

ECONOMIC SERVICES ADMINISTRATION
Two-Parent Work Participation



2015-17 BIENNIAL BUDGET

Request	FY16	FY17	15-17
FTE	9.7	9.7	9.7
GF-State	\$11,040,665	\$11,040,665	\$22,081,330
Total	\$11,040,665	\$11,040,665	\$22,081,330

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding and FTEs in order to support an increase in work participation requirements for both parents in a Temporary Assistance for Needy Families (TANF) two-parent family. By funding this request, ESA is expected to increase work participation rates for Washington’s TANF program and increase the likelihood of two-parent families achieving self-sufficiency and ending their dependence on public assistance benefits.

PROBLEM STATEMENT

Under federal TANF rules, adults in a family receiving a TANF grant are required to participate in activities that are intended to move the family to self-sufficiency. Each state must meet two participation rate targets (‘all family’ and ‘two-parent families’) as measure of its success in engaging adults in required activities.

Washington currently requires the parents in a two-parent TANF family to have at least 35 hours of participation per week. A household can choose to have one parent opt out of participation provided the other parent agrees to participate 35 hours per week or both parents can split the 35 hours per week participation requirement.

Washington State has not been achieving the federally required TANF work participation target rates for the two-parent family caseload. A review of work participation data shows that while sufficient numbers of TANF two-parent families are engaged in activities, not enough parents in these families are participating enough hours to meet participation requirements.

A state’s failure to meet federal TANF work participation requirements results in a penalty to the state. In the first year that a state fails to meet both rates or fails just the ‘all family’ rate, the penalty is 5 percent of the federal TANF Block Grant for that year. For Fiscal Year 2013, this would be a penalty of approximately \$14.6 million. If a state fails only the two-parent target, the penalty is reduced to the ratio of the two-parent caseload compared to the all family caseload. For Fiscal Year 2013, this penalty would be an estimated \$1.5 million. The penalty amount increases by 2 percent with each successive year of failure, up to a maximum of 21 percent of the federal TANF Block Grant.



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ECONOMIC SERVICES ADMINISTRATION
TANF Two-Parent Work Participation Increase



2015-17 BIENNIAL BUDGET

PROPOSED SOLUTION

Beginning July 1, 2015, work participation requirements for each parent in a two-parent TANF household will increase to full-time (32-40 hours per week). Unless exempt, both parents will be required to participate at 32-40 hours per week.

The estimated annual costs of this proposal are for additional costs for serving these parents:

WorkFirst Services	\$5,577,000
Child Care	\$4,727,000
Staffing	\$737,000
Estimated Total Costs	<u>\$11,041,000</u>

Staffing requirements include contacting parents who had opted out of the two-parent participation requirement, developing Individual Responsibility Plans (IRP) for them, tracking their participation and referring to services and child care. Should these parents choose not to comply with the new participation requirements, staff would need to initiate sanction procedures.

Additional WorkFirst services funding will be used to provide supports such as transportation, work clothing, and tools to parents who are required to participate under this proposal. These services remove barriers to employment or participation. Based on the results of ESA’s comprehensive evaluation, services will also be available to help clients look for work and get job experience or education. With both parents engaged, child care will also be available to these two-parent households. This is the same array of supports and services that all WorkFirst parents receive in order to support their efforts toward self-sufficiency. Without providing these supports, it is not feasible to require parents who are not currently required to participate to do so.

EXPECTED RESULTS

The budget request supports DSHS Goal 4 and ESA’s Strategic Objective 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life. This request supports the Results Washington goal to help the most vulnerable people become independent and self-sufficient.

The outcome of this decision package will be to support needy TANF families as they move toward self-sufficiency and end their dependence on public assistance. It will also increase the likelihood that the two parents will meet the all-family and two-parent federal participation requirements.

STAKEHOLDER IMPACT

The advocate community may not support this initiative due to the additional requirements on WorkFirst families as outlined above.



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