

ECONOMIC SERVICES ADMINISTRATION Incr Two-Parent Workfirst Participation



2016 SUPPLEMENTAL BUDGET

Request	FY16	FY17	15-17
FTE	Placeholder	Placeholder	Placeholder
GF-State	Placeholder	Placeholder	Placeholder
Total	Placeholder	Placeholder	Placeholder

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding and FTEs in order to support a change in work participation requirements for Temporary Assistance for Needy Families (TANF) two-parent families. ESA proposes to require both parents in a two parent TANF family be required to participate in activities that are designed to assist the family in achieving and sustaining self-sufficiency. By funding this request, ESA is expected to increase Washington’s work participation rates while still providing basic assistance and services to needy families in order to address failure of the rate in Federal Fiscal Year (FFY) 2012 and the potential failure for subsequent years.

PROBLEM STATEMENT

The federal Department of Health and Human Services (HHS) Administration for Children and Families (ACF) notified Secretary Quigley on May 28, 2015 that the state’s Temporary Assistance for Needy Families (TANF) program did not meet required performance targets in FFY 2012 (Oct 2011-Sep 2012). The state has several options in response to this notification, including entering into a Corrective Compliance Plan (CCP) with ACF that will result in the state meeting the Work Participation Requirements (WPR).

Under Federal TANF rules, adults in a family receiving a TANF grant are required to participate in activities that are intended to move the family to self-sufficiency. Each state must meet two participation rate targets ('all family' and 'two-parent families') as measure of its success in engaging adults in required activities.

Washington State currently requires the parents in a two-parent TANF family to have at least 35 hours of participation per week. A household can choose to have one parent opt out of participation provided the other parent agrees to participate 35 hours per week or both parents can split the 35 hours per week participation requirement.

Washington State has not achieved the federally required TANF work participation target rates for FFY 2012 for either the all family or the two-parent family caseload. A review of work participation data shows that while sufficient numbers of TANF two-parent families are engaged in activities, not enough parents in these families are participating in enough hours to meet participation requirements.

A state's failure to meet federal TANF work participation requirements results in a penalty to the state. In the first year



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that a state fails to meet both rates or fails just the 'all family' rate, the penalty is five percent of the federal TANF Block Grant for that year. For FFY 2012, this would be a penalty of approximately \$13.4 million. If a state fails only the two-parent target, the penalty is reduced to the ratio of the two-parent caseload compared to the all family caseload. For FFY 2012, this penalty would be an estimated \$1.5 million, for a total penalty of \$14.9 million. The penalty amount increases by 2 percent with each successive year of failure, up to a maximum of 21 percent of the federal TANF Block Grant.

PROPOSED SOLUTION

DSHS proposes to increase work participation requirements for each parent in a two-parent TANF household to full-time (32-40 hours per week). Unless exempt, both parents will be required to participate at 32-40 hours per week.

Staffing requirements include contacting parents who had opted out of the two-parent participation requirement and engaging with them in developing Individual Responsibility Plans (IRP) based on their needs and goals. Case managers would begin referring them to agreed upon and needed activities, child care, and tracking their participation. Should these parents choose not to comply with the new participation requirements, without cause, the sanction process would be initiated.

Additional WorkFirst services funding will be needed and used to provide supports such as transportation, work clothing, and tools to parents who are required to participate under this proposal. These services remove barriers to employment or participation. Based on the results of ESA's comprehensive evaluation, services will also be available to help clients look for work and get job experience or education. With both parents engaged, child care will also be available to these two-parent households. This is the same array of supports and services that all WorkFirst parents receive in order to support their efforts toward self-sufficiency. Without providing these supports, it is not feasible to require parents who are not currently required to participate to do so.

Expected Results

The outcome of this decision package will be to support needy TANF families as they move toward self-sufficiency and end their dependence on public assistance, as well as improve Washington's WPR.

STAKEHOLDER IMPACT

The advocate community may not support this initiative, due to the additional requirements on WorkFirst families as outlined in this proposal.