

Texas Workforce Investment Council



Texas State Capitol - Austin, Texas

***Welfare to Work Initiatives
in Texas: Report 2004***

December 2004

Dear Texas Workforce System Stakeholder:

The Texas Workforce Investment Council (Council) is pleased to present this fifth annual welfare reform report, *Welfare to Work Initiatives in Texas: Report 2004*, as mandated by Texas Government Code 2308.101 (14). This report was approved at the Council's December 10, 2004 meeting.

In writing this report, the Council asked five basic questions. Is the state's welfare to work effort still working as the economy grows stronger? Are there significant changes in the demographics of the welfare population in Texas? Are the Work First model and the new "Pay for Performance" model successfully putting adults to work? Are the state's programs and initiatives that affect the welfare population still working and serving the citizens of Texas? What are some of the innovative practices happening around the state at the local level?

This report analyzes aspects of Texas' welfare to work initiatives operating in an economy working to add jobs for Texans. Demographic trends of the TANF population are examined to determine what impact significant changes in the population might have on the Texas service model. Next steps in welfare reform are examined and recommendations are made that, taken together, are designed to further reduce the rate of TANF recidivism. Programs, initiatives, and pilots that affect the lives of families on welfare are analyzed as well as some best practices around the state that might provide models for replication.

I commend this report to you.

Ann F. Hodge, Chair

Council Members

Business and Industry Representatives

Ann F. Hodge, Katy Chamber of Commerce (Chair)
John W. Sylvester, Linbeck Corporation (Vice Chair)
Edward B. Adams, Sr., E. B. Adams & Associates
Harold Jenkins, CTJ Maintenance, Inc.
John W. Wroten, Jr., EDS

Community-Based Organization Representatives

Frank Acosta, Motivation, Education & Training, Inc.

Education Representatives

Mary Pat Moyer, CEO and Chief Science Officer of
INCELL Corporation
Larry F. Jeffus, Educational Consultant and Author
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)
Richard G. Hatfield, Air Line Pilots Association
Robert Hawkins, United Association of Plumbers
and Pipe Fitters Local No. 529
Vacancy

Ex-Officio Members Representing State Agencies

Raymond Paredes, Texas Higher Education
Coordinating Board
Albert Hawkins, III, Health and Human Services
Commission
Jeff Moseley, Texas Economic Development and
Tourism Division, Office of the Governor
Shirley Neeley, Texas Education Agency
Larry Temple, Texas Workforce Commission

Table of Contents

Council Mandates	1
Executive Summary	3
Section I Welfare to Work Trends in Fiscal Year 2004	9
Section II Next Steps in Welfare Reform	27
Section III Programs, Initiatives, and Pilots in Texas	37
Section IV Best Practices in Welfare Reform in Texas	53

Mandates to the Texas Workforce Investment Council

Texas Government Code 2308.101(14) requires the Texas Workforce Investment Council (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 *Destination 2010: FY04-FY09 Strategic Plan for the Texas Workforce Development System*, endorsed by the Council September 2003 and approved by the Governor October 2003:

“Current and future workers [including TANF participants] will access and be successful at the programs necessary to gain knowledge and skills for tomorrow’s economy. The system will achieve this by maximizing participant outcomes at critical points in the continuum of education to employment, including:

- ◆ *Adult Education*
- ◆ *Secondary Education*
- ◆ *Post-secondary Education*
- ◆ *Employment for mature workers through the SEP program*
- ◆ *High-growth population segments*
- ◆ *TANF participants*

Executive Summary

The Texas Workforce Investment Council (Council) is mandated by Texas Government Code 2308.101(14), to prepare an annual report to the Governor and the Legislature analyzing work development programs that focus on welfare to work initiatives. This fifth annual report is divided into four sections. The first section analyzes demographics and trends of the welfare population in Texas and examines measures that might be relevant in predicting future demand for welfare services. The second section examines TANF recidivism and outlines initiatives and recommendations to reduce the incidence of recidivism. The third section provides current performance data on programs, initiatives, and pilots in Texas, comparing current data to past program performance. Finally, the fourth section 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.

The Texas Economy Grows Stronger in FY2004

FY2004 saw a drop in unemployment rates and an improvement in jobs created. The unemployment rate, still above national rates during the year, improved from 6.8% as the year opened to 5.7% by years end. The gap between national and state unemployment rates was 0.7% at the beginning of the year and closed at 0.3%, indicating that the Texas economy is growing at a faster rate than the nation as a whole. The Texas economy added 116,600 non-agricultural, seasonally adjusted jobs during the year. In addition, the state's economic development efforts were among the most successful in the nation. The single largest job announcement for the year in the U.S. was the expansion of Vought Aircraft Industries, retaining 3,000 jobs and adding 3,000 new jobs to the Dallas economy. Statewide, Texas' economic development efforts have created an estimated 121,000 new jobs over the past year.

TANF and State Program Caseloads

Texas began FY2004 with 119,761 families on TANF (single parent families) and the State Program (two parent families). After a one-month increase, the caseload began dropping steadily throughout the year. By year's end, only 99,736 Texas families were on TANF/State Program, a 16.7% decrease for the year, and a 24-year low. Similarly, recipients (adults and children) dropped from 303,043 to 249,637. Since the inception of welfare reform in Texas and the U.S. (measuring from FY1995), there has been a 68% decline in recipients and a 64% decline in cases. Welfare reform has been effective both in Texas and nationally.

On the national level, TANF was implemented in August 1996 with 4,408,508 families enrolled and receiving benefits. By March 2004, the caseload had dropped below 2,000,000 to 1,992,143. This is the lowest level of families receiving welfare since February 1970.

The Choices Program Continues Putting TANF Adults to Work

The Choices program, Texas' work preparation program for TANF adults, continued to successfully put people to work in FY2004. The program is centered on the work-first principle, primarily focusing on assisting TANF adults to prepare for and secure employment. In August 2004, 22,931 TANF adults were participating in Choices programs, for a total of 2,390,012 hours of activities for the month. That same month, 13,998 adults were actually working or entered employment, 61% of all the Choices participants for the month. During the year, 57,349 Choices adults entered employment with an average beginning employment wage of \$6.93 an hour. For a family of three receiving all available benefits, this is the equivalent of \$33,803 in wages and benefits for the first year of employment. For those on TANF for the first time, the average number of days in Choices before entering employment was 54.7, and for those returning to TANF, the average number of days was 47.3.

When a TANF adult enters the workforce, state and federal laws provide for various "supports" to help the family transition. For example, when a single parent with two children ages 2 and 5, enters employment at the state median wage of \$6.93 an hour, he/she is eligible to receive the 90% Earned Income Disregard (EID) for four months. This allows the family to remain on TANF for the four-month period, with a lower monthly TANF cash grant of \$109 per month. In addition, the family will continue getting subsidized child care (\$582 per month), Medicaid (\$585 per month), Food Stamps (\$314 per month) and will be eligible for Earned Income Tax Credit (EITC - \$96 per month). Combined together with gross wages (\$1,200 per month), the family will earn and receive a total of \$2,886 per month in cash and benefits during the four-month period.

After the four-month EID period is over, the family will be eligible for transitional benefits for the following twelve months. Transitional benefits include child care subsidy (the family pays a co-pay), full-family Medicaid coverage, Food Stamps and EITC. For the first year of employment, assuming no raises for the employed adult, the family will receive a total of \$33,803 for the year in income and assistance.

TANF and State Program Population Demographics

In FY2004, the TANF population was more educated than in FY2003. Fifty-one percent of both one- and two-parent family adults had earned a high school diploma or GED, and some of these adults had earned college credits or had a college degree. This is up from 43% of single parent adults and 42.6% of two-parent adults in the previous year.

In August 2004, 43% of adults that entered employment had no previous work experience. That same month, for those adults entering employment, 18% had from 1-6 months experience, 19% had from 7-12 months experience, 9% had 13-18 months experience and 11% had 19-24 months of work experience. Service Tier assignments determine state time limits and are based on education levels and previous work experience. Tier I adults have a high school diploma or GED, and/or 18 or more months of recent work experience and a 12-month time limit ; Tier II adults have three years of high school and/or 6-18 months of recent work experience and a 24-month time limit; and Tier III adults have less than three years of high school, less than six months of recent work experience and a 36-month time limit. When comparing the Tier assignments of those entering employment in August 2004 with the Tier assignments of the general TANF population, there was very little difference. A slightly larger percentage of Tier I adults entered the workforce than were in the general TANF population (51% to 46%, and a slightly smaller percentage of Tier III adults entered employment than were in the general TANF population (26% to 31%). But the percentages were similar enough to conclude that Tier assignments (education levels and work experience) did not have a significant impact on the entered employment rate for this population.

The TANF and State Program Sanctioned Population

One of the most important provisions of HB 2292, 78th Legislative Session, is “pay for performance”, which re-emphasizes the importance of the TANF adults’ obligation to their families by requiring full cooperation with the Personal Responsibility Agreement (PRA).

Under “pay for performance”, adults that refuse to cooperate with work requirements lose their TANF grant under sanction, and if not “cured” within 30 days, the TANF case is closed. As a result of this provision, the large sanctioned population (31% in FY2003) was reduced to 14% of TANF/State Program families in August 2004.

Payee Case Growth Remains Flat

Payee cases are TANF child-only cases with no adult on the grant. The “traditional” payee case is one in which the child or children are living with a relative. The biological parent may have abandoned the children, be in prison, or not able to care for the children. Another type of payee case is one in which the children are living with their biological parent(s), but the parent(s) are not eligible to receive TANF. In recent years, another type of payee case has been growing in which the adult has “timed out” of TANF, possibly under sanction, and the children remain eligible for TANF. HB 2292, 78th Legislative Session, with its new “pay for performance” provisions will reverse the growth of this type of payee case.

Payee cases have actually decreased in numbers over the years (57,501 in FY1995 to 51,395 in FY2004). However, because the TANF and State Program caseload has dropped so significantly over the past years, the proportion of payee cases to the total caseload has actually increased. In FY2004, payee cases accounted for 49% of the total caseload, and in future years, the payee caseload may well become the majority of TANF cases.

TANF and State Program Recidivism is Decreasing

From FY1999 to FY2003, over half of TANF and State Program families had been on TANF previously. The proportion has been slowly dropping over the years and for FY2004, only 45.3% of families had had more than one “spell.” The trend over time is moving in the right direction, but the total proportion is still too high.

The Issue Brief found in Section II, takes a detailed look at the population who are in this “recycling” category and analyzes reasons that families have returned to welfare. The necessary supports to transition Texas families from welfare to self-sufficiency are in place, but in too many instances, families are not receiving these supports. The Issue Brief proposes several recommendations, that taken together, will help alleviate the problems and do a better job of helping families navigate successfully through this transition period.

Programs, Pilots and Initiatives and Best Practices in Texas

Section III of the report examines the programs, pilots and initiatives in Texas that support families on welfare. This section divides the programs by the administrative agencies responsible for each program and presents performance data. Section IV of the report highlights some “best practices” in serving Texas’ welfare families that might provide models for replication.

Report Recommendations

While this report finds that Welfare to Work Initiatives in Texas continues to successfully put people to work, there are still areas for improvement that benefit recipients through improved program delivery and support services. Three recommendations presented on page 36 of this report, if implemented, will assist in achieving these outcomes.

- Improve Data Collection Reporting to Guide Program Delivery
- Improve Information Delivery to TANF Adults on Post-Exit Services so Families Can Make Better Decisions
- Provide Post Employment Services for TANF Families That Have Been on TANF before

Texas Workforce Investment Council



Section I

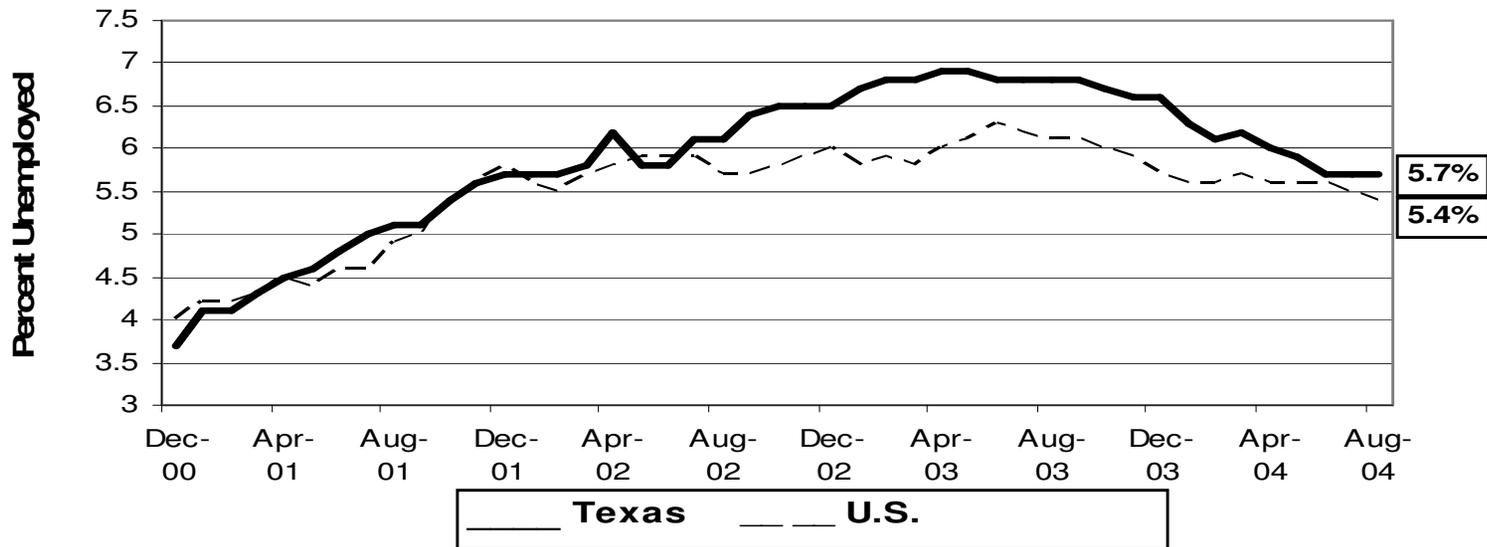
Welfare to Work Trends In Fiscal Year 2004

The Texas Economy Improves in FY 2004

As the Texas and the U.S. economy began to pick up speed during the year, 116,600 (non-agricultural, seasonally adjusted) jobs were created in the state, unemployment rates began to drop, and many Texans went back to work. The year began (September 2003) with Texas registering a 6.8% unemployment rate and the national unemployment rate at 6.1%. By the end of the fiscal year (August 2004) Texas' unemployment rate had dropped to 5.7% and the U.S. rate had dropped to 5.4%. Texas remained above the national rate throughout the year, but the gap, at the largest in the first quarter of 2003, has been closing considerably. This indicates that the Texas economy is expanding at a faster rate than the nation as a whole.

Texas' economic development efforts have been among the strongest in the nation, landing major corporations with an estimated 121,000 new jobs over the past year. The largest U.S. job announcement in 2004 was the expansion of the Vought Aircraft Industries, retaining 3,000 jobs and adding 3,000 new jobs to the Dallas economy. In 2003, Texas led the nation in attracting and closing 46% of the nations' largest economic development efforts, resulting in the largest number of jobs created by any state.

Unemployment Rates for Texas and U. S. – December 2000 to August 2004

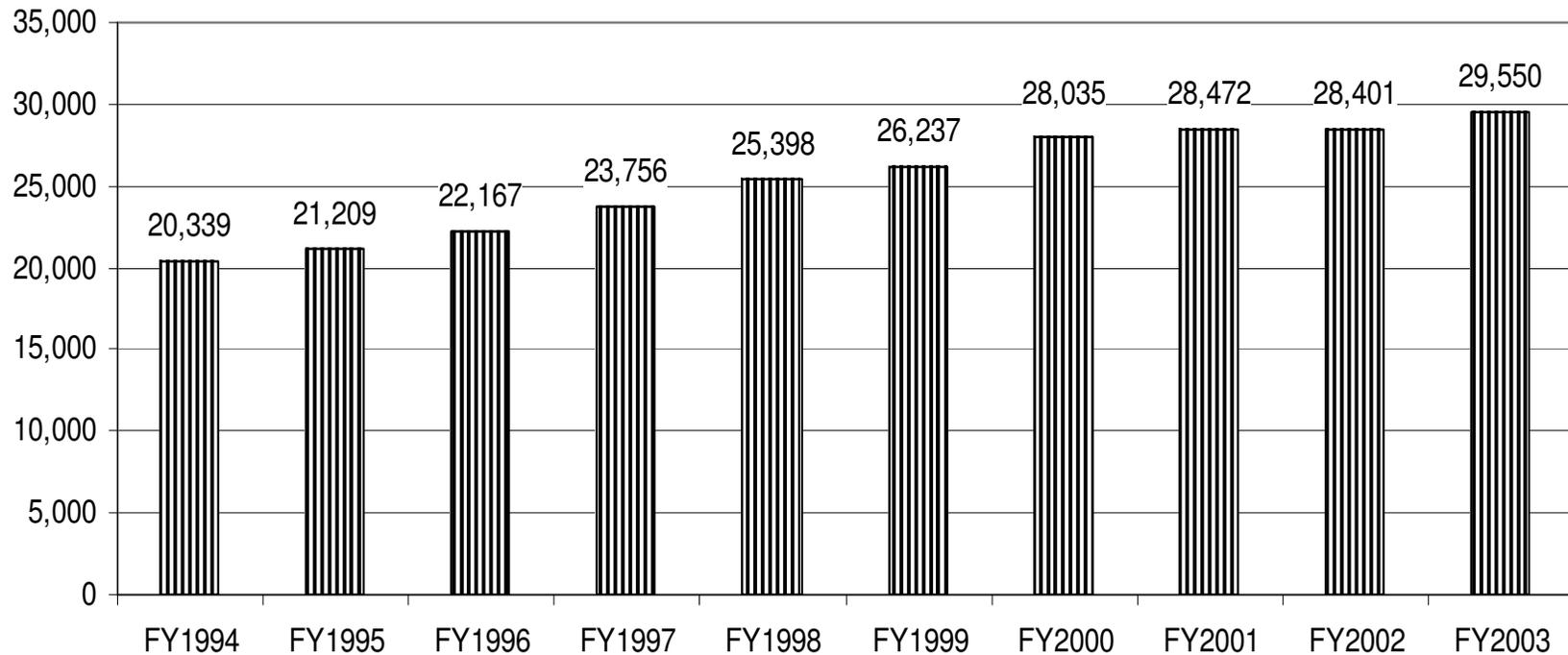


Data Source: U.S. Department of Labor, Bureau of Labor Statistics

Texas Families are Earning More

After a small decline in FY2002, Texas' per-capita personal income rose in FY2003, increasing by over \$1,100 this year alone. Per-capita personal income had been steadily growing over many years. Ten years ago, in FY1994, state per-capita personal income was \$20,339. This has increased over the ten-year period to \$29,550—a forty-five percent increase. With the strong economic recovery underway this year, this index should see an increase again in FY2004. As the per-capita personal income rises, fewer Texas families live in poverty and fewer are at risk of needing TANF.

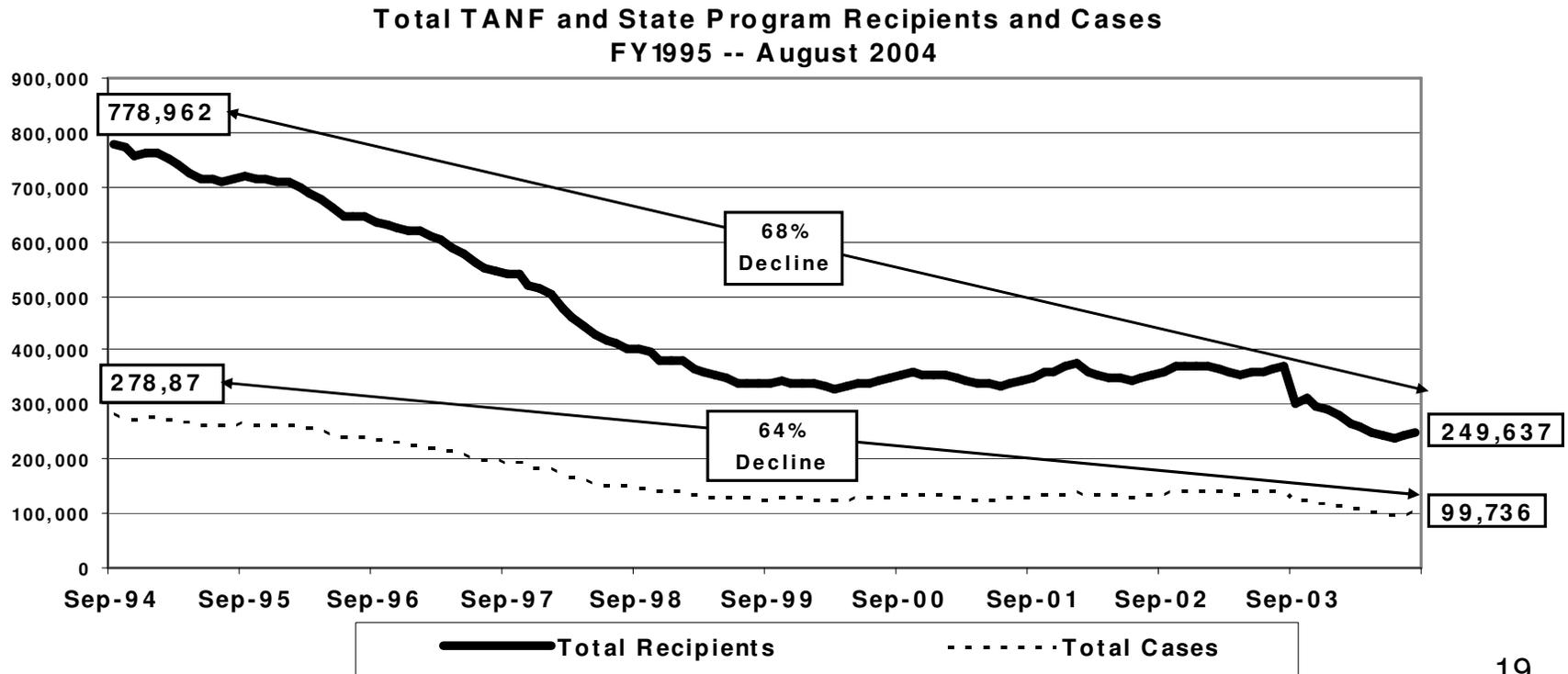
Texas Per-Capita Personal Income 1994 - 2003



Data Source: Health and Human Services Commission, Computer printout, October 2004.

TANF Caseload Drops as Texas Economy Improves

TANF is the federal cash assistance program for families with children, commonly called “welfare.” In Texas, “TANF” serves one-parent families and the “State Program” serves two-parent families. Texas began the fiscal year with 119,761 families on TANF/SP. After a one-month increase, there has been a steady and significant decline in the caseload. The year ended with 99,736 families on TANF/SP, a 64% decline from FY1995—a 16.7 decrease this year alone—and a 24-year low. Recipients (adults and children on TANF/SP) have dropped 68% in the same period. Several factors contributed to this dramatic decline: strong job creation in the state; the Choices program, Texas’ work preparation program for TANF/SP adults, serving a steadily increasing percentage of the TANF population and putting 57,349 TANF adults in jobs; and the effects of HB 2292, 78th Legislative session. This bill, which was supported by the Texas Workforce Investment Council, requires that TANF adults comply with TANF work requirements to continue receiving their cash grant and retain TANF eligibility. This “pay for performance” philosophy encourages TANF adults to get the help from Choices that will assist them in finding and retaining employment.

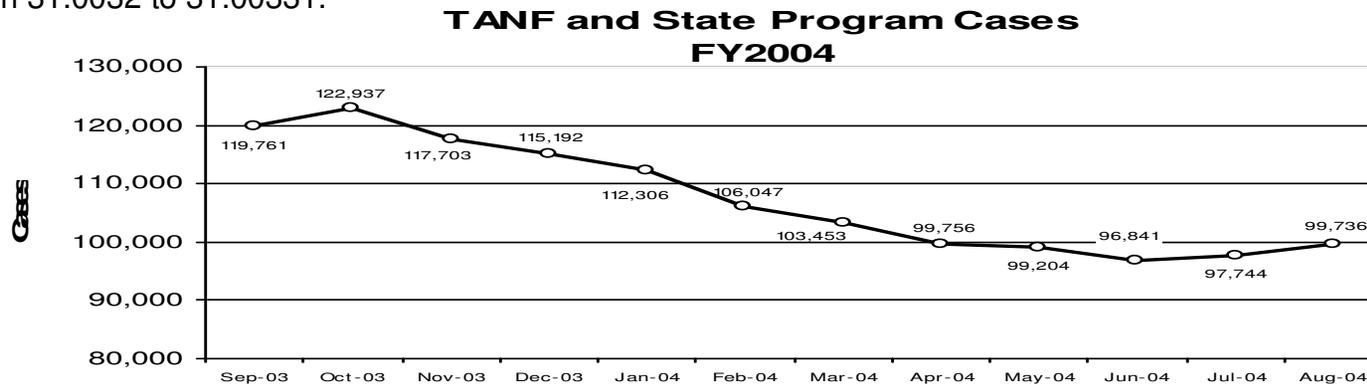


Data Source: Health and Human Services Commission, Computer printout, October 2004

Tougher Sanction Policy Results in Increased Program Participation and Fewer Sanctions

The number of adults under sanction in August 2004 is much lower than it has been in recent years, largely as a result of the stricter sanction policy enacted by the 78th Legislature in HB 2292. At the end of FY2003, 22,128 mandatory adults were under sanction. In August 2004, only 5,936 mandatory adults were under sanction, a drop of 73%. The new policy has resulted in more adults choosing to participate in the Choices programs, thereby receiving the services designed to prepare them for work.

Specifically, HB 2292 contained several provisions that affect the TANF population. The most important of these provisions is “pay for performance” which re-emphasizes the importance of the TANF adults’ obligations to their families by requiring full cooperation with the Personal Responsibility Agreement (PRA) that they sign prior to becoming eligible for TANF. Prior to this bill, the penalty for non-cooperation with these requirements was a partial cash benefit sanction; the TANF case remained open and the families’ other benefits were not affected. In contrast, under “pay for performance,” families’ continued receipt of their entire cash benefit is contingent upon continued cooperation with all requirements. Non-cooperation with any provision of the PRA results in the loss of all TANF cash assistance for at least one month. Non-cooperation with work or child support requirements also results in the suspension of the adult’s Medicaid benefits, unless the adult is under the age of 19 or pregnant. Two consecutive months of non-cooperation without demonstrating “good cause” results in denial of the TANF case. Former recipients must reapply for TANF and demonstrate cooperation with all provisions of PRA in order to reinstate benefits. The purpose of this determined approach is to encourage TANF adults to get the help they need to prepare them for work. The direct effects of this legislation are illustrated in the 12-month chart below of TANF and State Program cases. These provisions, now in state statute are in Texas Human Resources Code, Section 31.0032 to 31.00331.



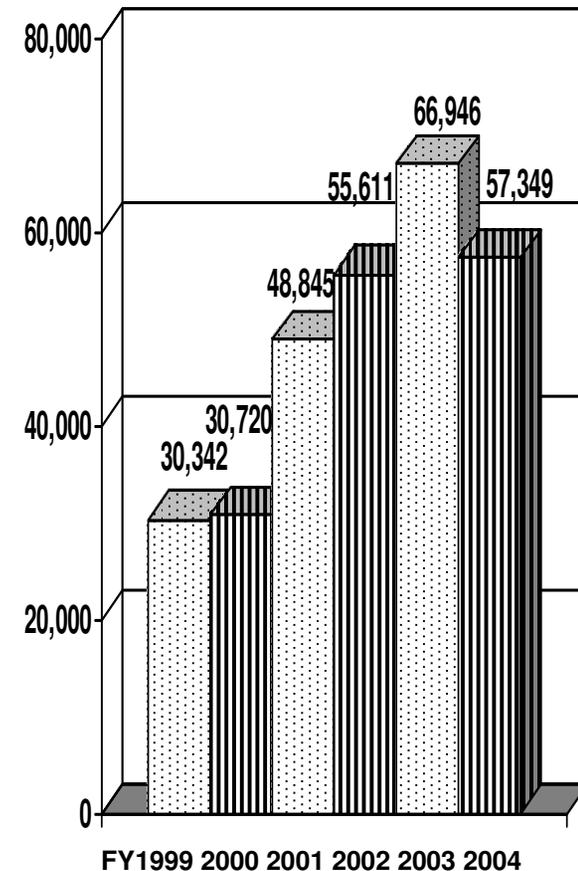
Data source: Health and Human Services Commission, computer printout, October 2004.

The Choices Program Continues to Help TANF Adults Enter Employment

The Choices Program is the State's work preparation program for TANF adults. Choices case managers work with TANF families to ensure that their children are in school, get vaccinations, and have child care. In addition, the Choices program helps TANF adults address barriers to education and employment, including job search and employability skills, and testing to determine an adult's functioning education level. The principal focus of the program is to assist TANF adults find employment. TANF recipients who are school-age and have not graduated from high school are encouraged to return to school or work toward the GED. In FY2004, Choices case managers helped 57,349 TANF adults get a job and begin the road toward self-sufficiency. This number is less than last year because of the declining caseload. With ongoing benefits after employment provided by both federal and state law (see *2004 Annual Wage and Benefit Scenarios for Single Parents*, page 15), these families will have a head-start toward achieving financial independence from government subsidization.

In FY 2004, the average hourly wage for all TANF adults entering employment was \$6.93. For those on TANF for the first time, the average wage was \$7.08. A TANF adult participating in the Choices program for the first time participates in program activities for an average of 52.68 days before entering employment. Those who have been on TANF before participate in program activities for an average of 47.30 days before entering employment. These figures confirm that the Choices program has been successful in helping TANF adults gain the necessary skills to prepare them for employment.

Choices Participants Entering Employment FY 1999 – FY 2004



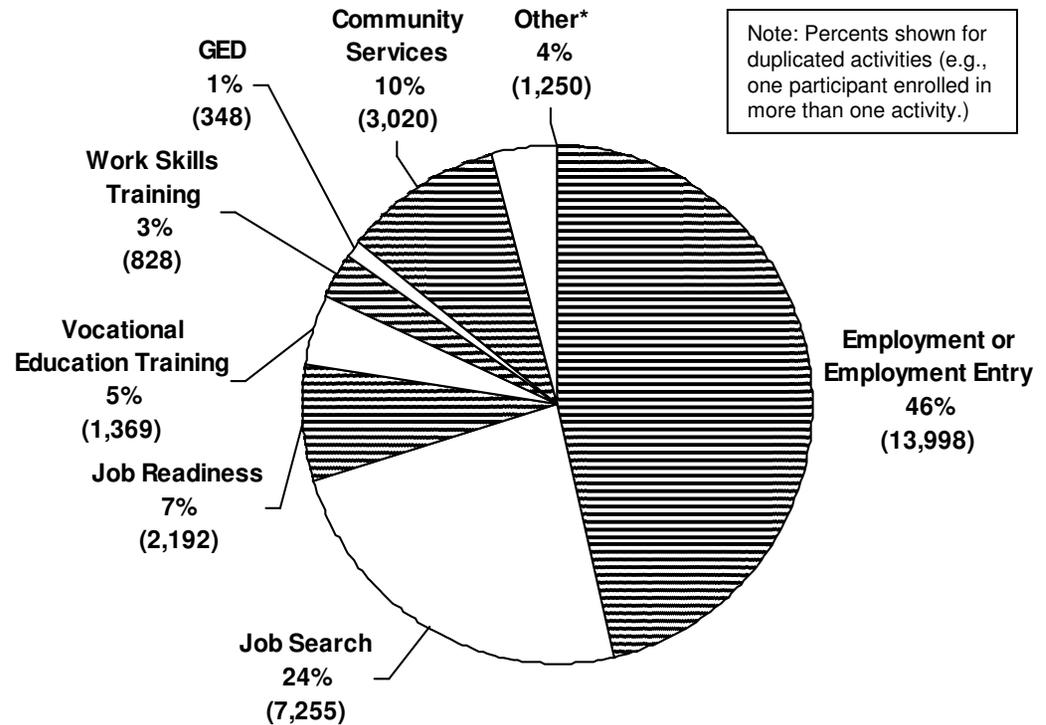
Data Source: Texas Workforce Commission, Computer printout, September 2004.

Choices Program Activities Prepare TANF Adults for Work

From the 1995 passage of HB 1863, Texas' welfare reform legislation, and the creation of TANF by Congress in 1996, Texas has been a committed "work-first" state. Work First, as practiced by the Choices program, provides TANF adults with the tools to gain, retain, and advance in work. Entry into the workplace is the guiding principle. In each of the past five years, Texas has been awarded Federal high-performance bonuses. Last year this award was \$2.6 million, for a combined total of \$72.7 million over the past five years.

In August 2004, 22,931 (unduplicated) TANF adults participated in over 30,000 Choices work activities, with many participating in more than one activity. Collectively, these adults had 2,390,012 hours of activities, about 104 hours per person per month. Of the 22,931 unduplicated adults, 13,998 were already working or entered employment in August—61% of all Choices participants.

Choices Component Summary for All Activities – August 2004 22,931 Unduplicated Adults



Note: Percents shown for duplicated activities (e.g., one participant enrolled in more than one activity.)

*Other includes Adult Basic Education (32), On the Job Training (7), Job Creation/ Subsidized Work (412), English as a Second Language (25), High School (412), Life Skills (226), Job Skills (106), Work Based Literacy (4), Education-Other (13), and Providing Child Care Services (13).

Data Source: Texas Workforce Commission, Choices Component Summary by Month, August 2004

Work Does Pay – TANF Adults Entering the Workforce

When a TANF adult enters the workforce, state and federal laws provide supports to help the family transition.

The First Four Months of Employment

The family has the option of accepting a four-month 90% earned income disregard (EID). If the family accepts, they are likely eligible for:

- A reduced TANF cash grant
- Child care fully paid
- Full family Medicaid coverage
- Food Stamps
- Earned Income Tax Credit (EITC)

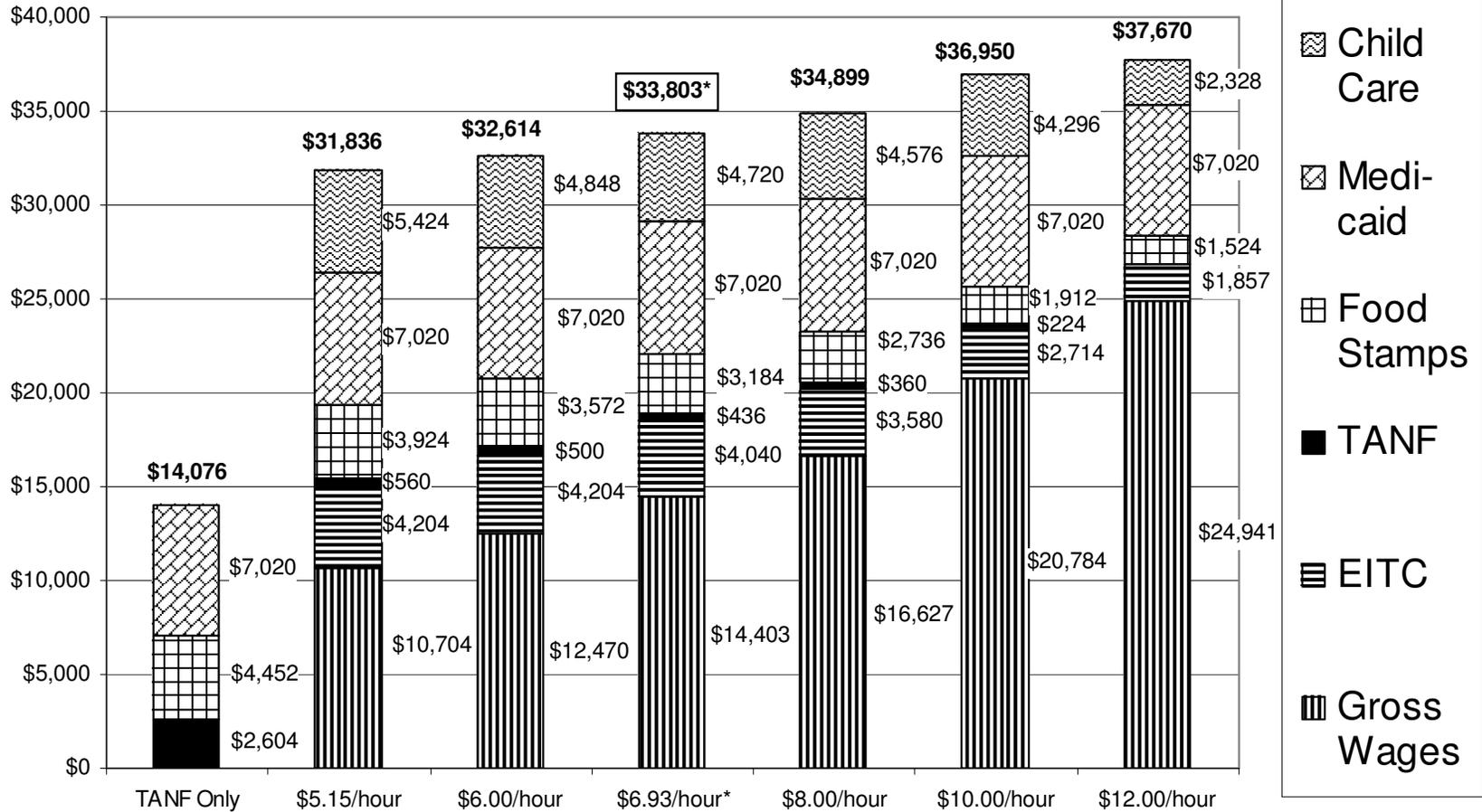
The 12 Months Following the Four-Month EID

After the four-month EID period, the family would enter a 12-month transitional benefit period in which they would likely be eligible for:

- Subsidized child care
- Full family Medicaid coverage
- Food Stamps
- Earned Income Tax Credit (EITC)

The chart on the following page features scenarios of wages and benefits that a single-parent with two children would receive over the first year of employment at various levels of beginning hourly income, as compared to the TANF family not working and receiving TANF benefits. The chart assumes that the adult is working forty hours per week and that the family has chosen the 4-month 90% earned income disregard discussed above. Annual values are derived by using four months of the Earned Income Disregard (EID) values plus eight months of Transitional values. Clearly, a family is financially better off working than on benefits only.

2004 Annual Wage and Benefit Scenarios for a Single Parent with Two Children (Calculated with Full-time Employment of 40 Hours per Week)



* \$6.93 per hour is the state average FY2004 beginning wage for Choices participants entering employment.

Note: At \$12.00 per hour, TANF values are \$0. Annual values are derived by using four months of the Earned Income Disregard (EID) values plus eight months of Transitional values.

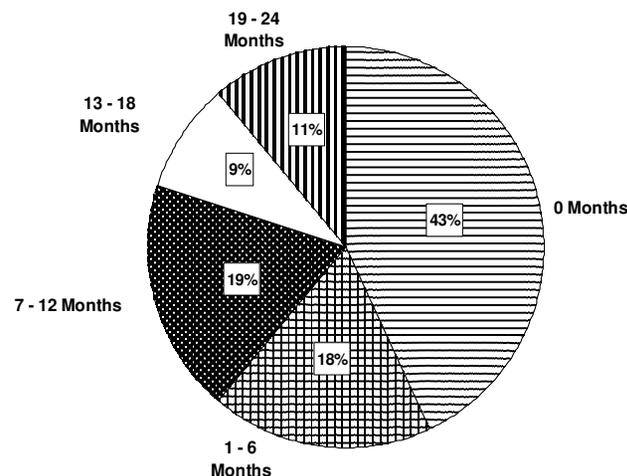
Data Source: *Single Parent Family Income and Assistance Model*, Texas Workforce Investment Council.

How Work Experience and Education Affect Employment

Choices adults who entered employment in August 2004 had very different levels of work experience. Those entering employment with no work experience in the previous two years totaled 43%. Only 11% had between 19-24 months of work experience; 18%, 1-6 months; 19%, 7-12 months; and 9%, 13-18 months of experience. Previous work history did not seem to have a significant impact on a participant's ability to find employment.

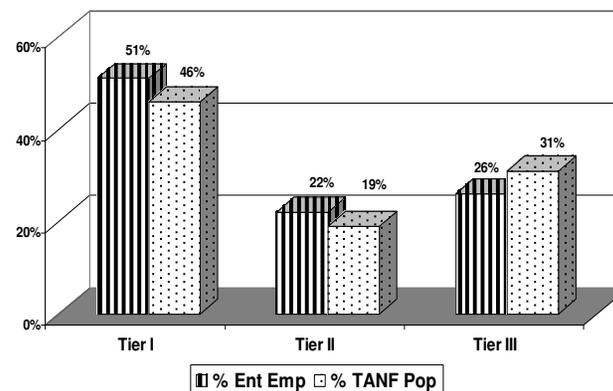
All TANF adults are assigned Service Tiers according to their education levels and previous work experience, and this determines their state time limit for receiving benefits. Tier I adults have a high school diploma or GED and/or 18 or more months of recent work experience and a 12-month state time limit. Tier II adults have three years of high school and/or 6-18 months of recent work experience and a 24-month state time limit. Tier III adults have less than three years of high school and less than six months of recent work experience and a 36-month state time limit. When comparing the Tier assignments of the Choices adults who entered employment in August 2004 with the Tier assignments of the entire TANF population, it is apparent that Choices adults entered employment at rates very similar to how they occur in the population. A slightly larger proportion of Tier I adults entered work than their proportion in the population (51% to 46%) and a smaller proportion of Tier III adults entered work than their proportion in the population (26% to 31%).

Prior Work Experience of TANF Choices Adults Entering Employment in August 2004



Data Source: Texas Workforce Commission, Computer printout, September 2004.

A Comparison of Tier Assignments of Choices-Eligible Adults Entering Employment and All Choices-Eligible Adults for August 2004



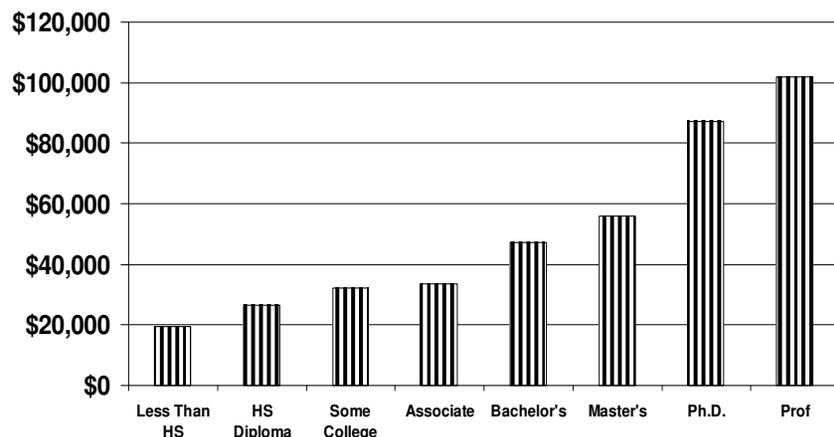
Data Source: Texas Workforce Commission, Computer printout, September 2004

Characteristics of the TANF Population

The education level of an individual directly impacts his/her potential earnings. From the chart below, in 1999 U. S. employees without a high school diploma averaged an annual personal income of \$19,474, while those who had completed high school averaged \$26,527, a difference of \$7,053 per year. Those with some college increased earnings to \$32,267 per year, an associates degree averaged \$33,506, and a bachelors degree averaged \$47,423 per year.

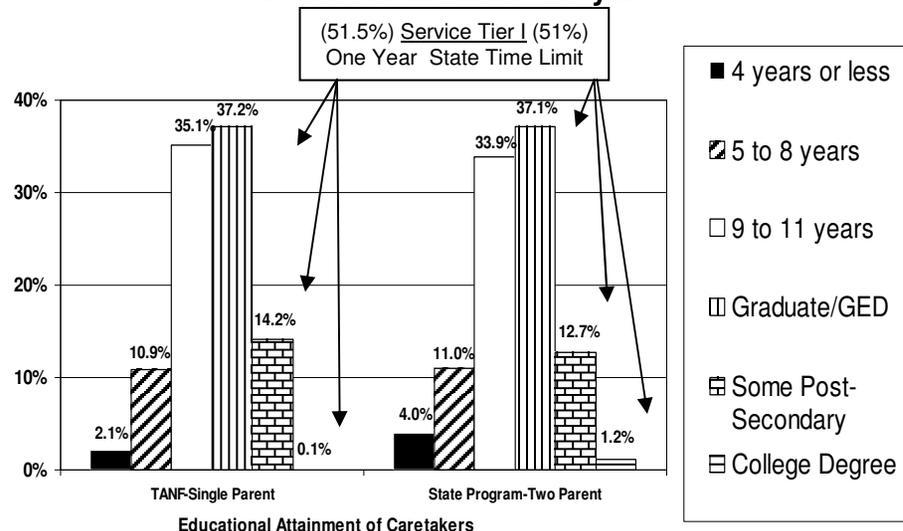
In Texas, the populations of TANF (single parents) and the State Program (two-parent families), have a higher educational achievement level in FY04 than in FY03. For single parent caretakers, those who have a high school diploma, some college credits, or a college degree have increased from 43.4% of the population in FY03 to 51.5% in FY04. Two parent family adults with high school diplomas or better have increased from 42.6% in FY03 to 51% in FY04. Those with lower education levels (less than a high school diploma), have decreased from 56.5% to 48.1% for single parents and from 57.3% to 48.9% for two parent adults, indicating that Texas has served TANF adults with all levels of education. In addition, when 51% of the eligible population has a high school diploma or greater, the employment and wage possibilities are much better.

U.S. Annual Personal Income by Education (1999)



Data Source: Census Bureau, Annual Demographic Survey

Percent of Total TANF/State Program Population by Education Levels– July 2003



Data Source: Health and Human Services Commission, Computer printout, October 2004

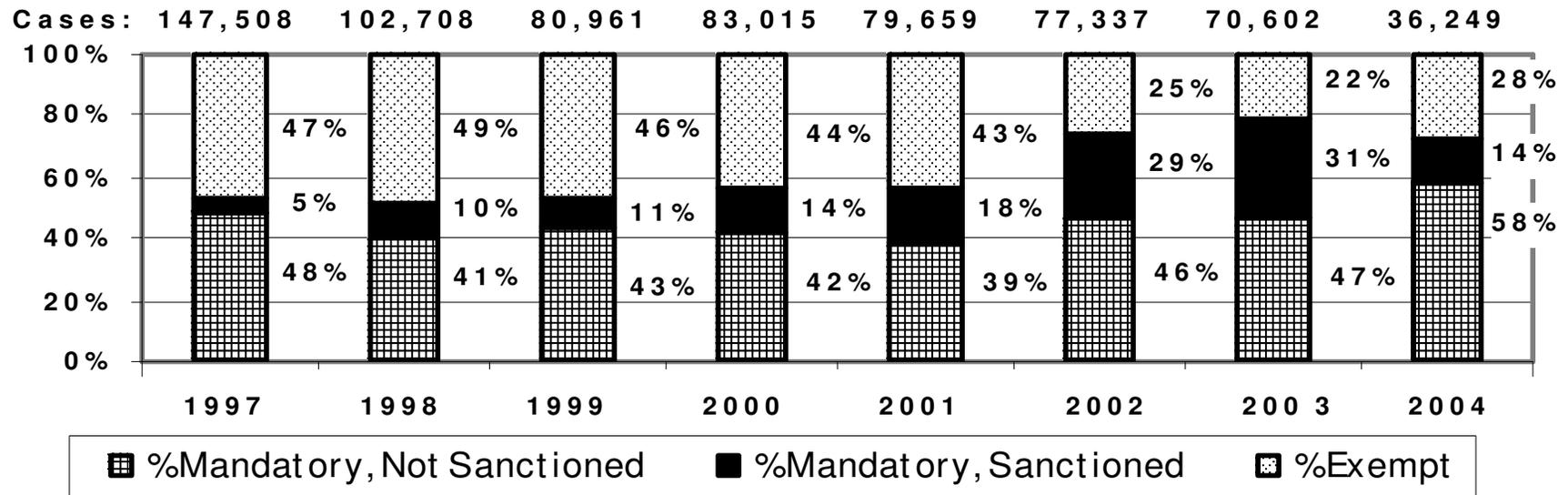
TANF Adult Work Requirement Trends

The TANF adult population is divided into three groups according to work requirement status:

- Exempt Adults. Exemptions are granted by the Health and Human Services Commission and most commonly are for caring for a child under the age of one.
- Mandatory Adults. These adults have work requirements and are outreached by the Choices program and enrolled in services to prepare them for the workforce.
- Sanctioned Adults. These adults have not complied with work requirements without good cause. Through FY2003, sanctioned adults lost the adult portion of the cash grant (\$78 a month for a single parent).

Under the provisions of HB 2292, and consistent with Council recommendations, adults who become sanctioned lose their full cash grant and the adult portion of Medicaid coverage after 30 days, and have their TANF case closed after 60 days if they have made no effort to comply. Since 1999, the proportion of the sanctioned population steadily increased, reaching 31% of the entire TANF population in 2003. As the provisions of HB 2292 took effect in September 2003, the sanctioned proportion dropped from 31% to 14% for August 2004. In numbers, the drop was from 22,128 to 5,936. More adults are being encouraged to comply with work and other requirements. Those who refuse to cooperate now become ineligible for benefits.

TANF Adult Work Requirement Trends from FY1997 to FY2004

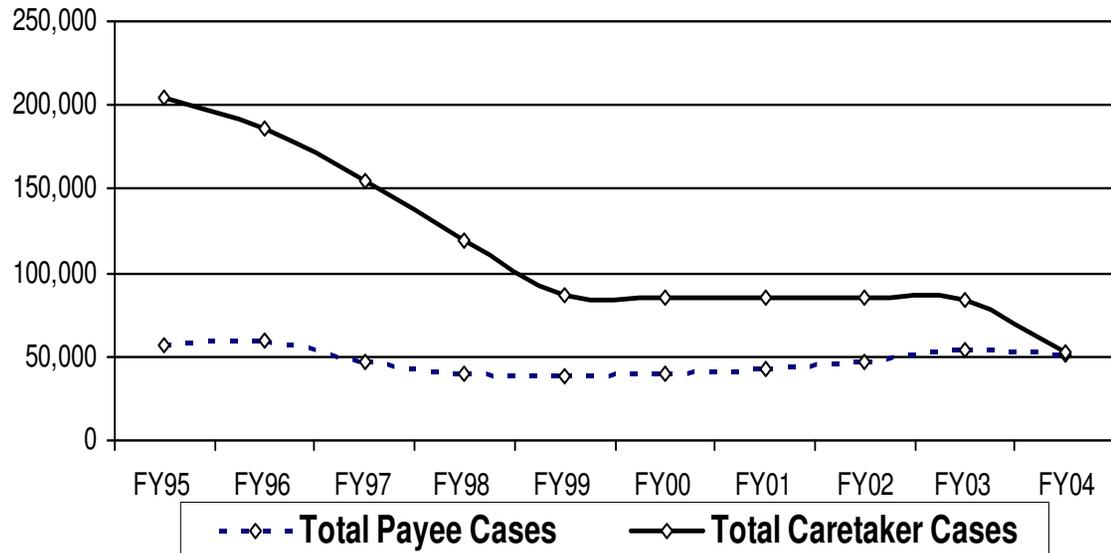


Data Source: Texas Health and Human Services Commission, Computer printout, October 2004.

Payee Cases Remain Stable

A TANF “caretaker” case is one in which the eligible parent receives the cash grant on behalf of the entire family. TANF “payee” cases are cases that have only children eligible to receive grant benefits. For example, these could be cases where children are being supported by a relative other than the biological parent, or where the biological parent is not eligible for benefits. This includes cases in which the adult has “timed-out” but the children remain eligible because of family income. The number of TANF and SP caretaker cases was 204,250 in FY1995 and has been dramatically declining over the ten-year period to 52,636 by FY2004 (not considering payee cases). In comparison, during the same ten-year period, payee cases have remained relatively stable, dropping slightly from 57,501 cases in FY1995 to 51,395 in FY 2004. During the next few years, it is possible that payee cases may become the majority of all TANF and SP cases as caretaker cases continue to decline.

**TANF and State Program Caretaker Cases
and Payee Cases**

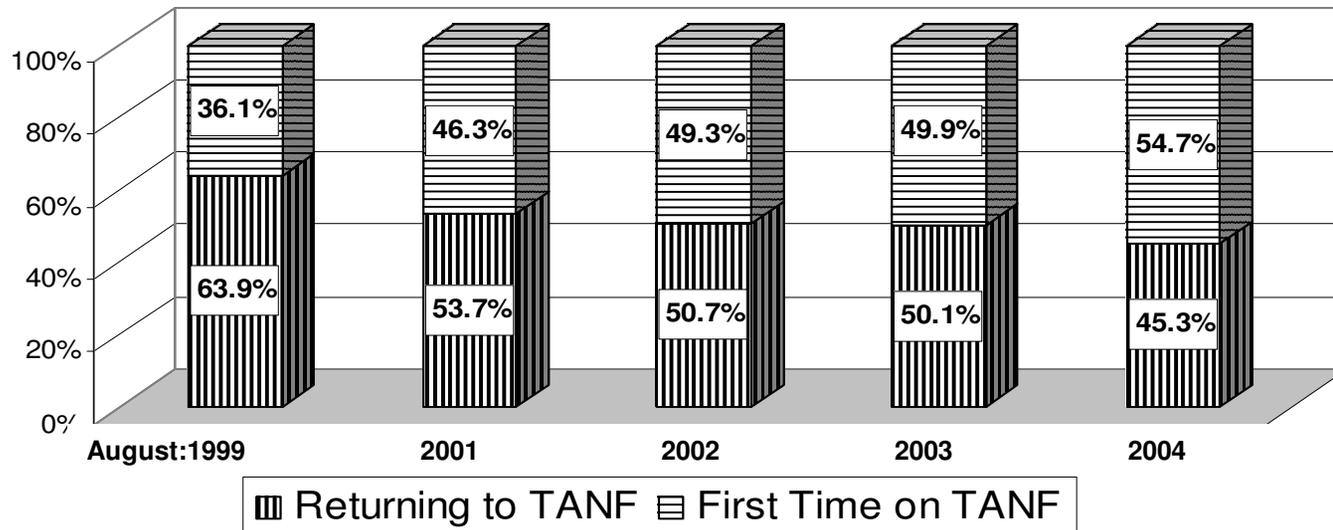


Data Source: Health and Human Services Commission, Computer printout, October 2004.

TANF Recidivism is Decreasing—Fewer Families Returning to Welfare

When analyzing the TANF population from FY1999 to FY2003, over half of the families had been on TANF previously. Families tend to return to TANF when they encounter barriers such as losing their child care arrangements, the family car breaking down, loss of a job, or a family member becoming hospitalized. Since 1999, this trend has been reversing itself, and fewer families are returning to TANF. In August 1999, 63.9% of the TANF population had been on TANF more than one time. By August 2004, this proportion had declined to 45.4%. Part of this reduction may be attributed to case managers making good job matches, which support employment success and retention. In addition, support services available to families after they become employed (see page 16) assist them in making the transition from welfare to work. Choices case managers are trained to assist TANF adults in applying for these benefits once they become employed. While a 45% TANF recidivism rate is still too high, the trend is moving in the right direction.

**Proportion of First Time TANF Cases to Cases Returning to TANF
1999 -- 2004**



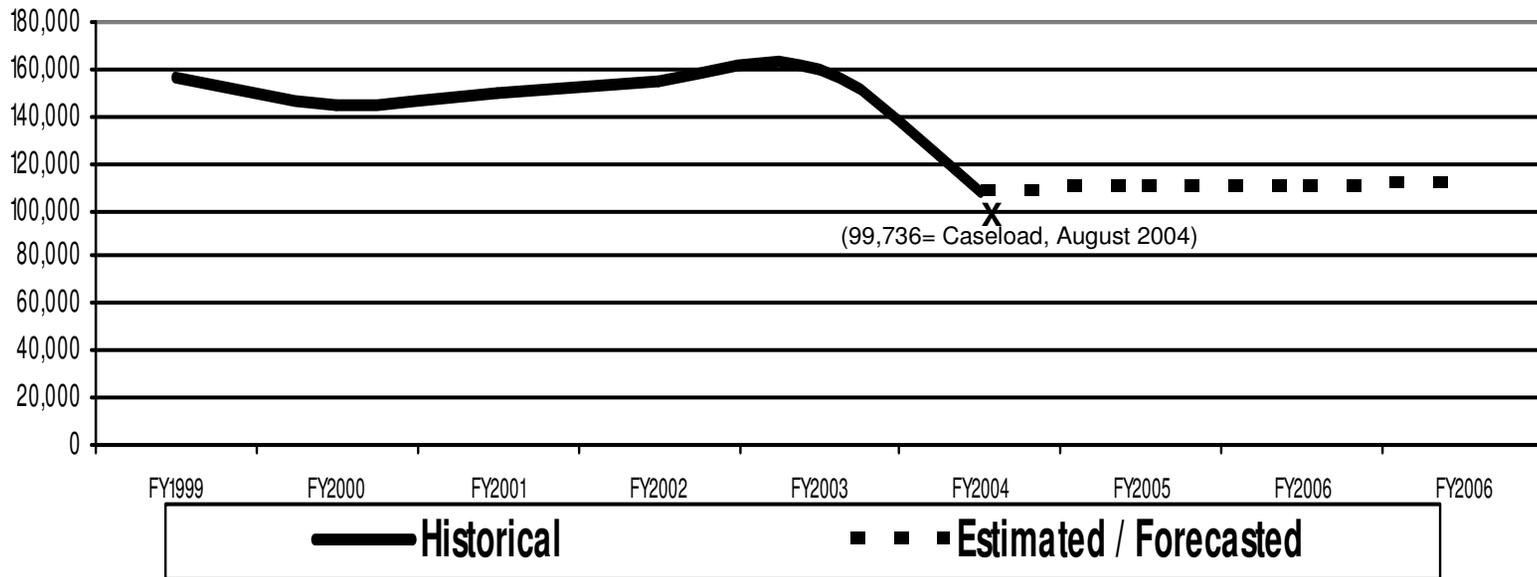
Data Source: Health and Human Services Commission, Computer printout, October 2004.

Trends and Projections That May Influence the Future Welfare to Work Population and Initiatives

In the Council's 2002 annual welfare to work report, a number of indices were examined that could potentially correlate to future TANF populations. These indices are discussed in this section.

The first and most direct predictor is the TANF caseload projection by the Health and Human Services Commission, which is now the administrative agency for TANF. These projections, to FY2007, demonstrate the rapid decrease in the population that occurred in FY2004, and indicate that the population will level off at about 110,000 in the coming years. The average annual caseload for FY2004 was 107,557, about 7,800 cases below the August 2004 caseload.

**Historical TANF Caseload and Projections of TANF Caseload
FY1999- FY2007 (Monthly Average)**



Data Source: Texas Health and Human Services Commission, Computer printout, October 2004

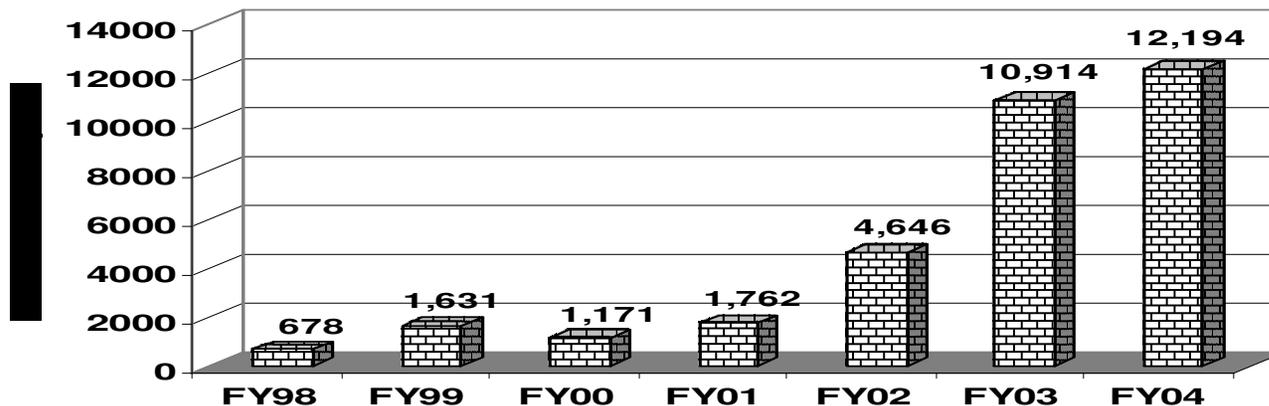
Diversion Strategies

Diversion strategies are initiatives to better serve families applying for TANF. When an adult applies for “welfare,” the eligibility worker determines what type of supports the family needs. If the adult is working, but not making enough money to support his family, enrolling him in EITC and Food Stamps might correct the problem. If the adult or one of his/her children needs medical attention, enrollment in Medicaid could be the answer. TANF is not always the appropriate, or needed support for the family.

The One-time Cash Payment

One of diversion strategies that has been used successfully is the “One-time” cash payment, passed by the Legislature in 1995 as a part of HB 1863. This program offers an “emergency, one-time cash payment” of \$1000 in lieu of monthly TANF payments. In order to receive this emergency grant, the TANF-eligible adult must agree not to reapply for TANF for a 12-month period. It was originally piloted in a few regions in the state before it became a state-wide program in FY1999. In FY2004, 12,194 one-time cash grants were awarded.

**TANF Diversions by the One-time Payment Initiative
FY1998 – FY2004**



Data Source: Health and Human Services Commission, Computer printout, October 2004.

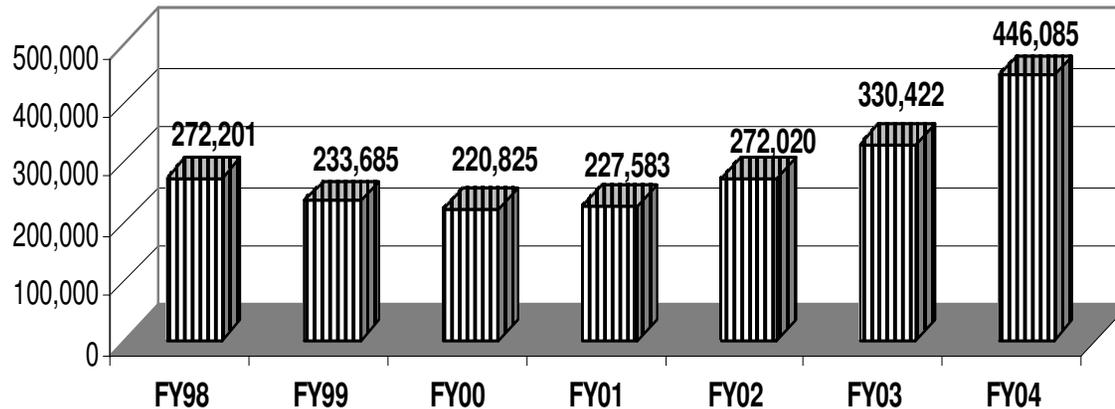
Other Family Supports

Some programs are available to support low-income families. These include both Food Stamps and Medicaid. It is important to monitor these programs when analyzing the overall status of welfare to work programs in Texas. For example, increased participation in one or more of these programs may either serve as an indicator of families at risk of going on TANF, or the use of these supports to temporarily assist families in addressing barriers rather than going on TANF. When considered in conjunction with TANF data and economic conditions, these are useful indicators for determining the success of the entire welfare to work initiative.

Texas Families on Food Stamps not Receiving TANF

The number of Texas families receiving Food Stamps, but not receiving TANF has been growing steadily over the past four years, reaching 446,085 in FY04. The former Department of Human Services, and now the Health and Human Services Commission administers this program. Legislative changes by the 77th Legislature have made it easier to apply for Food Stamps, allowing telephone applications and providing a toll-free phone number. Food Stamps is entirely funded at the Federal level, and no State General Revenue (GR) is required for the program.

Families with Children not on TANF Receiving Food Stamps FY1998 – FY2004



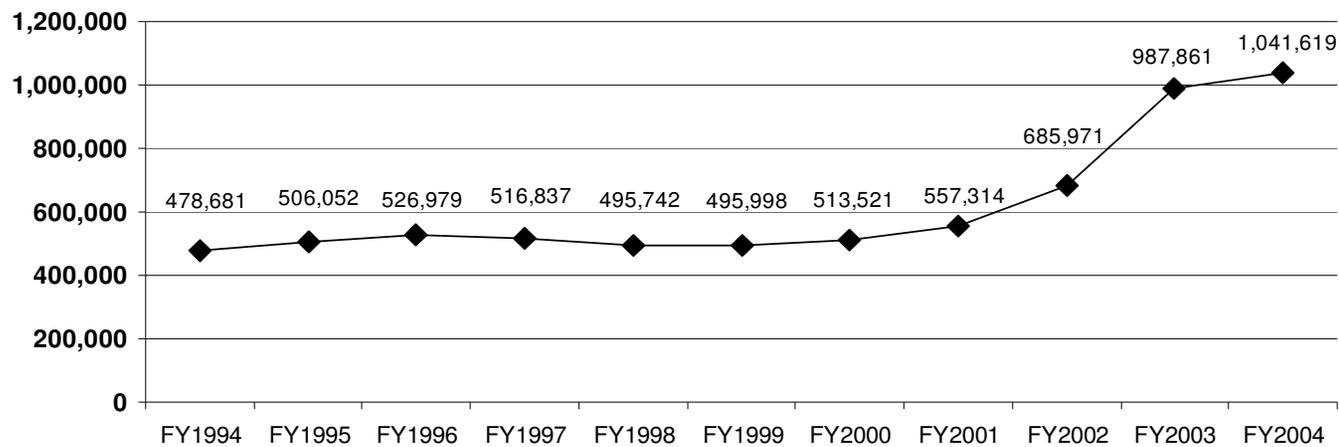
Data Source: Health and Human Services Commission, Computer printout, October 2004.

Texas Families on Medicaid but not on TANF

Medicaid usage in Texas has increased substantially among those families not on TANF. When a family becomes employed and leaves TANF, they are eligible to receive “transitional” Medicaid, and might even remain eligible (at least for the children) after transitional benefits run out. Medicaid is also used as a diversion for TANF if the adult caretaker applying is needing medical support. Low-income families, with or without children, and pregnant women are eligible for Medicaid. State GR accounts for about one-third of the total cost of the program.

Usage of these support programs has been increasing. While this may be due to the economic slow-down the state experienced in 2001-2003, it may also be assumed that some of this increased participation has been due to the use of these programs as supports to keep families from going on TANF, and increased access to services through a toll-free telephone number.

Families with Children or Pregnant Women Not Receiving TANF with at Least One Family Member Receiving Medicaid FY1994 – FY2004



Data Source: Research Department, Texas Health and Human Services Commission, Computer printout, October 2004.

Texas Workforce Investment Council



Section II

Next Steps in Welfare Reform

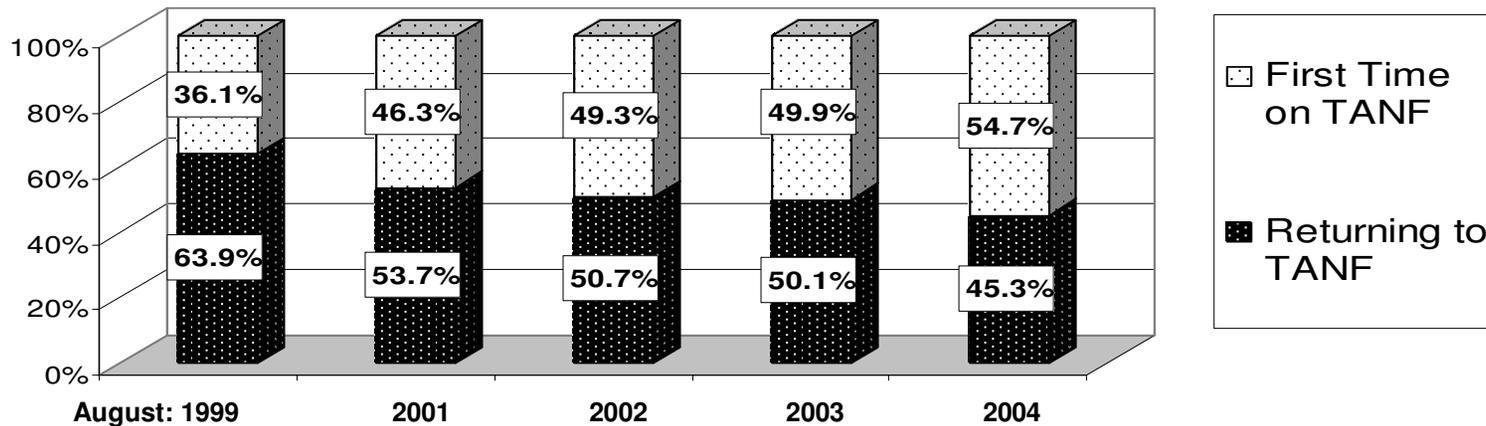
TANF RECIDIVISM

Issue

Recidivism in TANF, for single parent families, and the State Program (SP), for two parent families, is when families leave TANF/SP and return at some later point. At any given time, a large portion of the TANF/SP population consists of families that have been on TANF one or more times previously. Without a reduction in the rate of recidivism, it will become increasingly more difficult to continue to reduce the TANF and SP caseloads.

With the reforms in both State and Federal welfare law, time limits have been imposed at both levels and state TANF agencies now have to track the number and length of previous “spells.” In past years, families that “recycle” on and off TANF made up a majority of the total caseload. In recent years, this trend is reversing, and in August 2004, as evidenced by the chart below, the percentage was down to 45.3%—better than in previous years, but still a large proportion of the total caseload. For Texas to continue reducing its TANF/SP population, the state needs to develop a comprehensive strategy that will minimize the number of Texas families cycling on and off of TANF, and assist them on the road to self-sufficiency.

**Proportion of First Time TANF Cases to Cases Returning to TANF
1999 -- 2004**

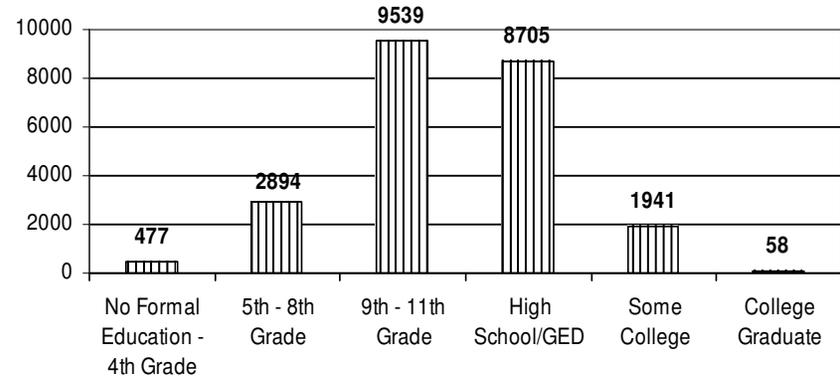


Data Source: Health and Human Services Commission, Computer printout, October 2004.

Factors Contributing to Recidivism Education Levels

Education levels vary among TANF/SP adults who return to welfare. The chart to the right shows the education levels of all TANF/SP adults, for August 2004, who have returned to TANF. The majority of these adults, 12,910 or 55%, had not achieved a high school diploma. The largest segment, 9,539, had reached high school but not graduated. Only 8,705, or 37%, had earned a high school diploma or GED, with another 1,941 having some college credits. For the majority of this population, a lack of a high school diploma seems to be a barrier to getting and keeping a good paying job.

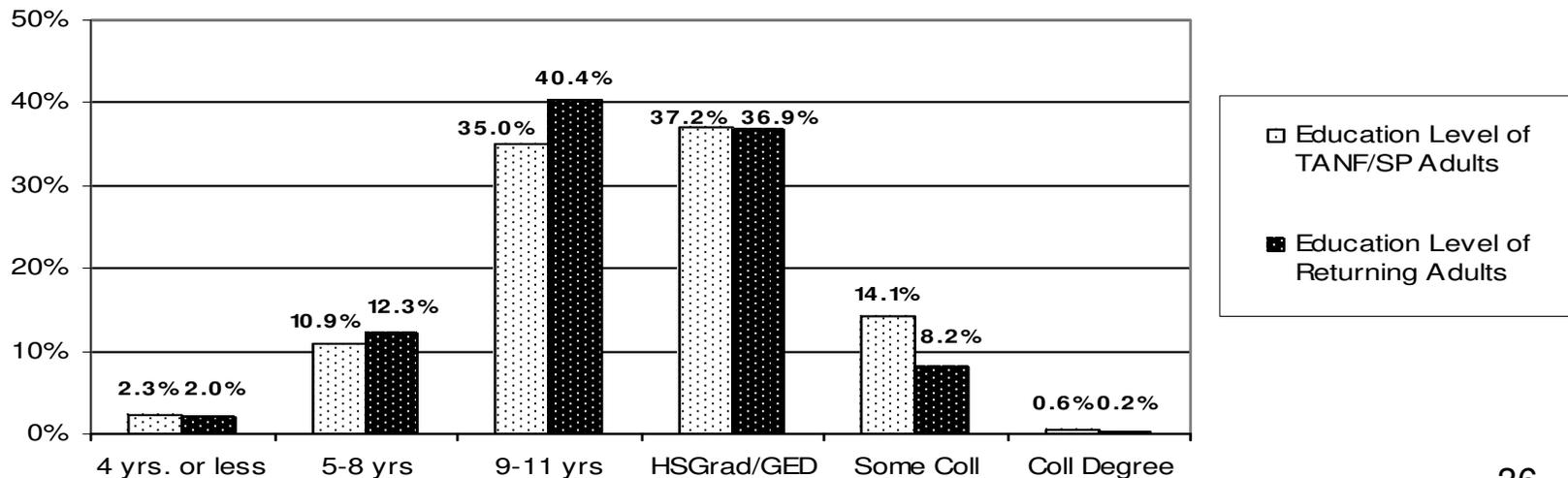
Education Levels of TANF Adults Returning to TANF/SP -- August 2004



Data Source: Health and Human Services Commission, Computer printout, October 2004.

When comparing education levels of adults who had returned to TANF/SP with all TANF/SP adults for August 2004, the adults of the general population have higher educational attainment than those who have returned. As evidenced by the chart below, only 48.2% of all TANF/SP adults have less than a high school diploma, while nearly 55% of returning adults have not graduated from high school. About the same proportion of adults in both groups are high school graduates. Over 14% of all TANF/SP adults have some college while only 8% of returning adults have any college credits.

Comparison of Education Levels of All TANF/SP Adults with Those Returning to TANF-August 2004



Data Source: Health and Human Services Commission, Computer printout, October 2004.

Service Tier Assignments

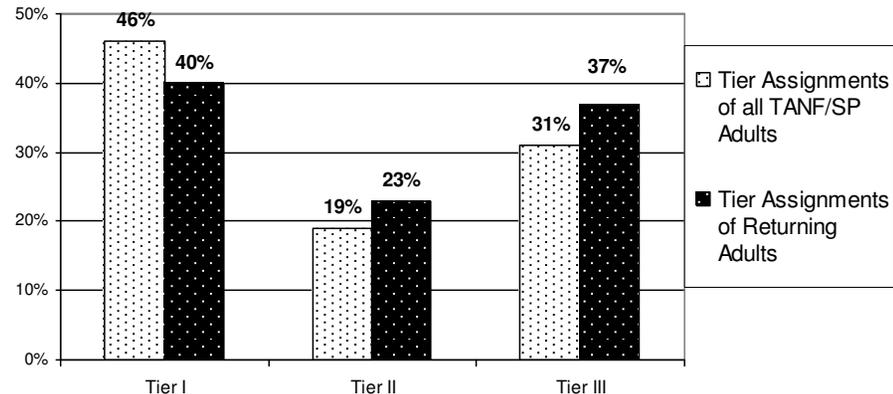
Another way of analyzing TANF/SP adults returning to TANF is to examine Service Tier assignments, which account for both education and previous work experience. In Texas, Service Tiers are defined as follows:

- Service Tier I - Adults who have earned high school diplomas (or GEDs) or have 18 or more months of recent work experience have a one-year state time limit
- Service Tier II - Adults who have three years of high school or from 6-18 months of recent work experience have a two-year state time limit
- Service Tier III - Adults who have less than three years of high school and less than six months of recent work experience have a three-year state time limit

There were 23,614 Texas families enrolled in TANF/SP in August 2004 that had been on TANF two or more times. Comparing the Service Tiers assignments of this population to the entire population shows the following:

<u>All TANF/SP Adults</u>		<u>TANF/SP Returning Adults</u>
46%--Tier I	← →	40%--Tier I
19%--Tier II	← →	23%--Tier II
31%--Tier III	← →	37%--Tier III

Comparison of Tier Assignments of All TANF/SP Adults with Those Returning to TANF



Data Source: Health and Human Services Commission, Computer printout, October 2004.

When comparing the Service Tier assignments of those who have cycled back to TANF/SP to the entire TANF/SP population's Tier assignments, a larger percentage of Tier III adults (37% to 31%) have been on TANF/SP more than once. Conversely, a smaller proportion of Tier I adults (40% to 46%) have been on TANF/SP more than once. The lower the Tier assignment → the lower the adult's education level and work experience → the more likely that the family will return to TANF.

Post-TANF Exit Barriers

Research indicates that former TANF adults are most likely to return to TANF in the first few months and that the likelihood of returning drops substantially after the first six months. This suggests that some amount of post-employment contact, mentoring, and additional support during the initial six months of employment could have a significant impact on lowering the numbers of families returning to TANF. Families most often return to TANF because of losing their job. Other reasons are needing Medicaid, housing arrangements, transportation problems, change in family status, or loss of child support or child care.

Many of the reasons for returning to TANF could be mitigated by transitional benefits. Transitional benefits for TANF leavers are designed to help the family transition into the work world and to make it easier to “make ends meet” until the new employee becomes stabilized and more self sufficient. Transitional benefits include Medicaid, Food Stamps, and subsidized child care.

Addressing TANF Recidivism

In the current TANF program, many of these issues are being addressed. When families apply for TANF, the application procedure is designed to inform the adult of supports available to the family that might make receipt of TANF unnecessary. These include Medicaid, Food Stamps, subsidized child care, and the one-time \$1,000 cash grant. Many community resources such as food pantries, homeless shelters, counseling for domestic violence, and substance abuse programs are also available, and HHSC eligibility workers, as well as Choices case managers, provide applicants with information about programs in their communities.

The Choices Program and TANF Adults

The Choices Program is Texas’ work preparation and employment program for TANF adults. In addition, the Choices program provides TANF adults opportunities to address barriers to education and employment, including services such as skills training and job search, thereby reducing likely causes of recidivism. Three critical junctures in the process serve as opportunities to provide information and services that may assist to reduce recidivism: 1) Workforce Orientation for Applicants (WOA); 2) the Individual Employment Plan (IEP) and case management; and, 3) post-TANF services. Choices case management takes place at the local area and is overseen by local workforce development boards. As such, procedures vary from area to area, but there are some general processes that are common across the state. The Texas Workforce Commission gives general direction to local workforce development boards in the form of rules which outlines the Choices process and the sanction policy. These rules do not prescribe actual Choices services offered, interview processes, or required procedures as these are left up to local boards.

Locally, each board develops their own Choices procedures. The Capitol Area Workforce Development Area, *WorkSource* – Greater Austin Area Workforce Board is used here as an example of a local process.

When an adult applying for TANF is deemed eligible by HHSC, he/she must attend a Workforce Orientation for Applicants (WOA) session in order to complete their eligibility process. The WOA includes:

- Introduction to services available in the workforce center such as computers, internet access, computer classes, telephones, fax services and copy machines, job search assistance, resume and interview workshops, and networking opportunities
- Introduction to the TANF program, including federal and state time limits, and the advantages of getting a job rather than going on TANF
- Information on eligibility for child care, Food Stamps, Medicaid and EITC when employed
- Showing applicants the advantages of work over welfare
- Information about “pay for performance” and the TANF “process” as they enter the Choices program

When the adult becomes “mandatory” (meaning not “exempt” for such reasons as having a child under one year old, caring for a disabled person, etc.), the adult is contacted and enrolled into the Choices program. When the TANF adult reports to the Choices program, the first morning is spent in a Employment Planning Session (EPS). This is a review of the career centers, employment services, Choices program information, and forms. Participants also take the Test for Adult Basic Education (TABE) assessment to determine their functioning educational level, if needed. In the afternoon, the adult meets individually with a case manager.

The Individual Employment Plan (IEP)

When the Choices case manager meets with the TANF adult, the case manager will have the following information from The Workforce Information System of Texas (TWIST), the TWC workforce participant tracking data base. This information would come from the HHSC TANF data system and would include:

- Size of the family
- Age of the children
- Past history of the family in TANF
- Number and length of previous “spells” on TANF, but not the reasons that the family returned to TANF
- Sanctions of the family

The case manager interviews the adult to determine:

- Highest education level including any diplomas, degrees, or certifications
- Past work history for the two previous years
- Types of jobs the adult has held, hours per week worked, salary, reason for leaving, and if she liked the job
- Strengths, weaknesses, and barriers to gain and retain employment
- Short- and long-term employment goals
- If training is needed
- Needed support services including child care, transportation, clothing, work-related expenses, tools, etc.

The case manager also interviews the adult about:

- chronic depression/mental health issues
- divorce or other marital/family issues
- financial debt
- homelessness/living in shelter
- Lack of driver's license
- tenant/landlord disputes
- substance abuse
- domestic violence
- health issues
- child custody rights
- legal, or other issues

The purpose of recording this information is to discover potential barriers to employment, strengths to build on, specific needs of the family, and if reasons for a "good cause" determination exist. "Good cause" is a legitimate reason(s) why the adult cannot participate in Choices activities until the identified barrier is overcome. If a "good cause" exists, the case manager immediately makes referrals to appropriate agencies to address these issues.

The adult next meets with an employment specialist. Here, the participant receives job-specific assistance, and is referred to needed classes in resume preparation, job search seminars, and computer classes. As the adult continues in Choices program activities, additional computer training may be scheduled, or training in prevocational/soft skills, occupation-specific training, or on-the-job and/or customized training.

When the TANF Adult Enters Employment

Once the adult has obtained employment, the four-month Earned Income Disregard (EID) is usually discussed over the phone and the case manager enrolls them in EID, if requested. If this program is chosen, the family would likely remain in TANF, with all TANF benefits, but receive a lower TANF cash grant for four months. Transitional benefits would then begin in the fifth month of employment. The adult entering employment would also be eligible for continuing help in transportation and work-related expenses. This could include things like necessary tools, clothing, and uniforms.

The transitional Food Stamp and Medicaid benefits are handled automatically by HHSC when the Choices case manager codes the case as “employed.” Continuing child care is handled by the case manager working with the local board child care administrator.

Next Steps to Lower TANF Recidivism

Much has been accomplished through the eligibility determination process by HHSC and the Choices case management procedures by TWC and local boards to alleviate many of the reasons for returning to TANF. There are, however, certain other steps that can be taken to further help families successfully make the transition to self sufficiency.

Data Collection and Reporting

When the TANF eligibility worker interviews the adult applying for TANF, the eligibility worker will know about previous TANF participation, but not the *reasons* for returning. One way to improve data collection and case management is to have HHSC develop a coding system for “reasons” for returning to TANF. The eligibility worker would determine these reasons during the interview and enter the appropriate codes into the data base. This information would be automatically forwarded to the Choices case manager, thereby helping them assess the needs of the adult during the first meeting.

In addition, the “reasons for return” data would be entered into the HHSC TANF data base, and this information could be reported on a monthly basis in the HHSC’s *Management Information Focus Report* for use by HHSC, TWC, and other state and local government policy personal. Monthly reporting of this data would help local and state program managers to track recidivism closely.

Delivery of Information and Training for TANF Adults

As stated above, current procedures put in place by HHSC, TWC, and local boards have helped alleviate some of the confusion about available benefits. If an adult enters the Choices program and receives the benefit of the case management, they are likely to be informed on the benefits available to them once they become employed. However, if an adult enters the TANF program pregnant or with a very young infant, she will not be outreached into Choices until the child reaches the age of one. If that adult gets a job, or leaves TANF for some other reason before they enter Choices, they will not be as informed about these available benefits, and very likely will not receive them. A procedure should be developed that ensures benefit information is provided in a printed form either at the eligibility determination, or in the WOA session. This information should include all benefits available to families, how to apply for each, and local phone numbers and addresses for applying and receiving assistance.

In addition, the Earned Income Tax Credit (EITC) is one of the most important benefits to the newly-employed TANF adults. This additional income can be received monthly, included in the pay check, or annually in a lump-sum. Monthly, it acts as a supplement to the earned income of the adult. While Texas is above the national average in eligible adults receiving EITC, this benefit is so important to TANF leavers that the Choices case manager should facilitate this procedure. Information about EITC should also be included in the information brochure discussed above for those adults who do not enter the Choices program.

Research suggests that low-paying and/or unstable employment is a primary factor for families returning to TANF. In cases in which the adult has very low functional education levels, very few work skills, and a history of returning to welfare multiple times, case managers should work with the adult to develop improved work skills. One approach to improve work skills and increase work experience is to develop “unpaid work experience” positions in public and private non-profit sectors to provide work experience and training that would transfer to the private sector. Many local areas have been very successful in developing these types of positions.

Post-Employment Assistance

Families are most vulnerable to returning to welfare in the first six months after leaving TANF. After six months, it is far less likely that the family will return. This suggests that some form of post-employment mentoring might help families successfully make it through this transition period to self sufficiency. Local workforce boards might incorporate this approach by working with local faith-based communities, civic groups, and other volunteer organizations to mentor families who have returned to TANF during the first six months of the post-employment period.

Council Policy Recommendations for a Comprehensive Strategy to Address Recidivism

Improve Data Collection Reporting to Guide Program Delivery

- The Health and Human Services Commission should develop a set of codes for “reasons returning to TANF” and direct all TANF eligibility workers to code all TANF applicants who are returning to TANF.
- The Health and Human Services Commission should include the total number of families entering TANF for the month, and the number of these families which have been on TANF previously, in its *Management Information Focus Report* to allow policy analysts to track recidivism on a monthly basis.

Improve Information Delivery to TANF Adults on Post-Exit Services so Families Can Make Better Decisions

- The Texas Workforce Commission and the Health and Human Services Commission should jointly develop procedures that would ensure that families leaving TANF for employment receive the support services for which they are eligible.
- The Texas Workforce Commission and the Health and Human Services Commission should jointly develop printed information for distribution at the Workforce Orientation for Applicants session which would list supports available to families entering the workforce, local agency contact information for each support, and directions for applying for each.
- The Texas Workforce Commission should encourage and offer assistance to local workforce development boards to expand work experience training programs for TANF adults who have been recycling on and off of TANF. These training positions could be in governmental offices, state colleges and universities, local hospitals, and non-profit organizations, and designed to help TANF adults develop employment skills and experience to assist them to qualify for and retain higher-paying jobs.

Provide Post-Employment Services for TANF Families That Have Been on TANF Before

- The Texas Workforce Commission should continue to work with local workforce boards to explore opportunities to partner with local faith-based communities, civic groups, and other volunteer organizations to mentor families who have returned to TANF during the first six months of the post-employment period. This approach could assist the adult during the critical transition period, and may be particularly helpful to families who have been on TANF more than one time and are at a high risk of returning again.

Texas Workforce Investment Council



Section III

Programs, Initiatives and Pilots in Texas

The Texas Workforce Commission

Programs, Initiatives and Pilots

The Choices Program: Work First and Pay for Performance

- Choices is the Employment and Training Program for TANF.
- The “Work First” service model, implemented in 1996, stresses the value of personal responsibility, work and work-related activities that enable individuals to find and retain employment and to upgrade skills.
- The Pay for Performance model introduced to the TANF program by HB 2292, 78th Regular Session, further emphasized the importance of personal responsibility and strengthened the Work First service model.
- As a result of this strengthened Work First model, in FY 2004:
 - 128,522 total TANF caretakers participated in Choices.
 - 57,349 entered employment, earning and pumping into local economies approximately \$103.2 million, and saving \$24.8 million in TANF cash assistance that would have been paid out to these families.
- In FY2004, an average of 24,000 TANF children received daily child care.

The Choices Program: The Power of Pay for Performance

- Since the implementation of HB 2292's Pay for Performance model, the Choices program has produced several dramatic outcomes.
- In FY 2004:
 - The number of sanctions initiated for non-cooperation with Choices work requirements has dropped 29% from FY2003.
 - Only 7.5% of the mandatory Choices adults were sanctioned, an 87% reduction from FY2003.
 - Texas' federal participation rate rose to 43% in the 2nd quarter of FY2004 from 25% in the 2nd quarter of FY2003—a 72% increase in just one year.
- Building on the success of the Pay for Performance model and increased efficiencies in child care through program integration, the Texas Workforce Commission and Local Workforce Development Boards are able to begin a move toward full engagement of Choices clients in anticipation of TANF reauthorization.

Adult Education and Literacy Training

Texas Workforce Commission Demonstration Projects

Rider 22, 77th Legislative Session, earmarked \$2 million of TANF funds to support basic education and literacy training. Ongoing projects are:

- \$778,000 – UT Pan Am, Adelante Project – Manufacturing and Machining Technology programs
- \$150,000 – Learning Disabilities Assessment and Protocol Training
- \$500,000 – Medical Transcription Training
- \$302,000 – Texas State Technical College, Family Dollar Stores, Inc. – Employee training in English As a Second Language and Retail training
- \$70,000 – El Paso Community College - Drop Out Recovery program for disadvantaged youth
- \$200,000 – TANF Literacy Program - Upgrade basic skills

Self-Sufficiency Fund

- The Self-Sufficiency Fund, administered by TWC, began operation in 1998.
- A TANF-funded program for adult TANF recipients, adults with children receiving Food Stamps, and families at-risk of being on welfare.
- Provides funding for customized training of individuals in order to contribute to the success of local employers.
- Grants are awarded through community and technical colleges, statewide extension services, and community-based organizations.
- Participating employers agree to hire individuals who are successfully trained to meet their specific needs.
- 4,545 trainees were trained and placed with 58 participating employers at a cost of \$5.4 million in FY2004, a six-fold increase of trainees over FY2003.

***The Health and Human Services
Commission***

Programs, Initiatives and Pilots

Temporary Assistance for Needy Families (TANF) Program

- The Temporary Assistance for Needy Families (TANF) program is regulated at the federal level by the U.S. Department of Health and Human Services, Administration for Children and Families.
- In Texas, administration of the program is shared between the Texas Health and Human Services Commission (HHSC) and the Texas Workforce Commission (TWC).
- HHSC is responsible for TANF eligibility determination, eligibility related policies, and making cash assistance payments.
- TWC is responsible for work-related policies and for delivering employment services through Local Workforce Development Boards.
- HHSC TANF Eligibility Offices:
 - Collaborate with community partners to identify, develop, and expand resources to encourage independence.
 - Organize local job fairs.
 - Make 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 FY 2004, HHSC estimated that 2,414 families applying for and eligible for TANF were diverted to other resources, a decrease of 64% over 2003.

SSI Application Assistance

- Through a contract with a private company, assistance to TANF recipients or applicants, who are deemed likely to be eligible for Supplemental Security Income (SSI) or Retirement, Survivors, and Disability Insurance (RSDI) due to a disability, are helped through the complex application process by company representatives who:
 - Identify probable candidates;
 - Assist clients in completing the application;
 - Gather supporting information; and
 - Assist with appeals if the initial application is denied.
- In FY2004, 1,585 TANF recipients were successful in completing their application process and are receiving SSI or RSDI benefits.
- Currently, there are 4,490 cases pending claims at the Social Security Administration (SSA):
 - 2,075 clients are pending initial claims with SSA; and
 - 2,415 clients have claims that are in the appeal process at SSA.

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, individual and family counseling, and primary child abuse prevention activities.
- Funded in FY2004 with \$2.28 million GR, \$6.23 million GR for TANF maintenance of effort funds, \$3.3 million in GR dedicated funds, and \$6.83 million Title IV-B funds.
- 26,345 TANF eligible clients were served in FY2004, down 3,085 from 2003.

The Texas Education Agency

Programs, Initiatives and Pilots

Adult Education for TANF Recipients

- Adult Education providers are strongly encouraged to form collaborative efforts with local workforce development boards, HHSC offices, local support service providers, and businesses.
- Adult Education was funded for FY2004 with \$29.75 million in federal Section 231 funds, \$6.89 million in state GR funds, \$7.8 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.
- FY2004, program outcomes:
 - 11,089 TANF clients were served, a decrease of 1,491 over FY2003. Clients participated for 1,102,015 contact hours;
 - 69% of TANF clients who took a progress assessment completed at least one level, and 90% of those continued in the program, moving to a higher level;
 - 1,978 TANF participants set a goal of obtaining a GED, and 962 completed the GED in FY2004, an increase of 6%.

Communities in Schools

- Received \$12.8 million in Compensatory Education funding and \$4.8 million in TANF funding
- Operated 26 local CIS programs throughout Texas.
- Provided case managed services to 64,727 at-risk students in 851 school campuses, 51 counties, and 110 independent school districts.
- Provided services that included:
- Academic and TAKS tutoring, supportive guidance, and counseling;
 - Academic and TAKS tutoring, supportive guidance, and counseling;
 - 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.
- Provided services to:
 - 263,974 additional students who received some type of CIS service or services;
 - 48,206 students who were eligible for the Free or Reduced Lunch Program;
 - 997 TANF recipients;
 - 40,465 TANF eligible students;
 - 1,281 pregnant or parenting teens.
- 98.7% of CIS case managed students stayed in school.
- 95.3% of CIS case managed students improved in academics, attendance and/or behavior.

Note: The data above was provided on 10/15/04 to TEA by DFPS through a hosting agreement. This is preliminary data which may require a 5th quarter update.

Note: The data above was provided on 10/15/04 to TEA by DFPS through a hosting agreement. This is preliminary data which may require a 5th quarter update.

***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, state grants, and federal grants (Pell Grant).

Pell Grants

- Most TANF recipients are eligible for Pell Grant support.
- 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.
- Choices case managers can help TANF recipients who are interested in post-secondary education apply for Pell Grants.
- 51.4% of Single-Parent and 49.8% of Two-Parent TANF adults have either a high school diploma, GED, or some college credits and are eligible for post-secondary training.
- In the 2002-2003 school year, there were 309,245 Texas students attending post-secondary institutions with Pell Grant assistance, up 55,800 students over last year, with a total amount of \$740,040,847 in grants, an increase of \$159.5 million from last year.
- Of these Pell Grants, 136,372 were for attending public and private senior universities, 172,061 for community and technical colleges, and 812 for health-related institutions.

Texas Workforce Investment Council



Texas State Capitol - Austin, Texas

Section IV

Best Practices in Welfare Reform in Texas

Providing Employment Opportunities for Transitional Workers

Heart of Texas Workforce Development Board

- Fleetwood Homes of Texas has partnered with the Heart of Texas Workforce Development Board.
- They have hired over 30 TANF/Choices Program clients primarily for mobile home assemblers.
- All new hires are taught occupational job skills and are given the opportunity for specialized training in electrical and plumbing.
- Employees at Fleetwood Homes also have opportunities for continued advanced training.
- Average hourly wage is \$8.55 with opportunities to receive proficiency bonuses of \$40 - \$100 weekly.
- Partnering with the Texas Workforce Network and the Workforce Centers ensures that participants move toward self-sufficiency.

For more information, please contact Mr. Ed Shelton at (254) 799-6206.

Providing Employment Opportunities for Transitional Workers

Southeast Texas Workforce Development Board

- Goody's Fashions has 340 stores in 19 Southeast and Midwest states and recently opened its 16th Texas store in Orange.
- They partnered with the Workforce Center in Orange to hire their personnel. Approximately 11 out of the 55 new hires were welfare recipients. The Workforce Center staff assisted in the application process, provided interviewing and company orientations.
- The average hourly wage is up to \$7.00 for new hires and full-time employees have medical benefits.
- Goody's provides job skill opportunities for career advancement for entry-level employees through a hands-on-training program covering leadership, merchandising, operations, human resources, loss prevention, planning and driving sales.
- Store managers are committed to work with the Southeast Texas Workforce Center to hire new workers which has contributed to the economic development in the local area.

For more information, please contact Ms. Carlene Collins at (409) 670-0759.

Providing Employment Opportunities for TANF/Choices Adults Upper Rio Grande Workforce Development Board

- The National Center for Employment and Disabled (NCED) Sahara partnered with the Upper Rio Grande @ Work (Workforce Board) with the screening, applications, and orientations conducted at the Workforce Center.
- 650 TANF/Choices participants were hired and trained in 2004 to produce protective garments for USA military personnel.
- They offer on-site skills training to allow flexibility and to provide real world training opportunities.
- NCED's recent surge in hires has also provided economic opportunities to suppliers of the company i.e., thread/fabric mills.
- This company takes advantage of the Work Opportunity Tax Credit, available to employers who hire people with certain barriers to employment.
- Average hourly wage is \$7.50 with medical benefits.
- They collaborate with various entities to develop new strategies to provide job opportunities to people with barriers to employment.

For more information please contact Ms. Estela Ortiz at (915) 858-7277

Providing Employment Opportunities for Transitional Workers

Tarrant County Workforce Development Board

- John Peter Smith Health Network (JPS), through a partnership with Workforce Solutions for Tarrant County and area businesses, churches, organizations, and schools has developed a volunteer program that provides career opportunities for volunteers and transitioning job seekers.
- Through JPS the workers acquire new skills and practice existing skills, obtain a work history, and develop pride and confidence in their abilities.
- The TANF community service program, called Career Steps, is part of the philosophy of JPS with the intent for participants to acquire skills and experience to be removed from public assistance.
- JPS is interested in assisting welfare recipients obtaining skills, and proficiencies developed at the hospital to obtain gainful employment in the health care field.
- Since 2002 over 310 welfare recipients participated in the Career Steps training program, with approximately 50 placements.
- The Texas workforce benefits an increased pool of qualified, trained and willing health care workers.
- This program has won several state and international awards for its successes in transitioning job seekers.

For more information please contact Ms. Jackie Long at (817) 927-1596.

Providing Employment Opportunities for Transitional Workers

Central Texas Workforce Development Board

- Professional Contract Services, Inc. (PCSI) collaborated with the Central Texas Workforce Development Board to meet the workforce needs of the local area.
- They utilized the workforce centers for on-going hiring activities i.e., recruiting, interviewing and testing of applicants for their non-profit military diner/food service business.
- PCSI has hired and trained over 150 TANF/Choices Program and Food Stamp Employment and Training Program clients with starting wages of \$7.36 per hour.
- PCSI strives to be the premier employer of people with disabilities and others with significant social barriers.
- All new hires are full-time employees with medical, retirement and vacation benefits.
- Employee turnover rate is very low and job satisfaction is high.
- On a limited basis, they provide transportation to and from the work locations using five vans and drivers provided by the company.

For more information please contact Ms. Vanessa Ferguson at (254) 501-3219

Providing Employment Opportunities for TANF/Choices Adults Tarrant County Workforce Development Board

- Advantage Logistics has partnered with the Tarrant County Workforce Development Board – Workforce Solutions for Tarrant County.
- They are the nation's largest grocery distributor and expanded to Fort Worth in October 2003.
- Approximately 25 TANF/Choice program participants were trained and hired.
- New hires received extensive on-the-job training i.e., fork lift, pallet jacks, and acquired a proficiency equipment license.
- The store manager is committed to work with the Workforce Center in Tarrant County to hire new workers which has contributed to the economic development in the local area.

For more information please contact Mr. Mike Neubauer at (817) 922-8754.

Providing Employment Opportunities for TANF/Choices Adults

Middle Rio Grande Workforce Development Board

- Applebee's Restaurant partnered with the Middle Rio Grande Workforce Board and the business services units.
- They utilized the Maverick Workforce Center for application screening, interviews, computers and other equipment for processing all the new hires, and orientation of the new employees.
- 142 TANF/Choices and Food Stamp Employment and Training clients were hired. This is a on-going effort to provide job opportunities.
- They offer work skills training and flexible work hours to employees.

For more information please contact Mr. Rogelio Martinez at (830) 773-0388.

Texas Workforce Investment Council
1100 San Jacinto, Suite 100
Austin, Texas 78701
(512) 936-8100
www.governor.state.tx.us/divisions/twic