



THE POLICY PAGE

An update on state and federal action from

The Center for Public Policy Priorities

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"Diversion" Ruling to Add Hurdles to Applying for TANF Assistance

On July 18th the Texas Department of Human Services (TDHS) considered and adopted as a proposed rule a significant change to TANF¹ cash assistance eligibility policy. The proposed rule would require that all applicants for TANF assistance attend a "work orientation" session at the Texas Workforce Commission (TWC) to become eligible for assistance. Although the discussion of this issue caused discomfort for many legislators during the Legislative Session, the TWC appropriation contained funding to implement the policy. And, the TWC Commissioners and the Governor's office have been moving quickly to initiate the policy. Because it requires a change to TANF eligibility—which is under the jurisdiction of TDHS—the policy must be approved by the TDHS board. TDHS' Client Self Support Services

Advisory Committee voted unanimously against this rule, and all public testimony at the hearing opposed it. Despite serious questions and concerns raised by the board members themselves and the inability of TWC staff to provide convincing evidence of how this policy would promote a transition to employment, the board, with one abstention, voted to proceed with posting the rule in the Texas Register as proposed. It is critical that TDHS board members hear from advocates and service providers about the problems with such a policy. Information about where to direct your communications is provided at the end of this policy page. What follows is an excerpt from testimony presented to the board by the Center's Associate Director, Patrick Bresette.

Center for Public Policy Priorities Testimony before the TDHS Board Requirement to Attend a Career Opportunity Orientation as a Condition of Eligibility in the TANF Program.

Good morning. Thank you for the opportunity to testify before you today. The Center for Public Policy Priorities is a not-for profit research and policy analysis organization dedicated to improving policies and programs that impact the lives of low-income Texans. We are an office of the Benedictine Resource Center.

This is a difficult policy on which to testify. The concept of requiring a "work" orientation of applicants seems so simple and so reflective of the new world of "welfare-to-work". It even seems like something that would be a benefit to clients. However, I believe the concept of "diversion" is more a reflection of the rhetoric of welfare reform than the reality. No available data supports the notion that clients make a more successful and lasting connection to the labor force through such a requirement. Rather, we are about to join a number of states basing this experiment on only the flimsiest of short term findings obscured by larger caseload trends. Before you accept this major change to the eligibility policy I urge you to carefully examine the premises of the proposal.

As board members of this department you are the final arbiter of rules and regulations that will directly impact the lives of thousands of the poorest of the poor in this state who turn to the department for assistance in times of great need. You are the safety net. Ultimately we all

hope this safety net will lead to a successful transition to employment and self-support. But the first step is meeting basic human needs. The proposed rule you are considering changes that first interaction significantly.

Examine the Assumptions

Work not Welfare: Just what are we proposing to divert clients from and to? The language choice alone suggests that recipients come to the department seeking only a handout and they must now be told to look for work. This assumption is not supported by the facts. More than half your clients have experienced a cycling in and out of unstable low-wage work and receipt of benefits. Lets face it, even a part time job at minimum wage pays better than the meager cash assistance we provide. Most clients come to you having recently lost work, failed to find employment, been abandoned by the father of their children or are experiencing a crisis of some sort. Nearly all would prefer work over welfare.

Caseload Reduction as a Goal: So what is the goal of diversion? In the TWC materials a stated goal is a reduction in the caseload of up to 10%, based on an assumption that some portion of clients will find work through this process and others will opt out entirely. While I question those predictions outright, more

dangerous still is the very concept that a reduction in caseload is a measure of success. Consultants are already orbiting state agencies here and around the country promising 5%, 10%, 15% reductions in caseload if only this or that policy or sanction is implemented. These are not percentage points on someone's profit margin they are human beings who may have been "diverted" but will be no better off economically. The true measure of success must only be escape from poverty through work that pays a living wage. Texas has nearly twice the number of working poor families with children – 432,000² – than families receiving cash assistance – 230,000³. A myopic focus on diversion and caseload reduction will only swell the ranks of the working poor. Is this success?

Diversion is No Added Burden for Clients: Perhaps this seems like it should be no big deal to comply with this requirement. I hope each of you has had, or will have, a chance to visit one of your eligibility offices to see the mothers and children waiting there to be assisted. Ask them what it required for them to get there and how prepared they must be. Transportation, child care, and appropriate documentation must all be orchestrated. It is often an heroic undertaking. My wife directs a family violence shelter that serves three rural counties east of Austin. Recently she noticed a client walking the road in front of the office with her children for several days in a row. When the woman came in for an appointment later it was discovered that she was a JOBS participant but that the new TWC offices were outside the city limits, not served by the city bus. She was walking three miles to get to her JOBS classes. The TDHS office was downtown. Across the state this "de-co-location" of TDHS and TWC offices is creating similar transportation barriers. The new "diversion" initiative will exacerbate this problem.

Clients Will Benefit from the Work Orientation Sessions: For six months I have been trying to get a picture of just what will be provided to clients in these sessions and why I should believe it is a "value added" service. I am not yet convinced. TWC materials suggest that the sessions will "emphasize the message of personal responsibility, fully explain time limits, provide an early exposure to the world of work, etc." TDHS already provides detailed explanations of time limits and the personal responsibility agreement in their eligibility offices. "Exposure to the world of work" seems a generous description of what is planned to be 2 hour group sessions of 25 clients each, running all day every day in order to funnel 30,000 clients a month through this new process. Rather than being the one-on-one assessment and referral process that could truly benefit clients this process runs the risk of being about as enlightening as a ticket dismissal class. I urge you to assess the actual – and probable –

content of these "orientation classes" and look beyond glowing descriptions of their value to clients.

Recommendations

Those of you used to seeing me here know that I do not criticize policy proposals without offering alternatives. Here they are:

Test This Change First. The zeal to join the welfare-reform-of-the-month-club can cause real hardship to poor families. If the state is so sure that this change will be effective and will benefit clients then it ought to be willing to prove it. Responsible implementation of policy changes of this magnitude demand pilots and evaluations.

Provide Orientation at Eligibility Offices. If these orientation classes are so important provide them at eligibility offices. What better example of a partnership between TWC and TDHS. It sure seems easier to move teams of TWC trainers than create yet another transportation hurdle for thousands of poor mothers. Additionally, Rider Number 38 on TWC's appropriation clearly states that any such work registration or orientation should be provided at TDHS eligibility offices to the extent possible.

Require Orientation by First Review. Rather than require the orientation class before eligibility when many women seek assistance out of desperation or when they're in crisis, make the session a requirement by the first recertification (six months) and include actual one-on-one assessment and referral to services. Much more could be accomplished this way than through the proposed 2 hour sessions.

Screen Carefully for Applicability. There are certain applicants for whom such a requirement will be inappropriate. For example, some process should be developed to exempt or delay the requirement for mothers with newborns, those with emergency needs for assistance, those caring for ill or disabled household members, victims of domestic violence and for those who may be very illiterate or marginally disabled.

Solve the Transportation Equation. Either exempt clients for whom transportation will be a significant barrier or find creative ways to provide transportation. Or, as mentioned above, provide the classes in eligibility offices.

Ensure Benefit to Clients. Program rules should be developed to ensure that any orientation design actually be beneficial to clients, that it not only duplicate the training provided at eligibility offices and that it begin an actual process of evaluation and referral for services. Otherwise it will be doomed to become the TANF ticket dismissal program.

Support Services. For those who may actually begin the transition to work after the orientation sessions it will be essential to provide adequate support services such as child care, transportation, and job retention assistance. Do not force mothers to make untenable choices between rent and food, between leaving children alone and meeting yet another requirement for assistance.

Automate Compliance Reporting. Eligibility caseworkers will have to process an applicant's joint application for TANF, Food Stamp and Medicaid, but will

"pend" the application for TANF until proof of attendance to the orientation session is provided. Certainly this could be an automated process so that clients do not have to return to the eligibility office merely to show proof of their attendance. There should be some way for TWC to provide TDHS with notice of compliance in an automated fashion so that a client will simply have their benefits "turned on" once they have complied with the requirement.

Better Yet: An Alternative Proposal

TWC is concerned that many clients who receive notices about their requirement to attend JOBS classes are not responding or not taking the requirement seriously. They have already convinced TDHS to agree to an automatic one-month sanction for non-compliance. Part of their stated reason for promoting diversion is to force on clients the realization that they must take seriously the duty to seek services that will enable them to find work.

Rather than the problematic "diversion" proposal, we propose the following options (or some combination thereof):

- ★ Allow TDHS to do the orientation as part of the eligibility process so that clients do not have to travel to another office. TDHS workers could use TWC materials or TDHS and TWC could jointly develop training materials to ensure there is an adequate link to, and information available about, TWC services.
 - ★ Require TWC staff to conduct their orientations in TDHS eligibility offices using their own materials or jointly developed materials (as discussed above).
 - ★ Develop exemptions as proposed in testimony above.
- The details of these concepts need to be worked out but they could provide better options than the current proposal.

How to Comment on the Proposed Rule

As of the date of this Policy Page, the proposed rule had not been posted in the Texas Register. Once it is posted there will then be an official 30 day comment period. However, you do not have to wait for the posting to make your comments. Send a letter with your comments to:

Sharon Brown
TDHS MC E-205
P.O. Box 149030
Austin, TX 78714-9030
(she handles the Texas Register material I believe)

Terry Trimble
Acting Commissioner
TDHS, MC W-619
P.O. Box 149030
Austin, TX 78714-9030

Send individually addressed letters to each board member at same address as Terry Trimble:

TDHS Board Members:

David Herndon, Chair
Carlela K. Vogel, Vice Chair
Bill Jones

Anchi Ku
Elizabeth D. Seale
Carole Woodard

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¹ TANF= Temporary Assistance Needy Families; replaces Aid to Families with Dependent Children

² Census Bureau, March Current Population Survey Data, 1994-1996

³ TDHS caseload estimates 1996.