

**Statement of Will Lightbourne, Director  
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On behalf of the  
County Welfare Directors Association of California**

**Testimony Before the Subcommittee on Human Resources  
Of the House Committee on Ways and Means**

**Hearing on Welfare Reform Reauthorization Proposals**

**April 11, 2002**

Mr. Chairman and Members of the Subcommittee, thank you for inviting me here today to share the local level perspective from the nation's largest state on the welfare reform reauthorization proposals under consideration by your committee. I am Will Lightbourne, Director of the Social Services Agency in Santa Clara County, California, and Vice President of Program for the County Welfare Directors Association of California (CWDA).

By any measure, California's TANF program has been a success, and we look forward to building on that foundation in the next stage of welfare reform. At its peak in 1995, California's welfare program aided nearly one million families and by January 2001 had declined to 490,000 families. Well over half – 57% - of adults on aid are actively engaged in some form of work or work-related activity. One third of all adults are meeting the work participation requirement – 32 hours for single parents and 35 hours for two-parent families.

For our counties, the major challenge is to address and remedy the problems of families that are a long way from being ready to maintain stable employment and move off welfare, the “multiple barrier” families. Some of these are among the other 24% of families engaged in work or work activity, but for insufficient hours to meet the requirement. Many others are among the 43% of adults who are not currently engaged. Before exploring how the reauthorization affects the hard-to-serve families in our caseload, I want to address some more general features of the proposals, especially the Administration's.

President Bush's proposal highlights child well being and strengthening of families as the overall goal of TANF Reauthorization, a goal that we firmly endorse. Several policies adopted in California's CalWorks program exemplify those principles and serve as the framework for numerous “family friendly” programs and services provided by the counties.

We are heartened that in addition to strengthening families, all of the various reauthorization proposals introduced to date are headed in the right direction, in that they preserve the basic block grant flexibility and the emphasis on the work first approach of the 1996 law. Further, all the proposals would maintain at least the current funding level, and some would add a cost of living increase or recognize the need for more child care funds.

In addition, the Administration's proposal improves flexibility in use of TANF funds, by allowing states to:

- establish a Rainy Day fund, which can be drawn down in future years without additional maintenance of effort requirements;
- spend prior-year funds carried over for non-assistance needs, as well as cash assistance;
- provide support services to non-working families, without counting it as assistance,
- maintain the Contingency Funds, and
- utilize "super waivers" to integrate and coordinate agencies and programs at the local level.

## FUNDING

It is vital to preserve or increase the funding available for all TANF purposes, and, specifically, to increase the amount of TANF funding available for child care. CWDA's policies for reauthorization call for additional funding, through a cost of living increase for the basic block grant, or by increasing child care funds, which will be needed if a higher work participation rate or increased work hours are enacted. California has spent 96 percent of its TANF block grant allocations to date, and faces a severe fiscal crisis in the coming year, an estimated \$12.5 billion budget deficit.

Funding for incentive programs should not be carved out or set aside from the TANF block grant, but should be separately provided, as is proposed for the Administration's healthy marriage and responsible fatherhood initiatives.

CWDA also supports restoring benefits to legal immigrants and funding the Social Services Block Grant at \$2.8 billion, with authority to transfer 10% of TANF to the services block grant.

## FLEXIBILITY

Preserving the great flexibility provided by the TANF law is critical. That flexibility is the hallmark of California's welfare reform program, which allows the counties to invest assistance and supportive services over a longer period in order to foster employment stability and long-term family self-sufficiency. A generous earned income disregard, reflecting the generally higher cost of living in the state and a sanction policy that removes only the non-compliant adult from cash assistance. A "child safety net" will continue a reduced, child only grant when parents reach the 60-month limit. The counties, in collaboration with community- and faith-based organizations, schools, child care providers, workforce agencies, housing and transportation agencies, and treatment providers, have designed creative programs that respond to the unique needs of their areas.

## WAIVER FLEXIBILITY

The proposed "super waiver" program can be a useful tool to enhance the local design and service flexibility described above, particularly for inter-agency and inter-jurisdictional collaboration. It is important that the waivers can serve regions or counties, as proposed. CWDA recommends that the Secretary be given authority to waive cost-neutrality requirements.

## EMPLOYMENT BONUS OR CREDIT

We recommend that states receive credit for the numbers of recipients placed in full or part-time employment and those engaged in activities leading to work. Rather than rewarding states for the number who leave the roles for work, as the Caseload Reduction credit now does, the employment credit would reward progress toward meeting participation rates. It would recognize job entry efforts of states such as California, where many families with an employed adult remain on assistance because of low wages and high cost of living. The employment credit provision of H.R. 4057 by Rep. Sander Levin and its companion, S. 2058 by Senator Blanche Lincoln supports this approach.

Although California benefits from the caseload reduction factor – which effectively reduces its work participation requirement from 50% to only 8%, it has masked the high level of success the counties attained in engaging 57% of adult recipients in work.

#### UNIVERSAL ENGAGEMENT WITHIN 60 DAYS

The proposal put forth by the Administration would require an upfront assessment of every participant and require every participant to be engaged within 60 days of program entry in a family self-sufficiency plan that includes work. This approach, coupled with a narrower definition of work that no longer specifically includes job search, may require revision of our “work first” approach that engages participants in an upfront test of the labor market.

Clarification is needed about how this universal, early engagement affects the work first approach and whether work first without other engagement in other activities can be done only in the proposed 90 day intensive services period.

The current “work first” approach allows a significant percentage of participants to secure unsubsidized employment within the first few months. This initial period of intensive job search instructs recipients on the preparation of resumes and job applications and requires them to apply or interview for certain numbers of jobs each week. By the end of this period (which varies by county), those who are employable typically have found a job, and those who haven’t found work are assessed further to determine what is holding them back. At that point, we work to find a mix of activities that will move these participants into the workforce, and toward unsubsidized employment, as quickly as possible. Each person will need a different set of activities to succeed.

#### WORK PARTICIPATION REQUIREMENTS

We support efforts to increase participation in work and work activities; however, these efforts must maintain maximum flexibility for states and counties, recognizing the unique needs of families receiving TANF and the need to tailor services to meet those needs.

The administration’s proposed combination of phasing up the state participation rate to 70%, requiring 40 hours weekly of work and work-related activity, and limiting the activities that count toward the 24 hours of work gives states far less flexibility than the current program. We are concerned that increasing either the hours or the participation rate will disrupt successful programs, especially our efforts to serve families with multiple barriers.

The proposed mix of 24 hours work and 16 hours of other activity seems arbitrary and difficult to administer, despite the greater flexibility for states to define and expand the range of activities that may count in the 16-hour portion.

CWDA strongly recommends that states be allowed to retain their current minimum of work hours and the discretion to determine the mix of direct work and other activities that individuals need to perform. Job search and vocational education should remain a part of the definition of work.

Further, we recommend that the current state participation rate be retained. We believe that maintaining the 50 percent work participation rate, coupled with modification or replacement of the caseload reduction credit, will increase states' actual work requirements significantly while enabling states and counties to achieve continued success during the second phase of welfare reform. To encourage rates higher than 50%, incentive payments could be provided for states that are meeting the 50% rate and can progress incrementally.

Eliminating separate work requirements for one and two-parent families supports the goal of stabilizing families and improving child well being, and it will simplify the tracking, case management, and reporting of the work participation requirements. Consistent with our recommendations above, we recommend that the current single-parent hours and work participation rate be used for both.

We are concerned that in order to step up to more than 50% participation, and to meet the proposed 24/16 hour minimums, we would have to back down some of the support services that we now provide to working TANF families and to the less job ready families. Without additional funding to meet additional costs for staff, tracking and reporting systems, and child care, resources would be drawn from current programs.

States and counties have achieved unprecedented success with a work participation rate of 50 percent and under current TANF work week limits. California's 32-hour per week requirement for one-parent families engages recipients in the workforce with a mix of work, education, training, or treatment that is determined by the county in consultation with each participant. Although some work less than the federal weekly hours requirement, fifty seven percent of our caseload are working or participating in work-related activities. California's program allows working recipients to continue receiving a reduced grant for an indefinite period, and to continue receiving supportive services during and after their time on aid. Research on the Minnesota Family Investment Program, after which California's program is patterned, shows that a longer period of assistance, coupled with an emphasis on work and the provision of services to the family, leads to better outcomes for children and families.[1]

In addition, many of the working parents who remain on our caseload due to low wages and the earned income disregard structure, would have to take on multiple jobs to meet the work requirements. A further concern is that counties would have to develop stop-gap public service jobs in order to total 24 hours for all recipients working less hours. High-unemployment areas could be particularly affected, where unsubsidized jobs are lacking and public employment may not be able to supply the extra hours.

A case example illustrates the need for the counties to have flexibility and discretion about the mix of work and activities:

A single mother with major depression, a history of violent relationships, no high-school diploma and no work experience. The expectation for her to be able to work 24 hours per week and participate in other activities for another 16 hours is not realistic. For this mother, participation in drug treatment, counseling, and adult basic education classes may be the best approach; not just for three months and not just for 16 hours a week, but until she is able to enter the workforce and sustain employment.

#### COUNTABLE ACTIVITIES

All current work activities, including job search and time-limited vocational education, should continue to count as work participation. For example, we have found that an upfront test of the labor market through a period of assisted job search is the best way to determine who is employable and who needs more in-depth services and training in order to find a job. Further, participation in activities contained in a participant's welfare-to-work plan, such as mental health and substance abuse treatment, counseling, and basic education, should also count toward the work requirement.

#### CHILD CARE

Any change to work requirements would create significantly higher demand for supportive services, especially child care. Early estimates on the added cost in California of child care of the Administration's proposal range from \$300 million to half a billion dollars annually. The state already commits \$3.2 billion each year, about half state and half federal funds, to child care subsidies for current and former welfare recipients and the working poor.

If child care demand increases significantly, we will be unable to meet that demand and also provide the kind of case management and supportive services that will be needed to get recipients engaged in work and work activities. Something will have to give. We are very concerned that some of the creative county-run programs that have made welfare reform a success would have to significantly scale back or even end as resources shift to more child care and monitoring of expanded work participation.

#### SUPPORTIVE SERVICES

TANF work requirements need to recognize the significant challenges states and counties face in helping seriously impaired recipients to participate in any activities. We need the flexibility to count participation in activities such as treatment and domestic abuse services toward individuals' work participation, without arbitrary time limits or artificially distinguishing between work and treatment activities.

As the caseload size declined, the way in which California spends its money has shifted dramatically, as well. Average monthly expenditures on cash grants have dropped sharply and now almost half of the TANF funds are spent on supportive services such as child care, transportation, mental health and substance abuse treatment, and domestic abuse services.

Support services are needed by most of the working TANF families and almost all of the families with severe or multiple barriers to employment.

In Sonoma County, roughly half of the current caseload is participating in mental health services, drug abuse treatment, and/or domestic abuse services to help deal with multiple employment barriers. Sonoma County has found that vocational training is also an important intervention strategy to enable individuals with no skills to learn a skill, and to help working individuals with some skills improve their ability and find higher-paying jobs. Despite the prevalence of these major employment barriers among our caseload, none of the treatment and services we provide to these participants are countable toward the federal work participation requirements, with the exception that under current law, up to 12 months of vocational training is allowed at state discretion.

### MULTIPLE BARRIERS

Since several of CWDA's recommendations for TANF reauthorization are in the context of families that are hard to serve in a system that demands work and self-sufficiency, we want to describe some of the challenges. Many of those who remain on aid have multiple barriers to employment that must be addressed before we can help them even find a job, including little or no experience in the workforce. These adults do not know how to deal with the trials of daily life, let alone the requirements of TANF. They may have limited education or training, learning disabilities, poor English skills, mental illness, substance abuse problems, criminal records or current legal issues. Typically there is no reliable way to get from their homes to training programs, child care, or a job. A full range of basic supportive services is needed, which unless combined with work may not count toward required participation.

Counties have started creative programs, such as multidisciplinary clinical evaluation and treatment teams stationed at their welfare offices, specialized training for case workers in spotting potential barriers to employment and talking with the recipients about these issues, and intensive training in life skills that many of us would consider very basic, but that our recipients never learned. It will take time to learn from the results of these attempts, to refine our approach, and to help our staff learn to use the tools they have been given to work with these extremely challenging recipients.

During 2000 and 2001, CWDA commissioned focus groups of county staff in each region of the state.[2] The findings show much pride in counties' ability to get participants to work, in their ability to collaborate with local agencies and the business community, and in their shift from a system focused on giving people monthly welfare checks to a system focused on employment and family well-being. One focus group participant noted:

People have chaotic lives. We do a little survey when they come back [on aid]. One person wrote in for, "Why did you go off aid?": *My husband got a job.* And for, "Why are you back today?": *My husband got arrested and put in jail.* It seems like a lot of life crises and turmoil going on, so employment [alone] is not necessarily the answer for the working poor. We still have to make a case that the services have to continue -- the case management services, mental health services, [and] job retention services so they can stabilize and get into career development.

Another focus group participant commented on the fact that not every family with problems wants to admit that they are in trouble.

I think it is important that people understand that there is a lot of denial in these families. *They* don't have an alcohol problem, and *they* don't have a mental health problem. So when our workers are first going out or talking to them in the office, the workers are being told that *they* don't need these services. It isn't until we start trying to get them in job club or orientation or whatever that we start seeing behaviors we knew of all along.

Research is also confirming the extent of multiple barrier families in TANF programs. A General Accounting Office study found last year that 44 percent of TANF recipients had at least one physical or mental impairment [3] The California Institute for Mental Health has found a similar prevalence in its study of 643 recipients in Kern and Stanislaus counties. In two rounds of intensive interviews, the Institute found that nearly one-fifth had a need for services in more than one of three areas. Taken individually, between 30 and 33 percent of respondents needed mental health services, and 12 to 18 percent needed substance abuse services. Depending on the county, 22 to 26 percent (Kern) and 32 to 37 percent (Stanislaus) reported a need for domestic violence services. These two counties were chosen because the approach they take to substance abuse, mental health, and domestic violence identification and treatment are seen as a model for other counties to follow.[4]

## CONCLUSION

The bottom line is: Let states decide the best way to put people to work, based on the research in the field and the success they have already achieved. Replace the caseload reduction credit with a credit that better reflects how states and counties put people to work, but maintain the 50 percent work participation rate and the current work week. Recognize the significant barriers that these families face, and let us work with them, on an individualized basis, to help them progress. Preserve at least the current funding level and provide new funds for any extra demands that the reauthorized program imposes, such as child care.

Thank you for the opportunity to present our views. My colleagues and I are pleased to be part of the revolution that was welfare reform, stage 1 and we are confident about moving California's program into the second stage with new TANF legislation.

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[1]Virginia Knox, Cynthia Miller, Lisa A. Gennetian (September 2000). *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program*. Manpower Demonstration Research Corporation and Minnesota Department of Human Services. Available online at <http://www.mdrc.org>

[2]Jann Donnenwirth (January 2001). *Results of Focus Group Research on CalWORKs Programs in 27 California Counties*. Center for Human Services, University of California-Davis, Davis, California.

[3]U.S. General Accounting Office (October 31, 2001). *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Toward Employment*. GAO-02-37, Washington, DC. Available online: <http://www.gao.gov>

[4]Daniel Chandler and Joan Meisner (February 2002). *CalWORKs Project Research: Alcohol and Other Drugs, Mental Health, and Domestic Violence Issues: Need, Incidence, and Services*. California Institute for Mental Health, Sacramento, California. Available online: <http://www.cimh.org>