

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 150
SEPTEMBER 23, 2010**

WORKFIRST RE-EXAMINATION

The 2010 Legislature passed HB3141 sponsored by Representative Ruth Kagi that directed a review of Washington's WorkFirst program and directed an increased focus on lifting families out of poverty. While Governor Gregoire partially vetoed the bill, she directed her WorkFirst Subcabinet to review WorkFirst and make recommendations to promote family self-sufficiency.

Today, Troy Hutson, Workforce Board member (designee for Secretary Susan Dreyfus) will update the Board on the review, and the issues pertinent to education and training and moving WorkFirst clients to family self-sufficiency.

Board Action Required: None. For discussion only.

WorkFirst Re-examination

Troy Hutson
Department of Social and Health Services
Economic Services Administration

August 2010



WorkFirst at a Glance

- **Washington's Temporary Assistance for Needy Families (TANF) program**
- **Eligible low-income families (82% of FPL) receive cash, food and medical assistance, welfare-to-work services**
- **Administered through a partnership of six state agencies, with oversight by WorkFirst SubCabinet: DSHS, ESD, SBCTC, Commerce, DEL and OFM**
- **Focus is on work and temporary nature of support**
- **In SFY 10, served an average of 64,432 families each month:**
 - ***34,498 (54%) single parent families***
 - ***23,416 (36%) child-only***
 - ***6,517 (10%) two-parent families***



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WorkFirst at a Glance

- **Total biennial budget of \$1.65 billion**
- **31 Local Planning Area (LPA) networks address local issues and needs**
- **Services must accomplish or support one of these four TANF purposes:**
 - *Assisting needy families so that children can be cared for in their own homes*
 - *Reducing dependency of needy parents by promoting job preparation, work and marriage*
 - *Preventing out of wedlock pregnancies*
 - *Encouraging the formation and maintenance of two-parent families*

WorkFirst Services

- **Employment preparation and job search assistance (ESD, Commerce)**
- **Education and training (SBCTC, Commerce)**
- **Subsidized employment, work experience, and other supported work programs (Commerce)**
- **Assistance with removing barriers to employment (DSHS):**
 - *Mental health and substance abuse treatment*
 - *Help applying for and securing federal benefits like SSI*
 - *Referrals for vocation rehabilitation, family violence services*
- **Emergency cash assistance to prevent eviction or utility shutoff, secure housing (DSHS)**

WorkFirst Services

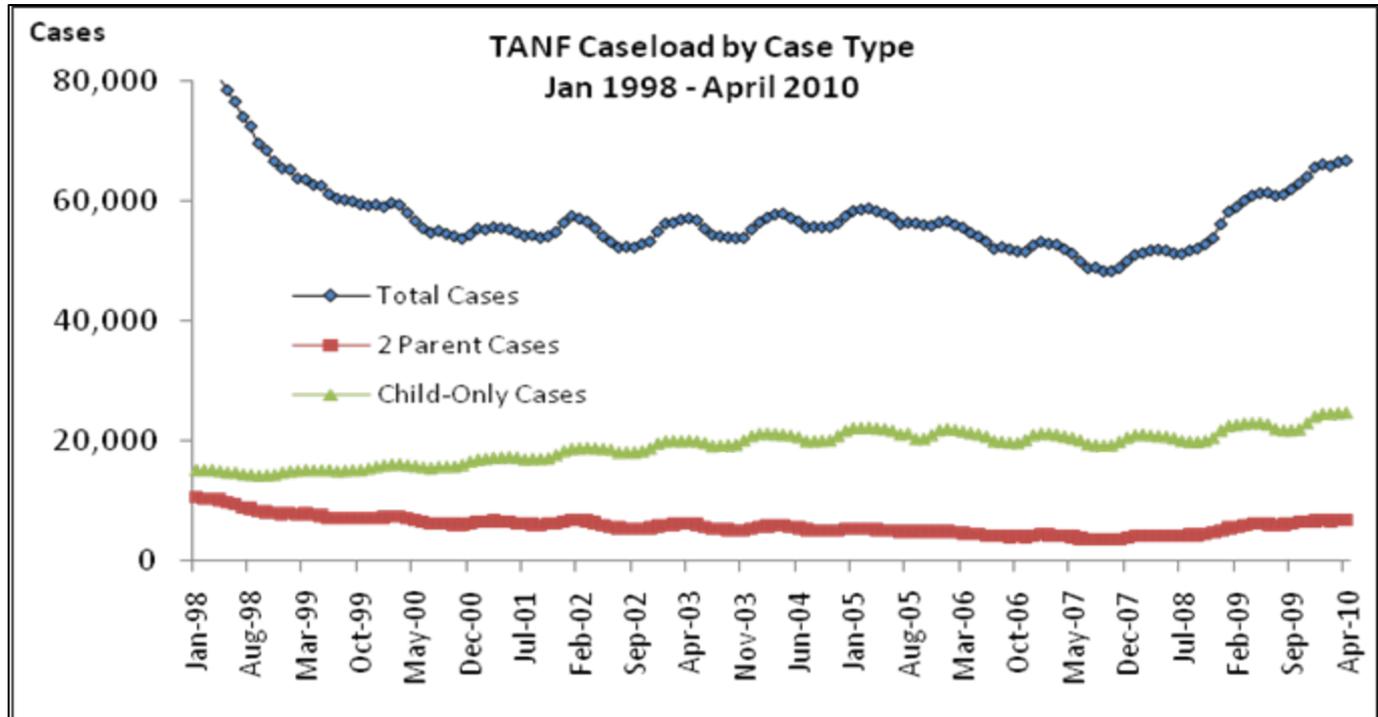
- **Support services to help pay for work-related items such as clothing and transportation (DSHS, ESD, Commerce)**
- **Wage progression and job retention services for working families who leave WorkFirst (ESD)**
- **Other benefits available to WorkFirst families:**
 - *Help with establishing paternity and collecting child support from non-custodial parents (DSHS)*
 - *Working Connections Child Care subsidies (DEL)*
 - *Medical coverage (DSHS)*
 - *Food assistance (DSHS)*

A Look at WorkFirst Cases Today

- **53% of WorkFirst families are headed by a single parent**
- **Child-only cases comprise 37% of Washington's TANF caseload**
- **About 8.7% of TANF adults have a limited English proficiency**
- **66% have at least a high school diploma or GED**
- **22.2% of WorkFirst parents have one or more barriers to employment (e.g., mental health issues, substance abuse, homelessness, family violence)**



TANF Caseload



Month	Total Cases	Two-parent Cases	Child-only Cases
Jan-98	84,003	10,606	15,130
Sep-07	48,238	3,484	19,148
Apr-10	66,588	6,748	24,620

Call for WorkFirst Redesign

- **In April 2010, Governor vetoed sections of E2SHB 3141 that required major changes to WorkFirst**
- **In veto message, Governor directed WorkFirst Subcabinet to examine best practices and develop sustainable redesign plan**
- **‘Reboot’ is critical to breaking cycle of welfare dependency and poverty, and developing 21st century economy and workforce**
- **Personal responsibility of WorkFirst parents to achieve economic self-sufficiency remains fundamental tenet**



Opportunities for 'Rebooting' WorkFirst

2010 TANF Reauthorization

- **Opportunity to press for increased federal funding, greater state flexibility, expanded waiver authority, freedom to test innovative approaches and pilots**

Availability of innovative, evidence based approaches

- **New research-based evidence on complexity, strengths and needs of families living in poverty**
- **Effective models for engaging and motivating families**

Core Assumptions for Redesign

- **Stable and successful employment is main objective**
- **Family-centered case planning and engagement is key to good outcomes**
- **Policies will recognize the critical responsibility of parents in their children's development, and foster healthy child development and family stability**
- **WorkFirst is a transitional program to assist families on the pathway to self-sufficiency**
- **Leveraging non-TANF resources is crucial to achieving WorkFirst goals**



Engagement Strategy

- **Focus groups convened by WorkFirst partner agencies to gather ideas and input from clients, employees and service providers**

July – August 2010

- **Four monthly ‘One Table’ meetings with key legislators , legislative staff and stakeholders**

July – October 2010

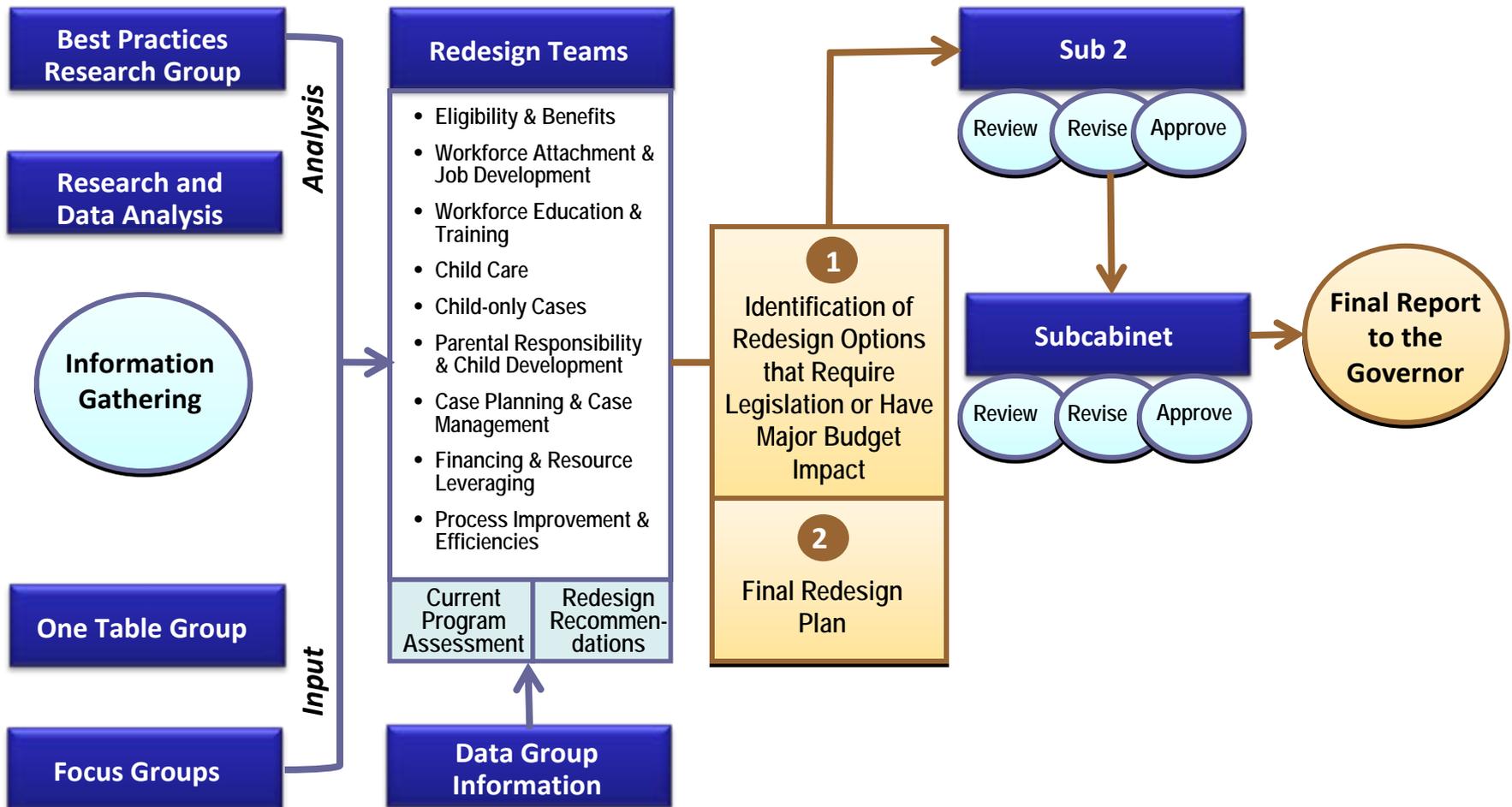


Timelines & Key Milestones

MILESTONE/DELIVERABLE	TARGET DATE
One Table input meetings	Monthly, July – Oct
Analyses of best & promising practices	early Sept 2010
Identification of redesign options that require legislation or have major budget impact	October 2010
WorkFirst Redesign Plan to Governor	December 2010



Overview of Re-examination Process



July 2010

August 2010

September 2010

October 2010

November 2010

December 2010



Charter

WorkFirst Subcabinet

WorkFirst Re-examination

July 2010

EXECUTIVE SPONSORS *(members of WorkFirst Subcabinet)*

Marty Brown, Director, Office of Financial Management

Susan Dreyfus, Secretary, Department of Social and Health Services

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

Bette Hyde, Director, Department of Early Learning

Karen Lee, Commissioner, Employment Security Department

Rogers Weed, Director, Department of Commerce

PLANNING TEAM *(members of WorkFirst Sub 2)*

Carole Holland, Senior Budget Assistant, Office of Financial Management

Troy Hutson, Assistant Secretary, Economic Services Administration, DSHS

Dan McConnon, Assistant Director, Department of Commerce

Robert McLellan, Assistant Director, Department of Early Learning

Alexis Oliver, Executive Policy Advisor, Office of the Governor

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

Paul Trause, Deputy Commissioner, Employment Security Department

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WorkFirst Re-examination

Section 1. Overview

1.1 Purpose Statement

With the signing of E2SHB 3141 on April 1, 2010, the Governor directed the WorkFirst Subcabinet to “examine best practices to meet the needs of WorkFirst families to obtain employment and achieve family self-sufficiency, to provide a report by December 2010, and plan to implement best practices that are sustainable.”

Washington State is in the midst of the greatest economic crisis since the Great Depression. The state’s unemployment rate stood at 9.2% in April 2010, and the 2008 OFM [State Population Survey](#) indicates that 17.7% of state residents lived below the federal poverty line in 2008. The state budget is under great stress and the need for safety net services has continued to increase. While conditions are improving, all indications nationally are that states will recover more slowly and are likely to experience budget stress through the decade.

In light of this reality, the Governor has challenged Washington State and state agencies to “reboot” for a future that will be very different from the past, examine every aspect of their programs, policies and budgets, and assure they are aligned for long-term benefit, maximum efficiency and effectiveness, and budget containment.

A “reboot” of WorkFirst is critical to breaking the costly intergenerational cycle of welfare dependency and poverty in the state, developing a 21st century economy and workforce, and improving the odds for greater health and well-being of children in the families served by the program – they are Washington’s future workforce.

The personal responsibility of WorkFirst parents to work towards economic self-sufficiency will remain a fundamental tenet of the program. However, the WorkFirst Subcabinet recognizes that the state shares in this responsibility by assisting participants in getting a job and engaging in activities that increase their likelihood for success over time.

The WorkFirst program will be examined to determine if more can be done, within budget, to achieve better results; align the program more consistently to the Governor’s priorities for economic development, education, health care and strengthening Washington families; and realize the program as a key state asset for strategic workforce development.

1.2 Core Assumptions

The state’s ability to fully realize the following core assumptions for the WorkFirst program will need to be balanced with current and future fiscal realities and constraints.

ASSUMPTIONS

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.

Work provides the best opportunity for parents to provide a stable income and move their families out of poverty. Children benefit when their parents model to them a strong work ethic. However, participants need assistance to be prepared for work and we will help them identify and remove barriers that hinder their ability to be employed. To assist participants in developing and maintaining a strong workforce attachment, we will strengthen the linkages between TANF and workforce development programs in Washington State. We will work in partnership with the business, education and labor communities to develop jobs and career pathways that are aligned with the state's goals for economic competitiveness in the 21st century. We will provide opportunities for participants to gain soft and hard skills that allow them to compete and succeed in the job market. We will develop education and training opportunities to move participants into the workforce and on a pathway to a living wage job. When participants experience success they are more likely to be highly engaged and motivated in realizing their longer term goals. Ultimately our strategies need to position people with the best opportunity to break the cycle of poverty, recognizing that to do so means more than placing a person in a job. To achieve our goals, we will strive to invest in what has been shown to work based on empirical evidence.

A family-centered case planning and engagement approach is necessary to achieve good outcomes and reduce long-term dependency and generational poverty within families.

Comprehensive assessments and person- and family-centered planning and case management strategies will be necessary to ensure that our engagement, goals and services assist and motivate parents to meet their employment goals and help their children succeed in school, develop and realize their full potential.

Policies will recognize the critical role and responsibility of parents in their children's development, foster the healthy growth and development of children, and promote family stability.

Parents are their child's first and best teacher. Some parents, however, lack the knowledge and skills needed to create a healthy and nurturing environment for their children. To reduce generational poverty within families and communities, we will help these parents gain the knowledge and skills they need to help their children succeed, and we will reinforce the importance of their parental responsibilities. Substantial evidence shows that investments in parenting education, family strengthening, and early childhood education programs improve outcomes for at-risk children and reduce public expenditures associated with incarceration, child abuse and neglect, teen pregnancy, and long-term welfare dependency. Stable child care arrangements are also critical to the success of WorkFirst parents and their children.

WorkFirst is a transitional, not long-term, program to assist families on the pathway to self-sufficiency.

Through our engagement strategies, we will reduce the number of participants in WorkFirst beyond 60 months and reduce long-term dependency on the program. Nearly 14% of the TANF caseload (6,721 families) in Washington State has been on assistance for 60 months or more, and many of the parents now on TANF have been on TANF before. We will engage participants to reduce long term dependency on temporary cash assistance. Many participants have significant barriers to employment. It will be important to create a clear sense of shared responsibility with participants and accountability for results.

ASSUMPTIONS

Leveraging non-TANF resources is crucial to achieving the goals of WorkFirst.

We will partner with public and private entities to successfully realize our vision for WorkFirst and manage the program with financial integrity. This will involve the development of new community- and state-based partnerships to identify resources and systems outside of TANF that can be leveraged to share in the achievement of WorkFirst goals.

1.3 Re-examination Goal and Objectives

The WorkFirst Subcabinet will develop and present recommendations to the Governor on the redesign of the WorkFirst program by December 1, 2010. The WorkFirst re-examination will involve a comprehensive review of the current program and evidence-based best practices at the state and national levels:

- **Review of Current Program.** *How effective is the program now – its current policies, program design and engagement strategies – in helping WorkFirst parents successfully attach to the workforce, move out of poverty, and assure the well-being and healthy development of their children?*
- **Best Practices Research.** *What can the state learn from welfare-to-work strategies in other states that have been shown to be effective based on empirical evidence? How can we replicate their success here? Researchers at the University of Washington’s West Coast Center for Poverty and the non-profit Center for Budget and Policy Priorities research and policy institute will assist in this review.*

1.4 Scope

PROJECT INCLUDES

Development of recommendations for changes to the WorkFirst program, based on: (1) a review of the current program; (2) an examination of evidence-based best practices at the state and national levels; and (3) consideration of input and ideas from key legislators, stakeholders, WorkFirst participants, and WorkFirst partner agency employees.

Development of recommendations for phasing in redesign components and proven practice improvement strategies.

PROJECT EXCLUDES

Decisions on how and when redesign recommendations will be implemented, as there may be elements that are subject to approval by the executive and legislative branches.

1.5 Key Re-examination Questions

PROGRAM OUTCOMES

- What outcomes are we achieving now and how can we improve?
- What are the desired program outcomes and how will we measure them?
- How do we incorporate what we know about the effects of situational and generational poverty into program design?
- How can we realign current WorkFirst strategies with workforce development in the 21st century?

FINANCING

- WorkFirst has a total biennial budget of \$1.95 billion. How can the state leverage these dollars to bring others to the table (e.g., K–12, foundations) who can invest in strategies that improve the economic security and well-being of TANF families?
- How can we leverage existing resources in areas like housing, child care, child development, and treatment services?
- How can we create a more flexible authorization framework for the program that will allow us to be more responsive to increased costs and caseload growth?
- What can we do to align TANF expenditures with the state’s need for a strong economy, education reform, improving people’s health and strengthening families?

CORE FUNCTIONS

- What WorkFirst activities are core functions of the program?
- Who should engage in job search as a work activity?
- Do we need to adjust our education and training policy framework to help people gain employment and have the opportunity to experience wage progression?
- How can we meet federal work rates and requirements while having a program that realizes greater outcomes for our participants?
- How can we better engage two-parent families?

TANF CHILDREN

- How can we improve linkages with early learning opportunities for children on TANF?
- How do we work with child-only cases and better assure the appropriate use of this benefit and the well-being of the children in these cases?

INTEGRATED CASE MANAGEMENT

- How can we maximize data sharing across agencies to improve communication and collaboration and support integrated case management, and remain in full compliance with privacy and confidentiality requirements?

PROGRAM DESIGN /SERVICE DELIVERY MODEL

- Do federal regulations and requirements provide more flexibility than what is currently allowed in our WorkFirst program?
- Are we being as creative as possible in meeting federal work participation requirements, in ways that align with our core assumptions?
- What changes will be required in terms of staff skills and competencies?
- Can some core functions be provided more efficiently and effectively by others?
- Can we provide some or all of the core functions through performance-based contracts?
- How can we provide funding based on performance incentives or outcomes?
- How can we reduce the paperwork associated with program administration and work verification and remain in compliance with federal TANF requirements?
- What do participants see as barriers to success?

IMPLEMENTATION PLANNING

- How will we measure success?
- How will we pace redesign implementation?
- How can we work with our Local Planning Area partners to bring their work into alignment with the goals and assumptions we have for WorkFirst?

1.6 Critical Success Factors

- *Executive support and commitment*
- *Clear and clearly articulated vision/core assumptions for the WorkFirst re-design*
- *Carefully planned re-examination of the program*
- *Full participation by members of the WorkFirst partnership*
- *Good, effective work on the part of the Re-examination Work Teams*

1.7 Engagement Strategy

Monthly One Table meetings with key legislators, legislative staff, tribal representatives and key stakeholders will be held during the period July – October 2010. These meetings will provide an opportunity to provide input to members of the WorkFirst Subcabinet who are responsible for examining the effectiveness of the current program and developing program redesign options for the Governor’s consideration.

Focus groups will be convened by the WorkFirst partner agencies during the period July and August to gather ideas, opinions and input from WorkFirst participants, service providers and employees about the strengths and weaknesses of the current program and opportunities for improvement.

Section 2. Authority and Milestones

2.1 Funding Authority

The WorkFirst Re-examination project will be carried out within current funding.

2.2 Project Oversight Authority

The WorkFirst Subcabinet will provide project oversight and approve each phase of the re-examination process, including the development of final redesign recommendations and plan for the Governor.

The WorkFirst Sub 2 will direct the work of redesign work teams and oversee the development of draft materials for Subcabinet review and approval.

The Department of Social and Health Services will schedule meetings and prepare agendas. Space on the WorkFirst website will house completed documents so that they are available to the public.

2.3 Major Milestones

MILESTONE/DELIVERABLE	TARGET DATE
One Table input meetings	Monthly, starting July 21 and ending in October
Synopsis of best and promising practices -- numerous evaluations have been done at the state and national levels that can be gleaned from to identify evidence-based approaches and strategies that are in alignment with the core assumptions for the WorkFirst redesign	Early September 2010
Identification of redesign options that require legislation or have major budget impact – submitted to Governor	October 2010
WorkFirst Redesign Plan – submitted to Governor	December 2010

Section 3. Organization

3.1 Structure

The Department of Social and Health Services will convene a Best Practices Research Team that includes representatives from the DSHS Research and Data Analysis Division, West Coast Poverty Center, Center for Budget and Policy Priorities, and WorkFirst partner agencies.

The WorkFirst Sub 2 as a body will oversee a comprehensive assessment of the current program and outcomes, as well as findings by the Best Practice Research Team. This work will be reviewed, approved and prioritized by the WorkFirst Subcabinet.

Nine WorkFirst Redesign Teams primarily comprised of staff with program expertise from the WorkFirst partner agencies will carry out much of the re-examination work. Each team will be sponsored by the appropriate WorkFirst Sub 2 Principal(s), and may include persons who are not affiliated with a partner agency but have special expertise in key areas.

Redesign Teams

- *Eligibility and Benefits, led by DSHS*
- *Workforce Attachment and Job Development, with ESD and Commerce as co-leads*
- *Workforce Education and Training, with SBCTC and Commerce as co-leads*
- *Child Care, led by DEL*
- *Parental Responsibility and Child Development, with DSHS and DEL as co-leads*
- *Case Planning and Case Management, led by DSHS*
- *Child Only Cases, led by DSHS*
- *Financing and Resource Leveraging, led by DSHS*
- *Process Improvement and Efficiencies, led by DSHS*

For their respective areas, teams will be responsible for:

- *Assessing the effectiveness of current policies, services and service delivery*
- *Determining whether federal regulations and requirements provide more flexibility than what is allowed in the current program*
- *Identifying best and promising practices for consideration in Washington State*
- *Developing recommendations that are in alignment with core assumptions and budget*
- *Responding to data requests that fall in their respective areas of responsibility*

In developing their recommendations, teams will address the following:

- *Why was the recommendation selected as a preferred approach?*
- *How does the recommendation align with WorkFirst core assumptions?*
- *How will the recommendation impact or contribute to federal participation requirements?*
- *How will the recommendation help address poverty in Washington State?*
- *How will services be delivered?*
- *What changes will this require in terms of staff skills and competencies?*
- *What outcomes do we expect, and how will we measure success?*
- *Is the recommendation affordable and sustainable?*

3.2 Roles and Responsibilities

ROLE	DATE(S)	RESPONSIBILITY
Development of detailed re-examination process work plan	by July 31	Sub 2
Establishment of Redesign Teams	by July 31	Sub 2
One Table meetings	Scheduled for July 21, August 18, September 15, October 20	DSHS
Focus group process and schedule	by July 31	Sub 2
Best Practice Research & Synopsis	early September	Best Practice Research Team for draft; Sub 2 for review and approval
WorkFirst Redesign Plan	by December 1	Sub 2 for draft; Subcabinet for review and approval of final plan for Governor