to employment, satisfactory attendance at a secondary school, and provision of child care to participate in a community services program (Falk 2006).

In February 2006, the federal government reauthorized TANF, enacting a number of changes to the 1996 program such as defining allowable work activities. Prior to Reauthorization, states defined the specific activities included in each of these federal categories. California designed its TANF Plan to serve all political divisions throughout the state and serve needy families and children, and help them become self-supporting. A number of state agencies, including CDSS, the California Department of Child Support and California Department of Health, supervise the political subdivisions and establish rules and regulations that are binding at the local level. Now that TANF Reauthorization defined allowable work activities, it is critical to distinguish between federally allowable activities and state allowed activities, yet it is often difficult to do.

In 2005, the U.S. Government Accountability Office (GAO) audited ten states, including California, and noted differences in how states define the 12 categories of work that count toward meeting TANF work participation requirements. Some states changed the definition of TANF work categories and count activities that other states do not count, resulting in inconsistent measurement of work participation and compliance with federal TANF regulations. Because of the GAO study, HHS now oversees states' definitions of work activities and established required hours of participation. HHS is still in the process of working with states to improve internal controls over work participation data. The GAO cited California as lacking guidance on the type of documentation needed to support reported hours of work. In a state as large and as diverse as California, numerous definitions and interpretations of activities that meet federal requirements, along with required forms of documentation, occur across counties. Assessing and comparing county work participation is difficult as CDSS allows counties to define work activities for seven of the 12 categories of work that count toward meeting the federal participation requirement.

Federal Work Participation Rate and Penalties

Each year, ACF calculates the official annual work participation rate using sample case data supplied by CDSS and the counties. Each county forwards sample demographics to CDSS, which reviews, aggregates and forwards the information to ACF on a quarterly basis. Upon receipt of a full year's data, ACF begins the review and validation process, which typically takes two years before the release of an official state achievement rate.

ACF calculates, in addition to the work participation rate, a caseload reduction credit for each state. The caseload reduction credit reduces the work participation rate the state is required to meet and ACF calculates the rate by subtracting the FFY 1995 caseload from the current year FFY caseload and the difference is converted to a percentage or caseload credit. For example, in FFY 2006, the state achieved an official state participation rate of only 22.2 percent for single-parent families. Although the requirement is 50 percent for single-parent families, the state was determined to have met the target due to the application of a 44.9 percent caseload reduction credit, resulting in an adjusted participation requirement of 5.1 percent for single-parent families (ACF, 2008).

Table 2 summarizes California's history of work participation rates for single-parent families. The federally required work participation rate increased 5 percent per year from 1997 to 2002, when it reached 50 percent. The Achieved Rate reflects actual state participation and the Adjusted Rates are determined by subtracting the Caseload Reduction Credit from the Required Rate. Since 1997, California has only met the Required Rate three times: 1997, 1998 and 1999. California met federal work participation goals through 2006 due to the application of double-digit Caseload Reduction Credits that result in very low Adjusted Rate requirements (ACF, 2007).

Table 2**History of California Work Participation Rates (1997 -2006)**

Year	Required Rate (%)	Achieved Rate (%)	Adjusted Rate (%)	Caseload Reduction Credit (%)
1997	25	29.7	19.5	Not published
1998	30	36.6	17.7	Not published
1999	35	42.2	8.5	26.5
2000	40	27.5	7.9	32.1
2001	45	25.9	6.0	39.0
2002	50	27.3	6.7	43.3
2003	50	24.0	5.8	44.2
2004	50	23.1	3.9	46.1
2005	50	25.9	4.5	45.5
2006	50	22.2	5.1	44.9

TANF Reauthorization also changed the base year of the caseload reduction from 1995 to 2005. Beginning with the FFY 2007 calculation, the caseload reduction is determined by comparing caseload numbers from 2007 to 2005. This represents a significant challenge for California, as the caseload decline was greatest prior to 2005. The number of recipients leaving public assistance has slowed in the past few years and contributing factors may include the sagging economy, or perhaps those remaining on welfare are more difficult to serve as they face multiple barriers such as mental health, substance abuse or learning disabilities. According to HHS, welfare caseloads rose for the last half of 2007 about 0.6 percent with 27 states reporting increased caseloads. The reduction in leavers is more noticeable in California as it has the highest number of TANF recipients, over 30 percent of the national caseload (ACF, 2008).

Failure to meet federal work requirements will put the state at risk of incurring federal penalties, which the state may pass down to counties. Prior to TANF, funding for

public assistance was composed of state expenditures matched with federal funds. Now, each state receives a federal block grant representing pre-TANF expenditures. California receives \$3.7 billion in federal block grant funds annually, and the state must provide an additional \$2.7 billion from state general funds, an equivalent of 75 percent of pre-TANF state spending. Federal and state fund amounts are fixed and do not fluctuate due to caseload or expenditure changes, but they are subject to penalties.

If the state fails to meet FFY 2007 participation requirements, it may incur federal block grant penalties, a funding reduction of five percent for the first year and an additional two percent for each consecutive year the state fails to meet the rate, up to a 21 percent reduction. Per the Legislative Analyst's Office (2008), the five percent penalty could be approximately \$149 million annually, potentially growing by up to \$70 million per year. The degree of non-compliance determines the percentage of the penalty. Proration of penalties is possible if the state meets the rate for one caseload category but fails to meet the rate for the other category.

States that fail to meet their work participation requirements are required to backfill the reduction in the federal block grant with state funds, and the required annual level of state-only funding would increase from 75 to 80 percent of pre-TANF spending, a \$200 million dollar annual increase in general fund obligations. The total amount of the federal backfill and increased state-only spending requirement could be \$350 million or more in the first year. California counties are concerned with state performance, as the counties may share in the backfill, resulting in increased general fund expenditure at the local level.

Data Systems

CDSS does not have access to a centralized data collection system for federal or state reporting purposes. The Statewide Automated Welfare System (SAWS), created in 1995, is comprised of business systems that determine eligibility for public assistance, issue benefits, and manage case services. Because existing technology did not support a single system capable of servicing the needs of all 58 counties, SAWS consists of four distinct systems. The four consortia are as follows: -

- Interim Statewide Automated Welfare System (ISAWS) includes 35 counties and 13 percent of the state caseload
- CalWORKs Information Network (CalWIN) includes 18 counties and manages 40 percent of the state caseload
- C-IV (Consortium IV) includes four counties and manages 13 percent of the state caseload
- Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER), in Los Angeles County only, manages 34 percent of the state welfare caseload (Child and Family Policy Institute of California, n.d.)

Although counties seem to agree that one automated system is best, cost and consensus on the selected system continue to be barriers. ISAWS is the oldest system and the technology is described as “obsolete and cumbersome” by the counties (CWDA, 2008). To resolve this problem, the ISAWS Migration Project will move all 35 ISAWS counties to C-IV by June 30, 2010. Table 3 displays current county systems and ISAWS migration plans.

Table 3**County Consortia**

Consortia	Counties August 2007	Counties June 2010
ISAWS	Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Modoc, Mono, Monterey, Napa, Nevada, Plumas, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yuba	Migration to C-IV completed-no participating ISAWS counties.
CalWIN	Alameda, Contra Costa, Fresno, Orange, Placer, Sacramento, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura, Yolo,	Alameda, Contra Costa, Fresno, Orange, Placer, Sacramento, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura, Yolo
C-IV	Merced, Riverside, San Bernardino, Stanislaus	Merced, Riverside, San Bernardino, Stanislaus Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Modoc, Mono, Monterey, Napa, Nevada, Plumas, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yuba
Leader	Los Angeles	Los Angeles

Medi-Cal, California's version of Medicaid provides medical services for over 6 million individuals (Medi-Cal, 2009). Medi-Cal is the system capable of tracking recipients across county lines, family formation, and various forms of assistance. When an individual applies for CalWORKs, eligibility staff queries the Medi-Cal system for prior assistance, case or family associations, and verification of birth and social security

data. CDSS has access to the Medi-Cal database, but it does not include income maintenance or work participation data. Currently, there is no single system accessible to CDSS that matches an individual or family with income and employment data.

Data Collection Tools

CDSS relies on four data collection tools to gather demographics and work participation data from the counties for federal and state reporting purposes. The table below displays the county reports, frequency of submission and data elements.

Table 4

Work Participation Data Collection Tools

Collection Tool	Frequency of Report	Type of Data Collected
Individual Level Report (Single and Two Parent Families)	Monthly	Work Activities
Family Level Data Report	Monthly	Caseload Statistics: -Number of new, restored and discontinued cases.
RADEP Sample	Annual	Federal sample captures demographics, work activities and level of engagement and is statistically valid at state level only.
E2Lite Sample	Monthly	County specific-sample captures work activities and level of engagement and is statistically valid at county level only.

Counties complete three data reports each month, along with sample case reviews for federal and county purposes. Of the data reports, two reports capture individual-level data on single-parent and two-parent families, and the third report is for families or cases. The individual-level reports aggregate the number of individuals that received or were eligible to receive cash aid and their participation status in a number of work activities

during the month. The family-level report aggregates the number of new, restored, or discontinued CalWORKs cases for the report month. Each county is responsible for the completion and accuracy of the data reported each month. CDSS posts the county reports on their website and updates the information as necessary.

The Research and Development Enterprise Project (RADEP) data collection tool captures demographics and characteristics for the federal or TANF case sample that is the basis for the state participation calculation. County staff complete questionnaires that gather case characteristics, work participation data and forward the results to CDSS on a monthly basis. Each quarter CDSS transmits the data used for the state participation rate to ACF and they calculate and release the rate each year. The RADEP sample size is statistically valid only at the statewide level and is not applicable to individual counties (CDSS, 2007).

Enterprise II (E2Lite) is a web-based tool designed to collect work participation data from each county. County staff complete questionnaires that gather work participation data only based on state CalWORKs program rules and forward data to CDSS for calculation of county-specific work participation rates. Due to differences in state and federal policies, the resulting county work participation rates may not equate to the overall federal state rate. For example: TANF work participation rules require inclusion of adults that reached the five-year time limit which lowers the statewide work participation rate, while CalWORKs rules exclude these adults from the work rate calculation.

In summary, TANF Reauthorization imposed a new state participation requirement and changed the base year used to compute the caseload reduction credit. CDSS and the counties have considerable flexibility in implementing TANF and CalWORKs policies and allowable activities. Failure to meet the work participation standard may result in the state incurring a reduction in federal TANF funding. States are required to backfill the loss of federal funding with state general fund and counties may share in the backfill as well. There is no central data collection system that is available to CDSS that combines income maintenance and work participation data; therefore, CDSS uses four collection tools to gather source data for federal and state work participation reporting.

The next chapter describes the reports published by CDSS and the review criteria that I used to analyze them.

Chapter 3

METHODOLOGY

Listed below are the CDSS published reports included in my review. These reports use monthly county-supplied data (individual and family-level), RADEP federal sample cases and E2Lite county sample cases. The table below identifies the reports, purpose, frequency, data source, and entity responsible for completion.

Table 5**Work Participation Publications**

Title	Purpose	Frequency	Data Source	Publisher
County TANF Annual Work Participation Report	Displays the participation status of individual counties.	Annual	RADEP E2Lite Family-level	State
CalWORKs Participation Status of Adults	Displays the participation status of CalWORKs cases with an adult(s).	Quarterly	Individual-level Family-level	State
Federal Work Participation Report	Displays the state's unofficial federal work participation rate.	Annual	RADEP Individual-level Family-level	State
TANF Caseload Chart	Displays the overall CalWORKs caseload and reflects cases that are required to participate in federal activities and cases that are exempt from CalWORKs requirements.	Annual	RADEP Individual-level Family-level	State

CDSS uses data supplied by the counties, individual and family-level reports, aggregates the information at the state level and publishes the report along with the original county reports on CDSS's website. Individual-level data reports provide the activities that participants engaged in during the report month. Family-level data reports

provide the monthly status of CalWORKs cases, such as the number of cases that were new, restored or discontinued during the report month. When counties fail to complete the monthly report, CDSS carries over the data from the previous month and revises the aggregate reports as counties correct or submit new data. My review did not include a review of RADEP and E2Lite data because the source data are not available to the public.

CDSS has developed a system for collecting data and publishing reports to assess the efficiency and effectiveness of employment readiness programs. Effective April 2007, CDSS shall publish available county reported data and outcomes on a periodic, but not less than a quarterly basis (CDSS, 2007). To analyze CDSS' data collection process, my review focused on three areas: timeliness, accuracy and compatibility of the data and publications. I selected these attributes because they overlap each other, one attribute does not carry more importance than another does, and all three attributes must be present for meaningful data collection.

Because errors may occur at collection or when manipulated, I will apply the review criteria to county supplied source data or raw data as well as the published reports. My review will determine if the raw data does not meet quality indicators or if the manipulation process fails to meet the criteria. For example, if the counties supply raw data that is not timely or accurate the results are not meaningful due to poor quality data. If CDSS combines data sets that are not compatible with one another, the results are not meaningful due poor methodology or manipulation. The table below summarizes my three focus areas and benchmarks that I used in my analysis of the source data and methodologies of the published reports.

Table 6**Review Criteria**

	Source Data from Counties (individual and family-level reports)	CDSS Published Reports
Timely	<ul style="list-style-type: none"> • Data reports provided to CDSS each month. 	<ul style="list-style-type: none"> • Reports produced not less than quarterly.
Accurate	<ul style="list-style-type: none"> • Reported work activities are consistent with TANF Reauthorization requirements and meet the federal level of engagement. • Reports are complete and have no missing categories or duplication of reporting. 	<ul style="list-style-type: none"> • Reported work activities are consistent with TANF Reauthorization requirements and meet the federal level of engagement. • Reports are complete and have no missing categories or duplication of reporting.
Compatible	<ul style="list-style-type: none"> • Data is collected in a consistent manner by knowledgeable staff 	<ul style="list-style-type: none"> • Data sets are compatible with one another and may be combined for joint interpretation.

In addition to reviewing the source data and methodology for each of the four published reports, when possible, I replicated the report to test the accuracy of the methodology. When replicating work participation reports, I used the most recent version of the county supplied data reports. I did not replicate any publication that used RADEP or E2Lite sample data, due to lack of source data and information on the weight assigned to sample cases under review (CDSS, 2008).

In summary, CDSS publishes four reports on their website. One report is for federal participation rate calculation and CDSS uses the three remaining reports as indicators of employment program progress. I used three quality indicators in my review

and applied them to raw data and the manipulation process used to produce the participation reports: timeliness, accuracy and compatibility. The next chapter details the results of my analysis and findings.

Chapter 4

FINDINGS

There is no single report that CDSS or the counties may use to determine point-in-time work participation status, gather cumulative progress, or assess current program performance. Below are the results of the analysis of each of the four work participation reports.

County TANF Annual Work Participation Report

Source Data: The County TANF Annual Work Participation Report uses two monthly samples: E2Lite county data and federal RADEP data. Each county completes the samples on a monthly basis. RADEP captures caseload characteristics and work participation data while E2Lite captures work participation data only. Although both systems do not capture the same information, the process is consistent as each uses a series of questionnaires and requires documentation to validate work activities and level of engagement. The raw data is timely, accurate and the data sets are compatible. CDSS does not allow any missing data categories.

Publication: The report is not timely as CDSS publishes the report annually and for the prior FFY. For example, CDSS published the FFY 2007 County TANF Annual Participation report in December, 2008, too late to make changes for FFY 2007 and possibly too late for FFY 2008.

Analysis: The source data meets the review criteria; however, CDSS publishes the report less often than quarterly; therefore, the data is not meaningful.

CalWORKs Participation Status of Adults

Source Data: The CalWORKs Participation Status of Adults chart uses two data sources: individual-level and family-level data. Counties provide the data to CDSS each month; therefore, the data is timely.

The individual-level data reports capture recipient work activities during the month. The report instructions do not require single category reporting; thus, duplicate reporting of individuals may occur. For example, an individual may participate in job search activities and begin working in unsubsidized employment during the same month. Counties will report the individual as participating in both work activities in the same report month.

Federal requirements are very specific as to the level of engagement for each activity, and an individual may engage in an activity but fail to meet the hourly participation requirement. The report instructions do not require that an individual meet the federal engagement standards. Single-parent families with a child over the age of six require at least 30 hours participation per week in work activities, while families with a child under age six must participate 20 hours per week. Two-parent families participate a combined total of at least 35 to 55 hours per week and one of the adults must participate a minimum of 20 of the required 35 to 55 hours to meet the federal requirement. The accuracy of the source data is not meaningful because it does not provide the primary activity or level of engagement in sufficient detail to determine whether the adult has met the federal participation requirement and duplicate reporting of an individual engaged in multiple activities may occur. In addition, the report instructions refer to county

definitions of work activities. CDSS does not verify if county defined work activities meet TANF Reauthorization standards.

Report: The methodology used by CDSS is inappropriate because it combines distinct data sources, individual-level and family-level, which creates a bias. The individual-level report captures the activities of recipients during the month, but extrapolating the results of their activities to monthly caseload numbers is inaccurate. Counties provide CDSS with two monthly individual-level reports, one for adults in single-parent families and one for adults in two-parent families. If CDSS were to extrapolate the results of adults in single-parent families back to single-parent cases the results would still be misleading. Single-parent families represent approximately 40 percent of the caseload, while two-parent families account for approximately 7 percent (CDSS, 2009). Yet, two-parent families tend to participate at a higher rate than single-parent families. The error in CDSS' methodology is not obvious at the statewide level but is clear at the county level.

To test this theory, I recreated the CalWORKs Participation Status of Cases with Adults Chart at the state and county level for FFY 2007. (See Appendix A, Comparison of Statewide and Counties Results.) The Chart identifies the number of non-exempt cases with an adult and subtracts sanctioned and non-compliant cases leaving cases not participating in any activity during the month. The quarterly statewide results for cases not in activity range from approximately 15,000 to over 31,000 during FFY 2007.

At the county level, the chart shows 39 out of 58 counties report negative numbers in one or more months for the same period. The purpose of the chart is to

identify non-exempt cases and report their participation. This includes identifying any cases that are not in an activity during the month. It is possible this category or others would have zero cases, but it is not possible to have a negative number of cases in this or any category.

Analysis: The CalWORKs Participation Status of Adults chart is timely but the data is not meaningful because the accuracy of the raw data is questionable. The counties and CDSS do not know if the individual participated in a federal or state defined work activity, if duplicate reporting occurred, or if the level of engagement was sufficient to meet federal hourly requirements. Furthermore, the report published by CDSS combines incompatible data sets that create a bias resulting in negative case numbers.

Federal Work Participation Report

Source Data: The Federal Work Participation Report uses source data from the federal RADEP sample. Each county completes the samples on a monthly basis. RADEP captures caseload characteristics and work participation data. The process to gather the data is consistent among counties, is questionnaire driven, and requires documentation to validate work activities and level of engagement. The raw data is timely, accurate and the data sets are compatible. CDSS does not allow any missing data categories.

Report: The data sets are compatible and the methodology is appropriate but report is not timely as CDSS publishes the report annually and for the prior FFY.

Analysis: The source data meets the review criteria; however, CDSS publishes the report less often than quarterly; therefore, the data is not meaningful.

TANF Caseload Chart

Source Data: The TANF Caseload Chart displays the makeup of the CalWORKs caseload and levels of work participation. The Chart uses two data sources: individual-level and family-level data. Counties provide the data to CDSS each month; therefore, the data is timely. The accuracy of the data is questionable as the counties and CDSS do not know if the individual participated in a federal or state defined work activity, if the county definition of the activity meets TANF Reauthorization requirements, if the level of engagement was sufficient to meet federal hourly requirements, or if duplication of work activities occurred.

Report: The report published by CDSS combines incompatible data sets that create a bias and CDSS publishes the report annually and for the prior FFY.

Analysis: The TANF Caseload Chart is not meaningful, because the accuracy of the source data is questionable, the methodology creates a bias and CDSS publishes the report less often than quarterly.

Analysis

CDSS produces and publishes four reports, one for the unofficial federal participation rate calculation and the remaining three reports to measure program effectiveness. My analysis indicates there are three primary problems with the federal and state participation reports: timeliness, accuracy and compatibility of data measures.

Timeliness- CDSS publishes three annual reports that capture data for the prior FFY and one quarterly report. The most recent version of the CalWORKs Participation Status of Adults Chart available on the CDSS website is December 2007. I do not know

why CDSS has not updated the Chart, as the county-supplied data reports are available on CDSS's website.

Counties do not provide source data to CDSS in a timely manner. Each county compiles monthly individual-level and case-level data and is supposed to submit the results to CDSS. A review of the data reports available on the CDSS website indicates that counties often fail to submit the reports each month. When this occurs, CDSS carries over data from the prior month to the current month, and the reporting delay may span several months. CDSS summarizes county-specific data and generates a statewide summary revised each time counties resubmit their monthly reports. Based on a review of the county-supplied data reports and the dates, the length of time between the original submission of county data report and the final submission may span two years.

Accuracy-The quality of the individual-level data is questionable. Following implementation of TANF in 1996, CDSS updated the form to reflect CalWORKs needs, but the essential function of the report is to capture activities of recipients, not to capture work participation status or levels of engagement. The lack of clarity in the report's instructions makes it possible for counties to report an individual in more than one activity during the month. Reporting an individual in a given activity does not mean she or he engaged in the activity for a sufficient number of hours to meet the federal standard; therefore, it is erroneous to use the data as a measurement of federal participation status.

Counties should only report the recipient's primary monthly activity, as determined by the level of engagement. For example, when an individual participates ten hours per week in job search activities and obtains 30 hours per week of unsubsidized

employment during the same month, her primary activity is unsubsidized employment. Because her engagement level met the federal requirement, the county reports her as fully participating. If she worked 15 hours per week, unsubsidized employment remains her primary activity, but her engagement level is below the federal requirement.

Identification of activities and level of engagement are critical for program planning, as counties need to know where to focus their energy and resources. It is more cost effective to increase the level of participation of partially engaged recipients than to engage the currently non-engaged. Although CDSS gathers statewide levels of engagement during the year via the RADEP and E2Lite process, the Department only publishes the results annually. Reporting primary activity and level of engagement via the county monthly data reports is a powerful program assessment tool for CDSS and the counties.

In addition, participation within an activity does not automatically mean the activity itself meets the definition of one or more of the 12 federally allowable activities. The individual-level report instructions indicate "county definition" for the following activities: self employment, on-the-job training, work-study, job skills training directly related to employment, vocational education training, education directly related to employment, and providing child care to community service participants. California counties design their CalWORKs plans, which mean local definition of work activities may vary from county to county. CDSS approved most of the county plans posted on their website prior to the 2006 TANF Reauthorization. Prior to Reauthorization counties were not required to clarify program activities and identify how those activities met

federal requirements as part of the CDSS approval process, thus, CDSS does not know if county-defined activities are federally allowable.

CDSS should consider revising individual and case-level report instructions to designate use of a primary activity, to report levels of engagement and to reflect TANF definitions of allowable activities. CDSS is required to review and approve county TANF plans, and that process should require annual reviews of county program activities to ensure compliance with federal participation requirements.

Compatibility-Data elements must be compatible with one another. Combining individual-level and family-level data creates a bias as demonstrated by replicating the methodology at the county level. CDSS should review the methodology for the CalWORKs Participation Status of Adults Chart and consider alternatives to the current methodology. For example, ACF determines the work participation rate by placing all adults meeting the federal participation rate in the numerator and all non-exempt adults in the denominator and the result is the statewide participation rate, which could be determined in any given month using individual-level data reports. However, this option is not feasible unless CDSS revises the individual-level data report to restrict reporting an individual to one activity, indicating the level of engagement, and until counties are required to follow federal definitions of allowable activities.

Lastly, CDSS is not able to access data from the four county consortia; therefore, data collection begins at the county level. Due to the high cost of merging data systems, it is unlikely that a single system that is accessible to CDSS and the counties is feasible. CDSS, the California Welfare Directors Association, and county representatives should

come together to address data collection policies and to strengthen their procedures, including the provision of staff training.

CDSS and the counties are working hard to develop new strategies that will increase the participation rate. However, counties are unable to evaluate the effectiveness of their strategies or plan new programs until they have access to meaningful work participation data and assessment tools.

Conclusion

A primary goal of publishing and sharing work participation data is to learn the status of current employment services program progress to assist CalWORKs recipients to move into gainful employment. Collectively, the four available reports provide some insight into the work participation status of CalWORKs participants, but there is still no single report that provides an accurate and timely “snapshot” of the activities and level of engagement of California’s TANF population. The current practice of using multiple publications to measure the effectiveness of California’s employment program is neither efficient nor effective.

In 2007, the Data Master Plan workgroup recommended creation of a “point in time” statewide engagement report (CDSS, 2007). The report would include data elements such as primary employment services activities, hours of engagement within federally countable activities, and the ability to match case status to activity level. For example: activity and level of engagement data is cross-matched to case status to determine whether a family is new to aid, exempt from participation, or sanctioned for non-compliance with program policies. The state and counties could use this tool for

case management activities and future employment program planning. To-date, CDSS has not published this tool. I recommend that CDSS and the counties continue their efforts to develop this report or a similar publication to assess employment services program effectiveness and measure progress toward program goals

APPENDIX-A

Statewide and All Counties Chart

Statewide		December-06	March-07	June-07	September-07
Total Non-Exempt Cases w/in Adult		208,225	233,414	261,359	206,537
Total Non-Exempt Cases Participating		108,345	112,953	115,590	113,323
Sanctioned Cases		42,522	41,985	41,300	39,141
Non-Compliant Cases		25,867	27,561	27,594	23,321
Cases not in an activity during the report month		31,053	20,915	15,275	30,377
Alameda	Cases not in an activity during the report month	4,063	2,783	2,182	3,320
Alpine	Cases not in an activity during the report month	3	1	(1)	(1)
Amador	Cases not in an activity during the report month	(9)	(7)	(15)	(22)
Butte	Cases not in an activity during the report month	255	391	305	268
Calaveras	Cases not in an activity during the report month	22	45	32	24
Colusa	Cases not in an activity during the report month	4	(5)	(13)	(10)
Contra Costa	Cases not in an activity during the report month	523	183	6	230
Del Norte	Cases not in an activity during the report month	(321)	(464)	(511)	(495)
El Dorado	Cases not in an activity during the report month	(59)	(45)	(85)	(29)
Fresno	Cases not in an activity during the report month	(619)	(1,225)	(1,267)	357
Glenn	Cases not in an activity during the report month	(17)	(35)	2	(25)
Humboldt	Cases not in an activity during the report month	(414)	(485)	(506)	(399)
Imperial	Cases not in an activity during the report month	261	(364)	(416)	(179)
Inyo	Cases not in an activity during the report month	9	(5)	(6)	(3)
Kern	Cases not in an activity during the report month	(2,235)	(2,117)	(2,226)	(2,268)
Kings	Cases not in an activity during the report month	(43)	(12)	17	(34)
Lake	Cases not in an activity during the report month	(133)	(152)	(233)	(235)
Lassen	Cases not in an activity during the report month	25	44	104	10
Los Angeles	Cases not in an activity during the report month	15,003	13,746	13,551	15,770
Madera	Cases not in an activity during the report month	(325)	(325)	(472)	(346)
Marin	Cases not in an activity during the report month	(76)	(47)	(85)	(28)
Mariposa	Cases not in an activity during the report month	(7)	(17)	(13)	(9)
Mendocino	Cases not in an activity during the report month	(53)	(75)	(166)	(228)
Merced	Cases not in an activity during the report month	245	31	42	9
Modoc	Cases not in an activity during the report month	6	29	(21)	(3)
Mono	Cases not in an activity during the report month	3	1	9	9
Monterey	Cases not in an activity during the report month	(473)	(551)	(542)	(478)
Napa	Cases not in an activity during the report month	(18)	1	(12)	2
Nevada	Cases not in an activity during the report month	(25)	(45)	(34)	(20)
Orange	Cases not in an activity during the report month	1,952	1,771	1,538	2,109
Placer	Cases not in an activity during the report month	(59)	(65)	(46)	10
Plumas	Cases not in an activity during the report month	1	(23)	(25)	(5)
Riverside	Cases not in an activity during the report month	681	(42)	108	397
Sacramento	Cases not in an activity during the report month	7,905	5,941	4,168	4,438
San Benito	Cases not in an activity during the report month	37	85	93	100
San Bernardino	Cases not in an activity during the report month	(2,352)	(2,512)	(2,266)	(1,397)
San Diego	Cases not in an activity during the report month	983	123	(385)	327
San Francisco	Cases not in an activity during the report month	(655)	(724)	(565)	(570)
San Joaquin	Cases not in an activity during the report month	2,765	2,586	2,432	2,700
San Luis Obispo	Cases not in an activity during the report month	51	72	54	66
San Mateo	Cases not in an activity during the report month	51	(23)	(132)	(37)
Santa Barbara	Cases not in an activity during the report month	(448)	(719)	(845)	76
Santa Clara	Cases not in an activity during the report month	552	539	391	1,246
Santa Cruz	Cases not in an activity during the report month	(345)	(444)	(391)	(197)
Shasta	Cases not in an activity during the report month	(117)	52	(156)	(47)
Sierra	Cases not in an activity during the report month	(9)	(5)	(3)	7
Siskiyou	Cases not in an activity during the report month	70	85	62	134
Solano	Cases not in an activity during the report month	1,852	1,684	1,359	2,338
Sonoma	Cases not in an activity during the report month	(513)	(537)	(522)	(278)
Stanislaus	Cases not in an activity during the report month	1,073	682	337	355
Sutter	Cases not in an activity during the report month	(113)	(93)	(95)	(106)
Tehama	Cases not in an activity during the report month	3	17	(16)	(9)
Trinity	Cases not in an activity during the report month	1	(2)	(6)	10
Tulare	Cases not in an activity during the report month	1,552	1,299	1,143	1,517
Tuolumne	Cases not in an activity during the report month	(73)	(59)	(94)	(60)
Ventura	Cases not in an activity during the report month	792	432	218	304
Yolo	Cases not in an activity during the report month	(145)	(371)	(504)	(65)
Yuba	Cases not in an activity during the report month	(73)	(159)	(177)	(120)
Total		31,053	20,915	15,275	30,377

APPENDIX B**List of Acronyms**

ACF-Administration for Children and Families

AFDC-Aid to Families with Dependent Children

C-IV-Consortium IV

CalWIN-CalWORKs Information Network

CalWORKs-California Work Opportunity and Responsibility for Kids

CDSS-California Department of Social Services

E2Lite-Enterprise II

FFY-Federal Fiscal Year

GAO-U.S. Government Accountability Office

HHS-U.S. Department of Health and Human Services

ISAWS-Interim Statewide Automated Welfare System

LEADER-Los Angeles Eligibility, Automated Determination, Evaluation and Reporting

RADEP-Research and Development Enterprise Project

SAWS-Statewide Automated Welfare System

TANF-Temporary Assistance for Needy Families

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