

## Working Against the Clock: Implementing Five-Year Welfare Time Limits in California

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January 1, 2003, marked the first time that low-income families with children in California reached the new five-year lifetime limits on welfare. In this Brief we summarize early findings from our continuing three-year study examining the implementation and effects of 60-month welfare time limits in California. The data we present were collected in 2003. Officials in the state Department of Social Services and county welfare departments report that they have been addressing a number of the issues we describe here. In future reports, we will update these administrative findings.

### Background

In 1996 Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), creating the Temporary Assistance for Needy Families (TANF) program and a 60-month lifetime limit on federal cash assistance. This time limit represents a major shift in federal antipoverty policy. States may continue to provide cash aid to families reaching the federal time limit, but must do so with their own funds.

In 1997, to comply with PRWORA, California created the California Work Opportunities and Responsibility for Kids (CalWORKs) program. Under CalWORKs, adults lose their portion of the family's cash grant after 60 cumulative months, but their children usually remain eligible for the state-funded Safety Net program. The California law also seeks to cushion the loss of cash aid by providing more broadly for exemptions and extensions than does federal law.

To assess the early implementation of the CalWORKs time limit, from June through December 2003 we surveyed and interviewed welfare department staff and conducted focus groups with CalWORKs recipients

nearby their time limits in six focus counties (Alameda, Los Angeles, Orange, Riverside, Sacramento, and Tulare). We also conducted a statewide survey of CalWORKs program administrators (56 of California's 58 counties responded) and interviewed state-level program staff and administrators.

### Implementation Challenges

PRWORA intends to reduce welfare dependence by increasing recipients' efforts to become self-sufficient. For such a time-limit policy to be effective, however, recipients must be aware of the time limit and must know how many months of eligibility they have left.

Hence, to effectively implement and administer the CalWORKs time limit, state and county officials face three key challenges. First, they must acquire, compile, and update the administrative data needed to accurately count recipients' time on aid. Second, they must equitably administer the exemptions and extensions to the 60-month time limit specified by state law. Third, county caseworkers must be able to advise adult recipients about all the benefits and services for which they are eligible both before and after their cash assistance ends.

### Tracking Time on Aid

Accurate tracking of time on aid is essential. It ensures that adult recipients are neither discontinued prematurely nor aided for longer than 60 months. Accurate time keeping is also critical for caseworkers: They can devise more realistic welfare-to-work plans for the remaining time and help recipients obtain necessary support services.

- *The statewide database for tracking time on aid is not yet reliable or com-*



plete. The state worked with counties to develop the Welfare Data Tracking Implementation Project (WDTIP), a statewide database, to help counties track recipients' time on aid regardless of any relocation. At the time of our interviews, county administrators and staff found it unreliable and incomplete: Los Angeles, Modoc, and Stanislaus counties were not yet importing county administrative data into WDTIP. State officials acknowledged that WDTIP data were incomplete and instructed the counties not to rely on these data alone. Until WDTIP includes all data (back to January 1998) for both CalWORKs benefits and child-support payments collected on the recipients' behalf, and until uploading and reporting glitches are resolved, its utility in tracking countable months of aid over time and across counties is limited. Los Angeles County's inclusion in the system (planned for mid-2004) will make the data substantially more complete. State officials are continuing to work with counties to improve WDTIP data.

- ▶ **Tracking time on aid requires substantial staff time and resources.** County staff devote substantial time to reviewing case records and to verifying exemptions and extensions. WDTIP data are checked against county data to ensure that both systems report the same information. Automated data are also checked against paper files to ensure accuracy. Workers also may have to contact other counties to verify WDTIP data. Staff report that it can take 15 minutes to several hours to review a single case.
- ▶ **Focus counties are providing timely notices to recipients about the 60-month time limit and their remaining time on aid, but some counties may be providing inaccurate notices.** CalWORKs regulations require that county welfare agencies notify recipients in writing about the time-limit policy and their remaining time on aid at application, at annual eligibility redetermination, between months 54 and 58, and at 60 months. The six focus counties are actually providing time-limit information more frequently than required as a means of motivating recipients to work or prepare for work.

In some counties, however, some notices may have reflected inaccurate information about the number of countable months on aid, particularly in counties where exemptions had not yet been fully implemented. Twenty-eight counties reported voluntarily restoring CalWORKs cash aid to adult

recipients as they systematically reviewed and improved their procedures for counting time on aid.

## Granting Exemptions and Extensions

California law specifies 12 circumstances that exempt months from counting toward the time limit and six circumstances that extend the time limit. Between 1998 and 2003, counties were primarily concerned with implementing exemptions, but as succeeding cohorts of families exhaust their 60 countable months of aid, extensions will become more important.

- ▶ **Implementing California's unique child-support exemption has proved particularly difficult because it requires interagency collaboration and data sharing.** California is the only state that exempts months from counting toward an adult's time limit when the state collects court-ordered child support on her behalf in amounts that fully offset the monthly costs of cash assistance. This exemption is inherently complicated because it requires county child-support departments to share data with county welfare departments. Because the full extent of the complexity was not initially evident, final state instructions for implementing this provision did not reach the counties until October 2002, three months before the first wave of CalWORKs adults exhausted their time limits.

At least nine counties—including three focus counties—were not ready to implement this child-support exemption when families first started reaching their 60-month time limits in early 2003. As a result, two focus counties reduced grants prematurely, at least for a time. In accord with instructions from the state Department of Social Services, the third county kept adults on assistance beyond 60 months to allow the county to determine applicable child-support exemptions before reducing grants. Delays in properly determining these exemptions also affect the accuracy of WDTIP information, at least temporarily.

Two focus counties, Los Angeles and Riverside, developed effective systems for integrating child-support and CalWORKs payment data. Riverside was the only focus county uploading these data to WDTIP.

- ▶ **The child-support exemption "stopped the clock" for many adults nearing their time limits.** Thirty-seven counties reported calculating the child-support exemption when cases had accumulated 54 or more months of aid. They also reported that the

child-support exemption affected about 25% of counties' adult-headed CalWORKs cases in early 2003. On average, counties exempted 12 months for families for whom they collected any child support.

- ▶ *The documentation required to qualify for the domestic-abuse exemption varied greatly across the six focus counties and, in some counties, may disadvantage recipients who are victims of abuse.* Seeking to deter fraudulent claims, some counties required extensive verification of domestic violence (such as police reports). Given the difficulty many victims have in reporting abuse, especially to the police, such requirements may disadvantage particularly vulnerable CalWORKs recipients.
- ▶ *Despite training, few focus-county caseworkers could identify all six reasons for granting extensions, five of which are also grounds for exemption.* Well over half of the county staff we surveyed identified at least one of five reasons for extending benefits (these overlap substantially with reasons for granting an exemption), but fewer than two-fifths knew that a sixth—complying with CalWORKs requirements but being unable to maintain employment—was a valid reason for granting extensions. In the focus counties, only 12% to 22% identified all six reasons, although not all the county staff we surveyed were expected to know this information.
- ▶ *Recipients in our focus groups understand there is a time limit, but are confused about exemption and extension policies.* Most focus-group participants had been aware of a time limit for several years, having heard about it in orientation sessions or from caseworkers, written materials from the state and the counties, and/or outside sources (family members, friends, news programs). Nevertheless, these recipients were unfamiliar with or confused about the criteria governing exemptions and extensions. This may prevent them from requesting exemptions or extensions for which they are eligible.
- ▶ *County workers do not often grant extensions beyond the 60-month time limit.* As of early 2003, 34 counties reported they had yet to grant a single extension of cash aid, and 25 reported that they had yet to establish criteria for granting extensions.

### **Benefits and Services for Timed-Out Adults**

Federal and state policymakers intended that certain benefits and services for which CalWORKs recipients are typically eligible (Medi-Cal, food stamps, and

child-care assistance) continue uninterrupted when otherwise eligible families reach their 60-month time limits or leave cash assistance for other reasons. State law also permits counties to provide optional services (e.g., counseling for mental health issues, substance abuse, and domestic abuse) to those who exit CalWORKs.

- ▶ *Counties report that they provide timed-out adults with uninterrupted Food Stamp, Medi-Cal, and child-care benefits.* County officials generally said they had little trouble ensuring that families with timed-out adults continued to receive Food Stamp and Medi-Cal benefits. This is because the same CalWORKs eligibility workers typically assist families when they shift from the regular CalWORKs program to the Safety Net program. Focus-county staff reported that the child-care transition was generally seamless, but they also noted that the administrative complexity of child care (with different state agencies and contractors responsible for different phases of child care) increases the likelihood of service disruptions.
- ▶ *There is considerable confusion among recipients about their continued eligibility for non-time-limited benefits.* Many recipients who participated in our focus groups expressed deep concerns about losing their child-care or medical benefits, both of which should be unaffected by reaching their 60-month time limits.
- ▶ *Forty-nine counties reported providing optional services to former recipients generally, and 26 reported providing services specifically for timed-out adults.* These support services are typically available to employed former recipients and commonly include counseling for mental health, substance abuse, and domestic violence. Less commonly they include job-related services such as help with transportation and other job-related expenses. However, focus counties offering optional services reported that current and future budget cuts would cause them to scale back such services for all former welfare recipients in general, and for timed-out recipients in particular.

### **Conclusions and Policy Recommendations**

Although the CalWORKs statute permits counties administrative discretion, the statute and regulations also set forth eligibility and benefit payment standards for cash grants that are, for the most part, intended to be administered consistently and equitably across

counties. That is, with respect to benefit payments, similarly situated CalWORKs recipients should be treated the same regardless of where they live. The data we collected in 2003 reveal considerable variation in how counties implemented key program rules, most notably regarding exemptions and extensions, which affect adult recipients' eligibility and benefit payments. As a result, some counties were more likely than others to reduce grants for recipients in comparable circumstances. Aside from state-permitted county discretion, we attribute much of the county variation to administrative differences, such as how months of cash assistance were tracked, staff understanding of county policies, and procedures for implementing exemptions and extensions.

**WDTIP.** Given the importance of obtaining an accurate count of time on aid, including any exempted months, it is critical that the Department of Social Services work with the counties to improve both the scope and accuracy of the WDTIP data on which counties need to rely. Having a central statewide database that accurately records benefit payments, child-support collections, and exemptions or extensions would significantly increase the equity and efficiency of CalWORKs operations. This is especially true in smaller counties, which often lack the resources to create, maintain, and update such systems on their own.

**Exemptions and Extensions.** It is important that county staff be able to communicate clearly to recipients the qualifying conditions for exemptions or extensions, since these rules affect the most vulnerable families, including those facing serious illnesses, disabilities, and domestic abuse. Counties should consider additional training for staff, particularly with respect to exemption and extension policies, and developing user-friendly ways to help staff stay abreast of these policies. Counties also should consider means of verifying domestic abuse apart from police reports, court documents, or proof of counseling or medical treatment.

**Support Services.** Our research uncovered two major issues regarding the availability of support services for time-limited adults. First, recipients who participated in our focus groups were confused about their continued eligibility for support services and other benefits following their time-limit-triggered grant reductions. To the extent that these focus-group participants represent most CalWORKs recipients, the state and counties should consider how they can better inform recipients about post-time-limit services and benefits.

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Second, recipients who reach their 60-month time limits and have their grants cut are no longer required to seek employment. As funding for optional support services dries up, counties will be less able to encourage such adults to make the transition to work and leave the Safety Net program altogether. Essentially, this reduces the post-time-limit CalWORKs experience to a pre-CalWORKs AFDC program with a somewhat lower grant. The main difference is that the CalWORKs Safety Net program is funded entirely with state funds. In the long run, such a service-poor program is unlikely to benefit recipients, their children, or state taxpayers.

### Next Steps

The report summarized here is the first of three aimed at fully understanding the effects of the 60-month CalWORKs time limit. Forthcoming reports will update these administrative findings, as well as examine how families prepare for the time limit and how those subject to the time-limit-triggered grant reductions are faring.

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