



WorkFirst Subcabinet

*Resetting Washington's
WorkFirst for the 21st Century*

January 2011

EXECUTIVE SPONSORS *(members of WorkFirst Subcabinet)*

Rogers Weed, Director, Department of Commerce

Bette Hyde, Director, Department of Early Learning

Susan Dreyfus, Secretary, Department of Social and Health Services

Paul Trause, Commissioner, Employment Security Department

Marty Brown, Director, Office of Financial Management

Charles N. Earl, Executive Director, State Board for Community and Technical Colleges

PLANNING TEAM *(members of WorkFirst Sub 2)*

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Robert McLellan, Assistant Director, Department of Early Learning

Troy Hutson, Assistant Secretary, Economic Services Administration, DSHS

Joel Sacks, Deputy Commissioner, Employment Security Department

Carole Holland, Senior Budget Assistant, Office of Financial Management

Alexis Oliver, Executive Policy Advisor, Office of the Governor

Dixie Simmons, Director of Workforce Education, State Board for Community and Technical Colleges

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Executive Summary

Background

Washington State began WorkFirst, the state's Temporary Assistance for Needy Families (TANF) program, in August 1997. Now in its 13th year of operation, the program provides cash grants, medical assistance, welfare-to-work services, and work supports (including subsidized child care through the Working Connections Child Care program) to eligible low-income families. The goal of WorkFirst is to help low-income families build a pathway that can lead them out of poverty and toward economic security.

With the signing of Engrossed Second Substitute House Bill 3141 on April 1, 2010, Governor Christine Gregoire directed the WorkFirst Subcabinet to "examine how to best meet the challenges for WorkFirst families to obtain employment and achieve family self-sufficiency," and provide a report and plan to implement evidence-based best practices that are sustainable within a block grant program. The Governor challenged the WorkFirst Subcabinet to think anew and to 'reboot' WorkFirst for the 21st century.

The WorkFirst Subcabinet is comprised of the leaders of six state agencies that partner to administer the program:

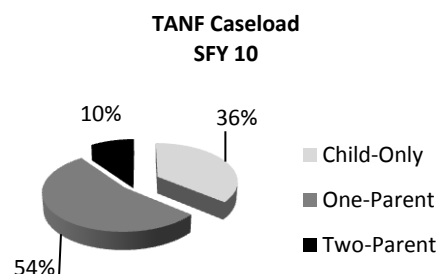
- Department of Commerce (COMMERCE)
- Department of Early Learning (DEL)
- Department of Social and Health Services (DSHS)
- Employment Security Department (ESD)
- Office of Financial Management (OFM)
- State Board for Community and Technical Colleges (SBCTC)

Populations Served by TANF and WorkFirst

TANF is a federal block grant provided to states to help needy families. In Washington, TANF funding services two distinct populations: Child-Only TANF cases and WorkFirst cases which include at least one adult TANF recipient. Two populations receive TANF cash assistance:

Child-only cases are cases where the TANF assistance is issued only for the children in the home and no adult recipient is included in the TANF cash grant. With the exception of those cases where the children are placed in a home by Children's Administration on a dependency order, TANF child-only cases have few eligibility requirements and follow-up checks.

WorkFirst cases are cases that include at least one adult on the TANF cash grant. These cases are classified as One-Parent or Two-Parent cases. WorkFirst cases receive case management services and are required to participate in activities to address barriers, connect with the workforce and move them toward self-sufficiency.



In State Fiscal Year (SFY) 2010, the entire TANF program served an average of 64,432 each month, of which 23,416 (36%) were TANF Child-only cases and 41,015 (64%) were in WorkFirst One or Two-Parent households.

Re-examination Process

The re-examination process was chartered by the Subcabinet and took place between July and November of 2010. Using a model for inclusive engagement and collaboration, the process included:

- Stakeholder, Legislator, client, and staff input
- Best and Promising Practices research
- Analysis of Adults and Children on TANF
- Redesign Teams to evaluate information and make recommendations to the Subcabinet

Budget Pressures

The 2010 re-examination of WorkFirst comes at a pivotal time for the program and the state. Washington is now navigating its way through the worst economy since the Great Depression. Revenues are shrinking, there is less public money, and public agencies have to adjust and chart a path out of this crisis that requires not just a reduction in spending but a new framework for the future.

TANF funding has not increased since the program was authorized in 1996. The program has experienced rising caseloads and many changes are being implemented to address budget shortfalls. This report identifies improvements that can be made within existing or redistributed resources, enhanced partnerships and leveraging. However; the ability to fully implement all of the recommendations will be constrained by the current and future availability of resources to support them.

Key Themes, Concepts and Opportunities for Change

As we evaluated the information gathered through the redesign process, it was striking to us how many of the recommendations require no significant change in state or federal regulations and are within our ability to implement. Some key themes, concepts and opportunities that the program can and should address include:

- WorkFirst is a transitional program that will start WorkFirst families on a pathway to self-sufficiency. The long-term plan for adult participants will likely extend beyond their stay on WorkFirst as they successfully attach to the labor market but continue to progress in longer-term career development or educational pathways. Supports for post-WorkFirst participants are important tools to keep them moving along this pathway.
- WorkFirst participants are an unrecognized asset to Washington's economy. The program should revise employment pathway activities such as Job Search services, Community Jobs and Education and Training programs to prepare participants to be competitive in the labor market and economy of the 21st century and support small and minority-owned businesses.
- Program staff and providers must partner with participants to consider the specific needs of the whole family when developing person and family-centered engagement plans that lead to successful outcomes. Case management should be coordinated to maximize efficiencies and improve results for multi-system involved families.
- WorkFirst impacts the lives of TANF children. The program must explore how to ensure TANF children have tools to help them overcome the increased risks they face, to graduate from high school and to become successful and productive members of society.
- Behavioral risk factors impact successful outcomes for WorkFirst participants. It is important to revise the assessment process to get participants to the right activities at the right time. This may include moving job-ready participants to job search activities. It may also mean more quickly identifying barriers such as chemical dependency and mental health issues so participants can be engaged in services appropriate to help them address the barriers and move along their pathway to self-sufficiency.
- Move from participation that counts to engagement that matters. This includes implementing new engagement tracks designed to connect WorkFirst participants with the right activities and engaging families with young children (who are in school less than full time) in a more flexible menu of activities (such as volunteering in ECEAP or Head Start with their children) up to 32 hours per week. Participants and local partners should be engaged in program design and delivery. Staff and participant accountability should be enhanced to improve outcomes.
- Develop appropriate standards for Child-Only TANF households to ensure health, well-being and success of children.
- Change how we manage program funding by prioritizing TANF resources for TANF families, developing strategic partnerships that better leverage WorkFirst resources and expanding the use of Performance-Based contracting. Advocate for changes in federal TANF laws to promote flexible engagement to help families succeed.
- Engage staff, Legislators, participants and other stakeholders in developing a systematic process for continuous program improvement

Recommendations

The WorkFirst Subcabinet makes the following recommendations to implement a more complete range of strategies designed to help child-only TANF families and WorkFirst participants succeed on a pathway out of poverty:

- 1. Implement additional reasonable requirements and supports for child-only TANF families**
 - Continue a full child-only TANF grant for families up to 200% of FPL, and a reduced grant for those with higher incomes.
 - Implement reasonable requirements and follow-up checks for non-relative child-only TANF families. Examples include required well-child exams and participation in Kinship 101 orientation classes.
 - Ensure successful attachment of TANF children to the labor market by exploring partnerships with other agencies and leveraging state resources.
 - Improve coordination of the existing network of kinship navigators.
- 2. Involve participants and local partners in the design and delivery of WorkFirst orientations**
 - Provide a family-focused, strength-based introduction to the program.
 - Provide participants and caregivers with easy-to-understand information on WorkFirst benefits and requirements.
 - Educate participants and caregivers on the impacts of early childhood development, nutrition, health and well-being on the future success of their children.
 - Develop a modular, progressive model and engage participants in the orientation process through a peer-to-peer connection and support network.
- 3. Strengthen the assessment process**
 - Evaluate and improve current processes for identifying and addressing learning disabilities.
 - Convene a multi-disciplinary workgroup to review current evaluation tools.
 - Explore development and testing of a predictive modeling tool.
 - DSHS staff will conduct initial comprehensive family engagement assessments using motivational interviewing techniques.
- 4. Implement individualized case management and four new engagement tracks to increase opportunities for successful outcomes**
- 5. Implement new requirements for WorkFirst families with young children in school less than full-time**
 - Allow flexible participation up to full-time (32-40 hours per week) that helps families coordinate their engagement schedules with their children's school schedules.
 - Support parents participation in their child early childhood education experience.
 - Reduce the child care hours needed for some WorkFirst families.
 - Allow more participation credit for travel time.
- 6. Improve employment pathway activities**
 - Redesign job search services into the new Career Scope program.
 - Develop a new voluntary "Workers and Careers" program to provide up to one year of follow-up support.
 - Enhance the community jobs program to include work in family-based jobs.
 - Broaden the "Career Jump" program to offer opportunities to gain paid work experience with an employer that agrees to employment at the end of the subsidized employment opportunity.
 - Create an incentive-based option to attract small business employment opportunities.
 - Develop a formal mentoring program with business professionals in various career fields.
 - Revise the education and training referral process.
 - Develop long-term educational plans participants may engage in beyond their time on WorkFirst.
- 7. Re-introduce post TANF services**
- 8. Implement a continuous evaluation process**
 - Hold annual meetings between the Subcabinet and stakeholders.
 - Engage the Local Planning Areas (LPA) in planning and implementing WorkFirst changes and developing a "feedback loop" that supports continued evolution and improvement of the program.

Opportunities for Change-TANF Reauthorization

Effective improvements to TANF requirements will require the support and involvement of governors and Congress. The Subcabinet will share this report with the Washington Congressional delegation to seek their support. Key areas where changes would help us address the participation difficulties we face include:

- Eliminating the 90% participation requirement for two-parent families.
- Repealing DRA Final Rules for excess Maintenance of Effort (MOE) and reinstating the June 29, 2006 interim rules.
- Reducing limitations to counting participation for education and training, vocational education, community service, mental health, and chemical dependency treatment activities.
- Allowing for federal TANF waivers.

Next Steps in WorkFirst Redesign

The Subcabinet will begin the process of developing a specific implementation plan. This process will include cross-partner implementation teams and Local Planning Areas. The Subcabinet is excited about the possibilities to make a difference in the lives of Washington citizens through these program improvement recommendations.

2010 WorkFirst Re-examination

Recommendations for Resetting Washington's WorkFirst for the 21st Century

Introduction

Background

The WorkFirst program as currently designed is not financially sustainable within available funding. The TANF block grant has not increased since its inception in 1996 and laborious, non-value added requirements were imposed on states under the Deficit Reduction Act of 2005. Between Fiscal Year 2011 and Fiscal Year 2013 the program anticipates a total budget shortfall of \$307 million due to increased caseloads, loss of federal funding and Washington's current budget crisis.

The Governor challenged the WorkFirst Subcabinet to think anew and to 'reboot' WorkFirst for the 21st century. Key to a successful reset and sustainable future is the development of a culture shift that builds new strategic partnerships and enhances the state's ability to leverage sources of public and private dollars available to help Washington's most vulnerable families.

Re-examination Process

During the Summer and Fall of 2010, the WorkFirst Subcabinet sought input from a wide range of stakeholders through a variety of means, including: participant and employee focus groups, meetings and forums with employers and tribal representatives, the public WorkFirst website, and an online participant survey. In addition, the WorkFirst Subcabinet held monthly WorkFirst Re-examination 'One Table' meetings with key legislators, legislative staff, tribal representatives, welfare advocates, and other key stakeholders.

The WorkFirst Subcabinet convened an interagency Best Practices Research Group that consulted with the University of Washington's West Coast Poverty Center, American Public Human Services Association (APHSA) and several nationally recognized social policy and research institutes, including the Center for Budget and Policy Priorities and ABT Associates, Inc. This group conducted a comprehensive review of evidence-based best and promising practices that are in alignment with Core Assumptions established by the WorkFirst Subcabinet for redesigning the program.

Staff with the Department of Social and Health Services' Research and Data Analysis Division (RDA) completed two comprehensive analyses of the adults and children involved with the program.

In the Fall of 2010, under the direction of the WorkFirst Sub 2, nine redesign teams with experienced staff from the WorkFirst partner agencies were formed to review and consider evidence-based programs and practices and assess the effectiveness of current policies and services. The teams then developed options for consideration by the WorkFirst Subcabinet.

Decision Framework—Core Assumptions for the WorkFirst Redesign

The WorkFirst Subcabinet identified the following core assumptions to guide the re-examination process and development of redesign recommendations, recognizing that the state’s ability to realize them would need to be balanced with current and future fiscal realities and constraints.

Core Assumptions for the WorkFirst Redesign

- Achieving stable and successful employment is our main objective for WorkFirst participants; we will maximize opportunities for participants to successfully attach to the workforce and have opportunities to move out of poverty.
- A family-centered case planning and engagement approach is necessary to achieve good outcomes and reduce long-term dependency and generational poverty within families.
- Policies will recognize the critical role and responsibility of participants in their children’s development, foster the healthy growth and development of children, and promote family stability.
- WorkFirst is a transitional, not long-term, program to assist families on the pathway to self-sufficiency.
- Leveraging non-TANF resources is crucial to achieving the goals of WorkFirst.

The recommendations guided by these Core Assumptions provide a roadmap for the future of the program that will help TANF families progress along a pathway to self-sufficiency consistent with the direction from the Subcabinet and the Governor’s direction to the WorkFirst partner agencies.

Emerging Themes, Research and Analysis

Several important themes emerged during the re-examination process:

WorkFirst Participants are an Asset to Washington’s Economy

Participants in WorkFirst are an unrecognized asset to the economic development goals and growth of Washington’s economy for the 21st century. Small businesses are the economic engines that will help the state recover from the current economic crisis. We can and should make better use of WorkFirst employment and training resources to engage participants in activities that allow them to build skills while supporting small, minority- and women-owned businesses. We need to explore program incentives that encourage participants to engage in career pathways in “green” Industries, medical and health care Industries, and other local, regional and statewide industries that are expected to be in high demand in the future.

Focus on the Whole Family

Research suggests that using a strengths-based “whole family” approach is most effective at moving families onto a pathway out of poverty. While stable and sustainable employment remains the key goal of the program, it is critical that barriers to success for all household members be identified and addressed as soon as possible. This will allow WorkFirst participants to focus on quality program engagement and attach more quickly to the workforce. We can and should improve the orientation and assessment process to better engage participants in the right activities at the right time to maximize resources and increase success.

WorkFirst Impacts Children

Children represent the largest number of TANF recipients. In State Fiscal Year (SFY) 2009, the program served an average of 94,804 children per month -- this represents 70.2% of all TANF recipients. These children are the workforce of the future. Research shows that what they experience in childhood will have a significant impact on their future social and economic success.

Traumatic childhood experiences (also known as Adverse Childhood Experiences, or ACEs) such as abuse, neglect, witnessing domestic violence, or growing up with alcohol or other substance abuse, mental illness, parental discord, or crime in the home are a common pathway to social, emotional, and cognitive impairments that lead to increased risk of unhealthy behaviors, risk of violence or re-victimization, disease, disability and premature mortality (Anda & Brown, 2010). However, science shows that providing stable, nurturing relationships in early childhood can prevent or even reverse these damaging effects and result in positive benefits for learning, behavior and health. Research also indicates that policies and programs which identify and support at-risk children and families (as early as possible) reduce costs and increase successful future outcomes (National Scientific Council on the Developing Child; Harvard University).

The WorkFirst program has historically focused on adult participant engagement; however, the program greatly impacts the lives of children who are at higher risk for poorer health, lower educational achievement and less successful economic outcomes over their lifetimes. Washington has the opportunity to be a leader in using the WorkFirst program to achieve participant and child success. We can and should take the opportunity to teach WorkFirst participants how early childhood experiences, education, quality child care choices, health and nutrition impact the lives and futures of their children. This education can occur within program orientation modules or in certain engagement activities that involve participation in their child's ECEAP or Head Start educational activities.

We should explore how the program can partner with other agencies to leverage resources that ensure TANF children remain in and graduate from high school and are able to successfully attach to the labor market as productive adults.

Risk Factors Impact Outcomes for Participants and Dependence on TANF Cash Assistance

To identify risk factors related to persistent dependence on cash assistance and other participant outcomes for the TANF redesign, the DSHS Research and Data Analysis (RDA) Division conducted an analysis of adults¹ on TANF in state fiscal year (SFY) 2007.

The analysis found that, overall, participants who were able to transition off TANF relatively quickly and remain off (quick leavers) were less likely to have barriers to work and more likely to experience steady wage growth. Quick leavers were also more likely to be in two-participant households, have a youngest child at least 13 years old, and have at least a high school degree or its equivalent. Those who spent more time on TANF were more likely to have chronic illness, substance abuse, and mental illness. They were also more likely to be caring for family members with special health care needs, and to experience homelessness and family violence.

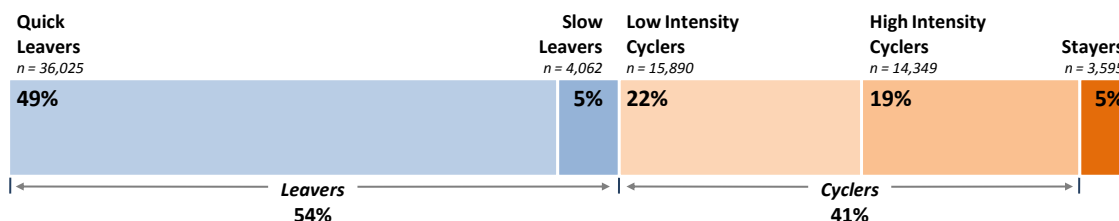
Behavioral health problems—especially substance abuse—were found to be the key drivers of homelessness, child welfare involvement, and criminal justice involvement.

¹ Adults were categorized into five categories. Quick Leavers left within one year of their last month on TANF in FY 2007 and did not return; Slow Leavers took more than one year to leave following their last month on TANF in FY2007 and did not return; Low Intensity Cyclers left and returned at least once, with no more than 12 months on TANF over a 36 month follow-up period; High Intensity Cyclers left and returned at least once, with more than 12 months on TANF over a 36 month follow-up period; and Stayers continued on the caseload with break longer than one month.

Key Findings

- Employment and wage progression facilitate successful transitions off TANF**
 About half of the adult participants on TANF in SFY 2007 left quickly and remained off TANF through the end of SFY 2010, even though this period included the sharpest economic downturn since the Great Depression. Another 41 percent of the caseload cycled off and back on TANF at least once during the 3-year follow-up period. ‘Cyclers’ show significant labor force attachment but do not show the degrees of wage progression that ‘quick leavers’ were able to achieve.
- ‘Stayers’, ‘slow leavers’, and ‘high intensity cyclers’ have a greater prevalence of barriers**
 About a third (29 percent) of the SFY 2007 adult TANF caseload consists of participants who remained persistently on cash assistance (‘stayers’ and ‘slow leavers’) or who cycled off and on the caseload with relatively intensive use of TANF over the 36-month follow-up period (‘high-intensity cyclers’). These participants were more likely to have chronic illness, substance abuse, and mental illness. They were also more likely to face barriers related to caring for family members with special health care needs, homelessness, and family violence.
- Behavioral health problems are key risk factors for homelessness, child welfare involvement, and criminal justice involvement**
 Grouping participants according to behavioral health risk factors provided a useful lens for understanding why some participants experience more adverse outcomes than others do. Substance abuse problems were major drivers of homelessness, child welfare involvement, and criminal justice involvement. In addition, individuals who had co-occurring substance abuse and mental health problems were more likely to be involved with the child welfare system.

Distribution of ‘leavers’, ‘cyclers’, ‘stayers’, TOTAL POPULATION = 73,921, SFY 2007



Source: DSHS Planning, Performance and Accountability Research and Data Analysis Division: Summary of Adults on TANF in Washington State; Risks and Outcomes for ‘Leavers’, ‘Cyclers’, and ‘Stayers’

Move from Participation that Counts to Engagement that Matters

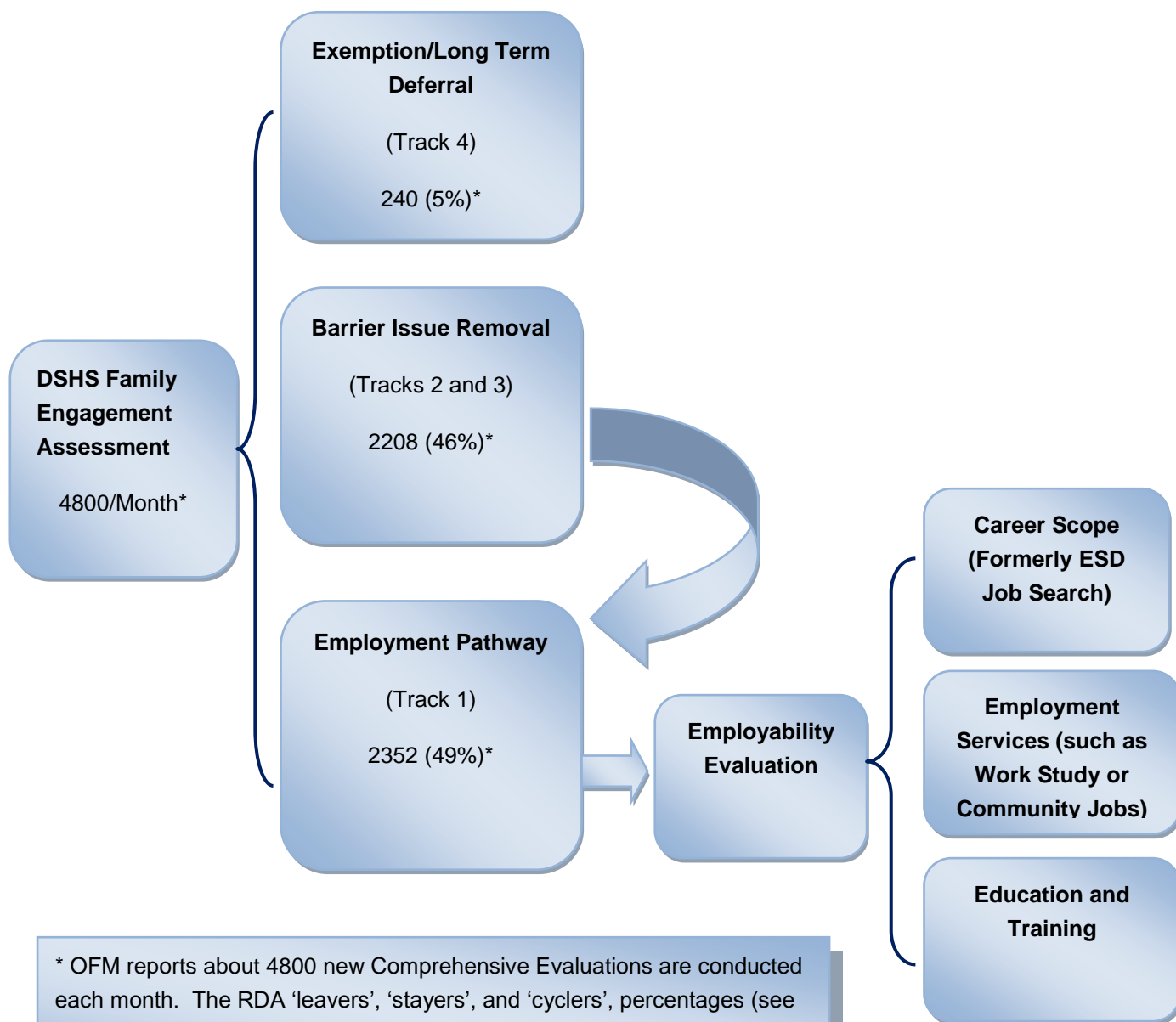
Throughout the redesign process we consistently heard from staff, participants and other interested stakeholders that the program needs to do a better job of “meeting participants where they are” and engaging them in appropriate activities that impact successful case outcomes. We can and should expand the current program focus on participation to include engagement in activities that help families achieve their goals, move more quickly to workforce engagement and reduce long-term dependence on assistance. This will require a culture shift for partners and participants that emphasizes connecting the right people to the right activities at the right time.

Person and Family Centered Engagement through an Individualized Case Management Model

Participants have different assets, strengths, needs and barriers. They are also in different stages on their pathway to self-sufficiency. Assessments and engagement should consider the needs of each participant and how the family needs impact engagement. We can and should incorporate an individualized case management model to ensure we are effectively engaging participants and helping them move along their path to self-sufficiency.

WorkFirst Program Participant Movement Diagram

This diagram represents our vision for the future program, however to fully implement this model will require more TANF resources be spent on activities to help WorkFirst parents participate. The diagram provides a visual example of how new participants would move through the program. More detailed explanations for each part of the diagram are contained in the report. Specific details for how existing participants will transition to this model of the program will be determined during the implementation planning phase of the re-examination process.



* OFM reports about 4800 new Comprehensive Evaluations are conducted each month. The RDA 'leavers', 'stayers', and 'cyclers', percentages (see page 7) were applied to this number to estimate the number of new TANF recipients that would move to each engagement track.

Recommendations for Improving Participant Movement and WorkFirst Activities

The WorkFirst Subcabinet considered the themes that emerged during the re-examination process and the research and analyses completed by the Best Practice Research Group and RDA as the recommendations in this report were developed.

The WorkFirst program serves two distinct populations: Child-Only² TANF families and WorkFirst families that include adults. Currently, only WorkFirst families that include adults receive case management services and are required to participate in activities designed to move them toward self-sufficiency. This report includes recommendations regarding additional requirements and supports for Child-Only TANF families to ensure the health, safety and success of the children in these cases. It also includes recommendations for improved engagement of WorkFirst participants in Single- and Two-Parent households.

While stable employment remains the key goal for WorkFirst families, it is critical that barriers to success are identified and addressed as early as possible to reduce the number of TANF ‘cyclers’ and ‘stayers’. The Subcabinet recommends a more flexible approach to engaging WorkFirst participants in the types of part or full-time activities that will not only build skills and lead to employment, but will also build stronger families and encourage healthy child development.

With these recommendations, WorkFirst participants will benefit from a clearer identification of their needs and a more complete range of strategies designed to help them succeed on a pathway out of poverty.

1. Implement Additional Reasonable Requirements and Supports for Child-Only TANF Families

For kinship, legal guardian, and “in loco parentis” cases, we propose to continue to provide a full TANF grant for families with income up to 200% of the federal poverty level, and a reduced grant for those with higher incomes.

As a result of a court decision and a negotiated legal settlement in the 1990s, Washington provides Child-Only TANF grants to non-related caregivers as long as they pass a one-time only Washington State Patrol criminal background check and a check of Child Protective Services “founded findings”. Washington is one of only two states that provide child-only TANF to non-relatives who do not have legal custody of the children in their care. We recommend the Department of Social and Health Services implement additional reasonable eligibility requirements and follow-up checks to promote child well-being, growth and development. Examples of these requirements include required well-child exams for the children in these families and participation in a new Kinship 101 orientation. These requirements would not apply to child-only cases where the children are placed by Children’s Administration on dependency orders.

We can and should take the opportunity to teach the caretakers in child-only TANF households how early childhood experiences, education, quality child care choices, health and nutrition impact the lives and futures of their children.

We should explore how the program can partner with other agencies to leverage resources that ensure TANF children remain in and graduate from school and successfully attach to the labor market as productive adults. We will also improve coordination with the existing network of kinship navigators to better serve these families and make additional resources from the child welfare system available to caregivers outside the system.

² Child-Only cases are cases with no adult recipient included in the TANF cash grant. Child-Only cases are classified as either parental or non-parental. A parent is present in Parental Child-Only cases but is ineligible for TANF because the parent is: (1) receiving federal SSI disability benefits; (2) disqualified from TANF assistance; or (3) an undocumented alien but the child is a U.S. citizen. Non-parental child-only cases involve children who are living with relative caregivers (either because they are placed by Children’s Administration or because relatives have independently stepped in to care for the children).

The following recommendations describe the various activities to engage WorkFirst participants as they move through the program. This model assumes that Economic Services Administration would coordinate with other WorkFirst partners to determine how participants are assessed and referred to appropriate activities.

2. Involve Participants and Local Partners in the Design and Delivery of WorkFirst Orientations

WorkFirst partner staff, local community organizations, and WorkFirst participants (current and/or former participants) will be involved in improving the DSHS-delivered Orientation. The updated Orientation will:

- Provide a family-focused, strength-based introduction to the program;
- Provide participants and caregivers with easy-to-understand information on WorkFirst benefits and requirements; and
- Educate participants and caregivers on the impacts of early childhood development, nutrition, health and well-being on the future success of their children.

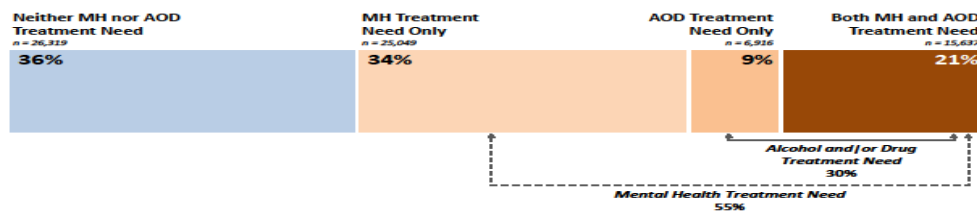
As resources allow, we envision the development of a modular, progressive model that can be delivered by the appropriate WorkFirst partner at a time most appropriate for the WorkFirst family. We also recommend engaging participants in the orientation process to provide a peer-to-peer connection and support network.

3. Strengthen the Assessment Process

The RDA studies identify behavioral health problems as key risk factors for homelessness, child welfare involvement, and criminal justice involvement. The foundation of a successful TANF program is an individualized assessment of the strengths and needs of each TANF family, and the resources to serve them. It is critical to identify participants who have serious barriers to employment such as chemical dependency and learning disabilities and connect them with appropriate services.

The chart below, from the DSHS Research and Data Analysis (RDA) analysis of adults³ on TANF in state fiscal year (SFY) 2007, identified that 64% of clients in the cohort they examined needed either Mental Health (MH) treatment, Alcohol or other Drug (AOD) treatment, or both.

Alternate prism: Grouping clients based on behavioral health risks
IDENTIFIED USING POOLED FY 2005 TO FY 2009 RISK INDICATORS



Highlights:

- 1 30 percent of clients have an identified alcohol/drug treatment need at some time over the FY 2005 to FY 2009 time period
- 2 55 percent of clients have an identified mental health need at some time over the period
- 3 21 percent have both alcohol/drug and mental health needs identified over the period

³ Adults were categorized into five categories. Quick Leavers left within one year of their last month on TANF in FY 2007 and did not return; Slow Leavers took more than one year to leave following their last month on TANF in FY2007 and did not return; Low Intensity Cyclers left and returned at least once, with no more than 12 months on TANF over a 36 month follow-up period; High Intensity Cyclers left and returned at least once, with more than 12 months on TANF over a 36 month follow-up period; and Stayers continued on the caseload with no break longer than one month.

In addition, data indicates that over 30% of the WorkFirst caseload has less than a high school education. This may be due in large part to learning disabilities. We need to evaluate and improve current processes for identifying and addressing learning disabilities. While this may mean more participants are engaged early in barrier removal activities, it is anticipated to produce better long-term outcomes for families and the program by reducing inappropriate referrals to activities that result in a revolving door of “refer backs” and ineffective engagement time.

The WorkFirst Subcabinet will convene a multi-disciplinary workgroup to review the current Comprehensive Evaluation tool and assessment process and make recommendations for improvement. The workgroup will include experts in the fields of substance abuse, mental health, learning disabilities, and domestic violence.

The Subcabinet will also explore the feasibility and costs associated with developing and testing a predictive modeling tool that could be used to identify risk factors affecting a participant’s employability. Such a tool may be useful in identifying families who are at high risk of long stays on assistance and those who are likely to exit relatively quickly from the program. This information, combined with information gathered from the new assessment tool, would then be used to triage participants into the most appropriate services and activities, to address issues such as chemical dependency early, and more quickly move them to activities on a pathway of self-sufficiency. The goal of this process is to get the right people to the right activities at the right time.

Evaluation of the current assessment process reveals another area where resources can be maximized and duplication eliminated. As it is now, participants who move through the program participate in a number of overlapping assessments conducted by each partner or provider. This recommendation proposes that DSHS conduct initial comprehensive family engagement assessments at program entry. Using motivational interviewing techniques, DSHS case managers and social workers would complete an assessment designed to identify families for whom barrier resolution is appropriate. Based on RDA’s research, we anticipate that the assessment will identify that more than 50% of newly entering participants are ready to move immediately to an employment pathway. This population would then be engaged in an Employment Evaluation designed to identify the appropriate work preparation activity and service level for the participant.

4. Implement Individualized Case Management and Four New Engagement Tracks to Increase Opportunities for Successful Outcomes

Based on the assessment process, participants will be connected to one of four new engagement tracks to help them move along the pathway to self-sufficiency. Each track is geared to offer a flexible array of services most suited to a family’s service level need.

Participants who have more recently successfully attached to the labor market and present minimal barriers to success may be engaged in Track One services while participants with more significant barriers may be engaged in Track Two or Three activities aimed at removing barriers to successful employment (e.g., treatment or family stabilization).

It is important to note that participants do not have to move sequentially through each track. Movement between tracks will be determined by a participant’s increased ability to participate and case management support needs. The goal is to move participants as quickly as possible to Track One and/or attachment to the workforce.

- *Track One—Light Touch Engagement*

These participants will engage in services such as Career Scope (a new Job Search model to provide individualized employment services based on a participant’s employment and career goals) or Education with minimal or “light touch” case management support. Using the information in the RDA study, we anticipate this track to include the ‘quick leavers’ —or about half of the newly entering participants.

- Track Two—Supported Engagement**

These participants will engage in services such as Community Jobs (a transitional jobs program designed to assist participants with issue resolution combined with paid work), education, and some barrier management activities with medium intensity case management support. Using the information in the RDA study, we anticipate this track to include ‘slow leavers’ and ‘low intensity cyclers’—or about 27% of newly entering participants.
- Track Three—Intensive Services**

These participants will engage in services designed to address child welfare involvement as well as behavioral health problems such as chemical dependency and learning disabilities. Families in this track will receive intensive, integrated case management. Based on information in the RDA study, we anticipate this track to include ‘high intensity cyclers’— about 19% of newly entering participants.
- Track Four—Exempt/Deferral**

These participants will engage in activities designed to address longer term barriers to self-sufficiency (such as long term physical or mental incapacity) or are in exemptions from participation (such as an infant exemption). Some participants in this track, such as those taking an infant exemption, will progress to another track once the exemption ends. Other participants may be connected with services through Division of Vocational Rehabilitation, Aging and Disability Services Administration or other state or community agencies to identify accommodations and supports that may allow them to progress to other engagement tracks. Some participants will receive assistance to move from TANF assistance to federal Supplemental Security Income (SSI) disability assistance. Based on information in the RDA study, we anticipate this track will include ‘stayers’—about 5% of newly entering participants.

5. Improve Employment Pathway Activities

To improve employment outcomes for participants, WorkFirst will strengthen its ability to build on participants’ strengths and needs and address the requirements of the labor market. Once a participant is determined to be ready to participate in a Track One Employment Pathway, an Employability Evaluation will be completed. The results of that evaluation will determine whether participants will be referred to Career Scope, Employment Services and/or education and training activities.

a. Redesign Job Search Services

Job search services will be redesigned and enhanced to provide individualized employment services based on a participant’s employment and career goals. The new model will be called Career Scope.

Participants will be referred to the Employment Security Department to undergo up to three days of employment evaluation and orientation focused on strengths and employment goals. Participants will then be referred to Career Scope or educational activities. Participants who are better suited for Community Jobs or who are not ready for Career Scope will be referred back to DSHS.

For those participants continuing on to work search, the next stage is a set of career exploration, asset identification, and skills development activities that may take up to three weeks. Career coaches will identify what services are needed to prepare participants for an employment pathway (coach assisted, coach supported or coach supervised). Participants will be expected to complete a “customized employment portfolio”. Activities may include interviewing and job search techniques and practice, resume building, e-learning training modules, job club activities, and life skills training related to work.

Intensive or Independent work search activities can last up to eight weeks. Participants enter once they complete all required evaluations and asset development activities and are ready to begin work search activities. Participants in the Intensive employment pathway can move into the Independent employment pathway as soon as they demonstrate they are capable to conduct work search with minimal support.

For Intensive or Independent work search there is no required number of employer contacts per week for participants. Participants will be required to participate in their job development process, including bringing job leads they have found to share with peers as a part of Work Connections or other Job Club activities. Coaches and participants determine what is appropriate as part of their required weekly activities.

An On-the-Job Training (OJT) opportunity may be beneficial for some participants. OJTs may be developed to provide work experience to better connect participants with the labor market, while providing support for small minority- and women-owned businesses. Incentives may be offered to encourage participants to select opportunities in 'green' industries, medical and health care industries or other local, regional and statewide high-demand industries of the future.

Participants who are interested in going to work and have prior work experience and marketable skills may be most appropriate for Career Scope coach assisted work search activities. These participants will independently access the range of services available through the WorkSource system for non-TANF/WorkFirst job seekers. The Subcabinet will evaluate the distribution of resources to achieve program goals and increase the likelihood of participant success.

The voluntary "Workers and Careers" program will provide up to one year of follow-up support including job retention, wage progression, career advising, and referrals for further training to participants in Career Scope who have gone to work and exited WorkFirst. Services will be provided in person, via phone, and web connection.

b. Enhance the Community Jobs Program

The opportunity exists to engage participants in activities designed to help them better connect to the workforce while providing economic support to small, women- and minority-owned businesses. The program may also consider incentives that encourage participants to engage in work and educational opportunities that can lead to careers in 21st century industries. Community Jobs can help the WorkFirst program take advantage of these opportunities by connecting participants with the business community in mutually beneficial ways.

While the existing Community Jobs program continues to successfully provide an avenue to employment for WorkFirst participants with barriers, we are working to enhance this nationally acclaimed program to increase services and positive outcomes. Community Jobs is a transitional jobs program designed to assist participants with issue resolution combined with paid work. This unique opportunity offers participant entry-level work in career fields they have been unable to access through job search efforts.

Over the past 13 years, program changes have been implemented to keep up with the demands of a changing WorkFirst caseload and to maximize resources. The Department of Commerce is working to enhance Community Jobs by expanding worksites to include work in family-based jobs such as the schools, daycare centers, ECEAP and Head Start programs that their children are enrolled in. Additional flexibility to connect participants with on-the-job opportunities will be explored as we expand worksite options within the WorkFirst partnership.

The Department of Commerce is also working to broaden its “Career Jump” program (that offers participants the opportunity to gain paid work experience with an employer that has agreed to hire them at the end of their subsidized employment opportunity) to expand the use of “for profit” businesses as a means to connect TANF families directly into employment. This program option is currently available but not widely used.

The Department of Commerce is considering various incentive-based options to attract small businesses. One concept to be explored is a “build-your-own Community Jobs” approach. In this model, participants may connect directly with employers in industries within their career pathway who would be willing to hire them through a Career Jump placement. Incentives may also be offered to encourage participants to select opportunities in green industries, medical and health care industries, or other high-demand industries of the future. Commerce contractors continuously find new worksites within their local communities to expand training options. One enhancement being considered is a formal mentoring service that connects participants with business professionals in the participant’s career field. Regularly scheduled peer mentor support groups are a cost effective means to share resources, encourage involvement from previous WorkFirst recipients, build support systems, and involve local community business leaders. While this currently happens in a very informal fashion, participants would benefit from formalizing this as a specific component.

All Commerce services for WorkFirst participants are provided through a network of contractors who evaluate a participant’s program and worksite needs based on their specific career goals. Two proposed program options are Commerce Job Connection (CJC), and Career Development (CD), which continue the Community Jobs philosophy to place participants in worksites with skill development and mentoring opportunities. CJ participants will typically engage in additional (“stacked”) activities, such as job skills training, GED, ABE, and other barrier removal/management activities. CJC participants will engage in additional activities specific to searching for employment. CD participants may also be engaged in education activities. Progress through these programs will be evaluated on a monthly basis through communication with worksite supervisors, participant contact, and monthly worksite evaluations.

c. Revise Referrals to Education and Training

Washington’s community and technical college system is nationally recognized for innovation in the area of workforce development. The system is responsible for groundbreaking studies such as “The Tipping Point” to family wages and pioneering programs like Integrated Basic Education and Skills Training (I-BEST), which speeds knowledge and skills attainment and Student Achievement Initiative, which rewards performance. These innovations are changing the way the nation looks at education and workforce development for all adults, including WorkFirst participants. In the context of the current and future requirements of employers, the WorkFirst Redesign teams identified critical strengths of current education and training practices for WorkFirst participants, as well as some areas for improvement.

The current array of programs will remain available to WorkFirst participants within available resources:

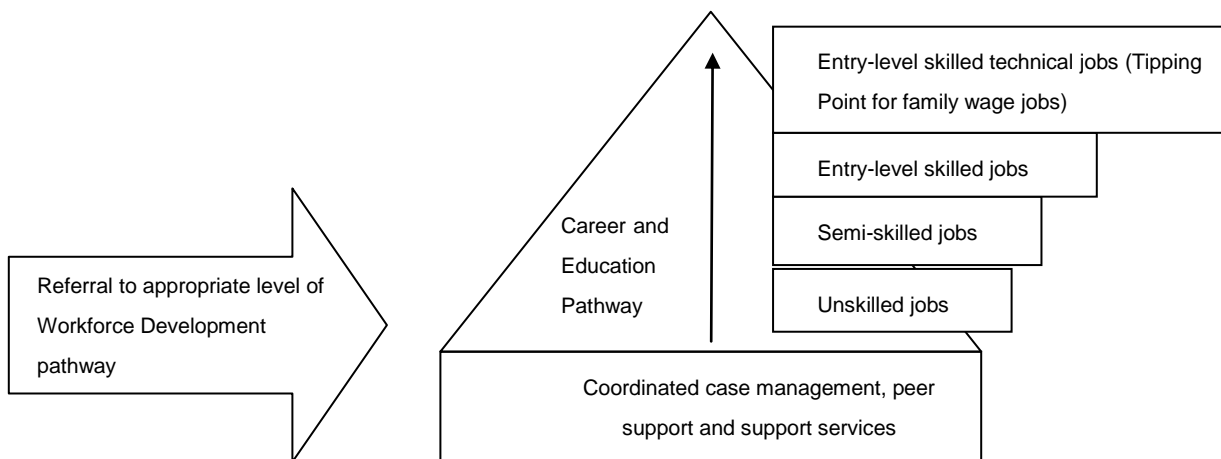
- Adult Basic Education, English as a Second Language, GED preparation, and High School Completion
- Developmental Education courses (pre-requisites to or combined with college level vocational courses)
- Vocational Training (full- or part-time, including job skills training, I-BEST, and High Wage High Demand, and degree completion)
- WorkFirst subsidized student employment (part-time employment work-study, internship and externship)

However, the approach to engaging WorkFirst participants in education and training is evolving. Indications are that despite the recession, jobs that are within the reach of WorkFirst participants are still available and attainable with some targeted skill development. According to the WorkForce Training and Education Coordinating Board's (WTECB) 2010 Employer Survey, approximately 10,900 employers were unable to fill vacancies and this limited their ability to expand and/or compete in the marketplace. According to survey findings, "the highest percentage of employers struggled to find job applicants with a vocational certificate, which typically requires between six months and one year study after high school. Career and Educational Pathway plans will address this reality of the labor market." A more strategic and structured education and training planning can be implemented to improve participants' ability access these jobs.

A key difference from current practice is that WorkFirst participants will be assisted in developing longer-term educational plans, up to 12 months or longer in duration, which may take them beyond their time on WorkFirst. This educational plan will provide a "roadmap" for WorkFirst participants to follow throughout their progress towards family sustaining employment and exit from public assistance. Indications are that despite the recession, jobs that are within the reach of plans like these are available.

Another area for improvement is expanding the practice of combining education and training with work experience. This allows participants to practice skills in real-world context and to build relevant resumes. This can be done both through college programs like WorkFirst work study, occupational internships and externships, and in collaboration with the Department of Commerce, Employment Security, large to small businesses, unions and apprenticeship programs, and other community resources.

Finally, WorkFirst outcomes data consistently show that completion of vocational credentials yields better employment, greater job retention and higher wages than do partial or incomplete training inputs, much higher when participants are able to reach the Tipping Point (45 college level credits and a vocational certificate). Longer term career and education plans, along with referral timeframes and support services that enable completion, will greatly improve not only the employability of WorkFirst participants who participate in education and training, but also the workforce and economic development of communities.



6. Re-introduce Post TANF Services

Once a family has exited WorkFirst cash assistance, there are a number of options for non-TANF benefits. Transitional Food Assistance and Transitional Medical Assistance are time-limited benefits. A family may be eligible for Basic Food or Working Connections Child Care as long as they meet income and resource standards. "Workers and Careers" is a voluntary post-employment service

offered by the Employment Security Department. At the colleges, continuing education and career development may be supported through federal financial aid, state need grants, and other programs. Other community resources both public and private may be available at the local level.

7. Implement New Requirements for WorkFirst Families with Young Children in School Less than Full Time

State and federal rules allow flexibility in determining participation requirements for families with young children. We recognize the critical role parents should play in their children's growth and development. We also recognize the reality that the program is time limited and that we must work closely with parents to ensure they are gaining skills that lead to a stable family environment and reduced long-term dependency on the program and generational poverty. Taking advantage of this flexibility will allow us to balance these important factors.

Using a strengthened assessment process, motivational interviewing techniques and individualized case management strategies we can work with parents with young children to be involved in the development of their children while proceeding with participation activities that will help them attach successfully to the workforce. Based on the results of the assessment, families can be engaged up to full time in activities that are person and family centered while still moving them toward independence. Parents will be expected to participate up to and including 32 hours per week. The plan will be developed on an individual basis and will include activities that effectively and efficiently move them to work.

Examples of how engagement strategies can be more flexible include:

- Incorporating activities such as volunteering in ECEAP and Head Start with their children into a participant's engagement plan.
- Applying alternate participation schedules that include starting activities at home. For instance, participants engaged in Job Search or educational activities could begin job search activities or online classes at home and then move to employer interviews, workshops, campus classes or other activities.
- Working with two-parent families to coordinate participation schedules

This approach will:

- Allow flexible participation up to full time (32-40 hours per week) that helps families coordinate their engagement schedules with their children's school schedules
- Support parents participation in their child early childhood education experiences
- Allow more participation credit for travel time

8. Implement a Continuous Evaluation Process

Finally, key to ensuring the program continues to evolve is implementing a process for ongoing evaluation and improvement. The Subcabinet recommends development and implementation of a process to continue engaging staff, legislators, key stakeholders, and participants in the ongoing enhancement of the program. This will include annual meetings between the Subcabinet and these stakeholders.

Local Planning Areas (LPAs) are uniquely situated to take a lead in this process. LPAs can bring together local and state agencies, colleges, Tribes, contractors and other community organization partners to build partnerships and leverage local resources. This offers an established venue for implementing changes and providing ongoing feedback about how participants are doing, what services are effective and what new and innovative approaches we can take to increase successful outcomes. We recommend engaging the LPAs in planning and implementing WorkFirst changes and developing a 'feedback loop' that supports continued evolution and improvement of the program.

The Subcabinet will keep the Legislature informed of the program's progress.

Key Concepts for Reforming the WorkFirst Program

The recommendations of the WorkFirst Subcabinet include six key concepts for reforming the program.

1. WorkFirst is a Transitional Program to Move Families on a Pathway to Self-Sufficiency

WorkFirst is a transitional (not long-term) program to assist families on a pathway to self-sufficiency. This concept refers to three key phases:

a. *WorkFirst Assistance Phase*

While on WorkFirst, participants are engaged in services and provided support to help them move their families onto the pathway. WorkFirst participants may receive assistance to address barriers (such as chemical dependency), successfully attach to the labor market, or enter an educational pathway that extends beyond WorkFirst.

b. *Post-WorkFirst Support Phase*

Families who exit WorkFirst may continue to be connected to DSHS for Basic Food and Medical Assistance, WorkSource for ongoing career development, or the college system for ongoing education. During this time, families continue accessing support from other state programs such as Working Connections Child Care or within their communities.

c. *Independent Family Management Phase*

During this time, participants are managing independently to provide a stable income for their family and are well on the pathway to a living-wage job and realizing long-term goals.

2. Adopt Changes to Existing Program Funding Practices

When economic times were good, TANF funds were used to provide additional services for low-income families to reduce poverty and keep participants working. Now, with a weakened economy, it has become necessary to use our limited resources more strategically and effectively. The WorkFirst Subcabinet recommends the following funding model changes:

a. *TANF Funding for TANF Families*

Given the challenging economic realities faced by the program, it is necessary to prioritize which services are funded out of the TANF Box. The first priority for TANF funds must be to provide services that help TANF families move along the pathway to self-sufficiency.

b. *Further Leverage Resources*

Key to a successful reset and sustainable future for the program is the development of new strategic partnerships along with the state's ability to leverage all sources of public and private dollars available to help Washington's most vulnerable families. For example, our review of best practices in other states identified that home visitation services are a valuable tool to help families succeed, but have limited availability in Washington State. This could be accomplished by partnering with educational institutions to develop programs for students completing graduate level work in Social Services, Nursing or other relatable fields so they could provide home visitation services that would count toward completion of their degree.

c. *Expand use of Performance-based Contracting*

Executive Order 10-07, signed in November 2010, directs state agencies to implement performance-based contracting standards to new contracts for products and services; review existing contracts prior to renewal and update to reflect performance-based contracting standards and to ensure contracts are actively managed to meet performance-based standards. The order also directs OFM, working with the Departments of Health, Social and Health Services,

Commerce, the Employment Security Department, the Health Care Authority, and other key state agencies, to evaluate ways to apply performance-based standards to federal and state pass-through funding and other grants.

This recommendation to expand the use of performance-based contracting is consistent with the executive order. Some partners currently apply performance-based contracting to WorkFirst service delivery providers. For example, the Department of Commerce has performance-based contracts with each of the local providers of Community Jobs services. As part of the implementation process, the Subcabinet will review all WorkFirst service delivery contracts to ensure they are compliant with Executive Order 10-07.

Expanding the use of performance-based contracting will create a connection between ongoing service funding, participant progress and asset gains, and increased program and participant accountability. A participant-centered funding model will allow greater flexibility to target activities to specific needs of participants.

3. Reform Participation Requirements

With the implementation of fewer WorkFirst time limit extension categories in February 2011, it has become more important than ever to ensure the most effective use of resources to help participants address barriers and connect with the workforce.

The WorkFirst program must balance the need to engage participants in activities suited to their individual and family needs with the federal mandate to meet participation requirements and targets. While we seek creative ways to engage participants in the right activities to move them quickly to the workforce, federal Deficit Reduction Act requirements create a number of challenges including:

- Different requirements for two-parent families that can negatively impact the state's All Family participation rate
- Limits on what activities count toward meeting the federal participation rate
- Limits on critical barrier removal activities such as chemical dependency and mental health treatment
- No possibility of waivers to try new and innovative approaches

Despite the challenges, we can and should reform participation requirements to better engage participants in the following ways:

a. Address Barriers to Success

While stable employment remains the key goal, it is critical that barriers to success be identified and seriously addressed as soon as possible to reduce the number of WorkFirst 'cyclers' and 'stayers'. Participants should be allowed to participate in activities that help them stabilize family circumstances and then move to employment-focused activities.

b. Expand Allowable Engagement Activities

Participants should be allowed more flexibility to engage in part or full-time activities that not only build skills and lead to employment but build stronger families and encourage healthy child development. This may include engaging participants with children under full-time school age in activities such as ECEAP and Head Start, which help them develop and model nurturing care and development for their children. Quality parenting education provides a better environment for children to learn and grow as well as transferrable skills that can be used in the workplace to improve employment outcomes.

- c. *Reduce Administrative Participation Tracking*
Feedback from staff and participants indicate an excessive burden is created by current tracking and verification procedures. Streamlining this process will create efficiencies that allow participants and staff to focus on engagement and case management.
- d. *Continue Use of Alternative Participation Rate Strategies*
WorkFirst should continue programs such as Career Services for post-WorkFirst families to offer transitional supports that allow us to claim additional participation as funding becomes available. Participation targets may continue to be reduced by counting excess Maintenance of Effort (MOE) spending.

4. Enhance Participant and Staff Accountability

All participants have a responsibility to support and care for their children. WorkFirst is designed to collaborate with participants and treat them with respect, in order to gain the knowledge and skills they need to help their families succeed. Participants will continue to be held accountable for engaging in activities designed to help them move along the path to self-sufficiency. Participants who are able, but do not step up to meet this responsibility will continue to face a WorkFirst sanction. This sanction reduces a family's grant and results in termination after four months of non-compliance.

Additionally, with the implementation of fewer time limit extension categories in February 2011, it has become more important than ever to ensure that we make the most effective use of resources to hold participants, partners and providers accountable for efficient and effective engagement.

Current WorkFirst Program measurements (with examples for most current performance⁴) include:

- **Number and percent of Diversion Cash Assistance (DCA) recipients who remain off TANF for 12 months**
As of August 2009, 741 (81%) of DCA recipients remained off TANF for 12 months
- **Child care utilization—including the number of TANF children in Working Connections Child Care (WCCC)**
As of July 2010, there were 37,244 WCCC cases of which 11,264 (22.3%) were on TANF
- **All Family participation rate**
As of July 2010 the All Family Participation rate was 15.5%
- **Two-Parent participation rate**
As of July 2010 the Two Parent Participation rate was 19.9%
- **Unsubsidized employment rates following job search, educational activities, and Community Jobs**
Job Search—as of March 2010, 50% employment rate within three months of Job Search
Community Jobs—as of second quarter of 2010, 43% employment rate
Education and Training (Customized Job Skills Training)—as of 09/10 Fall Quarter, 30% employment rate at quarter following exit from training
Education and Training (High Wage High Demand)--as of 09/10 Fall Quarter, 32% employment rate at quarter following exit from training

⁴ Performance data cited is from the WorkFirst Performance Teams September 2010 Performance Chartbook. The Chartbook is available at http://www.workfirst.wa.gov/performance/measures/Chartbook_Sep2010.pdf

- **Percent of All Family TANF cases closed for self-sufficiency exits⁵**
As of May 2010, 62.6% rate for exits (greater than three months) due to self sufficiency
- **Number/percent of exiters who remain off for more than six months and 12 months**
As of August 2009, 63.1% of exiters remained off TANF for greater than twelve months

Measurement of the participation rate identifies whether a participant meets the full-time federal participation standard, and is an all-or-nothing measure. The program does not currently have measures that help us understand: (1) the progress that participants are making along the way; (2) how many individuals are engaged but participating at a rate lower than we can count for federal requirements; and (3) whether the activities they are engaged in are moving them toward successful labor market attachment.

The Subcabinet recommends the following additional measurements that will provide better information on how participants are progressing and achieving successful outcomes. These measurements should be used to evaluate success for participants, partners, WorkFirst agencies and service providers. The following performance measurements would supplement current WorkFirst measurements:

- Number/percent of participants who show progress along their pathway to self-sufficiency. This will be measured by monitoring the number/percent of participants who move from one Engagement Track to another. For instance, we will monitor how many participants that are in Track Three—Intensive Services move to Track Two—Supported Engagement.
- Number/percent of participants in Track Four that are approved for SSI/SSA
- Number/percent of participants who increase engagement activities
- Number/percent of participants who successfully complete engagement activities
- Number/percent of participants with chemical dependency, mental health, learning disabilities or other barriers to workforce engagement who engage in treatment/services
- Length of time in a track
- Hourly wage at exit

5. Coordinate Case Management

The program must continue to seek ways to maximize limited resources and reduce duplication of effort. Case management is currently provided to WorkFirst families by social workers and case managers from various agencies and partners. Coordination of this function will provide consistency, allow more leveraging of resources, and more efficient use of staff resources.

For example, the DSHS Economic Services Administration (ESA) and Children’s Administration (CA) can coordinate social services on shared cases. This approach will allow families to work with one social worker and will allow agencies to better coordinate service delivery. CA social workers will have the lead in serving families significantly involved in the child welfare system. Cases where CA has minimal involvement will receive social worker support and case management from ESA Social Workers. A successful model for integration may be expanded to other sectors of participant service delivery like vocational rehabilitation, mental health, and employment services.

6. Local Planning and Coordination

WorkFirst Local Planning Area Partnerships (LPAs) serve as forums for WorkFirst service providers to coordinate the development and delivery of services and activities that help WorkFirst families prepare for employment and go to work. There are currently 31 LPAs across the state with

⁵ Self-sufficiency exits are defined as closures where a family remains off assistance for three or more months; and exits for “self-sufficiency” reasons such as excess net income, exceeds earned income limit, child support exceeds grant, or the family requested case closure.

representatives from local and state agencies, community and technical colleges, nonprofit organizations, tribes, contractors, and other community partners that serve those most in need.

The LPA framework is the place to develop new initiatives around community leveraging, the “full family” service approach, outreach to the business community, collaboration with other local partners, working with potential new partners, and filling the service gaps in life skills and soft skills training. Strategies developed around these topics should be locally driven and reflect community resources and caseload demographics.

Commerce is working to incorporate such initiatives into local efforts as LPAs discuss and create their two-year strategic plans. The Department of Commerce’s WorkFirst LPA Liaison will continue to provide on-going communication with LPAs and serve as a link to Sub 2 and 3. The liaison will also provide technical assistance and training to help LPAs remain successful.

LPAs are uniquely situated to take a lead in the re-examination implementation process. LPAs can bring together local and state agencies, colleges, tribes, contractors and other community organization partners to build partnerships and leverage local resources. This offers an established venue for implementing changes and providing ongoing feedback about how participants are doing, what services are effective and what new and innovative approaches we can take to increase successful outcomes. We recommend engaging the LPAs in planning and implementing WorkFirst changes, but also developing a “feedback loop” that supports continued evolution and improvement of the program.

Proposed Implementation Plan

The recommendations in this report represent our vision for the future of the program; however, implementation will be impacted by the fiscal constraints facing the program today. Implementation of recommendations will occur in phases beginning with what can be accomplished within current resources, through program efficiencies, or by leveraging resources in new and innovative ways. Some recommendations may require more time to develop, or be added to the program as funding becomes available.

Implementation of the recommendations will require:

- Staff time to develop plans and identify operational processes
- Development of system tools and supports—such as updating Individual Requirement Plans and monitoring reports
- Update of program and process manuals
- Staff training in motivational interviewing, individual and integrated case management approaches, and new processes or tools

Some changes will require:

- Revised Code of Washington (RCW) changes
- Washington Administrative Code (WAC) changes
- Financial resources—implementation of these changes will be dependent on the availability of funding or the ability to redistribute or leverage resources

The Subcabinet will develop specific cost estimates for the recommended items as implementation plans are developed. The chart below identifies specific implementation requirements for each recommendation. Items identified in ***bold italics*** represent activities which would require additional resources to fully implement. The WorkFirst partners will identify when partial implementation may be achieved within existing resources. In addition to program resources, caution should be given to the need for sufficient partner staff capacity to implement the proposed activities.

Short-Range Implementation	
Build better connections with the business community	<ul style="list-style-type: none"> • Coordination and planning with Business stakeholders • Update manuals • Staff training
Implement alternative approaches to participant engagement (e.g., participating in a child's educational activities)	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst Partners • Develop staff guidelines • Update manuals • Staff training
Improve coordination between Community Service Offices(CSOs), Children's Administration (CA) offices, and kinship navigators	<ul style="list-style-type: none"> • Coordination and planning between CSOs, CA and Kinship Navigators • Update manuals • Staff training
<i>Expand skill development and on-the-job training</i>	<ul style="list-style-type: none"> • Identify service providers • Develop contracts or agreements • Update manuals • Staff training
<i>Make resources available to kinship families</i>	<ul style="list-style-type: none"> • Coordination and planning between Economic Services Administration (ESA) and CA • Develop staff guidelines • Update manuals • Staff training
Expand access to community based resources and services that will benefit WorkFirst families	<ul style="list-style-type: none"> • Coordination and planning between ESA and Educational Institutions • Develop staff guidelines • Update manuals • Staff training
Streamline child care eligibility rules to ensure they are in alignment with TANF eligibility and WorkFirst participation rules	<ul style="list-style-type: none"> • Coordination and planning between Department of Early Learning and ESA • Update Washington Administrative Code (WAC) • Barcode IT System changes • Update manuals • Staff training
Increase the screening of non-relative caregivers applying for child-only TANF	<ul style="list-style-type: none"> • Coordination and planning between CA and ESA • Update Washington Administrative Code (WAC) • Automated Client Eligibility System (ACES) and Barcode changes • Update manuals • Staff training

Mid-Range Implementation

Implement Performance Based Contracting Model	<ul style="list-style-type: none"> • Evaluate current contracting process and requirements • Identify changes required to implement performance-based contracting standards • Revise contracts • Update manuals • Staff training
Change Earned Income Disregard for subsidized employment	<ul style="list-style-type: none"> • Coordination and planning between Department of Commerce and ESA • Update Revised Code of Washington (current Request Legislation has been submitted to change Earned Income Disregard rules) • Update Washington Administrative Code (WAC) • Automated Client Eligibility System (ACES) changes • Update manuals • Staff training
<i>New engagement tracks and Employment Pathway</i>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • Update Washington Administrative Code (WAC) • Automated Client Eligibility System (ACES), eJAS Case Management System changes • Update manuals • Staff training
Coordinated case management	<ul style="list-style-type: none"> • Coordination and planning between Economic Services Administration (ESA) and CA • ESA and CA IT System coordination • Develop staff guidelines • Update manuals • Staff training
<i>Redesign Job Search services</i>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • Dependent on implementation of assessment and referral changes • eJAS Case Management System changes • Update manuals • Staff training • May be implemented in phases starting with LPA planned pilots prior to full implementation

Mid-Range Implementation (continued)

<p><i>Re-introduce some post-TANF employment supports</i></p>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • Dependent on implementation of assessment changes and new engagement tracks • eJAS Case Management System changes • Update manuals • Staff training • May be implemented in phases starting with LPA planned pilots prior to full implementation
<p><i>Commerce Job Connection program</i></p>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • eJAS Case Management System changes • Update manuals • Staff training • May be implemented in phases starting with manual work-arounds; implementation with IT support is likely to be Long-Term
<p>Add new requirements for non-parental caregivers</p>	<ul style="list-style-type: none"> • Coordination and planning between CA and ESA • Update Washington Administrative Code (WAC) • May require RCW change • Automated Client Eligibility System (ACES) changes • Update manuals • Staff training
<p><i>Commerce Career Development program</i></p>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • eJAS Case Management System changes • Update manuals • Staff training
<p>Maximize countable engagement and streamline administrative participation tracking requirements</p>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • eJAS Case Management System changes • Update manuals • Update TANF State Plan • Staff training • May be implemented in phases starting with manual work-arounds; implementation with IT support is likely to be Long-Term

Long Term Implementation	
Means test TANF & WCCC benefits for families headed by non-parental caregivers	<ul style="list-style-type: none"> • Coordination/planning between Department of Commerce and ESA • Update Revised Code of Washington (current Request Legislation has been submitted to change Earned Income Disregard rules) • Update Washington Administrative Code (WAC) • Automated Client Eligibility System (ACES) and Barcode IT system changes • Update manuals • Staff training
<i>Improved assessment</i>	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • eJAS Case Management System changes • Update Washington Administrative Code (WAC) • Update manuals • Staff training • May be implemented in phases starting with manual work-arounds; full implementation with IT support is likely to be Long-Term
Modify Individual Responsibility Plan and other engagement system tools	<ul style="list-style-type: none"> • Coordination and planning between WorkFirst partners • Identify available resources • eJAS Case Management System changes • Update manuals • Staff training • May be implemented in phases starting with manual work-arounds; full implementation with IT support is likely to be Long-Term

Opportunities for Change--TANF Reauthorization

TANF Reauthorization comes at an opportune time as we evaluate and re-tool our current program. It provides an opportunity to request TANF regulation changes that will help us more effectively serve families and allow more flexibility to test innovative and promising approaches. In addition to the recommendations in this report, advocacy for changes at the federal level will provide additional support to enhance the future success of the WorkFirst Program.

The federal Deficit Reduction Act (DRA) of 2005 re-authorized TANF through September 30, 2010 and applied stricter federal work participation standards. On November 29, 2010 Congress extended the TANF block grant through September 30, 2011 at the present funding level. As part of the Claims Resolution Act (P.L. 111-291):

- TANF Contingency Funds are authorized from October 1, 2010 to the date of the enactment of the bill. No additional Contingency funds will be awarded.
- The legislation imposes new requirements for reporting work participation. Currently, the state is only required to report detailed information about verified hours of engagement in TANF countable work activities. HR 4783 will require additional detailed reporting about participation in activities that cannot be counted toward the TANF participation rate. It also imposes penalties for states that do not comply with reporting requirements.
- The legislation also imposed new requirements for reporting expenditure data.
- States will be required to publish reports on an ACF approved website and must include a description of the most common activities that are not countable toward the participation rate.

The changes in HR4783 do not provide states with flexibility in the area of countable participation activities. Federal rules continue to be a roadblock to addressing barriers to successful employment, and developing creative solutions that maximize engagement with diminishing resources.

Effective improvements to TANF requirements will require the support and involvement of governors and Congress. The Subcabinet will share this report with the Washington Congressional delegation to seek their support. Key areas where changes would help us address the participation difficulties we face include:

- **Two-Parent Participation Rate—Eliminate 90% Participation Requirement**

States are required to engage 50% of all families in work activities. There is an additional requirement to engage 90% of all two-parent families in work activities. Both parents in two-parent families are also included in the all-family rate. The impact of this requirement is to double-count these parents placing an undue burden on states in meeting both participation requirements.

The effect can be that states develop a participation plan that is appropriate for the family and meets the two-parent family requirement, yet neither of the parents is participating sufficient hours to pass the all-family rate. For example, a mother is participating 10 hours each week working part-time (which is a core activity) and the father is participating 25 hours each week in vocational education (also a core activity). This family meets the Two-Parent rate of 35 hours per week but neither parent achieves the 30-hour All Family requirement. Historically, this has resulted in requiring more participation for each parent than is required under the requirements for the two-parent household. Such requirements have reduced the choice families have to allow one parent to meet all participation while the other parent cares for and nurtures the children.

States must balance meeting the Two-Parent requirement with the All Family requirement and in many cases must make choices as to which standard they will meet which means facing potential penalties for failing to achieve one or both requirements.

- **Excess Maintenance Of Effort (MOE)—Repeal DRA Final Rules and Reinstate June 29, 2006 Interim Rules**

The February 5, 2008 final DRA rules restricted the ability of states to count MOE expenditures toward these two TANF Purposes: Reduce out of wedlock pregnancies, and Promote the formation and maintenance of two-parent families. These rules should be repealed and the June 29, 2006 interim rules that provided more flexibility to states should be reinstated.

Under the June 29, 2006 interim rules, states were allowed to claim MOE expenditures toward TANF purposes three and four regardless of financial need or family composition. This allowed us to claim expenditures for programs such as the State Needs Grant without adjustment to the annual expenditures. After the February final rules were implemented, claimable expenditures decreased from about \$132 million in FFY 2008 to a little over \$49 million in FFY 2009.

The excess MOE process is critical to lowering our work participation target rates as well as meeting our TANF 80% MOE requirement (about \$273 million) and the Contingency Fund 100% historic MOE requirement (about \$312 million). The following table estimates the FFY 2010 work participation rates with and without the addition of excess MOE.

FFY 2010	All-Family Requirement	Two-Parent Family Requirement
Requirement	50%	90%
Caseload Reduction Credit w/MOE	60.6%	64.4%
Participation Target w/MOE	0.0%	25.6%
Caseload Reduction Credit w/o MOE	0%	6.8%
Participation Target w/o MOE	50%	83.2%
Estimated Current Rate	23.5%	21.1%

Without the excess MOE, it is estimated that Washington would be failing both target rates. The amount of claimable excess MOE is diminished due to the February 2008 rule so we are forced to expand our search to other agencies and non-profit sources. As the economy worsens, these non-profit sources are seeing reductions in their budget, which makes our task of identifying MOE even more difficult.

- **Education & Training Activities—Reduce Limitations**

The 10 hour per week limit on optional Education and Training activities should be repealed and these activities should count toward the core 30 hour/week requirement. Activities that should count toward the core requirement include English as a Second Language (ESL), Job Skills Training (JT), Basic Education (BE), GED Completion (GE), and High School Completion (HS). Current economic conditions create increased competition for employment opportunities. WorkFirst families must be prepared to compete in a tight labor market.

- **Vocational Education—Reduce Limitations**

DRA rules allow states to claim participation in Vocational Education only up to 30% of the WorkFirst caseload. Any families that participate above this cap are not able to have the activity count toward meeting federal participation requirements. Eliminate the 30% limit on the number of families that count toward the work participation rate in any given month.

- **Community Service—Reduce Limitations**

The DRA eliminated our ability to use over 20 countable community service activities and reduced the number to one. The new regulations also moved five other activities—such as mental health and chemical dependency treatment—into the time limited Job Search/Job Readiness category. Remove the narrowly prescriptive definition of ‘community service’ and allow states to expand this activity to suit local communities where there are unmet needs.

- **Mental Health and Chemical Dependency Treatment—Reduce Limitations**

The DRA moved treatment services for issues such as mental health and chemical dependency into the same participation category as Job Search. This change limited countable participation in these activities to the same six weeks (currently 12 weeks in Washington State) as Job Search. The impact of this change is to limit the time available for participants to address serious barriers as well as time available to conduct Job Search/Job Readiness activities.

- **Authorizing TANF Waivers**

Authorizing TANF waivers can be another option for securing the flexibility to try new and innovative approaches. The Administration for Children and Families (ACF) has not granted new waivers since the original TANF legislation removed the eligibility provisions that were stated in the former section 402. Expansion of waiver authority would require Congress to expand authority in §1115 of the Social Security Act (42 U.S.C. 1315). As the law is now written, ACF does not have authority to grant waivers.

Acknowledgements

The Subcabinet would like to acknowledge the contributions of the individuals and groups that participated in the WorkFirst Re-Examination process. The ideas and input of WorkFirst staff, current and former WorkFirst participants, Tribes, advocacy groups, legislators and other key stakeholders were critical to this review.

WorkFirst One Table

A series of meetings with key legislators, legislative staff, tribal representatives, welfare advocates and other key stakeholders was hosted by the WorkFirst Subcabinet between July 2010 and October 2010. During the meetings, members exchanged information and ideas about the future of the program and how it can be improved and sustained into the future.

Staff Focus Groups

Staff from the WorkFirst partner agencies participated in a series of focus groups across the state. A special e-mail box was set up to collect additional ideas and opinions.

Participant Feedback

A variety of methods were used to gather feedback from current and former WorkFirst participants including the following:

- Over 1,100 participants responded to an online survey
- Department of Social and Health Services conducted focus groups in Chehalis, Mount Vernon, Seattle, Spokane, Sunnyside, Tacoma and Vancouver.
- The Parental Responsibility and Child Development Redesign Team worked with various community groups to gather participant input
- The Department of Early Learning conducted a conference call with its Parent Advisory Group (a group of current and former participants)
- The State Board for Community and Technical Colleges conducted statewide interactive video conferences with students who are current and former participants
- POWER (Parents Organizing for Welfare and Economic Rights) hosted two focus groups that provided an opportunity for DSHS Secretary Dreyfus to have an interactive conversation with current and former participants
- Tacoma Community House hosted a participant focus group in Tacoma

Employer Survey

The Employment Security Department developed and analyzed a survey of employers and the business community.

Tribes

The Department of Social and Health Services hosted a meeting with Tribal leaders.

Redesign Teams

Nine redesign teams with experienced staff from the WorkFirst partner agencies were convened to review the information gathered through the re-examination process, evaluate the current programs and practices, and develop options and recommendations for consideration by the WorkFirst Subcabinet. The teams included:

Eligibility and Benefits	Workforce Attachment and Job Development
Child Care	Workforce Education and Training
Child-Only Cases	Parental Responsibility and Child Development
Case Planning and Case Management	Process Improvement and Efficiencies
Finance and Resource Leveraging	

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