

***Texas Council on Workforce and  
Economic Competitiveness***



Texas State Capitol - Austin, Texas

***Welfare to Work Initiatives  
in Texas: Report 2001***

December 2001

Dear Texas Workforce System Stakeholder:

The Texas Council on Workforce and Economic Competitiveness (Council) is pleased to present this second annual welfare reform report *Welfare to Work Initiatives in Texas: Report 2001* as mandated by Texas Government Code 2308.101 (14). This report was approved at the Council's December 7, 2001 meeting.

In writing this report, the Council asked four basic questions. Are there significant changes in the demographics of the welfare population in Texas? Is welfare reform continuing to work in Texas? Is the Work First Model successfully putting adults to work? What are some of the innovative practices going on around the state at the local level?

This report analyzes the welfare population demographics and trends and what impact significant changes in the population might have on the Texas model. Programs, initiatives, and pilots in Texas that affect the lives of families on welfare are discussed. New laws passed by the 77th Legislative Session and signed into law by the Governor are noted along with a number of outstanding model programs in Texas. Finally, the report discusses the implications of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) reauthorization which will be before the U.S. Congress in 2002.

I commend this report to you.

Ann F. Hodge, Chair

# Council Members

## **Business and Industry Representatives**

Ann F. Hodge, Katy Chamber of Commerce (Chair)  
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Wanda Rohm, Presto Printing  
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Jon Bradley, Texas Board of Human Services  
Diane Rath, Texas Workforce Commission  
Grace Shore, State Board of Education  
Massey Villarreal, Texas Department of Economic  
Development  
Pam Willeford, Texas Higher Education  
Coordinating Board

# **Mandates to the Texas Council on Workforce and Economic Competitiveness**

**House Bill 3431 (76th Legislature) requires the Council to provide annual reports to the Governor and Legislature, *“including an annual report analyzing work development programs that focus on welfare to work initiatives.”***

**This report aligns with the Texas Workforce Development Strategic Plan, September 1999--August 2004, Goal III:**

***“Texans have access to obtain the literacy, education and workplace skills necessary for self-sufficient employment, employment advancement and life-long learning,”*** and

**Goal III, Objective (d):**

***“Develop initiatives to decrease expeditiously, through employment at a self-sufficient level, the proportion of Texans who need public assistance or unemployment insurance.”***

# Executive Summary

The Texas Council on Workforce and Economic Competitiveness (Council) is mandated by H.B. 3431, 76th Legislature, to prepare an annual report to the Governor and the Legislature analyzing work development programs that focus on welfare to work initiatives. This second annual report is divided into five sections. The first section briefly analyzes the demographics and trends of the welfare population in Texas. The second section provides performance data of current programs, initiatives, and pilots in Texas, often comparing this year's performance with last year's; and the third highlights some of the best practices being done by local workforce development boards in collaborating with local partners and meeting the needs of local employers. The fourth examines the provisions of new laws affecting welfare and child care passed by Texas lawmakers in 2001. Finally, the fifth section outlines some critical challenges and issues in welfare reform facing Texas in the upcoming Personal Responsibility and Work Opportunity Reconciliation Act reauthorization in Congress.

## **Welfare Reform in Texas — Continuing On-Track**

The Welfare to Work system is working in Texas. About 52% fewer Texas families now rely on TANF cash assistance than before state welfare reform initiatives were implemented in 1995. During most of FY2001, the single-parent caseload declined--with an upturn in the last two months--ending the fiscal year with 2,213 fewer families on TANF. Two-parent families on TANF saw a slight caseload gain during the year of 768 families.

Texas has taken steps to ensure a smooth transition from its welfare waiver, which expires in March 2002. Senate Bill 666 (76th legislative session), changed the work exemption for caretakers of young children, incrementally lowering the age of the youngest child from four to one. The last stage of the implementation took effect September 1, 2001, and caretakers will be transitioned to "eligible for employment services" (mandatory) status as cases are recertified. In addition, local workforce boards have worked closely with the Texas Workforce Commission establishing and implementing a "ramp-up plan," preparing to serve these families who will be transitioning into mandatory status and those who live in rural areas.

The demographics of the TANF population have not changed substantially over the past four years. Education levels, work experiences, size of families, age of caretakers have all remained fairly constant, suggesting that Texas is *not* left with only the "hardest to serve" in the welfare population.

### **The Choices Program and Work First**

Texas' welfare system is based of the principles of personal responsibility, support for strong families, local control, and the value of work. The Choices program, designed to provide TANF adults with the tools necessary to prepare for, find, retain, and advance in employment, has been even more successful in achieving its goals in FY2001 than the year before. In August 2001, the Choices program was serving *29% more* adults than in the same month last year, and *77%* of the activities were directly related to obtaining rapid employment. During this month, *one-half of all Choices participants entered employment*. The education levels and work experiences of all adults who entered employment during FY2001 were in a similar proportion as they are in the Choices population. This demonstrates that the Choices program can find work for caretakers with little or no work experience and/or lower educational levels nearly as rapidly as they can for caretakers who are high school graduates or have recent work experience. Due to the hard work and efforts of Texas' local workforce development boards, Texas received a high-performance bonus for the second year in a row, this time for \$24.3 million.

### **Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) Reauthorization**

Finally, the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), is up for reauthorization in 2002, and the final section outlines Texas' position on this critical process. PRWORA includes TANF, Food Stamps, Child Care, and other programs affecting states' welfare programs. From a policy perspective, Texas agencies have supported:

- Maintaining the foundational principles emphasizing work, personal responsibility and time-limited benefits;
- Maintaining the flexibility to utilize TANF funding—both federal and state maintenance of effort—in a way that meets the needs of the state as long as the broad purposes set out in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), including those purposes authorized under the old AFDC, JOBS, and EA programs, are met;
- Maintaining or increasing current block grant funding levels;
- Maintaining supplemental grant funding and equitable funding across all states;
- Allowing states to transfer up to 30 percent of funds from TANF to the Child Care Development Fund (CCDF) and Social Services Block Grant (SSBG); including restoring to 10 percent the amount that can be transferred to SSBG; and
- Allowing prior years funds to be spent on non-cash assistance.

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**Section I**

***Analysis of Welfare Population  
Demographic Trends***

### **Fiscal Year 2001 -- Continuing Texas' Welfare Reform Efforts**

The "bottom line" for welfare reform is success in putting Texans to work, and Texas' continued TANF caseload decline for much of FY2001--despite economic challenges such as layoffs--speaks volumes of the work being accomplished at the local level. The September 1, 2001 single-parent caseload was 118,386\* cases. TANF two-parent families, some of which are now being administered through a state-funded assistance program, were at 10,095\* cases in the same month. (See Appendix, Chart 1, p. 77) About 52% fewer Texans now rely on TANF cash assistance in Texas than before state welfare reform was implemented in 1995.

### **Local Workforce Development Boards Driving the Choices Program for Success**

The Choices program, designed to provide TANF caretakers with the tools necessary to prepare for, find, retain, and advance in employment, has been even more successful in achieving its goals in 2001 than last year. During the sample month of August 2001, there were 24,383 (unduplicated) clients participating in the Choices program statewide. This is 5,479 more caretaker participants than in the same month in 2000, an increase of 29%. Of all participants in Choices, over 77% were engaged in entering employment, or in activities directly related to rapid employment. A full one-half (12,207) of all Choices participants entered employment during the month. (See Appendix, Chart 2, p. 78)

Adults entering employment in August had vastly different levels of work experience. About 37% had no previous work experience at all, and another 23% had only 1 - 6 months. Only 19% had 19 to 24 months of work experience over the past two years, suggesting that a lack of work experience, by itself, should not necessarily be considered an insurmountable "barrier" to finding employment. (See Appendix, Chart 3, p. 79) In fact, when all adults entering employment during FY2001 were categorized by their Tier assignments, they were entering employment in a similar proportion as the Tier assignments of the Choices population. (See Appendix, Chart 4, p. 80)

\* All month-ending totals

### **Characteristics of the TANF Population in Texas in FY2001**

The characteristics of the total TANF population in Texas have not changed much over the past four years. One important example of this is found in the Service Tier assignment which accounts for TANF adult education and work history. Tier I adults have a high school diploma or GED, or 18+ months of recent work experience; Tier II adults have three years of high school or between 6-18 months of recent work experience; and Tier III adults have less than three years of high school and less than six months of recent work experience.

Since September 1997, the proportion of adults assigned to Tier I, II, and III has remained about the same. (See Appendix, Chart 6, p. 81) The proportion of Tier I adults has had a small decrease, while the proportion of Tier II and Tier III adults has had a small increase, indicating a slightly less educated and/or work experienced population. As we enter FY 2002, Texas' TANF population has *not* become significantly "harder to serve" on the basis of education and work experience.

The TANF population has also maintained about the same family and recipient characteristics over the past four years. As of September 2001, nearly 45% of single-parent adults and 39% of two-parent adults have at least a high school diploma or GED, both up from last year. About 12% of one-parent adults and 9% of two-parent adults have earned college credits. Less than 3% of single-parent adults and about 5% of two-parent adults have four years or less education, both proportions down from last year. (See Appendix, Chart 7, p. 82) The average age of single-parent adults is 28, and 27 for two-parent adults with about 8% of single-parent caretakers and 10% of two-parent caretakers being teen parents, a lower proportion than last year. (See Appendix, Chart 8, p. 84) Single-parent TANF families have an average of 2 children, while two-parent families have an average of 2.4 children. (See Appendix, Chart 9, p. 85) All of these demographic characteristics of TANF families have remained fairly constant over the last decade.

The importance of these underlying demographic characteristics of the population, is that Texas is *not* in the position of having only the "hardest to serve" clients left to serve.

## **Challenges for the Welfare System**

The Choices program is designed to provide adults with the tools necessary to prepare for, find, retain, and advance in employment. The program has a demonstrated track record in putting adults to work when they participate in these activities. Work-related sanctions are imposed on adults who refuse to cooperate with TANF work requirements. Sanctions are not imposed until several attempts to contact the adult have been made by letter, telephone, and home visits. In September 1997, only about five percent of all adults were under a work-related sanction. This proportion has steadily grown since then, reaching 18% of the total population (13,991 caretakers) by September 2001. As we began FY2002, 31% of all mandatory adults, *nearly one in three*, were under a work-related sanction. (See Appendix, Chart 10, p. 86) At the same time, 40% of all work-related sanctions imposed in FY 2001 extended three months or beyond. (See Appendix, Chart 11, p. 87) These numbers indicate that the state's partial work-related sanction policy does not provide sufficient incentives for adults to comply with program requirements.

Another change in the TANF population is the steady proportional increase in payee cases in the general population. A payee case is a case which has no TANF-eligible caretaker living with TANF-eligible children. In other words, a child-only case. The "traditional" payee case was TANF-eligible children living with a blood relative while the biological parent might be dead, in prison, in a mental institution, a rehabilitation center, or otherwise unable to care for the children. Under current state welfare law, when a TANF adult exhausts state time-limits, or "times out," there is a five-year freeze-out before the adult would become eligible to reapply for TANF benefits. During these five years, if the adult never reported any income, the children would remain TANF-eligible, becoming a payee, or child-only case. The proportion of payee cases in the basic one-parent caseload has increased from about 24% in FY1996 to 33% in FY2001. (See Appendix, Chart 12, p. 88) In the two-parent caseload, the increase has been even more pronounced, expanding from about 7% in FY1996 to 31% in FY2001. Numerically, this is an increase from 400 cases to 3,077 cases. (See Appendix, Chart 13, p. 89) Further research is needed to fully determine the actual causes and implications of this proportional growth in the TANF population.

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**Section II**

***Programs, Initiatives, and Pilots  
in Texas***

# ***The Texas Workforce Commission***

## ***Programs, Initiatives, and Pilots***

# **The Choices Program and “Work First”**

- **Choices is the Employment and Training Program for TANF**
- **The “Work First” service model stresses the value of personal responsibility, work and work-related activities that enable individuals to find and retain employment and to upgrade skills**
- **In FY2001, record numbers of TANF adults were employed through the Choices program**
- **Texas received a \$24.3 million TANF high performance bonus in 2001 for outstanding job placement by local workforce development boards**
- **For FY2001:**
  - **81,635 total TANF caretakers served**
  - **43,688 entered employment, a 59% increase over last year, earning and pumping into local economies approximately \$220 million and saving \$105 million in TANF cash assistance that would have been paid out to these families**
- **In FY2001, an average of 21,132 TANF children were served daily with child care, an increase of nearly 8,000 over FY2000**

# **The Choices “Ramp-Up” Initiative**

## **Preparing to Serve Additional Adults in FY2002**

- **As the end of the waiver approached, TWC took proactive measures to insure that Texas would be in compliance with the provisions of PRWORA when the Texas waiver ended**
- **The “Ramp-Up” plan was developed to identify the resources necessary to serve the dramatic increases in caretakers who would become subject to work requirements on April 1, 2002**
- **Working closely with local workforce boards, monthly caseload projections and targets for local workforce areas were established, and a roadmap was developed to help local boards prepare for the post-waiver environment**
- **In December 2000, a statewide conference was held for local workforce boards to support the Ramp-Up effort and provide boards with expert technical assistance**
- **Local workforce boards then developed their own customized local plans, identifying local strategies for serving increased numbers of TANF adults**

# **The Dept. of Labor Welfare to Work Grant Local Board Initiatives**

- **A federal initiative supporting efforts to assist hardest-to-serve TANF recipients, non-custodial parents, and other target customers with post-employment services**
- **85% of funds go to local workforce boards and 15% is reserved for statewide projects**
- **Texas had access to a \$145.9 million grant over two years with an additional two years to spend the funds to enhance workforce board efforts**

## **For Fiscal Year 2001:**

- **30,856 eligible clients served -- an increase of 21,663, or 236%**
- **74% all-jobs entry rate**
- **62% 30+ hour job entry rate**
- **78% retention rate**
- **34% earnings gain rate**

**These time-limited funds will be exhausted in the near future**

# **Governor's Discretionary Welfare-to-Work Fund Initiatives--FY 2000-2001**

- **\$525,000--Pilot project in Central Texas to provide substance abuse training, screening assessment, and referral within the Central Texas Workforce Network.**
- **\$2,000,000--Pilot projects by the Texas Department of Transportation to support the transportation needs of persons receiving Welfare to Work funded services.**
- **\$11,200,000--Allocations to local workforce development boards through their annual child care allocations to provide child care services to Welfare to Work eligible individuals.**
- **\$100,000--Technical assistance and training to be provided to local workforce development boards regarding Charitable Choice and the use of faith-based organizations to provide welfare to work services.**
- **\$2,000,000--Fund two pilot projects in Ft. Worth and Houston to target job placement services exclusively for noncustodial fathers.**
- **\$300,000--Technical assistance to local workforce development boards to identify, secure, and report local matching funds to obtain additional federal funds.**

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# **Local Innovation Grants Investment in Long-Term Success for TANF Recipients**

- **Under Rider 25, \$8 million was available for the biennium for Local Innovation Grants**
- **Grants must include contracts and arrangements with local community-and/or faith-based organizations (CBOs and FBOs)**
- **\$3 million a year to fund job-retention and reemployment services and \$1 million a year to fund local innovation grants**

- **For the FY 2000-2001 biennium, 37 contracts with CBOs and FBOs have been awarded totaling \$7.97 million**



- ◆ **32 contracts for job retention and re-employment services**
- ◆ **5 contracts for local innovation grants**
- ◆ **2 contracts for microenterprise development**

# **Adult Education and Literacy Training (Texas Workforce Commission)**

- **Under Rider 24, \$5 million was available for the biennium for basic education and literacy training for TANF recipients.**
- **Programs must meet the requirements for Adult Education in the Texas Education Code**
  - ◆ ◆ ◆ ◆ ◆
- **For the FY 2000-2001 biennium, 31 contracts with local entities had been awarded to provide adult-based education and literacy programs to TANF clients**

# **Rural Expansion Plan**

## **Addressing Choices Service Delivery in Rural Counties**

- **Choices Minimum-Service counties do not have the infrastructure to provide full Choices services. TWC set aside \$1.5 million for expansion of services in rural counties.**
- **Boards receiving Rural Expansion grants were Alamo, Brazos Valley, Coastal Bend, Deep East Texas, East Texas, Golden Crescent, Heart of Texas, North Central, South Plains, and West Central**
- **In addition, two technology grants were awarded to Deep East Texas and West Central**
- **The 10 workforce development areas targeted 27 rural counties**
- **The various projects are well under way and some of these are featured in the “Best Practices” section of this report**

### **Minimum Service County Caseloads**

- **In October 1996 there were 167 Minimum-Service counties with 19,177 eligible adults, representing 11.2%\* of all eligible adults**
- **By October 1999 the number of Minimum-Service counties had been cut to 164 with 12,908 eligible adults, representing 14.9%\* of all eligible adults**
- **In October 2000, the number of Minimum-Service counties had been cut again to 159 with 10,928 eligible adults, representing 12.1%\* of all eligible adults**
- **In August 2001 there were 156 Minimum-Service counties with 10,556 eligible adults, representing 12.3%\* of all eligible adults**

**\*Percentages increasing because of decreasing numbers of TANF adults in caseload.**

# **Rural Expansion Plan**

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***The Texas Department of Human  
Services***

***Programs, Initiatives, and Pilots***

# **The Texas Works Program**

- **The Texas Works Program is administered by Texas Works Advisors who are TDHS TANF eligibility workers**
- **Collaborates with community partners to identify, develop, and expand resources to encourage independence**
- **Organizes local job fairs**
- **Provides computers in resource rooms at local offices so clients can prepare resumes and job applications and can use the Internet for job searches**
- **Expanding the availability of computers in resource rooms so clients can prepare resumes and job applications and can use the Internet for job searches**
- **In FY2001, TDHS estimated that 6,783 families applying for and eligible for TANF were diverted to other resources**

# **Employment Retention and Advancement Project**

- **Employment Retention and Advancement Project (ERA) is a pilot with sites in Fort Worth, Houston, Corpus Christi, and Abilene**
- **Project is designed to increase job stability and wages, reduce reliance on cash assistance, and reduce recidivism**
- **Employs a team-based case management approach which includes a DHS eligibility worker, Choices case manager, and an additional local case manager. Other professionals may be on teams to advise on areas such as domestic violence**
- **Employs an array of services such as assessment, education, long-range goal setting, and post-employment services**
- **Since the April 2000, 3,355 individuals have participated in ERA**
- **Preliminary data from the national evaluator Manpower Demonstration Research Corporation indicate:**
  - **A substantially larger proportion of ERA participants engage in workforce activities such as Workforce Orientation and Employment Planning Session**
  - **ERA participants are substantially more likely to find employment**
- **ERA is in the second year of a five-year national evaluation**

# **SSI Application Assistance**

- **Through a contract with a private company, assistance to TANF recipients or applicants who are deemed likely to be eligible for Social Security Income (SSI) are helped through the complex application process by company representatives**
  - **Identify probable candidates**
  - **Assist clients in completing the application**
  - **Gather supporting information**
  - **Assist with appeals if initial application is denied**
- **549 TANF recipients were successful in their application process in FY2001 (an increase of over 50% from FY2000) and are receiving SSI benefits**
- **Currently about 600 cases are in a “pending” status with a high probability of success**

***The Texas Department of Protective  
and Regulatory Services***

***Programs, Initiatives, and Pilots***

# Communities in Schools

- **Serves at-risk children in over 400 middle and high school campuses with services such as:**
  - **Academic tutoring, counseling, and guidance**
  - **Mentoring**
  - **Drug, gang, and violence prevention activities**
  - **Career assistance, exploration, and work experience**
  - **Peer pressure, self-esteem, and anger management programs**
  - **Parental and family involvement**
- **92% of students receiving CIS services remained in school**
- **1,194 TANF recipients were served along with 20,808 TANF eligible clients and 1,159 pregnant or parenting teens in FY2001**

# **Second Chance Teen Parent Program**

- **The Division of Prevention and Early Intervention, in cooperation with TDHS, manages this program which provides services to teen parents who qualify to receive TANF, their children, and pregnant teens eligible for Medicaid.**
- **Piloted in Dallas, Harris, Bexar, and Hidalgo counties, all of which have high numbers of TANF eligible teen parents**
- **The program provides counseling, parenting classes, mentoring, case management, child care, and educational services**
- **Since program inception in October 1998, the program has served 1,181 TANF eligible, pregnant/parenting teens and 1,317 children of TANF caretakers**

## **Services to At Risk Youth (STAR)**

- **Established in 1983 to help fill the gap in services to youth who are runaways, truant, at risk of running away, or at risk of abuse who did meet the criteria for Child Protective Services or services of county juvenile probation programs**
- **Provides services in all 254 counties**
- **Community agencies provide STAR services under state contract**
- **Services must include family crisis intervention counseling, short-term emergency residential care, and individual and family counseling**
- **28,732 TANF eligible clients were served in FY 2001**

# ***The Texas Education Agency***

## ***Programs, Initiatives, and Pilots***

# ***Adult Education for TANF Recipients***

- **Adult Education programs are strongly encouraged to form collaborative efforts with local workforce development boards, DHS offices, local support service providers, and businesses**
- **Services provided include:**
  - Academic skills training
  - Workforce readiness and work-related training
  - Parenting skills
  - Addressing issues such as transportation, accessing child care, health literacy, and other issues such as domestic violence
- **In FY2001 program outcomes are:**
  - 5,814 TANF clients served with 675,968 contact hours
  - 62% completed at least one level, and 73% of those continued in the program, moving to a higher level

***The Texas Higher Education  
Coordinating Board***

***Programs, Initiatives, and Pilots***

## ***Post-Secondary Vocational and Technical Education***

- **Texas' 50 public community college districts, four technical colleges, three lower-division state colleges, 35 four-year public universities, and degree-granting proprietary institutions offer a variety of academic, vocational and technical programs for certification, associate degree, baccalaureate, and higher degrees.**
- **Texas' public community and technical colleges offer a wide range of vocational-technical programs that can be completed in flexible entry and exit formats, providing accessibility to TANF recipients who may not be able to attend traditional educational programs.**
- **TANF recipients not work-ready, or following employment, can apply for and receive funding for post-secondary vocational and technical education through a variety of programs including WIA, Apprenticeship, Self-Sufficiency Fund, Welfare-to-Work Grant Funds, state grants, and federal grants (Pell Grant).**

# Pell Grants

- Pell Grants are federal education grants for the pursuit of post-secondary education for low income students
- Pell Grant funds can be used for tuition, fees, books, school-related tools and materials, and financial support for living expenses such as room and board, utilities and even child care
- *Most TANF recipients are eligible for Pell Grant support*
- Choices case managers can help TANF recipients who are interested in post-secondary education apply for Pell Grants
- 11.5% of Single-Parent TANF caretakers and 9.1% of Two-Parent caretakers have some college credits while 44.8% of Single-Parent caretakers and 38.5% of Two-Parent have earned a high school diploma or GED and are eligible for post-secondary training
- In the 1999-2000 school year, there were 234,354 Texas students attending post-secondary institutions with Pell Grant assistance

***Texas Council on Workforce and  
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## **Section III**

# ***Best Practices in Welfare Reform in Texas***

# **Responding to Local Business' Training Needs Texoma Workforce Development Board**

- **Responding to a perceived need for high quality technical training in the Texoma Workforce Development Area, *Workforce Texoma* formed a Technology Training Consortium to map out a plan of action**
- **Consortium members were the Sherman Economic Development Corporation, Workforce Texoma, Grayson County College, and the Sherman ISD**
- **Eleven top companies participated in a training needs survey which overwhelmingly indicated a demand for specialized technical training**
- **It was decided that a Technical Training Center would be built to support local employers**
- **Partnerships continue to be developed with all local industries willing to participate; the economic development corporations of Sherman and Denison have formed committees to identify needs of local employers; and TechCor has formed a Industry Advisory Council to establish local industry skill standards**
- **The “Gold Card Employment Program” prepares job seekers to enter the job market with a locally recognized credential, which has portability and viability across the workforce development area and across industry lines**
- **Job seekers receive high tech training and higher wages, local employers get a skilled workforce, and the workforce development area benefits from economic gain**

# **Forging Employer Coalitions**

## **Tarrant County Workforce Development Board**

- ***Tarrant County Workforce Development Board*, renamed the *Work Advantage Board*, established an aggressive Business Services plan focusing on the business and economic development communities**
- **The Work Advantage Board identified seven areas of the county with either high unemployment, a large percentage of underemployed residents, or concentrations of businesses with severe staffing problems**
- **Business Coalitions were established in four of these areas, with the other three to be added by June 2002**
  - **Business Coalitions have large, medium, and small employers from diverse industries**
  - **Other partners include local chamber of commerce, training entities, local proprietary schools, and community based organizations**
  - **Coalitions identify critical community issues such as child care, transportation, skills development, and children's health insurance**
- **Once critical issues and challenges are identified, Coalitions work with the Work Advantage Board to develop feasible solutions**
- **The Work Advantage Board consider these business/community coalitions as vital to the economic and business growth of Tarrant County**
- **The Work Advantage Board was named the National Alliance of Business Workforce Board of the Year for 2000**

# **Employer Partnerships**

## **South Plains Workforce Development Board**

- ***Excel* is a fully integrated meat processing plant located in Plainview**
- **They currently employ 1,850 people after an initial plant expansion was completed in 1994, and a second expansion, completed in 2001**
- **Excel management has worked closely with the South Plains Workforce Center in interviewing and hiring employees**
  - **The majority of its interviews are held at the Workforce Center**
  - **Excel interviews 250-300 individuals monthly at the workforce center, hiring 100-150**
  - **Excel requires that all non-experienced applicants schedule a group tour through the plant before interviewing, during which they are shown different jobs available, equipment used, and the overall working environment**
  - **Once hired, Excel can have the applicant on the job and with a paycheck in a matter of days**
  - **New employees attend a 7-day, training program in which company policies and procedures are covered, along with use of equipment, meat cutting techniques, and safety issues**
  - **New hires are then assigned to their positions and are closely supervised and monitored**
  - **Starting salary has been \$8.30 an hour, and was recently increased to \$9.70**
  - **In FY2001, 20 TANF recipients were hired**
- **Excel allows husbands and wives to work same or different shifts, according to child care needs**
- **Excel provides skills assessments for employees who desire to move to management and offers training classes for management positions**

# **Employer Partnerships**

## **West Central Texas Workforce Development Board**

- ***Ron-Bar* is an Abilene company operating 10 Burger King franchises, with over 400 employees**
- **Company owner Ron English approached the Department of Human Services (DHS) to find out how could he assist clients on public assistance**
- **Working with DHS, the West Central Texas Workforce Center, and others a program was developed**
  - **A training program for new employees was developed at the Workforce Center focusing on basic life skills**
  - **Individual franchise managers are then responsible for hands-on training and to help new employees translate these skills to the workplace**
  - **TANF clients are given employment opportunities which expand their knowledge and skill levels, increasing both their self-esteem and marketability**
  - **Ron-Bar is developing a mentoring program which will work with new employees for the first six-weeks of employment**
  - **In addition, career paths are established for their employees through a partnership with a local manufacturing company**
  - **Ron-Bar has set up a feeder program that moves top Burger King employees into higher paying jobs with a local Abilene manufacturing company**
- **Ron Bar has hired 120 welfare clients thus far, while increasing company loyalty and employee retention**

# **Expanding Services to Rural Areas**

## **North Central Texas Workforce Development Board**

- *The North Central Workforce Development Board* was awarded one of the Rural Expansion grants to expand services to Erath County
- To meet that goal, the Board partnered with the City of Dublin Public Library to create a “virtual resource area”
  - The virtual resource area provides universal access to services including a computer with a wide selection of software, a printer, and Internet access
  - This area will house video conferencing equipment that enables customers to access staff at the Stephenville Workforce Center in “real time”
  - A customer needing personalized assistance with a job search will be able to contact the Workforce Center and interact with Center staff, be interviewed by an employer, participate in video conferences, view internet-televised classes, and participate in graphics-intensive web-based training
- The Board is partnering with the Transit System, Inc. to expand its existing transportation network, enabling Choices participants to travel from Dublin to Stephenville, the county’s only major employer center, to go to work or attend training
- The Board plans to form a Rural Transit District to become eligible for federal transportation grants such as Job Access/Reverse Commute (JARC), rural transportation initiatives, and transportation initiatives for the elderly or disabled

# **Expanding Services to Rural Areas**

## **Brazos Valley Workforce Development Board**

- ***The Brazos Valley Workforce Development Board was awarded one of the Rural Expansion grants to expand services to Grimes County***
- **To meet that goal, the Board partnered with the Region VI Service Center to launch a mobile computer laboratory with GED and Adult Basic Education software**
- **The mobile lab makes scheduled stops at a subsidized housing project, small rural communities, and the local Department of Human Services Office, making it easier to reach county residents to participate in education, job readiness skills and basic computer skills training**
- **The Board partnered with the Texas Agricultural Extension to develop an asset map of Grimes County, identifying jobs and training needs, initiate job linkages, and document Choices recipients needs and assets**
- **The Board partnered with Blinn College to make home visits to Choices recipients, doing individual assessments of barriers and interest in working**
- **Through a contract with Texas Agricultural Extension, a full-time County Extension Agent will do job development for all Workforce Center participants, place individuals in jobs, identify new jobs and training needs, and document Choices recipients needs and assets**
- **The Board plans to complete the Transportation Services Request to provide transportation to various points in the county, look into ways to enhance child care services for the county, educate employers about the services available, and investigate alternative job readiness classroom sites to further increase accessibility to services**

# **Expanding Services to Rural Areas**

## **Golden Crescent Workforce Development Board**

- ***The Golden Crescent Workforce Development Board* was awarded one of the Rural Expansion grants to expand services to Gonzales County**
- **To meet that goal, the Board hired a Rural Expansion Specialist who began introducing the community to current workforce services and developing working relationships with employers**
- **Transportation and child care barriers were investigated at length**
- **The Board partnered with the Public Policy Research Institute, Texas Agricultural Extension Service, and the Gonzales Learning and Career Center to address the training needs of the County**
- **The Board has requested that Gonzales County become a “full service” Choices county, providing all Choices services to job seekers**
- **The Board developed customized training for commercial truck drivers, certified nurses aides, and medication aides**
- **The Board partnered with Texas A&M Public Policy Research Institute to conduct employer surveys in the county to identify characteristics of entry-level jobs, skills needed for these jobs, and potential job openings, as well as examining transportation issues**
- **The Board plans to complete the Transportation Services Request to provide transportation to various points in the county, look into ways to enhance child care services for the county, educate employers about the services available, and investigate alternative job readiness classroom sites to further increase accessibility to services**

# **Expanding Services to Clients**

## **Heart of Texas Workforce Development Board**

- ***The Heart of Texas Workforce Development Board's goal is to deliver services to the universal population and to enhance the economic future of the region through quality services***
- **To meet that goal, the Board partnered with Cross Culture's EMPOWERMENT program**
- **This program strives to strengthen relationships with community partners through funding opportunities and the leveraging of local funding streams**
- **The program targets workforce system customers through orientations, specialized outreach, incentives, peer recruitment, and local employers**
- **The goal of EMPOWERMENT is to provide job retention, re-employment, and literacy services**
  - **Target populations include the hard-to-serve, homeless, substance abusers, English-as-Second Language clients, day-labor pools, many of which are current TANF recipients, former TANF recipients, or non-custodial parents**
  - **The program provides meaningful support services and establish relationships necessary to encourage and achieve the literacy and job retention goals**
  - **The overall program goal is to eliminate employment barriers and provide pathways to participants' goals**
- **Businesses are thus able to hire quality, skilled workers with a desire to work and succeed**
- **Program participants maintain a support base/foundation as they progress into the world of work and move toward self-sufficiency**

# **Improving Customer Services**

## **North Central Texas Workforce Development Board**

- ***North Central Texas Workforce Development Board's*** goal was to develop a new quality service delivery model for WIA, Wagner-Peyser, Welfare to Work, Schools to Career, and Choices/TANF
- The Board formed a 12-member Integrated Services (IS) Team composed of Workforce Board Staff, representatives from two employment and training contractors, TWC Employment Services, Project Rio and Veteran Services, and child care direct services
- The IT Team worked to create a model in which the customers (job seekers and employers) would not know which agency, program, or funding was providing services
- The project design directs all program staff to be cross trained to allow the provision of services to anyone entering the Center quickly and efficiently
- Quality information and career tools are available to customers to quickly obtain employment *and* to assist after employment to move up the career ladder or to redirect skills to other occupations
- The service delivery model is based on the following concepts:
  - All partners work actively together to achieve success
  - While there is some programmatic specialization of staff, each staff member provides all generic services to meet the needs of the customer
  - The Resource Room is staffed by both TWC and contractor staff providing services
  - Entry into the Workforce Center begins with a single point of contact
  - Business services are tailored to meet the needs of businesses within each county

# **Integrating Customer Services**

## **Texoma Workforce Development Board**

- ***Workforce Texoma* set the goal of effective communications and partnership between Board staff, Workforce Center staff, and subcontractors to improve the delivery of workforce services**
- **The challenge: a seamless one-stop delivery system based on the principles of universality, customer choice, customer-driven performance and program integration**
- **The contractor of the workforce centers began cross-training case managers to be Career Specialists, working with all programs**
- **Customers of the Career Centers work with only one Career Specialist, regardless of the program they are enrolled in**
- **All Career Specialists are trained to work with TANF, Choices, Food Stamp Employment and Training, Welfare-to-Work, and Workforce Investment Act programs**
- **Career Specialists are encouraged to enroll customers in whatever programs they are eligible for in order to maximize customers' choices and opportunities**
- **Contractor job development staff work closely with Employment Services to follow up on job leads, contact local employers, and provide up-to-date employment availability information to workforce center customers**
- **As a result, each client now has one Career Specialist who provides services for all programs no matter how many different funding streams are involved**

# **Partnering with Faith and Community Based Organizations**

## **North Central Texas Workforce Development Board**

- ***The North Central Texas Workforce Development Board*** partnered with local faith and community based organizations to provide mentoring services for TANF applicants, recipients, and former recipients
- **Volunteer members of local faith and community based organizations form Mentoring Teams**
- **Mentor Teams can provide a number of allowable activities:**
  - **Home visits, job shadowing, transportation, after-hours and weekend activities**
  - **Assisting the program participant to: find information resources; develop and maintain a plan to budget, access community resources, and make contingency plans for child care and transportation; reach goals of life-long self-sufficiency through employment**
  - **Other appropriate activities which are related to job**
- **Another element of the program is “Employment Energizers,” which are incentive rewards relating directly to the theme of job retention and career advancement**
- **Employment Energizers are rewards for meeting program goals such as successfully maintaining employment, or career advancement and may include such things as vouchers for employment-related clothing, organizers, occupational books or periodicals, vouchers for work supports, etc.**
- **A third element of the program is “Emergency Assistance” which can provide up to \$250 for participants at risk of losing their jobs because of short-term crisis needs, and must be paid directly to a vendor for services provided**

# Expanding Access to Workforce Services

- ***Cameron Works* had the goal of making workforce services accessible to all Cameron County residents**
- **Cameron County has three full-service one-stop centers with another waiting certification, serving the two major cities in the county**
- **There were three specific areas that were without easily accessible services**
- **After being awarded a \$5 million Welfare-to-Work grant in 2000, Cameron Works purchased and outfitted a Mobile Lab and four vans to serve these areas**
  - **The Mobile Lab is equipped with wireless internet and computers to bring job-search and training capabilities to the rural areas of the county**
  - **The Mobile Lab has forged partnerships with faith-based organizations, libraries, literacy centers, and housing projects**
- **Cameron Works has also worked closely with local employers, local Chambers of Commerce, and local economic development boards**
- **The Workforce Centers provide interview rooms, job applications, screening and testing of applicants, and job referral services to local employers, as well as hosting job fairs and participating in community job fairs**
- **Since May 1999, when the Texas Workforce Centers opened in Cameron County, the unemployment rate has fallen from 9% to 7.7%**

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**Section IV**

**New Laws Affecting Welfare  
from the 77th Legislative Session**

This section denotes legislation passed by the 77th Texas Legislature and signed into law by the Governor. The laws included in this section will impact the welfare population directly through changes in some of the major programs such as TANF, Food Stamps, or Child Care. The important provisions of each of the new laws are outlined in this section. Since the provisions of these new laws are just beginning to be implemented, no outcome or performance analysis can be undertaken at this time.

# **Welfare-Related Legislation**

## House Bill 476

### Job Placement Incentive Program--Texas Workforce Commission

- Incentives will be provided to contractors administering employment services programs for placing recipients of TANF in higher-wage jobs
- Incentive program to be administered by local workforce boards
- Higher-wage jobs are to be based on:
  - “Locally appropriate indicators necessary to lift families out of poverty”
  - “The self-sufficiency wage developed for each local workforce board under the Workforce Investment Act of 1998”
- Incentives may be used only for expenses relating to education, training, and support services for recipients of TANF

### Post-employment Services --Texas Workforce Commission

- Develop guidelines under which local workforce boards provide post-employment services
- Local workforce boards shall be encouraged to provide post-employment case management for those former recipients of TANF who have higher levels of barriers to employment

## **House Bill 477**

### **Coordinated Interagency Plan--Department of Human Services and Texas Workforce Commission**

- Develop a memorandum of understanding between the two agencies and approved by the Health and Human Services Commission that would:
- Establish guidelines for coordinated interagency case management for recipients of TANF who have higher levels of barriers to employment
- Provide coordinated services to address these barriers to assist the recipient in finding and retaining employment
- Report back to the Legislature, no later than December 1, 2002, a joint report regarding any changes in law necessary to implement the interagency case management plan

# House Bill 1005

**State Temporary Assistance and Support Services Program--  
Health and Human Services Commission, Texas Workforce Commission,  
Department of Human Services, with participation from the Local Workforce  
Development Boards**

- Jointly design and implement a state funded program of temporary assistance and support services which may be provided for:
  - Two-parent families, or
  - Persons residing in minimum service counties, as defined by TWC
- This program may not be funded with federal (TANF) funds
- HHSC, TWC, and DHS shall adopt rules for the program including eligibility, work requirements, work exemptions, time limits, and related support services
- The rules must be designed to result in a state program which is “substantively identical” to the TANF program
- The agencies must determine the date the person’s eligibility will cease as a result of the county’s reclassification, and assure no disruption of benefits
- Recipients of this program remain eligible for medical assistance

# House Bill 1243

## Monitoring Employment History--Texas Workforce Commission

- Texas Workforce Commission shall develop and implement a system to monitor the long-term employment history of persons engaged in the TANF and Food Stamp employment programs
- The system should:
  - Establish a baseline earnings measure of recipient's initial wage
  - Track wage and employment of recipient for up to three years
  - Provide information on the recipient's household composition and earnings and additional training or education undertaken by the recipient
  - Compute recipient's earnings as a percent of federal poverty level, household earnings as a percent of federal poverty level, and recipient's earnings plus public assistance received as a percent of federal poverty level
- Compare the recipient's income to a self-sufficiency standard
- Report the findings of the system to the Legislature not later than January 1 of each odd-numbered year

## **Senate Bill 45**

**Hardship Exemptions from Federal Time Limits--**  
**Department of Human Services, Texas Workforce Commission,**  
**Health and Human Services Commission**

- The Department of Human Services, Texas Workforce Commission and the Health and Human Services Commission shall jointly adopt rules prescribing circumstances that constitute a hardship for purposes of exempting a recipient of financial assistance from federal time limits
- The rules must include a broad range of circumstances that reasonably prevent recipients of financial assistance from becoming self-supporting before the expiration of federal time limits
- Federal law puts a cap on allowable exclusions of 20% of a state's TANF caseload

# Senate Bill 184

## Initial Application and Recertification for Food Stamps-- Department of Human Services

- Persons can apply and be recertified for Food Stamps by telephone if they meet the following requirements:
  - Elderly or disabled household having no earned income, or
  - Persons who cannot appear in person because of hardships such as:
    - Work or training schedule
    - Transportation difficulties
    - Difficulties arising from residency in a rural area
    - Prolonged severe weather
    - Illness or caring for another member of household
- Persons must provide verification of hardship to qualify for this exemption
- Department of Human Services is directed to exercise the federal option that allows state to categorically make eligible for Food Stamps those who are eligible for non-cash or in-kind benefits under TANF and to determine what benefits confer such eligibility and to establish resource limits

# **Child Care-Related Legislation**

# House Bill 1309

## Requirements for Child Care Scholarships Funded by the Child Care Development Fund--Texas Workforce Commission

- **To be eligible for a scholarship funded by the Child Care Development Fund:**
  - **Applicant must be employed by a child care facility that provides subsidized child care**
  - **Applicant must intend to complete a certain credential, certificate, or degree**
  - **Applicant must agree to work at least 18 additional months in a child care facility that provides subsidized child care and is located in a public school attendance zone that is low-performing, or in an economically disadvantaged community as determined by TWC**
- **TWC may provide for payment of a bonus or wage supplement to a scholarship recipient who continues to work in a child care facility, as defined above, beyond the required 18 months**
- **The bonus or wage supplement must be paid in equal shares by the employer and TWC, and the amount and length of the bonus is determined by TWC**

# House Bill 1348

## Child Care Demonstration Grant Program for Local Workforce Boards-- Texas Workforce Commission

- TWC may make grants available to local workforce boards for designing and implementing child care demonstration projects
- Demonstration projects can:
  - Expand child care services in underserved rural areas which could include home-based child care services, child care services at non-traditional times, or provide services linking child care programs, prekindergarten programs, and Head Start programs
  - Create or expand existing pilot programs
  - Assist low-income, at-risk parents receiving child care services by providing career counseling and employment location services that promote the potential for career advancement
  - Develop initiatives that foster school readiness, pre-reading, and problem-solving skills in those children
- To be eligible for a grant under this program, a local workforce board must conduct the demonstration project and use the grant to develop direct child care services which may be funded at the end of the project

## **Senate Bill 596**

### **Relating to Prekindergarten Programs in Public School Districts-- Texas Education Agency**

- School districts providing half-day prekindergarten programs for eligible students may not charge tuition for attendance
- School districts may charge tuition for students enrolled in prekindergarten programs for:
  - Students attending an additional half-day prekindergarten program who are eligible for free half-day programs
  - Students not eligible for free half-day prekindergarten programs, but who are attending either half- or full-day prekindergarten programs
- School districts may not charge a tuition that is higher than the costs of providing the additional services
- Proposed tuition rates must be submitted by school districts to the Commissioner for approval
- School districts offering prekindergarten programs must report demographic information on students enrolled, including the number of students served who were eligible for free prekindergarten, the number of half- and full-day classes offered, and the sources of funding

# House Bill 1307

## **Child Care Resource and Referral Network--Texas Workforce Commission**

- Texas Workforce Commission will contract with a child care resource and referral network that has proven experience in providing such services and that will provide such services throughout the state
- The provider of services will:
  - Conduct a statewide needs assessment to determine the supply and demand of child care services and to identify discrepancies
  - Make recommendations to TWC regarding collaboration between local workforce boards, community-based social services agencies, employers, child care providers, and parents who are consumers of child care services that will address these discrepancies
- The network will provide and continually update resource information regarding child care and early childhood education services, assistance in becoming a child care provider, and availability of financial resources and training opportunities
- The network will provide referral services to persons seeking child care services and employers seeking child care assistance for employees, as well as referrals to available support services such as parenting classes
- The network will collect and continuously update data on supply and demand for child care and early childhood education services throughout the state

## **Senate Bill 1293**

### **Coordination of Services Provided by Head Start and Early Head Start Programs--Texas Workforce Commission**

- **Consistent with federal law and regulations, Head Start and Early Head Start program providers must coordinate with TWC and local workforce boards**
- **Coordination must include ensuring, to the extent possible, that full-day, full-year child care services are available to meet the needs of low income parents who are working or engaged in workforce training or education**
- **The coordination may also include:**
  - **Cooperating with TWC-sponsored studies**
  - **Data collection to determine a child’s eligibility for Head Start and Early Head Start programs**
  - **Cooperating to provide staff training and professional development activities**
  - **Collaborative provision of subsidized child care services and Head Start and Early Head Start services, including sharing facilities and staff and increasing the enrollment capacity**
  - **Identifying and providing transportation between child care facilities and Head Start-Early Head Start programs which are in close proximity**

## **Senate Bill 1294**

### **Teacher Education and Compensation Helps (TEACH) Pilot Program-- Texas Workforce Commission**

- Texas Workforce Commission will establish a pilot program to assist teachers in retaining employment in the field of child care
- TWC will operate the program in at least three locations--in an urban community, a rural community, and a border community
- To be eligible, teachers must be employed in a child care facility which provides subsidized child care services
- At each pilot site, the program must provide coordination between TWC and the local workforce board; obtain incremental increases in financial and other support from public and private sources; address the issues of scholarships, education, compensation, and retention for participating child care teachers; obtain a financial commitment from participating employers to provide graduated increases in compensation; and participate in an evaluation of the pilot program
- TWC will provide a report to the Governor and the Legislature no later than December 1 of each year regarding the status and results of the program

## **Senate Bill 1732**

### **Pilot Programs for Systems of Family Homes--Texas Workforce Commission**

- **TWC must select one or more eligible vendors to operate pilot programs in at least three areas of the state, at least one of which must be in a rural area**
- **Each pilot program must include at least 10 operators of eligible family homes for children under four years of age**
- **The local workforce board will administer and fund the pilot project**
- **The law must not be implemented in such a way that limits parental choice**
- **Each selected vendor of a pilot program must:**
  - **Recruit eligible operators of family homes to participate in the program**
  - **Provide selected operators with training, mentoring, and other support**
- **To be eligible to participate in the program, a family home must:**
  - **Be in compliance with all applicable requirements**
  - **Have a child-to-staff ration that complies with designated vendor status**
  - **Provide a home-like environment which is rich in language experiences**
  - **75 percent of the children must be eligible for subsidized child care**
  - **Maintain flexible hours of operation to meet the needs of parents with non-traditional working hours**

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**Section V**

***Critical Issues for Texas --  
PRWORA Reauthorization***

# TANF Reauthorization

Welfare reform in Texas is based on the principles of emphasizing work, personal responsibility, time-limited assistance, and local control. Caretakers must sign a Personal Responsibility Agreement outlining their responsibility for the care and well-being of their family and the state's responsibility to provide temporary assistance, with the primary goal being employment.

A year after Texas' landmark welfare reform was signed into law, federal welfare reform legislation passed. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) also stressed a work first philosophy and personal responsibility. It added a 60-month lifetime limit on benefits and left states free to design much of their own welfare systems under the broad principles of Temporary Assistance for Needy Families (TANF). Congress is scheduled to reauthorize PRWORA in 2002.

TANF, as implemented by the Texas model, has been working successfully for the state, putting families to work and helping them along the road to economic self-support. During the years since welfare reform implementation in Texas, 52 percent fewer families now rely on cash assistance, clearly affirming the underlying principles of the system. The focus of welfare reform has shifted from determining eligibility and cutting checks to a comprehensive system of employment services and family support that emphasizes job placement, job retention, and job advancement. As a result, fewer families depend on cash assistance, and emphasis is now shifting to post-employment services for families leaving TANF. These services help caretakers retain employment and will offer post-employment training and education designed to help them advance to higher paying jobs, improving their overall family well-being.

Texas recognizes that much work is yet to be done. Local Workforce Development Boards have broadened the case management focus from initial job placement to include job retention and job advancement services and increased local employer involvement, focusing on employer-needed skills. Recent legislation stresses serving those with multiple barriers by coordinating with other agencies and organizations that provide literacy, substance abuse, mental illness, and domestic violence services. Texas, and all other states must also be prepared for an economic downturn. These are all challenges that face Texas and other state TANF administrators. Although the number of families relying on cash assistance has been significantly reduced, many families no longer on TANF are receiving other work supports such as child care, transportation assistance, or education and training designed to move them up the career ladder. TANF funds are used by states to provide a continuum of services beginning with job readiness assistance, such as resume writing, filling out the job application, and sharpening job interview skills; continuing on to job placement services; and then providing post-employment services, such as counseling, supplying transitional supports, and post-employment education and training. TANF funds are also used to prevent eligible individuals from entering welfare by providing one-time cash assistance to meet family emergencies such as needing a car repair to return to work. Any reduction of the level of TANF funding, or restrictions on TANF flexibility would impair states' abilities to meet future challenges and continue improving the well-being of low-income families.

TANF, in its current form, allows states much flexibility in the design of their individual welfare systems and the model is fundamentally sound. States are in their 4th or 5th years of implementation, and national results mirror Texas' success of putting adult recipients to work. Given support for the system's underlying philosophy and principles, Congress may use reauthorization as an opportunity to refine the current model and not dramatically change the framework that has been constructed.

**From a policy perspective, Texas supports:**

- **Maintaining the foundational principles emphasizing work and personal responsibility;**
- **Maintaining the flexibility to utilize TANF funding—both federal and state maintenance of effort—in a way that meets the needs of the state as long as the broad purposes set out in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), including those purposes authorized under the old AFDC, JOBS, and EA programs, are met;**
- **Maintaining or increasing current block grant funding levels;**
- **Maintaining supplemental grant funding and equitable funding across all states;**
- **Allowing states to transfer up to 30 percent of funds from TANF to the Child Care Development Fund (CCDF) and Social Services Block Grant (SSBG); including restoring to 10 percent the amount that can be transferred to SSBG; and**
- **Allowing prior years funds to be spent on non-cash assistance.**

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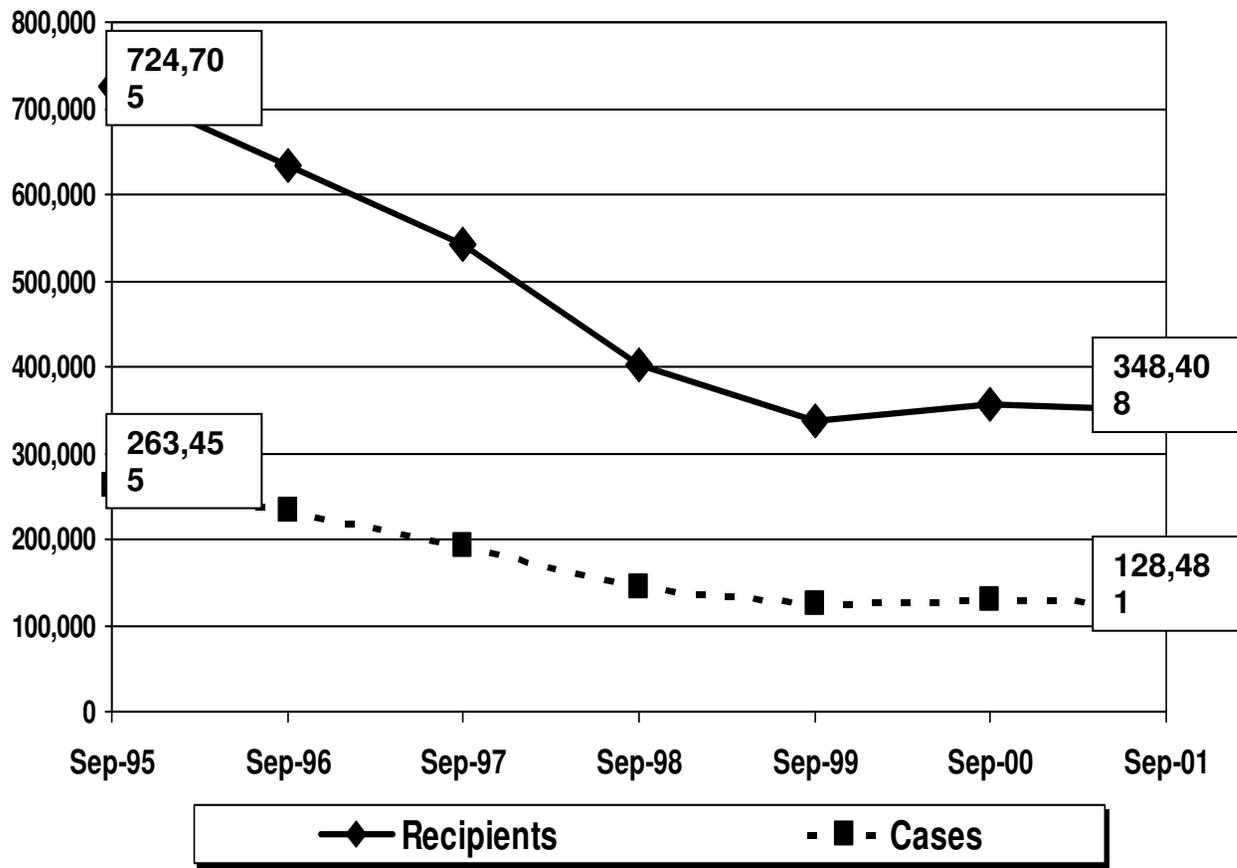


Texas State Capitol - Austin, Texas

# ***APPENDIX***

## ***Demographics and Trends of the Welfare Population in Texas Charts 1 - 13***

**Chart 1**  
**TANF Recipients and Cases, September 1995 to September 2001**

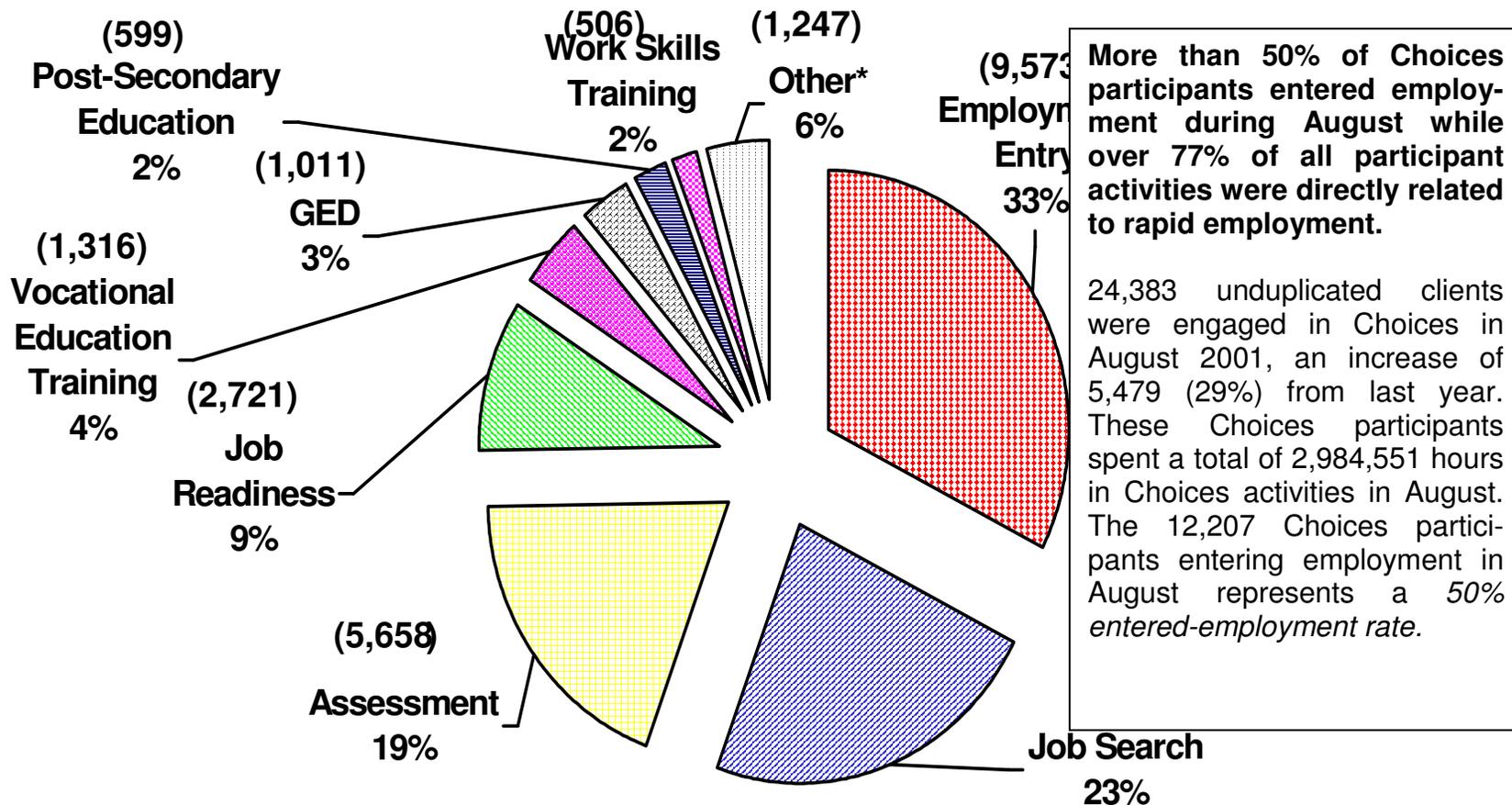


From September 1995 to September 2001, 51.9% (376,297) fewer Texans and 51.2% (134,974) fewer Texas families relied on TANF cash assistance.

Data Source: Texas Department of Human Services, *Management Information Focus Report*, September 1995 to September 2001.

Note: All data reflect August “end-of-month,” fiscal year-ending.

**Chart 2**  
**CHOICES Component Summary for All Participants, August 2001**  
**(24,383 Unduplicated Clients)**



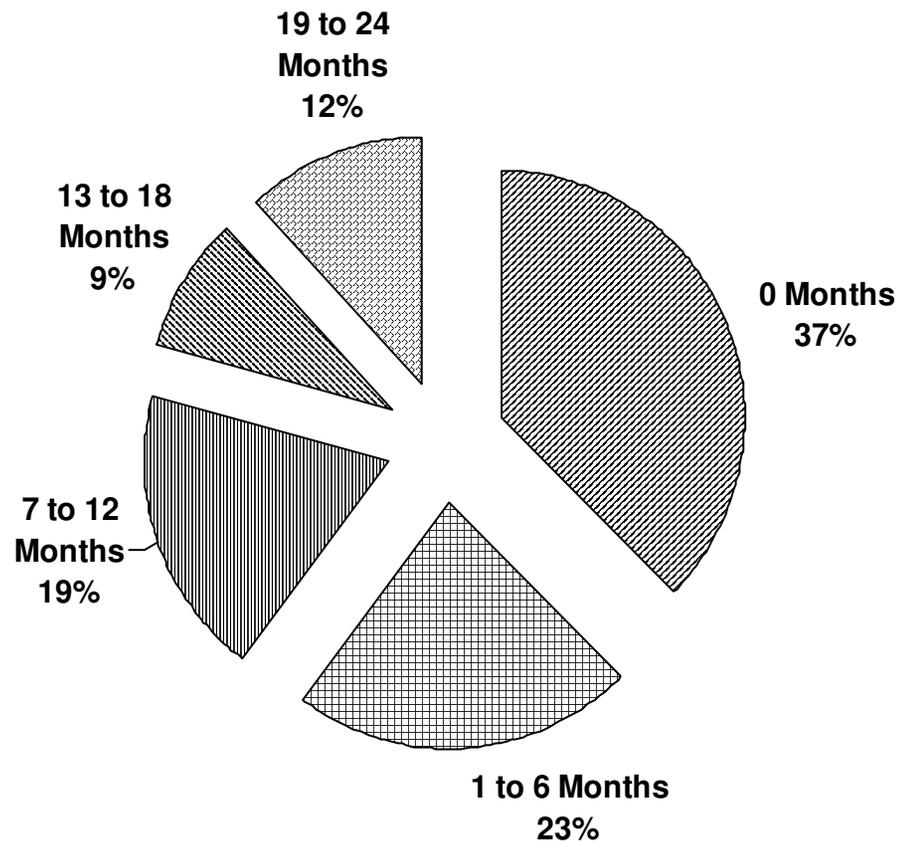
More than 50% of Choices participants entered employment during August while over 77% of all participant activities were directly related to rapid employment.

24,383 unduplicated clients were engaged in Choices in August 2001, an increase of 5,479 (29%) from last year. These Choices participants spent a total of 2,984,551 hours in Choices activities in August. The 12,207 Choices participants entering employment in August represents a 50% entered-employment rate.

\*"Other" includes High School (262), Adult Basic Education (358), English as a Second Language (267), Job Skills (201), Life Skills (296), Job Creation/Subsidized Work (157), Community Service (229), and On-the-job Training (50).

Data Source: Texas Workforce Commission, *Choices Component Summary by Month*, August 2001.

**Chart 3**  
**Work Experience in the Previous Two Years of All TANF Caretakers Entering Employment in August 2001**

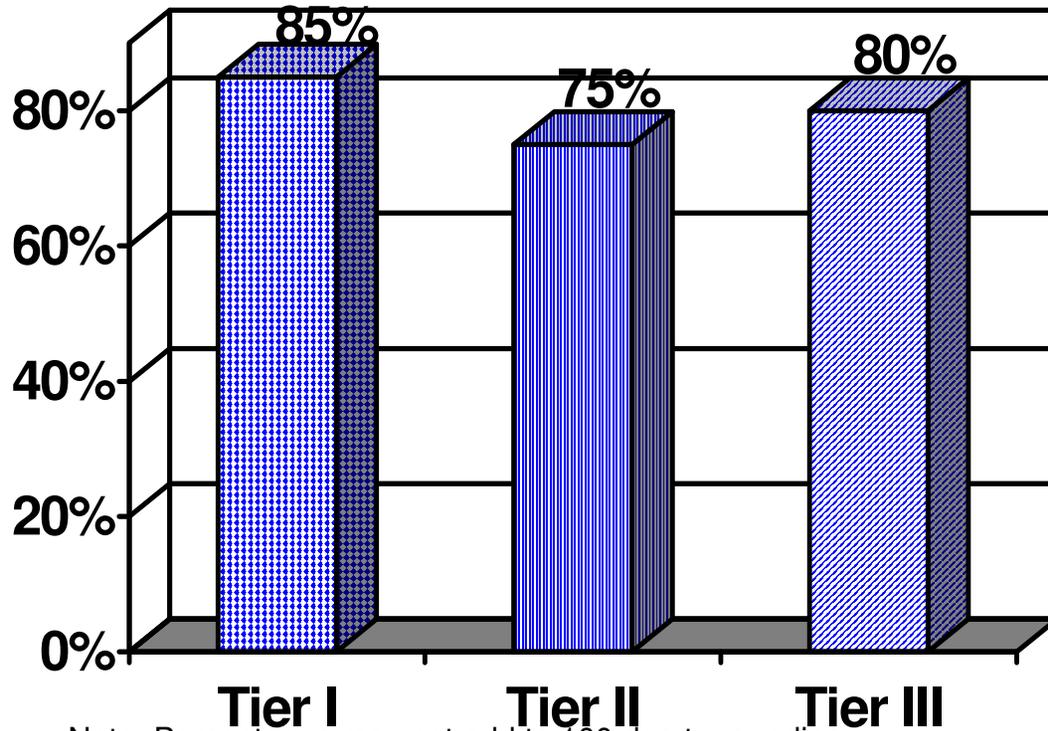


**A lack of work experience, by itself, should not necessarily be considered a “barrier” to finding employment.**

Of all TANF caretakers who found employment through the Choices program in August 2001, 37% had no previous work experience at all during the two years prior to TANF application. Only 12% of the caretakers had from 19 to 24 months of work experience and 9% had from 13 to 18 months of work experience during these two years.

Data Source: Texas Workforce Commission, *TANF Cutoff, Sybase Data Warehouse, Client Profile and Performance Database*, Computer printout.

**Chart 4**  
**Proportion of All Choices Adults by Tier Assignments and Choices Adults Entering Employment in FY 2001 by Tier Assignments**



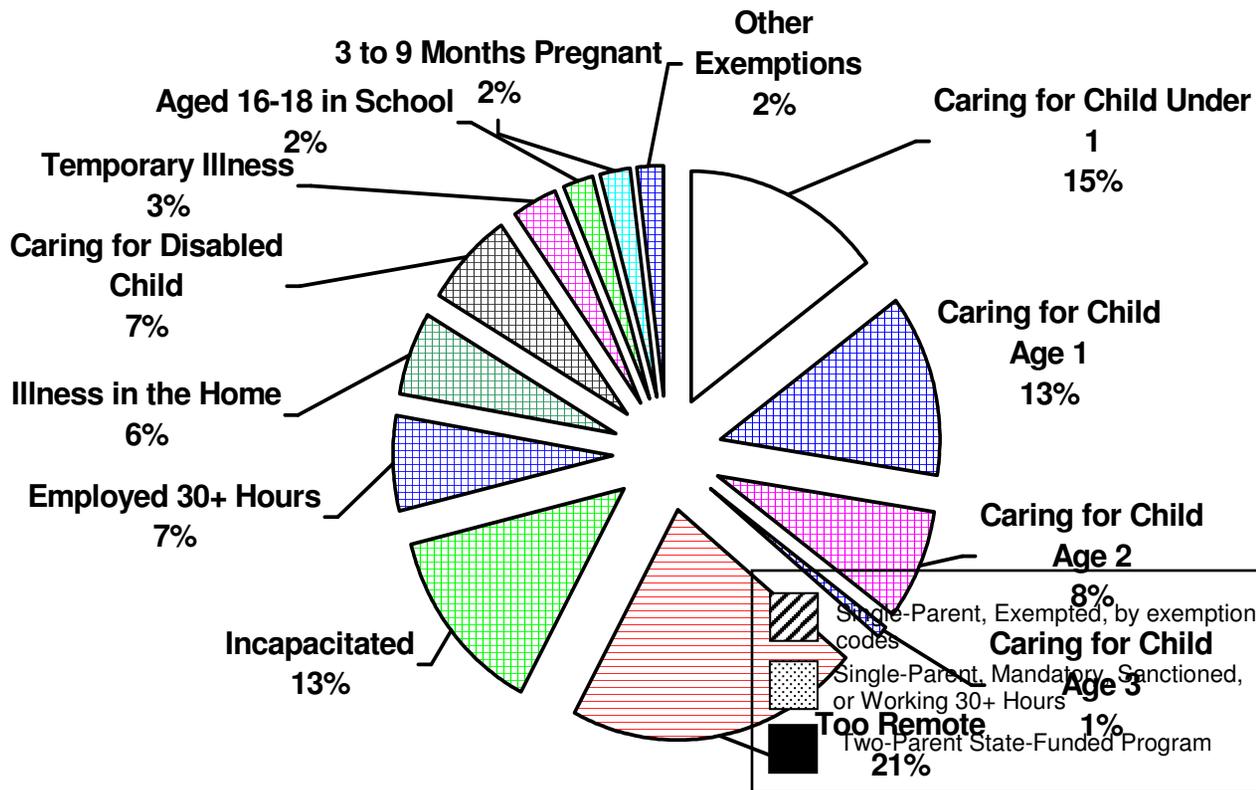
Note: Percentages may not add to 100 due to rounding.

The Choices program is having success in putting TANF recipients to work, regardless of education level or previous work experience.

All TANF Adults are assigned Service Tiers according to their education and previous work experience, with Tier I being the highest education and/or most work experience, and Tier III being the least. In September 2001, 42.2% of Choices adults were assigned Tier I, 22.2% were assigned Tier II, and 35.6% were assigned Tier III. When compared with the Tier assignments of all Choices adults entering employment in FY2001, adults are entering employment in a similar proportion as the Tier assignments of the entire Choices adult population.

Data Source: Texas Workforce Commission, *Entered Employment Rates by Tiers*, September 2001 (computer printout) and Texas Texas Workforce Commission, computer printout.

**Chart 5  
TANF Cases by Status, All-Families with Adult Caretaker, October 2001**



The newly-created Two-Parent State Program initially enrolled about 7% of total TANF cases and 13% of all adults.

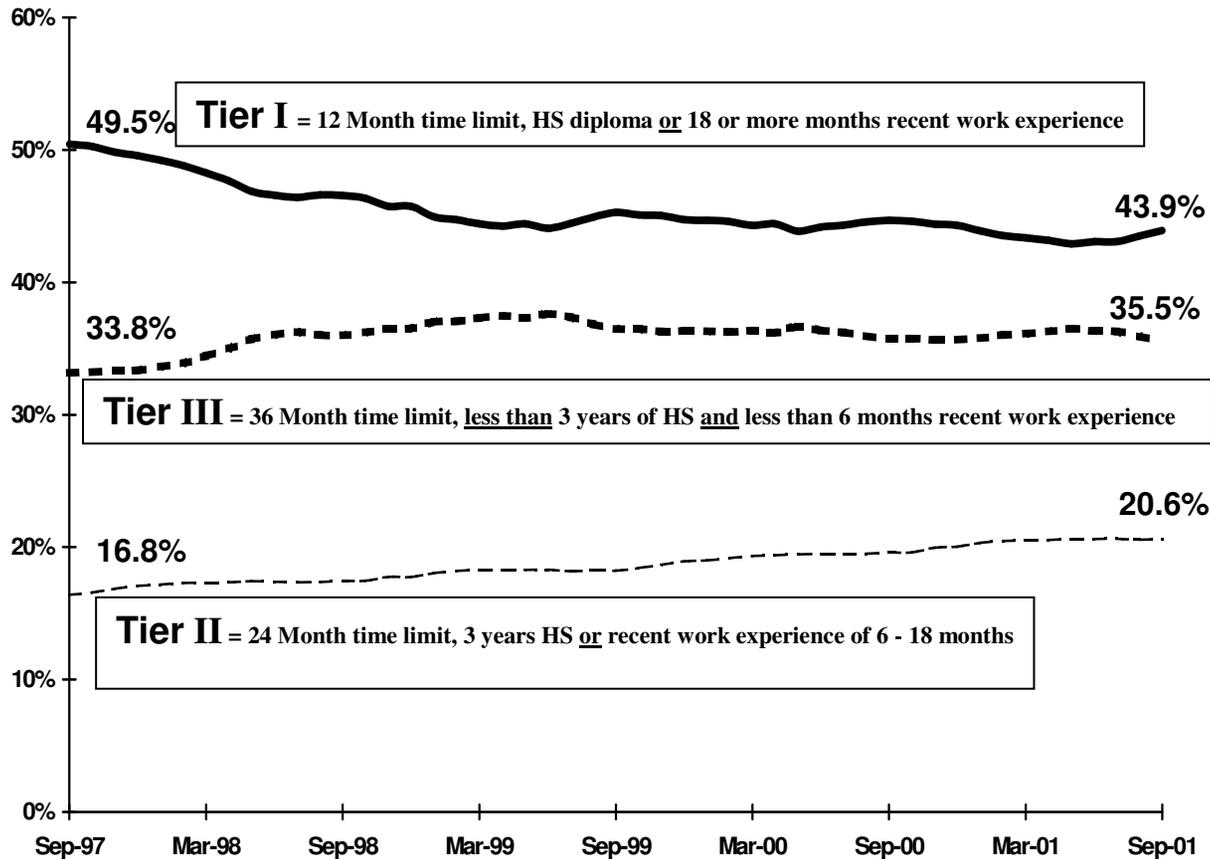
Single-Parent mandatory, mandatory and sanctioned, and Single-Parent caretakers working 30+ hours per week represent about 64% of the total TANF cases. When the Texas welfare waiver ends in 2002, all adults with exemptions other than "Caring for Child Under 1" will be included in Texas' federal work participation calculations.

\* The age of the youngest child for which a caretaker can be exempted decreased from two to one on September 1, 2001. This change will be made as cases are worked, therefore taking several months for the change to be completely implemented.

\*\* Most likely exempt under the four months income disregard rule.

Data Source: Texas Department of Human Services, *Number of TANF and State Only Cases and Adults Receiving Assistance by Exemption Codes, October 2001 (cutoff)*. Computer printout.

**Chart 6**  
**Proportion of TANF Adults by Service Tier Assignments**



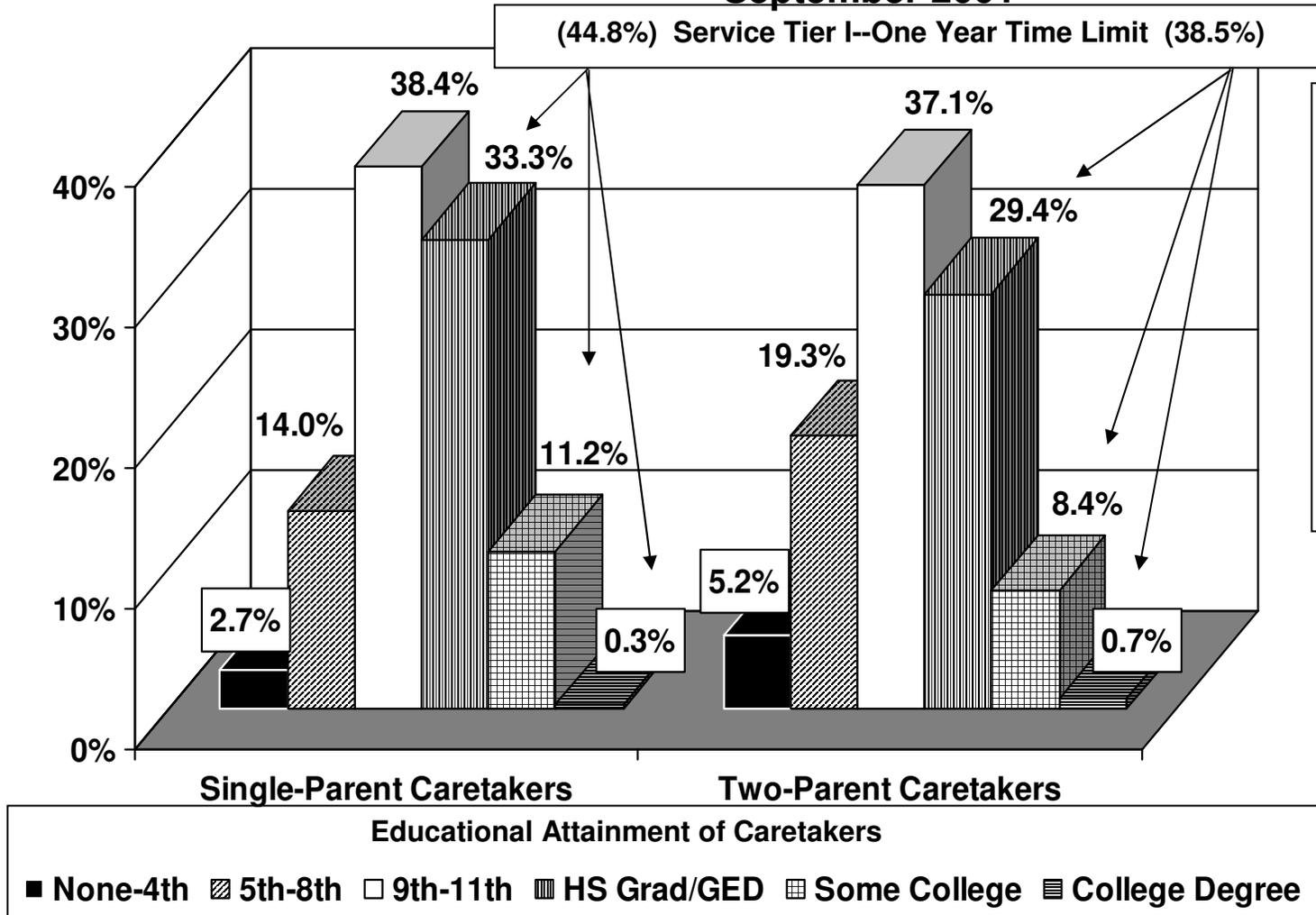
**Education and work experience levels of TANF clients have remained relatively stable over the years, and Texas is *not* left with only the “hardest to serve” TANF caretakers.**

As the TANF caseload has declined in Texas, the proportion of caretakers by Tier assignments has remained fairly constant. The proportion of Service Tier I clients has slightly declined, while the proportion of Service Tier II and III have slightly increased.

Data Source: Texas Department of Human Services, *Management Information Focus Report*, June 1997-September 2001.

Note: All data represent “month cut-off.”

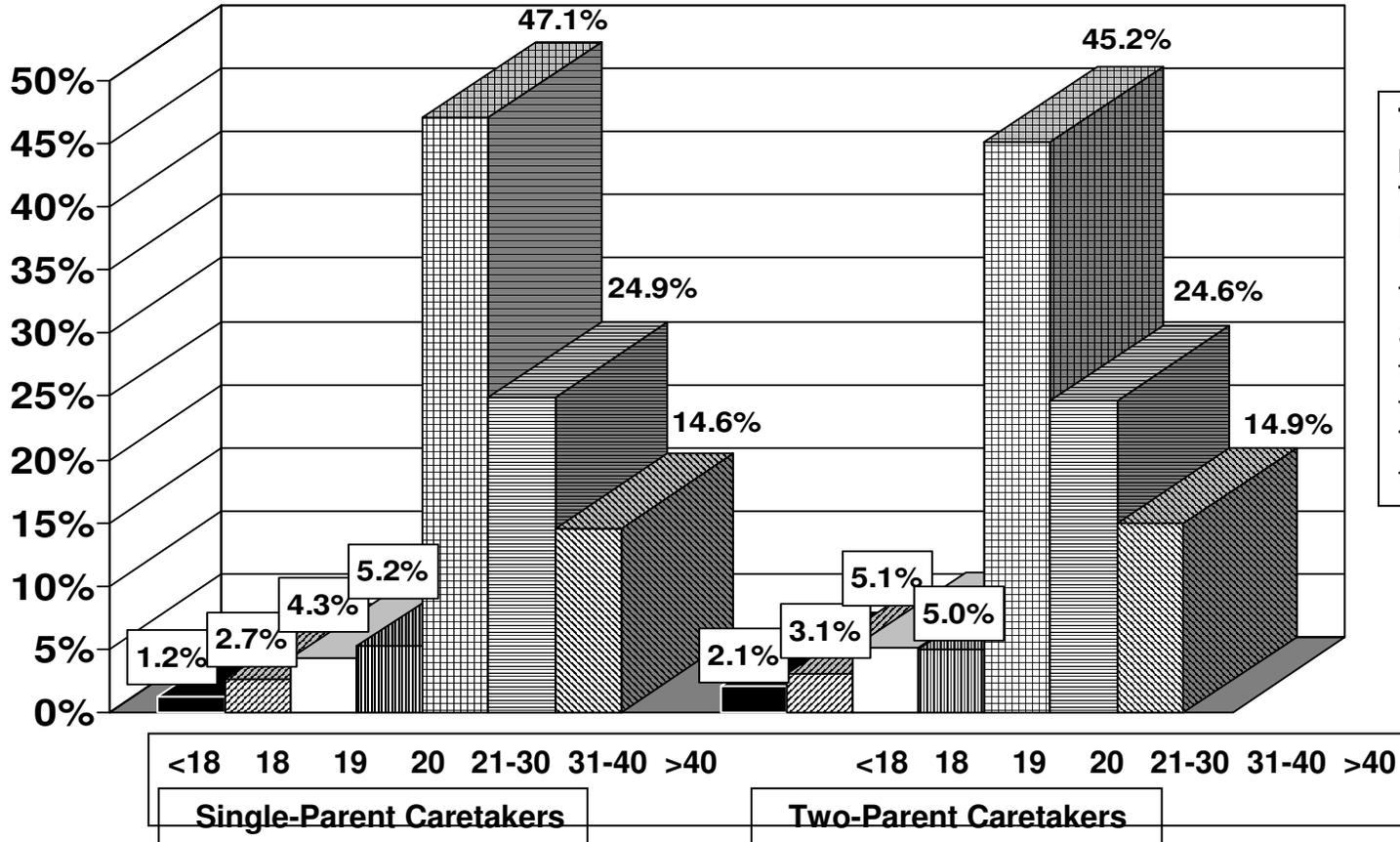
**Chart 7  
Education Levels of Single-Parent and Two-Parent  
Caretakers  
September 2001**



FY2001 single- and two-parent caretakers have higher educational levels than in FY2000, with 44.8% of Single-Parent and 38.5% of Two-Parent caretakers having earned at least a high school diploma or GED. 16.7% of single-parent caretakers and 24.5% of two-parent caretakers have an 8th grade education or less.

Data Source: Texas Department of Human Services, *Characteristics of TANF Single-Parent Caretakers and Characteristics of TANF Two-Parent Caretakers, September 2001*, (computer printouts.)

**Chart 8**  
**Single-Parent and Two-Parent Caretakers by Age**  
 September 2001

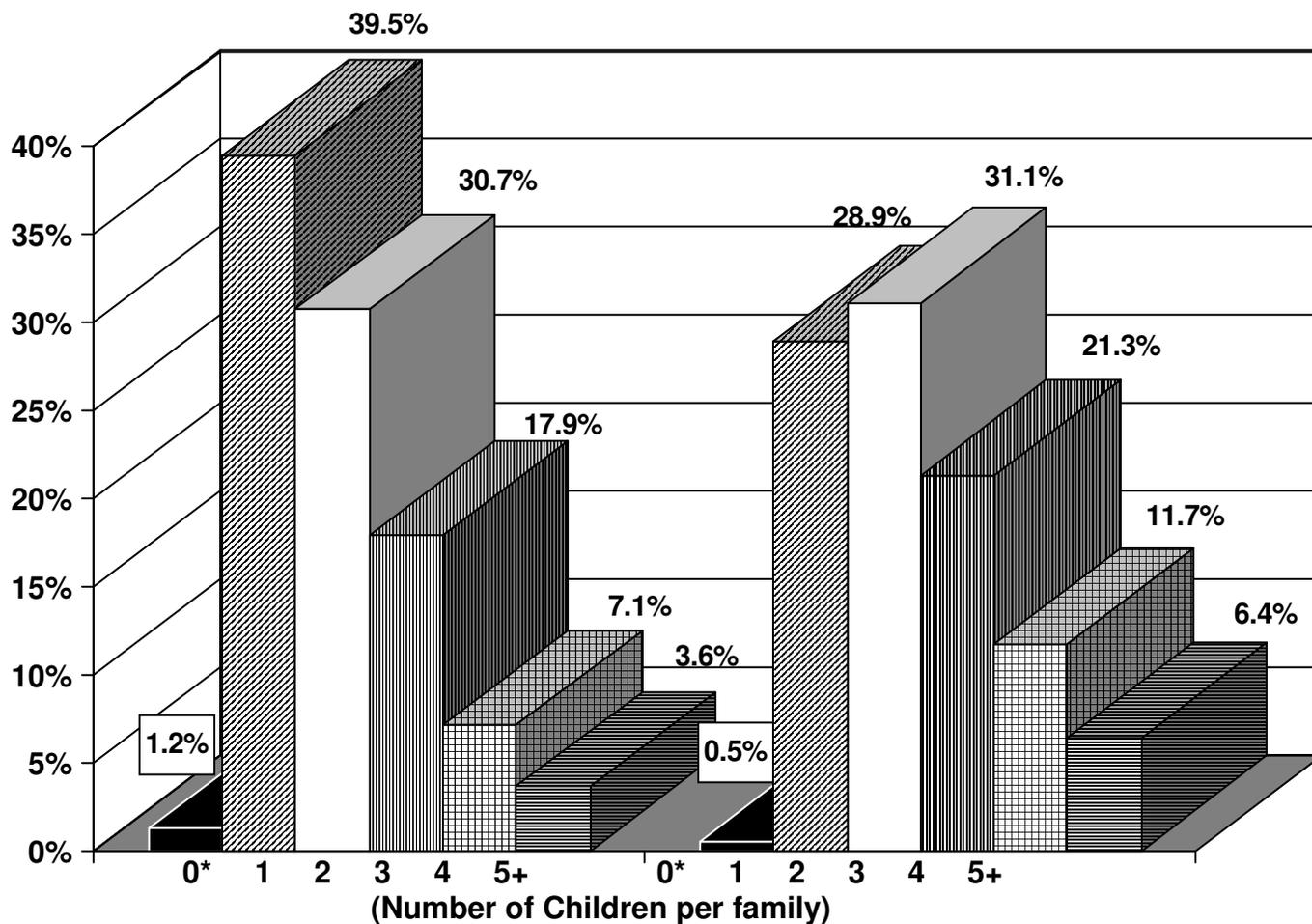


**Texas has a lower percentage of TANF teen parents than in FY2000.**

The average age of Single-Parent Caretakers is 28.0 while the average age of Two-Parent Caretakers is 27.0.

Data Source: Texas Department of Human Services, *Characteristics of TANF Single-Parent Caretakers and Characteristics of TANF Two-Parent Caretakers, September 2001*, (computer printouts.)

**Chart 9**  
**Single-Parent and Two-Parent Families by Number of TANF-Eligible Children**  
**per Family, September 2001**



Single-parent families have an average of 2.0 children per family while two-parent families have an average of 2.4 children per family. Both measures are the same as last year.

**Single-Parent Families**

**Two Parent Families**

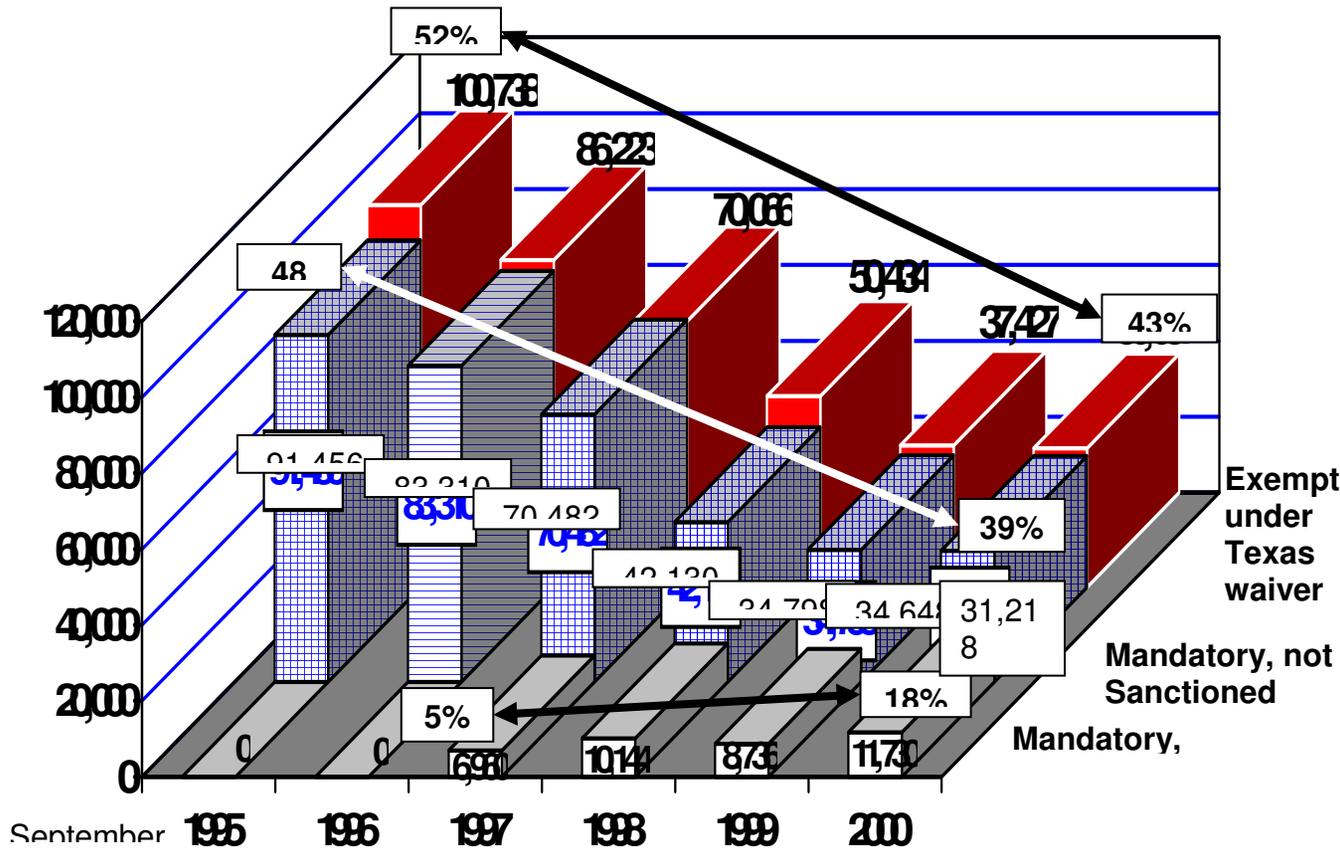
\* Caretakers who have one or more children on SSI and no other children certified for TANF.

Data Source: Texas Department of Human Services, *Characteristics of TANF Single-Parent Caretakers and Characteristics of TANF Two-Parent*

*Caretakers, September 2001, (computer printouts.)*

Chart 10

TANF Adults and Work Requirement Trends -- September 1995 to September 2001

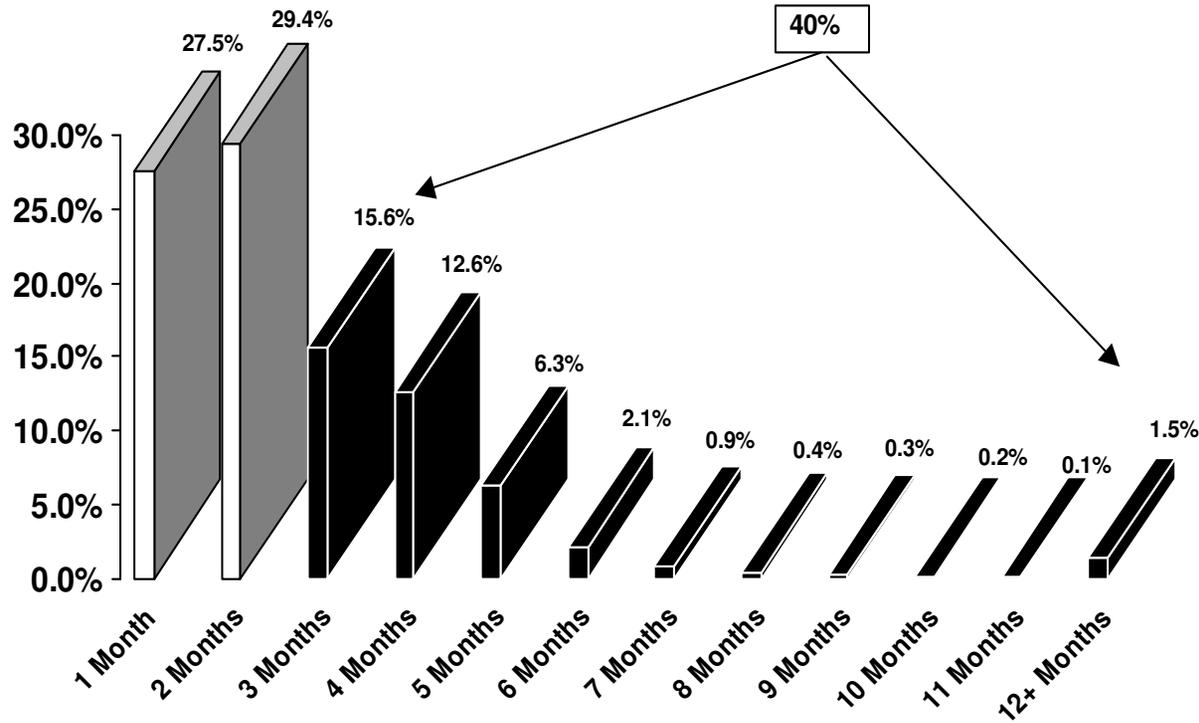


The proportion of Mandatory and (work) Sanctioned caretakers has increased to 18% of the entire TANF population and is 31% of all mandatory caretakers in 2001.

This trend suggests that the Texas sanction policy has not been effective in providing incentive for caretakers to comply with program requirements by taking advantage of the services available to them in the Choices program.

Data Source: Texas Department of Human Services, *Management Information Focus Report*, October 2001.

**Chart 11**  
**Average Monthly Number of Cases by Length of Sanction for Refusing to Cooperate with Work Requirements, with Sanctions Beginning in September 2000 and Continuing into 2001**

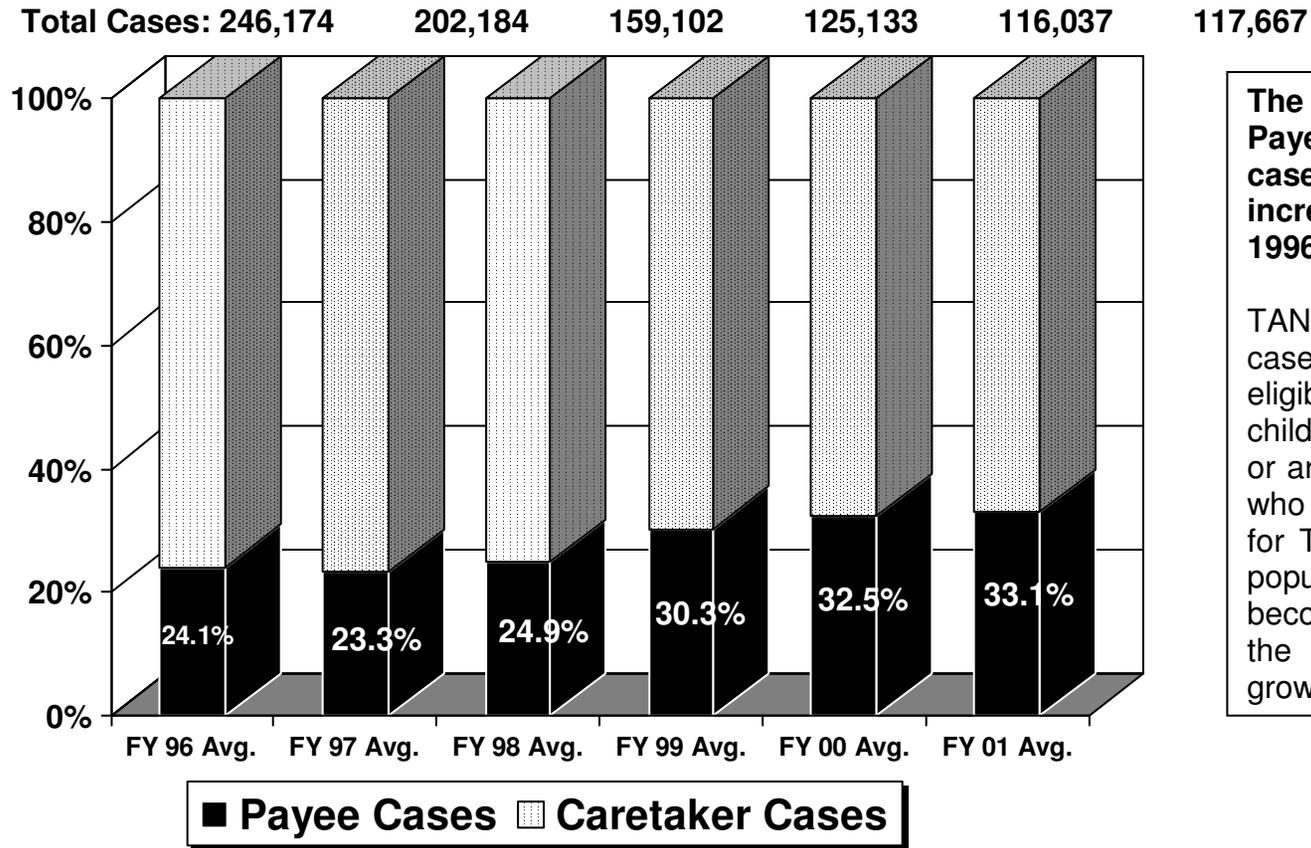


**Work non-compliance sanctions, which have been steadily increasing in both numbers and as a percent of adults. Of all sanctions initiated in FY2000, 40% lasted three months or more.**

This demonstrates that Texas' current partial sanction policy has not been effective in providing incentive for caretakers to comply with program requirements by taking advantage of the services available to them in the Choices program.

Data Source: Texas Department of Human Services, *Cases with First JOBS Penalty for September 2000 Through August 2001*, Computer printout.

**Chart 12**  
**Proportion of Payee Cases to Basic TANF Cases FY 1996 -- FY 2001**

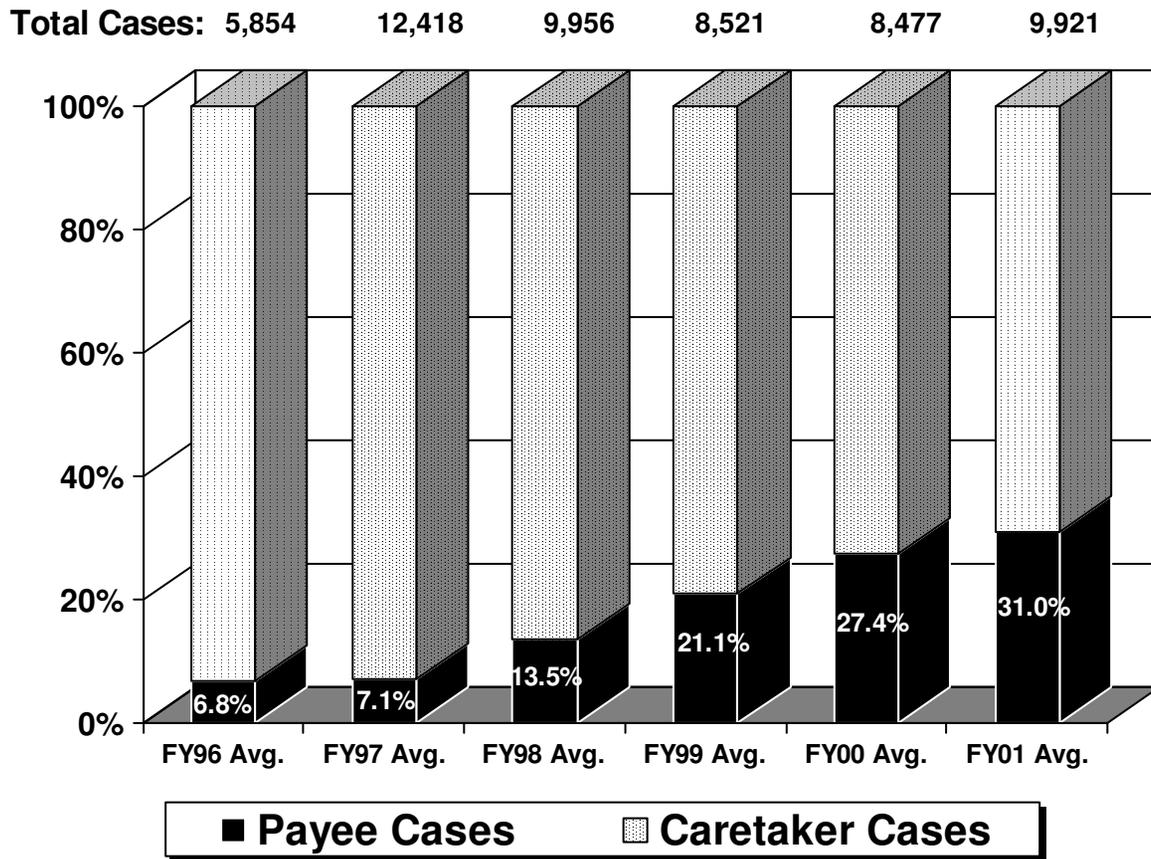


**The proportion of Basic TANF Payee Cases to all Basic TANF cases has been steadily increasing -- from 24.1% in FY 1996 to 33.1% in FY 2001.**

TANF Payee Cases are those cases which have no TANF-eligible caretaker, either because children are living with a relative, or are living with a natural parent who is, or has become ineligible for TANF. Given this shift in the population over five years, it may become important to determine the cause of this proportional growth.

Data Source: Texas Department of Human Services, October 22, 2001, Computer Printout  
 Note: All figures are month-ending totals

**Chart 13**  
**Proportion of Payee Cases to Two-Parent Cases FY 1996 -- FY 2001**



The proportion of Two-Parent TANF Payee Cases to all Two-Parent TANF cases has been steadily increasing -- from 6.8% in FY1996 to 31.0% in FY 2001.

TANF Payee Cases are those cases which have no TANF-eligible caretaker, either because they are living with a relative, or are living with their natural parents who are, or have become ineligible for TANF. In actual numbers, this is an increase from 400 cases in FY96 to 3,077 cases in FY01. Given this large shift in the population over five years, it may become important to determine the cause of this proportional growth.

Data Source: Texas Department of Human Services, October 22, 2001, Computer printout.  
 Note: All figures are month-ending totals





