

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



Texas State Capitol - Austin, Texas

***Welfare to Work Initiatives
in Texas: Report 2002***

December 2002

Dear Texas Workforce System Stakeholder:

The Texas Council on Workforce and Economic Competitiveness (Council) is pleased to present this third annual welfare reform report *Welfare to Work Initiatives in Texas: Report 2002* as mandated by Texas Government Code 2308.101 (14). This report was approved at the Council's December 6, 2002 meeting.

In writing this report, the Council asked five basic questions. Is the state's welfare to work effort still working in a slower economy? Are there significant changes in the demographics of the welfare population 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? Are adjustments needed to make the system work better?

This report analyzes aspects of Texas' welfare to work initiatives operating in the context of an economic slowdown. Demographic trends of the TANF population are examined to determine 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 as well as some best practices around the state that might provide models for replication. Finally, the report presents recommendations that the Council believes will make Texas welfare programs and services even more successful in its provision of welfare programs and services.

I commend this report to you.

Ann F. Hodge, Chair

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.”

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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 third annual report is divided into four sections. The first section analyzes the demographics and trends of the welfare population in Texas. The second section provides three years of comparative performance data on current programs, initiatives, and pilots in Texas. The third highlights some of the best practices being used by local workforce development boards in collaborating with local partners and meeting the needs of local employers. Finally, the fourth section outlines a number of critical challenges and issues in welfare reform that Texas will face in the coming months.

Welfare Reform in Texas — Working Harder in a Tough Economy

The Welfare to Work effort is working in Texas. The number of Texas families on TANF is 52.7% less than before state welfare reform initiatives were implemented in 1995. 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 FY2002 than in previous years. Due to the hard work and efforts of Texas' local workforce development boards, Texas received a federal high-performance bonus for the third year in a row, this time for \$24.3 million—\$64.9 million over a three-year period. In spite of increased state population and general economic downturn, the TANF and State Program caseload held fairly steady during FY2002. The caseload ended the year with an increase of 3.5%, even though applications for TANF increased 10.9% in the same year.

The Choices program has functioned well during the economic slowdown. In FY2002, the program helped more TANF adults find work than ever before, with 55,611 entering the workforce during the year—an increase of 6,765 over FY2001, a 14% increase. In August 2002, 61% of participants entered the workforce that month or were working 30 hours or more a week.

The demographics of the TANF population have changed only slightly over the past four years. Education levels, work experiences, family size, age of caretakers have all remained fairly constant, suggesting that Texas is not left with only the “hardest to serve” in the welfare population. In fact, education levels of TANF adults were up somewhat from 2001 levels.

The Choices Program and Work First

Texas' welfare system is based on the principles of personal responsibility, support for strong families, and local control. It emphasizes the value of work. In August 2002, the Choices program served 24,088 adults, an increase of 8,663, or 56% more than in August 2000. The education levels and work experiences of all adults who entered employment in August 2002 were in a similar proportion as they were in the general TANF population. This again demonstrates that Choices participants with little or no work experience and/or lower educational levels can find work at about the same rate as participants who are high school graduates or have recent work experience. The statewide average wage for a TANF adult entering employment was approximately \$7.20 an hour, and combined with other available benefits could reach up to the equivalent of \$32,308 a year for a single parent with two children. Considering Texas has the 4th lowest cost of living in the nation, many TANF families are entering the workforce at a competitive wage.

Temporary Assistance for Needy Families (TANF) Reauthorization

The Temporary Assistance for Needy Families (TANF) portion of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), was up for reauthorization in 2002. The House passed a reauthorization bill, and a bill passed the Senate committee, but has not been debated on the floor of the Senate. Because of other pressing legislative matters, Congress currently extended TANF through March 2003. Full reauthorization may occur in 2003.

Critical Issues in Welfare Reform

Analysis of the data found in the following section revealed four issues facing Texas in its efforts to build upon the successes of the past six years. After a thorough analysis of the state's sanction policy for refusal to cooperate with work requirements, it is apparent that the existing policies are too often not having the intended effect of encouraging TANF adults to enter the Choices program for assistance in preparing for work and finding a job. The proportion of adults with mandatory work requirements who are under work-related sanctions has risen sharply over the past few years, reaching more than 40% by the end of FY2002. Work-related sanctions are also growing in length, with nearly 30% being four months or longer. The current policy of a partial \$78 per-month sanction for a single parent does not provide sufficient incentives for adults to comply with program requirements, and the problem is growing worse each year.

The proportion of the TANF caseload which are “payee” cases (child only cases) has been growing. In FY2002, the monthly average reached 35% of the total caseload. The growth is attributed to cases in which the parent(s) “do not meet citizen requirement” or have “timed out” of the system. In families that reach the state time limit of benefits, the adult(s) become ineligible, but the children remain on TANF with a cash grant. There is no work requirement in law for the caretaker-adults of either of these cases. This trend is also occurring nationally, with the U.S. proportion being around 30% child-only cases in 2002.

There continues to be a problem with families cycling on and off of TANF, although the proportion of the TANF caseload which are former TANF recipients has dropped slightly in the last two years, and is about 50 percent for FY2002. Many factors are associated with recidivism. According to *Texas Families in Transition*, a study commissioned by the Texas Department of Human Services, many of the adults who left TANF only to reapply within the eighteen months of the study, left without transitional benefits, and in many cases without Food Stamps. There seemed to be some general confusion among the adults interviewed in the study as to what benefits their families might have been eligible for after leaving TANF. DHS eligibility workers advise each client during the application process of eligibility for Food Stamps and Medicaid and has them sign form 1007 stating that they have been so advised.

Texas has significantly increased child care funding in recent years, serving thousands of additional children. However, as more TANF families participate in Choices and enter the workforce, more child care funding is being used to meet Choices and transitional child care demands, both of which are priority categories. Under current funding methods, this leaves less funds available for “at-risk” child care for low-income working families.

Council Recommendations

- ♦ **Strengthen Texas’ work-related sanction policy to include a full-benefit denial on the second sanction, or after three months without a cure, and require the “cure” to be demonstrated compliance with work requirements.**
- ♦ **Slow the growth of the payee caseload in Texas by either not extending TANF benefits to families who have exhausted their state time-limits or continue requiring Choices participation or employment services as a condition of benefits , including all provisions of the Personal Responsibility Agreement until employment is secured.**
- ♦ **Direct the Department of Human Services with Local Boards to develop and provide informational materials regarding benefits available to their families when they become employed, including the Earned Income Disregard, Earned Income Tax Credit, Food Stamps, and transitional benefits. Direct the Texas Workforce Commission and the Office of the State Comptroller to disseminate information to employers about benefits available to their new employees who had previously been TANF recipients and how to access these benefits.**
- ♦ **Explore alternatives of increasing child care funding using TANF funds and methods to maximize all child care funding.**

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



Section I

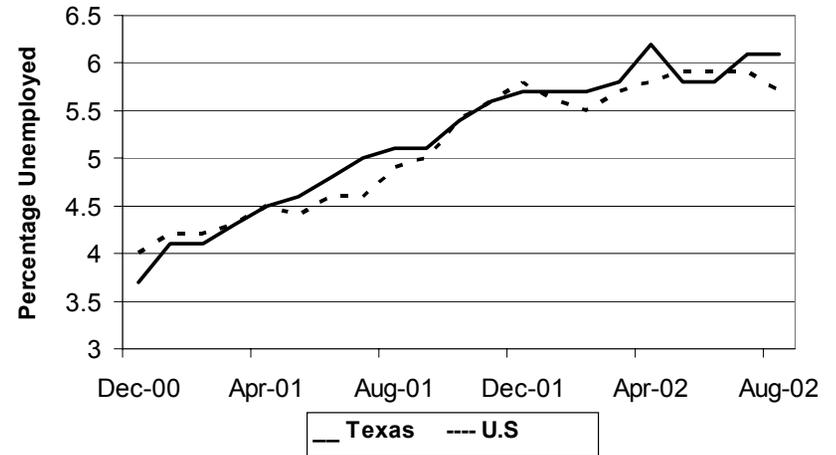
***Welfare to Work Trends
In a Weaker Economy***

Fiscal Year 2002 -- Caseload Reduction in a Weaker Economy

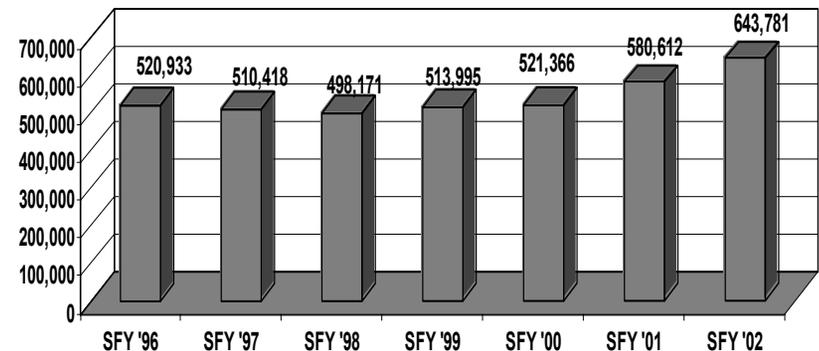
As the U.S. economy slowed in 2001 and 2002, both the Federal and Texas unemployment rates rose. Texas went from a unemployment rate of 3.7% in December 2000 to 6.1% for August 2002, hitting a high of 6.2% in April 2002. This has been slightly higher than the U.S. rate for most of 2002. Certain sectors of the economy have been particularly hard hit during the economic slowdown and following the September 11th attack such as airlines, hotels and other tourist-related industries, as well as high-tech companies.

During this economic slowdown, individuals applying for TANF went from 521,366 in FY2000, to 580,612 in FY2001, and 643,781 in FY2002. In spite of this increased demand for TANF assistance, caseloads only increased slightly during the same period, and actually began to decline between February and June, 2002. Caseloads increased slightly in the last two months of the fiscal year, ending the year with 131,964 total cases, a net increase of 3.5%.

Unemployment Rates for Texas and U. S. December 2000 to August 2002

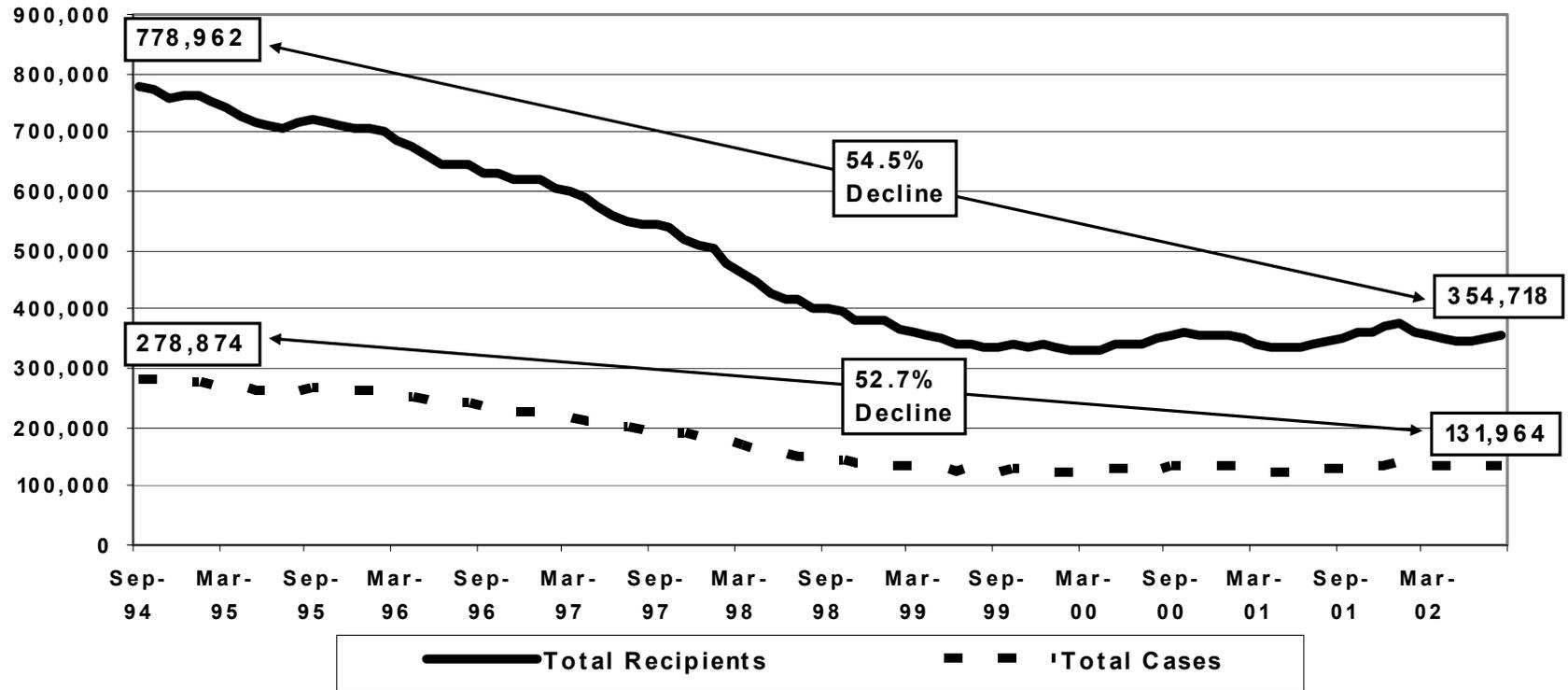


TANF Applications Received FY1996 – FY2002



Data Source: Texas Department of Human Services, *Management Information Focus Report*, October, 1995-September, 2002.

Total TANF and State Program Recipients and Cases FY1995 -- FY2002



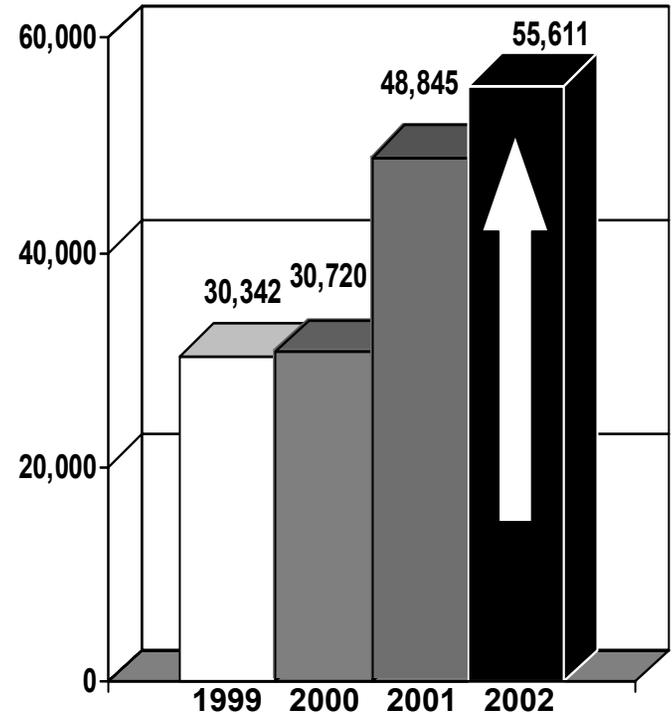
Data Source: Department of Human Services, Management Information Focus Report

Continuing Successes

Despite uncertain economic conditions, the Choices program continued putting people to work. Some believed that the Work First model would only be successful at putting people to work in a strong, growing economy such as in the 90's. Over the last four years, the number of Choices adult participants who entered employment has increased each year, again demonstrating that Texas' *Work First* model works, even in a slower economy.

The average hourly wage for TANF adults entering employment is about \$7.20 statewide, according to the *Texas Families in Transition*, a study of those who left welfare. In September 2000, Texas ranked 21st among the states in earned income* for TANF adults, ahead of states with higher cost of living indexes such as Maryland, Massachusetts, New Jersey, Pennsylvania, Vermont, and Florida. Texas' cost of living is lower than most states. The cost of living index for the second quarter of 2002 for Texas is 91.8**, with the national average being 100, ranking Texas as having the 4th lowest cost of living of the states surveyed. These two rankings indicate that Choices participants are entering employment earning a wage higher than in most states and are living in a state in which the cost of living is far less.

Choices Participants Entering Employment 1999 - 2002



Data Source: Texas Workforce Commission, Computer printout, September 2002.

* U.S. Department of Health and Human Services, Administration for Children and Families, *2001 TANF Annual Report to Congress*.

**The American Chamber of Commerce Research Association (ACCRA).

Work Pays More than Welfare

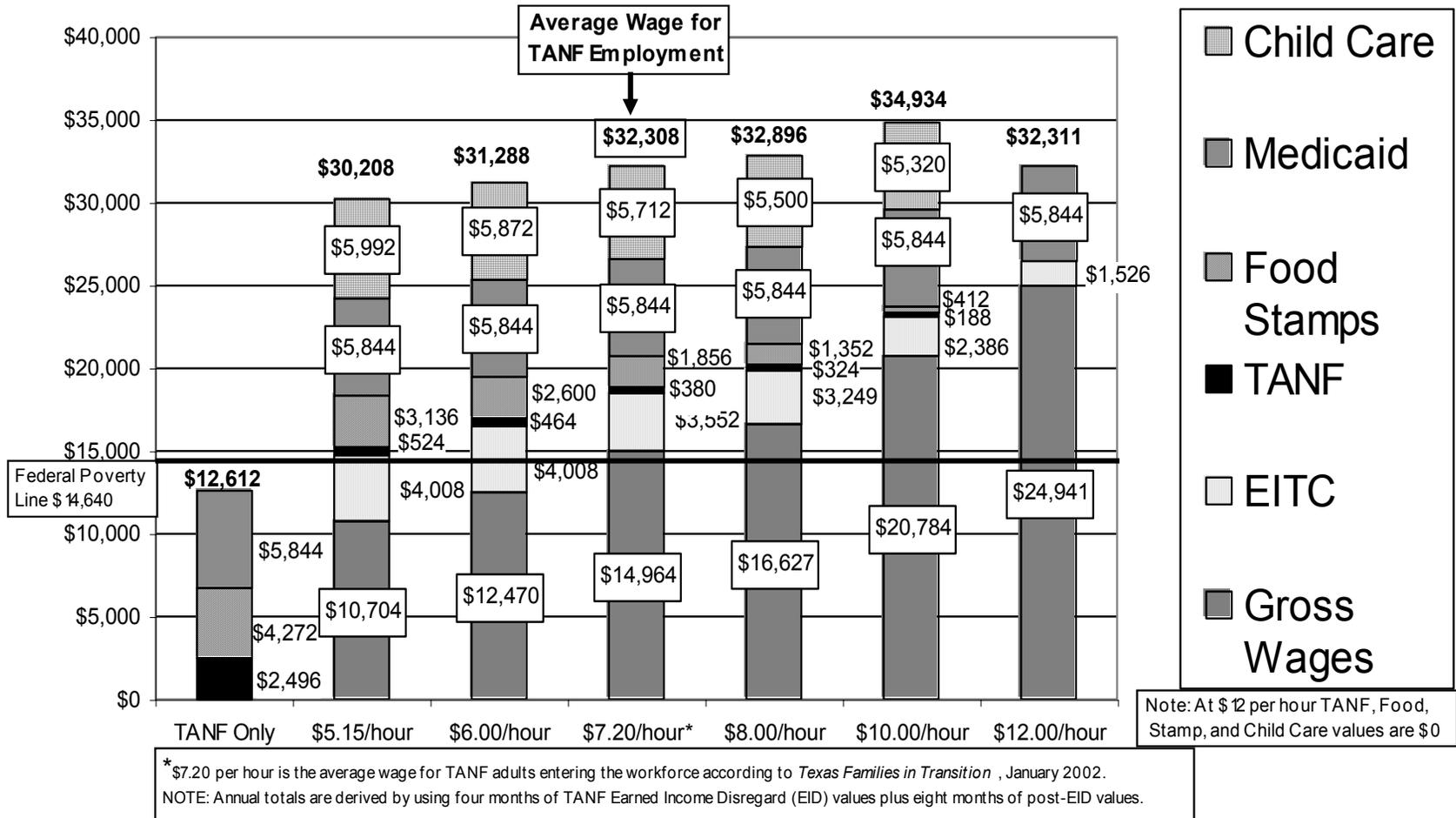
The Texas Work First model stresses attachment to the workforce as rapidly as possible. A family with a single caretaker who makes even minimum wage and works 40 hours a week is significantly better off economically than when on welfare. It is clear in the examples on the following page that with the support systems in place in Texas, work does pay. Even at minimum wage (\$5.15 per hour), adding in Earned Income Tax Credits (EITC) and other available supports, a family of three could earn up to the equivalent of \$30,208 in combined wages and benefits. According to the recent report *Texas Families in Transition*, the average entering employment wage for TANF adults in Texas is about \$7.20 per hour, equivalent to up to \$32,308 a year for a family of three.

When a TANF adult enters the workforce, they have the option of accepting a 90% income disregard for the first four months of employment. If they choose to do this, they likely will remain on TANF for the four month period with a lower TANF grant, retaining the TANF supports of child care, Medicaid, and Food Stamps. The downside to this is that they lose four months of eligibility of their 60-month TANF lifetime limit. The idea for this program is for the family to have a short period with extra funds for the purchase of work-related expenses such as work clothes, uniforms, necessary tools, or transportation.

In the fifth month of employment, the family would begin their transitional benefit period. TANF families who have entered employment are likely eligible for twelve months of Medicaid and subsidized child care. The child care can be extended to 18 months if the adult volunteered for the Choices program while they were still in Exempt status. The family is also likely eligible for Food Stamp benefits and the Earned Income Tax Credit after they begin work. When looking at the wages and benefits available to TANF families entering employment, it becomes clear that families leaving TANF have a number of support structures available to facilitate their successful transition.

In the chart on the following page, the wages and benefits are calculated and categorized for the first year of employment for the average size TANF family--a single parent with two children. The benefits are calculated by using four months with the earned income disregard period plus the first eight months of the transitional benefits period. The wages and benefits are calculated for being on TANF (exempt status) and entering employment at \$5.15, \$6.00, \$7.20 (statewide average beginning wage), \$8.00, \$10.00, or \$12.00 per hour. Wages are gross amounts, and assume that the employee worked an entire year without getting a raise.

2002 Annual Wage and Benefit Scenarios for Single Parent with Two Children (Calculated with Full-Time Employment of 40 Hours per Week)

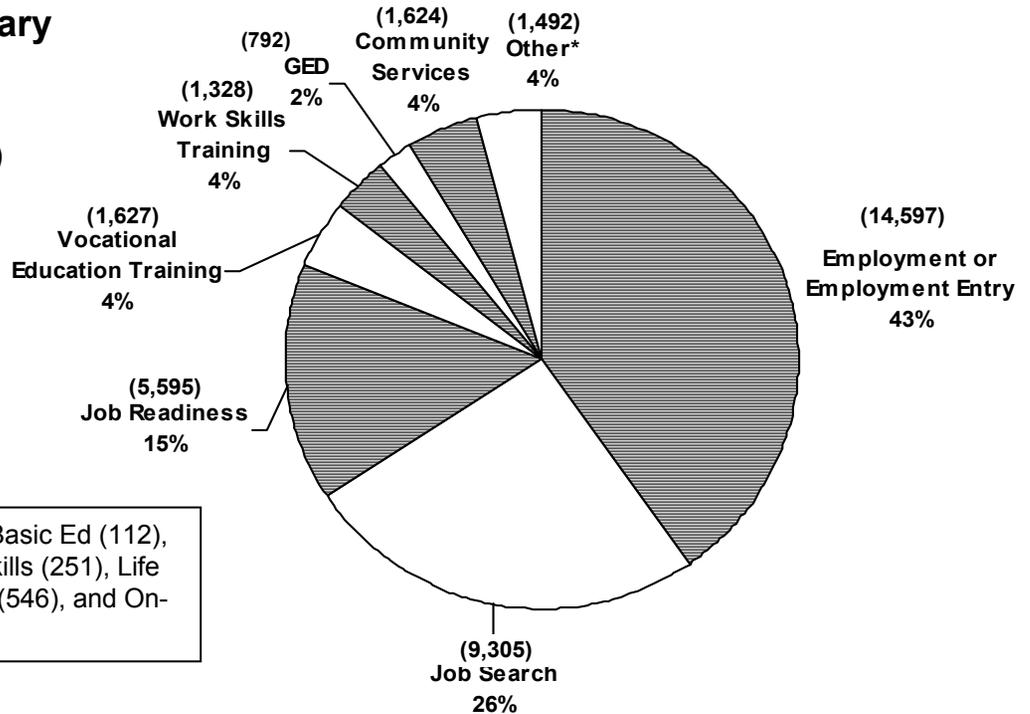


Data Source: Texas Council on Workforce and Economic Competitiveness, *Single-Parent Family Income and Assistance Model*.

Local Workforce Development Boards Use the Choices Program to Put People to Work

The Choices program, with its Work First model, is designed to provide TANF caretakers with the tools necessary to prepare for, find, retain, and advance in employment. During the past three years, the efforts of local workforce development boards have won a federal performance award each year for Texas and have served more participants each succeeding year. For FY2001, this high-performance bonus was \$24.3 million, \$64.9 million over three years. During the month of August 2002, there were 24,088 (unduplicated) clients participating in the Choices program statewide. This is 8,663 more caretaker participants than in August 2000, an increase of 56% over the three-year period. Sixty-one percent (14,597) of all (24,088 unduplicated) Choices participants were either working or entered employment during the month.

Choices Component Summary for All Participants, August 2002 (24,088 Unduplicated Clients)



*"Other" includes High School (313), Adult Basic Ed (112), English as a Second Language (68), Job Skills (251), Life Skills (160), Job Creation/Subsidized Work (546), and On-the-job Training (42).

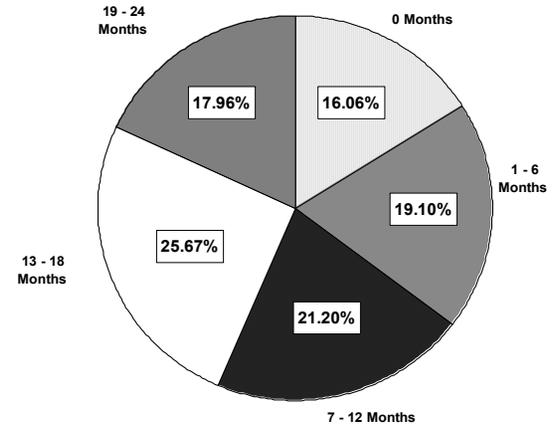
Data Source: Texas Workforce Commission, *Choices Component Summary by Month*, August 2002.

Work Experience and Tier Assignments

Choices adults entering employment in August 2002 had very different levels of work experience. About 16% had no previous work experience at all, and another 19% had only 1 - 6 months. Only 18% 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 a barrier to getting a job.

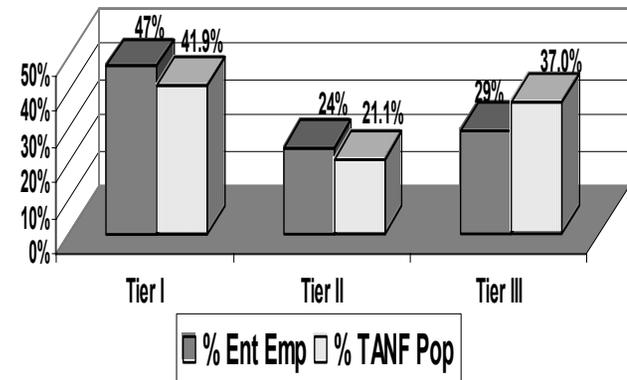
All TANF Adults are assigned to Service Tiers according to their education and previous work experience. Adults assigned Tier I have a 12-month state time limit and have earned either a high school diploma or GED or have 18 months or more of recent work experience. Adults assigned Tier II have a 24-month state time limit and have completed three years of high school or have 6-18 months of recent work experience. Adults assigned Tier III have a 36-month state time limit, have completed less than three years of high school, and have less than 6-months of recent work experience. When all adults entering employment during August 2002 were categorized by their Tier assignments, they were entering employment in a similar proportion as the Tier assignments of the general TANF population. Tier I adults entered employment at a slightly higher proportion and Tier III adults somewhat lower. The success of Tier III adults indicates that they are able to prepare and find work with less education and work experience at rates not far behind those with high school diplomas and/or more work experience.

Prior Work Experience of TANF Choices Adults Entering Employment in August 2002



Data Source: Texas Workforce Commission, Computer printout.

TANF Adults by Tier Assignments and Choices Adults Entering Employment by Tier Assignments August 2002



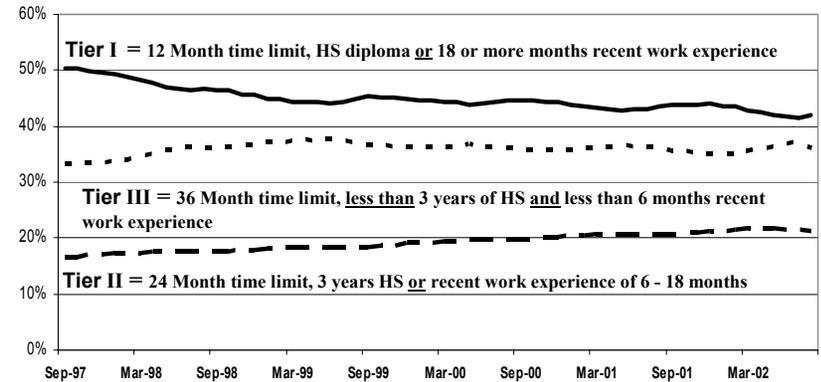
Data Sources: Texas Workforce Commission, Computer printout; Department of Human Services, *Management Information Focus Report*.

Characteristics of the TANF Population in Texas in FY2002

The characteristics of the total TANF population in Texas have changed somewhat over the past four years, but less than many expected. One example of this is found in the Service Tier assignment which accounts for a TANF adult's education and work history. Since September 1997, the proportion of adults assigned to Tier I, II, and III has remained very similar. The proportion of Tier I adults has decreased from 50.4% to 41.9% while the proportion of Tier II and Tier III adults has had a proportional increase, indicating a slightly less educated and/or work experienced population over the five-year period. At the end of FY2002, Texas' TANF population had not changed greatly from FY2001, or become significantly "harder to serve" on the basis of education and work experience, and more TANF adults are getting jobs than ever before.

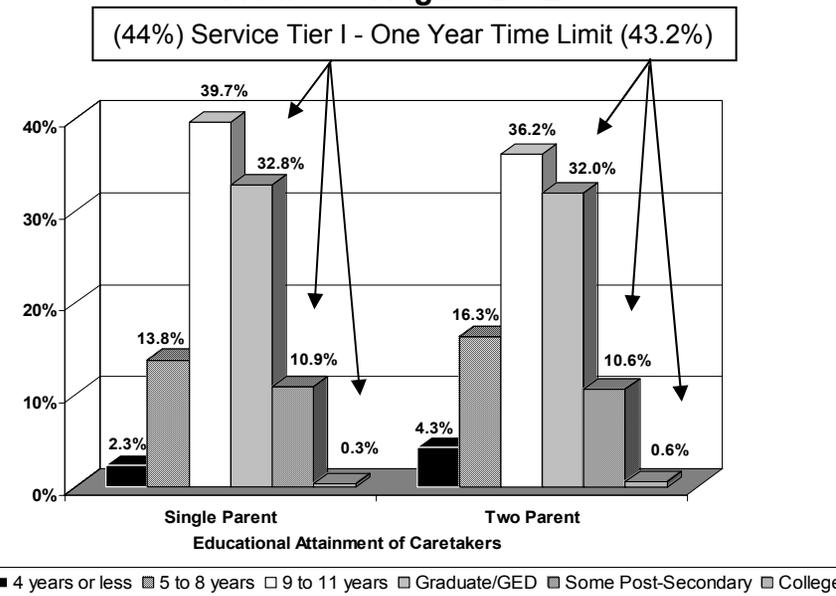
When the educational characteristics of the TANF population are examined, it is clear that Texas is not in the position of having only the "hardest to serve" clients left in the population. Comparing the past three years, the TANF adult population is better educated in FY2002. As of September 2002, 44% of single-parent adults and 43% of two-parent adults have at least a high school diploma or GED, up from prior years. About 11% of single-parent adults and 12% of two-parent adults have earned college credits. Less than 3% of single-parent adults and about 4% of two-parent adults have four years or less education, both proportions down from 2001.

Proportion of TANF Adults by Service Tier Assignments September 1997 through August 2002



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

Education Levels of Single-Parent and Two-Parent Adults -- August 2002

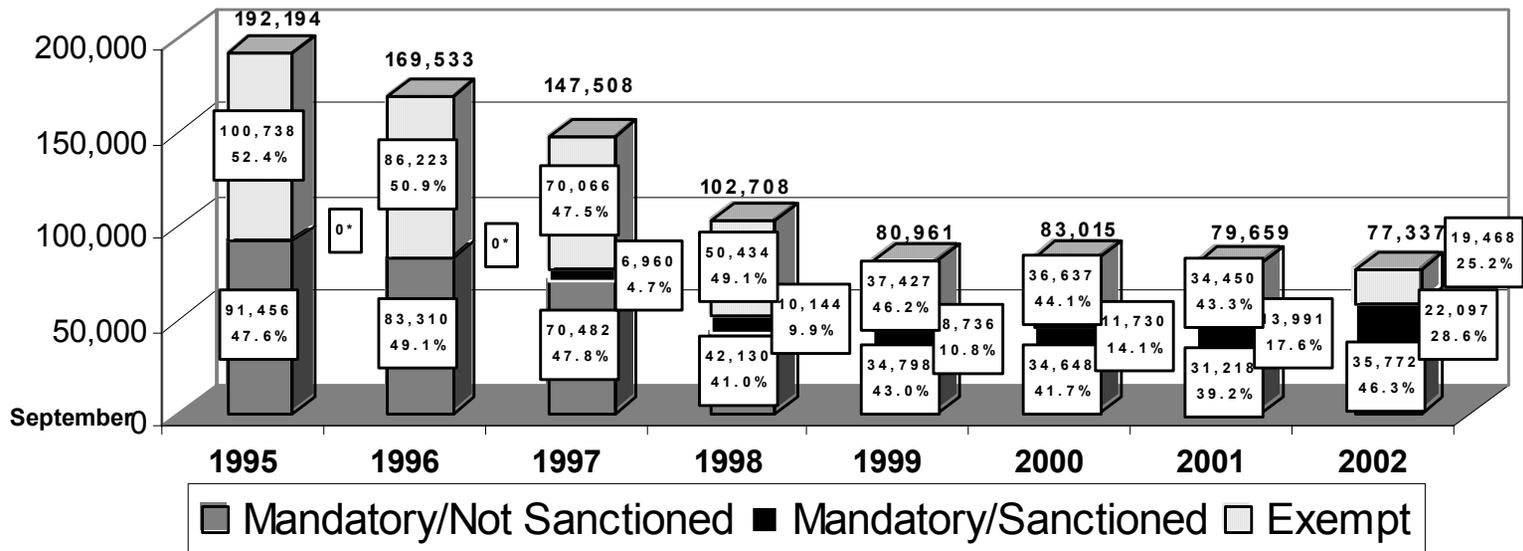


Data Source: Texas Department of Human Services, Computer printout.

TANF Adults Work Requirement Trends FY1995 – FY2002

The TANF population can be divided into three groups. The first group consists of those adults *exempt* from work requirements. Exemptions are granted by Department of Human Services Texas Works eligibility workers and could be for such reasons as caring for a child under one, caring for a disabled adult, or being pregnant and unable to work. Adult caretakers who are not exempt have mandatory work requirements, requiring them to participate in Choices activities to prepare them for the workforce. If Mandatory adults refuse to comply with Choices requirements, they can become sanctioned, whereby they lose the adult portion of their cash grant—\$78 a month for one parent. As the TANF population has declined, the proportion of these three groups has remained relatively constant in the TANF population until FY2002. In that year, adults exempt from work requirements decreased from 43% in FY2001 to 25% in FY2002. This was due largely to changes in the exemption status that lowered the age of the youngest child to one, and the reclassification of DHS exemption categories, from 14 to 8. (See: *Welfare to Work Initiatives Report 2000*, p. 65.) The proportion of those under sanction for refusal to cooperate with work requirements has steadily increased, reaching 28.6% of the entire population in 2002.

TANF Adults Work Requirement Trends FY1995 – FY2002



*Before sanctions were tracked

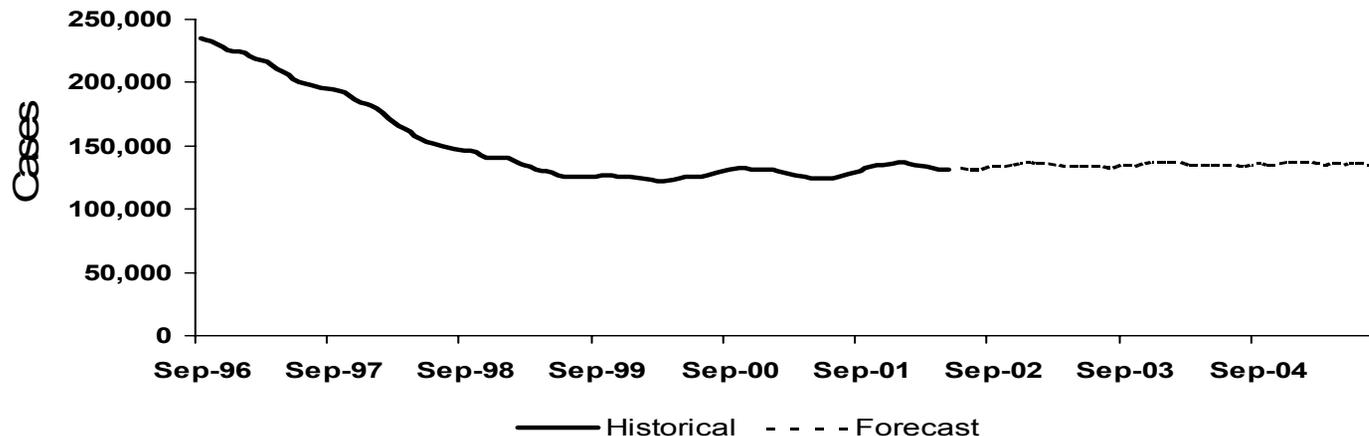
Data Source: Texas Department of Human Services, Computer printout.

Current Indicators of Potential TANF Population

For the first time, this report examines some indices that might have potential correlation to future TANF populations. These indices could provide a useful tool to predict changes in the TANF population in future years. Although no predictions are made here, these indices will be tracked in future reports to determine factors of correlation.

The first and most direct predictor is the TANF caseload projections which run through FY2005, made by the Texas Department of Human Services. These projections indicate an almost flat population with very little growth or decline.

Historical TANF Caseload and Projections of TANF Caseload through FY2005

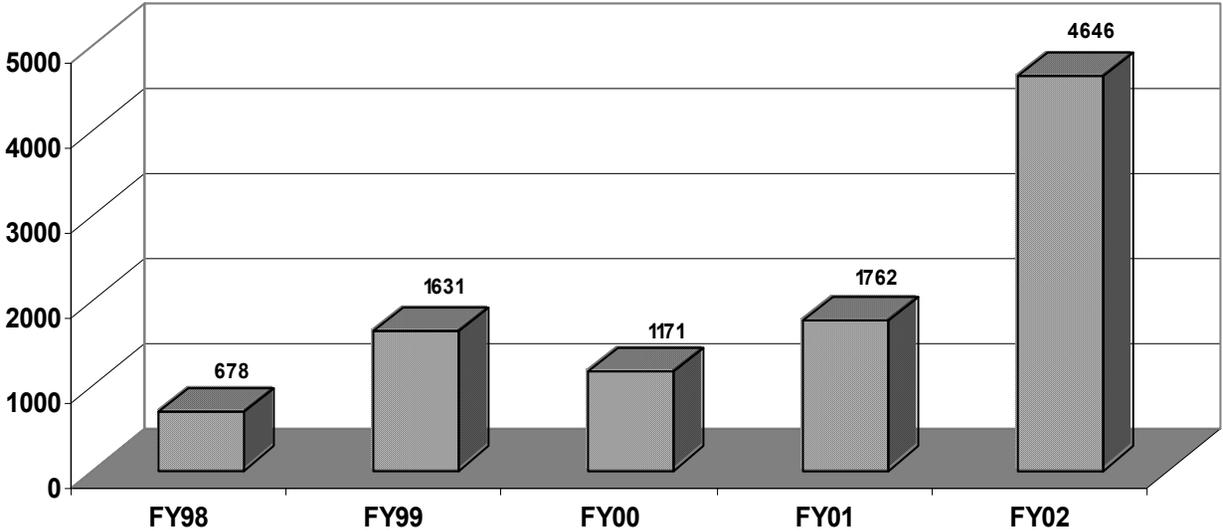


Data Source: Texas Health and Human Services Commission, Computer printout, October 2002.

Another factor of determining future TANF population is the effectiveness of current diversion efforts. The Department of Human Services instituted a diversion program which attempts to divert families who are eligible for TANF to alternative services. Texas Works eligibility workers determine what services are needed by the family and offer such services as Medicaid, Food Stamps, or child care in lieu of applying for TANF. It is estimated that as many as 10,581 were diverted by these efforts in FY2002. Before an adult can be eligible for TANF, they must attend a Workforce Orientation Applicant session at a workforce center. In this session, immediate attachment to the workforce, and supports available without going on TANF such as Medicaid, child care, and Food Stamps are emphasized.

In addition, families can choose to receive a one-time cash payment in lieu of monthly TANF benefits. This program allows families eligible for TANF a one-time cash grant of \$1,000 instead of enrolling in TANF. This is helpful to families finding themselves with a short-term financial emergency. Those accepting the one-time cash grants are not eligible to reapply for TANF for twelve months. This program has become much more successful as a diversion strategy with the number of cases increasing from 1,762 in FY2001 to 4,646 in FY2002, an increase of 164%.

**TANF Diversions by the One-Time Payment Initiative
FY 1998 -- FY2002**



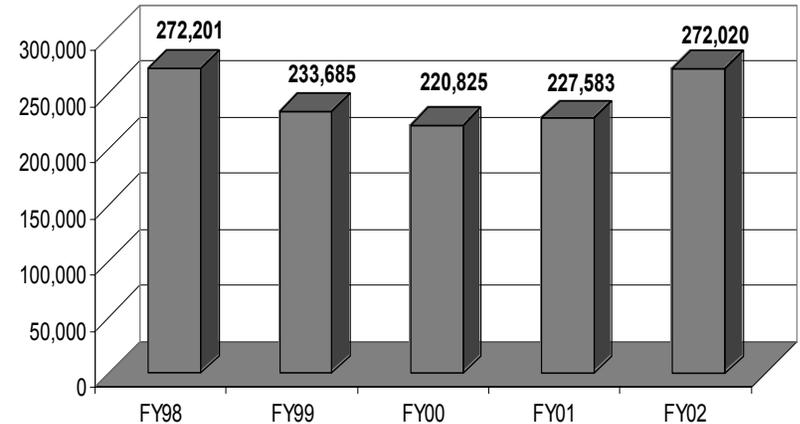
Data source: Department of Human Services, Computer printout, Oct, 2002.

Texas Families Receiving Food Stamps

Programs such as Food Stamps, Medicaid, and subsidized child care could be tracked to determine if they correlate to families at risk of needing TANF assistance. These programs also serve as diversion strategies, keeping families from going on TANF. Food Stamp usage dropped slightly in Texas during the fiscal years of 1998, 1999, and 2000 each year. Families not receiving TANF, but receiving Food Stamps dropped from 272,201 in FY1998 to 220,825 in FY2000. However, there was a slight increase in usage in FY2001, and a larger increase in FY2002. This might be due partly to the economic downturn experienced in Texas. Another factor might be rule changes made by the Texas Department of Human Services as a result of state and federal mandates which have increased the vehicle allowance, allowed telephone applications, and various outreach activities such as 1-800 telephone numbers.

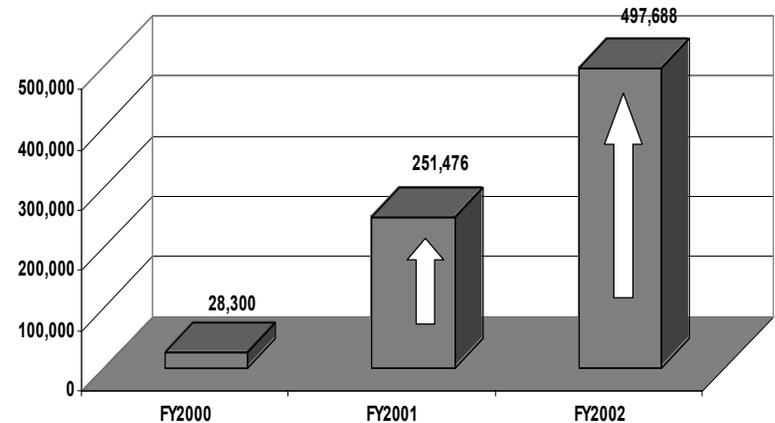
Analyzing Medicaid usage is more involved due to the implementation of Texas' Children's Health Insurance Program (CHIP), which broadened children's Medicaid eligibility. The CHIP Phase II program was implemented in 2000 and has steadily grown in enrollment over the past three years. Numbers of cases are the annual average of monthly cases.

Families with Children not on TANF Receiving Food Stamps FY1998 – FY2002



Data source: Department of Human Services, Computer printout.

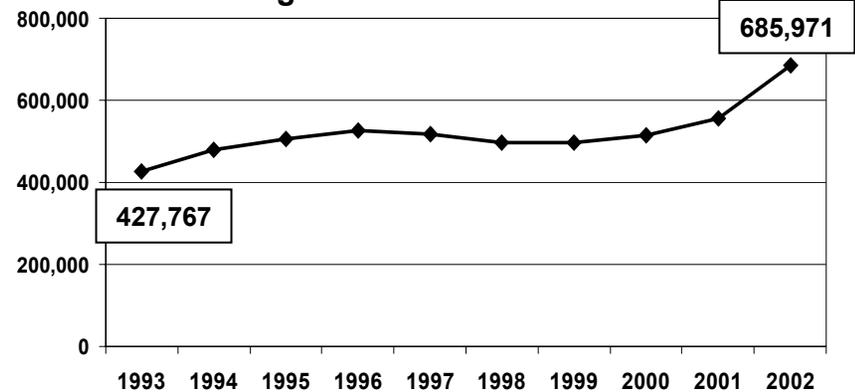
Annual Average Number of Cases of CHIP Phase II



Data Source: Research Department, Texas Health and Human Services Commission.

Medicaid usage in Texas has increased over the last ten years. For families with children or pregnant women who are not receiving TANF, the number of cases has grown from a monthly average of 427,767 in FY 1993 to a monthly average of 685,971 in FY 2002. This growth has occurred even with the implementation of the CHIP Phase II program in FY 2000.

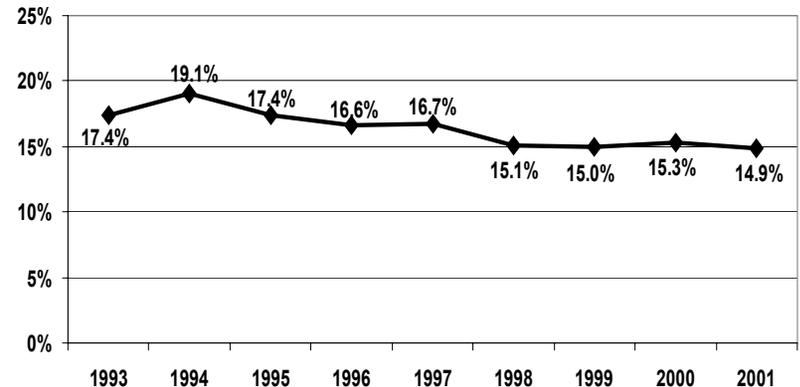
Families with Children or Pregnant Women Not Receiving TANF with at Least One Family Member Receiving Medicaid FY1993 – FY2002



Data Source: Texas Department of Human Services, Computer printout.

Another possible indicator of the at-risk population for TANF is the number of Texas families who earn below the federal poverty level. Over the past few years, this percentage has been steadily dropping from a high of 19.1% in FY 1994. In FY2001, Texas' overall poverty rate was 14.9%. There are more than half a million fewer Texas families in poverty now than in 1994.

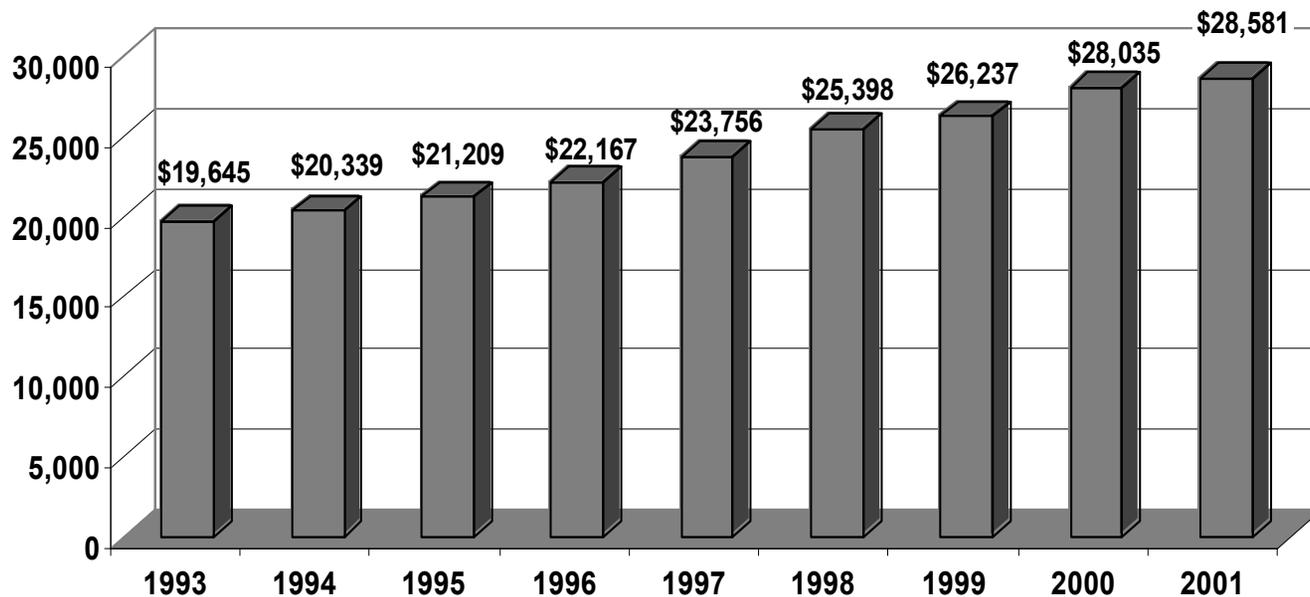
Texas Families Earning Below the Federal Poverty Level FY1993 – FY2001



Data Source: U.S. Census Bureau, *March Current Population Survey*.

Another sign that Texas families are doing better economically is what Texans are earning on the job. Per-capita personal income in Texas has increased every year since 1993. Over this ten-year period, per-capita income has seen a 45% increase, far out-performing inflation. This is another indicator that more Texas families are steadily increasing their standard of living. Further research might be done in future reports, breaking per-capita personal income down to employment sectors.

Texas Per-Capita Personal Income 1993 - 2001



Data Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Next Steps for Texas' Welfare System – Providing for Continuous Improvement

Texas' Choices Program and the "work first" model has worked successfully, both in good economic times and during an economic slowdown. The indicator of success for this program is the number of TANF adults entering the workforce. As the data shows, more TANF adults have obtained employment in each succeeding year of the program, even during the economic downturn when a record 55,611 TANF adults entered the workforce in FY2002. The average entered employment statewide wage is \$7.20 per hour, and when combined with the other benefits available to the working TANF family, the annual total income and benefits can be up to \$32,308 for a family of three.

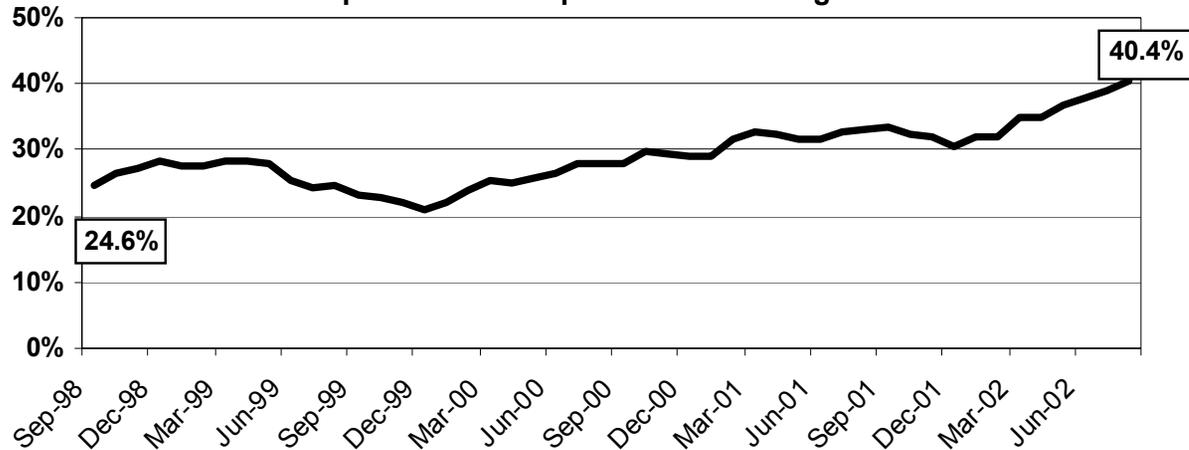
Some of the data have highlighted system challenges which could be addressed by the Legislature, or in some cases by the agencies themselves. These challenges are outlined in this section and some appear in greater detail in the *Issue Briefs* section of this report.

Challenge I – Work-Related and Other Sanctions

The Choices program is designed to provide adults with the tools necessary to prepare for, find, retain, and advance in employment. When a caretaker applies for TANF assistance, they sign a Personal Responsibility Agreement stating that they will cooperate with all program requirements. Work-related sanctions are imposed on mandatory adults—those required to participate in work activities provided by the Choices program—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, and even when a sanction has been imposed, it can be appealed at DHS. In September 1996, there were 83,310 mandatory adults and 1,523 of these—1.8%—were under a work-related sanction. The proportion of mandatory adults under sanction for refusal to cooperate with work requirements has grown at a much faster rate since then, and by August 2002, 40.4% of all mandatory adults—22,033 adults—were under a work-related sanction, more than four out of ten mandatory adults. At the same time, almost 30% of all work-related sanctions imposed in FY 2001 extended four months or beyond, up from 24.4% in FY2001. These numbers indicate that the state's partial work-related sanction policy (loss of \$78/month) does not provide sufficient incentives for adults to comply with work requirements, and the problem is growing worse each year.

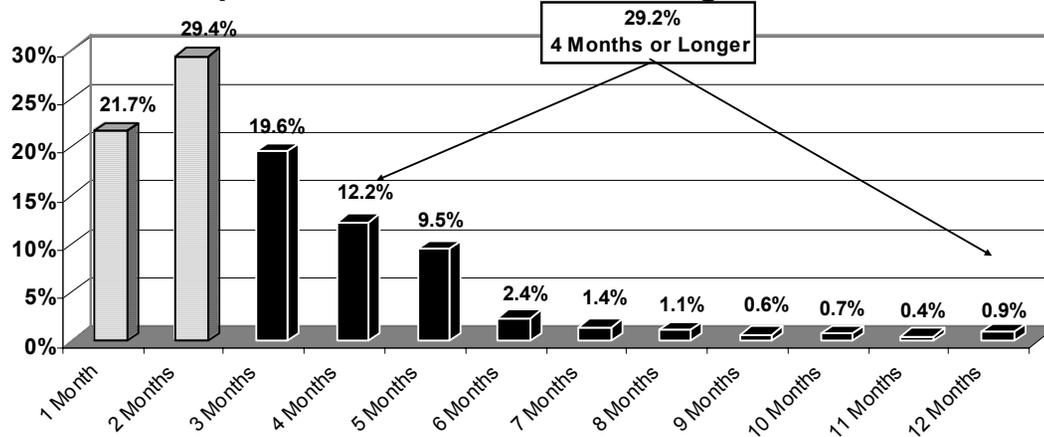
Both the Percent and the Length of Sanctions are Increasing

Percent of Mandatory Adults Under Sanction for Refusal to Cooperate with Work Requirements -- September 1998 - August 2002



Data source: Texas Department of Human Services, *Management Information Focus Report*.

Monthly Proportion of Cases by Length of Sanction for Refusing to Cooperate with Work Requirements for Sanctions Beginning in September 2001 and Continuing into 2002



Data Source: Texas Department of Human Services, Computer printout, October, 2002.

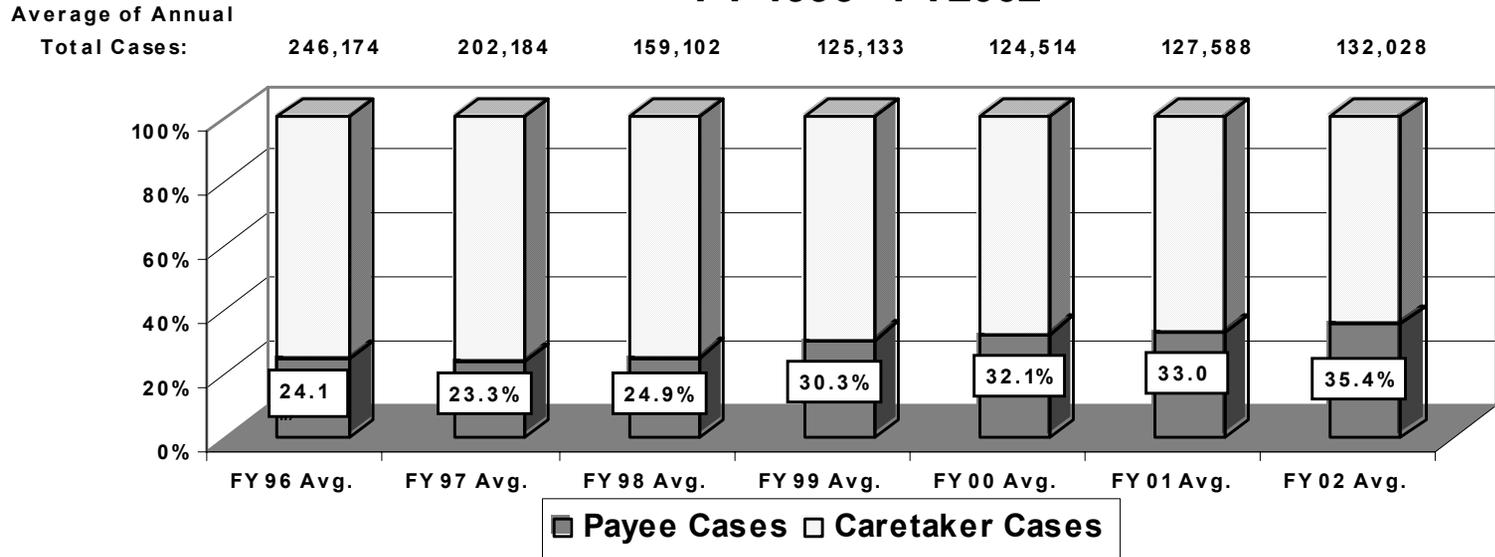
Challenge II – The Growth of Payee Cases in the TANF Population

In the past, the “traditional” payee case included TANF-eligible children living with a blood relative while the biological parent might be deceased, in prison, in a mental institution, a rehabilitation center, or otherwise unable to care for the children, or children living with non-citizen parents. One change in the TANF population noted in last year’s report has been the steady proportional increase in payee cases in the general population. A payee case is a “child-only” case which has no TANF-eligible caretaker living with TANF-eligible children. Under current state welfare law, when a TANF adult exhausts state time-limits, or “times out,” there is a five-year period of ineligibility before the adult can reapply for TANF benefits. During these five years, if the adult never reports income, the children remain TANF-eligible, becoming a payee, or child-only case. The proportion of all payee cases in the total TANF caseload has increased from about 24% in FY1996 to 35.4% in FY2002.

An analysis of the payee case population from September 2001 to August 2002 reveals that while the single largest category (36.6%) of child-only cases is (parent) “Does not Meet Citizen Requirement,” the fastest growing population in both terms of percentage of total population as well as numbers is (parent) “Exhausted State Time Limit.” This segment of the TANF payee (child-only) cases has grown from 4,739 at the beginning of FY2002 to 7,080 by the end of FY2002, an increase of nearly 50%. In terms of the total payee case population, this segment has grown from 10.8% to 14.5% in the twelve months of FY2002. The other categories of the payee case load have declined in terms of the total population. The “Receives SSI” category declined during the year from 27% to 24.6% of cases, as did the “other” categories.

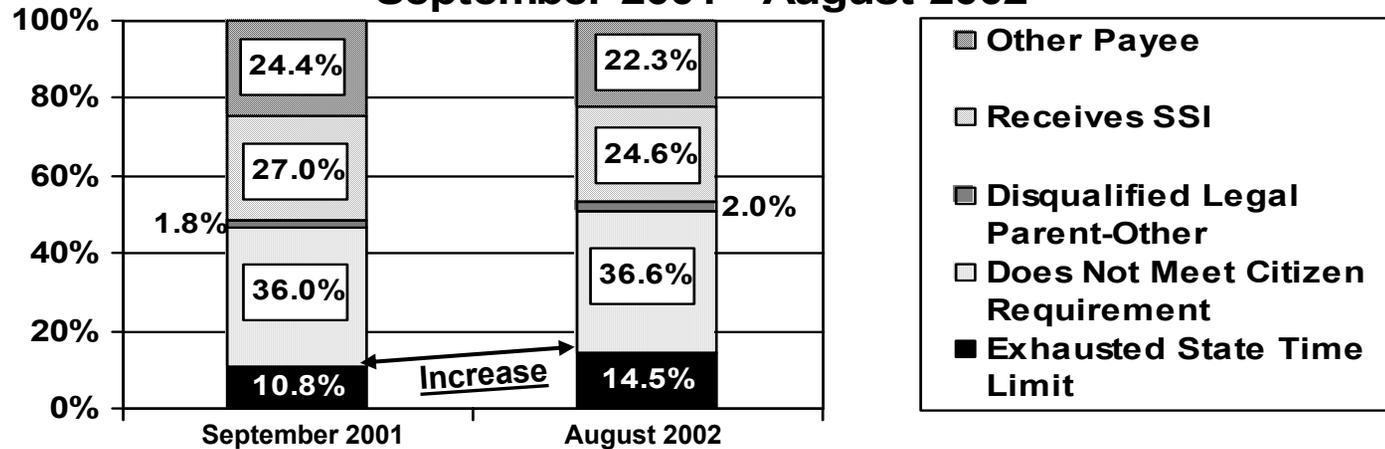
A recent Manpower Demonstration Research Corporation report, *Welfare Time Limits*, reports that most other states are facing the same issue. According to the report, about 30% of all welfare cases nationally are “child-only” cases. Texas creates “artificial” payee cases by making a payee case when TANF adults exhaust their state time-limits. When caretakers reach the state time limit while under a work-related sanction, their TANF grant would continue in the same amount once the case is closed.

Proportion of Payee Cases to Total TANF and State Program Cases FY 1996 - FY2002



Data Source: Texas Department of Human Services, Computer printout, October 2002

Proportion of Payee Cases by Type of Case September 2001 - August 2002



Data Source: Texas Department of Human Services, Computer printout, November 2002

Challenge III – TANF Recidivism

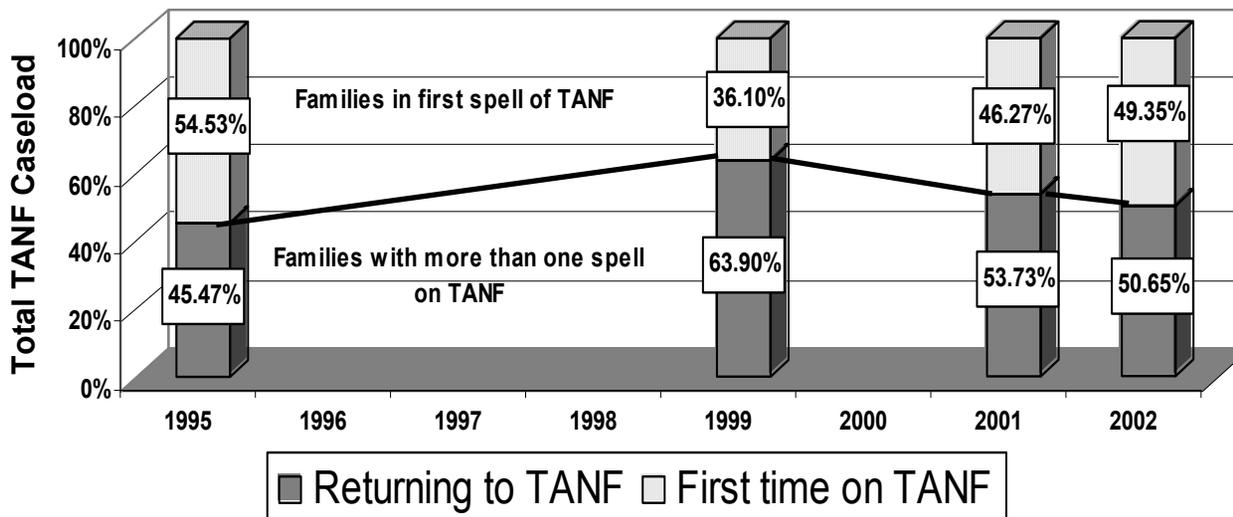
Fewer families cycle on and off of TANF than in the past and those that do tend to find jobs quicker than the “first timers.” According to the DHS-commissioned report *Texas Families in Transition*, 63% of the cohort of TANF leavers they tracked stayed off TANF for at least one year. In August 2002, about 50% of the total TANF caseload were families who had been on TANF previously. Even though this is down from 64% in August 1999, these cases still present a real challenge to the system still requiring services and case management. If Texas could even further reduce TANF recidivism, the caseload could also be significantly reduced.

Texas Families in Transition analyzed two cohorts of 166,613 TANF leavers in great detail using survey and administrative data along with intensive interviews. The report determined that while 63% of Cohort I remained off TANF for one year, most of the returns occurred in the first 6 months. Only 20% of adults and children continued Medicaid when the TANF case was closed, but 6% of adults and 77% of children received Medicaid at some point during the year after leaving TANF. Interviews determined that some of the recipients thought that their Medicaid was tied to TANF, and that they lost eligibility for it after leaving. While most of the families appeared to be eligible for Food Stamps after leaving TANF, only 37% received Food Stamps at TANF exit, and that percentage dropped to 30% at eighteen months after leaving the rolls.

Longitudinal analysis found that families were most likely to return to TANF in the first few months after leaving. Over the eighteen-month follow-up period, 59% of all families did not return to TANF while 41% did. Using both administrative and survey data, it was determined that receiving Food Stamps resulted in being 11% less likely to return and those with stable employment with higher wages were less likely to return. The most frequent reasons for returning were (in order of frequency of response): lost/laid off job; needed health care (Medicaid); lost housing; income dropped; lost transportation; or became pregnant. This report will examine ways to continue efforts to decrease the number of families that return to TANF.

Based on the findings of *Texas Families in Transition*, access to continuing support when leaving TANF appear to be a contributing factor of increasing a family’s probability of becoming self-sufficient. TANF families who become employed are eligible for a four-month 90% Earned Income Disregard period followed by 12 months of transitional benefits which include both Medicaid and subsidized child care after they leave TANF. Most of these families are also eligible for Food Stamps as well as the Earned Income Tax Credit. It is critical that the adult caretaker of the family understand which supports their family might receive in order to make an informed decision.

Recidivism in TANF Adults Proportion of TANF Cases New to TANF and Returning to TANF August 1995 -- August 2002



Data Source: Department of Human Services, Computer printouts, 1995 - 2002.

Challenge IV –Child Care Funding

Texas has devolved authority for operating its child care system to the local workforce development boards. Boards now have the authority to set their own eligibility levels, copayment rates (copayments made by the family), and reimbursement rates (rates paid to child care vendors.) In addition, local boards must raise local funds to be used as matching funds to draw down federal child care matching funds.

In Texas during the past two years and continuing in future years, more TANF adults have become mandatory, entered the Choices program, and obtained employment than ever before. When TANF adults enter the workforce, they are eligible for subsidized child care for the 12-month transitional period. Child care for participants of the Choices program and transitional care for those entering employment and leaving the program receives priority for the child care funding available. With more TANF adults entering the workforce than ever before, this absorbs more child care services and leaves less for low-income working families applying for subsidized child care.

In making child care funding decisions, it is also important to examine other ways to maximize child care funding.

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



Section II

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

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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 FY2002, record numbers of TANF adults were employed through the Choices program**
- **Texas received a \$24.3 million TANF high performance bonus in 2002 for outstanding job placement by local workforce development boards**
- **For FY2002:**
 - **158,431 total TANF caretakers served, an increase of 76,796, or 94% over FY2001**
 - **55,611 entered employment, a 27% increase over last year, earning and pumping into local economies approximately \$137 million and saving \$33.9 million in TANF cash assistance that would have been paid out to these families**
- **In FY2002, an average of 27,927 TANF children were served daily with child care, an increase of nearly 3,800 over FY2001**

The Choices “Ramp-Up” Initiative

Preparing to Serve Additional Adults in FY2002

- **TWC and local workforce boards took proactive measures to implement the provisions of PRWORA when the Texas waiver expired on March 31, 2002**
- **New rules became effective in July 2002**
- **As of April 1, 2002, the 28 Boards had implemented their customized local plans**
- **As of July 2002, Choices rules were consistent with the post-waiver requirements of PRWORA**
- **As a result of the Boards’ “ramping up”:**
 - **158,431 clients were served, an increase of 94% over FY2001**
 - **88,534 participated in work activities, an increase of 19.7%**

Governor's Discretionary Welfare-to-Work Fund Initiatives--FY 2002

- **\$1.825 million—Two contracts awarded September 2000 for ongoing pilot projects by the Texas Department of Transportation to develop transportation solutions between LWDBs and local transportation providers.**
- **\$2.57 million—Direct allocations to local workforce development boards through their annual child care allocations on September 2001 to provide child care services to Welfare to Work eligible individuals.**
- **\$127,300—Grant awarded August 2000 to provide technical assistance and training for the delivery of welfare to work services by local workforce development boards regarding Charitable Choice and the use of faith-based organizations.**
- **\$1.425 million—Contract awarded January 2001 for two pilot projects in Ft. Worth and Houston to target job placement services exclusively for non-custodial fathers.**
- **\$400,000—Contract awarded September 2000 to provide technical assistance to local workforce development boards to assist boards in identifying, securing, and reporting local matching funds to obtain additional federal matching funds.**
- **\$175,000—Contract awarded to the OAG September 2000 to assist non-custodial parents of TANF children find employment with the assistance of the court master.**
- **\$336,000—Contract awarded to TCADA September 2000 to provide services to TANF-eligible participants.**

Local Innovation Grants

Investment in Long-Term Success for TANF Recipients

- **Under Rider 23A & B, \$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 2001-2002 biennium, 18 contracts with CBOs and FBOs have been awarded totaling \$7.97 million**



- ◆ **9 contracts for job retention and re-employment services**
- ◆ **8 contracts for local innovation grants**
- ◆ **1 contract for micro-enterprise development**

Adult Education and Literacy Training (Texas Workforce Commission)

- **Rider 22, earmarked \$2 million of TANF funds to support basic education and literacy training.**
- **Funds were distributed to the 28 local boards to assist in existing literacy programs and to provide basic education for TANF recipients.**

Rural Expansion Plan

Addressing Choices Service Delivery in Rural Counties

- As a result of rural expansion efforts, the majority of Choices minimum-service counties now have the infrastructure to provide full Choices services in rural counties. TWC has allocated a total of \$11.9 million to expand Choices services to additional 38 rural counties.
- Boards receiving Rural Expansion grants in FY2002 were Alamo, Brazos Valley, Central Texas, Coastal Bend, Deep East Texas, East Texas, Golden Crescent, Gulf Coast, Heart of Texas, North Central, North East, North Texas, Panhandle, Permian Basin, Rural Capital, South Plains, South Texas, Upper Rio Grande, and West Central.
- Workforce development boards expanded services into 88 rural counties in FY2002.

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
- In August 2002 there were only 66 minimum-service counties with 1,586 eligible adults, representing only 1.8% of all eligible adults
- Due to rural expansion initiatives, by August 2003 Choices services will be available in all counties with a Choices caseload

Self-Sufficiency Fund

- **The Self-Sufficiency Fund, administered by TWC, began operation in 1998**
- **A TANF-funded program for TANF recipients, adults with children receiving Food Stamps, and families at-risk of being on welfare**
- **Provides customized training for specific businesses--an employer-driven program**
- **Grants are awarded through public community colleges and technical colleges, Texas Engineering Extension Service (TEEX), other extension services, and community-based organizations**
- **Participating businesses agree to hire trainees who have successfully completed the training**
- **953 welfare recipients were trained for 61 participating businesses at a cost of \$3.0 million in FY 2002**

***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**
- **Makes computers available in resource rooms in local offices so clients can prepare resumes and job applications and can use the Internet for job searches**
- **In FY2002, TDHS estimated that 10,581 families applying for and eligible for TANF were diverted to other resources, an increase of 3,798, or 56% over 2001**

Employment Retention and Advancement Project

- **Employment Retention and Advancement Project (ERA) is a pilot with sites in Fort Worth, Houston, Corpus Christi, and Abilene and funded with \$6,278,948 of TANF funds**
- **The project is designed to increase job stability and wages, reduce reliance on cash assistance, and reduce recidivism**
- **The project provides for collaboration among multiple agencies at the state and local level**
- **Also provides continuity between eligibility and workforce services**
- **Designed to enhance the current service delivery system by using 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 and substance abuse**
- **Employs an array of services such as assessment, education, long-range goal setting, and post-employment services**
- **Since April 2000, 5,105 individuals have participated in ERA, an increase of 1,750 since 2001**
- **ERA is in the third year of a five-year federally funded evaluation being conducted by Manpower Demonstration Research Corporation (MDRC)**

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**
- **1,020 TANF recipients were successful in their application process in FY2002 (an increase of 86% from FY2001) and are receiving SSI benefits**
- **Currently about 3,798 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
- **Over 90% of students receiving CIS services remained in school**
- **Funded with \$7.3 million GR from TEA and \$4.8 million in TANF funds**
- **1,164 TANF recipients were served along with 37,097 TANF eligible clients, up 78% from FY2001.**
- **954 pregnant or parenting teens were served in FY2002, a number down 205 from last year.**

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**
- **Funded with \$1.586 million in TANF funds**
- **Since program inception in October 1998, the program has served 1,486 TANF-eligible pregnant/parenting teens.**

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 not 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**
- **Funded with \$1.5 million GR, \$13.5 million GR for TANF maintenance of efforts funds, and \$4.65 million Title IV-B funds**
- **30,567 TANF eligible clients were served in FY2002, up 1,835 over 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**
- **Adult Education was funded for FY2002 with \$24.35 million in federal funds, \$6.88 million in state GR funds, \$6.10 million in TANF (federal) funds, and \$2.0 million in state GR (TANF Maintenance of Effort) funds**
- **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 FY2002 program outcomes are:**
 - 9,245 TANF clients were served, a 59% increase over FY2001. Clients participated for 1,427,700 contact hours, more than doubling FY2001 levels
 - 62% completed at least one level, and 86% of those continued in the program, moving to a higher level, an increase of 18% over FY2001
 - 2,401 TANF participants set a goal of obtaining a GED and 818 participants actually completed a GED in FY2002.

***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
- 11.2% of both Single-Parent and Two-Parent TANF caretakers have some college credits while 44.0% of Single-Parent caretakers and 43.2% of Two-Parent caretakers have earned a high school diploma or GED and are eligible for post-secondary training
- In the 2000-2001 school year, there were 244,550 Texas students attending post-secondary institutions with Pell Grant assistance, up more than 10,000 over last year

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



Section III

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

Best Practices in Welfare Reform in Texas offers some examples of strategies being carried out by state agencies, local workforce development boards, employers, non-profit organizations, and other entities to assist families on public assistance. Many of these examples contain collaborations between two or more of these entities. Some of these efforts might be effectively duplicated in other areas of the state.

Some of these efforts are designed to offer on-the-job training, subsidized employment, and other forms of preparation for TANF adults to enter the workforce. Others offer entry-level positions that could lead to promotions and a career ladder, in some cases in targeted occupations, or attainment of transferable skills to other sectors of the economy. Texas' Work First model is based on attachment to the workforce at the earliest possible time, and many of these efforts are outstanding examples of collaborative efforts between the public and private sectors to accomplish this goal.

Providing Employment Opportunities for Transitional Workers

Tarrant County Workforce Development Board

- **Integrated Health Services (IHS) has partnered with the Tarrant County Workforce Development Board's *Work Advantage***
- **IHS was trying to improve on its recruitment and retention efforts, especially among low-income, bilingual job seekers**
- **IHS established an internship program to develop career paths and could lead eventually to licensed vocational nurse certification**
- **Participants in the program are placed in entry-level support services positions and, after a short probationary period, are recruited into a certified nurses aid training program**
- **The program was expanded to include an ESL component to attract more non-English speaking participants**
- **So far, 154 participants, 93 of whom were non-English speaking, have been hired and trained**
- **IHS plans to expand this program at its other facilities throughout the country**

For more information please contact Ms Denice Diersen at (817) 926-7065.

Work Opportunities for All Texans:

The Texas Workforce Commission's Rural Expansion Initiative

In 1999, the Texas Workforce Commission (TWC) launched the Rural Expansion Initiative to ensure availability of employment services to all welfare recipients in Texas. When employment services for welfare recipients were transferred to TWC, only 87 of Texas' 254 counties provided these services. Since that time, TWC, in conjunction with the Local Workforce Development Boards, the Texas Health and Human Services Commission, and the Texas Department of Human Services, has worked diligently to expand services into the remaining counties. Through the Rural Expansion Initiative, TWC provided targeted funding to local workforce development boards to develop the necessary infrastructure to expand services into these remaining counties. By August 2003, TWC's employment services for welfare recipients will be available to all eligible families in Texas.

Beyond allocating targeted funding to the local boards to expand Choices services, TWC partnered with various community resources to address barriers to employment in rural communities. TWC contracted with the Public Policy Research Institute, Texas Engineering Extension Service, and the Texas Cooperative Extension to assist the boards in addressing these barriers to employment. Examples of these efforts include the following:

- **Employer surveys**
- **Assessment of employer and client transportation needs**
- **Asset mapping**
- **Technology inventory**
- **Guidance in selecting distance learning programs**
- **Assessment of job skills development needs**

Many local workforce development boards also developed initiatives to address the challenges that clients may face in obtaining self-sufficiency living in rural areas. The objectives and implementation methodology varied depending on the issues and needs of each area. The following are various strategies that board areas used:

- **Mobile computer labs to offer job search, computer literacy, and GED preparation**
- **Personal home visits**
- **Partnerships with local employers, county and municipal officials, school districts, non-profit and faith-based organizations, and economic development councils**
- **Child Care Forum for those interested in starting a day care center or family day care Home**
- **Educational campaign utilizing the media to increase awareness of workforce services**
- **Partnership with transportation services to provide vanpool to and from county's major employment centers**

Forging Private/Public Coalitions to Meet Employer Needs Gulf Coast Workforce Development Board

- **In 1998, The Mills Corporation joined the National Welfare to Work Partnership. The Mills Corporation made a commitment to help people coming off of public assistance find employment at their retail centers. They picked Katy Mills in Katy, Texas, 30 miles West of Houston, to serve as their pilot project. Katy Mills was scheduled to open in October 1999 and to have 5,500 jobs available at Grand Opening.**
- **In February of 1999, The Mills Corporation hired two employees to design and implement a welfare to work project at Katy Mills to coincide with Grand Opening in October 1999. The project was renamed MATCH (Mills Access to Training and Career Help) and was designed to include training, transportation, childcare and career help. A committee of partners was formed to implement the program, these partners included the private and public sector, community and faith based organizations and Houston Community College.**
- **Each partner agreed to assist with different components of the program. Houston Community College through a grant from the Texas Workforce Commission started a training program specific to the retail industry. Transportation issues were solved through a \$500,000 Reverse Commute/Job Access grant that was obtained by another partner, the Houston Galveston Area Council with assistance from the Greater Fort Bend Economic Development Council and Congressman Tom DeLay.**

- **Recruitment of potential employees and candidates for the training program came from job fairs and existing programs organized by community based and faith based organizations in the partnership. Because of the unique partnership between The Mills Corporation and Houston Community College a \$1.1 million grant was obtained from the Economic Development Agency, a division of The Department of Commerce to build a child care and career advancement training center. A matching gift of 1.77 acres of land was given to Houston Community College from The Mills Corporation for the grant. This was the first time that the EDA had ever given grant funding for the purpose of building a child care center.**
- **On Grand Opening day October 28th, 1999, just 9 months after the MATCH/Houston Community College program at Katy Mills had been planned 250 people from the program started their new careers, and employee transportation system was in place between Houston and Katy Mills and child care assistance was being offered until construction was completed on the child care center. In 2000, the program won the Houston Metropolitan Award given by Rice University and The University of Houston. The award was given because of the regional partnership that was formed that led to the success of the program.**
- **In August of 2002, the child care center and career advancement center opened. The child care center is licensed to provide care for 120 children, this includes infant, toddler and preschool care.**

For more information please contact Ms. Sue Lovell at (281) 644-5000

Helping TANF Adults Toward Self-Sufficiency Through Training and Employment Alamo Workforce Development Board

- **Taco Cabana, Inc. of San Antonio is committed to helping their community by assisting families transition from welfare dependency to self-sufficiency**
- **Working in partnership with the Alamo Workforce Development Board and SER Jobs for Progress, Inc., the board's contractor, they were the first company to establish a subsidized employment contract with the specific goal of transitioning TANF adults to self sufficiency**
- **The company identifies entry-level employment opportunities that can lead to food service skills attainment and career paths within the food service industry**
- **The company has developed a special program to offer employment opportunities to job seekers without a GED or with limited English skills**
- **In addition, Taco Cabana regularly participates in Group Employment Seminars to encourage TANF and Food Stamp Employment and Training customers to prepare to enter the workforce**
- **Through these programs Taco Cabana has helped about 77 families move toward self-sufficiency**

For more information please contact Mr. Danny Salinas at (210) 283-5506.

Training for a Targeted Occupation

Home Care Attendant Training

- **Web-based Home Care Attendant Training focused on the first rung of a nursing career path in healthcare providing access to a more advanced positions**
- **Home Care Attendant is one of the fastest growing occupations in both Texas and the United States**
- **Turnover rates often exceed 100% in this occupation, the participants in this project had only a 20% turnover rate, a drastic reduction**
- **New Attendants receive 100 hours of web-based training, existing Attendants receive 50 hours of training**
- **“Digital Divide” was not a factor, employees trained in homes, libraries, workforce boards and community colleges**
- **Web-based training allowed the employer to deliver training statewide in its service delivery area**
- **Partners included TWC, South Texas Community College, Texas Home Health of America, Texas Skilled Services, and Enterject.**
- **All participant tracking was done utilizing a web-based learning management system.**

For more information please contact Mr. Richardo Garcia at (800) 742-7822.

Providing Employment Opportunities for TANF Adults

South Texas Workforce Development Board

- **Wal-Mart Stores, Inc. of Laredo opened a new store with 560 new jobs available**
- **Personnel staff partnered with the South Texas Workforce Development Board and spent countless hours with the Business Services staff**
- **They coordinated all phases for hiring new employees**
- **The workforce center provided a wide range of services including recruiting, interviewing, and testing**
- **Store management was particularly interested in hiring and training Work Opportunity Tax Credit clients which include TANF clients**
- **Personnel staff estimate that they have served about 130 TANF clients**
- **Store management has also pledged to recruit displaced workers from an Albertsons store closure**

Providing Employment Opportunities for TANF Adults

Cameron County Workforce Development Board

- **A&V Lopez Supermarkets employ hundreds of Cameron County residents in its stores**
- **The company partnered with the Cameron County Workforce Development Board's *Cameron Works* office to train and hire welfare recipients**
- **The stores placed 14 workers who were TANF Choices clients through the WorkExperience program, which is designed to provide hard-to-place TANF clients with employment**
- **These new-hires were trained on the job with transferable skills during the program**
- **Eventually five were hired by the stores and the others were assisted by Cameron Works personnel to apply for other, similar positions**
- **The company also provides summer and part-time positions for young workers and remains committed to helping families move from welfare to self-sufficiency**

For more information please contact Ms. Letty Buitron at (956) 541-6802.

Providing Transferable Training and Skills to TANF Adults

Southeast Texas Workforce Development Board

- **BIOMAT USA, Inc., is a plasma collection center with 50 employees in the Southeast Workforce Development Area**
- **The firm is committed to helping families by hiring TANF Choices clients**
- **The company has worked closely with the Southeast Texas Workforce Development Board's Business Services Unit**
- **BIOMAT and the WDB has developed a plan that provides TANF recipients with transferable skills**
- **The company has also provided job mentoring that help other transitional job seekers for other employment opportunities**
- **BIOMAT has provided all trainees with hands-on experience, mentoring, information on employment opportunities and first-preference consideration for future job openings**
- **BIOMAT has worked with a number of TANF recipients, five of which have stayed with the company while the others have gained employment as office clerks, phlebotomists, and distribution clerks**

For more information please contact Ms Sharon Bernard at (409) 983-6136.

Helping TANF Adults Toward Self-Sufficiency Through Training and Employment Coastal Bend Workforce Development Board

- **Goodwill Industries of South Texas has partnered with Wal-Mart, the Coastal Bend Workforce Development Board, and Workforce, Inc.**
- **The partners have implemented a training program leading to retail store employment**
- **The award-winning Retail Sales Training Program (RSTP) is targeted at welfare recipients who have at least a fifth-grade reading and math level**
- **The program offers two weeks of classroom training followed by two weeks of paid employment in a Wal-Mart store**
- **The goal of the program is to give TANF clients transferable skills in the retail industries**
- **The program has served 131 trainees so far, placing more than 65% into jobs paying from \$5.15 to \$9.00 per hour**
- **Graduates of the program have found employment in retail stores, hotels, and business offices**
- **Some graduates have already been promoted to Assistant Managers**

Helping TANF Adults Toward Self-Sufficiency Through Training and Employment Golden Crescent Workforce Development Board

- **The Victoria Business Alliance was organized by the Victoria business community to support local employers and to enhance economic development in the area**
- **The Alliance was a working partnership including the Golden Crescent Workforce Development Board, Victoria College, the Victoria Economic Development Corporation, and four local welding manufacturers.**
- **The partnership implemented the Welding Academy to train welders to fill entry-level jobs in the Golden Crescent region**
- **The project was specifically designed to quickly provide TANF, Welfare-to-Work, and WIA participants, as well as incumbent workers with skills to enter this high-demand industry**
- **Entry-level welders make about \$9.00 an hour, well above the state average salary of a TANF recipient entering employment**
- **As welders gain experience, they can make as much as \$30 an hour**
- **Eighty-percent of the first graduating class entered employment**

For more information please contact Ms Laura G. Sanders at (361) 576-5872.

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



Section IV

Next Steps for Texas' Welfare Reform

Providing for Continuous Improvement

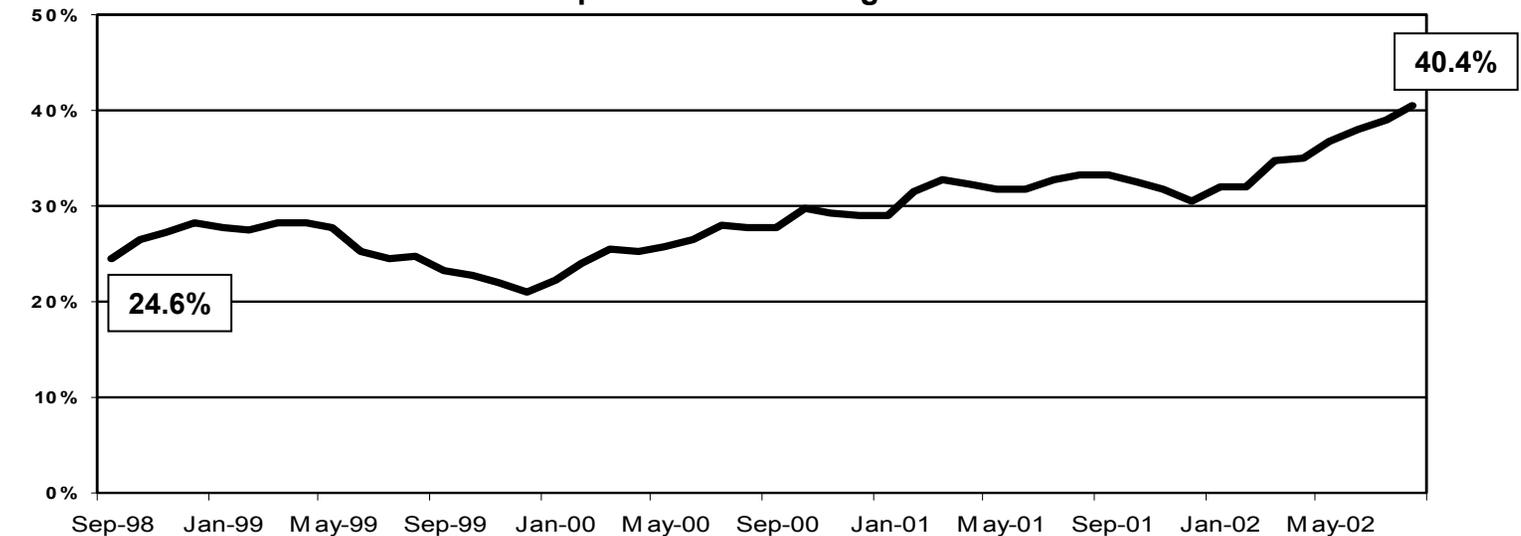
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Strengthen Personal Responsibility Expectations for TANF Caretakers

Issue

The purpose of Temporary Assistance for Needy Families (TANF) is to prepare and assist adults to enter the workforce. In Texas, those who apply to receive assistance under the program must sign a Personal Responsibility Agreement (PRA) as a condition of receiving benefits. This agreement stresses that the caretaker of the family must take personal responsibility for the support of themselves and their children. Once certified for TANF, if an adult does not comply with requirements of the PRA, the state may impose a partial financial sanction which is deducted from the family's cash grant. One of the requirements in the PRA is that the adult(s) must cooperate with TANF work participation requirements. In the past four years, the proportion of "mandatory" adults (those required to participate in work activities) under sanction for refusing to cooperate with work requirements has grown each year, reaching 40.4% at the close of FY2002. The purpose of imposing a sanction is to change behavior. The work related partial sanction has not been effective in changing the behavior of many TANF adults.

**Percent of Mandatory Adults Sanctioned for Refusing to Cooperate with Work Requirements
September 1998 – August 2002**



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

Background

Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in August 1996, establishing the Temporary Assistance for Needy Families (TANF) block grant to replace Aid to Families with Dependent Children (AFDC). This Act made sweeping changes to the nation's welfare program. The Act established that welfare was not an entitlement; rather, welfare benefits would provide temporary assistance to families in need until they could find employment. The Act also established a 60-month lifetime limit for receiving benefits.

PRWORA requires each state to conduct a program “that provides assistance to families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.”¹ The Act also requires “a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work.”²

In Texas, when caretakers apply for TANF cash assistance at a TDHS Texas Works Office, they must sign a “TANF Personal Responsibility Agreement” in which they agree to participate in work activities, cooperate with child support officials, keep their children's immunizations current, assure children's school attendance, and meet other requirements. In return, the state promises to provide certain assistance and services. The TANF Personal Responsibility Agreement states that the purpose of TANF is to prepare the caretaker for work and provide services that would assist the caretaker in finding work. Texas provides these services through the Choices Program, administered by Local Workforce Development Boards. A Choices case manager at the local one-stop center works directly with the family, coordinating services, readying the adult to seek employment, and assisting the adult in finding employment.

Choices is a “Work First” program, which provides diverse training, educational, and employment readiness activities designed to obtain employment at the earliest opportunity. The program also offers post-employment services to assist in employment advancement. Caretakers who refuse to take advantage of these services are not meeting the work requirements set forth in the TANF Personal Responsibility Agreement, and may have a sanction imposed.

A work-related sanction is a financial penalty equal to the “adult portion” of the monthly grant, defined by Texas Department of Human Services rule as \$78 a month for single parents and \$125 a month for two-parent families, when both parents do not cooperate. Although the financial penalty of the sanction remains constant, Texas currently has three levels of sanctions. The first sanction is for a minimum period of one month and lasts until the individual “cures” the sanction by “promising” to cooperate. The second sanction is for a minimum of three months and remains until cured. The third (and subsequent) sanctions are for a minimum period of six months and remain until cured.

¹ Personal Responsibility and Work Opportunity Reconciliation Act

² Personal Responsibility and Work Opportunity Reconciliation Act

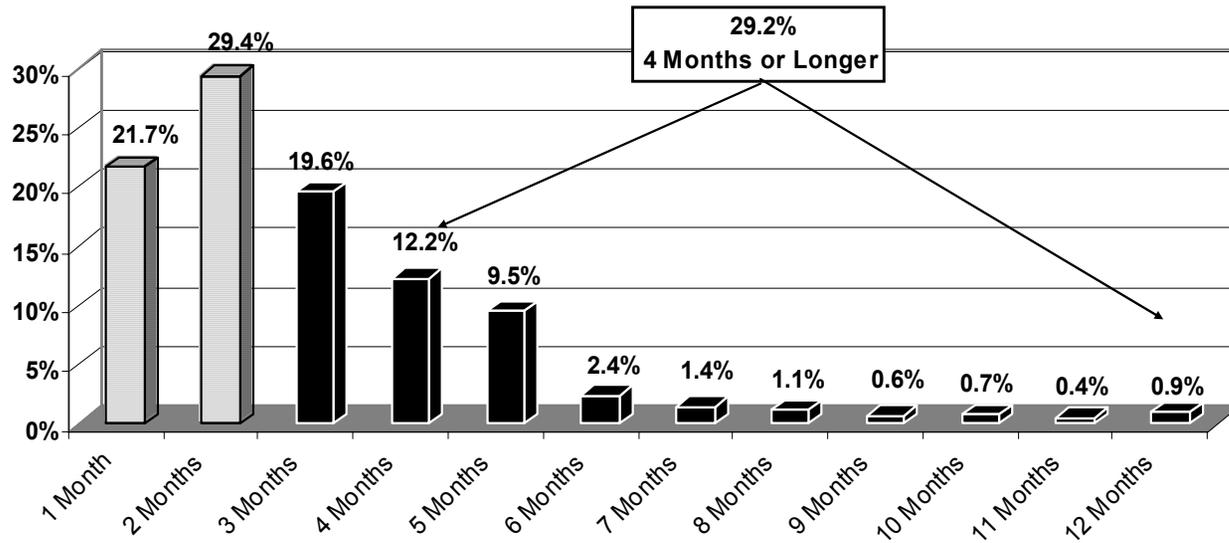
During the sanction period, the family continues receiving cash assistance for the children's portion of the grant as well as Food Stamps and Medicaid. In the first three months of sanction in a 12-month period, the state does not include the case in its calculation of federal work participation rates, which measure the state's effectiveness in complying with TANF work requirements. The work participation rate compares the total number of cases meeting federal work requirements with all cases receiving TANF assistance. After the third month of sanction, the case again counts in the calculations, thereby lowering Texas' participation rate. Under proposed TANF reauthorization legislation, with more than 40% of mandatory adults under work-related sanction, this could have a large, negative effect on Texas' ability to meet federal participation rates.

In addition, the "other" causes for sanction, cooperating with child support officials, keeping immunizations current, assuring school attendance, and the other requirements in the PRA each carry a \$25 per-month penalty assessed against the cash grant. The Department of Human Services caps the total amount of sanction per family at the \$78 rate for one parent or \$125 rate for two parents. If the adult carries a penalty for refusing to cooperate with work requirements, any other sanction against the adult does not result in a cash penalty. If Texas is serious about requiring children to be immunized, that they attend school, or the parent cooperates with child support efforts, the associated penalties must be enforced.

The Choices case manager attempts to contact individuals that do not cooperate by mail, telephone, and in some cases, home visits and determine whether "good cause" exists that would allow a recipient in violation to forgo being sanctioned. If a sanction is applied, DHS offers the opportunity to appeal the sanction.

The number of adults sanctioned for refusing to cooperate with work requirements has been growing steadily over the past four years and was at 22,033 at the close of FY2002—40.4% of all mandatory adults. At the same time, the length of work related sanctions has been increasing. For work related sanctions imposed in September 2001 and continuing throughout FY2002, 48.9%—nearly half—were for three months or more. This is up from 40% just last year. Texas' sanction policy is not effective in encouraging adults to take advantage of the services provided by the Choices program. Again, this adversely affects the state's ability to help families gain employment and impacts the state's ability to meet federal participation rates.

Monthly Proportion of Cases by Length of Sanction for Refusing to Cooperate with Work Requirements for Sanctions Beginning in September 2001 and Continuing into 2002



Data Source: Texas Department of Human Services, Computer printout, October, 2002.

Nationally, according to the March 2000 General Accounting Office Report, *State Sanction Policies and Number of Families Affected*, 36 states have a partial-benefit penalty for first-time offenders similar to Texas' policy. For adults who repeatedly fail to comply with work requirements however, 37 states call for termination of a family's entire cash benefit at some point in the sanction process. In most of these states, the TANF case is closed at this time. Fifteen states impose the full-family sanction at the first sanction.

Before full-benefit denial decisions are made, most states offer opportunities for noncompliant caretakers to provide good cause for noncompliance or to appeal the sanction. Texas currently offers similar resolution opportunities under its partial sanction policy.

Full-family sanctions resulting in loss of all cash benefits and often case closure affected an average of 23,100 families per month in 1998. This number represented less than 1% of the average monthly caseload in those states. Compared to Texas' large proportion of work-related sanctions, this policy seems to be quite effective in encouraging TANF adults to participate in the programs which would help them become self-sufficient members of society.

Caretakers who apply for cash assistance through the TANF program, sign the Personal Responsibility Agreement, but refuse to responsibly comply with the work and training requirements of the program, should be removed completely from the TANF program (full benefit denial), until such time as they decide to seek the training, educational, and employment opportunities available to them through TANF within program guidelines.

Council Policy Recommendation

The Council recommends to the Governor and the Legislature the following sanction policy for Texas:

- **For Failure to Cooperate with Work Requirements:**
 - **First violation: 1-month minimum, 3-month maximum partial sanction (adult portion of grant only)**
 - **Second violation: TANF case is closed. (Full Benefit Denial)**
 - **Three months of continuing violation without cure: TANF case is closed. (Full Benefit Denial)**
- **A sanction may be cured only by “demonstrated compliance,” defined as the adult being present at the one-stop center for scheduled activities for a determined length of time.**
- **Penalties for all sanctions should be appropriately applied.**

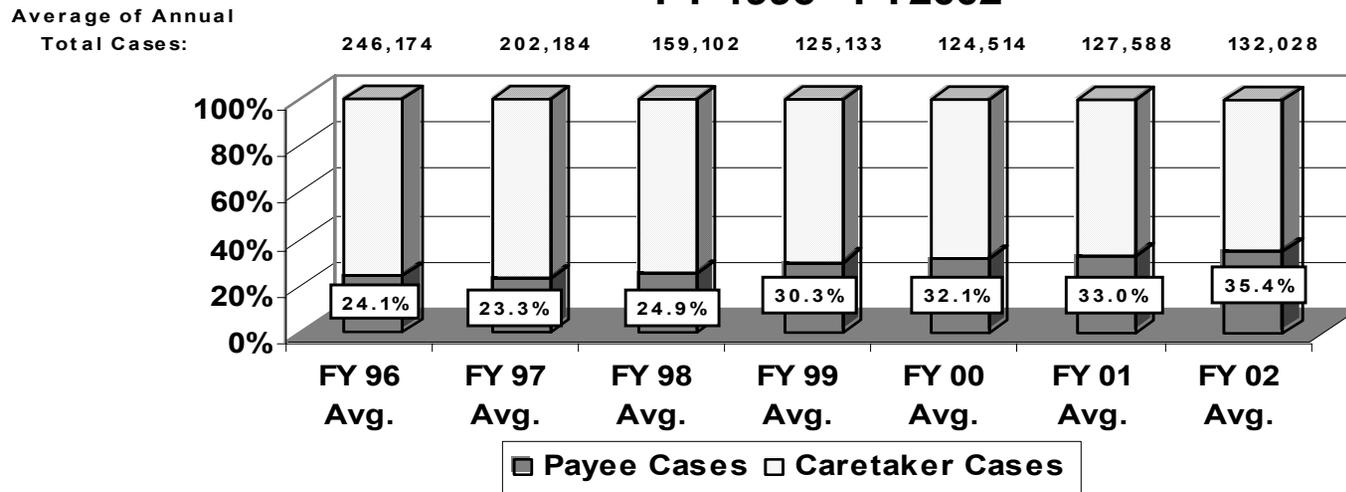
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Address the Growth of TANF Payee (Child-Only) Cases

Issue

In FY1996, 24.1% of the TANF caseload was comprised of payee, or child-only cases. Traditionally, these cases have included TANF-eligible children living with a blood relative while the biological parent might be deceased, in prison, in a mental institution, in a rehabilitation center, or cases in which the parent(s) were not eligible for TANF because of being a non-citizen. By FY2002, payee cases had grown to 35.4, over one-third of the total population.

Proportion of Payee Cases to Total TANF and State Program Cases FY 1996 - FY2002

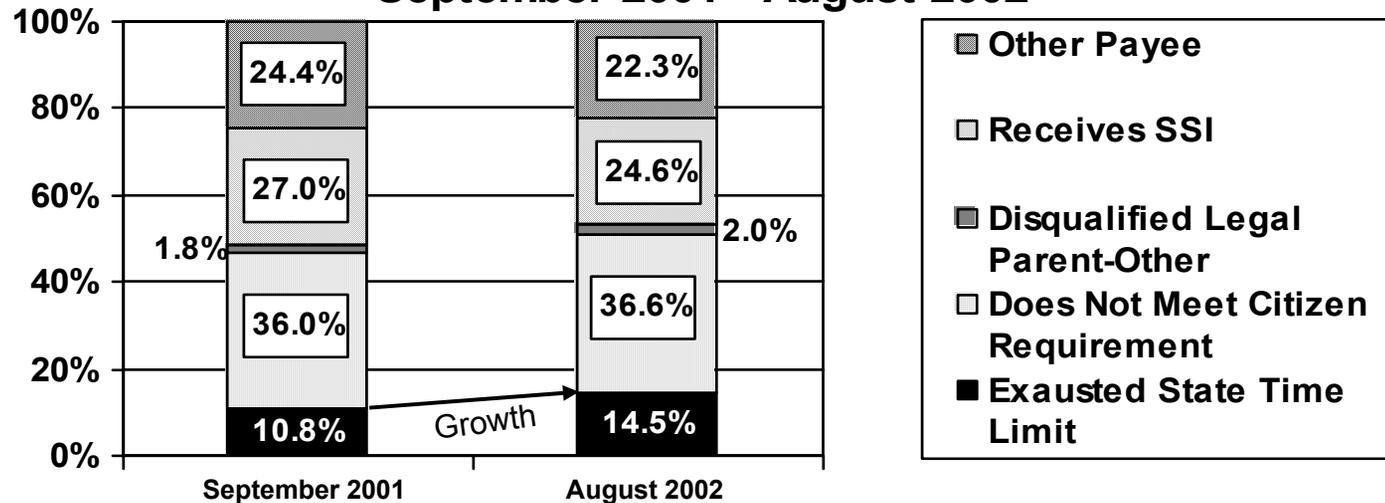


Data Source: The Department of Human Services, Computer printout, October 2002.

Background

An analysis of the make-up of the payee case population reveals that in FY2002, from September 2001 to August 2001, the growth occurred principally in the cases in which the parent(s) have “Exhausted State Time Limit.” In Texas, state time limits are based on “Tier Assignments.” Tier assignments are assessments of the adult’s educational attainment and/or recent work experience. Adults assigned Tier I have a 12-month state time limit and have earned either a high school diploma or GED or have 18 months or more of recent work experience. Adults assigned Tier II have a 24-month state time limit and have completed three years of high school or have 6-18 months of recent work experience. Adults assigned Tier III have a 36-month state time limit, have completed less than three years of high school, and have less than 6-months of recent work experience. The state time limit begins when the adult becomes “mandatory” for the work requirement and is outreached by the local workforce development board. Once the state time limit has been exhausted, the adult becomes ineligible for TANF and cannot reapply for a five-year period, but the children become a payee case, and would remain getting the children’s portion of the grant until such time as the adult indicated that they were working.

**Proportion of Payee Cases by Type of Case
September 2001 - August 2002**



The payee category of the “Exhausted State Time Limits” has grown—just in the twelve-month period of FY2002—from 4,739 cases in September 2001 to 7,080 cases by August 2002, an increase of nearly 50%. These adults exit TANF, having been in the Choices program, or having been under sanction for refusing to cooperate with work requirements, but in either case with no employment.

A recent Manpower Demonstration Research Corporation report, *Welfare Time Limits*, reports that most other states are facing the same issue. According to the report, nationally, about 30% of all TANF cases are “child-only cases. Texas is only slightly above this proportion.

Council Policy Recommendation

The Council recommends to the Governor and the Legislature the following sanction policy for Texas:

- **Slow the growth of payee cases by changing state law to close the TANF case for the entire family when the adult has exhausted state time limits, or**
- **Continue requiring Choices participation or employment services as a condition of benefits, including all provisions of the Personal Responsibility Agreement, for parents who have exhausted their state time limits until they are employed.**

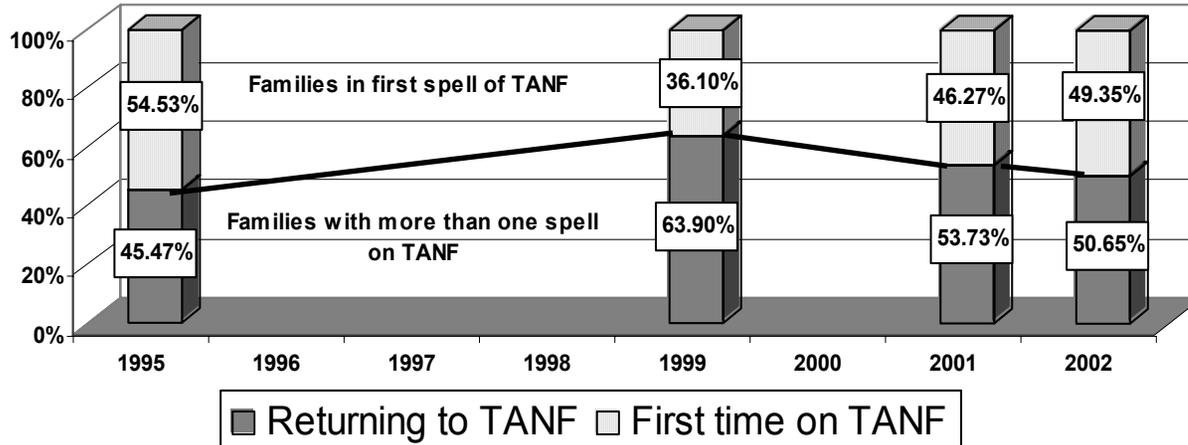
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Develop Methods to Lower Recidivism in TANF Families

Issue

The TANF population has historically had a high proportion of families who have been on TANF previously. In August 1995, about 45% of the total cases were recyclers. This proportion of TANF recyclers rose to almost 64% of cases in August 1999, but has since declined, being just over half of the cases in August 2002. At any rate, if methods could be found and put in place that might help TANF families become self-sufficient and not return, the overall TANF caseload could be significantly reduced.

Recidivism in TANF Adults
Proportion of TANF Cases New to TANF and Returning to TANF
August 1995 -- August 2002



Data Source: Department of Human Services, Computer printouts, 1995 - 2002.

Background

In the recent report commissioned by the Texas Department of Human Services, *Texas Families in Transition*, a large number of TANF families were tracked after they had left TANF. The report studied two cohorts of 166,613 TANF leavers, employing administrative data, surveys, and intensive interviews. Sixty-three percent of the first cohort remained off TANF for one year, a definite improvement over past years. But over the eighteen-month follow-up period, 41% of all families returned to TANF at some point. One of the most telling finds of the study was through the interview process when it was discovered that there was some confusion among the former TANF adults about what services were and were not available after they left TANF. Some thought that Medicaid was tied to being on TANF and that they would lose it when they became employed. Only 37% of the families received Food Stamps at exit, although probably most were eligible. Many families who returned to TANF stated reasons for coming back were lack of services that the families could have been receiving. Reasons such as lack of health care or lack of child care point to general confusion among adults leaving TANF. DHS attempted to solve this problem by having Texas Works eligibility workers explain the ongoing benefits of Food Stamps and Medicaid after they go to work, and have each client sign a form stating that they were advised of this.

When an adult becomes mandatory and enters the Choices program, a case manager works with the adult and the family to provide services designed to prepare the adult for employment. During the week-long, work-first workshop, adults learn how to fill out a job application, approach a prospective employer, interview, dress, and write a resume. They are well-coached on the benefits of finding employment. The case manager then works with the adults during the job-search, getting leads on local employers currently hiring and matching the adults' skills and work experiences with prospective employers. When a TANF adult is hired, the case manager counsels with the adult about the possible benefits that they can receive, including the four-month Earned Income Disregard (EID) and transitional benefits. In FY2002, about 57% of Choices participants entering employment chose to take advantage of the EID. In February 2002, 11,779 Choices adults were employed. Of these Choices participants entering employment, 81.44% received transitional benefits, which can include Medicaid as well as subsidized child care. Since of the TANF leavers studied in the *Texas Families in Transition* report, only about 20% continued Medicaid when the case was closed, and even fewer received child care, it can be assumed that the TANF adults who find a job before they enroll in the Choices program are the ones who are "confused" about available benefits when leaving TANF, and therefore more likely to cycle back on to TANF.

TANF Families who leave TANF and enter the workforce are eligible for four months of Earned Income Disregards in which 90% of income can be disregarded when determining eligibility for TANF cash benefits. In most cases, this

has the effect of lowering the TANF cash grant, but leaving the family on TANF. In these four months, the family would continue receiving Food Stamps, Medicaid, child care, and would become eligible for the Earned Income Tax Credit, which can be received either monthly or annually. The purpose of the Earned Income Disregard is for the family to have extra money during these four months with which to purchase job-related clothes, tools, and materials, arrange transportation, and purchase other necessities. The downside is that the family would lose four additional months of their lifetime TANF eligibility.

In the fifth month of employment, the family would lose eligibility for TANF, thereby losing the reduced TANF cash grant, but is eligible to enter a twelve-month period of transitional benefits. During this transitional period, the family would likely still be eligible for Food Stamps, is eligible to receive Medicaid and subsidized child care if they request these services. The family would pay a relatively small child care co-payment during these twelve months, based on earned income. The purpose of the twelve-month transitional period is to help the family overcome medical and child care problems and stabilize the family as the adult gets accustomed to working and gains experience and perhaps garners raises.

As a requirement for TANF eligibility, TANF applicants must attend a “Workforce Orientation for Applicants” session at the local one-stop center. In this four to six hour session, TANF applicants are encouraged to become employed and move toward self-sufficiency without TANF, receive options and benefit information, are encouraged to utilize the services available in the workforce center, and receive labor market information for the local job market. Once applicants are deemed eligible for TANF and choose to enter the program, they will either be mandatory and required to participate in Choices activities, or they will be exempt and not required to participate in Choices until their exemption is lifted. If they are exempt, they will likely not be called on for six months, when they must again see the Texas Works eligibility worker to be reauthorized for TANF eligibility. If they have gotten a job in the meantime, they might not respond to the letter requiring them to meet with the eligibility worker, and would eventually be removed from TANF. These are the TANF leavers who are more likely to return to TANF at a later time because of their lack of knowledge of the available benefits of the system. If TANF adults were aware of the benefits available to them if they enter employment and how to apply for these benefits, they could make better decisions about the well-being and security of their family. Families would have a better chance of becoming self-sufficient and less likely to become TANF recyclers.

Council Policy Recommendations

The Council recommends to the Governor and the Legislature the following policy for Texas:

- **Direct the Texas Department of Human Services, with Local Workforce Boards, develop and provide to adult recipients of TANF benefits informational materials regarding benefits available to their families when they become employed. These materials should include, at a minimum, information about the Earned Income Disregard, Earned Income Tax Credit, Food Stamps, transitional child care, and Medicaid, and how to access these benefits.**
- **Direct the Texas Workforce Commission and the Office of the State Comptroller to disseminate information to employers about the benefits available to their new employees who had previously been TANF recipients to include information about the Earned Income Disregard, Earned Income Tax Credit, Food Stamps and transitional child care and Medicaid and how to access these benefits.**
- **Continue and expand the diversion strategies of both the Texas Department of Human Services and the Texas Workforce Commission including the one-time cash grant, the offering of other services in lieu of TANF, and an immediate attachment to the workforce.**

Maximizing Texas' Child Care Funding

Issue

In Texas, subsidized child care is provided for four basic groups: TANF families engaged in the Choices program and in work or work activities; families in the twelve-month transitional-benefit period; families who apply for and are eligible for TANF but enter the workforce before benefits are approved; or, working families earning below 85% of state median income. The first three groups are given funding priority. Low income working families are eligible for services with the remaining funds, and sometimes occupy waiting lists for services.

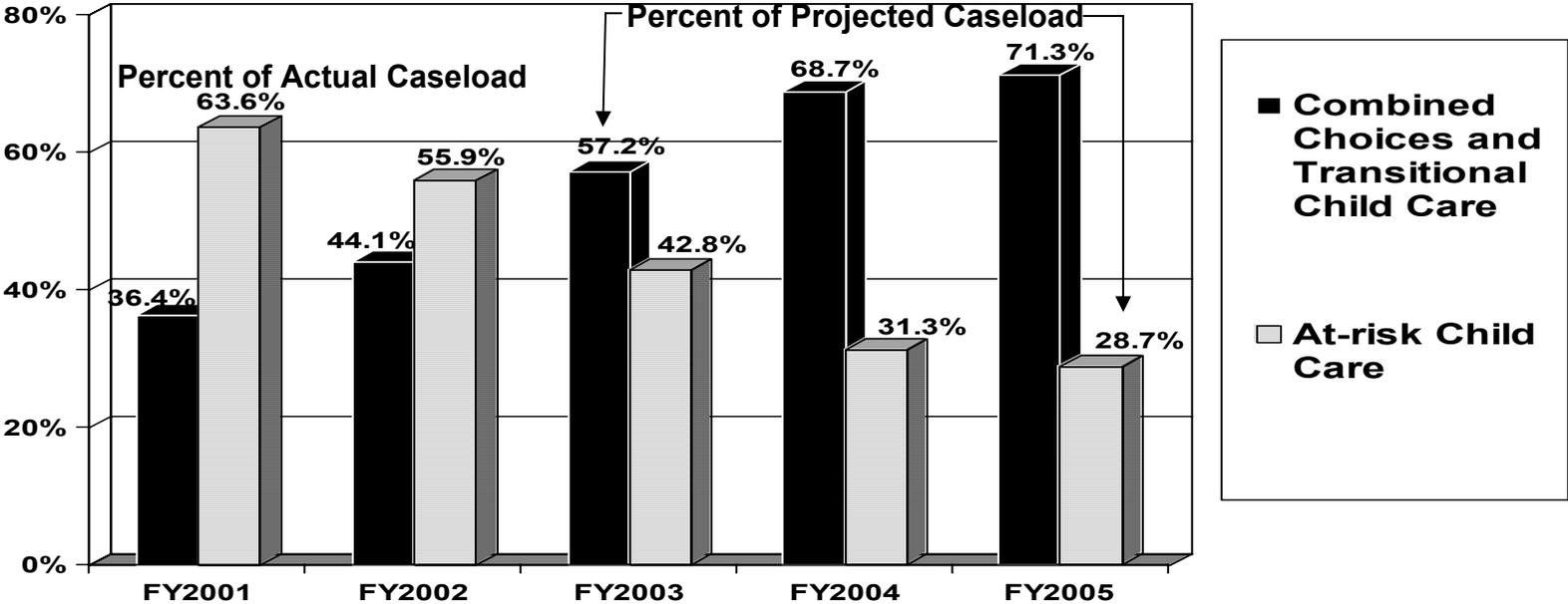
Texas has significantly increased child care funding in recent years, serving thousands of additional children. At the same time, the Choices program has been successful in serving record numbers of adults in the Choices program and in putting more adults to work. Because of this success, more demand has been placed on the child care system. Local workforce boards have to ensure that enough child care funding is available for them to cover the priority-funded groups.

Background

Texas has devolved authority for operating its child care system to the local workforce development boards. Local boards now have the authority to set their own eligibility levels, copayment rates (copayments made by the family), and reimbursement rates (rates paid to child care vendors.) In addition, local boards also raise local funds to be used as matching funds to draw down federal child care matching funds. While Texas did not appropriate TANF federal funds to purchase direct child care services in the current biennium, \$27.4 million of state General Revenue funds, earmarked as TANF "maintenance of effort funds," were used to purchase direct child care.

In FY2001 as the “Ramp up” effort began to serve the additional TANF adults who were becoming “mandatory” for work requirements, 19.9% of the overall child care caseload were in the Choices child care category, 16.5% were in Transitional child care, and 63.6% were in “At-risk” child care for low-income working families. The following year—FY2002—the “Ramp up” program was in full swing, as Choices “participant” and “entered employment” numbers have shown. In FY 2002, because of the success of the program, Choices child care rose to 22.8%, Transitional child care rose to 21.3% and At-risk child care declined to 55.9% of the total recipients receiving subsidized care. Projections for FY2003 to FY2005 estimate that the priority groups will need additional child care slots. These projections assume level child care funding and an increased work requirement in the coming federal TANF reauthorization.

Child Care Expenditures by Type of Child Care Projected to FY2005



Data Source: Texas Workforce Commission, Legislative Appropriation Request, 2002.

In 2003 and beyond, there will likely be an increased demand for Choices and Transitional child care as Texas serves more families in its welfare to work program. The actual level of increased demand will depend on decisions made by Congress in the upcoming TANF reauthorization debate about child care funding levels and work requirements for recipients. This could become a challenge for the Texas labor market, as more low-income families may find that they must wait for subsidized low-income child care slots to become open and make other child care arrangements in the meantime. Texas' challenge now becomes identifying all available child care funding to assist low-income working families in need of child care and to find ways of making child care dollars go further.

Voluntary Pre-kindergarten Programs in Texas

The Texas Education Code mandates that all Texas public school districts offer a pre-kindergarten program if the district identifies 15 or more eligible children who are at least four years of age. The state can exempt school districts from this requirement through a waiver if the district would be required to construct classroom facilities in order to provide classes. Last school year, Texas currently had only 3 districts operating under this waiver. Districts may also enroll children of three years of age in the same pre-kindergarten classes.

Many three and four year old children who are waiting for at-risk child care might also be eligible for pre-kindergarten. To be eligible for pre-kindergarten, a child must be at least three years of age and: (1) unable to speak or comprehend the English language, (2) educationally disadvantaged, or (3) homeless. Texas defines "educationally disadvantaged" as eligible to participate in the federal free or reduced lunch program, meaning a family that is below 185 percent of the federal poverty level. A family in Texas is currently eligible for subsidized at-risk child care until they reach 85 percent of the state median income, about 250% of the federal poverty level for a family of three.

In the 2001-2002 school year, Texas had 865 school districts (83% of all districts) and 58 charter schools running pre-kindergarten programs. These programs served over 146,500 children. Although the state only requires districts to offer pre-kindergarten half-day programs for disadvantaged four-year olds, 76 offered enrollment to three-year olds and 303 programs offered full-day programs. Texas allows school districts and charter schools to apply through the Texas Education Agency for grants to expand their kindergarten and pre-kindergarten programs to full day. Over 306 districts and charter schools have received a grant since 1999. Of the 146,569 children enrolled in pre-kindergarten programs in 2001-2002, 81,288—more than 55 percent—were enrolled in schools offering full-day programs.

Even those in full day programs require additional “after-school” care, if parents are working normal business hours, and all require child care in the summer when school is out. Some successful programs have used collaborative efforts between the school district, local child care, Head Start, Early Head Start, and after school care programs that have resulted in full-day, full-year child care. Such “wrap-around” programs often use a combination of CCDF, school district, and local funding to provide the needed hours of child care.

Council Policy Recommendation

The Council recommends to the Governor and the Legislature the following policy on child care for Texas:

- **Texas should consider a limited transfer of TANF funds to the CCDF for the coming biennium.**
- **Current efforts of successful collaborations in Texas between Child Care, Pre-Kindergarten, Head Start, Early Head Start, and after school care programs that result in full-day, full-year child care should be studied with the idea of duplicating these programs in other parts of the state.**

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Council Members

Business and Industry Representatives

Ann F. Hodge, Katy Chamber of Commerce (Chair)
John W. Sylvester, Linbeck Corporation (Vice Chair)
David P. Mooney, Gilmer Cable Television Co., Inc.
Harold Jenkins, Gilmer Cable Television Company,
Inc.
John W. Wroten, Jr., Electronic Data Systems

Community-Based Organization Representatives

Edward B. Adams, Austin Community Foundation
and various Educational Reform Advocacy
Organizations
Frank Acosta, Motivation, Education & Training, Inc.

Education Representatives

Angela Blanchard, Co-Founder of University of
Houston Center for Organizational Research
and Effectiveness
John Paul Gable, El Paso I.S.D.
Mario H. Salinas, Edinburg I.S.D.

Labor Representatives

James N. Brooks, Carpenters Local No. 665
R. Steve Dement, Pipe Fitters Local No. 211 (Chair,
Apprenticeship and Training Advisory
Committee)
Rowland K. Funderburg, Air Line Pilots Association,
Robert Hawkins, United Association of Plumbers
and Pipe Fitters Local No. 529
Lonnie R. Morgan, UAW Local No. 276

Ex-Officio Members Representing State Agencies

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

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