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Governor



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November 10, 2005

TO: Robin Arnold-Williams, Secretary
Department of Social and Health Services

Earl Hale, Executive Director
State Board for Community and Technical Colleges

Karen Lee, Commissioner
Employment Security Department

Victor Moore, Director
Office of Financial Management

Juli Wilkerson, Director
Department of Community, Trade, and Economic Development

FROM: Christine O. Gregoire, Governor

SUBJECT: DIRECTIVE TO IMPLEMENT WORKFIRST REFORM

MISSION STATEMENT

WorkFirst has helped tens of thousands of Washington families build better lives, and it is our job to take action to keep the program strong and able to help a large number of families in the future.

I bring two core principles to guide me in the task of making WorkFirst more effective and sustainable:

1. WorkFirst will provide, and in some cases improve, common-sense supports to WorkFirst parents so that they can find and keep jobs. These supports will include continued subsidized childcare for every client. Parents can't go to work if their children aren't safe.

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2. WorkFirst parents will take advantage of these supports and participate in the program, which is designed to help them find and keep jobs. Those who can work will work or lose the financial support offered by WorkFirst.

We must be better at helping WorkFirst parents get jobs, and do more to help them get the education and training they need. We also must be sensitive to special barriers some parents may face, and rely on assistance from faith-based and community groups where we can.

At the same time, I believe that working is good for families and society. It brings self-respect and purpose to families, and it gives children a sense of security. Work is not just a way to break the cycle of poverty; it gives a family dignity and hope.

BACKGROUND

Washington State began WorkFirst, also referred to as the Temporary Assistance for Needy Families (TANF) program, in August of 1997. The program's goal was and remains economic independence for low-income Washington families. It has been very successful, helping more than 156,000 low-income families leave welfare by requiring those who can to participate in work-related activities.

The program's funding base, comprising federal and state dollars, has not increased since its 1997 appropriation. In addition, a substantial amount of WorkFirst funds were removed over time to be used for other needed social services.

The program faces a significant shortfall of nearly \$100 million for the remainder of the biennium. Although funding has not grown, costs, such as staff salaries and office leases, have increased steadily. We were just notified by the federal Department of Health and Human Services that Washington will receive a bonus of \$9 million for its success in workforce and childcare affordability and quality, reducing the shortfall to approximately \$91 million for the 2005-2007 Biennium.

This past summer, I commissioned the first review since the program began. The WorkFirst Re-examination Workgroup presented me with a set of recommendations to improve Washington's welfare program and make it financially sustainable. I appreciate the tremendous efforts of the workgroup and its leader, David Harrison. The workgroup did everything I asked: they used data to assess the current program; they identified system improvements; and they proposed changes in policy, practice and services that could be made within current funding. As you know, the workgroup also recommended that if additional resources became available, I should request funds to restore some of the recommended cuts.

During its review of WorkFirst, the workgroup actively sought input from a wide array of stakeholders, concerned citizens, and non-profit organizations. Based on that feedback, as well as my requests for additional information, their initial recommendations underwent several revisions and were submitted to me on October 6, 2005. After my review, I asked for an extended public review period to gain additional comments on the recommendations. More than 350 individuals and organizations responded. In addition, meetings with members of the minority communities and other interested stakeholders were conducted.

It is clear to me that we must take steps to keep WorkFirst able to serve those who need the assistance.

FUNDING

I will request the Legislature restore approximately \$50 million in the supplemental budget of the state funds that have been removed from the “welfare box” so that the program can successfully accomplish its goals of helping families become self-sufficient.

To use the funding wisely and carry out my core principles, I am directing you to adopt and put in place the following:

GOAL

Improve the ability of families to achieve economic self-sufficiency sooner; ensure the program is financially secure; and provide a framework for continuous program improvement through enhanced accountability and performance.

VALUES

1. Work is the best avenue to break the cycle of poverty for families.
2. Parents have a responsibility to take good care of and provide for their children.
3. The community, with the support of the state, has a responsibility to help low-income families achieve economic self-sufficiency.
4. Every citizen in the state has the responsibility for the safety of our children.
5. We all must be accountable in carrying out our parts of the program if we are to achieve success.

REFORMS

- 1) **Provide needed services.**
 - a) *Maintain the current eligibility and co-pay for subsidized childcare.* While families are at work, they need to provide healthy, safe childcare for their children. All childcare is an early learning opportunity to ready our children to learn and be successful when they enter kindergarten. Our state is known for its leadership in providing childcare to low-income families. As I mentioned, the federal government granted our state a bonus for its support of childcare last year.

- b) *Expand education and training opportunities.* Education and training have been limited to 22 weeks. For some parents, this is simply not sufficient to allow them to be job-ready. Implement training and educational opportunities for up to one year for a limited number of clients whose assessment indicates this will help them better achieve success.
- 2) **Improve WorkFirst program policies and practices.**
- a) *Improve the client evaluation, assessment, and referral process.* The best time to help a family is the minute they arrive to apply for WorkFirst assistance. At that time, there should be a coordinated, complete evaluation and assessment. Speed up referrals to job search within 30 days of starting WorkFirst and complete a timely evaluation of unemployment insurance eligibility. These actions can keep families off of or reduce the time they need financial assistance.
 - b) *Improve the effectiveness of Diversion Cash Assistance.* This program is intended to meet one-time emergency needs of families with the intent of helping them to stay off WorkFirst. Review the program and studies from other states to verify the effectiveness of it in our state.
 - c) *Improve child support collections.* Consistent and adequate child support payments can avoid the risk of a family not being financially self-sufficient. Review the specific recommendations of the workgroup.
 - d) *Develop and implement a plan for a non-compliance sanction to be imposed after six months of non-participation.* This does not apply to those families where the parents cannot work or where the parent is absent. It does apply to those who fail or refuse to participate in training, education, or job search and is intended to be a full sanction. Make certain you do the following as you develop the sanction:
 - i) Immediately review all families that could be subject to sanction to ensure the state and its contractors have fulfilled their responsibilities to evaluate, assess, and refer parents equitably and fairly, and implement any resulting individual and programmatic improvements. This is intended to ensure the state and community are doing all they should to help families achieve economic self-sufficiency before implementation of the sanction policy.
 - ii) Before applying a non-compliance sanction in an individual case, review the decision so it is not made by a single individual.
 - iii) Conduct a child safety review prior to imposing a non-compliance sanction to assess the welfare and protection of the child or children and develop appropriate steps. They may include assuring that other public benefits such as food stamps and Medicaid are maintained, potential use of protective payee services, and accessing other community resources.
 - iv) Establish mechanisms to consistently apply sanctions, address the consequences of societal issues like domestic violence and cultural barriers, and examine the issues of racial or ethnic disproportionality.
 - v) Have an independent third party review the plan prior to implementation and periodically thereafter.

- vi) Work with community and faith-based organizations to help those who are at highest risk of sanction.
 - e) *This plan should be implemented beginning May 1, 2006.* Do not implement time limits at this time. With proper implementation of non-compliance sanctions, there should be no need for time limits.
- 3) **Increase accountability from the state and contractors.**
- a) *Use Government Management, Accountability and Performance (GMAP) to oversee the program at all levels.* Establish new program-wide performance measures for all partners (state and local), which focus on transitioning eligible parents to employment. Improve communication and collaboration with partners at the local level. Improve consistency of policy application across the state. The Office of Financial Management will be the lead.
 - b) *Maintain funding for contracts that provide services to help parents get and keep a job.* Hold contractors accountable for the right services delivered at the right time with the right results. Taxpayer dollars should be spent on programs that we know work and will bring measurable success.
 - c) *Work closely with community partners to improve the program's effectiveness.* Periodically meet with our partners to review policies, procedures, and results to better serve children and families.

CONCLUSION

Despite its success, Washington's WorkFirst program can do better. It needs reform, a renewed sense of mission, and additional funding to get it back on track. I am confident that you will do your part to carry out this directive. Children, their parents, and society as a whole deserve no less.

bcc: Re-examination Workgroup