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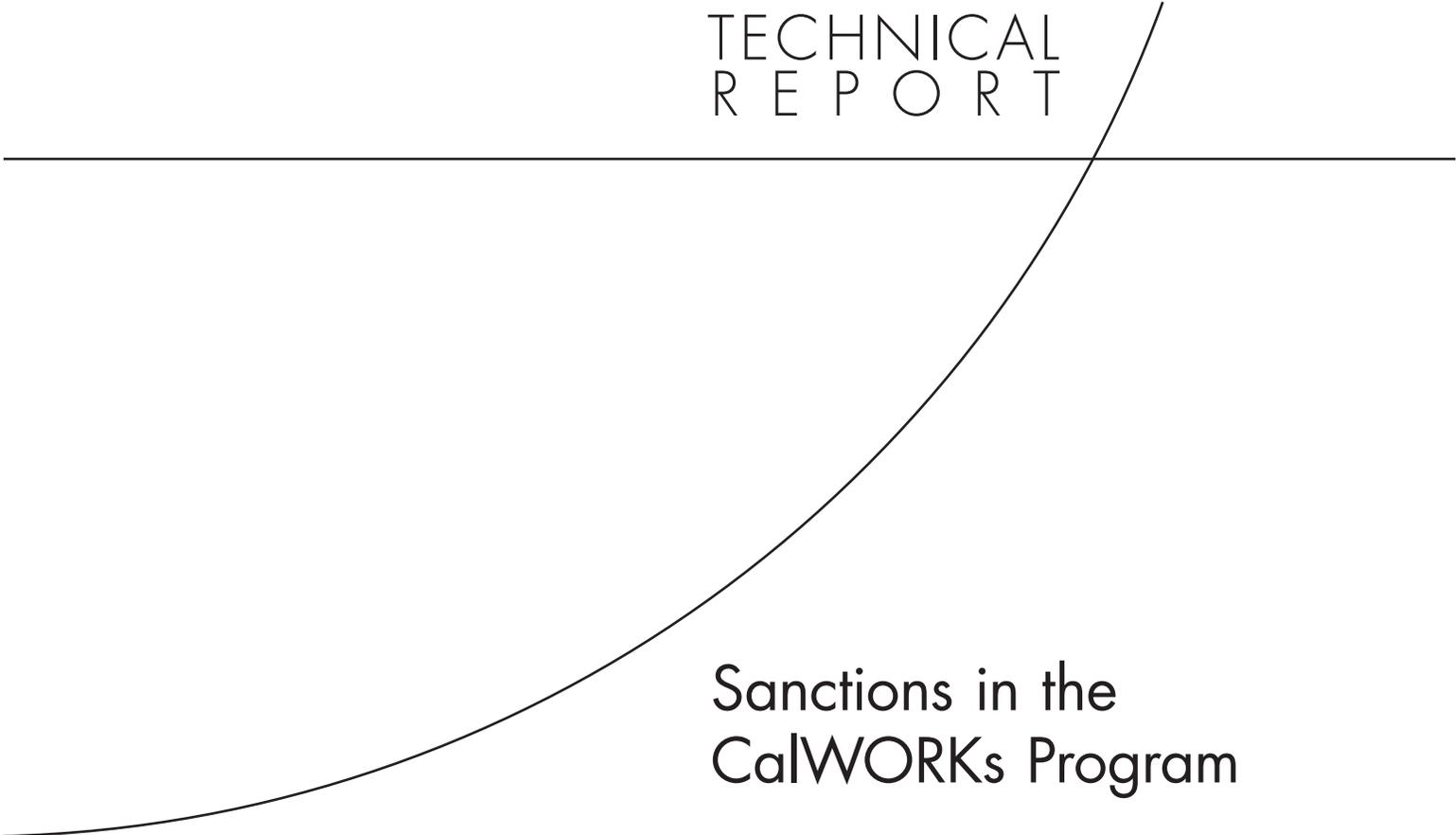
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R E P O R T



Sanctions in the CalWORKs Program

Jacob Alex Klerman, Jane McClure Burstain

Prepared for the California Department of Social Services



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Preface

California Governor Schwarzenegger's January 2004 budget proposed significant changes to California's welfare program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The proposed changes included tightening the participation requirement and increasing the sanction for noncompliance. The legislature adopted a modified version of the proposed changes to the participation requirement, but did not adopt the proposed reforms to sanction policy. Instead, California SB 1104 ("Budget Act of 2004: Human Services," chaptered August 16, 2004) requested a study of the following:

CalWORKs sanction policy, its implementation, and effect on work participation, including, but not limited to, all of the following research issues:

- 1) *The characteristics of the persons being sanctioned.*
- 2) *The reason participants are being sanctioned.*
- 3) *The length of time in sanctioned status.*
- 4) *Positive and negative sanction outcomes.*
- 5) *Adequacy of procedures to resolve noncompliance prior to the implementation of sanctions.*
- 6) *County variances in sanction policies, rates, and outcomes.*
- 7) *The relationship between sanction rates and work participation.*
- 8) *The impact of sanctions on families and their ability to become self-sufficient.*

To help fulfill this statutory requirement, the California Department of Social Services (CDSS) contracted with RAND to study CalWORKs' sanction policies and their effects.

This document reports the results of that study. As is discussed in detail in the body of the report, the results of the analysis provide considerable information to address the first six questions. The analysis provides little California-specific information on the last two questions.

This document should be of interest to those trying to understand, implement, or change the CalWORKs program and more generally to those interested in the operation of welfare-to-work programs.

For more information about this project, see <http://www.rand.org/CalWORKs> or contact:

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This research was undertaken within RAND Labor and Population. RAND Labor and Population has built an international reputation for conducting objective, high-quality, empirical research to support and improve policies and organizations around the world. Its work focuses on labor markets, social welfare policy, demographic behavior, immigration, international development, and issues related to aging and retirement with a common aim of understanding how policy and social and economic forces affect individual decisionmaking and the well-being of children, adults, and families.

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Summary

Introduction

Since the implementation of California's Greater Avenues for Independence (GAIN) program in the late 1980s, the state's welfare programs have provided—in addition to cash assistance—welfare-to-work (WTW) services to help current recipients find employment, achieve self-sufficiency, and leave welfare. By statute, these programs are mandatory, and most recipients must participate. Also by statute, if recipients do not participate, their welfare benefit is reduced. This reduction in the welfare benefit is known as a “sanction.”

California Governor Schwarzenegger's January 2004 budget proposed significant changes to California's current welfare program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The proposed changes included tightening the participation requirement and increasing the sanction for noncompliance. The legislature adopted a modified version of the proposed changes to the participation requirement but did not adopt the proposed reforms to sanction policy. Instead, California SB 1104 (“Budget Act of 2004: Human Services,” chaptered August 16, 2004) requested a study of the following:

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- 6) *County variances in sanction policies, rates, and outcomes.*
- 7) *The relationship between sanction rates and work participation.*
- 8) *The impact of sanctions on families and their ability to become self-sufficient.*

To help fulfill this statutory requirement, the California Department of Social Services (CDSS) contracted with RAND to study CalWORKs' sanction policies and their effects. This report documents the results of that study.

For this Summary, we group these research issues into three broad categories. Issues 2, 5, and 6 concern the implementation of sanctions. Issues 1, 3, 4, and 6 concern the sanctioned population and time under sanction. Issues 7 and 8 concern the effect of sanctions. The available data for California did not support an analysis of the effect of sanctions; however, we do report evidence based on the experience of other

states' sanction policies. A final section of the Summary discusses several possible changes to sanction policy and practice.

California's Current Sanction Policy

With the advent of welfare reform in the 1990s, most states streamlined the process for imposing a sanction and, upon sanction, terminated the entire welfare benefit (this is known as a "full family sanction"). Like many other large states, however, California retained a sanction policy that only eliminates the adult from the aid unit. Payments to the recipient's children continue. In 2005, for a family of three in which the adult is in sanction, the monthly welfare benefit drops \$139, or 19 percent, from a base of \$723.

In addition, California retained much of its pre-CalWORKs protections of clients at risk of sanction. When a client fails to attend a WTW activity, the county welfare department (CWD) is required to mail the client a formal notice. That notice, the NA 840, performs three functions. First, it informs the client that the CWD believes that the client has not complied with program requirements. Second, it informs the client that in the absence of some other determination, the client's welfare benefit will be reduced.

Third, the notice informs the client of steps he or she can take to avoid the sanction. The client may claim "good cause." Good cause consists of some reason why the client could not reasonably have been expected to have attended the WTW activity (e.g., own illness, illness of the child, short-term childcare or transportation issues). If such good cause is granted, the client is scheduled for the next appropriate WTW activity; there are no consequences of the initial noncompliance. Alternatively, the client may sign a Compliance Plan, which specifies what the client must do to avoid a sanction. Noncompliance with the terms of the Compliance Plan, without "good cause," results in immediate sanction. Completion of the terms of the Compliance Plan again returns the client to the original WTW Plan. The client's welfare benefit is restored. Subsequent noncompliance may again be addressed by claiming good cause or entering into another Compliance Plan.

Implementation of Sanctions in California's Counties

To understand the implementation of sanctions in California, we conducted a multi-method qualitative data collection effort. We began with a review of the applicable legislation, regulations, and secondary literature. We then visited six counties (Los Angeles, Orange, Sacramento, San Bernardino, San Joaquin, and Santa Clara), interviewing senior CalWORKs staff and caseworkers. We also spoke to other knowledgeable observers: CDSS staff, Administrative Law Judges (ALJs), advocates (representing recipients), and the senior staff of the California Welfare Directors Association (CWDA). To broaden our perspective, we surveyed the leadership of county welfare departments in each of California's 58 counties (the All County Sanction Survey, ACSS). Fifty-six counties, with over 99.9 percent of the state's welfare caseload, responded. This qualitative effort was also used to explore the reasons sanctions are imposed.

The Statutory Noncompliance Process in Practice and How It Varies Across Counties

Our fieldwork suggested that county welfare caseworkers' implementation of the state's statutory sanction policy¹ makes sanctions weaker in practice than might have been expected given stated policy. Our qualitative field work suggests that both caseworkers and higher-level CWD employees are strongly reluctant to sanction clients. State regulations call for mailing the NA 840 form at the first instance of noncompliance. However, we found that CWD caseworkers gave clients multiple opportunities to comply before sending the NA 840. Only when the client did not contact the caseworker or when multiple reschedulings of the WTW activity did not yield completion of the activity would a caseworker send the NA 840.

Caseworkers gave two explanations for not immediately sending the NA 840 to noncompliant clients. First, caseworkers believe that a cooperative relationship with a client is likely to be more successful than a confrontational relationship. They explain that a successful caseworker-client relationship requires building trust so that a client will share his or her goals, fears, and barriers. Then, the caseworker and client can work together to address the fears and barriers preventing the client from complying.

Second, caseworkers perceive the statutory noncompliance process to be burdensome. Given that caseworkers are busy, they find that rescheduling clients often requires less work than does proceeding with the sanction. Some counties have changed processes to make it easier for the caseworker to sanction (e.g., changing the computer default so noncompliance results in an NA 840 unless the caseworker makes some other entry, shifting some of the effort of sanctioning to specialized caseworkers). Doing so appears to increase the incidence of sanctions.

The way sanction policy is currently implemented in California's counties means that there is usually a lag of many months from initial noncompliance to sanction and, ultimately, to the client's receiving a reduced welfare payment. In our fieldwork, we heard concerns that these multiple opportunities to participate and the long lag from initial noncompliance to sanction lessens the ability of the threat of sanction to induce compliance.

Furthermore, in our fieldwork we heard concerns about the size of the sanction and its ability to induce participation. The participation requirement is 32 hours per week (i.e., 138 hours per month at 4.33 weeks per month). For a family of three, not participating in WTW activities results in a sanction that lowers the monthly welfare benefit by \$139. This reduction implies that clients receive about one dollar in additional welfare benefits for each hour of WTW activity. Alternatively, at California's then current minimum wage, a client could earn the foregone welfare benefit by working "under the table" about five hours per week.

Finally, we found that the implementation of sanction policy varies widely across California's 58 counties. In some counties, caseworkers are quicker to sanction cases; while in other counties, caseworkers are much slower to sanction cases. Differences in standard operating procedures (e.g., computer defaults, staffing structures) appear to account for some of this variation.

¹ We use the term "statutory noncompliance process" generically to refer to the state-specified noncompliance process. Some of that process is directly mandated by statute, some of that process is mandated by regulations that are authorized by statute, and some of that process is strongly recommended by CDSS policy statements (e.g., ACL 03-59)—deriving authority from the power granted to CDSS by statute.

Reasons for Sanction

In our qualitative fieldwork, we heard evidence for four causes of noncompliance and sanction:

1. **True short-term good cause:** Some noncompliance is due to the short-term barriers to participation (e.g., own illness, transportation breakdowns, childcare issues). The CalWORKs program excuses such noncompliance as “good cause.” The NA 840 process is intended to provide clients with a chance to claim good cause and thereby avoid the sanction.
2. **Serious barriers:** Good cause is by definition short term. Some clients face serious long-term barriers to participating in required WTW activities. Some of those barriers are cause for an exemption (e.g., remote location, young child). For other barriers (e.g., learning disabilities, mental health, substance abuse, domestic violence), the CalWORKs program offers specific programs to remove the barriers.

In the CalWORKs program model, the Orientation/Appraisal process is designed to identify such serious barriers. When a new CalWORKs case is opened, the client is required to participate in a group Orientation followed by Appraisal, an approximately half-hour one-on-one meeting between the client and the caseworker. At this Orientation/Appraisal activity, the caseworker should explore whether the client is exempt from participation in any WTW activity and whether the client has serious barriers that need to be addressed before the client can participate in regular WTW activities. The Orientation/Appraisal activity is also the opportunity for the caseworker to identify whether the client is already doing something that would qualify as a WTW activity (e.g., work or school) and whether the client needs childcare and transportation to participate in a WTW activity. Finally, note that the NA 840 process provides another opportunity for a noncompliant client to claim a serious barrier.

3. **Imperfect casework:** Some people are incorrectly deemed noncompliant and placed in sanction. Such mistakes take three forms. First, caseworkers can make errors. For example, sometimes caseworkers send notices that are incomplete, or in the wrong language, or to the wrong address. Sometimes caseworkers do not arrange childcare and transportation for clients that need them in order to participate in a WTW activity. Sometimes caseworkers do not grant justified good cause or do not identify legitimate exemptions.

Second, noncompliance with Orientation/Appraisal is common. Many clients fail to attend the meeting at which the crucial information could have been conveyed to the caseworker. As a result, the determination of noncompliance and sanction may be incorrect, even though the caseworker did not make an error.

Third, even when the clients do attend Orientation/Appraisal and later meetings, they do not always disclose the reasons why they have trouble meeting the work requirements (e.g., learning disabilities, substance abuse, mental health, domestic

violence). Again, the determination of noncompliance may be incorrect, even though the caseworker did not make an error.

4. **Willful noncompliance:** Even with appropriate casework and without good cause or serious barriers, some clients simply do not participate in WTW activities.

Almost every observer we interviewed acknowledged the importance of each of these four causes. For making policy, we need to understand which ones are most common. Unfortunately, the available evidence in this regard is limited. The best available evidence on the relative importance of these causes comes from CWD home visit programs that, among other things, attempt to determine why sanctioned clients are noncompliant with work activities. Home visits are usually sympathetic to clients, and home visit caseworkers usually receive additional training in the identification of serious barriers to work activities, such as mental health problems, substance abuse, learning disabilities, and domestic violence. Thus, home visits are likely to identify cases in which good cause, serious barriers, or caseworker error lead to noncompliance.

The available evidence precludes a precise quantitative estimate of the fraction of sanctioned clients who are noncompliant for reasons of good cause, caseworker error, or serious barriers, but our fieldwork suggests that home visits would induce roughly a quarter of clients sanctioned more than a few months to come back into compliance and thus end their sanction. Our fieldwork suggests, however, that even after an intensive and sympathetic home visit, the majority of clients in sanction will remain in sanction. We infer from this evidence that willful noncompliance is an important cause of noncompliance overall. We caveat this conclusion by acknowledging that the home visit programs we analyzed visited far from all sanctioned clients.

Characteristics of the Sanctioned Population and Time in Sanction

To understand who is sanctioned and how long they spend in sanction, we analyzed several administrative data sets, most notably the Welfare Data Tracking Implementation Project (WDTIP) matched to data from the Medi-Cal Eligibility Data System (MEDS) and the Employment Development Department (EDD).

Sanction Prevalence and How It Varies Across Counties

We computed sanction rates using CWD filings with CDSS (specifically, the WTW 25). According to these data, about one in five adult participants is in sanction. Many more have received an NA 840, but have not yet been sanctioned. Based on our fieldwork, we estimate that at a given point in time more than a third of the caseload is either in sanction, has been deemed officially noncompliant (i.e., received an NA 840), or has not participated in a required WTW activity but was rescheduled to do so (with no NA 840 being sent). Sanction rates are slightly higher among one-parent cases and slightly lower among two-parent cases.

There is considerable variation in sanction and noncompliance rates across California's counties. Several counties have sanction rates below 10 percent; several counties have sanction rates above 25 percent.

Sanction rates nearly doubled between 2000 and 2005. Some of the increase in the sanction rate is likely due to the fact that the overall welfare caseload is falling as clients reach the five-year time limit for receipt of cash assistance.

Our database's matching of MEDS and WDTIP data suggests that those in sanction have characteristics similar to those not in sanction. Whites are slightly less likely to be sanctioned. Asians and blacks are slightly more likely to be sanctioned. Clients under age 25 are less likely to be sanctioned than older clients. The likelihood of sanction increases with time on welfare. Those in sanction are less likely to be employed, but about 10 percent of those in sanction appear to be working enough hours to satisfy the work participation requirement.

Sanction Duration

The WDTIP data suggest that about half of all sanctions end within six months, with approximately equal numbers of those clients either returning to compliance or exiting welfare. Those who remain in sanction past six months are likely to continue in sanction for two or more years. The increase in sanction rates between 2000 and 2005 described above is partly attributable to the accumulation of clients in long-term sanction. Clients in sanction do not accumulate months toward time limits. Thus, once in sanction, a client can remain there until the oldest child becomes an adult.

Effects of Sanction

Data limitations prevented us from assessing the effect of sanctions on work participation and self-sufficiency. However, limited evidence from other states suggests that compliance with participation in WTW activities would be lower in the absence of current sanction policies. Conversely, that evidence suggests that compliance with WTW participation requirements would be higher if sanctions were applied more swiftly and if the sanctions were larger. Evidence from other states also suggests that sanctions lower family income, which could lead to additional material hardship and poorer child outcomes. We emphasize that we have no direct evidence for these effects in California and no estimate of the magnitude of any such effects if they exist.

Reforming Sanction Policy

Our fieldwork suggests three possible directions for reforming California sanction policy and practice. This report describes these three directions—without arguing that California's sanction policy is in need of reform and without advocating any one of these particular directions.

Swifter Sanctions: Under current regulations and county practices, many months can pass between the first instance of noncompliance with WTW requirements and when the client is sanctioned. This delay likely diminishes the incentive effect of sanctions. The delay also has the effect of lowering the official federal work participation rate.

The state and the counties have a number of options for reducing the amount of time between noncompliance and sanction. These options include (1) encouraging

caseworkers to mail NA 840s earlier; (2) shortening the interval during which a client may claim good cause or otherwise reply to an NA 840; (3) requiring prompt performance of the required work activity following a claim of good cause; and (4) eliminating the Compliance Plan phase.

Stronger Sanctions: The home visit studies and our other field work suggest that the majority of clients in sanction are willfully noncompliant. It is possible that if the financial penalty for noncompliance were larger, some of these clients would choose to comply.

Safer Sanctions: A major concern with swifter and stronger sanctions is that clients will be inappropriately sanctioned due to some combination of caseworker error, lack of knowledge of how to remedy the sanction, and the existence of undisclosed serious barriers. As we have noted, some of these causes could be identified at Orientation/Appraisal, but clients frequently fail to attend these activities. One way to address this problem would be to require Orientation/Appraisal before granting cash assistance. This would ensure that every client has been informed of the requirement to participate, how to claim good cause, the possibility of sanction, and how to come into compliance once sanctioned. In addition, this requirement would guarantee that every client has had a chance to claim exemption, to disclose serious barriers, and to claim that current activities (work or school) satisfy the WTW participation requirement.

Home visits offer another approach to minimizing sanctions levied in error. The home visit studies suggest that perhaps as many as one quarter of clients in sanction would return to participation with some additional attention, either because the sanction was in error or because they are now ready to comply but need encouragement or do not know what they need to do in order to comply.

Home visits, however, are very expensive to conduct. A less expensive alternative might be to have a WTW caseworker meet with each sanctioned client during the mandatory in-person annual redetermination meeting. Doing so would ensure that at least once per year each client receives some additional attention from a WTW caseworker. Some counties are already staffing those meetings with WTW caseworkers, with the effect of lowering the sanction rate and, in particular, the rate of erroneous sanctions.

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Acronyms

Symbol	Definition
AB	Assembly Bill
ACIN	All County Information Notice
ACL	All County Letter
ACSS	All County Sanction Survey
ACSS-OER	ACSS Open-Ended Response
AFDC	Aid to Families with Dependent Children
ALJ	Administrative Law Judge
AODP	Alcohol and Other Drug Programs
BSU	Blended Services Unit
CalWIN	CalWORKs Information Network
CalWORKs	California Work Opportunity and Responsibility to Kids
CDSS	California Department of Social Services
CP	Compliance Plan
CPS	Child Protective Services
CQD	Continuous Quality Improvement
CWD	County Welfare Department
CWDA	California Welfare Directors Association
DHHS	U.S. Department of Health and Human Services
EBT	Electronic Benefit Transfer
ECM	Employment Case Manager
EDD	Employment Development Department
FSP	Food Stamp Program
FY	Fiscal Year
GAIN	Greater Avenues for Independence
GSW	GAIN Social Worker

GIS	GAIN Information System
HSA	Health Services Agency
HUD	U.S. Department of Housing and Urban Development
ISAWS	Interim State Automated Welfare System
IT	Information Technology
JOBS	Job Opportunities and Basic Skills
LAO	Legislative Analyst's Office
LEADER	Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting
MBSAC	Minimum Basic Standard of Adequate Care
MDT	Multi-Disciplinary Team
MEDS	Medi-Cal Eligibility Determination System
MH	Mental Health
MPP	Manual of Policies and Procedures (CDSS)
NEWWS	National Evaluation of Welfare-to-Work Strategies
NOA	Notice of Action
OAP	Old Age Pension
PL	Public Law
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
SAWS	Statewide Automated Welfare System
SIP	Self-Identified Plan
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
UW	Unweighted
WDTIP	Welfare Data Tracking Implementation Project
W	Weighted
WPR	Work Participation Rate
WTW	Welfare-to-Work

1. Introduction

Since the implementation of California's Greater Avenues for Independence (GAIN) program in the late 1980s, the state's welfare programs have provided—in addition to cash assistance—welfare-to-work (WTW) services to help current recipients find employment, achieve self-sufficiency, and leave welfare. By statute, these programs are mandatory, and most recipients must participate. Also by statute, if a recipient does not participate, their welfare benefit is reduced. This reduction in the welfare benefit is known as a “sanction.”

California's welfare-to-work program in general and sanction policy in particular were basically stable from 1998 through early 2004. One major exception was additional guidance (ACL 03-59, November 2003, discussed in detail below) that clarified and expanded what a county must do before and after imposing a sanction. During this time the welfare caseload plunged by about half and even many of those who remained on welfare began to work (RAND tabulations from MEDS and EDD data).

California Governor Schwarzenegger's January 2004 budget proposed significant changes to California's current welfare program, the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The proposed changes included tightening the participation requirement and increasing the sanction for noncompliance. The legislature adopted a modified version of the proposed changes to the participation requirement but did not adopt the proposed reforms to sanction policy. Instead, California SB 1104 (“Budget Act of 2004: Human Services,” chaptered August 16, 2004) requested a study of the following:

CalWORKs sanction policy, its implementation, and effect on work participation, including, but not limited to, all of the following research issues:

- 1) *The characteristics of the persons being sanctioned.*
- 2) *The reason participants are being sanctioned.*
- 3) *The length of time in sanctioned status.*
- 4) *Positive and negative sanction outcomes.*
- 5) *Adequacy of procedures to resolve noncompliance prior to the implementation of sanctions.*
- 6) *County variances in sanction policies, rates, and outcomes.*
- 7) *The relationship between sanction rates and work participation.*
- 8) *The impact of sanctions on families and their ability to become self-sufficient.*

To help fulfill this statutory requirement, the California Department of Social Services (CDSS) contracted with RAND to study CalWORKs' sanction policies and their effects. This report documents the results of that study.

Our Methods

The legislative research issues request information about how counties have implemented sanction policy (issues 2, 5, and 6), the sanctioned population (issues 1, 3, 4, and 6), and the effects of sanctions (issues 7 and 8). We address the issues of implementation using qualitative methods. We describe the sanctioned population using quantitative methods. The available California data did not allow us to estimate the effect of sanctions on work participation and self-sufficiency. However, we do provide a review of the literature that examines how sanction policy affects such outcomes in other states.

To describe how sanctions have been implemented, we began with a review of the applicable legislation, regulations, and secondary literature. We then visited six counties (Los Angeles, Orange, Sacramento, San Bernardino, San Joaquin, and Santa Clara), interviewing senior CalWORKs staff and caseworkers. We also spoke to other knowledgeable observers: CDSS staff, Administrative Law Judges (ALJs), advocates (representing recipients), and the senior staff of the California Welfare Directors Association (CWDA). To broaden our perspective, we surveyed the leadership of county welfare departments (CWDs) in each of California's 58 counties (the All County Sanction Survey, ACSS). Fifty-six counties, with over 99.9 percent of the state's welfare caseload, completed the ACSS, although not every county answered every question. Where we discuss a specific question from the ACSS that fewer than 56 counties answered, we note how many counties actually answered.

To describe the population in sanction we analyzed existing administrative data systems, most notably WDTIP matched to MEDS and EDD data (on WDTIP, see <http://www.wdtip.cahwnet.gov/>).

This project could not support a formal survey of recipients in sanction. We considered focus groups with sanctioned recipients but concluded based on earlier experience that recipients were likely to be too difficult to reach and those whom we would reach were unlikely to be representative of the entire sanctioned population. Instead, we spoke to advocates and asked CWD staff about their impressions of the experience of sanctioned recipients. The lack of a direct client perspective is acknowledged in our analyses.

Appendix A of this report provides additional detail on our qualitative field methods, our methods for the ACSS, the administrative data sources, and our statistical methods.

The Structure of This Report

The balance of this report proceeds in five chapters. The next chapter provides some additional background on California's sanction policy. The third chapter describes variation in county policy on imposing sanctions and procedures to resolve compliance (issues 5 and 6). The fourth chapter discusses reasons for noncompliance and county perspectives on possible changes to the current noncompliance process.

The fifth chapter presents quantitative analyses of sanction rates, the characteristics of those in sanction, and how they vary across counties (issues 1, 2, 3, 4, and 6).

The sixth chapter considers a range of possible changes to sanction policies and procedures. We make no definitive policy recommendations. Instead, we collect and discuss the suggestions for policy changes that we heard during our fieldwork and literature review.

Some Notes on Language

Much of this document describes relations between two groups of people: (1) the families receiving cash assistance who are potentially subject to WTW requirements, and (2) the CWDs and their staff that provide the services, monitor participation, and as necessary impose sanctions. We refer to the first group alternatively as “recipients,” “participants,” and “clients.” We recognize that these terms may have different formal meanings as specified in state regulations. Formally, an adult in sanction is no longer a “recipient.” A noncompliant adult might not be viewed as a current “participant.” An adult without a caseworker might not be viewed as a current “client.” We do not intend such subtleties in meaning. Unless we specifically note otherwise, we use the terms interchangeably.

Furthermore, adult welfare recipients are overwhelmingly female. For style reasons, we sometimes refer to recipients using a female pronoun (e.g., “she” or “her”). Unless specifically noted otherwise, such references are intended to be inclusive of male recipients.

Similar issues arise with respect to county staff. We refer to those who work directly with recipients as “caseworkers” (sometimes specifically as “welfare-to-work caseworkers.”) We are aware that some “welfare-to-work caseworkers” are actually “combined workers” performing both eligibility and welfare-to-work functions. Occasionally, we make a distinction between eligibility caseworkers and WTW caseworkers. We refer to those who manage caseworkers as “supervisors.” We refer to employees above the level of “supervisors” as “senior county management.” Similarly, we sometimes refer to the “county welfare department” (CWD) as simply “the county.”

2. CalWORKs Sanction Policy

This chapter provides some background on sanction policy. We begin with a brief overview of welfare reform and WTW programs. We then consider the reasons why states have adopted various kinds of sanction policies. The core of the chapter then describes the CalWORKs noncompliance process in detail and changes to that process required by ACL 03-59 (issued November 14, 2003). Finally, we discuss Governor Schwarzenegger's proposal to change the WTW program, including the noncompliance process. Although some of those proposals were accepted, the sanction proposal was deferred pending the results of the study to which this report will contribute.

Welfare Reform and CalWORKs

Federal welfare reform of the mid-1990s—the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, PL 104-193)—replaced the Aid to Families with Dependent Children (AFDC) program and its associated WTW program Job Opportunities and Basic Skills (JOBS) with a new combined program: Temporary Assistance for Needy Families (TANF).² States (and in California, counties) run TANF welfare-to-work (WTW) programs to help current recipients find jobs, become self-sufficient, and leave cash assistance. These programs help states meet their federal work participation rate (WPR) requirements.

California's reformed welfare program—the California Work Opportunity and Responsibility to Kids (CalWORKs) program—specifies a sequence of activities to achieve that goal. Figure 2.1 displays the sequence of activities graphically. Families apply for cash assistance from the CalWORKs program. Once that aid is granted, recipients are scheduled for an orientation to the CalWORKs WTW program and a one-on-one appraisal of their situation (e.g., current activities, skills, barriers to participation). The details of Orientation/Appraisal vary from county to county. In most counties, it is a half-day program that begins with a group presentation about the CalWORKs program (both the advantages of participating and the penalties for not participating), followed by a one-on-one meeting with a WTW caseworker. During that one-on-one meeting, the WTW caseworker is to screen for exemption from the program (e.g., own illness, child's illness), current activities that might satisfy program requirements (e.g., full-time work or school), and barriers to participation (e.g., substance abuse, mental health, domestic abuse, learning disabilities). This appraisal is intended to verify that the individual is not exempt from the requirement to participate in WTW activities and to determine appropriate initial activities for this individual.

² This discussion draws on CDSS ACIN I-40-01.

WTW Flow Chart

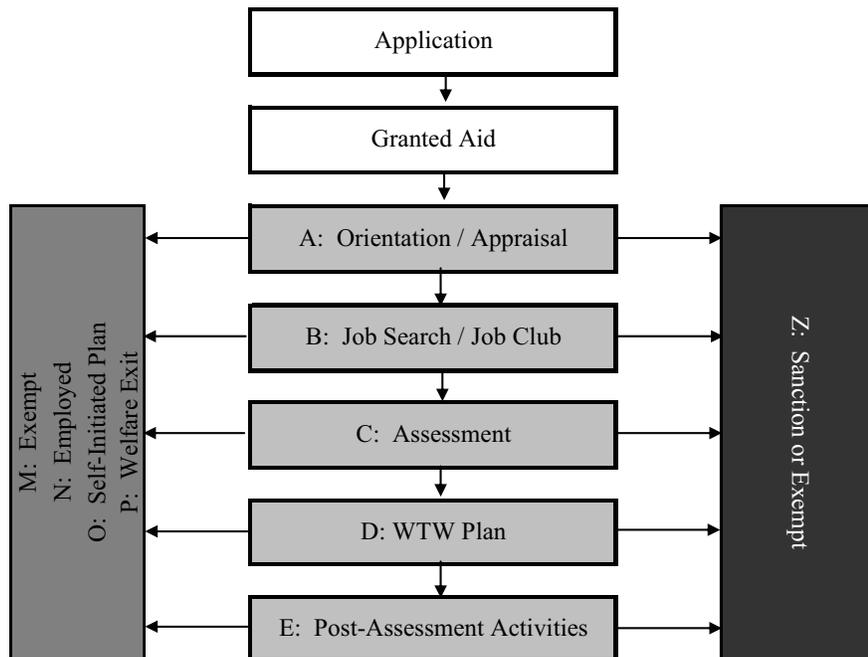


Figure 2.1—CalWORKs Sequence of Welfare-to-Work Activities

Appraisal has several possible outcomes:

- Establishment of long-term exemption (defined as at least 30 days) from WTW activities—e.g., disabled;
- Establishment of temporary exemption—e.g., those who are late in a pregnancy or who have a very young child;
- Verification of participation in activities that fulfill the participation requirement—e.g., full-time employment or an approved educational program/Self Initiated Program;
- Assignment to the next activity, usually Job Club (Job Club is a structured group process to help clients to find a job, usually combining a classroom component of one to two weeks with a supervised job search component of one to two weeks);
- Identification of barriers to employment that need to be ameliorated before proceeding with the regular sequence of activities—e.g., substance abuse, mental health, domestic violence, learning disabilities—and assignment to an activity to remove those barriers;
- Assignment to special activity—depending on the client’s situation.

For those not exempted, during Orientation/Appraisal the WTW caseworkers are to authorize payment for appropriate transportation and childcare and to support full-time participation in subsequent WTW activities. As necessary, the caseworker will also help to identify or arrange childcare and transportation.

Those who do not find a job during Job Club or who were deemed during Orientation/Appraisal to be unlikely to benefit from Job Club proceed to a more in-depth "Assessment" leading to the signing of a WTW Plan (see Figure 2.1). If additional barriers are identified during Assessment, CalWORKs regulations require this WTW Plan to include activities to remove or ameliorate the barriers. CalWORKs regulations also require the plan to include other activities that will lead to work. Such activities might include education and training, supported work, and community service.

Motivation for Sanctions

Figure 2.1 provides an overview of the required sequence of welfare-to-work activities. Few recipients proceed linearly through this sequence of activities. From the first activity after approval of the application for cash assistance—Orientation/Appraisal—noncompliance is pervasive. In our fieldwork, reports of 25 percent no-show rates at activities are not uncommon. In response, WTW programs impose a sanction; i.e., they cut the welfare benefit.

The primary argument for sanctions is to impose a financial cost for failure to follow program rules. We expect that some recipients, who would not participate in a voluntary program, will nevertheless participate in a mandatory program; i.e., one for which nonparticipation brings a lower welfare benefit.

In considering how fast after initial noncompliance to send the NA 840, the sequence of due process protections before imposing a sanction, and the optimal size of the sanction, states balance three considerations:

The Compliance Effect: The presumption in the literature and in welfare offices (see Chapter 4 of this report) is that (1) faster sending of notices, (2) fewer due process protections, and (3) a larger sanction will each lead to more participation. For at least two reasons, such participation is a major goal of WTW programs. First, inasmuch as participation leads to more work, welfare exit, and higher household income, the literature would suggest that it will lead to better outcomes for children (Grogger, Karoly, and Klerman, 2002). These are the stated goals of the program. Second, the state faces financial penalties if it does not satisfy federal participation rates requirements.

Effects on Children: Conversely, inasmuch as recipients do not comply with program rules (and do not adjust in some other way), the sanction will reduce the resources available to the family. The literature suggests that this will lead to worse outcomes for children. Most observers would argue that is a bad outcome. They would argue that fewer resources to the children can only be justified if there is a significant effect on participation. Thus, the more sanctions induce compliance, the stronger their justification. Conversely, some people cannot participate, but do not cooperate with the caseworker by providing information necessary to make such a determination. Sanctioning these individuals will not induce compliance and their children may suffer as a result. It follows that the better our tools are for identifying those unable to participate, the more attractive sanctioning will be.

Workload: Imposing sanctions (especially in the presence of strong due process protections, as in California) is extremely labor intensive. Caseworkers and their CWDs would rather save the work of

imposing the sanction if compliance will occur relatively promptly, even in the absence of a sanction or if the people being sanctioned are already in the process of leaving welfare. Caseworkers themselves may prefer to avoid imposing a sanction even if imposing the sanction would induce compliance simply because imposing the sanction lessens their workload.

Evolution of Federal Sanction Policy

Under the pre-PRWORA JOBS program, sanctions were set by federal statute and were small relative to the full family sanction in place in many states today; i.e., failure to comply initiated an involved due process procedure leading to the removal of the adult from the welfare case for the purposes of computing the welfare benefit.³ In practice, the welfare payment to a family of three declined by about one-fifth.

In the early 1990s, the U.S. Department of Health and Human Services (DHHS) granted waivers to these federal JOBS sanction regulations. Under those waivers, 19 states (with 39 percent of the national caseload in 1996) changed their sanctions policies to include the possibility of terminating the entire case for noncompliance. Such termination of the entire case is often called a “full family sanction.” California, however, did not seek such a waiver, maintaining the adult-only sanction under its Greater Avenues for Independence (GAIN) program.

PRWORA/TANF devolved to the states the authority to change most aspects of their welfare program, including sanction policy. In particular, a waiver is no longer needed to impose a full family sanction.⁴ With that additional state discretion, the number of states with a full family sanction rose from 19 (39 percent of the national caseload in 1996) to 35 states (with 54 percent of the national caseload in 1996), and many states streamlined the due process procedures required prior to imposing a sanction.⁵

However, CalWORKs continues in basic form California’s sanction policy under JOBS/GAIN, including an adult-only sanction. The modal family in the state is three people (one adult, two children; in a nonexempt household in a high-cost county). For such households, the aid payment is \$723. The corresponding payment under sanction is calculated as though the sanctioned adults were no longer in

³ This discussion draws on Grogger, Karoly, and Klerman (2002) and Danielson and Klerman (2004). Danielson and Klerman (2004) include a state-by-state tabulation of the dates and details of any deviation from the pre-waiver partial-family sanction policy.

⁴ TANF, however, does require states to impose some sanction for failure to participate in welfare-to-work activities. There are some exceptions. For example, families with a child under six for whom childcare is not available may not be sanctioned. States that do not sanction noncompliant individuals are subject to a federal financial penalty of no more than 5 percent of the state’s block grant funds. States also may reduce the welfare benefit (formally termed a penalty) for recipients who fail to follow other guidelines, such as child immunization and school attendance requirements.

⁵ On post-TANF sanction policies, see GAO (2000); Pavetti, Derr, and Hesketh (2003); and Klerman and Danielson (2004). GAO (2000) has a detailed review of state post-TANF conciliation processes. It notes that only 14 states retained the pre-TANF policies. Other states allow less time for conciliation (e.g., less time to respond to notices) or limit the time for conciliation. That report also notes that some states have changed policy in the opposite direction. Five states have enhanced the opportunities for conciliation (e.g., requiring a home visit before imposing a sanction).

the household. Thus, the benefit for a family of three in sanction is equivalent to the benefit for a family of two, \$584. This is a decrease in the monthly welfare benefit of \$139, or 19 percent.⁶

CalWORKs Sanction Policy

State legislation and regulations specify in some detail what should happen when a client is noncompliant. A clear understanding of this official policy before imposing a sanction is crucial for understanding the practice of implementation that we describe in the balance of this report. Thus, in this section, we provide a detailed description of the statutory noncompliance process.⁷ Our discussion begins with the steps to sanction. We then consider the implied time line, and what it takes to cure (i.e., remove) the sanction.

The Steps to Sanction

Figure 2.2 graphically presents the steps to sanction.⁸ Throughout this section, we identify points on the figure by reference to “cells” in square brackets—for example, [Cell A].

⁶ ACL 03-38, August 19, 2003, “Retroactive Cost of Living Adjustment (COLA) Increase to the CalWORKs Minimum Basic Standard of Adequate Care (MBSAC) Levels”; <http://www.dss.cahwnet.gov/getinfo/acl03/pdf/03-38.pdf>.

⁷ We use the term “statutory noncompliance process” generically to refer to the state-specified noncompliance process. Some of that process is directly mandated by statute, some of that process is mandated by regulations that are authorized by statute, and some of that process is strongly recommended by CDSS policy statements (e.g., ACL 03-59)—deriving authority from the power granted to CDSS by statute.

⁸ CDSS Manual of Policies and Procedures (MPP), sections 42-713 and 42-721. These sections were originally adopted in July 1998 as emergency regulations and subsequently revised as set forth in All County Information Notice (ACIN) I-70-99, dated September 23, 1999. There have been subsequent revisions to these regulations, although the substance of the procedures has remained largely unchanged.

Formal Noncompliance Sanction Flow Chart

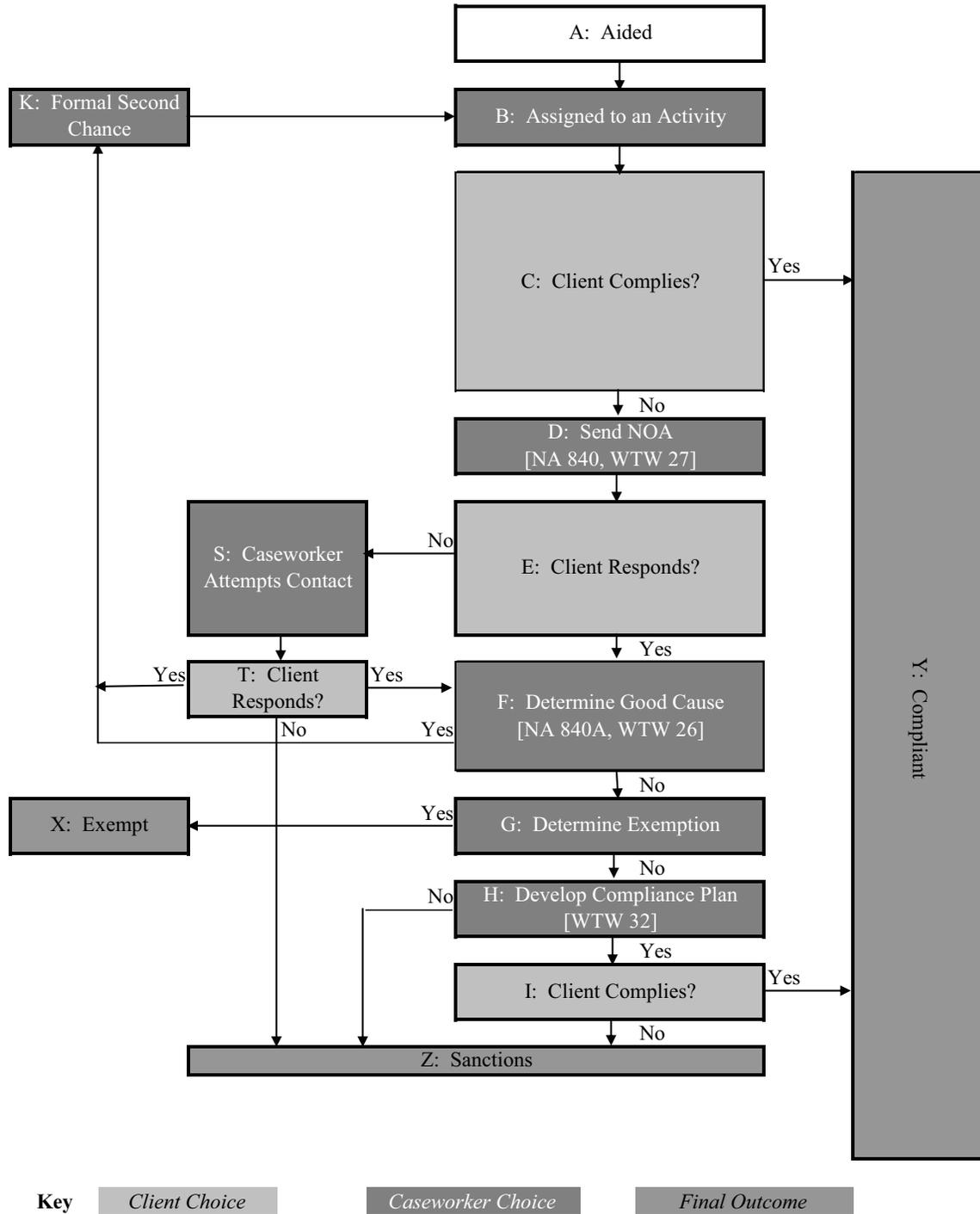


Figure 2.2—Schematic of Noncompliance/Sanction Policy

An aided, nonexempt recipient [Cell A] is required to participate in some activity [Cell B]. If and when a welfare recipient does not comply with the program rules [Cell C], the CalWORKs regulations state the following:

Upon determination that an individual has failed or refused to comply with program requirements, the CWD shall send the individual a notice of action effective no earlier than 30 calendar days from the date of issuance (42-721.23).

Note that the regulations are unambiguous. In response to any and all noncompliance the CWD is to begin the statutory noncompliance process by sending a formal Notice of Action (NOA), NA 840 and WTW 27 [Cell D], to the client.⁹ We will see that actual CWD practice is quite different.

A recipient can respond to the NA 840 either by meeting with the CWD caseworker in person at a prescheduled appointment time (which the recipient can reschedule once) or by calling the CWD caseworker within a 20-day window to discuss the noncompliance. If the recipient does not respond within the 20-day period, the caseworker must try to contact the recipient (at least by phone), if a phone number is available [Cell S]. If the recipient does not show for the scheduled appointment or the worker is unable to contact the recipient, a sanction is imposed [Cell Z].

If, however, the recipient responds within the 20-day period or the CWD successfully makes contact, the recipient has an opportunity to establish good cause by providing a valid justification for her noncompliance [Cell F]. Among the other listed criteria for good cause are problems with the employment (it discriminates, is too far from recipient's home, or is unsafe), domestic violence, illness of the recipient's child or family member, or lack of necessary supportive services (such as childcare). There is also a general good cause provision for "any other condition or circumstance that temporarily prevents or significantly impairs the recipient's ability to comply."¹⁰

If a recipient establishes good cause for her noncompliance, the statutory noncompliance process is terminated and she is referred back to the activity that she did not previously attend. If a good cause is not established, however, she still can avoid the sanction by agreeing to comply with program requirements, and entering into a Compliance Plan [Cell H]. Otherwise, she is sanctioned [Cell Z].¹¹ If a recipient completes the terms of the compliance plan, a sanction is not imposed and it is not counted as an instance of noncompliance. If, however, a recipient does not complete the compliance plan and does not have good cause for her failure to do so, she is sanctioned and the instance of noncompliance is counted.

⁹ The basic sanctions process is set forth in Section 11327.4 of the California Welfare and Institutions Code and Section 42-121 of the CDSS Manual of Policies and Procedures (MPP).

¹⁰ Sections 11320.3, 11320.31, 11327.9, 11495.1 of the California Welfare and Institutions Code. MPP 42-721.23 and 42-713.

¹¹ Pursuant to Section 11327.8 of the California Welfare and Institutions Code, at any time during this process if recipients disagree with the CWD's decision, they can appeal the reduction in aid by requesting a state hearing in front of an Administrative Law Judge (ALJ). But from our interviews with various ALJs as well as CWD case managers, it seems that very few recipients actually invoke this right. And for those that do, from the perspective of the advocates we interviewed, the process seems to work fairly well. Indeed, if recipients appeal, the sanction may not be imposed until after a decision is made; and even if recipients lose their appeal, they do not have to reimburse the CWD for the aid received during the appeal process (MPP 42-721.511).

The Time Line to Sanction

The statutory noncompliance process time line is important operationally for the counties and is one of the proposed areas of change to current procedures. The sanction time line is complicated. Figure 2.3 provides an example. Suppose noncompliance occurs January 15. The NA 840 is mailed three days later (January 18) scheduling the good cause meeting for five days later (January 23). This date is both late enough to assure receipt of the NA 840, but early enough to allow the recipient to call the worker to provide a good cause reason, reschedule the appointment, or enter into a Compliance Plan within the 20-day period. In the simplest case, the client never contacts the caseworker and the caseworker is unable to contact the client. In that case, the 20-day period will expire February 8. The sanction will be imposed with the next welfare payment after the end of the 30-day period (February 18)—i.e., the check for March, which is mailed at the end of February or placed into the Electronic Benefits Transfer Account on March 1. Note that even under this expedited time line, there is (at least) one month of aid (i.e., the February check) after noncompliance. We will see that actual time lines from noncompliance to a smaller check are much longer.

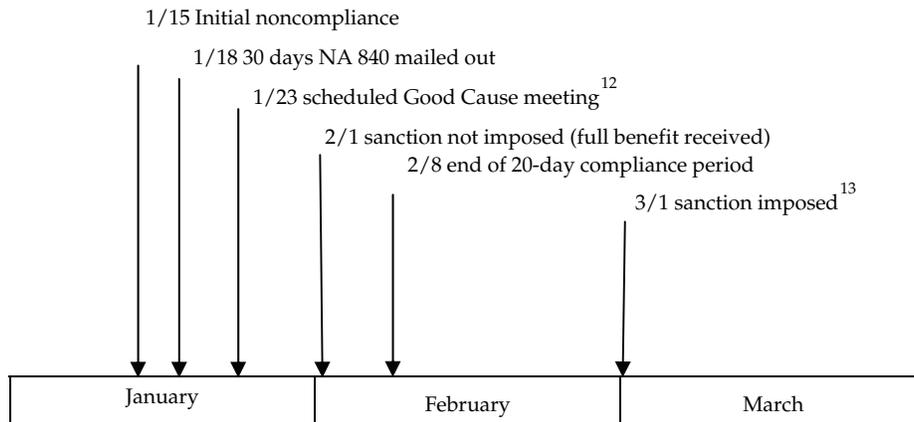


Figure 2.3—Time Line for Imposing a Sanction

Curing the Sanction

Once sanctioned, the head of the family continues to receive the smaller sanctioned check until she leaves welfare or cures the sanction. To cure the sanction, the client must complete the activity for which she was noncompliant earlier (see below for details).¹⁴ In addition, second and third sanctions may require payment through a vendor (i.e., rather than giving the recipient cash to spend at her discretion). Finally, note that months in sanction do not count toward the 60-month time limit.

¹² This date is late enough to assure that the notice would arrive (five days after mailing) but early enough to allow enough time for notice to arrive and then for one reschedule and the beginning of compliance within the 20-day interval.

¹³ If good cause not established or if there has not been satisfactory effort toward fulfilling or meeting the requirements of the Compliance Plan.

¹⁴ As of the time of our fieldwork, the duration of the sanction varied with the number of previous sanctions. Specifically, Section 11327.5 of the California Welfare and Institutions Code (MPP Section 42-721.41) provided that first sanctions could be cured immediately, second sanctions could only be cured after a minimum duration of three months, and third and later sanctions could only be cured after a minimum duration of six months.

ACL 03-59

In many counties, ACL 03-59 (issued November 14, 2003) resulted in substantial changes in practice. The FY 2000–01 budget act had required CDSS to report on the rates of good cause establishment, the compliance process, and curing of sanctions and to make recommendations for improving these processes. To obtain information necessary to complete the report, CDSS surveyed the counties and welfare advocates.

In their responses, both the counties and the advocates overwhelmingly agreed that the processes related to good cause, compliance plans, and curing needed to be improved.¹⁵ But the actual suggestions for improvement varied. For example, 95 percent of the advocates believed that CDSS should expand the good cause reasons, while only 24 percent of the counties recommended this change. And while 81 percent of advocates wanted to lengthen the compliance period, only 8 percent of counties suggested this change.

To develop a consensus about what changes should be made and the details of those changes, CDSS convened the CalWORKs Sanction Workgroup (Workgroup). The Workgroup included representatives from CDSS, the counties, and the advocates. The earlier CDSS sanction report and ACL 03-59 listed the Workgroup's goals:

- Determine the most effective methods for establishing good cause, improve the compliance and statutory noncompliance processes, and identify additional means to improve communication between recipients and county staff (for example, use of forms for recipients to notify the county of reasons for nonparticipation and for the county to notify recipients if they have good cause);
- Review sanction notices of action (NOAs) to determine if changes are necessary to improve communication between noncompliant recipients and the county. If changes are necessary, provide alternative language for CDSS' consideration in the development of revised sanction NOAs;
- Explore ways to improve the good cause, compliance, and sanction procedures in addition to those covered in the sanction surveys, including potential improvements that may require legislative changes; and
- Reiterate proper sanctioning procedures, via All County Letter (ACL), to facilitate the establishment of good cause, the successful completion of compliance plans, and the sanctioning of noncompliant recipients.

The Workgroup began its efforts in the second half of 2001. It met intensively from July through October 2001. At its meetings, the Workgroup considered different ways to address these goals, including revising the NA 840 and creating several other new forms.¹⁶ It reconvened in December 2001 and March

¹⁵ CalWORKs Welfare-to-Work Program Sanction Survey, CDSS, July 2001.

¹⁶ This discussion draws on ACL 03-59 and our interviews with participants in the Workgroup.

2002 to review drafts of the ACL. Acting on these discussions, CDSS began to draft ACL 03-59 and discovered that some additional policy decisions (that the Workgroup had not discussed) needed to be developed. CDSS sent these additional policies to the various Workgroup members via email for their review and comment. After receiving the Workgroup's comments, CDSS finalized ACL 03-59 and issued it on November 14, 2003.

Specifically, ACL 03-59 addressed four areas of the sanctions process: (1) the NA 840; (2) good cause; (3) compliance plans; and (4) curing of sanctions. We discuss the specific changes in the next chapter as part of our review of the processes as implemented.

ACL 03-59, however, only addressed the sanctioning process in connection with one-parent families. It stated: "Due to the complexity of the sanctioning process in two-parent family situations, CDSS will also clarify these procedures at a later time." CDSS originally expected to release the corresponding two-parent ACL in a few (perhaps two) months. In fact, a staff hiring freeze and other internal issues delayed the corresponding two-parent ACL for nearly a year. That long-anticipated two-parent ACL appeared on October 27, 2004, as ACL 04-47 ("CalWORKs WTW Two-Parent Sanction Procedures").

Implementation of ACL 03-59

CDSS formally released ACL 03-59 November 14, 2003. But when we conducted our fieldwork in late 2004, three of the six counties we visited had only recently implemented ACL 03-59. The other three counties had not yet implemented ACL 03-59 at all.

Results from the ACSS are consistent with this fieldwork. Here and throughout this document, we present ACSS responses in two ways. First, we consider the fraction of counties giving a response. If fewer than 56 counties responded to a particular question, we note the actual number of respondents. Then, we consider the fraction of the welfare caseload in counties giving a response. We often present this pair of percentages simply separated by a slash (i.e., unweighted percent/weighted percent). The former percentages give equal weight to each county; the later percentages give more weight to Los Angeles County than to Alpine County. Specifically, 13 percent trained for ACL 03-59 and 13 percent released revised policies and procedures in the six weeks between the release of the ACL and the end of calendar year 2003. They were all small counties, so these 13 percent of all counties represent only 1 percent and 2 percent of the caseload, respectively. Another 31 percent/17 percent released their policies and procedures in the first half of 2004, and 25 percent/35 percent in the second half of 2004. Finally, 30 percent/46 percent of the counties do not expect to release their revised policies and procedures until 2005. In particular, Los Angeles County (which accounts for almost 30 percent of enrolled recipients) projected releasing its revised policies and procedures and completing training in May 2005.

Long implementation time lines are a persistent issue in social service programs. Klerman et al. (2002) noted them with respect to the initial CalWORKs WTW program. Klerman, Cox, and Jaureguiberry (2005) noted them with respect to the Medi-Cal 1931(b) program.

Discussions with county staff suggested that five issues contributed to the lag time between CDSS' issuing ACL 03-59 and counties' implementing it. First, while some of the new forms were "required," ACL 03-59 included no specific date by which they were to be adopted. This was in contrast to some other program changes that included specific implementation dates. Specific implementation dates are

important because while they may themselves be “missed,” they do provide goals. ACL 03-59 lacked such a goal. Counties were not required to notify CDSS when they implemented ACL 03-59 or to provide CDSS with copies of their revised policies and procedures. From the department’s perspective, all ACLs are considered effective within 60 to 90 days of the date of release, unless stated otherwise.

Second and related, the changes to policies, procedures, and forms set forth in ACL 03-59 were often non-trivial. The CalWORKs program was already nearly six years old. Some counties felt that, while their welfare-to-work program was already broadly consistent with ACL 03-59, implementing its details provided an opportunity to rethink and retrain for the entire statutory noncompliance process (e.g., Orange County, Sacramento County). Furthermore, the absence of a specified date allowed the new procedures and training on them to be “done right”—i.e., to develop procedures and review them carefully, then provide well-developed and detailed training to caseworkers. Orange County estimated that implementation of such major changes to sanction policy would take three to four months under ideal conditions.

Third, CWD implementation of ACL 03-59 was delayed because counties were focusing their energies on the changes to Food Stamp and CalWORKs eligibility reporting for recipients. AB 444, enacted in 2002, shifted ongoing CalWORKs and Food Stamps eligibility reporting from a monthly to quarterly frequency and implemented prospective budgeting. To implement AB 444, CDSS issued ACL 03-18 (“Implementation of the Quarterly Reporting/Prospective Budgeting (QR/PB) System in the CalWORKs and Food Stamp Programs,” dated April 29, 2003).

Unlike ACL 03-59, these quarterly reporting changes did have a legislatively specified mandatory time line of being “phased in during the fiscal year, beginning in November 2003,” and this time line coincided with ACL 03-59. Moreover, these quarterly reporting changes were fundamental and at the core of county caseworker operations. They also are very detail oriented; there is clearly a correct (versus incorrect) answer; with respect to the Food Stamp Program (FSP), there are potential penalties. It was to be expected that CWD policy, planning, and training efforts would focus on the shift to quarterly budgeting over the narrower and (in the view of the counties) less important changes in sanctioning policies.

Fourth, some counties were delaying their implementation until the changes were implemented into their computer systems (e.g., Humboldt, Merced, and Riverside in their open-ended responses to the ACSS; hereafter simply, ACSS-OER). Otherwise, they would have to adopt labor-intensive manual processes. So, for example, Humboldt County released revised regulations promptly (March 2003) but, as to training, states:

We are waiting for automated functionality in the ISAWS/WTW system, hopefully June 2005.

For many of the larger counties, these changes would occur with their conversion from CDS/GAIN Information System (GIS) to CalWIN in early 2005 (e.g., Santa Clara in our site visit) or to C-IV (e.g., San Bernardino in our site visit, Riverside County in January 2005) and when those new systems were modified for ACL 03-59. In the short term, staff planning resources were consumed by preparations for the pending computer changes. It seemed wasteful to train for new sanction procedures under an old computer system that would disappear shortly. Better to wait and implement the changes to sanction procedures simultaneously with training for the new computer system.

Finally, staff in at least one county we visited indicated that it delayed implementing ACL 03-59 because it was waiting for the corresponding All County Letter regarding the sanctions process for two-parent families and the corresponding letters (Santa Cruz County's ACSS-OER makes similar comments). As noted earlier, this ACL was not issued until October 27, 2004, nearly a year after the initial ACL 03-59.

The experience of Lake County helps to explain why other counties waited to train. Lake County promptly trained their staff for the ACL 03-59 changes and began using the new forms (January 2004). With the release of the two-parent clarification, they needed to train again.

As of the summer of 2004 (about nine months after initial release of ACL 03-59), the lack of implementation left open the possibility of the invalidation of sanctions imposed. Recipients who are to be sanctioned have the right to appeal to an Administrative Law Judge (ALJ). That ALJ has the right to void the sanction if the CWD did not follow appropriate procedures. One ALJ to whom we spoke explained that in the absence of an explicit date in an ACL, he would have expected implementation within about two months. Another ALJ explained that in the absence of an explicit date, he would interpret an ACL as requiring immediate implementation. Our fieldwork and the ACSS occurred about a year after the release of ACL 03-59. As of that time, many counties had not implemented ACL 03-59. Furthermore, we learned that two (out of six) counties we visited had lost such appeals. ALJs had ruled that the forms and procedures specified in ACL 03-59 were required. When failure to follow them had a material (rather than simply procedural) effect, the ALJ ruled that the sanction was invalid.

TANF and Noncompliance Policy

The initial federal authorizing statute, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, required states to include specified percentages of their caseload in WTW activities. The specified percentages rose over time from 25 percent in FY 1997 to 50 percent in FY 2002. Failure to satisfy those requirements would bring penalties that, with continued failure to meet participation rate requirements, would have escalated from the low \$100 millions to close to \$1 billion.

In practice, these requirements were not binding. The initial legislation included a "Caseload Reduction Credit." States could count any net decrease in their caseload as though those individuals were participating. (Formally, states could subtract any caseload reduction from the required WPR.) With caseload declines on the order of 50 percent, adjusted participation rates are well above the federally required levels (see Klerman, Zellman, et al., 2000, for a more thorough discussion).

As expected, the renewal of the TANF statute in 2006 (after the analyses described here) made three changes.¹⁷ First, it defined qualifying work activities. Second, it revised the rules for calculating the caseload reduction credit, with the effect of substantially raising the target participation rates. Third, it brought many previously excluded Separate State Programs into the computation of the WPR (e.g., California's two-parent program, which is no longer a Separate State Program, and the Safety Net program).

¹⁷ Deficit Reduction Act (DRA) of 2006. For more on DRA 2006, see <http://www.acf.hhs.gov/programs/ofa/drafact.htm>.

The net effect of these changes is expected to be that California (and many other states) will find itself with participation rates far below those required by the revised federal statute. The state will thus be at risk of significant federal penalties. The governor's proposed changes to the content of WTW programs and the legislature's adoption of SB 1104 in 2004 (e.g., immediate engagement requirements) are one approach to that risk.

Changes to noncompliance policy would be another way to raise the WPR and thus avoid penalties. To understand how sanction policy might affect the WPR, note that the WPR is defined as the following:

$$WPR = \frac{\text{participants}}{\text{work-eligible adults}}$$

Thus, anything that raises the numerator (i.e., the number of cases with recipients participating for the statutorily required number of hour per week) or lowers the denominator (i.e., the number of cases with work-eligible adults) will increase the measured WPR. Specifically, the threat of penalties is one way to induce some current nonparticipants to participate (raising the numerator) and induce other nonparticipants to leave welfare (lowering the denominator).

Proposed Reforms to CalWORKs Sanction Policy

Governor Schwarzenegger's FY 2004–05 budget proposal would have significantly changed the provisions of the CalWORKs welfare-to-work program. When it was initially passed in 1997, the CalWORKs legislation required individuals to participate for some minimum number of hours in some allowable activity. The governor's proposal narrowed the activities that would count toward this individual participation requirement, required job search while applications are pending, required individuals not working the required number of hours to have a welfare-to-work plan within 60 days of receiving aid, and eliminated the 18-/24-month time limit (after which a recipient was required to either be working or be in community service).

Finally, the governor proposed that the sanction increase by 25 percent above the current level after one month in sanction status. Thus, the benefit for our modal family of three while in sanction would be, not the current \$584, but instead \$438. The net decrease in income with noncompliance would therefore be \$285 versus the current \$139—i.e., 39 percent (versus the current 19 percent).¹⁸ The Legislative Analyst's Office (LAO) explained the governor's motivation as follows:

- 1) *increasing work participation and personal responsibility,*
- 2) *anticipating federal welfare reauthorization reforms, and*
- 3) *prioritizing funding for core services.*

¹⁸ See "Analysis of the 2004–2005 Budget Bill," Department of Social Services CalWORKs Program, Legislative Analyst's Office, February 2004:
<http://www.lao.ca.gov/analysis%5F2004/health%5Fss/hss%5F16%5F5180%5Fanl04.htm>.

In evaluating these proposals, the LAO concluded: “The Legislature should weigh the potential increased program participation against the potential negative impact to children as a result of the grant reduction.”¹⁹

With respect to the sanction provisions of the governor’s proposal, SB 1104 (“Budget Act of 2004: Human Services,” chaptered August 16, 2004) states:²⁰

SEC. 38. Section 11486.3 is added to the Welfare and Institutions Code, to read:

11486.3. (a) The department, in consultation with system stakeholders, including county welfare departments, shall examine the CalWORKs sanction policy, its implementation, and effect on work participation, including but not limited to all of the following:

- 1) The characteristics of the persons being sanctioned.*
- 2) The reason participants are being sanctioned.*
- 3) The length of time in sanctioned status.*
- 4) Positive and negative sanction outcomes.*
- 5) County variances in sanction policies, rates, and outcomes.*
- 6) The relationship between sanction rates and work participation.*
- 7) The impact of sanctions on families and their ability to become self-sufficient.*
- 8) Adequacy of procedures to resolve noncompliance prior to the implementation of sanctions.*

(b) The department shall develop recommendations to improve the effectiveness of sanctions in achieving participant compliance, assisting families in becoming self-sufficient, and other desired program outcomes.

(c) The department shall report its findings and recommendations to the appropriate fiscal and policy committees of the Legislature by April 1, 2005.

This report provides analyses that CDSS can use to respond to this legislative provision.

The LAO summarized the final 2004–05 budget’s decisions with respect to CalWORKs as follows:²¹ “Rejects most of the welfare reform proposal.” However, three of the proposals were adopted. First, SB 1104 (Chapter 279, Statutes of 2004) includes a new “Universal Engagement” requirement. Almost all nonworking, nonexempt recipients are required to sign a WTW Plan within 90 days from the date they begin aid. Second, the ability of education and training, and treatment for behavioral health issues to count toward the mandated number of hours of participation in WTW activities is limited. Third, the previous requirement of community service after 18 or 24 months of WTW participation was removed. For details, see ACL 04-41 (“Implementation of SB 1104, October 9, 2004”). These provisions were to be implemented by CWDs as of December 1, 2004, for applicants and, as of March 1, 2005, for recipients.

¹⁹ Ibid., pp. C-241–42.

²⁰ See http://www.leginfo.ca.gov/pub/bill/sen/sb_1101-1150/sb_1104_bill_20040816_chaptered.pdf.

²¹ See http://www.lao.ca.gov/2004/floor_packet/072804_Floor_sb1113.pdf, p. 2.

Several advocates expressed concern that the net effect of the SB 1104 changes would be to increase the number of inappropriate sanctions. These advocates noted that the intention of the 90-day Universal Engagement requirement is to encourage CWDs to move cases promptly from approval into activities that would assist an individual to find employment. A WTW Plan within 90 days is probably feasible in a well operating system, if there is no significant noncompliance. However, the time lines of the statutory noncompliance process make 90 days to a WTW Plan a serious challenge. The advocates feared that among the approaches to making the 90-day deadline would be to (1) send the NA 840 immediately (without second chances) and then (2) move recipients promptly through the statutory noncompliance process without allowing sufficient time for thorough attempts to contact the recipient and time for the recipient to present and document good cause.

Conversely, it appears likely that the elimination of the 18- or 24-month limit on WTW services will lower the sanction rate. Under the 1997 CalWORKs legislation after 18 months (24 months for those on aid at the start of CalWORKs), a nonworking recipient would be required to enter into community service in order to remain eligible for aid. This was potentially a problem for those in long education or training programs. According to both county staff and advocates, some recipients in such programs would voluntarily accept a sanction in order to complete their education or training program. The elimination of the 18-month limit on WTW services will allow these people to cure their sanction, lowering the sanction rate.

Conclusion

This chapter has described the national and California policy and statutory context in which CalWORKs sanction policy was implemented by CWDs. The balance of this report considers actual implementation by the counties and the experiences of recipients. In considering the results in the balance of this report, it is important to keep these recent developments in mind. Almost all of the fieldwork for this project was completed in November of 2004. Most of the All County Sanction Surveys were completed in December 2004. Most of the administrative and survey data refer to the period before October 2004. As of those dates, there was little and usually no experience with the implementation of SB 1104, and most counties had only very recently implemented the ACL 03-59 reforms.

3. Implementation of Sanction Policy

In this chapter, we describe how California's counties implement the sanction policy in practice. We do this in three sections that describe how counties initially respond to noncompliance with WTW requirements, when and how they begin the statutory noncompliance process, and the steps they take to assist sanctioned clients who want to come back into compliance.

The analysis in this chapter draws primarily on the project's qualitative fieldwork and the All County Sanction Survey (ACSS). Usually, when we present ACSS results, we report the unweighted fraction of responding counties giving an answer. When we discuss unweighted percentages in the text, we provide weighted percentages in parentheses.

It is crucial to note that while we asked our interviewees (caseworkers, senior CWD leadership, advocates who represent recipients) about their perceptions of the experiences and opinions of recipients, we did not talk directly with recipients. Thus, this chapter primarily represents the perspectives of the CWD. The perspectives of the recipients remain less well understood.

How Counties Respond to Noncompliance

According to county staff, noncompliance is pervasive in the CalWORKs program. Figure 2.2 summarized the sanction policy and process; how the sanction policy is actually implemented in practice is quite different (see Figure 3.1, which adds cells P, Q, and R). The crucial regulatory provision states:

Upon determination that an individual has failed or refused to comply with program requirements, the CWD shall send the individual a notice of action effective no earlier than 30 calendar days from the date of issuance (42-721.23).

This provision requires the caseworker to send the NA 840, which begins the sanction process, as soon as the caseworker realizes that the client is noncompliant. The sanction process includes procedures for establishing whether there was good cause for the noncompliance and whether to impose the sanction.

However, caseworkers almost never respond to initial noncompliance by immediately sending the NA 840. Instead, caseworkers provide clients additional opportunities to come into compliance before sending the NA 840. These additional opportunities account for the change between Figure 2.2 and Figure 3.1—the addition of cells P, Q, and R.

Precisely how many additional opportunities are provided and when vary with individual caseworkers and the client's behavior. With regard to the client's behavior, the key elements are whether the client promptly contacts the caseworker and, if not, whether the caseworker can reach the client. Here we discuss five possibilities: (1) The client calls in before the activity to establish good cause, (2) the client claims good cause when reached, (3) the client does not claim good cause, (4) repeated good cause, and (5) no contact between the client and the caseworker.

Common Practice Noncompliance Sanction Flow Chart

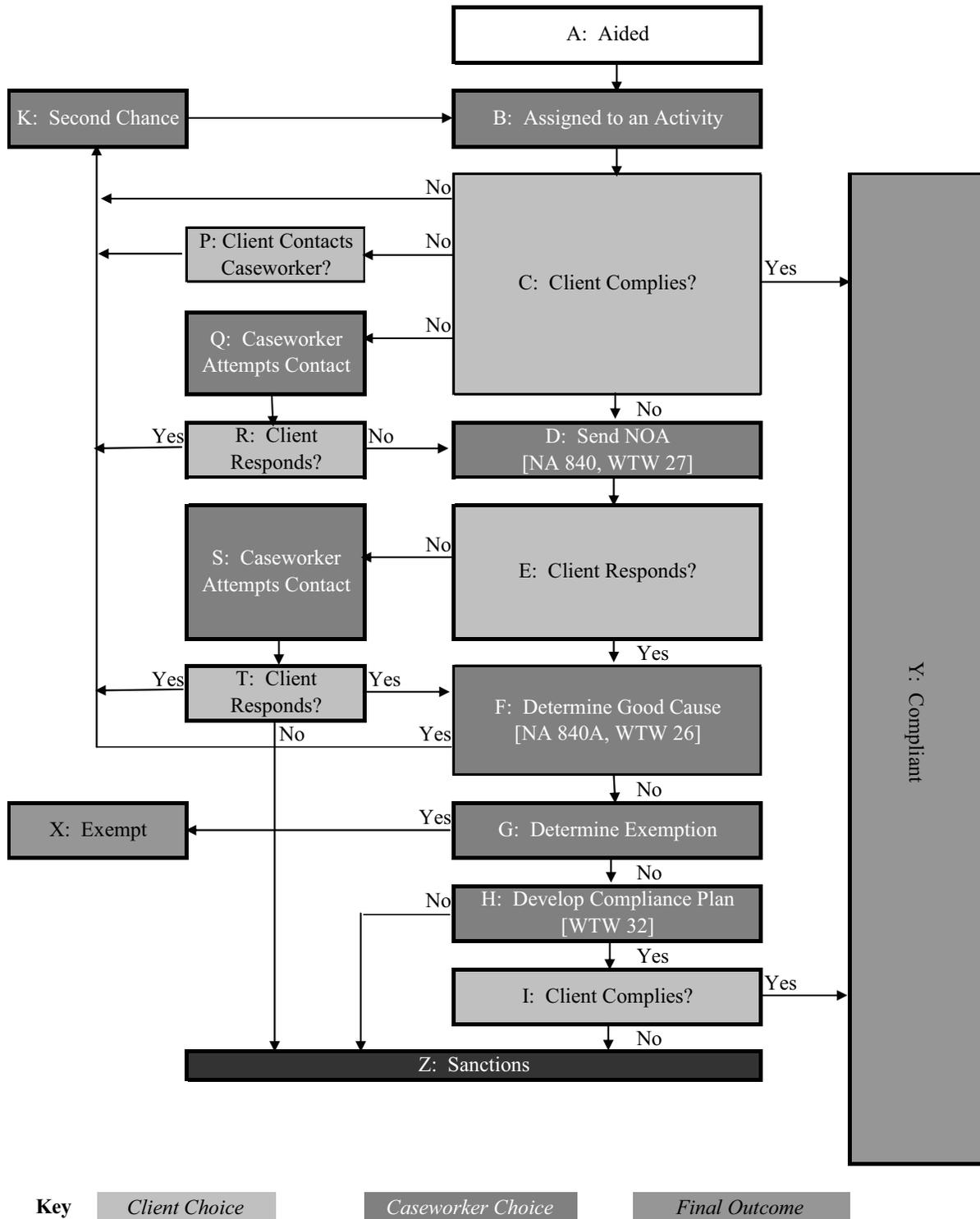


Figure 3.1—Sequence of Activities in the Common Practice Noncompliance Process

Client Calls in Before Activity

What should a client do if she is unable to participate? Ideally, before the activity in which the client will be unable to participate begins (e.g., Orientation/Appraisal), the recipient would already have called in with “good cause” [Cell P]. “I am sick.” “My child is sick.” “My childcare fell through.” “My ride did not show.” These are each plausible and valid reasons for nonparticipation; in the language of WTW regulations, they are each “good cause” for not attending. These are reasons for which an employer would often give an excused absence.²²

But even if the recipient is responsible and calls in, the above-quoted regulations still require that the caseworker begin the sanction process; a narrow interpretation of the regulations would imply that NA 840 should be sent out; the statutory good cause meeting should be scheduled and held; and an official good cause determination should be made.

In our fieldwork and conversations with dozens of caseworkers and more than a dozen supervisors, we did not hear a single caseworker who would send out an NA 840 under these conditions (i.e., the recipient calls in before the appointment with her good cause), or a single supervisor who would urge doing so. For example, one CDSS staff person stated, “Common sense tells you that if you accepted the reason as a good cause you would not send the NA 840.” Even if the recipient called at the end of the day or at the beginning of the next day, most caseworkers would not have initiated the noncompliance process by sending out the NA 840.

Instead, caseworkers pursue an informal conciliation process, before sending out an NA 840. In most cases, they simply reschedule the client—i.e., they offer a “second chance [Cell K]” without a formal determination of good cause. Often calendars are crowded, so that reschedule will not be until several weeks later.

Caseworkers give three explanations for deferring the statutory noncompliance process—cause, cooperation, and workload.

First, they believe that there is often not *cause* to begin the statutory noncompliance process. Supervisors and county senior leadership agreed that this scenario should not start the sanction process.

Second, they believe that it is better to establish a *cooperative* relation with recipients. They consistently explain that providing additional opportunities for compliance before initiating the statutory noncompliance process with NA 840 is likely to be more effective in achieving eventual compliance:

We are very generous in [noncompliance] portion of the program. We want people to heal. Capture hearts and mind. Give people the benefit of the doubt.

[You can't] expect someone to instantly comply when they have a history of noncompliance and they don't see any reason why they should comply. You have to give them a chance. Let them learn. Explain to them why that was not good cause and give them a chance to change that behavior. If they don't, they are going to hang themselves anyway. If they fail, what did you do? Waste a week?

²² Note, however, that the welfare recipient bears no financial consequence for failure to participate on this day. In contrast, an employer would not pay a day laborer for this missed day of work or require taking a vacation or sick day.

[We offer a] big array of services, through the compliance process. They [caseworkers] really go the distance trying to engage the client through the noncompliance process to talk to the client about why they are not participating, because we do have a lot of services. Sanction is the last stop. We make every effort to see that we don't get there.

It's about building a relationship. Our population is used to penalties, is used to the hammer. It is not [a] big deal. It has little or no impact. They are used to being penalized. They don't not drive because they have racked up traffic violations. [But] working with them will sometimes eventually turn the light on. [By] taking care of these things one at a time [they] can dig [themselves] out of the hole. A lot that we do [is] career counseling to try to build some self-esteem to give them some positive motivation. We focus on that.

You'll get a better response if you are positive than if you are negative. They will tell you what you want to hear, but they don't necessarily do it. What you are trying to do is something long-term. You are changing years and years of bad habits. We are trying to change that. No one has ever told them anything positive about themselves. No one has ever told them you don't have to work at McDonalds.

No sir. I don't like sanctions. Sanctions are the last straw for me. Every time I sanction people, I feel like I have not done my job. Sometimes I give them more chances than they deserve. ... Negative motivation does not work. It does not work. OK, let's start over again. You've got to get a feel for the client. You've got to work with them as individuals. They don't pay us to sanction people; they pay us to get people to self-sufficiency.

In contrast to their current practice (i.e., granting second chances without sending out an NA 840), caseworkers perceive that mailing the NA 840 establishes an adversarial relationship. One observer explained that caseworkers see themselves not as disciplinarians, but instead as social workers. The sanction process, on the other hand, requires a more confrontational approach. Several observers explained that such a confrontational approach seems to be inconsistent with caseworkers' self-image as social workers.

These caseworker comments often appear to reflect the comments of more senior CWD leadership. For example, Santa Cruz's ACSS-OER stated:

Additionally, we have found that by providing a second chance and communicating with recipients before sending out the NA840, we are often able to avoid imposing the sanction.

Similarly, Calaveras County's ACSS-OER stated:

We feel that by visiting the participant prior to mailing the NA 840 we stand a chance of preventing the sanction entirely. Our hope is that once people are made aware of the benefits of our program they will agree to cooperate.

And, Tulare County's ACSS-OER also stated:

However, sanctions should not be considered the first option. Often, there are external factors that can contribute to the applicants'/recipients' noncompliance or participation. These can be of a medical, mental, or other health-related issue. When an applicant/recipient is suspected to have such a condition (determined by self identification or observation) they're referred to the Family Care Division. The Family Care Division, a division within HHSA, is responsible [for] providing case management and providing integrated short-term intervention services in the form of education, counseling, therapy, assistance, and referral for families in Tulare County. The TulareWORKS program requires provision of services to applicants who may have alcohol, other drug, mental health, or other domestic violence issues that pose an obstacle to finding and

maintaining employment. Family Care Division provides screening, assessment, referrals, treatment, monitoring, and case management of these clients.

Third, caseworkers perceive that the statutory noncompliance process is time consuming. It requires completing a complicated form. Caseworkers argued that many noncompliant clients will call in with good cause and appear ready to cooperate. Rescheduling these clients prior to mailing NA 840 entails less work.

In practice, then, the statutory noncompliance process is rarely begun at the first instance of noncompliance (i.e., the NA 840 is not sent out). In fact, we will see that the statutory noncompliance process often is not initiated even after a third, fourth, or fifth instance of noncompliance.

Client Claims Good Cause When Contacted

Giving a second chance to a recipient who calls in before the activity (e.g., Orientation/Appraisal, the first day of Job Club) starts is a relatively easy choice for a caseworker. For other scenarios, there was more variation across the counties and between caseworkers and their superiors.. It is now lunchtime of the day following the scheduled activity. The recipient has not been heard from. Though not required by state regulations, in most counties, before sending out the NA 840, a caseworker is expected to try to reach the client by phone [Cell Q]. If the caseworker can reach the client [Cell R] and the client claims good cause (e.g., own illness, nonavailability of transportation or childcare), the NA 840 will not be sent out. The client will simply be rescheduled ([Cell K]/[Cell B]).

For this scenario, the reasons for not initiating the statutory noncompliance process shift. "Cause" is no longer a valid reason not to begin the sanction process. An employer would expect an employee with good cause to "call in" before the missed shift, or at least shortly thereafter. Furthermore, the employer would expect some explanation for a nonexcused absence before allowing the individual to return to work.

However, trying to establish a cooperative relationship with clients continues to suggest deferring sending the NA 840. Workload considerations also suggest deferring the statutory noncompliance process, but the case is now weaker. A client that calls in plausibly has good cause. It seems plausible that she will comply if given another chance. For a client that does not call in, the likelihood of compliance when given a second chance is lower. Her behavior suggests a lack of concern about the requirements of the WTW program or a lack of understanding of program requirements (i.e., the expectation that she will call in). Thus, while it continues to be true that providing additional opportunities to come into compliance is less burdensome for the caseworker in the short term, voluntary compliance seems less likely.

The comments of a caseworker about standard operating procedure before an attempt to limit second chances vividly capture this logic:

Workers were just plain confused by the process. [Caseworkers] usually didn't have the time to follow up. Noncompliance [has] a special time line process. In the bigger mix of a CalWORKs schedule, they would drop the ball on the dates. They would not follow through. Noncompliance is a lower priority. They hung.... They [the clients] thought they were off the hook. [Caseworkers] reenroll them [in the missed program] or just give them good cause. She [the client] was enrolled four times to Job Club in the past year, two others in previous years. [Or a] client would

get that first notice [NA 840] and then disappear, [leave] welfare. When [we clamped down on second chance], we got lots of calls. [Clients said:] "No one ever made me do this." [But] this was what was supposed to be done. [After the policy change,] someone was finally following through on the procedure. They [the clients] found out that we can sanction.

For noncompliance at Orientation/Appraisal, there is another reason not to send the NA 840. Since the client has not had Orientation/Appraisal, she may not even realize that it is her responsibility to call in. She may not realize that it is possible to claim good cause. She may not have realized that it was possible to get assistance with transportation and childcare. She may need the assistance of a caseworker to actually set up transportation and childcare. Each of these considerations suggests that even when the client does not call in after noncompliance at Orientation/Appraisal, providing a second chance to comply (i.e., without sending the NA 840 and starting the statutory noncompliance process) is a reasonable response.

Client Does Not Claim Good Cause

Going even further, consider the case of a client who does not call. The caseworker reaches the client by phone; the client does not claim good cause. Instead, she simply explains: "I forgot" or "I did not want to come in." Even without good cause, as long as the client informally agrees to comply, our fieldwork suggests that the caseworker will usually offer the client a second chance.

This impression from our qualitative field work is consistent with the formal evidence from senior CWD staff responses to the ACSS (see Figure 3.2). Figure 3.2 presents pairs of results. The top bar of the pair plots the fraction of counties giving each response; the bottom bar of each pair plots the fraction of counties weighted by county WTW caseload. The top bar is dominated by Los Angeles County, with about a third of the state's WTW caseload.

For contact but no good cause (the middle bar of Figure 3.2), only 30 percent of the counties representing 61 percent of the caseload always send out the NA 840. At the other extreme, 36 percent of the counties (23 percent of the caseload) almost never send out the NA 840 with repeated good cause. Furthermore, these ACSS responses were prepared by senior management. As such, they are likely to overestimate the true rates of sending the NA 840. In our fieldwork, supervisors consistently overestimated the frequency with which caseworkers send out the NA 840; conversely, supervisors underestimated the frequency with which caseworkers give second chances. Furthermore, compared to supervisors, senior management was even more likely to overestimate the frequency of sending the NA 840 and to underestimate the frequency with which caseworkers give second chances.

Repeated Good Cause

Typically, caseworkers begin the statutory noncompliance process for two different reasons: (1) repeated good cause, and (2) no contact.

The previous discussion concerns the first incidence of noncompliance with good cause. However, sometimes repeated good cause will trigger the statutory noncompliance process. Caseworkers argue that for any given appointment it is possible that there truly was good cause. However, as a pattern of repeated good cause emerges; there appears to be a serious divergence about how to proceed. This

divergence occurs across counties, across levels within a county (i.e., senior management and supervisors enunciate different policies than do the caseworkers who actually implement the policies), and within a level (i.e., different caseworkers claim to implement different policies).

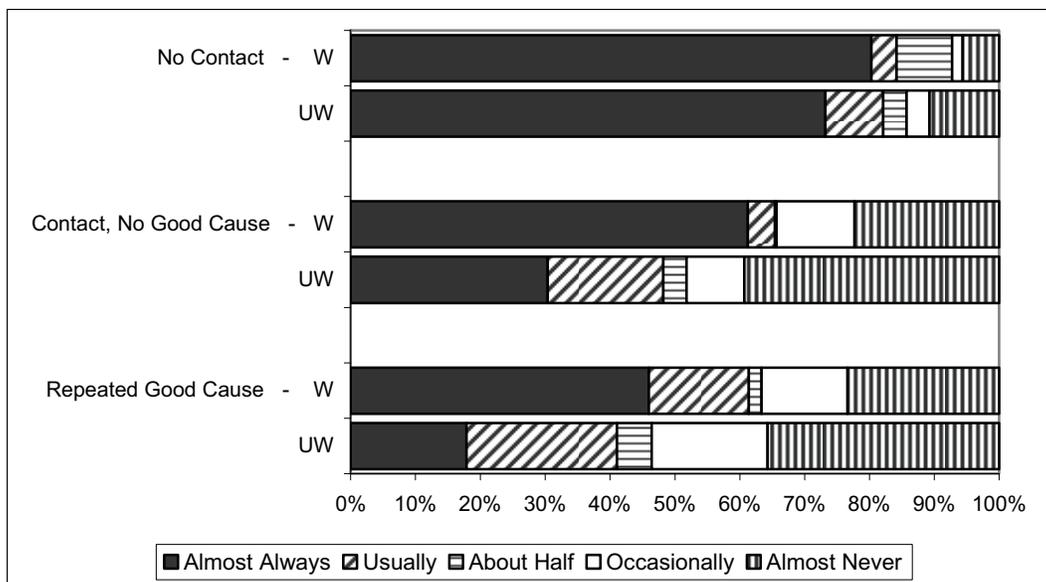


Figure 3.2—Percent Sending NA 840

Notes: W – weighted, UW – unweighted; for these and similar tables, the underlying percentages are provided in tables in Appendix D.

One caseworker explained his thought process:

It's kind of stressed [to us] if someone calls in, don't start noncompliance process. Case by case, that's a judgment call whether this person has given you a valid reason for not showing, participation history. Say somebody has been scheduled for Job Club five times, my baby was sick, there is a pattern, put them in [formal] noncompliance, have them come in and show documentation. It's case by case. Participation history, compliance history. If this is a person that has always complied, you can assume this is a good reason, Schedule them [for] an appointment to resolve it whether or not you put them in noncompliance. Send them a verification appointment.

Responses to the ACSS (see the top bar of Figure 3.2) are consistent with this perspective. In many counties, even repeated good cause does not trigger the statutory noncompliance process (36 percent/23 percent “almost never,” 18 percent/13 percent “occasionally”). Again, our qualitative fieldwork suggests that caseworkers appear more likely to give such second chances than is perceived by their supervisors and senior management, so these ACSS responses are likely to understate the prevalence of such second chances, even in response to repeated good cause.

The comments of Santa Cruz County in their ACSS-OER are consistent with the spirit of these ACSS responses and many of our meetings with caseworkers. After checking the boxes about when they send out a NA 840, they wrote:

We send the NA 840 to participants for whom this [contacts caseworker, but does not have good cause] frequently occurs to emphasize the importance of compliance.

We send the NA 840 to participants who fail to attend the same activity more than three times [with good cause] to emphasize the importance of compliance.

Note carefully the language. The first paragraph implies that Santa Cruz County sends the NA 840 after multiple incidences of noncompliance *without good cause* (apparently versus not sending it out at all). The second paragraph implies that Santa Cruz County sends the NA 840 the *fourth time* a client fails to attend an activity with good cause. Until recently, Sacramento County also rescheduled almost all noncompliant clients. It was rare that an NA 840 would ever be sent. (See below for changes to this policy.)

Some caseworkers, supervisors, and senior management argued strongly and for several reasons that offering second chances in the face of repeated good cause is a mistake. First, one good cause event is plausible, two is possible, three is extremely unlikely. As the number of claims of good cause grows, the likelihood that the claim of good cause is true declines. These stricter caseworkers and supervisors argued that the appropriate response to multiple incidents of good cause is to start the statutory noncompliance process and force the recipient to come in for a good cause meeting. At that good cause meeting, the client can be asked to document good cause. Sometimes, that good cause meeting itself completes the activity (e.g., Orientation/Appraisal).

Second, it is possible that each of the claims of good cause is true. Nevertheless, simply rescheduling may not be the best response. Even if true, repeated good cause is not conducive to successful participation or employment. Employers will expect regular attendance. Repeated good cause suggests that something is systemically wrong. Perhaps there is a long-term issue that should yield a temporary or permanent exemption from participation in the WTW program. For example, short-term acute illness of a child (e.g., recovery from surgery) would usually qualify the recipient for a short-term exemption. Responsibility to provide care for a permanently disabled family member would usually qualify the recipient for a long-term exemption. Similarly, repeated good cause may suggest the need for additional casework or services. Perhaps there is a need for a course in “life skills.” Perhaps there is a need for the help of a caseworker in arranging sufficiently reliable childcare and transportation.

Third and perhaps more likely, the repeated claims of good cause may be hiding some serious issue—domestic violence, substance abuse, mental illness—that should itself be addressed. Also in this case, the recipient needs to come in for an in-person meeting for an evaluation of whether additional supportive services are necessary. Again, the statutory noncompliance process will trigger a requirement to come to a good cause meeting at which time such issues can be addressed.

Note that these issues are particularly problematic for noncompliance at Orientation/Appraisal. The CalWORKs program model (i.e., Figure 2.1) specifies Orientation/Appraisal as the opportunity for the client to claim exemption, for the caseworker to identify serious barriers to participation, and for the caseworker to arrange for childcare and transportation. Invoking the statutory noncompliance process will trigger an in-person meeting at which the tasks of Orientation/Appraisal can be completed.

No Contact

If within a few days, a noncompliant client does not call in and the caseworker cannot reach the recipient by phone, the caseworker will usually begin the statutory noncompliance process by starting the official procedures to send the NA 840. Responses to the ACSS imply this outcome “almost always” occurs for 73 percent (80 percent) of all counties. We discuss the steps of the statutory noncompliance process in the next subsection.

It follows that if a client can be reached by phone, the client will be offered one or more second chances (without sending an NA 840). If the client cannot be reached by phone, second chances will not be offered and the statutory noncompliance process will begin. In order for there to be contact with the client, the client must call unprompted or the caseworker must call the client. For the caseworker to call the client, the CWD must have a current phone number on file, that number must be operational, the phone must be answered, and if the recipient is not home the message must reach the recipient.

Recipients have a responsibility to keep their contact information—address and telephone number—current. In practice, caseworkers report that phone numbers are often invalid or not operational. Even when phone numbers are valid, they are not always answered. There is often no answering machine. If the phone is answered by someone other than the recipient, the message may fail to reach the recipient. There is no obvious solution to this problem of telephone contact with recipients, but it is important to realize that receiving a second chance depends on the ability of caseworkers to reach clients via phone.

Official Efforts to Limit Offering Second Chances

In several counties, we learned of official efforts to limit offering second chances. In Los Angeles County, proceeding directly to the sanction process is the default in their LEADER/GEARS computer system. The system records the scheduled appointment. The caseworker or contractor is to make an entry indicating participation or rescheduling. If the caseworker does not make some entry, the NA 840 is automatically generated.

The caseworker can stop the NA 840 in other ways. If the client calls in with good cause, the caseworker can remove the missed appointment and begin the process of scheduling a new one. Doing so will prevent the NA 840 from being generated. However, defaults (i.e., what will happen if the caseworker does not act) are important.²³ Stopping the NA 840 requires a deliberate effort on the part of the caseworker. This default appears to result in fewer incidents in which a second chance is granted without sending out an NA 840 and a formal determination of good cause (or compliance plan).

Other counties have moved in the same direction using more conventional management approaches. One caseworker explained the old pattern in his county and the policy response.

“Reschedule, reschedule, reschedule”—or “nothing”—if the worker had not done anything. A stuck case, in limbo. ... Some of them like it that way. Average five to seven reschedules without the benefit of noncompliance. If someone did not show, it would be easier just to reschedule them [rather than] to enter into noncompliance.

²³ See Klerman, Cox, and Jaureguiberry (2005).

Our managers have issued a policy, that a client can be rescheduled once (scheduled twice). What occurs after that, then the worker must [consult] with their supervisor, [and the] supervisor can say reschedule or put them in noncompliance.

A supervisor in the same county explained the situation from his perspective:

They call and make an excuse. Child in the hospital. Car broke down. Workers give them the benefit of the doubt. They don't look at the list. They are willing to accept the fact that this was not scheduled at the right time for the client. OK we will reschedule you again. About a month or two months later, call up with another excuse. Sometimes the worker will give them another chance.

We've had to tell workers you can't keep doing that. Let them go to noncompliance after a couple of times. If anything they [caseworkers] were too liberal.

Orange County has adopted an official policy of encouraging caseworkers to send the NA 840 in response to noncompliance. Managers have encouraged supervisors to review caseworker case files to identify cases that have received “too many” second chances without an NA 840. Instead, they urge caseworkers to begin the statutory noncompliance process for those cases.

Similarly, Sacramento County had a very, very low sanction rate. Even recipients who repeatedly gave good cause or who never were contacted by the CWD were only rarely sanctioned. As part of a broader review of its noncompliance, Sacramento County revised its official written procedures to strongly discourage informal second chances (i.e., rescheduling a WTW activity without sending an NA 840).

The revised rescheduling policy for Job Club/Job Search states:

Case managers can allow participants one rescheduling of the agreed upon Job Club/Job Search session. Should the participant want/need to reschedule a second or subsequent time, the case manager must staff it with the unit supervisor and determine appropriate action.

All rescheduled appointments must be explained in the case narrative.

Furthermore, the county is monitoring caseworker compliance with these new guidelines:

Each month a report will be created listing all WTW participants who were referred to Job Club/Job Search more than once. This is the 'Multiple Referral Report.'

This report will be sorted by unit and sent to the unit supervisor. The supervisor will review the 'Multiple Referral Report' each month to ensure performance measures for Job Club/Job Search rescheduling have been met.

In addition, many counties (30 percent of the counties/25 percent of the caseload; n=54) including Sacramento County have created specialized sanction workers. Once a client is flagged as noncompliant, the steps of the statutory process—sending out the NA 840, holding the good cause meeting, curing the sanction—are handled by the specialized sanction worker. We discuss these specialized workers in the next section. Here we note that a specialized worker staffing structure changes the workload calculus for regular welfare-to-work caseworkers and for eligibility workers. In the absence of a specialized worker, it is easier for the welfare-to-work worker to simply reschedule the missed activity. With a specialized worker, it is easier to begin the statutory noncompliance process.

The NA 840 Process

The WTW caseworker has now decided to deem the client noncompliant and begin the steps in the statutory noncompliance policy. In this section, we consider sending out the NA 840, its content, and the responses to the NA 840—no response, good cause, and compliance plan.

Sending the NA 840

When the recipient does not comply with program rules, the statutory noncompliance process (MPP 42-721.23) begins with the CWD's sending the NA 840. The NA 840 gives the date of the good cause appointment, the date on which the benefit would be lowered, and by how much if the sanction were imposed.

Bureaucratically, simply sending out the NA 840 can be a challenge. In most counties, the WTW process is run by a dedicated WTW caseworker; eligibility operations (e.g., initial approval, quarterly progress reports, setting the monthly benefit, the annual in-person redetermination meeting) are handled by another person—the eligibility worker. The statutory noncompliance process lies on the seam between these two tasks. The WTW caseworker determines that there is noncompliance with WTW program requirements. The WTW caseworker will determine whether the sanction should be imposed. However, the NA 840 has the potential to affect the size of the benefit and requires a computation of the welfare benefit under sanction. Computing or changing benefit levels is an eligibility task. Thus, the noncompliance and statutory noncompliance process might be managed by either the WTW caseworker or the eligibility caseworker. Completing the process will require coordination by both workers.

Counties deal with this bureaucratic design choice in different ways. It appears that the most common approach is that the WTW caseworker requests that the eligibility worker send out the NA 840, instructing the recipient to contact the WTW caseworker. The WTW caseworker then notifies the eligibility worker of the outcome of the NA 840—i.e., whether or not the benefit should be cut (see the discussion later in this section).

Bureaucratic procedures requiring this type of close cooperation between pairs of workers are potentially problematic. Does the initial message get to the eligibility worker? Is it processed promptly? If not, the NA 840 will not be sent. Does the message about the response to the NA 840 get to the eligibility worker and is it processed properly? The direction of the error if the message does get lost or is not processed promptly will depend on the default (i.e., sanction if no further contact, or sanction unless further contact). In most counties it appears that the default is no action. The eligibility worker must receive a specific message to sanction. Thus, as with the initial message to send the NA 840, problems with the process for implementing a sanction lead to not sanctioning people who should be sanctioned.

In some counties, caseworkers report significant problems with this interface (e.g., Los Angeles, San Bernardino). In most counties eligibility workers consider processing the quarterly status report (i.e., the QR 7s) to be their primary job task. Imposing the sanction is a lower priority. In practice, it is often left until “later.” As a result, some WTW caseworkers and supervisors report expending considerable effort verifying that the NA 840 has been sent. For example one caseworker reported:

Email the eligibility work after the 20th day; I set a task in [the computer system], request that the sanction be applied. They [the eligibility workers] just don't apply it. My emails they delete

without reading. I finally had to get my supervisor and their supervisor involved. This is my third, fourth, fifth request. We have a person at the welfare office who everyone emails her and she is on top of job. We had that and it always worked. Nonspecialist EWs [eligibility workers], they often let the sanction slide, that for them is not a priority, the way they operate they are given a list of priorities per week, if they don't have what their supervisor is telling them are their priorities.

In addition, the required handshake (i.e., coordination between the eligibility worker and the WTW worker) lengthens the time between noncompliance and the statutory good cause meeting and imposition of any sanction. The additional effort required of caseworkers and the long time lines discourage WTW caseworkers from imposing sanctions.

The nature of these problems varies with the staffing pattern of CWDs (see Klerman, Zellman, et al., 2002). The problem is worse in counties with outsourced WTW operations (e.g., parts of Los Angeles, Orange County, San Joaquin County, San Diego County). State regulations prohibit noncounty employees from making “eligibility determinations”—e.g., the final decision to sanction. Instead, contract WTW caseworkers must make a formal request to a county eligibility worker. The county eligibility worker reviews the case and sends out the NA 840 (and later cuts the benefit).

For example, San Diego County describes its procedures as follows:

When a participant who is being provided employment services by a contracted region fails to comply, the assigned contracted Employment Case Manager [ECM] must follow all county sanction procedures. Additionally, the contracted ECM is required to submit a sanction recommendation to the County Sanction Reviewer. Contracted ECM Supervisors follow the County Supervisor Sanction Review Process; however, the sanction is not considered approved until the County Sanction Reviewer completes the review. Upon receipt of the sanction packet from the Contracted ECM, the Sanction Reviewer:

Reviews the completed Form 27-325 HHSA and the supporting documentation for the sanction;

Determines if sanction procedures were followed correctly;

Determines if program rules and regulations are being applied appropriately with regard to the sanction issue(s);

Determines if the Contracted ECM's finding of no good cause is reasonable and support[ed] by the documentation; and

Processes the sanction reviews within three (3) working days from the date of receipt.

The communication problem is nonexistent in almost a third of the counties (31 percent) with a “combined worker” handling both eligibility and WTW activities or in a county that does not contract out. Those counties are relatively small (only 18 percent of the caseload). To some extent, in a county with separate eligibility and WTW caseworkers, starting the statutory noncompliance process shifts work from the WTW caseworker who makes the decision to initiate the statutory noncompliance process to the eligibility worker who sends out the NA 840. However, in a combined worker county, initiating the statutory noncompliance process imposes work on the combined worker himself.

One approach to these coordination problems is to establish a special sanction worker (e.g., Sacramento, San Joaquin). These special sanction workers only handle the statutory noncompliance process. In some counties, these special workers only handle the eligibility component of the statutory noncompliance

process. In other counties, these special workers are also the person whom the noncompliant recipient contacts.

Sanctions are the only thing a specialized sanction worker handles. Thus, processing sanctions does not get deferred by the press of processing QR 7s. As one county explained:

The reason we have the special sanction unit is that our staff does have the access or the knowledge to determine what the grant [under] sanction would be. Because of timing issues. They enter the information into the [computer] system. It would get bogged down if it would go to the regular case-carrying eligibility worker. It used to be done by the regular eligibility work. For eligibility workers, giving them [the clients] grants was a priority over processing the sanctions.

This is in addition to the advantage noted in the previous section: Adopting a specialized sanction worker staffing structure makes it less difficult for the welfare-to-work caseworker to sanction.

Both of these changes would be expected to raise sanction rates. Two comments from counties that had adopted this structure were consistent with that expectation.

When [we clamped down on second chance], we got lots of calls. [Clients said:] “No one ever made me do this.” [But] this was what was supposed to be done. [After the policy change,] someone was finally following through on the procedure. They [the clients] found out that we can sanction.

More people are actually getting sanctioned. Prior person [i.e., WTW caseworker] would not do it and they [the client] would not get sanctioned. The sanction should get applied. People should have a better opportunity to get into the program they should be in. I think it’s working. The process is being applied better. I have not seen the numbers. More opportunities to determine good cause. If there is good cause. That’s what the whole meeting is about.

In addition, the specialized sanction worker staffing strategy has another advantage. The NA 840 process is complicated. Regular WTW caseworkers often make mistakes—both because they do not know the regulations and because they are so busy that they have trouble following all of the procedures. As one manager explained:

Good cause. It’s a very complicated procedure. To have just a few people become the local experts on the process seems to help. Gives other staff some relief. They don’t have to remember the 1,400 steps. They just turn it over to the noncompliance worker in their [office]. That person takes over the 30 [day] notice, knowing whether to send the WTW 4 if there is a second parent in the household. Because of the complexity of that process, whenever someone filed for a hearing, our hearing staff was unable to support that case. If we don’t try to call them, we don’t do what is in the regulation. A lot of workers if the client did not show up, they just kept on working. That was one of the biggest issues at hearings. Nope, they did not attempt to make that contact, make that note in the case. It was very frustrating for staff that their attempts at noncompliance were not being upheld.

The Revised NA 840

Revising the NA 840 and other notices and forms was a major focus of the Workgroup and ACL 03-59. Consistent with broad areas of concern throughout government, both the advocates and county representatives that we interviewed agreed that NOAs needed to be more “user friendly.” While previous information about the sanctions process and what recipients need to do was spread across two pages, ACL 03-59’s revised NA 840 included this information all on the first page.

Furthermore, the revised NOAs included new language intended to make the NOA more understandable and less intimidating. For example, the opening paragraph of the NA 840 has been reworked to have a less punitive tone and less focus on financial penalties. Before ACL 03-59, the NOA opened with a statement about the recipient's cash aid being cut with actual amounts listed. Advocates felt this made recipients believe that sanctions were a foregone conclusion. The revised NOA opens by identifying the noncompliance problem and telling recipients they need to contact their caseworker to discuss the problem. And although it mentions the possibility of a reduction in the cash aid, the actual sanction amount is not discussed until further into the NOA. Appendix B has a side-by-side comparison of the specific changes in the NOA.

From our interviews, it seems that there was general agreement among the Workgroup members about these changes. However, ACSS-OERs from two counties suggested continuing unease:

The sanction of mandatory participants, NA 840, combines the cause determination appointment and the cash aid budget. This is confusing and unclear to the client. (Santa Clara County)

The Notices of Action are extremely long and complicated, making them difficult to understand. (Colusa County)

The extent to which the new forms and other ACL 03-59 changes are actually being made and any effects on the process remains unclear. As of our fieldwork, ACL 03-59 was only recently implemented or soon to be implemented in many counties.

Response and No Response

Once the NA 840 is mailed (in terms of Figure 3.1 [Cell D]), the client is to contact the caseworker within 20 days. The contact between the noncompliant client and the caseworker can occur in several ways. The simplest way is for the client to attend the statutory "good cause appointment" at the place, date, and time specified in the NA 840 (MPP 42-721.241). That appointment is scheduled late enough so that the recipient can receive the letter, but early enough to allow one reschedule or time for the recipient to return with formal documentation of good cause. In practice, this is usually about 10 days from the mailing of the notice (which occurs a few days after the instance of noncompliance for which the caseworker chooses not to try again).

This scheduled good cause appointment is not the only acceptable form of contact. The client may also call the caseworker before the scheduled good cause meeting and establish good cause over the phone ([Cell E]; MPP 42-721.232[e]), call in and reschedule the good cause appointment (MPP 42-721.242), or respond to the (required) caseworker call to inquire about the no show at the good cause appointment ([Cell S] and [Cell T]; MPP 42-721.25).

If there is no contact within 20 days from mailing the NA 840, the next steps are simple. The client falls through directly to sanction [Cell Z]. The NA 840A (discussed below) is not sent. No additional 10-day notice needs to be mailed.

The ACSS asked: "How often is an individual sanctioned without the caseworker having any contact from the individual?" (See Figure 3.3.) About a quarter of the counties report that this happens "almost never" (25 percent/17 percent). Another third report that this happens only occasionally (30 percent/21 percent). Another quarter report that this happens "about half the time" (28 percent/20 percent). This

was the comment we heard most frequently from caseworkers in our fieldwork. Only about half of those who receive the NA 840 will contact the caseworker within 20 days. The rest will fall through to sanction without any contact. Finally, about 7 percent of the counties, with 31 percent of the caseload, report that this (no contact) is almost always what happens. This group includes Los Angeles County.

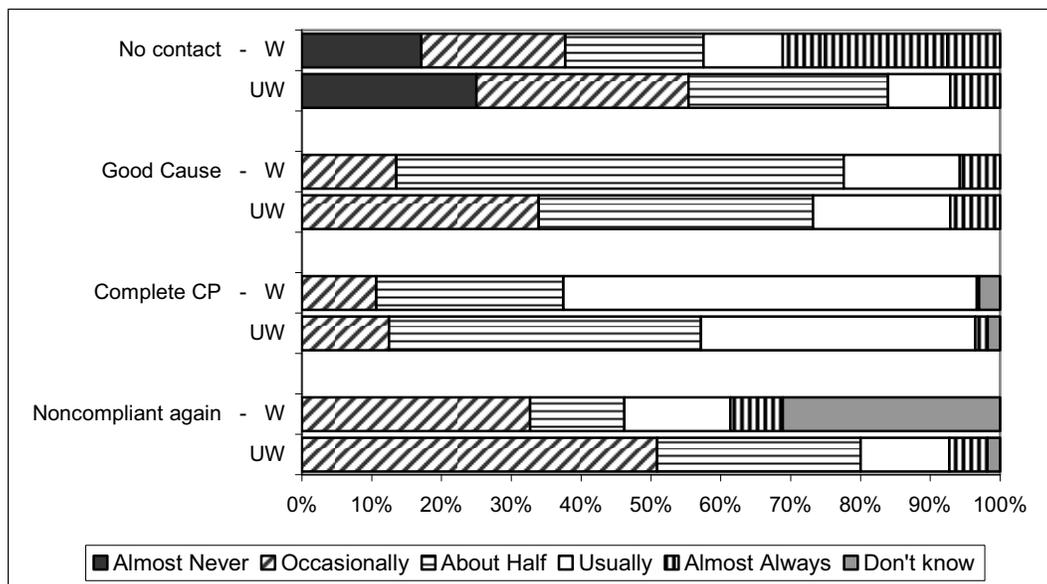


Figure 3.3—Flows Through the Noncompliance Process

Notes: W – weighted, UW – unweighted;
for these and similar figures, the underlying percentages
are provided in tables in Appendix D.

If there is contact, the global caseworker first tries to establish good cause ([Cell F]; MPP 42-721.272[a]), including a long-term exemption [Cell G]. If good cause is not established, the client can enter into a compliance plan ([Cell H]; MPP 42-721.272[b]). We consider good cause and compliance plans in the next two sections, respectively.

Good Cause

ACL 03-59 noted several problems with the good cause process. First, there was a problem with what constituted good cause. Prior to ACL 03-59, recipients received only limited information about what would constitute “good cause.” The old (pre-ACL 03-59) NA 840 told recipients that they could avoid a sanction by establishing good cause. It listed three reasons (domestic violence, lack of childcare, and lack of transportation) and then referred recipients to their *WTW Handbook*, which basically repeated the same information.²⁴

²⁴ CWDs give recipients the *WTW Handbook* at the initial orientation. Although CDSS developed a basic format for counties to follow, each county could adapt the format to fit its own policies and procedures.

ACL 03-59 required CWDs to inform clients of the range of possible reasons for good cause by sending the new WTW 27 form ("Request for Good Cause Determination") to all noncompliant recipients along with the NA 840. The WTW 27 form provides a long list of possible "Good Cause Reasons":

- *I was sick.*
- *My child or other member of my household was sick and needed my care.*
- *I did not have childcare.*
- *I recently had a death in my family (spouse, parent, child, or close relative).*
- *I did not have transportation or money for gas.*
- *The round trip travel time would be more than two hours by bus or other public transportation [or] two miles round trip on foot.*
- *Weather or other act of nature prevented travel.*
- *I need help with a learning disability, mental health impairment, domestic violence issue, or substance abuse problem.*
- *I am homeless or living in unstable, temporary housing.*
- *I had legal problems.*
- *I was in jail.*
- *I was working that day.*
- *I never got a written notice.*
- *I have language problems.*
- *Any other reason that you believe should be considered. (Explain:)*

Finally, there is a set of blank lines to be filled in by the recipient: "Give us any details or information that will show us that you had a good reason for not participating."

Second, the Workgroup believed that recipients needed more information to understand how to establish good cause and better ways to communicate to caseworkers that good cause existed. To address this concern, in addition to the list of possible good cause reasons, the WTW 27 also includes an overview of the process.

Returning this form is optional: *You can still claim that you had a good reason ("good cause") for not meeting Welfare to Work rules if you do not return this form. Even if you do return this form, you must still call your Welfare to Work worker before your appointment OR go to the appointment to talk about your Welfare to Work participation problem. If you do not go to your appointment or call, your cash aid may be lowered if you do not give us enough information on this form to show us you have a good reason for not participating. The date, time, and place of your appointment are on the Notice of Action (NA 840) that the county sent to tell you about your participation problem.*

And clear instructions on how to claim good cause:

Instructions: *If you had a good reason for not doing what you were supposed to do in Welfare to Work, fill out this form. Give us any information you may have (for example, a doctor's note) to show us that you had a good reason. You can also tell us about your good reason by giving us any details in the section below.*

Third, some counties did not have clear policies to assist caseworkers in making good cause determinations. The statute and regulations spelled out certain specific good cause reasons. Furthermore, the state had required the counties to develop formal, written procedures for good cause determination (ACL 00-08, released January 3, 2000). Nevertheless, some counties had not done so. In those counties, caseworkers therefore lacked written guidance as to what was appropriate under the elastic “any other condition or circumstance” good cause provision. The advocates we interviewed explained that this lack of clear guidelines allowed these counties to adopt very restrictive definitions, in their view sanctioning people who should not have been sanctioned.

In response, the Workgroup developed a new recommended form (WTW 26, “Good Cause Determination Guidelines”) for caseworkers to use in implementing the good cause process. This WTW 26 form provides guidance to the caseworker about how to handle the noncompliance meeting (numbered paragraphs substituted for text list):

Explain the good cause and compliance process.

Ask why the recipient did not comply with program requirements.

Refer to the examples of good cause below and determine if the participation problem was due to one of these examples or any other good reason. If yes, and that reason is verified, good cause exists.

Determine if the recipient is repeatedly experiencing barriers to participation. If yes, the recipient has an ongoing problem and should be evaluated to determine if he or she should be exempt or a referral to mental health, domestic abuse, or learning services is necessary.

This form includes a list of qualifying examples of good cause that is even longer than the one in the WTW 27 form:

- *Temporary illness (review for exemption if more than 30 days)*
- *Temporary illness of child or family member (review for exemption if more than 30 days)*
- *Breakdown of transportation arrangements*
- *Lack of childcare*
- *Lack of appropriate special needs childcare*
- *Breakdown in childcare arrangement*
- *Lack of access to shelter, counseling, or other services*
- *Homelessness*
- *Death in the family*
- *Severe family crisis*
- *Physical access barriers for the disabled*
- *Earthquake or severe weather condition prevented travel attendance*
- *Learning disabilities that are a factor in the failure to participate*
- *Legal difficulties*
- *Court appearances*
- *Temporary incarceration*
- *Remoteness from Welfare to Work Activities*

- *Language barriers*
- *Discriminate based on age, sex, race, religion, national origin, sexual orientation, or physical or mental disability*
- *Employment or offer of employment exceeds the daily or weekly hours of work customary in the occupation*
- *Violation of health and safety standards*
- *No workers' compensation insurance*
- *Accepting employment or participating in a work activity would cause an interruption to an approved education activity or job training (except work experience or community service)*
- *Violation of union membership*

The WTW 26 form then goes on to list indicators for substance abuse (four bullet points), mental health (five bullet points), and domestic violence (15 bullet points). Finally, the form includes an “elastic clause”:

Other Good Reasons: *On a case-by-case basis, as determined by the county, any other reason that temporarily prevents or significantly impairs a recipient's ability to work regularly or go to Welfare to Work activities.*

It was the hope and expectation of the Workgroup that this WTW 26 form would help to standardize the good cause determination process and ensure that all recipients received equitable treatment.

These instructions to the caseworker appear to have been the subject of some disagreement among the Workgroup members. The advocates wanted a mandated finding of good cause if a caseworker verified that any of the listed reasons existed. The counties, however, did not want this requirement, believing that it went beyond existing laws and regulations. It appears that the CWDs prevailed on this issue, as ACL 03-59 does not mandate a good cause finding when any of these factors are present. Instead, consistent with the preexisting regulations (Section 11320.3[f]) the final determination of whether there is good cause is a county determination (in practice, usually at the caseworker's discretion).

These provisions of ACL 03-59 appear to have had an effect. In the ACSS, 34 percent (21 percent) of the counties said that ACL 03-59 had or would cause them to “expand the definition of good cause.” Contra Costa County went further stating that the forms caused them to put “more emphasis on good cause.”

Caseworkers we interviewed during our site visits had mixed feelings about the Good Cause Guidelines. Some caseworkers appreciated the additional guidance. For example, in their ACSS-OER, Calaveras County commented:

Utilization of the WTW 26 assists staff in determining good cause. The WTW 27 helps recipients understand situations that are considered good cause reasons for nonparticipation. This form also is helpful in initiating discussions between the recipient and worker to identify and resolve barriers.

Others caseworkers believed that they already knew how to establish good cause, so the WTW 26 and the WTW 27 were unnecessary. Furthermore, some caseworkers and more senior CWD staff expressed a concern that the new guidance made it too easy for a recipient to “know what to say.” Specifically, some of the good cause criteria are difficult (or impossible) to verify. Caseworkers explained that the list made it easier for recipients to make up an acceptable excuse.

Even among those contacting the caseworker, good cause is not automatic. Tabulations of the ACSS (see Figure 3.3) suggest that in a third of the counties, good cause is only granted “occasionally” (34 percent/14 percent). And in another third of the counties, with two-thirds of the caseload, good cause is only granted “about half the time” (39 percent/64 percent). In the remaining third of the counties good cause is granted usually (20 percent/16 percent) or almost always (7 percent/6 percent), but they are mostly smaller counties.

If good cause is established, the new NA 840A officially notifying the client of that outcome is mailed out.²⁵ Note that there is officially no consequence for good cause. The welfare benefit is never cut. Officially, the criteria to be applied at the next formal instance of good cause are unchanged. The client proceeds to a second chance [Cell K] as if nothing had occurred. It appears that according to a narrow interpretation of the regulations, a client could serially claim good cause indefinitely and without consequences.

This appears to be how Yolo County managers officially interpret the regulations. In their ACSS-OER, they request a change in the regulations that would

Impose a limit of time or number of times an individual can be in noncompliance before being placed in an automatic sanction. This would provide significant administrative relief to the CWD and will re-engage the customer in a more expedient manner.

The language on the WTW 26 calls out repeated good cause:

Determine if the recipient is repeatedly experiencing barriers to participation. If yes, the recipient has an ongoing problem and should be evaluated to determine if he or she should be exempt or a referral to mental health, substance, abuse, domestic abuse, or learning disability services are necessary.

This suggests a different response. In practice, several caseworkers, across several counties, told us that after a few incidences of noncompliance leading to an NA 840 and the finding of good cause, they will deny good cause, forcing the client into the compliance plan phase described below. Doing so is arguably inconsistent with the spirit of the regulations. However, the language “as determined by the county” might imply that it is permissible.

Compliance Plan

If good cause is not established, the client enters the compliance plan phase [Cell H]. The client and the county (through its agent, the caseworker) jointly develop a Compliance Plan (WTW 32 form). It is an agreement between the noncompliant client and the caseworker. It specifies the steps the client must take to come back into compliance. Usually, but not always, the Compliance Plan requires participation in the activity at which the client was noncompliant. Sometimes the earlier activity is no longer available (e.g., it is too late in the school term to reenter an education program); at other times, through the good cause meeting, it is determined that some other activity would be more appropriate. Regardless of the specific activity, the bottom of the WTW 32 form includes the statement “I understand that: My cash aid

²⁵ More broadly, the NA 840A is used in three circumstances: (1) when good cause is established (as discussed in the body of the text); (2) when no good cause is established and the client agrees to sign the Compliance Plan; and (3) when a client does not have good cause, does not agree to a Compliance Plan, and is going to be sanctioned.

will be lowered if . . . I agree to the plan but do not do what it says without a good reason.” In this case, the WTW 32 would be issued, formally notifying the client of the terms of the Compliance Plan.

The crucial feature of the Compliance Plan is only implicit in this statement. For a client not in a compliance plan, even serial noncompliance results—at worse—in a new NA 840, another chance to present good cause, and failing that, the opportunity to sign a Compliance Plan. Once in a Compliance Plan, however, the regulations are explicit:

If a sanction is imposed under the terms of this paragraph [i.e., for failing to comply with the terms of a Compliance Plan], no further compliance procedures are applicable.

In practice, this means that noncompliance during the term of a Compliance Plan results in the sending of a 10-day notice and imposition of the sanction. There is no 20-day period to establish good cause and there is no new Compliance Plan. A client could call in to claim good cause, but it appears that such claims are viewed with suspicion. The contrast with repeated good cause leading to repeated mailing of the NA 840 explains why, as noted earlier, some caseworkers force repeatedly noncompliant clients into a Compliance Plan, even if they have good cause for the most recent noncompliance.

We try not to give good cause just because they had a good story. Part of it depends on their track record. If they had a problem they should have contacted a caseworker. They need to be able to show good cause. Documentation that says you were in the hospital. We have to have something or everyone is going to have good cause. I know we are not supposed to have them sign a CP [Compliance Plan] if they have good cause, but I do. I want to know that they understand that they have to cooperate. It just gives a little more credence to the fact that we do need you to cooperate and you have signed something again.

The details of these Compliance Plans were a major focus of the Workgroup and ACL 03-59. From the ACL and our interviews, it appears that the Workgroup members agreed that practices regarding Compliance Plans varied significantly across counties and standardized guidelines were needed. Neither the CalWORKs legislation nor the CDSS regulations had provided guidance regarding the substance of Compliance Plans or their duration.

ACL 03-59 attempts to fill this gap. It includes a standardized form (WTW 32, “Welfare-to-Work Compliance Plan”) for CWDs to use when recipients agree to a Compliance Plan. The new form details the exact activities the recipient must perform, specifies when the plan ends, and informs recipients about their right to a state hearing if they disagree with the plan terms. The CWD must provide recipients with copies of the completed Compliance Plan.

In addition to the standardized Compliance Plan, ACL 03-59 provides specific guidelines regarding the duration of Compliance Plans. For noncompliance at Orientation/Appraisal, the Compliance Plan will simply require prompt (at the scheduled appointment) completion of Orientation/Appraisal. For later activities, the situation is different and duration is a crucial component of a Compliance Plan.

Given the expedited sanction during a Compliance Plan period, the duration of the Compliance Plan period is crucial. Prior to ACL 03-59, advocates were concerned that counties were leaving once-noncompliant recipients in Compliance Plan status for very long periods. The counties preferred the longer time period because they felt that it made recipients demonstrate their intention to remain compliant.

A longer Compliance Plan period has two advantages. First, it subjects the client to the expedited statutory noncompliance process (i.e., additional notice, no phone call) for a longer period of time. Second, it allows more time to actually schedule and require compliance with an activity. The final text of ACL 03-59 allows a Compliance Plan to last only until the end of the activity at which the client was noncompliant (e.g., four weeks of Job Club, a term in school) or 60 days (starting from the date the activity starts), whichever is less. If the original activity is no longer appropriate or no longer available (e.g., too much time has passed to allow continued enrollment in the original training program), then the county may substitute some other activity, but for no longer than the term of the original activity or 60 days, again whichever is less.

According to the ACSS, the effect of this provision of ACL 03-59 is mixed. Consistent with the advocates' concerns, 18 percent (24 percent) of the counties report that with ACL 03-59, Compliance Plans have become shorter (e.g., Yolo County's ACSS-OERs imply that the county previously required 90 days of compliance). However, a slightly larger number of counties (20 percent/13 percent) reports that with ACL 03-59, Compliance Plans have become longer. Our fieldwork suggests that the reason is that some counties were deeming the Compliance Plan period completed as soon as the recipient began to participate in the activity, or even as soon as the client agreed to participate by signing the Compliance Plan. For activities after Orientation/Appraisal in these counties, the length of the activity or 60 days could be much longer.

How Common Are Each of These Outcomes?

Tabulations from Sacramento County provide a quantitative characterization of the outcomes of the statutory noncompliance process. As part of its revised noncompliance procedures, Sacramento County established specialized noncompliance workers. Once the regular (combined) caseworker identifies a case as noncompliant, the case is passed to a specialized noncompliance worker who notifies, and processes the cases. It is our understanding that most of these cases would already have had several instances of noncompliance that did not result in an NA 840.

Table 3.1 tabulates the results of the efforts of one of those workers over two months in late 2004. These tabulations suggest that the population that receives an NA 840 is composed of four approximately equal sized groups: (1) those that are not truly noncompliant—they have left welfare, they have come back into compliance; (2) those with good cause; (3) those without good cause, but who enter into a Compliance Plan (some of whom may not fulfill the terms of their Compliance Plan and will thus be sanctioned in the near future); and (4) those who do not respond and are therefore sanctioned. This characterization is roughly consistent with the comments on caseworkers and supervisors in our qualitative fieldwork.

Table 3.1
Outcomes Among Noncompliant Clients (Sacramento County)

Reason	September 2004	October 2004
Clients taken off the noncompliance list by Human Service Specialists (noncompliant, left aid)	27% (25%)	12% (17%)
Clients given good cause	16% (21%)	25% (34%)
Clients with Compliance Plans	17% (22%)	17% (23%)
Sanctioned clients (often, no contact)	17% (22%)	19% (26%)
Total clients identified as potentially noncompliant	77% (100%)	73% (100%)

Source: Memo from Susan Garrison concerning F100 Bureau based on special tabulations compiled as part of a process reform effort.

Our interviews are consistent with these tabulations. A sizable fraction of those receiving the NA 840 are motivated to come into compliance:

Most of the cases we can reach over the phone, to give a new appointment, they give an excuse: Child is sick, car broke down, no transportation. These are people with lots of issues, not just poor. Half [of the reasons] are real. It depends on barriers. ... Always act as though we believe it. Not necessarily verifiable. We give them the benefit of the doubt. Verify that which is verifiable. ... It's a reality check. They come in and try to convince the case manager that they want to play ball. Now we have threatened them with money. When they see the notice and the date, wow I've got a month here.

Most people show up for the appointment date for the noncompliance. They know that this is their last chance; otherwise, the sanction will proceed. More than 50 percent will comply, or they try to verify the reason why they cannot participate. They sign a Compliance Plan. 60 to 70 percent do it [sign the Compliance Plan].

In Sanction and Curing the Sanction

A client who does not respond to the NA 840 or who enters into a Compliance Plan but does not comply with its terms will be sanctioned (i.e., the benefit will be cut). Those months in sanction will not count towards federal or state 60-month time limits (MPP 42-721.411).

To cure the sanction (in the language of the revised NA 840: "to get back on aid"), the client should call the telephone number on the NA 840. The language of the NA 840A is slightly different. It suggests calling "your Welfare to Work worker" and a telephone number "if you have any questions." When the terms of the cure plan are fulfilled, the welfare benefit will be restored to the higher unsanctioned amount, as of the next check.

These are the basic concepts as laid out in the statute and the original regulations. Implementing them is complicated by the way CWDs treat people in sanction and by ACL 03-59's major changes to procedures for curing sanctions. In this section, we discuss these issues. We begin by discussing what efforts CWDs make to keep in contact with recipients in sanction. We then consider initial contact by the recipient to cure the sanction, the duration of the curing period, and when aid is restored.

Ongoing Contact from the CWD

Adults in sanction are disenrolled from the WTW program. In many counties, the WTW case is immediately closed. In other counties, the case is closed after some short period during which recontact is most likely (e.g., one to two months). One caseworker explained:

Hold it [the case] for 30 days. Before I close out the 30 days, I call them one more time. [I tell them:] "If you want to clear them later, it will be with a different worker." If they are showing intent that they want to clear the sanction, we keep the case.

Once the case is closed, there is usually no longer an assigned WTW caseworker. This lack of an assigned caseworker potentially leaves no specific caseworker responsible for a case in sanction and contact from the county drops sharply.

This lack of contact between caseworkers and clients has an unintended result. Many WTW caseworkers believe that there should be continuing contact with noncompliant recipients. Since this is not the policy in some counties, caseworkers in those counties are even more reluctant to sanction, even in response to repeated noncompliance without good cause.

County attempts at ongoing contact vary widely. The simplest such approach is a monthly (or quarterly) flyer included with the check (e.g., Los Angeles County, San Bernardino). That flyer notes that the client's check is lower because she is in sanction and gives a telephone number to call to cure the sanction.

The telephone number seems particularly appropriate. During the process leading to ACL 03-59, concerns about the client not knowing whom to call were raised frequently (and we heard them in our fieldwork, as well). In response, the revised NA 840 specifically gives the telephone number of the individual's WTW worker or another appropriate staff person who can help the individual with his or her sanction. However, if the sanction is imposed, it is less clear whom the client should contact. The client may have misplaced the original NA 840 or NA 840A. Furthermore, the previous caseworker whose telephone number was listed on the NA 840 will often no longer be assigned to this case. Every case should continue to have an assigned eligibility worker. The client could contact that eligibility worker. That worker should be able to help the client to make contact with the appropriate point of contact in the county's WTW operation. In practice, observers reported that this approach is imperfect. Eligibility workers are often not knowledgeable about WTW operations and in particular whom a client in sanction (and thus without an assigned WTW caseworker) should contact to reopen her case.

San Bernardino sends out a monthly mailing including job leads. They report:

We are currently sending out letters and job leads to our sanctioned CalWORKs participants. There are some customers that do respond and come in to cure their sanction.

It appears that the Workgroup, especially advocates, expected that most counties would regularly (perhaps once a quarter, or once a year) use the WTW 31 form ("Request to Stop a Welfare to Work Sanction") developed as part of the Workgroup process and included in ACL 03-59. Regular use of the form would mean that every recipient would be reminded of the general procedures to cure her sanction and the specific person to contact. Note, however, that this form is not required. Even among those counties that have implemented ACL 03-59, some counties send out the WTW 31 form regularly; some

do not. Furthermore, in its ACSS-OER, Glenn County comments: “The monthly form letter is, basically, ineffective.”

A second approach is a reminder call. Most counties appear to have some reminder process. A fifth of counties have a policy of making a monthly reminder call (20 percent/15 percent; see Figure 3.4). Other counties have policies requiring calls at some other frequency: a quarterly (e.g., Del Norte, Sutter), semiannual (e.g., Kings, Stanislaus), or “periodically” (e.g., Kern). Sutter County explained its program as follows:

Sutter County has implemented a quarterly review process. Once an individual is sanctioned the Social Worker is required to contact the sanctioned parent three times per quarter. The purpose of the contacts is to motivate the individual to participate in the Welfare-to-Work program. Contacts are done first by mailing a letter of explanation, second by phone and last a face-to-face home visit is conducted.

However, such reminder calls will only be effective if the client has a telephone, the county has the correct telephone number, the phone is answered, and any message reaches the client.

However, note that many counties (34 percent) with more than half of the caseload (56 percent, including Los Angeles) “almost never” make calls to sanctioned clients. Furthermore, it should be noted that conversations with caseworkers suggested that in the press of heavy workloads, these contacts with sanctioned clients are not always made at the frequency implied by CWD policy.

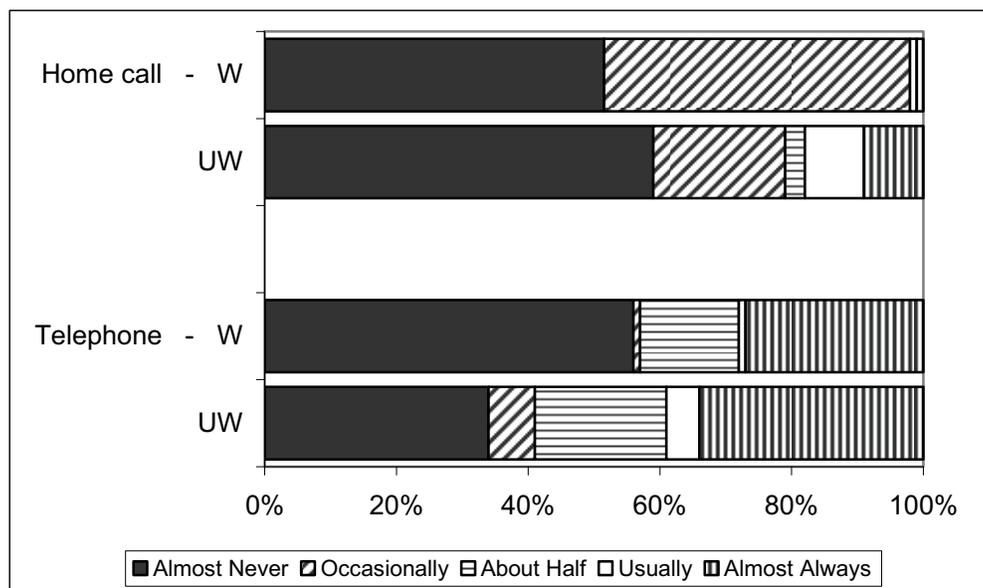


Figure 3.4—Contact after Sanction

Notes: W – weighted, UW – unweighted; for these and similar figures, the underlying percentages are provided in tables in Appendix D.

A third approach exploits the eligibility requirement for an annual in-person redetermination meeting. Some counties instruct the eligibility caseworker conducting that meeting to ask about whether the client wants to cure her sanction (e.g., Lake, Placer).

Other counties are more proactive. They send a WTW caseworker to annual in-person redetermination meetings with sanctioned clients (e.g., Calaveras and Los Angeles in a pilot project). That WTW caseworker could move the client towards curing in a number of ways: encouraging compliance, identifying barriers, working the paper immediately—without any need to set up and come to another meeting.

For example, Calaveras County described its program as follows:

We have also requested the Eligibility Staff to notify our Employment Services Staff when a sanctioned individual is in for their annual renewal. Our staff then goes to the interview room to talk to the individual about the sanction and try to reengage them and make an appointment to have them work with us to develop a plan to stop their sanction.

A fourth approach is home visits. We defer our full discussion of home visits until the next chapter. But we note here that home visits after sanction are not common (see Figure 3.4). Less than a quarter of the counties report making a home visit to sanctioned cases more than half the time, and these counties are quite small (almost always 9 percent/1 percent).

Initial Contact to Cure

Caseworkers report that once the sanction is imposed and the smaller check is received, some clients respond promptly, coming back into compliance. One supervisor explained:

Then when the sanction is finally imposed, those clients will contact us to make an effort to reinstate themselves to the case.

After someone gets sanctioned, their money goes down. Then [the client] contacts you.

We return to rates of curing sanctions in a later chapter.

How a sanctioned recipient would begin to cure a sanction was not clear from the pre-ACL 03-59 regulations and, therefore, is the subject of attention by the Workgroup and ACL 03-59. Advocates we interviewed stated that sanctioned individuals had difficulty determining what to do and whom to contact. As we noted in the previous subsection, most counties close the WTW case after it is in sanction (meaning that no WTW caseworker is specifically assigned), leaving sanctioned individuals without an obvious person to contact to begin to cure the sanction.

To address this problem, ACL 03-59 included another recommended form (WTW 31, “Request to Stop a Welfare to Work Sanction”). This form tells sanctioned individuals what they need to do to cure the sanction and provides a contact person at the county for them to call. Counties can (but are not required to) send this WTW 31 form anytime after a sanction has been imposed or can use the form in other ways (e.g., to periodically contact sanctioned adults).

How well this procedure works is unclear. Some of the ACL 03-59 reforms were prompted by concern that a client in sanction did not know whom to contact to cure the sanction. The instructions to counties on the use of the NA 840 state that counties must provide a telephone number for either the individual’s WTW worker or another appropriate staff person who can help the individual with his or her sanction. This instruction was included specifically to address the problem of the client’s not knowing whom to contact and to ensure that individuals spoke with a county worker (not a recorded message) who had the

tools/knowledge to help them cure. Nevertheless, a client who chooses to cure later may no longer have the NA 840. As of a month or two after the client goes into sanction, most counties close the WTW case. Especially in counties with separate eligibility and WTW caseworkers (including counties with outsourced WTW operations), the old caseworker (the one listed on the NA 840) is no longer responsible for this client. The case file is probably no longer on this caseworker's desk. Instead, it is probably in storage.

Thus, unless the client calls promptly to cure the sanction, it will not be clear who should take the call. In some counties, the client is instructed to call a centralized clerk. In other counties, the client is instructed to call a supervisor. That person will assign a new caseworker and recall the file from storage. In practice, the client might call her current eligibility worker or the old WTW caseworker. That caseworker would need to forward the call to the right person.

Duration of the Curing Plan

Once a client decides she wants to cure the sanction, the process is relatively straightforward. She can either fill out a WTW 31 (a recommended form) or she can contact someone at the CWD who forwards her to the right person. That person assigns a new WTW caseworker. The client comes in and signs ACL 03-59's WTW 29 form ("Plan to Stop a Welfare to Work Sanction"). This plan usually requires that the client complete the activity at which she was previously noncompliant. In the case of Orientation/Appraisal, this is still a half-day activity. It will often be on the same day the WTW 29 is signed.

Again, the situation for longer activities is more complicated. Previous regulations had been ambiguous about what was required to cure a sanction. The GAIN/JOBS regulations had usually been interpreted to require only that an individual in sanction agree to comply in order to cure the sanction. The CalWORKs statute and regulations specified that a sanctioned individual must perform the required activity to cure the sanction. But there was no definition of what constitutes performance. For long activities (e.g., Job Club which lasts a month, or education and training that could last several months), did the currently sanctioned individual need to begin the activity in order to receive the full benefit? Or did she need to complete the activity? The difference could be a month or more.

At the urging of the advocates, ACL 03-59 clarifies that the Cure Plan can require either completion of the activity or 30 calendar days of participation (starting from when the plan is signed), whichever is shorter (see WTW 29). If the earlier activity is no longer available or no longer appropriate, the caseworker can assign a new, comparable activity; but under the Cure Plan, the activity cannot last longer than the previous activity or 30 days, again whichever is shorter. If there is no comparable activity available to begin within 30 days, the recipient is considered to have cured the date that determination is made. Note that this 30-day maximum period is different from and shorter than the 60-day period allowed for Compliance Plans (when the client is still getting the full benefit).

This 30-day maximum period emerged from advocates' concerns that, as with Compliance Plans, some counties were leaving recipients in Cure Plans for a long time. Advocates were concerned because such long Cure Plan periods defer the date on which the recipient's benefits are restored. But, it appears that the actual effect of the 30-day provision of ACL 03-59 was often to lengthen, not shorten, Cure Plans.

Tabulations of the ACSS suggest that with ACL 03-59, twice as many counties have lengthened Cure Plans (25 percent/27 percent) as have shortened Cure Plans (11 percent/9 percent).

Our fieldwork suggests that Cure Plans have lengthened because prior to ACL 03-59 many counties had retained the pre-CalWORKs/GAIN Cure Plan procedures—i.e., cure after the first day of participation²⁶ (e.g., Yolo and Orange County ACSS-OER; Contra Costa County's responses appear to imply that it continues to do so, even after ACL 03-59). Thus, for longer activities (e.g., Job Club) in many counties, ACL 03-59 made Cure Plans much longer and, thereby, delayed the restoration of the higher, nonsanctioned, benefit.

It should be noted that in our fieldwork, several caseworkers pointed out that policy changes that make it possible to cure a sanction more (or less) quickly have mixed consequences for sanctioned recipients. Clearly, allowing curing more quickly restores the recipients' benefit. Presumably this is why the advocates pushed for (what they believed would be) shorter cure periods.

Until the current sanction is cured, however, further noncompliance (i.e., noncompliance during the cure period) will not count as a new instance of noncompliance. It will simply require restarting a new Cure Plan and restarting the activities required to cure the sanction. Once the sanction is cured, further noncompliance will count as a new instance of noncompliance.

As long as sanctioned clients cure their sanctions but do not become noncompliant again, the distinctions were not crucial.²⁷ However, Figure 3.5's tabulations from the ACSS suggest otherwise. About half the counties (45 percent/27 percent) report that compliance plans are completed "about half the time." Most of the other counties report "usually" (39 percent/59 percent, but not "almost always").

Similarly, about half of the counties report that clients who cure their sanction become noncompliant again only "occasionally"; and they are mostly smaller counties (51 percent/33 percent). Another third of the counties report that clients become noncompliant again "about half the time"; again, they are mostly smaller counties (29 percent/13 percent). The remaining 20 percent of the counties report that these clients usually or almost always become noncompliant again. Los Angeles County reported that it did not know how often clients became noncompliant again.

While as of July 12, 2006²⁸ all sanctions are immediately curable, that was not true at the time of our fieldwork and the period covered by the administrative data we analyze. At that time, later sanctions were treated differently from a first sanction. If the client cured the sanction (i.e., completed the Cure

²⁶ There is some ambiguity about the proper interpretation of this language (now only of historical interest). The GAIN regulations (42-786.32) stated: "The first instance of noncompliance without good cause shall result in a financial sanction which shall continue until the individual signs a participant contract or participates in the required activity(ies) in which he/she previously refused to participate." CDSS staff posited that "sign[ing] a participant contract" should only apply to those who were noncompliant from "sign[ing] a participant contract," not for those who were noncompliant from "participat[ion] in [a] required activity." In any case, it seems clear that through mid-2004, many counties restored aid for noncompliance at an activity with the signing of the Cure Plan, i.e., without actual compliance.

²⁷ The discussion in the body of the text describes the statute applicable as of our fieldwork and the period in which our administrative data was generated. At that time, the CalWORKs program provided for different treatment of first, second, and subsequent instances of noncompliance.

²⁸ Assembly Bill 1808, Chapter 75, Statutes of 2006, amended Welfare and Institutions Code Section 11327.5 to eliminate differential treatment of later sanctions.

Plan) and then had another instance of noncompliance, it counted as a second instance of noncompliance. Sanctions based on a second instance of noncompliance lasted a minimum of three months (MPP 42-721.432). Sanctions based on a third or later instance of noncompliance lasted a minimum of six months (MPP 42-721.433). For sanctions based on such second or third instances of noncompliance, a client was not allowed to begin to cure the sanction until 45 days before the first possible time the sanction could be lifted.

Given the differential treatment of first and later sanctions at that time, it mattered whether an noncompliance was formally deemed an “instance of noncompliance”—even if the welfare benefit was never lowered. Because a first instance sanction was curable at any time, it was possible for an individual to cure the sanction before it actually went into effect. In that case, the individual never had a reduction in benefits but still had an instance of noncompliance on his or her record. If he or she subsequently did not comply with program requirements (without agreeing to a compliance plan), a second “instance of noncompliance” was noted on the individual’s record, which resulted in a longer sanction (a minimum of three months). It was not possible to cure them before they actually begin because subsequent sanctions require a minimum sanction period to be served before the sanction can be cured.

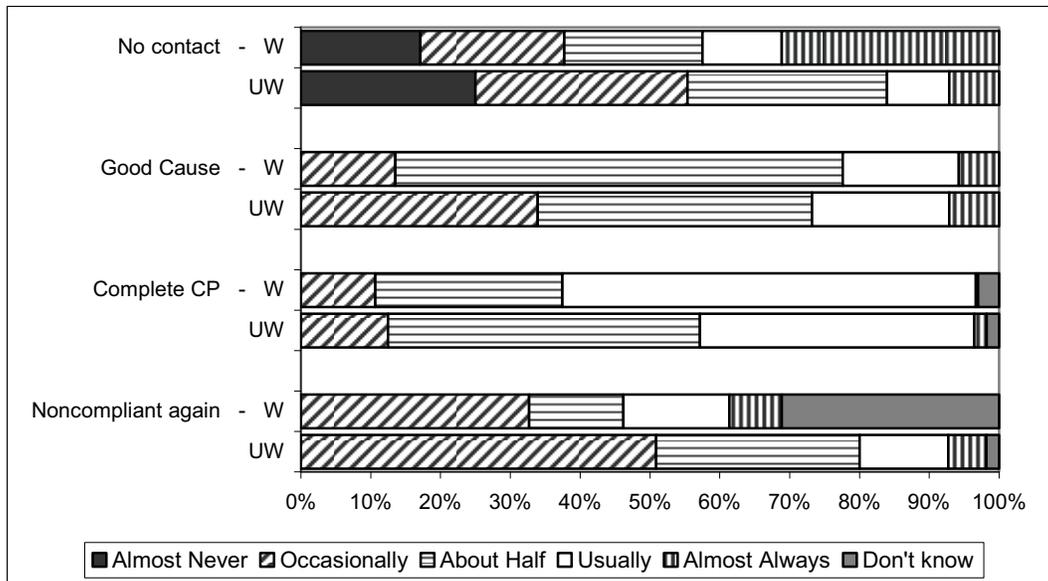


Figure 3.5—Flows Through the Noncompliance Process

Notes: W – weighted, UW – unweighted;
for these and similar figures, the underlying percentages
are provided in tables in Appendix D.

When Is Aid Restored?

Finally, ACL 03-59 also attempted to clarify when aid is discontinued and when it is restored. As set forth in ACL 03-59, aid should be discontinued effective as of the first day of the month after the sanction is imposed.²⁹

During the period covered by our fieldwork,³⁰ for a sanction based on a first instance of noncompliance, ACL 03-59 provided that aid should be restored as follows: If the recipient contacted the CWD and complied with the Cure Plan after the initial 20-day window but before the sanction had been imposed, the sanction did not go into effect,³¹ although it did count as an instance of noncompliance. But if the recipient contacted the county after the sanction had been imposed and then cured, aid was retroactively restored back to the first of the month following the date of contact. However, this still counted as an instance of noncompliance.

For sanctions based on second and third instances of noncompliance, ACL 03-59 provided that aid should be restored as follows: If a recipient contacted the county and cured before the minimum time period had expired, aid was restored as of the first of the month following the end of the minimum sanction period. If a recipient contacted the county before the minimum time period expired and cured after the minimum time period expired, aid was retroactively restored back to the first of the month following the end of the minimum time period. And if a recipient contacted the county to cure after the minimum time period expired and then cured, aid was retroactively restored back to the first of the month following the date of contact.

In the ACSS, counties report mixed effects of these provisions. Some counties report that with the implementation of ACL 03-59, aid is restored later (18 percent/9 percent). About the same number of counties report that aid is restored sooner (16 percent/17 percent). The remaining counties did not report any change in when aid is restored.

Conclusion

We have now described the steps of the sanction policy in practice: noncompliance, offering second chances, the sanction process, imposing the sanction, and removing the sanction. In the next chapter, we

²⁹ But if recipient appeals, the sanction is suspended until the appeal is resolved. If the CWD prevails, aid is discontinued effective as of the first day of the month following the hearing decision.

³⁰ As noted above, Assembly Bill 1808 eliminated the distinction between first and later sanctions, so that all sanctions are now curable immediately.

³¹ To the extent that the CWD has already processed the sanction, recipients receive a refund for any amounts that are withheld.

consider the underlying causes of this noncompliance and the possibility that a larger sanction would counteract some of these reasons for noncompliance, leading to increased compliance.

4. Why Clients Are Sanctioned and Home Visits

The previous chapter described the noncompliance process in practice. In this chapter, we ask the following: Why are recipients noncompliant? Why are recipients sanctioned? And, why do some of those recipients stay in sanction for a long time?

We address these questions by synthesizing several sources of information. Those sources of information include our site visits to County Welfare Departments, our interviews with other informed observers (most notably advocates and ALJs), the All County Sanction Survey (ACSS), and results of county home visit programs and their associated data collection efforts. Notably missing are direct comments of the recipients themselves. The project time line did not allow us to implement a representative survey of recipients.

We organize this chapter by presenting evidence for several causes of noncompliance, sanction, and long sanction. Specifically, we consider (1) the quality of casework, (2) true good cause, (3) serious barriers, and (4) willful noncompliance. As our discussion makes clear, the available evidence is incomplete and contradictory. As we present each source of information, we consider its reliability and likely biases. At the end of the chapter, we use evidence from high-quality and carefully documented home visiting programs to try to explore the relative importance of the various causes surveyed.

The Quality of Casework

For a sanction to be appropriate, the client needs to have a *mandate* to participate, the *knowledge* of what is expected of her, and the *capability* to participate. All three components are important.

With regard to *mandate*, not all recipients are required to participate. Some recipients have long-term responsibilities that prevent their participation and should therefore be exempt from all WTW requirements. Such responsibilities include caring for a disabled child or some other family member. Other recipients are not required to participate in CWD WTW activities because they are already working or in some approved educational activity. Finally, some recipients have barriers that should be addressed before they enter the conventional sequence of activities (i.e., Job Club, WTW Plan, post-WTW Plan activities). Such barriers include learning disabilities, substance abuse, mental health, and domestic violence.

With regard to *knowledge*, a recipient can only participate if she knows what is expected of her. Such knowledge involves both the general understanding that the welfare program expects and requires participation in WTW programs and information about the specific activity. What? When? Where?

With regard to *capability*, the CalWORKs program includes funding for transportation and childcare (for young children).

High-quality casework would identify those not required to participate at all and those not required to participate in the standard sequence of activities because they are already working, in a Self-Identified Plan (SIP), or should have been assigned to some other activity. High-quality casework would also result

in every recipient's understanding the broad program requirements (to participate, sanction for nonparticipation) and procedures (how to claim good cause, how to cure a sanction). High-quality casework would arrange and then verify appropriate transportation and childcare.

CWD responses to the ACSS suggest that recipients claim less than high-quality casework. The ACSS asked:

Using the numbers 1–5, where 1 is the most important and 5 is the least important, please rank in order of importance the top five reasons that recipients give for not participating in welfare-to-work activities.

The ACSS then provided the following list of possible answers:

- *Illness or disability of the recipient*
- *Illness, disability, or death of a recipient's family member*
- *Lack of transportation*
- *Childcare is not available*
- *A recipient's mental or emotional problems*
- *Substance abuse*
- *Interruption of childcare arrangements*
- *Domestic abuse*
- *Disagreement with the terms of their Welfare-to-Work Plan*
- *Involvement in the criminal justice system*
- *Involvement in the child welfare system*
- *Employment/work activity would interrupt approved education/job training*
- *Homelessness or instability in housing*
- *Misunderstanding instructions*
- *Never received necessary information from county*
- *Attending school/training*
- *The recipient just forgot*
- *Unreported employment*
- *Willful noncompliance*
- *Other (please explain):*

Figure 4.1 presents CWD's perceptions of *recipients' stated reasons* for noncompliance. Counties were asked to choose the five most important reasons. The figure plots the fraction of counties giving each reason among their top five. In the figures, the answers are ordered by the total (unweighted) fraction of counties listing a reason as among the true reasons for noncompliance. (See Appendix D, Table D.6, for more detail, the unplotted responses, and the detail by first/second/third/fourth/fifth response).

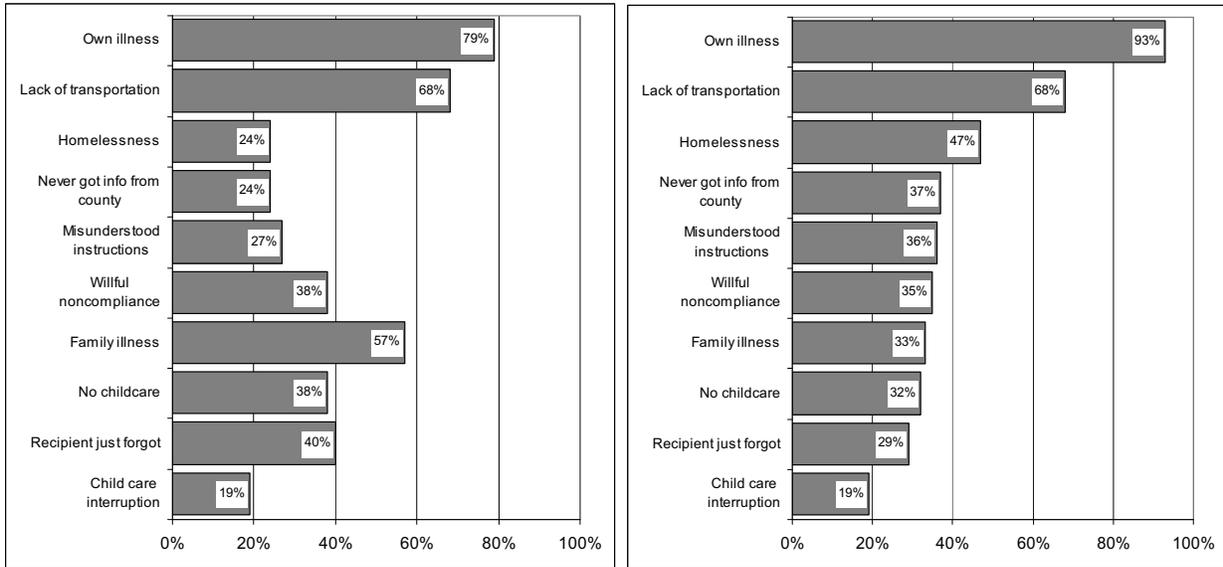


Figure 4.1—Recipients’ Stated Reasons for Noncompliance

The fourth and fifth most common (weighted) CWD responses about recipient claims are consistent with imperfect casework: “Misunderstood instructions” and “Never got info from county.” (We will see below that CWDs believe that the true cause of noncompliance is elsewhere.)

Consistent with CWDs’ description of clients’ stated reasons for noncompliance, advocates consistently noted concerns about the quality of casework:

Mail gets lost. Significant mail theft problems. People move. The message may have gotten lost. Unless you can prove it was stolen. You have to have a locked mailbox.

Procedures are fair, if [caseworkers] would follow them. I would not say they are great. I don’t know if it is changes in procedures or [caseworkers] just not understanding that it is not willful noncompliance. Does the county refer that person to appropriate services? Does the county follow through and make sure that person receives the needed supportive services? Even if they find good cause, then what? Even if they comply, then what?

I can imagine it is hard to reach them [the clients]. We have the same problem reaching our clients. [But] there are clearly ways to get people to call you. Two or three phone calls. Calls off hours. People can’t get through to their workers. Workers [have] set phone hours [and the] phone is constantly busy. You can’t get through. A lot of the issues have to do with communication problems between workers and participants.

We see a tremendous number of people who call and have good cause, but are not granted good cause. Tennessee does require [actual] contact [before sanction]. When they instituted that, they cut their sanctions dramatically.

I don’t think it’s willful noncompliance. They [the clients] don’t know what they need to do.

I don’t think [clients] get the message that [they] are about to get hit by the train.

In LA we have a different issue. We have this LEADER system that sends people bad notices, so people have been conditioned to ignore the notices.

[Clients] have a general understanding that they could lose part of their cash aid ... [But] their grants go up and down so much because of [bad notices] that it is difficult to know [when] it has gone down because of sanction. When it is actually happening [because of sanction] that is where it gets lost.

I don't think [clients] understand good cause and exemptions.

Change of address never makes it from the eligibility side to the GAIN side. A lot of people never get the notice. GEARS system generates the notices for GAIN. Might be getting notices from eligibility worker [but not from WTW worker].

Some participants say that they do not know they are sanctioned. They are usually employed [or doing something else]. Your grant may fluctuate [even without a sanction]. They are thinking that it is due to their grant [and] reporting it to [their] eligibility worker, but not to the GAIN worker.

[There is no] central person to call to resolve a sanction. [An] ombudsman [would help]. That person would have the capacity to go online and resolve the problem.

In support of this concern about the quality of casework, several advocates pointed us the evaluation of Alameda County's FAST (Family Advocacy and Services Team) program (Barnes and Galbreth, 2001). Among the claims in that report (from Executive Summary, p. 1) is that the program

Lifted sanctions quickly (usually within three months)

Enjoyed a success rate of 91%

For the participants for whom FAST lifted the sanction[,] 70% of the sanctions were imposed on participants who should have been exempt, or imposed as a result of a county error, or both.

In the population the FAST program served, there was a high prevalence of caseworker errors. In 60 percent of the cases, the sanction was resolved either due to a demonstration that the client should have been exempt (either originally or at the time the sanction was cured—e.g., to caring for an infant, own medical condition, travel time too long) or a county error (e.g., the client's attendance had not been recorded, the NA 840 was incomplete, notices were sent in the wrong language) or both. In addition, 30 percent of sanctions were resolved by inducing the client to participate. It appears that in most cases this is new participation. If the client was already participating (e.g., work, school), this should have been counted as a caseworker error.

It is crucial to note, however, that these comments refer to clients who were engaged. The program could not successfully contact (e.g., disconnected phone numbers, wrong numbers) 40 percent of the cases. The program left a message but no phone call was returned for another 40 percent of the cases. The above quotes refer to the 20 percent of the cases whom the program succeeded in engaging, plus several individuals who contacted the program directly. The report explicitly notes:

[T]he information presented is limited to families who were willing to work with FAST to resolve sanctions. The rest of the Agency's caseload may or may not be similar. For example, there might be more instances of deliberate noncompliance with program requirements in the rest of the caseload, because people who don't want to participate might be less likely to use our assistance. On the other hand, the rest of the Agency's caseload may be more desperately disabled than the people we helped. They may face so many challenges in their lives that they are unable to respond to our offer of assistance. We just don't know.

Our interest is in the causes of noncompliance in the entire sanctioned population. Results from a population that agrees to engage with a program to cure their sanction are likely to seriously underestimate the prevalence of willful noncompliance. This perspective is also important in interpreting the results of county home visit programs discussed below.

Perspective appears to be a generic issue in how informed observers evaluate the noncompliance process. Advocates mostly see clients who perceive that they have been wronged. Clients who have received imperfect casework are likely to choose to work with such a program or to contact an advocate. Clients without good cause (who do not face imperfect casework—i.e., they are given a chance to present good cause), with serious undisclosed barriers, or who are willfully noncompliant would not choose to participate in such a program or seek the aid of a legal aid program.

Similar to the claims of advocates, Administrative Law Judges (ALJs) also noted problems with casework:

A lot of times when we do get to hearing and the county presents their case, you can just tell that this is not good chemistry, that this is not going to be productive, finding that there was no participation problem or there was a participation problem but an excuse.

The ability to sanction, the ability to get that process rolling—it feels like there is sometimes an abuse, by the county, by the case manager. That's quite a bit of authority to have over a claimant. Sometimes they are not very easy to work with, that may be a hammer that they have to get them in line. What we see many times are cases where there is a real problem between the claimant and the case manager.

[A claimant] may have [a] communication problem with [his or her] worker. The worker did not explain things adequately. [Claimants] told the workers things that are not noted anywhere in the record.

But, as we noted with the Alameda Study and advocates more generally, several ALJs explicitly noted that the cases that come before an ALJ are not representative. One ALJ explained:

ALJs only see a small number of sanction cases. It is hard to reach generalizations about how the system is working because the cases ALJs see are not representative.

Another ALJ similarly commented:

ALJs get very few sanction cases and the cases that are appealed are often resolved before the hearing.

Finally, even caseworkers noted problems with casework. The CWDs chose the caseworkers who participated in our focus groups. Presumably, the better caseworkers were selected. Nevertheless, the comments of several of the caseworkers to whom we spoke suggest that caseworker quality varies:

*I have sat there and [said to] clients. "Are you sure that it is nothing else that would cause you not to participate?" "Oh no. I'm all right." It still has to come from them. "I have these issues." "I need this help." They [the client] might say one little thing. They [the caseworker] might not follow up on that. It's more work for them [the caseworker]. Some workers don't do that because they don't want to make the referrals. I feel like I am constantly exploring barriers. My case management is on a constant exploring barriers mode. Not every worker does that. It's hard. ... We **both** have a lot of cases. It takes time to explore and really get into people's psyche.*

Some people do OAP [Old Age Pension] better than others. We get people who come in a lot of times, we will get women in who were in their seventh or eighth month of pregnancy. They have no

business being in Job Services. You get a lot of people who have been scheduled for Job Services, immediately you recognize, no way should they have been here this morning. The person that they sat with (or never sat with) [for Appraisal] was the problem. They [the caseworkers] do a group orientation, they have packets put together. "OK, so you are ready to go to Job Club." It's done in a group setting, that's not OK, but they [the clients] never had a one-on-one. You have four people they might have to do 10 appraisals. Because there was never that one-on-one time [where] that person could feel comfortable, those issues were never addressed.

They assume that [because] they were telling their eligibility worker, that person was telling their GAIN worker. A lot of times I would call the Employment Specialist. There were some Employment Specialists who wanted to hear from you and there were some who did not want to be bothered.

Sometimes they don't get it [the notice]. They live in a house with three families. It got there, but they don't get it. Some clients don't understand what they did not do.

So, it seems clear that some poor casework occurs. This is not surprising. Caseworkers are human and carrying large caseloads. Some are better than others.

Consistent with concern about caseworker errors, in the ACSS, many counties (49 percent with 39 percent of the caseload; n=55) responded that a smaller caseload per caseworker would lead to fewer sanctions. Some counties indicated that a smaller caseload would lead to more sanctions (13 percent of counties with 9 percent of the caseload).

Granted that some imperfect casework occurs, how important is it in explaining noncompliance and the size of the population in sanction? Not surprisingly, caseworkers consistently claimed that imperfect casework was the exception and not the prime cause of noncompliance. Furthermore, they strenuously denied many of the claims of imperfect casework:

They know [when they're sanctioned]. [They get] a lot of letters. They do say, "I never got the letter." They just moved. If you get it returned to you; if you don't get it returned to you. The reality check is when they go to swipe the EBT [Electronic Benefit Transfer] card. "I did not get all my money. What happened?"

Yes, they understand. The letter has not been returned to us. It's whether they read the mail. It's common to me that some of my clients will call and they still haven't the faintest clue who is the case manager and who is the eligibility worker. I am not the only worker. A lot of times they don't pay attention to the mail they get.

Surprised if clients did not know they were in sanction, we did a small pilot, intern went out to visit the families and tried to reengage them. Every one of those families knew it [that they were in sanction]. There was only one reengagement. There may have been some small lack of knowledge. Overall it seemed that everyone knew. There are always going to be some people who do not understand.

They are still holding out hope that they will not be penalized, we will just forget about it. It's not that they have not been told.

They should understand it. We even put a bright pink appointment letter in there now. Real simple, so if they don't want to read the rest of the notices, they can say I have to go to this. Not a notice, a flyer, appointment letter.

Most clients do understand. But they try to give the excuse that they don't. They say that intake never told them. [But] they understand. It's just human nature sometime for them to say, "Oh, I don't understand. No one told me."

Evidence from surveys of clients, however, suggests that lack of understanding is a major issue. While we did not survey or otherwise meet directly with sanctioned clients, Hasenfeld, Ghose, and Larson (2004) did. They analyzed survey responses of 452 sanctioned recipients and found that 41 percent did not know they were in sanction.³² Mancuso and Lindler's (2001) study of Sonoma County found that 24 percent of those in sanction were unaware that they were in sanction. This finding is consistent with earlier findings by Wilson, Stoker, and McGrath (1999) and more broadly with survey findings that welfare recipients only poorly understand the welfare program (Overby, 1998; Nixon, Kauff, and Losby, 1999).

Similarly, recipients in sanction do not always understand how to cure their sanction. In Mancuso and Lindler's (2001) study of Sonoma County, among those in sanction six months, 53 percent did not know how to exit sanction; at 12 months, the corresponding figure was 80 percent. Note, however, that there may be some reverse causation. Perhaps since they did not want to exit sanction, they had not explored (or remembered) how to do so. In contrast, Pickering and Watkins' (2000) study of San Bernardino County found that over 90 percent of those in sanction knew how to cure. Evidence from Michigan is more consistent with serious knowledge problems (Colville et al., 1997). Even among those who wanted to cure their sanction, 40 percent did not know how.

Finally, CWD staff note that some of what appears to be imperfect casework is the result of the client's actions. Specifically, the CalWORKs program design gives a crucial role to the WTW Orientation/Appraisal. At that meeting, those without a mandate are to be exempted and those for whom other activities are appropriate are to be identified and appropriately assigned. Knowledge of the program is to be conveyed. And, finally, capability is to be provided through arrangement for childcare and transportation.

It should be noted that our fieldwork suggests that noncompliance at WTW Orientation/Appraisal is very common (often well above half).³³ Thus, there is a risk that the basic program assumptions will break down—that mandate, knowledge, and capability will not be properly assessed. Some clients who are exemptable or who are already performing a qualifying activity (e.g., work or school) will be sanctioned. Some clients will not have been informed that they are required to participate, the potential benefits of participation, what they need to do if they cannot participate, the consequences of nonparticipation, and how to cure a sanction. Some clients who have serious barriers (e.g., mental health, substance abuse, learning disabilities, domestic violence) are not identified.

Orientation/Appraisal is necessary, but not sufficient. Even if Orientation/Appraisal occurs, not all clients will understand and remember all the information provided. The comments of one caseworker were echoed by many others:

At the time someone comes in to apply for assistance, their primary concern is that rent payment, their health assistance, eating, just the cash. It is difficult in some instances to assume that the participant will absorb the WTW/GAIN related materials as opposed to, "When do I get this money

³² In interpreting these findings, it should be noted that responses rates to this survey were low. The original sample included 3,414 recipients, but only 1,202 provided complete data (most of the rest were never contacted, apparently because of incomplete contact information).

³³ See also our quantitative analysis in the next chapter. It finds that most sanctions are imposed relatively soon after entering welfare. This is also the finding of a study of sanctions in Los Angeles County (Moreno et al., 2005, p. 51).

so I can get the landlord off my back—the health card for my children—food stamp benefits so I can be sure everyone will be eating in my house.” I don’t think it’s a rejection; it’s just a focus on what’s most immediate, as opposed to a more forward-looking career, ending the dependence on welfare. We can’t make the eligibility work a GSW [GAIN Social Worker], [but] there are probably some ways that we could enrich that initial interview. That’s what anecdotally comes from our intake workers to their supervisors and managers. If you sit in an interview, the packet is kind of thick. If I am concerned about rent and food, you might not worry about good citizenship.

Thus, even with good casework, some clients will not understand all of the details of the program. Such clients will be at risk of sanction due to lack of understanding.

True Good Cause

Some noncompliance is due to true good cause. Such transient good cause is the motivation for the NA 840’s opportunity to claim good cause process. The prevalence of good cause is a major motivation for caseworkers’ not sending the NA 840 at the first incident of noncompliance. As we discussed in the previous chapter, such good cause is by definition transient. Long-term good cause is either grounds for exemption or indicative of some underlying serious barrier (see the next section).

Caseworkers clearly acknowledge the reality of good cause in the lives of their clients. One supervisor explained:

Mission Impossible. Fill out applications, get childcare. “I got delayed on a bus route.” All of a sudden you are very empathetic.

They live in crisis mode. Every day is a crisis. And, it’s true. They have lots of bigger issues. [Clients tell me:] “I can’t deal with this right now. I’ll deal with that later.”

Our recipients’ lives are complicated, the sanction may be less costly than other options, [and it] may take a while (several months) for complications to lift.

There are others that will let time drive their decision. It is just a behavior pattern. There are other issues or things going on in their life. Let things happen to them versus taking a proactive approach. They react to a mandatory program such as ours. If their life is in a downward spiral for whatever reason, a pattern of life, so many conflicting priorities, they are doing the best they can day today.

As noted in the previous statement, some ACSS responses are consistent with client claims of imperfect casework. CWDs, however, respond that client claims of true good cause are much more common. They include the two most common answers (“own illness” and, presumably, short-term “lack of transportation”), as well as four other responses among the 10 most common (“family illness,” homelessness, presumably short-term “no childcare,” “childcare interrupted”).

However, again, CWDs do not always believe these responses. CWDs are much less likely to give these good cause explanations for noncompliance. Part of this discrepancy between CWD perceptions of client claims of reasons for noncompliance and CWD perceptions of the true reason for noncompliance is probably due to how the pair of questions were phrased and answered. Presumably, the counties only give the distribution of responses of recipients for people who contacted them. People who never contacted them are presumably not included in this response.

Serious Barriers

Failure to properly handle *disclosed* barriers is an error. Caseworkers and CWDs consistently report concerns that *undisclosed* serious barriers (mental health, substance abuse, domestic violence) are a major cause of noncompliance. Caseworkers and senior leadership stress the lack of self-disclosure and their frustration. One caseworker explained:

We can only base our good cause determination on what's in front of us.

If they won't self-declare, tell us that they have problems. ... If they come up with any yeses [on the screening form], we will refer them down in this building. We have been screening for the state requirements for learning disabilities. You can tell right away and they won't disclose. Repetitive people that are seeming to fail and you ask them [about problems, but] if that person is not going to tell us, we can't get them the help that they might need. They end up in the penalty phase of our program. We can't force them into the treatment phase of the program.

How many people have MH [mental health] and SA [substance abuse] issues? I would venture to guess that it is a significant percentage. Many recipients are reluctant to share that. The more resources, the more opportunities, the more likely it is that they will make use of those services.

At least a third [of client have serious barriers]. Our hands are tied. It's still voluntary to go to behavioral health [substance abuse and mental health]. They can't get drug tested. People understand that they could get the services, but they don't want them. They don't want to admit to anyone that they are doing drugs. It takes awhile for a client to open up to me.

This issue of lack of self-disclosure is vividly depicted in the contrast between CWD reports of clients' claimed reasons for noncompliance and CWD perceptions of clients' true reasons for noncompliance. Paired with the ACSS question about recipient reasons for nonparticipation, the ACSS also asked CWDs:

Using the numbers 1–5, where 1 is the most important and 5 is the least important, please rank in order of importance the top five reasons that your county believes explains why recipients do not participate in welfare-to-work activities.

The response categories were the same as for CWD perceptions of client claims of the causes of noncompliance (see Figure 4.2). (See Appendix D, Table D.7, for more detail, the unplotted responses, and the detail by first/second/third/fourth/fifth response).

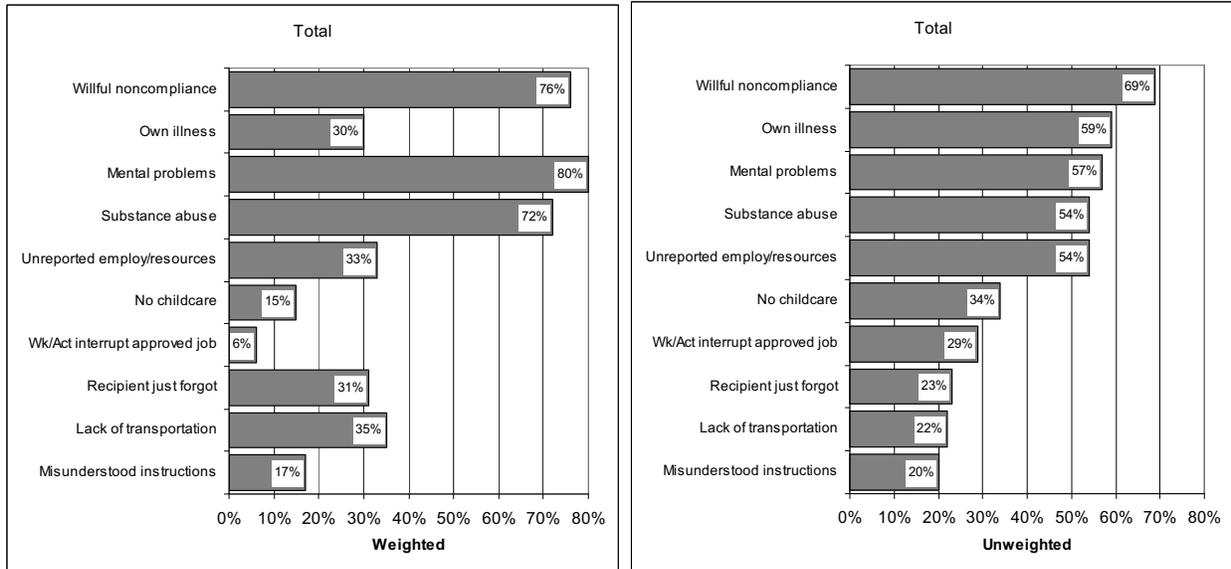


Figure 4.2—County Perceptions of True Reasons for Noncompliance

In striking contrast to client claims, CWDs believe that mental health issues and substance abuse are very important (third and fourth in the weighted tabulations; first and third in the unweighted tabulations).

This concern about undisclosed barriers to participation was noted in almost every focus group with caseworkers. For example:

The ones that are almost impossible to help have drug problems. Living in a campground in a car with her child. The child is homeless. Being homeless is not child abuse. Her problem is methamphetamines. She can function she can get jobs she is smart but she can't keep them. She wants to. She just can't. You can do drugs and still function minimally. If there is a suspicion of child abuse, just a suspicion, then we are mandated to report it. ... If they could drug test her, she could get treatment, if there was funding for drug treatment.

Some people just aren't that smart. Not educated. Some of them they don't have the intelligence. They just don't get it. Their IQ is below average [and] there is drug abuse.

A lot of the people that are sanctioned have multiple problems. They've got a felony record, drug abuse, mental health, and substance abuse. I have seen some recipients. They can't seem to comply. They have given up. They are trying to get what they think they deserve, but they end up shooting themselves in the foot. They've got social issues.

We are finding that there is a percent that have issues. Just a fear of going out there. The thought of getting a job and then failing [is too much for them].

They already have an issue [and] sometimes they try to do things on time, but they can't. It's not that they purposely [don't] want to comply, but they can't seem to cope with it. Of course, then they don't necessarily want behavioral health [i.e., substance abuse or mental health]. Once behavioral health comes in, it's a long-term situation.

Supervisors and more senior management also emphasize the importance of serious barriers:

I am sure there are a few [clients] out there who say, "I don't want to participate." I would say that the majority fit into that other category. Low self-esteem. Not realizing that they have the capability to use our program. The folks that tap into our program, they have achieved success.

[There is] *mental health, alcohol and other drugs, learning disabilities in this population. Other legal issues and child protective services. [They] have to go to court. They are involved in a program with child protective services, which means they have to be in certain places each week. High domestic violence. That one is the hardest to disclose. Hearings. Of course I have all this domestic violence. Parenting when teenagers just run amok. They cannot be at work and be at peace. They have constantly to be at school or the homes. A lot of dysfunction in these families. There is a lack of life skills. They don't always have their priorities straight. They don't always have the skills to be a single parent with no family support. You see families that make poor choices [even though they] see parents, teachers, mentors who can give them good advice. ... Once we get the client engaged with JC [Job Club] and other things, they hear new messages.*

They say they are going to comply. They do for a while, then you have to start the process again. The reality is that they are very hard to employ. Each time you have to kick-start them. They are proving to you that they are limited employable. Socially, [clients aren't] skilled, [and they have] LDs [learning disabilities].

Recipient evidence on barriers is less clear. Hasenfeld, Ghose, and Larson (2004) also explored the prevalence of barriers, and their sample allowed them to compare sanctioned and unsanctioned recipients. Sanctioned recipients are more disadvantaged (less likely to work full-time, less likely to have a high school diploma). But, this finding should not be surprising. The easiest and most common way to satisfy the participation requirement is to work. Less disadvantaged people are more likely to find and keep work. They did find clear evidence that sanctioned recipients were more likely to have logistical barriers to participation (61 percent had no car versus 48 percent in unsanctioned households; 11 percent had an ill or disabled household member versus 7 percent in unsanctioned households). However, sanctioned recipients were not statistically more likely to have serious barriers—health or mental-health problems, substance abuse problems, or domestic violence in the previous year.

Pavetti et al.'s (2004) analysis of a larger survey of sanctioned cases in Illinois suggests that about 21 percent of those in sanction have a physical health problem and that they are much more likely to be sanctioned. In addition, 25 percent of those in sanction have a mental health problem. Rates of other personal challenges are lower, but not trivial (multiple arrests 16 percent; severe domestic violence 13 percent, learning disability 12 percent; chemical dependence 3 percent), but only the effect of mental health and multiple arrests were even marginally statistically predictive of sanction.

Several county ACSS-OERs were consistent with these caseworker concerns about undisclosed barriers to compliance. For example, Kern County's ACSS-OER stated:

Sanctioned individuals tend to have lower educational levels and many likely have mental health and substance abuse issues. We also have anecdotal evidence of a correlation between long-term sanctioned families and child abuse and neglect issues. The sanction is not the cause of the abuse/neglect but may be an indicator of the parent's failure and/or inability to meet their basic responsibilities as a parent. This is the population that needs the most help and is not getting it because the existing sanction structure is not a motivating factor for compliance.

The appropriate policy response to such unwillingness to disclose is unclear. Counties cannot force people to disclose or to accept treatment. Perhaps higher-quality casework would induce more recipients to disclose barriers. The evidence from home visit programs (discussed below) provides some evidence for this conjecture.

Willful Noncompliance

Our final reason for noncompliance is willful noncompliance, which may reflect lack of motivation to participate in WTW activities. In the ACSS, a “willful noncompliance” response is consistent with this reason. Two other responses are also consistent with willful noncompliance and perhaps lack of motivation: “Unreported employment/resources” and “Recipient just forgot.”

Caseworker and senior management respondents emphasize the role of motivation in our focus groups and interviews. Caseworkers explain that the population is heterogeneous:

From the people we are trying to sanction, the ones that are coming back and trying to work out, they need the money, this process goes on and on, 10 times. And, the ones that are already sanctioned and they never come back. They have chosen to be sanctioned.

A third have barriers. The rest could come in. They just have chosen not to. Some of them have been successful once they come in.

To explain this choice not to participate, caseworkers and more senior management emphasize that many of those not currently participating have strong reason not to participate—they want to raise their own children (and perhaps enjoy the leisure):

Even if we look at the common problems, many of them could participate. [They] want to stay home with their children. The majority of sanctioned people are by choice.

Some of these clients choose to be sanctioned because they want to stay home with their kids. They don't want to send them to daycare or with family.

I had a few; they refuse to leave the child with a stranger. That's their choice. I am not here to make you do anything that you do not want to do. I have to do my job. If you get sanctioned, it's not because of me.

Some of them will not participate because they want to pick their kids up at the school bus. They are afraid of the gangs. Some of them have young kids and they don't want to take that time to be away from those activities. Mom just had a baby six months ago, [and] we say they have to go back to work or to school. They want to be with them and help raise them. My wife worked when we were married. When we had our first kid, she stopped working. She stayed at home until they started school. I think we should. They'll take the sanction. Especially if they are living with momma or daddy, what's a hundred bucks? To keep having kids, that's another story.

Some just don't want to work and they know that is a requirement. Some participants will tell you, “I don't want to work. I don't want to go to Job Club. I am not going to comply. If I want to work, I can find work on my own.”

And, they lack a countervailing force pushing them to participate. They have learned to live on less money, and payments to the child, Food Stamps, and Medi-Cal continue:

For many of our families, what we threaten them with is taking them off of assistance if they don't do whatever we ask them to do. In reality, what it is is that we make a poor person poor[er]. If you have the skills to survive being significantly poor, being a little poorer does not seem to cause them a lot of difficulty. They seem to look at the trade-off of being involved in the WTW activity and the small amount of money we take away as not being that difficult.

Some people have just decided, “Sanction me, I am not going to comply.” They live with the smaller benefit. How do they do that? I don't know.

The decision then is on them. We have told them. [They say,] "I don't want to do it." They are not feeling that the children are being harmed. Some money is still going to them.

For some, it's not the money. They want to know, "Am I still going to get my Medi-Cal and Food Stamps?"

Furthermore, caseworkers and more senior CWD employees believe that there are often other sources of income—unreported income (which would be fraud, but we have almost no firm evidence of fraud), a boyfriend (who is not the father of the child, and therefore not required to contribute), subsidized housing:

Our main belief is that there is some other source of funds.

They come and they will say, "I don't care." "Go ahead and sanction me, I don't need it." "I don't want to have anything to do with you." "Sanction me. Don't call me. Don't bother me." They have other resources, working under the table, living with their parents. "Is my children's aid going to be cut?; OK, then just sanction me." Some of these women live with their parents. Some nationalities, their parents are on SSI [Supplemental Security Income]. They may have like 7 to 10 people living in one apartment, grandma and grandpa. "Cut me a hundred bucks, it doesn't matter, a hundred bucks is nothing. This is a joke. This is a joke. I can sell more pot than you people can ever give me on cash aid. Go ahead and sanction me I don't give a damn." A good percentage are that way. "Go ahead and sanction me, cause mom and dad are supporting me."

The child's father was not in the home. The woman had a boyfriend who was employed, but it was not his child, so the money aspect was not an issue.

Most of the people ... either have alternative means of support (e.g., familial) or are nonreporting income. It's not clear to me whether willful noncompliance is a fraud problem.

[A client] really doesn't need the aid, cash income, [if she is] living with someone who supports. Did not find a lot of fraud, doesn't mean it wasn't there. How is she making it? Fifty percent are receiving federal housing assistance. They are totally demotivated. If they get a job, their rent is going to go up up up.

Majority does not care to comply. They have another job or something else they are doing that they are not letting us know about. It is not that vital to them. [They have] someone else they can move in with and not have to pay rent [or] someone else living with them. The grants are so low, they have to do that.

We wind up supporting lifestyles. They were sanctioned. They were living in other relationships. A lot of people choose to remain in sanction. We would find that the person would remarry and the person that they were remarried to was in such a job. They saw no reason for compliance.

[Raising the sanction] would probably be beneficial. It affects their livelihood more [and would] bring more of them in. They would come in and collect their money and go right back onto sanction. There are a lot of jobs out there that are cash jobs for our population. Having to comply cuts into that income. We have such a diverse population. There are restaurants, grocery stores that pay people cash money. They may work there for years. Still get Food Stamps, Medi-Cal, everything.

Many caseworkers emphasized the motivational role of the current sanction and the potential of a larger sanction to induce some of those who currently lack motivation to participate:

If we don't do [sanctions], I don't think anyone would show up—unless they are working or in school and they want us to pay for childcare and transportation.

Our goal is not to punish people, but we just have to have a consequence; otherwise, we would have a lot of unfinished cases, not being able to take on those who are not participating.

We encourage workers to use [sanctions]. There are some people who really won't come until you do something. Word spreads very quickly, "If you don't show up, there is nothing they are going to do." Once [we] started sanctioning, more people show[ed] up at the JC [Job Club]. Word is out on the street.

My speculation would be that is largely because people don't think they can succeed. It's not primarily people's desire to do nothing. People have a belief that they will fail. You need a mandatory program to get them in the door. To the sense that they succeed it is because of the pull of improving their lives. The history of low self-esteem and failure in their lives that is so prevalent among CW [cash welfare] recipients requires the push of the mandatory program to get them in the door.

Very few comply because they want to. If there were a stricter financial sanction, more people would come in. Some people will tell you, "Sanction me. Do I still get Medi-Cal?"

On the other hand, there are some that will not participate no matter what support you give them. Individuals that will constantly test the process, but end up complying before financial sanctions apply. There are others that will let time drive their decision. It is just a behavior pattern. There are other issues or things going on in their life. Let things happen to them versus taking a proactive approach. They react to a mandatory program such as ours.

Studying my caseload, I have noticed that those that truly have issues; we tend to identify those early on. A lot of them are early exemptions, to work around it so they won't get penalized. The others are capable. I would agree with the penalty increasing. I really believe that it would motivate people to come in. They literally come out:

"I don't want to come in. How much am I going to be cut?"

"\$100."

"OK."

She really contemplated being sanctioned [and chose the sanction].

The calculating ones. [They] get the pencil out. Perhaps there are some who calculated that way. ... I think if they lost the whole grant, they would participate.

Several county ACSS-OERs were consistent with these caseworker concerns about willful noncompliance and the current sanction's ability to induce clients to comply. For example, Kern County's ACSS-OER stated:

The fundamental problem with the existing compliance/statutory noncompliance process is it allows individuals to remain in sanction status on an ongoing basis with little incentive to return to compliance. Nearly half the sanctioned families in Kern County have other income in the household (usually SSI). The percentage with other income is likely higher for the long-term sanctioned.

The state needs to significantly increase the financial penalty for those who remain in sanction status more than 60–90 days. The state should also have the 60-month CalWORKs clock continue to tick while individuals are in sanction status. These changes should significantly increase the motivation to participate.

Similarly, Lake County's ACSS-OER stated:

Probably 60 percent of our participants who are sanctioned fully understand the process and have no intention of curing the sanction. They have other income in the household from one parent being on SSI, or they live with a boyfriend who helps out or they are working "under the table" and we cannot verify [it] through a fraud investigation. Many of these families would get along without the cash aid for the children, or if unable to do so, would participate only if there was a full family sanction. (Lake County)

And Mendocino County's ACSS-OER stated:

Recipients rarely give reasons for not complying. Mendocino County has found that sanctions are difficult to implement and that they have little real impact even when imposed. The sanctions process needs to be reformed to mean something to the sanctioned individuals and to motivate people to cure the sanction and positively participate in the development of self-sufficiency. Stronger, more timely penalties are needed to make sanctions effective.

Staff in Mendocino County wanted to convey their concern about the lack of impact sanctions have on the family. With only the adult portion of the grant cut, families are able to supplement their incomes under the table.

In addition, if clients are on subsidized housing, their rent is lowered, so there really is no financial penalty to them. Once a family is sanctioned, the 60-month clock stops. What is their incentive to cure the sanction? After years of frustration and feeling as if we have few means to enforce the regulations, staff here support the concept of full family sanctions, either immediately or after the sanction has been in place for a period of three months without their curing it.

Evidence from Home Visit Programs

The previous four sections have reviewed four causes of nonparticipation, sanction, and long sanction: imperfect casework, true good cause, serious barriers, and willful noncompliance. Almost every observer acknowledged the importance of each of the four causes. However, different observers and different data sources ascribe different levels of importance to the different causes.

This variation in perception of the relative importance of each cause is problematic. Recipients emphasize good cause (e.g., own illness, family illness, and transportation). If we believed that those answers were truthful, we would invest a lot of effort in establishing good cause. That appears to be what the current regulations and procedures do. CWDs emphasize willful noncompliance. If we believe those answers, we would want to move more quickly to sanction and increase the size of the sanction. Clients claim imperfect casework and CWDs also emphasize serious barriers. If we believe those answers, we might want to emphasize home visits.

CWD Home Visit Efforts

The truth undoubtedly includes some role for all four causes. For making policy, we need to understand which ones are most important. The best available evidence on the relative importance of each of these causes appears to come from CWD home visit programs. Home visits are one of the more intensive policies. Since the home visitor goes to the client's home, a home visit overcomes any issues about mail delivery, phone availability, client transportation, and childcare. Recipients have a responsibility to report a current address, so the home visit should be able to find every client.

In practice, counties report considerable trouble locating clients by phone or at home. For example, in its annual report on its home visit program, Santa Clara County states:

It was often difficult to locate and contact clients because of incorrect data in regard to residential address/telephone numbers. Clients are not living at the addresses provided to Benefits.

San Bernardino County reported that despite repeated attempts, they could not find 16 percent of the cases at home. (See below for more detail on these two programs.) Mendocino County's ACSS-OER stated:

The majority of clients was either not at home or did not respond to our attempts to contact them.

Assuming the home visit can be conducted, during the visit it should be possible to resolve any misunderstandings—to assure that the client understands the potential benefits of the program (training, childcare, transportation), that she is in sanction, why she is in sanction, and what she would need to do to cure the sanction. Seeing the client in her home surroundings might provide additional evidence for substance abuse, mental health, domestic abuse, learning disabilities, child abuse, and fraud.

We asked about home visit programs in the ACSS. Figure 4.3 plots the responses. About 30 percent of all counties home visit almost all noncompliant cases before imposing the sanction; another quarter home visit occasionally, and another 34 percent home visit almost never. Note, however, that home visiting is more common among the smaller counties, so the weighted percent of counties home visiting almost always before imposing a sanction is about 15 percent. In particular, Los Angeles County has only a pilot program for home visiting.

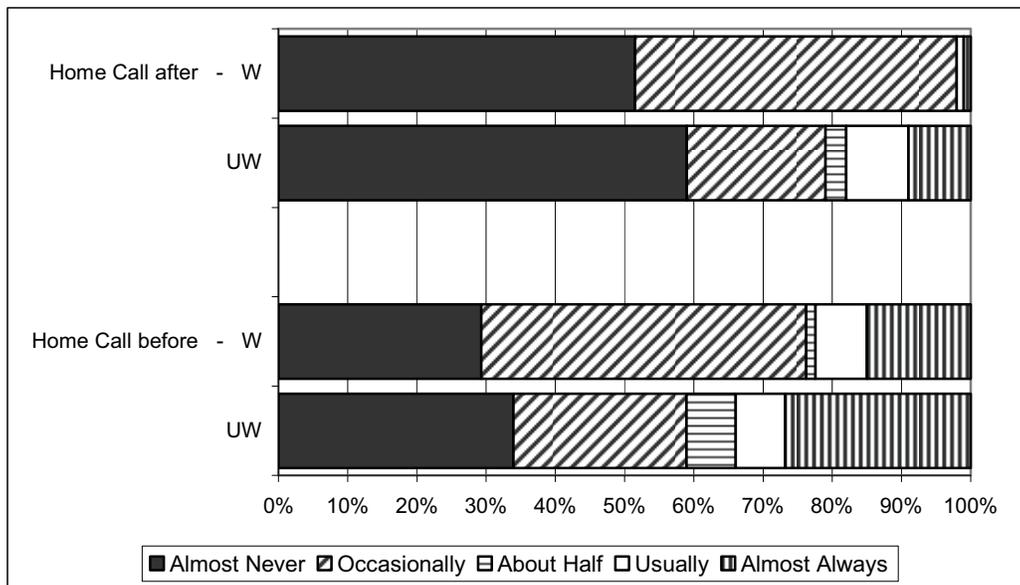


Figure 4.3—Prevalence of Home Visit Programs

After the sanction is imposed, home visits are even less common. Over half of the counties (59 percent/51 percent) almost never home visit. A fifth home visit occasionally (19 percent/46 percent), but

that group includes the pilot in Los Angeles County. A few small counties usually (9 percent/1 percent) or almost always (9 percent/1 percent) home visit.

The details vary widely. Some home visiting programs focus on long sanctions, some on new sanctions, and some on new noncompliance. In some counties, the home visit program is informal or at the discretion of the individual caseworker. In other counties, the program is formal and (nearly) universal.

Negative Impressions of Home Visit Programs

As part of their open-ended responses to the ACSS, many counties gave their impressions of the success of their home visit programs. Those impressions varied widely. Some counties are quite negative about their home visit programs (quotes from ACSS-OER; emphasis—in boldface—added):

*Home calls were found to be **ineffective**.* (Plumas County)

*A few years ago, Kern County required a home call attempt prior to sanctioning an individual. The home call attempt was made if the participant failed to show for the cause determination appointment. The policy was **not successful in averting sanctions** and was an **unproductive use of staff time**, as many individuals were not home when the unannounced home calls were made.* (Kern County)

*We were required to complete a home visit before the sanction was imposed and this had no effect on the number of cases that went into sanction. We allocated a caseworker to contact all those on the sanction caseload **with little or no effect on the number of sanctions**. We also allocated a caseworker to impose all the sanctions and to contact the recipient way before the sanction went into effect to see if we could get them to comply. This again had little or no effect.* (Marin County)

When we had incentive money from the state, we constructed a local nonprofit to provide sanction outreach. ... Over the course of a year, only two clients ended their sanctions and returned to the WTW program. Others agreed to [cooperate] but did not follow through. I believe that the focus on long-term sanctioned clients was a mistake. The focus should have been on initial sanctions before the family became accustomed to get[ting] by without the extra money. (Humboldt County)

*The home call unit was operational from April to November 2000. The goal was to work with individuals that were sanctioned. The priority group was those who had a first-instance sanction and had recently been sanctioned. The case manager would research the case to find out why they had been sanctioned and what action was needed to bring them back into compliance. The case manager would then schedule a time to meet with the customer and see if they could help them return from their sanction. We found the **program was not cost effective**, and the case managers were needed elsewhere. We also found a pattern where the customer would comply and have the sanction lifted only to return to sanction within a short period of time for noncompliance, thus receiving a mandatory three- or six-month sanction. The Blended Services Unit [BSU] existed as a pilot project within HSA [Health Services Agency] from February 28, 2000, through February 2001. The unit remained an intact and functioning entity until January 24, 2003, when participating members were relocated and instructed to resume performing their job duties as they had before joining the Blended Unit.*

E&T/Money Management Home Visit Project. This was an effort to reduce the number of Money Management cases and restore long-term noncompliant individuals to cash aid eligibility and E&T participation. Home visits were begun in July of 2002. Seventeen visits were made. Two resulted in no contact and 15 individuals agreed to take steps to cure their sanctions. To date, only 8 of those individuals are receiving aid as a result of successful compliance; of those, 2 are pending

sanction for an additional incidence of noncompliance. Though the project ceased when it became known that BSU was ending, those involved agree the numbers did not repay the effort involved. (Merced County)

Some of these comments were echoed in other interviews. The rates of contact are high (15 out of 17). When clients were reached, many of them agree to comply (all 15). Many fewer actually comply (8 of 15). Of those that do comply, many will fall back into sanction (2 of 8).

Mendocino County implemented an outreach team in November 2002. The team consisted of our behavioral health partners, which included Mental Health (MH) and Alcohol and Other Drug Programs (AODP), Eligibility Workers (Family Assistant Representatives - FARs), Child Protective Services (CPS) and Employment and Training Workers (Employment Services Representatives - ESRs). ESRs would refer clients who were in sanction or in danger of going into sanction to this team. Representatives from MH, AODP, and the client's ESR would meet to determine if this was an appropriate client for more intensive team case management. CPS and the fraud unit were contacted to see if there was additional information. If the client met the criteria, team members would schedule a home visit. The visiting team would be composed of the partners most experienced dealing with the primary barriers to employment based on information compiled about the family. For example, if the barrier appeared to be a drug issue, an AODP staff person and ESR would make the visit. An ESR would always be part of the team. Our success rate was approximately 25 percent of the clients the team was able to contact. This success rate included those who were now working full time or off aid completely. In a few cases, clients did not have an understanding of what the sanction was about or how to correct it. In these cases, the contact proved helpful.

...

Though the process was no[t] ineffective, the return on staff investment was minimal. Scheduling the time to conduct the team meetings and make the home visits was challenging. The majority of clients was either not at home or did not respond to our attempts to contact them. The majority of clients were choosing to be in sanction. Some staff from all agencies were hesitant to make home visits because of a concern for safety. Though training was conducted on how to make a home visit and be safe, some staff were still reluctant to participate on the team. Finally, staffing shortages, both in-house and with our partners, and the time required to make home visits and the low success rate finally precluded us from continuing with our outreach initiative. (Mendocino County)

Whether a success rate of 25 percent (i.e., Mendocino County) is high is a matter of judgment. In interpreting the number, several caveats in the statement should be noted. First, the team only visited those deemed appropriate for "more intensive case management." Presumably, that means some evidence of problems, usually because the client had once been in compliance. Early evidence from Los Angeles County suggests that, compared to those who have never even been to Orientation/Appraisal, people who have once been in compliance are more likely to come into compliance again. Second, this is the success rate among clients contacted, but they also state most clients were not at home and did not respond to attempts to contact them.

Sanction staff make calls and send letters to sanctioned clients. Of approximately 30 sanctioned clients who respond to outreach, only 10 cure (approximately 30 percent) (Maximus, San Diego County)

We also conducted the Outreach Project to bring the sanctioned clients back into the program between 12/1999 and 11/2000. Among 2,049 sanctioned cases, we were able to successfully see 1,564 clients. Only 34.7 percent of those who were seen agreed to participate. We eliminated the project at the end of the year 2000 due to lack of resources and the low number of clients willing to

comply. We also required the Case Managers to conduct a home call for all clients before sanctioning the clients. (San Joaquin County)

Again, note the relative high completion rate (1,564 out of 2,049; 76 percent) and the nontrivial rate of agreement to participate (35 percent) among those who were contacted in San Joaquin County. The rate among all those who the county attempted to contact is lower (26 percent). It is not clear how many of them actually cured or how many of them fell into sanction again. Finally, note that even this nontrivial agreement rate was deemed a “low number of clients willing to comply.”

Positive Impressions of Home Visit Programs

Other counties report more positive impressions of their home visit programs (again, from ACSS-OERs, emphasis added).

In Riverside, we have found that continued and frequent communication with noncompliant and sanctioned individuals is effective.

Before imposing a sanction, Riverside case managers try to contact the individual in person, usually by home visit, and resolve any issues preventing the individual from participating. Also, if the individual is employed but not fulfilling the participation requirement, we make every effort to facilitate full participation before imposing a sanction.

Riverside has case managers specifically assigned to stay in contact with sanctioned participants to offer assistance for curing the sanction. This practice is the same for all instances of sanction. It is usually most successful with individuals who are on their first sanction. (Riverside County)

Kern County also has developed a sanction outreach program. In the sanction outreach program, specialized social workers contact sanctioned individuals via telephone, letter, and home call seeking to resolve the individual's sanction. The social workers refer the individual to resources and work as an advocate to assist the individual in resolving the sanction. The outreach program is successful in resolving the sanctions in one-third of the cases they assist. Any practice that results in a decreased no-show rate will likely lead to a reduction in sanctions. (Kern County; note that above we quoted Kern's perceived lack of success with a noncompliance home visit program.)

The one-third success rate appears high, but note that it is only among those “they assist.” Presumably, they target their assistance and do not include those who do not respond at all.

Having a social worker (dedicated exclusively to the CalWORKs unit) who makes home visits aids greatly in limiting the number of sanctions and/or in seeing those sanctions cured. (Glenn County)

We have a specializing social worker who makes a pre-sanction home visit to all participants where a sanction request to eligibility is being considered. That social worker discusses the noncooperation issue with the participant to make sure that the participant understands what is needed so that the sanction can be avoided. In the course of some of these home visits, fraud is detected, domestic violence issues are uncovered, and Child Protective Services referrals have resulted, as well as the sanction issues being addressed.

We made contact with all long-standing sanctioned adults to try to work with them to get their sanctions cured. In most instances, they choose to continue being sanctioned. (Imperial County)

Our most effective project was making home calls to sanctioned individuals. The participants were more likely to cure their sanctions when we visited them at home. When we believed there was a

possible mental health or substance abuse issue, we made arrangements for behavioral health staff to accompany the Employment Specialists on the home call so that arrangements could be made for the participants to be enrolled in services. We are no longer doing home calls due to funding cuts. (San Bernardino County)

Mandatory home visits have been instituted during the conciliation period and have proven to be useful. During the home visit Benefit Analysts discuss the advantages of participation in the Welfare-to-Work program and explain how they can increase their earning potential by working. During the home visit the Benefits Analyst may also identify issues to employment that were previously unnoticed, such as mental health or drug/alcohol issues. The Family Self-Sufficiency Team, a multidisciplinary team, has shown to be helpful prior to imposing a sanction and during normal case management when barriers to employment have been identified. (San Mateo County)

Santa Clara County had a two-year pilot Sanction Outreach Project whose purpose was to reduce the rate of sanctions, thus increasing active participants. The project included outreach and home visits, substance abuse/mental health counseling. The project succeeded in reducing the county's sanction rate. Unfortunately, the project has been "frozen" for the last eight months due to budgetary reductions. (Santa Clara County)

Other counties are now just exploring home visits. For example, Los Angeles County is currently piloting a program "to provide outreach to participants who are in their 20 day noncompliance time period or in first sanction status, who have past/present Specialized Supportive Services (Mental Health, Substance Abuse, Domestic Violence) needs. The purpose of the outreach is to engage participants in the GAIN program and assist them in identifying/accessing needed services to overcome barriers to employment and achieve self-sufficiency."

Similarly, Humboldt County, funding allowing, is about to begin a new home visiting program: "...a team consisting of one eligibility worker and one employment and training worker. These workers would do home visits in an effort to provide outreach to clients under threat of sanction. This would provide an opportunity to enlighten the client as to what would be expected of them and what the benefits of compliance could bring."

Synthesizing the Evidence from the Home Visit Programs

These narrative comments are too sketchy to allow a thorough analysis, but it is our overall sense that to a great extent these counties are describing approximately the same outcome. Home visit programs succeed in involving some, but far from all or even most, noncompliant or sanctioned recipients. Whether a county's response has a positive or negative tone appears to be due primarily to varying expectations and, therefore, what would be considered a "success." Such modest expectations are captured in the comments of Stanislaus County in its ACSS-OER:

We do not believe that any of the practices or policies that we have implemented have been ineffective in working with our customers. These processes have not worked 100 percent of the time with 100 percent of our customers. We do know that it takes multiple interventions with many of our customers to move them to a place and time when they are empowered to make the necessary changes. We believe that we plant the seed for success for many of those families who are noncompliant and that in the future they will be able to move forward because of the services and resources provided.

Higher expectations are captured by San Diego County in its ACSS-OER:

A recent six-month special "Sanction Team" effort concentrated on face-to-face contact with clients who failed initial orientation meeting. Clients were invited to pick up their checks in the office and meet with a Sanction worker. While a large number cured, many became noncompliant later. A small number of cases were referred to our Fraud Investigation Unit who found a high percentage of clients had unreported income. Many clients complained about lack of childcare as the reason for failing to come to the orientation but all clients had been given the opportunity to receive childcare in advance. Staff found that a high percentage of clients had made an "informed choice" to not participate and felt they were—at this point—only accessing benefits for their children. We were generally asked to leave them alone. (Northeast Region, San Diego County)

In three of the counties we visited (San Joaquin, San Bernardino, and Santa Clara), the home visit program incorporated a formal data collection and outcome-tracking component. We believe that these programs provide the most useful evidence on the reasons for long sanctions. While some of these programs had a fraud component and some of the programs were run by fraud units or former fraud staff, our clear impression from the site visits was that the programs were sincerely positive. Specifically, they often arose from local concerns that the sanction rates were "too high" or that careful casework could bring many of the home visited cases back into compliance. Leaders of those programs described efforts to overcome any "fraud mentality." Sympathetic workers were selected and trained to verify that casework had been done correctly, to identify barriers, and to cajole clients back into compliance. These home visit programs were resource intensive and probably represent nearly the best that could be expected of a CWD WTW program in regular practice. If these programs could not bring sanctioned recipients back into compliance—and we will see that while they brought some clients back into compliance, even after a home visit, most clients remained noncompliant—then it seems plausible that no conventional casework program could bring these sanctioned recipients back into compliance.

Between December 1999 and November 2000, San Joaquin County attempted to home visit all of its cases in sanction. Funding was sufficient to visit the 2,049 in sanction longest. After multiple attempts, they succeeded in visiting about three-quarters of those cases (1,564 visited, 485 not seen; including 335 not home, 20 refused home call, 39 whereabouts unknown; balance unknown reason not seen). Nearly half were seen, but refused to cooperate (1,021 total). Stated reasons included: 201 with a household member receiving SSI, 212 with a household member receiving temporary disability, 106 wanted to stay home with children. The other quarter agreed to cooperate and were referred to a WTW caseworker (541), but fewer than half of those actually cured their sanctions (200). In the end, only about a tenth of the clients in sanction actually cured.

During 2000, San Bernardino County home visited and administered a questionnaire to nearly all of its clients in sanction for more than a few months. Early results from that questionnaire (through January 2000) on those in sanction longest suggested high rates of implicit housing subsidies (12 percent in the U.S. Department of Housing and Urban Development (HUD) subsidized housing, 24 percent in shared housing) and that sanctioned cases were spending a smaller share of their grant on housing (74 percent versus 80 percent), though the subsidy is not increased if a client is in sanction. It also suggested a subset of clients interested in information on addressing barriers (7 percent mental health, 5 percent domestic violence, 2 percent substance abuse).

Later questionnaire results suggested high—but not universal—levels of understanding of the program and their sanction status: 98 percent understood that there was a participation requirement, 95 percent understood that their grant had been reduced because they were in sanction, 92 percent understood why

they were in sanction. However, 14 percent said that did not understand notices and materials they received from the county. Levels of understanding of the services available varied with the service: 93 percent understood that the county will pay for childcare and 90 percent understood that the county will pay for transportation; but only 37 percent were aware that treatment for domestic violence, substance abuse, or mental health counts as a work activity and only 45 percent knew about how the benefit varies with income.

When asked, fully 40 percent directly answered that they had no reason for participation and another 4 percent indicated that participation is too much trouble. These reasons appear to be admission of willful noncompliance. Other reasons included unable to find childcare (12 percent), no transportation (9 percent), work activities interfere with current employment (6 percent), family crisis (5 percent), and own health (2 percent). These reasons, if validated, might constitute failure to identify exemptions (work, health) or to provide WTW services (child care, transportation)—i.e., they might represent imperfect casework.

Finally, the San Bernardino County Sanctioned Home Call Project had been expanded because of initial indications that 40 percent of those receiving home calls would cure. These initial indications were tested with a quasi-experimental evaluation. A sample of 200 people who had not received a home call were selected as a comparison group. Their results were compared against 200 people who had been home called. Given the attempt to visit those on longest sanction first, the comparison group was not perfectly comparable. On average, they were likely to have been in sanction for a shorter period of time and therefore would have been expected to be more likely to cure their sanctions. In fact, caseworker narratives suggested that the home visited group was more likely to have cured its sanctions or to be actively working to remove its sanction—34 percent versus 14 percent. Note again, that even with a home visit, only about a third of the clients cured their sanctions. Furthermore the comparison group suggests that some clients would have cured their sanction even without a home visit. Even in the home visit group, 45 percent of the cases remain in sanction. The balance (21 percent) left welfare.

While the programs in San Bernardino County and San Joaquin County were conducted relatively early in the history of the CalWORKs program, the program in Santa Clara County was begun more recently and continues. Here we describe the results for 876 sanctioned clients contacted in the fiscal year ending June 30, 2004. Results for the previous fiscal year are similar. About three-quarters of the clients agreed to be scheduled (662) and most of them actually had meetings (265 at the client's home, 218 at the CWD's office). Overall, 31 percent cured their sanctions (272 clients; 63 clients referred to Community Health Alliance, 39 already employed, 42 referred for exemption review). In addition, 9 were incarcerated, 29 were attending college or training or participating in a CalWORKs activity, and 1 was a fraud referral.

These results are more positive than those in San Bernardino County and much more positive than those in San Joaquin County. Nevertheless, 57 percent either could not be scheduled for an appointment (214), did not show for their appointment (179), or refused service (108). Note, however, that clients who could not be contacted to attempt to schedule a meeting are excluded from the tabulations. (See the earlier quote from the Santa Clara County.) Including them would lower the overall success rate (to an unclear extent).

Finally, note that the county's report for 2003–04 expresses concern about other sources of income:

- *Although client's living expenses exceed the overall grant amount, they continue to refuse to cooperate; therefore, sanction could not be lifted. Staff felt that many are working cash only jobs and not reporting to Benefits.*
- *Often a client lives with a husband or boyfriend with a common child. He works full time and she gets cash aid for her two children from another relationship. She is sanctioned because she refuses to cooperate with CalWORKs and does not appear to be motivated to participate due to her living situation.*

Closing Thoughts on Reasons for Sanction

This chapter considered the importance of four different reasons for noncompliance and sanction: (1) the quality of casework, (2) good cause, (3) serious barriers, and (4) willful noncompliance. Appropriate policy responses to high levels of noncompliance and sanction will vary with the true reason for the noncompliance and sanction. Inasmuch as noncompliance and sanction is the result of imperfect casework and good cause, the appropriate response is not sanction. Sanctioning is unnecessary. Rather, the appropriate response is to address any casework omissions or errors and allow time for a client's good cause reasons for nonparticipation to pass.

Alternatively, in as much as noncompliance and sanction is willful—i.e., there were no casework errors and there is not good cause—the appropriate policy response might be to sanction quickly. Furthermore, inasmuch as clients are weighing the benefits and costs of compliance versus noncompliance and sanction, perhaps a larger cost to noncompliance will induce some of them to comply. However, inasmuch as some clients will still not comply, there is likely to be less household income, and children in those families might be hurt.

The case of serious barriers is more complicated. For clients whose barriers truly prevent them from participating, sanctioning is likely to lower household income and might hurt the children without providing any likely increase in compliance. However, some observers argued that a stronger sanction might induce more clients with serious barriers to self-disclose. Those clients who self-disclosed serious barriers would then be pulled from the regular sequence of WTW activities. Inasmuch as their condition was treatable, their treatment would be their activity. Inasmuch as their condition was not treatable, they would simply be exempted.

While the appropriate policy response would vary with the true cause of noncompliance and sanction, there is considerable disagreement across different observers and different sources of information—advocates, ALJs, CWD's reports of clients' claims, CWD's perception of clients' true reasons, results from home visits—as to the importance of the different factors. To some extent, it appears that observers' impressions are shaped by the types of cases they see. Advocates see clients who believe they have been wronged. We would expect them to be victims of imperfect casework and often casework errors. Similarly, ALJs see unresolved cases. In situations where the client was willfully noncompliant, there is less reason for a client to appeal (though we did hear some stories of clients' appealing in order to delay the sanction). In situations where the CWD was clearly wrong, the CWD simply concedes. The appeal does not go forward. We would not expect CWDs to blame themselves and report that their errors had caused noncompliance. Home visit programs that visited willing clients or clients that had at some point been engaged with the WTW program were more likely to be successful. Home visit programs that

visited clients in sanction longer (versus those in sanction shorter or noncompliant but not yet sanctioned) were more successful. Finally, we did not talk to clients directly.

We concluded that CWD home visit programs provide the best available evidence on the reasons for noncompliance. Home visits are usually sympathetic to clients and home visit caseworkers usually receive additional training in the identification of serious barriers to work activities, such as mental health problems, substance abuse, learning disabilities, and domestic violence. Thus, home visits are likely to identify cases in which good cause, serious barriers, or caseworker error lead to noncompliance.

The available evidence precludes a precise quantitative estimate of the fraction of sanctioned clients who are noncompliant for reasons of good cause, caseworker error, or serious barriers, but our fieldwork suggests that home visits would induce roughly a quarter of clients sanctioned more than a few months to come back into compliance and thus end their sanction. Our fieldwork suggests, however, that even after an intensive and sympathetic home visit, the majority of clients in sanction will remain in sanction. We infer from this evidence that willful noncompliance is an important cause of noncompliance overall. We caveat this conclusion by acknowledging that the home visit programs we analyzed visited far from all sanctioned clients.

5. Prevalence of Sanction and Characteristics of Those Sanctioned

Relying primarily on our analysis of written documents, our site visits, and our survey of counties, the previous chapters have described sanction policy, how the noncompliance process is actually implemented by counties and their caseworkers, and the available evidence on why some clients become noncompliant and face sanction. In this chapter, we turn from those primarily qualitative analyses to quantitative analyses. Specifically, we present analyses of two complementary data sources on the prevalence of sanctions, the characteristics of those in sanction, and the dynamics of sanction.

Appendix A presents more detail on the individual data sets and a detailed discussion of data quality issues. The analysis there concludes that for many counties the various sources of information are inconsistent. We begin our discussion here with an analysis of the official aggregate county reports on their WTW programs, the WTW 25 and WTW 25A forms. We note, however, that the discussion in Appendix A suggests that in many cases the WTW 25/WTW 25A data lack face validity (i.e., they seem implausible) and they are inconsistent with the WDTIP/Welfare Data Tracking Implementation Project data. It is not clear which data are “right”—the WTW 25 data or the WDTIP data.

The core of the analysis in this chapter studies individual-level data for 35 of the counties using the Interim State Automated Welfare System (ISAWS) computer system. For those counties, the individual-level data in the WDTIP are roughly consistent with their official WTW 25/WTW 25A filings. There remain considerable discrepancies. As we discuss in Appendix A, we can explain some of the discrepancies, but not others. However, the WDTIP data appear to be internally consistent. Furthermore, they are individual-level data, so we can use them to explore the characteristics of those in sanction and how they compare to the characteristics of those not in sanction. Furthermore, they are longitudinal (i.e., they follow individuals over time), so we can use them to explore the dynamics of sanction: When do people enter sanction? When do they leave? What do they do when they leave sanction? How long have those currently in sanction been in sanction? Thus, these WDTIP data appear to constitute the best available information on the prevalence of sanction, the characteristics of those in sanction, and the dynamics of sanction. Unfortunately, those data apply to only slightly more than half of the state’s counties (the smaller counties) so they represent only about a third of the state’s welfare caseload. That caveat needs to be kept in mind in considering the findings presented here.

We organize the remainder of this chapter according to the data set employed. The penultimate section of this chapter synthesizes the evidence from these data sets. We conclude the chapter with a review of the secondary literature on the effects of sanctions on the welfare caseload, WTW participation, and family well-being.

Evidence from the WTW 25

CDSS requires each county to file a monthly report on the status of its WTW program. Required information includes the total number of individuals enrolled in the program, the total number exempted, and the total number in sanction. Among those enrolled in the program, there is information on those enrolled in the WTW program, those exempted from participation in the WTW program, and those dropped from the WTW program due to sanction. Reporting is separate for the one-parent families (on the WTW25 form) and two-parent families (on the WTW25A form). Counties are to use their administrative data systems to compile the reports, so there should not be any sampling variability. This allows us to present county level tabulations.

Data is available for the period January 2000 to December 2004. In some of the earlier months and some of the most recent months, some of the variables for some of the counties are missing. When the data elements are missing, we impute them using the next non-missing rate. So for example, if the number of sanctions is missing for a county in all of 2000, but present in January 2001, we would use the value in January 2001 to impute the values for January through December 2000. If there is no subsequent non-missing value, we impute based on the last non-missing value.

Table 5.1 considers variation in noncompliance and sanction across the counties. Specifically, it averages across all 12 months of the calendar year 2004. For both the one-parent and two-parent caseload, it presents the sanction rate and the total noncompliance rate. Here the sanction rate is defined as the ratio of sanctions to everyone who are potentially eligible participants—i.e., the sum of enrollees, those who are exempt, and those in sanction. The total noncompliance rate is defined as the sum of sanctions and official noncompliance—i.e., sent NA 840, not yet in sanction. Finally, we compute the fraction of the total noncompliance rate that is in sanction.

**Table 5.1
Sanction and Noncompliance Rates by County**

	One-Parent			Two-Parent		
	Sanction Rate	Total Noncompliance Rate	Percent of Noncompliant in Sanction	Sanction Rate	Total Noncompliance Rate	Percent of Noncompliant in Sanction
Alameda	16%	27%	59%	15%	23%	65%
Alpine	15%	30%	50%	17%	32%	52%
Amador	14%	25%	56%	12%	27%	46%
Butte	13%	21%	61%	9%	14%	61%
Calaveras	17%	22%	76%	16%	23%	68%
Colusa	30%	33%	93%	17%	21%	81%
Contra Costa	20%	24%	86%	15%	19%	81%
Del Norte	2%	7%	31%	2%	6%	39%
El Dorado	9%	14%	68%	5%	9%	58%
Fresno	30%	43%	70%	33%	44%	75%
Glenn	20%	24%	84%	17%	20%	83%
Humboldt	25%	33%	75%	17%	25%	68%
Imperial	1%	6%	18%	1%	7%	20%
Inyo	17%	21%	79%	18%	25%	70%
Kern	22%	35%	64%	17%	28%	60%
Kings	20%	27%	76%	15%	21%	71%
Lake	17%	25%	68%	11%	16%	70%
Lassen	14%	26%	52%	10%	22%	45%
Los Angeles	23%	29%	81%	19%	24%	80%
Madera	14%	22%	63%	10%	18%	55%
Marin	22%	26%	86%	16%	18%	88%
Mariposa	13%	16%	81%	12%	18%	65%
Mendocino	19%	28%	70%	24%	31%	75%
Merced	31%	42%	74%	34%	46%	75%
Modoc	1%	2%	40%	14%	27%	50%
Mono	8%	17%	46%	11%	28%	39%
Monterey	20%	31%	63%	21%	34%	63%
Napa	29%	39%	75%	14%	26%	54%
Nevada	15%	20%	72%	10%	15%	66%
Orange	16%	17%	96%	6%	7%	94%
Placer	11%	17%	65%	15%	20%	73%
Plumas	29%	36%	79%	10%	27%	38%
Riverside	19%	31%	60%	25%	39%	64%
Sacramento	2%	8%	31%	1%	4%	24%
San Benito	10%	15%	69%	8%	12%	68%
San Bernardino	14%	20%	67%	12%	18%	66%
San Diego	21%	32%	65%	12%	22%	56%
San Francisco	11%	19%	57%	8%	12%	63%
San Joaquin	22%	38%	59%	19%	33%	59%
San Luis Obispo	17%	27%	63%	12%	21%	56%
San Mateo	13%	13%	99%	5%	5%	92%
Santa Barbara	8%	20%	43%	11%	21%	52%

Santa Clara	12%	19%	61%	8%	14%	59%
<i>Santa Cruz</i>	11%	17%	65%	12%	18%	65%
Shasta	22%	32%	69%	17%	30%	57%
<i>Sierra</i>	9%	16%	56%	31%	62%	50%
<i>Siskiyou</i>	12%	24%	52%	21%	30%	70%
Solano	5%	16%	30%	6%	14%	43%
Sonoma	25%	32%	78%	33%	39%	84%
Stanislaus	12%	16%	75%	9%	14%	65%
<i>Sutter</i>	22%	29%	74%	18%	23%	80%
<i>Tehama</i>	24%	32%	74%	21%	31%	67%
<i>Trinity</i>	21%	35%	61%	20%	32%	61%
Tulare	9%	14%	68%	7%	11%	65%
<i>Tuolumne</i>	11%	30%	38%	10%	27%	38%
Ventura	11%	25%	42%	10%	28%	35%
Yolo	17%	24%	72%	11%	14%	73%
<i>Yuba</i>	8%	12%	64%	4%	7%	49%
Overall	18%	26%	67%	14%	21%	65%
Minimum	1%	2%	18%	1%	4%	20%
Maximum	31%	43%	99%	34%	62%	94%

Note: Sanction Rate—ratio of sanctions to total potential participants; Total Noncompliance Rate—ratio of sanctions plus noncompliance to total potential participants. Total potential participants is sum of enrollees, good cause, and sanction. Percent of Noncompliant in Sanction—the fraction of total noncompliant cases actually sanctioned. Overall percentages are computed as weighted averages where the weights are given by county WTW one-parent and two-parent caseloads. Smaller counties’ names are in italics.

California’s counties vary widely in size. When considering statewide results, it is important to give more weight to the larger counties. To give a rough guide in this adjustment, we indicate the state’s 26 larger counties in regular type and the state’s 32 smaller counties in italics.

It is not an exaggeration to say that there is significant variation in sanction rates across the counties. Several counties have one-parent sanction rates below 10 percent (among the large counties—Sacramento, Santa Barbara, Tulare; among the small counties—Del Norte, El Dorado, Modoc, Mono, Sierra, Yuba). At the other extreme, several counties have sanction rates above 25 percent (among the large counties—Fresno, Merced; among the small counties—Colusa, Humboldt, Napa, Plumas). Among the counties we visited, Sacramento has a very low reported sanction rate. Los Angeles and San Joaquin have rates above the statewide average.

Statewide, between two-thirds and three-quarters of all noncompliant cases are in sanction. But, again, there is considerable variation. Some counties have many more of their total noncompliant cases in sanction (Colusa, Orange, and San Mateo have “percent in sanction” above 90 percent). Other counties have many fewer of their total noncompliant cases in sanction (Del Norte, Imperial, Modoc, Mono, Sacramento, Santa Barbara, Solano, Tuolumne, Ventura have “percent in sanction” below 50 percent). We note that this group is overrepresented among the counties with low overall sanction rates—i.e., some (but not all) of the counties with low sanction rates move cases into noncompliance, but do not move them to sanction.

Figure 5.1 and Figure 5.2 consider variation in sanction rates and total noncompliance rates (as defined above) over time, for one-parent and two-parent cases respectively. The trends are striking. These data only begin in January 2000, two full years after the start of the CalWORKs program in January 1998. Nevertheless, over the following five years (through December 2004), sanction rates nearly double, from about 10 percent to about 19 percent. The trend is nearly continuous from early 2001. This is what would be expected if more work-ready cases leave the welfare roles, leaving only the hard-to-serve cases.

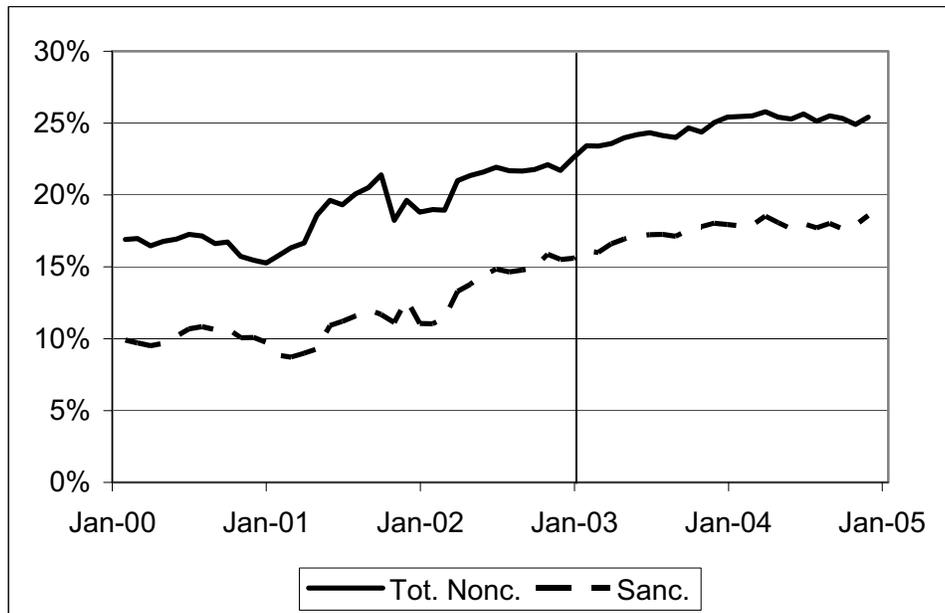


Figure 5.1—Sanction and Total Noncompliance Rates over Time, One-Parent Cases

The sanction rate is the ratio of the number of people in sanction to the number of potential eligible participants. Over this period, the total number of potential eligible participants has continued to drift down, though not at the pace in the years immediately after CalWORKs. In contrast, the number of cases in sanction is actually rising. New cases are being added to sanction faster than cases in sanction are leaving to cure their sanction or to leave welfare. We return to the dynamics of sanction below.

Furthermore, the increase does not appear to be due to the fact that CWDs are faster to move into sanction clients who have received an NA 840. The fraction of eligible participants in sanction goes up, but the fraction in noncompliance remains approximately constant. In net, total noncompliance therefore also increases sharply.

The vertical line marks the first time that cases in California could hit the state’s five-year time limit (January 2003). One might have expected a jump in the sanction rate about that time. Long-time noncompliant cases might have been in sanction. Long-time participating cases might have been time limited off. Once they are time limited off, they enter California’s “Safety Net” program. At that point, they are no longer eligible for WTW services and they are no longer included in our denominator—total potentially eligible participants. Thus, the imposition of time limits would be expected to lead to a mechanical increase in the sanction rate. The size of the increase would be larger the more of those who

were time limited off were actually participating. While this story is plausible, there is little evidence for it in the data. The lack of an effect of time limits is consistent with the relatively small numbers of one-parent cases that were time limited off welfare.

Figure 5.2 presents the equivalent plot for two-parent cases. The general trend is similar, a sharp increase over time. But the details differ. In the early years, two-parent sanction rates were below one-parent sanction rates (9 percent versus 10 percent). Narrowly defined noncompliance rates were also lower among the two-parent participants (5 percent versus 7 percent). The broadly defined noncompliance rate therefore diverges even more (14 percent versus 17 percent).

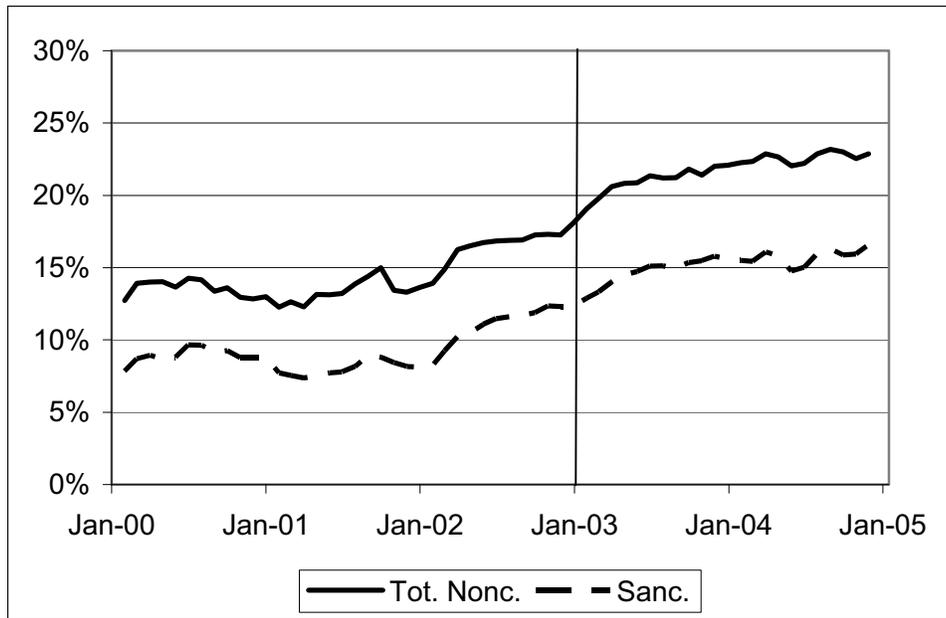


Figure 5.2—Sanction and Total Noncompliance Rates over Time, Two-Parent Cases

Unlike one-parent cases, there is evidence of a time limit effect in the months following January 2003. Several counties noted this explicitly (e.g., Orange County). The imposition of time limits dropped a large number of participating cases. This caused the measured sanction and (broadly defined) noncompliance rates to jump up. In net, this increase has closed some of the gap between one-parent and two-parent sanction and broadly defined noncompliance rates (17 versus 19 percent for sanction; 25 versus 23 percent for total noncompliance).

Evidence on the Characteristics of Those in Sanction from WDTIP

Beyond concerns noted earlier about the face validity of these WTW 25 and WTW 25A data, the WTW 25 and WTW 25A data have a second deficiency. They present only total counts of individuals in WTW programs and in sanction. They include no information on the characteristics of those in sanction.

As part of its effort to track individual client’s accumulation of months towards 60-month time limits, California created an individual longitudinal database known as WDTIP (Welfare Data Tracking

Implementation Project). Months in sanction do not count towards time limits. Thus, to properly count months towards time limits, counties need to drop months in sanction. It appears that some counties do so by simply not reporting months in sanction to the WDTIP database, while other counties do so by reporting months on welfare, not only including months in sanction, but also including notes as to which months were in sanction. Here, we analyze information for the 35 ISAWS counties for which the WDTIP information is roughly consistent with the WTW 25 information (listed in Table 5.6).³⁴

To address the computational burden of working with the entire welfare caseload, our analyses use a 17 percent subsample of the welfare population. The subsample is selected to yield as much as possible approximately equally sized samples in each county (e.g., we under-sample cases in Los Angeles County, but sample all cases in the smallest counties). Since most of the ISAWS counties are small, we have records for nearly everyone in these counties.³⁵ All analyses are weighted to adjust for the sampling. We then match these WDTIP data to MEDS information on caseload characteristics and EDD data on earnings.

Table 5.2 presents sanction rates, for each subgroup, for the period from December 2003 to November 2004. After dropping the most recent month because of end-of-data effects (i.e., anomalies), these are the 12 most recent months in our files. Tables 5.3, 5.4, and 5.5 present that same information for those who have received welfare 1–6 months, 7–24 months, and 25 or more months, respectively. Table 5.6 presents results by county, for the counties we analyze.

The tables consist of three vertical panels. In each panel, the first column gives the unweighted number of observations in the monthly data set over this 12-month period; the second column gives the percentage of the population on welfare in this group; and the third column presents the sanction rate (sanctions per person receiving cash assistance or sanctioned) for this group. The second and third vertical panels repeat this information for adults in one-parent cases (Aid Code 30) and adults in two-parent cases (Aid Code 35). We do not report the results for the small number of records in WDTIP whose MEDS record imply some other aid code.³⁶

To clarify the meaning of the entries in the table, consider the second row. It says there are 210,316 adult females in the file (some females are not included because they are in non-sampled counties, some females are not included because we analyze only a stratified sample). Those females represent 76

³⁴ The only ISAWS county not included is Imperial County. In addition, we delete all months in Marin County prior to January 2002 and in San Joaquin County prior to April 2002. While WDTIP data for these counties after these cutoff months appears plausible and is consistent with the WTW 25/WTW 25A information, prior to these cutoff dates these counties implausibly report no sanctions. Furthermore, many sanctions appear to start immediately in this month. It appears that information on sanctions prior to these months was not available. We thus delete those months.

³⁵ Sampling was done based on the first observed county. There is some inter-county movement of welfare recipients. Thus, only some of those moving from large counties to small counties are actually in the sample. This causes some instability in time series as individuals enter a small county from a large county. These people will have larger weights. They will therefore have a large effect on the tabulations at the county level. However, we report few county-level tabulations, so this issue is not crucial.

³⁶ The aid codes for these unreported records are overwhelmingly people who MEDS indicates are TANF timed out individuals that are not yet state timed out (Aid Code 32). They also include some exempt and state-only cases. It seems likely that there is some error in the coding of these cases—either their MEDS Aid Code or WDTIP records. TANF timed out cases, exempt, and state-only cases should never be sanctioned in WDTIP.

percent of all adults in the sample (versus 24 percent who are male) and they have a sanction rate of 22 percent. For females, the sanction rate for one-parent cases is lower (21 percent) than for two-parent cases (28 percent), and the sanction rate for other cash cases is still lower (19 percent). The first row of the table pools all adults. Subsequent rows disaggregate by gender (male/female) race/ethnicity (white, Hispanic, black, Asian, other), age (grouped), and time on welfare. This is the basic structure of the tables. We now turn to the substance.

In these counties, 21 percent of all adult welfare recipients are in sanction (i.e., among all adults in our counties, in the WDTIP file with an aid code indicating that they were receiving cash assistance, 21 percent are also in sanction). That rate is remarkably stable across case types (one-parent/two-parent/other cash). Females are more likely to be sanctioned than males. Whites are less likely than the other groups to be sanctioned. Blacks and Asians are slightly more likely to be in sanction (26 percent versus 19 percent for whites). Hispanics have intermediate sanction rates (23 percent). Younger recipients are much less likely to be sanctioned. Individuals are less likely to be sanctioned early in their time on welfare, but the probability of sanction rises with time on welfare. We return to the interpretation of these dynamic patterns of welfare receipt below.

For the most part these relative sanction rates are consistent across the types of cash assistance. The major exception is gender. Males in one-parent cases are more likely to be sanctioned than females, but the opposite is true among two-parent cases. As expected, the other cash assistance group is disproportionately people with very long periods on welfare.

**Table 5.2
Overall Sanction Rate**

	All			One-Parent			Two-Parent		
	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)
All	279,181	100	21%	179,485	100	22%	71,787	100	21%
Female	210,316	76	22%	149,934	84	21%	36,760	53	28%
Male	68,865	24	20%	29,551	16	27%	35,027	47	13%
White	169,975	52	19%	110,115	53	19%	43,179	52	19%
Hispanic	67,889	29	23%	43,579	29	23%	17,897	29	21%
Black	16,406	10	26%	11,404	11	25%	3,156	7	31%
Asian	23,906	9	26%	13,787	7	28%	7,394	12	23%
Other	1,005	0	23%	600	0	29%	161	0	13%
19-24	75,032	27	15%	51,096	29	14%	22,092	32	18%
25-29	57,189	20	23%	35,854	19	24%	16,908	24	20%
30-34	44,237	16	25%	27,840	15	26%	11,569	16	23%
35+	102,723	37	23%	64,695	36	25%	21,218	28	24%
1-6 months	102,714	35	10%	66,306	35	10%	30,075	40	10%
7-24 months	111,070	42	25%	73,762	43	25%	28,394	42	25%
25+ months	65,397	23	32%	39,417	22	34%	13,318	18	36%

Note: In addition to the “One-Parent” and “Two-Parent” cases, “All” includes a small number of “Other” cases which are not reported in the Table. Those cases most appear to be errors in the recorded Aid Code in the MEDS file. Because of these “Other” cases, “One-Parent” and “Two-Parent” do not sum to “All.”

**Table 5.3
Sanction Rate—1–6 Months on Welfare**

	All			One-Parent			Two-Parent		
	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)
All	102,714	100	10%	66,306	100	10%	30,075	100	10%
Female	74,042	73	10%	54,823	83	9%	13,904	46	13%
Male	28,672	27	11%	11,483	17	16%	16,171	54	6%
White	64,088	55	9%	41,607	55	10%	18,659	54	8%
Black	25,367	29	12%	16,155	29	11%	7,549	30	13%
Hispanic	5,318	9	13%	3,761	10	13%	1,142	6	14%
Asian	7,669	7	9%	4,598	6	10%	2,669	10	8%
Other	272	0	17%	185	0	17%	56	0	16%
19–24	31,593	32	7%	20,398	32	7%	10,380	35	8%
25–29	22,409	22	14%	14,046	21	15%	7,173	24	11%
30–34	16,071	15	12%	10,188	15	11%	4,653	17	12%
35+	32,641	31	10%	21,674	32	10%	7,869	24	9%

Note: In addition to the “One-Parent” and “Two-Parent” cases, “All” includes a small number of “Other” cases which are not reported in the Table. Those cases most appear to be errors in the recorded Aid Code in the MEDS file. Because of these “Other” cases, “One-Parent” and “Two-Parent” do not sum to “All.”

Table 5.4
Sanction Rate—7–24 Months on Welfare

	All			One-Parent			Two-Parent		
	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)
All	111,070	100	25%	73,762	100	25%	28,394	100	25%
Female	85,280	78	25%	62,616	85	24%	15,214	58	29%
Male	25,790	22	25%	11,146	15	32%	13,180	42	19%
White	66,556	52	24%	44,221	51	23%	17,186	53	25%
Hispanic	27,786	30	26%	18,472	30	26%	7,042	30	25%
Black	7,395	11	28%	5,444	12	29%	1,263	7	27%
Asian	8,972	8	26%	5,404	7	28%	2,832	10	22%
Other	361	0	28%	221	0	28%	71	0	14%
19–24	32,187	29	19%	22,245	30	18%	9,351	33	22%
25–29	23,374	20	26%	14,780	19	27%	6,952	24	24%
30–34	17,767	16	30%	11,605	16	31%	4,451	16	29%
35+	37,742	35	26%	25,132	35	28%	7,640	26	26%

Note: In addition to the “One-Parent” and “Two-Parent” cases, “All” includes a small number of “Other” cases which are not reported in the Table. Those cases most appear to be errors in the recorded Aid Code in the MEDS file. Because of these “Other” cases, “One-Parent” and “Two-Parent” do not sum to “All.”

**Table 5.5
Sanction Rate—25 or More Months on Welfare**

	All			One-Parent			Two-Parent		
	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)
All	65,397	100	32%	39,417	100	34%	13,318	100	36%
Female	50,994	78	33%	32,495	83	34%	7,642	59	48%
Male	14,403	22	27%	6,922	17	35%	5,676	41	20%
White	39,331	50	27%	24,287	52	30%	7,334	44	31%
Hispanic	14,736	27	34%	8,952	27	38%	3,306	27	33%
Black	3,693	10	38%	2,199	10	38%	751	10	59%
Asian	7,265	12	40%	3,785	11	45%	1,893	18	43%
Other	372	1	23%	194	0	45%	34	0	0%
19–24	11,252	18	25%	8,453	22	21%	2,361	20	40%
25–29	11,406	17	34%	7,028	17	37%	2,783	21	30%
30–34	10,399	16	35%	6,047	15	41%	2,465	17	32%
35+	32,340	49	32%	17,889	45	38%	5,709	42	39%

Note: In addition to the “One-Parent” and “Two-Parent” cases, “All” includes a small number of “Other” cases which are not reported in the Table. Those cases most appear to be errors in the recorded Aid Code in the MEDS file. Because of these “Other” cases, “One-Parent” and “Two-Parent” do not sum to “All.”

Table 5.6 tabulates sanction rates by county, for the counties in our sample. The third column of the table (“Share”) presents the distribution of individuals across the counties. It suggests that these tabulations are dominated by Kern County and San Joaquin County. Together, those two counties make up 43 percent of the sample analyzed here. Tabulations from the WTW 25 and WTW 25A submissions suggest that they are among the counties with the highest sanction rates in the state. This should be kept in mind when interpreting the overall results based on the WDTIP data.

With this important caveat, we note that while there is relatively small variation in case type, gender, race/ethnicity, and age, Table 5.5 suggests very wide variation in sanction rates across counties. According to these tabulations, more than 25 percent of the adults in Colusa, Kern, Plumas, and San Joaquin counties are in sanction. In contrast, less than 5 percent of the adults in Del Norte, Modoc, and Sierra Counties are in sanction. This variation across counties is much larger than the variation by observed characteristics. The variation in sanction rates across counties cannot be due primarily to differences in caseload characteristics (at least the ones we observe). It seems likely to be due primarily to variation in county sanction policy—i.e., how fast do counties sanction. To a lesser extent it may be due to the availability of work and other qualifying activities. We have no formal evidence on the source of the variation.

Table 5.6
Sanction Rate, by County

	All			One-Parent			Two-Parent		
	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)	N	Share (in %)	In Sanction (Mean)
All	279,181	100	21%	179,485	100	22%	71,787	100	21%
Alpine	148	0	9%	82	0	6%	62	0	8%
Amador	1,670	0	12%	1,266	0	11%	318	0	16%
Butte	20,499	7	15%	13,276	7	16%	5,304	7	13%
Calaveras	2,667	1	16%	1,955	1	12%	494	1	28%
Colusa	1,665	0	26%	1,111	0	30%	449	0	19%
Del Norte	6,742	1	4%	4,165	1	4%	2,060	2	5%
Ed Dorado	7,549	2	9%	5,139	2	7%	1,793	2	10%
Glenn	3,380	1	23%	2,143	1	25%	949	1	16%
Humboldt	16,537	4	25%	10,271	4	25%	4,210	4	26%
Inyo	1,056	0	20%	767	0	15%	210	0	7%
Kern	23,723	24	31%	14,955	23	31%	5,653	23	32%
Kings	17,475	4	20%	11,518	4	18%	4,691	4	21%
Lake	11,025	2	16%	6,636	2	18%	2,987	3	12%
Lassen	4,199	1	11%	2,585	1	13%	1,245	1	8%
Madera	17,158	4	12%	10,537	4	13%	4,711	4	10%
Marin	6,046	1	24%	4,413	1	24%	938	1	33%
Mariposa	1,423	0	14%	885	0	15%	440	0	13%
Mendocino	13,111	2	21%	8,645	3	21%	3,074	2	21%
Modoc	1,282	0	0%	802	0	0%	434	0	0%
Mono	384	0	14%	278	0	12%	96	0	23%
Monterey	18,377	6	15%	12,612	7	16%	4,041	5	15%
Napa	3,619	1	25%	2,634	1	25%	694	1	22%
Nevada	4,367	1	15%	3,101	1	17%	977	1	8%
Plumas	1,183	0	29%	805	0	35%	242	0	12%
San Benito	5,034	1	8%	3,292	1	10%	1,389	1	5%
San Joaquin	21,746	19	26%	14,584	20	25%	5,419	19	25%
Shasta	19,922	6	22%	12,077	5	22%	5,209	6	22%

Sierra	322	0	1%	199	0	1%	103	0	2%
Siskiyou	7,552	2	10%	4,650	2	12%	2,280	2	8%
Sutter	8,398	2	16%	5,323	2	17%	2,380	2	13%
Tehama	9,374	2	21%	5,693	2	24%	2,739	2	16%
Trinity	1,685	0	24%	953	0	25%	561	0	21%
Tuolumne	4,399	1	20%	2,916	1	20%	903	1	25%
Yuba	15,135	3	6%	9,033	3	5%	4,591	4	6%

Note: In addition to the "One-Parent" and "Two-Parent" cases, "All" includes a small number of "Other" cases which are not reported in the Table. Those cases most appear to be errors in the recorded Aid Code in the MEDS file. Because of these "Other" cases, "One-Parent" and "Two-Parent" do not sum to "All."

Evidence on the Dynamics of Sanctions from WDTIP

The WTW 25 and WTW 25A data are static. They report the number of people enrolled, exempt, and in sanction (or broadly defined noncompliant) in each month. The WDTIP tabulations give the characteristics of individuals in sanction at a point in time. However, our interpretation of these sanction numbers will differ greatly depending on the dynamics of sanction. Some scenarios would be consistent with short sanctions. Clients are sanctioned and their checks decline. For casework errors, the client argues that the sanction was in error and is reinstated. If the noncompliance was converted into a sanction too fast, clients' short-term problems (perhaps good cause, or perhaps a transitory personal problem that does not qualify as official good cause) would pass and clients would cure. Clients see the lower benefit and now understand that the threat of sanction was real, inducing them to cure.

Alternatively, long sanctions would be consistent with other scenarios. Serious problems with casework (e.g., client understanding of the process, ability to contact a caseworker) might induce long sanctions. Serious barriers might induce long sanctions. Finally, willful noncompliance would be expected to induce long sanctions.

Our primary dynamic analysis considers people who first enter welfare between July 2001 and November 2004. "First entry" is defined as since CalWORKs. Time on welfare before CalWORKs (i.e., January 1998) is ignored, but people who were on welfare at any time between January 1998 and June 2001 are not in the sample. The beginning of this period is chosen to capture "recent" welfare entrants, but still allows large enough samples to follow welfare entrants for 24 months. The end of this period is chosen to include our most recent data. We drop the most recent month (December 2004) because that data appear to be incomplete.

For this cohort of welfare entrants, Figure 5.3 plots their status: (1) on welfare, not sanctioned, (2) in sanction, and (3) off welfare (see Table 5.7 for the underlying numbers). Figure 5.3 confirms the conventional characterization. Most welfare spells are short. In these data, half of those entering welfare are totally off welfare by the 13th month.

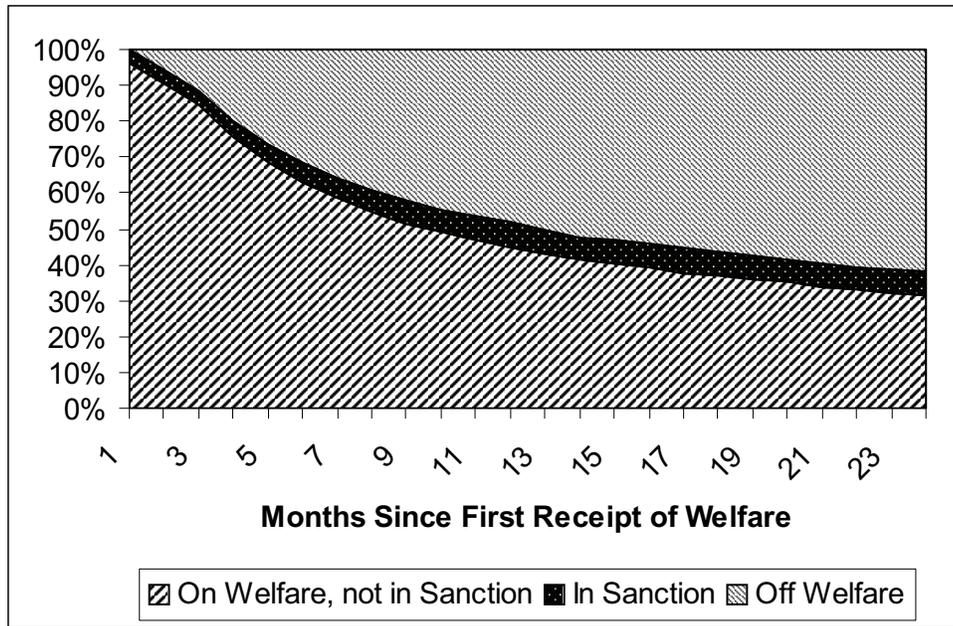


Figure 5.3—Status Since First Entering Welfare

The lower line on Figure 5.4, below, plots the fraction of the entering cohort in sanction. It rises rapidly to about 7 percent. The initial level of 3 percent appears to be due to data errors. Our understanding of the process of placing individuals in sanction implies that no one should be in sanction in the first month of welfare receipt. It appears that even in these study counties, either sanctions are being recorded too early or first receipt of welfare is being recorded too late.

The rest of the pattern is consistent with our qualitative fieldwork. Few additional people are sanctioned through about four months. Then, between five and nine months the sanction rate nearly doubles. We interpret the initial four-month period as the time required to get a new welfare recipient enrolled in the WTW program and assigned to a first activity (usually Orientation/Appraisal), and then to work through the steps of the noncompliance process prior to sanction.

This five months until sanctions begin to be imposed is long relative to many stays on welfare. Table 5.7 suggests that about a quarter of welfare recipients have already left welfare by the fifth month. We heard some discussion of this relation of time to sanction versus time to leave welfare in our qualitative fieldwork. Some argued that there was little reason to move promptly to involve people in WTW activities or to sanction those who did not comply. Many of those who did not comply now would soon leave welfare.

Others argued that current federal and state regulations require prompt engagement of recipients. Furthermore, expected changes to federal legislation would impose penalties for failure to reach levels of participation that appear to be reachable only through nearly immediate engagement of new recipients. If this later argument is considered to be the salient one, then additional consideration will need to be given to engaging clients faster and then moving the noncompliant clients more quickly through the noncompliance process to sanction—both within the current regulations and perhaps after changes in the current regulations to streamline the statutory noncompliance process.

Table 5.7
Status by Time Since Entering Welfare
(Percentage of Cases in Row)

Time Since Entering Welfare (in Months)	N	Welfare –		Off		Welfare –		Sanction –		
		Off Welfare	No Sanction	In Sanction	Welfare – No Work	Welfare – Work	Welfare – No Work	Welfare – Work	Sanction – No Work	Sanction – Work
1	35,683		96.3	3.7			66.8	29.6	2.8	0.8
2	35,136	5.8	90.8	3.4	3.4	2.4	64.0	26.8	2.7	0.8
3	34,502	11.8	84.8	3.4	7.2	4.6	60.2	24.6	2.6	0.8
4	33,791	20.0	75.9	4.1	12.5	7.5	53.5	22.4	3.1	0.9
5	33,096	26.4	68.6	5.0	16.2	10.2	48.0	20.6	3.8	1.2
6	32,439	31.6	63.0	5.5	19.2	12.4	43.9	19.0	4.2	1.3
7	32,103	35.6	58.6	5.7	21.3	14.3	40.9	17.8	4.4	1.4
8	31,563	39.1	54.8	6.1	23.3	15.8	38.0	16.8	4.8	1.3
9	31,097	41.9	51.5	6.6	25.1	16.8	35.8	15.7	5.2	1.4
10	30,625	44.5	48.9	6.6	26.4	18.1	33.8	15.1	5.3	1.3
11	30,166	46.5	46.8	6.7	27.6	18.9	32.4	14.5	5.2	1.5
12	29,695	48.3	45.0	6.7	28.6	19.7	30.9	14.1	5.5	1.3
13	29,231	50.3	43.2	6.5	30.4	19.9	29.9	13.3	5.2	1.3
14	28,771	52.3	41.3	6.4	31.6	20.6	28.6	12.7	5.2	1.2
15	28,396	52.9	40.4	6.6	32.1	20.8	28.0	12.4	5.4	1.2
16	28,009	54.1	39.2	6.7	32.8	21.3	26.9	12.3	5.3	1.3
17	27,755	55.3	37.6	7.1	33.2	22.1	25.5	12.0	5.7	1.4
18	27,463	56.1	36.9	7.0	33.2	22.8	24.9	12.0	5.6	1.4
19	27,269	57.3	36.1	6.5	34.1	23.2	24.5	11.6	5.5	1.1
20	27,020	58.4	35.1	6.5	34.9	23.5	23.9	11.3	5.4	1.0
21	26,856	59.6	33.8	6.5	35.5	24.1	22.9	11.0	5.5	1.0
22	26,588	60.8	32.9	6.3	36.5	24.3	22.2	10.7	5.1	1.2
23	26,364	61.6	32.2	6.2	37.2	24.4	21.7	10.5	5.0	1.2
24	25,996	62.1	31.7	6.2	37.4	24.7	21.1	10.6	5.1	1.0

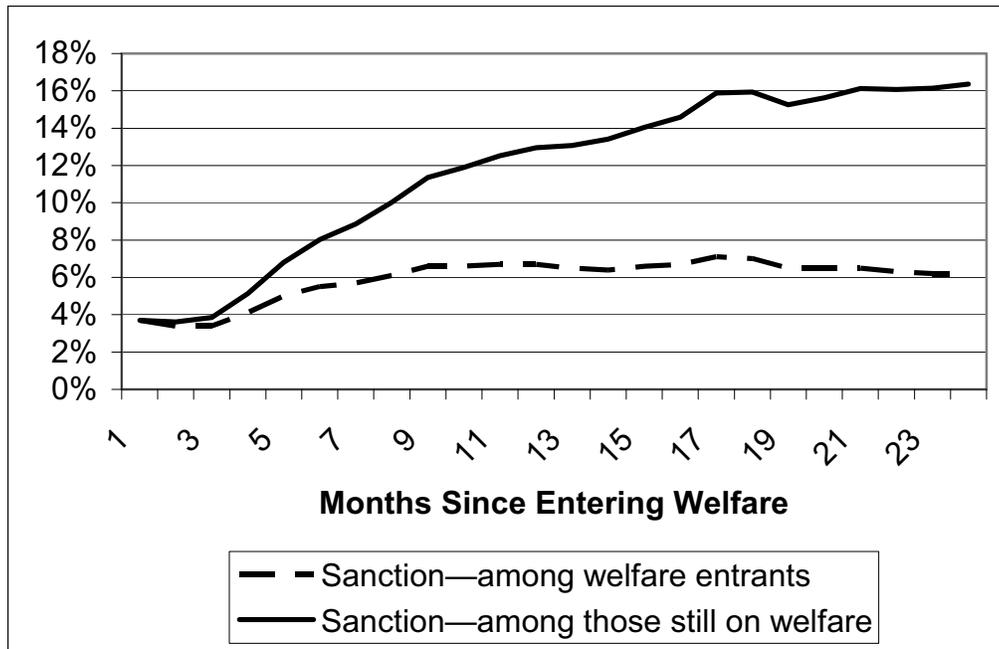


Figure 5.4—Fraction in Sanction by Months Since First Entering Welfare (Two Definitions)

Recall, however, that the fraction of the cohort on welfare is itself falling rapidly. Thus, while the top line on Figure 5.4 plots the fraction in sanction among those still on welfare; the bottom (much lower) line plots the fraction of those in sanction among those who entered welfare M months ago (whether or not they are still on welfare). Put differently, the top line drops those who have left welfare (and therefore are not in sanction); the bottom line includes those leavers. In this sample of counties, that fraction of those in sanction among those still on welfare rises from 3 percent to about 16 percent. This fraction is lower than the overall fraction of the caseload at a point in time on welfare reported in Table 5.1 for the same sample of counties: 21 percent. The difference is due in part to the fact that those entering welfare before this cohort have higher sanction rates. Thus, while few members of any entering cohort are in sanction at a point in time, among those on welfare in a given month about one in six are in sanction.

Figure 5.5 considers what happens to these individuals once they enter sanction (see Table 5.8 for the underlying numbers). All three groups are large—those leaving welfare, those returning to compliance, and those remaining on sanction. By construction all of these people are in sanction in the first month, but half of them have exited sanction by the fifth month and two-thirds by the tenth month. Some of them “cure” their sanction and return to welfare, but more of them simply leave welfare. This finding is consistent with some of our qualitative fieldwork in which caseworkers reported that their noncompliance follow-up was finding recipients who were in the process of leaving welfare. Such individuals have little reason to comply or even to respond. They expect to be off welfare by the time the noncompliance process is completed and any sanction (i.e., cut in the benefit) imposed.

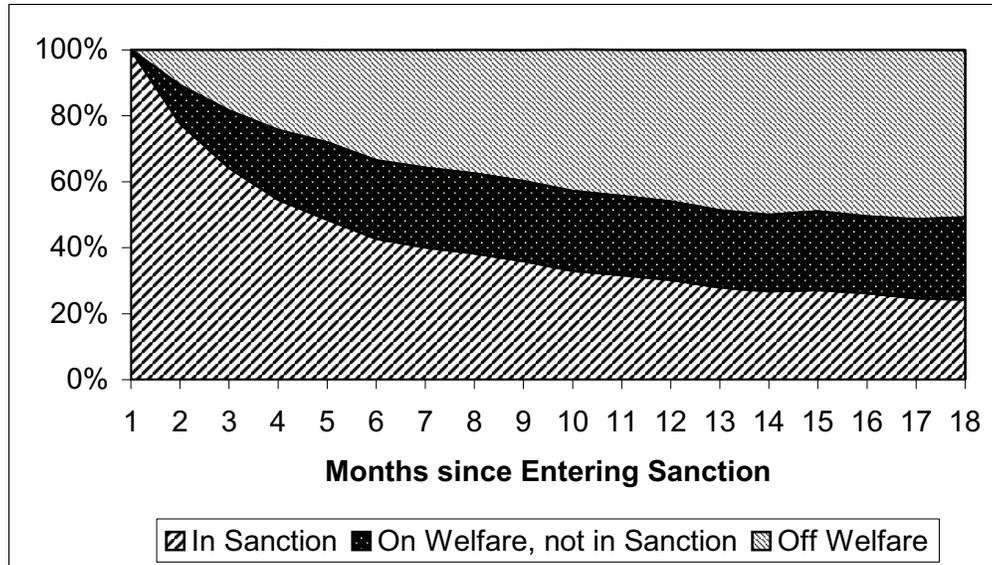


Figure 5.5—Status by Time Since Entering Sanction

However, many sanctioned recipients also come back into compliance. By the end of the 18-month period plotted here, the two groups—those in sanction and those who have complied with program requirements—are of equal size.

Finally, about a quarter of those who enter sanction are still in sanction 18 months later. They have not left welfare. The sanction appears not to have been large enough to bring them back into compliance.

Considering earnings suggests a slightly different characterization. We augment this information from WDTIP with information on earnings in the calendar quarter from the Employment Development Department (EDD) using an “any earnings in the calendar quarter” concept. Among those entering welfare (i.e., Figure 5.3), about 30 percent have any earnings while on welfare (and not in sanction). This is as expected; the CalWORKs program encourages work and the benefit structure is such that one can work full-time and still remain eligible for the program. Among those who leave welfare, about 40 percent have some earnings. This is also as expected; among the reasons to leave welfare is employment. Among those leaving welfare after having been in sanction, the fraction with earnings is lower—about 30 percent. This is consistent with the inference that those in sanction are less employable than those never sanctioned.

Finally, our tabulations suggest that about 20 percent of those in sanction are also working (i.e., they have earnings recorded in the EDD data). Note that these earnings are not “under the table.” They are reported to the EDD. The information is available to the counties as part of their regular fraud enforcement program.

This finding is open to multiple interpretations. First, it may be that the earnings were in a calendar month other than the one in which the individual was in sanction. That possibility is less likely for longer time on sanction, where people are in sanction for the entire quarter.

Table 5.8
Status by Time Since Entering Sanction
(Percentage of Cases in Row)

Time Since Entering Sanction (in Months)	N	Welfare –		Off		Sanction –		Sanction –		
		Off Welfare	No Sanction	In Sanction	Welfare – No Work	Welfare – Work	Welfare – No Work	Welfare – Work	No Work	Work
1	6,207			100.0					78.3	21.7
2	5,955	10.7	11.6	77.7	7.6	3.1	8.1	3.4	61.2	16.5
3	5,720	18.4	17.4	64.2	13.6	4.8	12.8	4.6	51.2	12.9
4	5,453	24.4	21.1	54.6	17.8	6.5	14.8	6.3	44.1	10.5
5	5,179	28.1	23.4	48.5	20.6	7.5	16.8	6.6	38.7	9.8
6	4,914	33.6	23.7	42.7	23.6	9.9	17.5	6.2	34.0	8.7
7	4,684	35.7	24.1	40.1	24.3	11.4	17.9	6.2	32.4	7.7
8	4,451	37.5	24.2	38.3	25.7	11.8	17.7	6.5	31.3	7.0
9	4,180	39.7	24.2	36.0	27.1	12.6	17.5	6.8	28.3	7.7
10	3,976	42.9	24.2	33.0	29.1	13.8	16.3	7.8	27.0	6.0
11	3,749	44.4	23.9	31.7	30.6	13.8	16.3	7.6	26.0	5.7
12	3,570	45.9	23.7	30.3	31.4	14.6	15.9	7.9	24.8	5.5
13	3,338	48.7	23.3	28.0	34.6	14.1	14.7	8.6	22.2	5.8
14	3,095	49.9	23.2	26.8	34.4	15.5	14.4	8.8	22.0	4.9
15	2,850	49.0	23.8	27.2	33.3	15.7	14.8	9.0	21.7	5.5
16	2,624	50.5	23.3	26.2	33.8	16.7	14.0	9.3	20.9	5.3
17	2,326	51.4	23.9	24.7	34.4	17.0	13.4	10.5	19.3	5.4
18	2,061	50.7	24.9	24.3	34.3	16.4	15.0	10.0	19.2	5.2
19	1,730	51.3	22.9	25.8	33.6	17.8	14.0	9.0	20.4	5.4
20	1,387	49.9	23.3	26.8	32.6	17.3	15.2	8.1	22.5	4.4
21	1,050	47.6	24.8	27.6	31.1	16.5	17.2	7.7	22.9	4.7
22	771	47.0	24.0	29.0	32.6	14.4	18.2	5.7	23.4	5.6
23	603	45.0	21.0	33.9	30.6	14.4	13.7	7.3	27.5	6.5
24	530	46.3	18.3	35.5	33.2	13.1	12.2	6.1	28.9	6.5

Second, here we tabulate any earnings. Compliance with the CalWORKs participation requirement through work would require 32 hours per week. Some of those with any earnings would not have worked enough hours to satisfy the CalWORKs participation requirement. The EDD data do not record hours. However, we can roughly approximate satisfying the work requirement by asking what fraction of individuals have earnings equivalent to 32 hours per week at the California minimum wage (\$6.75 per hour—i.e., \$2,808 per quarter). That calculation suggests that about half of those with any earnings are probably not working enough to satisfy the participation requirement.

The 32-hour participation requirement applies even to those who are working some, but less than 32, hours. In our fieldwork, caseworkers indicated that such part-time work alone (i.e., not in combination with some other qualifying activity) would be considered noncompliance. Failure to increase hours of work or participate in some other qualifying activity would lead to sanction.

Finally, the complement of this group—about 10 percent of those in sanction—appear to be working enough to satisfy the participation requirement. For some reason, that work is not being counted. This would be consistent with some reports we heard in our qualitative fieldwork. Especially in counties with separate eligibility and WTW caseworkers, there were some reports that sanctioned recipients were working enough to satisfy the participation requirement, and reporting that employment on their CA 7/QR 7 (their monthly/quarterly status report) to their eligibility worker, but that this information was not reaching their WTW caseworker.

These tabulations concern an entering cohort of welfare recipients. We conclude our analysis of the dynamics of sanction by considering the time on sanction for those currently in sanction.³⁷ We define sanction as all months in sanction in the 12 most recent months of data (December 2003–November 2004). Figure 5.6 plots the cumulative distribution of time on sanction (see Table 5.9 for the underlying numbers). These tabulations suggest that about 38 percent of sanction spells have already lasted a year. Furthermore, combining the current spell in sanction with earlier spells in sanction, about 51 percent of those currently in sanction have been in sanction for more than a year since the start of CalWORKs in January 1998.

³⁷ See Akerlof and Main (1980) and Heckman and Singer (1985) for discussions of the relation between the various concepts: the distribution of completed sanction lengths, the distribution of time in sanction in a cross-section, and the distribution of completed sanction lengths for a sample of people in sanction at a point in time.

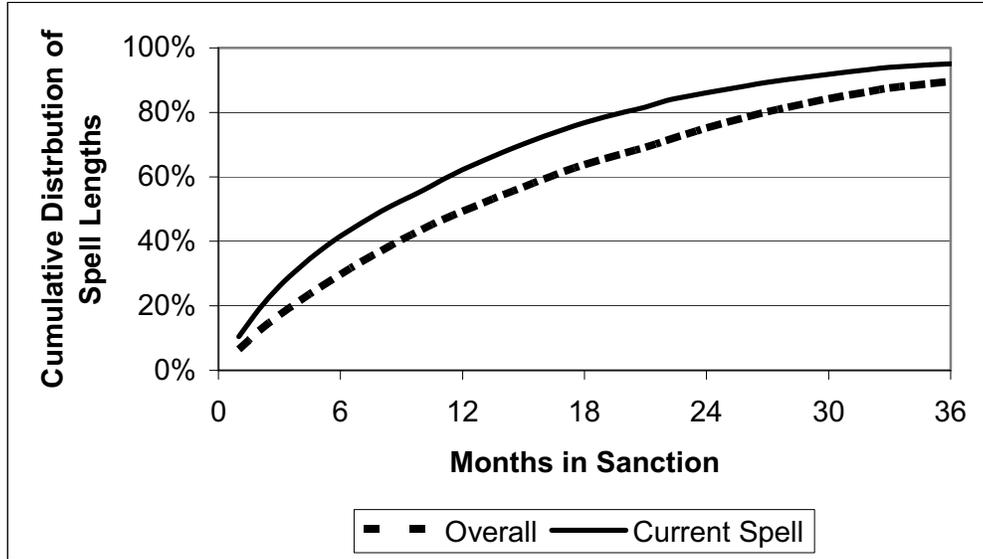


Figure 5.6—Cumulative Distribution of Time on Sanction

In steady state, a spell in progress at a point in time will on average be halfway through its duration (Heckman and Singer, 1985). Using that result, we infer that more than half of all spells will last more than a year (i.e., 42 percent of in-progress spells have already lasted six months). In fact, the system is not in steady state. Some people have been in sanction nearly continuously since the start of CalWORKs. Thus, the true value is likely to be higher than is implied by this steady-state computation. This evidence also suggests that sanctions are long; in particular, nearly half of all spells of sanction at a point in time will last a year or more. The current sanction system is not bringing noncompliant recipients promptly into compliance.

Table 5.9
Cumulative Duration of Time in Sanction

Months in Sanction	N		Cum. Distribution	
	Overall	Current Spell	Overall	Current Spell
1	3,463	5,633	7%	11%
2	2,959	4,440	12%	19%
3	2,565	3,656	17%	26%
4	2,232	2,969	22%	32%
5	2,062	2,555	26%	37%
6	1,903	2,233	30%	42%
7	1,771	1,968	34%	46%
8	1,673	1,785	37%	49%
9	1,561	1,575	40%	53%
10	1,452	1,409	44%	56%
11	1,364	1,416	47%	59%
12	1,292	1,314	49%	62%
13	1,280	1,229	52%	65%
14	1,233	1,142	54%	68%
15	1,150	1,050	57%	70%
16	1,125	1,006	59%	73%
17	1,065	945	62%	75%
18	992	853	64%	77%
19	945	796	66%	79%
20	891	732	67%	80%
21	851	670	69%	82%
22	915	739	71%	84%
23	869	613	73%	85%
24	825	574	75%	86%
25	728	478	77%	87%
26	683	462	79%	88%
27	652	433	80%	89%
28	614	406	82%	90%
29	586	380	83%	91%
30	553	352	84%	92%
31	517	334	85%	93%
32	488	321	87%	93%
33	463	313	88%	94%
34	380	220	88%	94%
35	355	209	89%	95%
36	339	201	90%	95%

Synthesizing the Evidence

There is substantial variation in sanction rates across the counties. Several counties have less than 10 percent of their caseload in sanction; several have more than 25 percent of their caseload in sanction. These differences in sanction rates are consistent with what we observed regarding county sanction practices. In some of the counties we visited, second chances were (or at least had until recently) been given nearly indefinitely (e.g., Sacramento). In other counties, sending out the NA 840 immediately was part of the regular pattern of casework. Many of those clients would subsequently be sanctioned (e.g., Los Angeles, Santa Clara).

We also explored the characteristics of those in sanction. Those in sanction look similar to those not in sanction. Whites are slightly less likely to be sanctioned; Asians and blacks are slightly more likely to be sanctioned. The youngest recipients (under age 25) are less likely to be sanctioned. Those on welfare longer are more likely to be sanctioned. Not surprisingly, those in sanction are less likely to be employed, but about 10 percent of those in sanction appear to be working enough hours to satisfy the participation requirement.

Across time, sanction rates have risen sharply over the last five years. The number of people in sanction is rising, even as the caseload has drifted down. This pattern is consistent with the increasing county concern about noncompliance that we heard in our fieldwork. It is also consistent with a particular form of caseload dynamics. Many clients enter and leave welfare relatively quickly. A subset enters welfare, does not comply, and is sanctioned. Some of those people cure within six months. Many do not. In net, from any group entering welfare, few will be in sanction six months (or two years later). Most of them will have left welfare. Among those still on welfare, many will be in sanction. Those in sanction at a point in time are overwhelmingly those in long sanctions. Thus, the importance of long sanctions depends on which perspective is adopted.

Different perspectives are appropriate for different policy issues. Given that few of those who enter will ever be sanctioned, it would arguably be a waste of resources to screen everyone intensively for barriers. Given that most of those in sanction are long-term sanctions, lowering the sanction rate will require addressing those in long-term sanction.

Addressing the size of the sanctioned population will require addressing the underlying causes of these long durations in sanction. These dynamic tabulations of administrative data also seem consistent with our qualitative fieldwork and the results of the county home visit studies. If sanctions were due to caseworker error or transient problems, we would expect the recipient to immediately contact the CWD and address the cause of the sanction—either argue that the sanction was in error or participate in the required activity. In that case, we would expect to see the sanction cleared after one to two (perhaps three) months. About a third of all sanctions end within three months (and many of them because the recipient leaves welfare). Two-thirds continue for four months or longer. Instead, these long durations of new sanctions and especially the large fraction of people in sanction at a point in time seem more consistent with some more serious issue. Willful noncompliance is one possibility. Serious barriers or casework failure (e.g., even clients who want to cure cannot find a way to do so) are other possibilities.

The Effects of Sanctions

Our original analysis plan had been to use WDTIP and WTW 25 data to explore the effect of sanctions on participation. We observed broad variation in sanction rates. To what extent do higher sanction rates lead to higher participation rates? However, as we noted at the beginning of this chapter, we are confident about the WDTIP data only for a small number of counties, and the WTW 25 data have month-to-month variation that is so large as to suggest that it is also not reliable.

Therefore, in this final section, we review the secondary literature on the effects of sanctions. Our review considers, in turn, three sets of outcomes: the caseload, participation, and family well-being.

With respect to the caseload, there is a mechanical relationship between full family sanctions and the caseload. Households that are in full family sanction are no longer counted as cases. Several early studies found that stronger sanctions are related to more welfare exits (Hofferth, Stanhope, and Harris, 2000) and larger caseload declines (Rector and Youssef, 1999). Danielson and Klerman (2004) find similar results using more recent data and more robust methods. Over the long term (72 months after implementation) and relative to the AFDC adult-only sanction, a full family sanction lowers the welfare caseload by 14 percent; an immediate full family sanction lowers the caseload by 28 percent.

At the time of our research, the effect of sanctions on participation rates was more subtle. First, there was a mechanical effect (Pavetti, Derr, and Hesketh, 2003). As we noted earlier, the official participation rate was computed in terms of aided adults. Sanctioned individuals are not aided adults. Therefore, simply sanctioning a nonparticipant would have raised the computed participation rate (the numerator was unchanged; the denominator fell). However, as noted in Chapter 1, sanctioned individuals are now included in the participation rate. Therefore, the county must engage a larger number of individuals, including sanctioned or noncompliant individuals, in work activities in order to increase the participation rate.

Inasmuch as the goal is to avoid federal penalties, this mechanical effect is important. Inasmuch as the goal is to encourage adults to work (and thereby become self-sufficient) or to encourage recipients to participate in programs (e.g., Job Club or training) that will lead to self-sufficiency, the mechanical effect is not sufficient. Here the knowledge base is nearly nonexistent. None of the random assignment studies of welfare programs from the late 1990s varied sanction policy (Grogger, Karoly, and Klerman, 2003). The pre-TANF National Evaluation of Welfare-to-Work Strategies (NEWWS) concluded that to achieve high participation rates, programs needed to enforce work-related mandates. That enforcement included applying sanctions. However, within high-enforcement programs, there was no relation between sanctions (prevalence or length) and participation rates (Hamilton and Scrivener, 1999).

Similarly based on their analyses of sanction dynamics in three states, Pavetti et al. (2004) tentatively infer the following:

[W]e did not have comparative data to measure the relative effectiveness of imposing sanctions or imposing different kinds of sanctions. However, the data from Illinois and New Jersey strongly suggest that the imposition of a gradual full-family sanction does promote compliance with work requirements. ... These results suggest that the imposition of an initial partial sanction is sufficient to encourage a substantial number of families to participate in program activities. What we cannot tell from these data is whether families would have responded differently if the initial grant reduction was not followed by a full-family sanction.

Finally, Kaurff, Derr, and Pavetti's (2004) recent review of programs with full engagement strategies also found that tracking participation and imposing sanctions "advance broad engagement." In those programs, they found the following: "When case managers identify nonparticipation, they frequently use the statutory noncompliance process as the means to re-engage recipients."

This limited evidence from other states is consistent with our qualitative and quantitative finding that many recipients cure their sanction relatively quickly. Similarly, caseworkers clearly feel that sanctions bring some noncompliant recipients back into compliance. Unfortunately, neither our analysis, nor the secondary literature, provides an estimate of the magnitude of the incremental effect of sanction on compliance.

Finally, Pavetti, Derr, and Hesketh (2003) review the literature on the effect of sanction on family well-being. The evidence is clear that sanctioned families suffer more material hardship than nonsanctioned families. To what extent this difference is due to sanction is less clear. As we noted in the previous chapter, households with fewer barriers are more likely to work full-time and therefore less likely to be sanctioned. We would thus expect sanctioned households to be worse off than nonsanctioned households. Thus, the authors conclude: "While it is possible that sanctions may increase the likelihood that a family experiences various hardships, it is also possible that the same characteristics that lead families to be sanctioned may result in greater experience of hardship."

Reichman, Teitler, and Curtis (2005) analyze longitudinal data from the Fragile Families Study. They can therefore examine how family well-being is affected by sanction, controlling for the level of well-being two years earlier. In those models they find significant negative effects of sanction on having utilities shut off, moving in with family and friends, and a borderline significant effect on maternal or child hunger.

6. Conclusion

In this final chapter, we summarize our principal findings and discuss directions for future analysis. Without making any specific recommendations, we then discuss several possible directions for changing sanction policy and practice.

Our Findings and Directions for Future Analysis

The California legislature requested a study of the following:

CalWORKs sanction policy, its implementation, and effect on work participation, including, but not limited to, all of the following research issues:

- 1) *The characteristics of the persons being sanctioned.*
- 2) *The reason participants are being sanctioned.*
- 3) *The length of time in sanctioned status.*
- 4) *Positive and negative sanction outcomes.*
- 5) *Adequacy of procedures to resolve noncompliance prior to the implementation of sanctions.*
- 6) *County variances in sanction policies, rates, and outcomes.*
- 7) *The relationship between sanction rates and work participation.*
- 8) *The impact of sanctions on families and their ability to become self-sufficient.*

This document has addressed some of those issues. With respect to the implementation of sanctions (issues 2 and 6), we found that noncompliance is a pervasive feature of California's WTW program. For early activities (e.g., Appraisal/Orientation, Job Club, etc.), about half of all recipients are noncompliant. It appears that most recipients are noncompliant at some point while receiving welfare, although we cannot provide a quantitative estimate of just how many. At any given point in time, about a third of recipients are in sanction, have received an NA 840, or have not complied with a WTW activity but were rescheduled for another WTW activity (rather than receiving an NA 840). We found little evidence of systematic biases or errors on the part of caseworkers.

With respect to the reasons for noncompliance and sanction (issue 2), we found some evidence for each of four factors: short-term good cause, serious barriers, imperfect casework, and willful noncompliance. Almost every observer acknowledged the importance of all four causes. Our analyses of CWD home visit programs suggest that most of those in sanction more than a few months are willfully noncompliant.

With respect to the characteristics, length of time sanctioned, and sanction outcomes (issues 1, 3, and 4), we found sharp increases in sanction rates over time and wide variation in sanction rates across counties. Those in sanction are similar to those not in sanction in terms of race, language, age, and case type. Most

sanctions end quickly, but those that last more than six months comprise most of those in sanction at a point in time. These longer sanctions often last two or more years.

Data limitations prevented us from assessing the effect of sanctions on work participation and self-sufficiency. However, limited evidence from other states suggests that compliance with participation in WTW activities would be lower in the absence of current sanction policies. Conversely, that evidence suggests that compliance with WTW participation requirements would be higher if sanctions were applied more swiftly and if the sanctions were larger. Evidence from other states also suggests that sanctions lower family income, which could lead to additional material hardship and poorer child outcomes. We emphasize that we have no direct evidence for these effects in California and no estimate of the magnitude of any such effects if they exist.

Additional evidence on the effects of sanctions will require a different research strategy. The strongest research evidence would come from an experimental design in which recipients were randomly assigned sanction policies that vary in strength and were then followed forward in time. Short of such an experimental design, improved data—either resolution of the inconsistencies in the WDTIP/WTW 25 data or survey data following recipients from before to after sanction—would offer some additional evidence of the effect of sanctions.

Options for Sanction Policy and Practice

Given the role of this document in support of a CDSS report to the legislature, it is not appropriate to recommend specific policy changes. Instead, we discuss some of the policy changes that were suggested during our fieldwork or that emerged from our own analysis. We organize this discussion into three parts. First, we consider ways to make the sanction “swifter” (i.e., to shrink the time from noncompliance without good cause to sanction). Second, we consider ways to make the sanction “stronger” (i.e., to give noncompliant recipients more of an incentive to comply). Third, we discuss ways to make the sanction “safer” (i.e., to ensure that people who are sanctioned truly should be sanctioned). This section describes these three directions without arguing that California’s sanction policy is in need of reform or advocating any of these particular directions.

Options for Making the Sanction “Swifter”

As we discussed in chapters 2 and 3, the interval between initial noncompliance and sanction is long, and there are several ways a client can delay or avoid sanction. Many caseworkers and more senior county staff members complained about these long intervals and about the many steps required to impose a sanction.

Changing County Processes: The largest impediment to swift sanctioning is current caseworker practice. As we discussed in detail, caseworkers reschedule noncompliant clients multiple times before beginning the noncompliance process (i.e., sending out the NA 840). Thus, one way to reduce the time between initial noncompliance and sanction is to encourage caseworkers to send the NA 840 earlier. There are several ways to accomplish this. First, senior management can emphasize to caseworkers the importance of sending NA 840 as soon as noncompliance becomes evident. Management can instruct

supervisors to monitor caseworker practice and require a supervisor to approve cases in which an NA 840 is not sent in response to noncompliance. Some counties have already taken similar steps.

Second, CWDs could employ dedicated sanction specialists whose primary responsibility is to initiate the statutory noncompliance process as soon as noncompliance is evident. Many caseworkers complained that sanctioning requires more effort than rescheduling noncompliant clients, which causes them to delay sending the NA 840. Employing sanction specialists would remove this burden and perhaps induce caseworkers to send the NA 840 earlier.

Third, computer defaults can affect whether caseworkers initiate the statutory noncompliance process. For example, Los Angeles County's computer systems begin the NA 840 process unless the caseworker explicitly notes attendance or good cause. This has the effect of inducing caseworkers to send more NA 840s.

Streamline the Procedure for No-Contact Cases to Prompt Good Cause and a 10-day Notice: The current NA 840 process gives a recipient 20 days to assert good cause without consequence. This time line is considerably longer than it is for noncompliance with eligibility requirements. For noncompliance with eligibility requirements (e.g., failing to file a quarterly status report (QR-7) or to attend an annual in-person redetermination meeting), the eligibility caseworker simply mails a 10-day notice. If there is no response within 10 days, the whole case is terminated. If there is a response, the county reviews any claim of good cause, but using narrow criteria.

The analogy with failure to file a QR-7 suggests the possibility of replacing the current 20 day period with a 10-day notice (30 days total) with a 10-day notice. Where the current notice states "As of <30 days after mailing NOA> your family's cash aid will be lowered . . .", a revised notice might state "*On or after* <10 days after mailing NOA>, your family's cash aid *may* be lowered . . ." The appointment date would be scheduled within this 10-day period. Failure to appear at the good cause meeting would still trigger a follow-up phone call. If there was no contact—client did not attend the scheduled meeting, did not call to reschedule the meeting, did not call in, or did not respond to the caseworker's call—within this 10-day period, the sanction would be imposed with the next benefit check.

Require Compliance Following Good Cause: Under current regulations, noncompliance for good cause has no further consequence. Once good cause is verified, the client is rescheduled. CDSS stated explicitly that repeated good cause was not grounds for sanction.

One alternative would be to start the sanction clock with the claim of good cause. For example, a claim of good cause would require signing a Compliance Plan. Then, failure to begin or complete the required activity within 20 days would lead to a sanction. Some caseworkers report that they are already doing this. When a client presents repeated good cause, the caseworker refuses to accept the claim of good cause. Instead, the caseworker forces the client into a Compliance Plan, which does require compliance. CDSS explicitly stated that current regulations prohibit this approach.

Options for Making the Sanction "Stronger"

In absolute terms, the current sanction imposes a small financial penalty. For a family of three, not participating in WTW activities results in a sanction that lowers the monthly welfare benefit by \$139. This reduction implies that clients receive about one dollar in additional welfare benefits for each hour of

WTW activity. Alternatively, at California's then current minimum wage, a client could earn the foregone welfare benefit by working "under the table" about five hours per week. Increasing the sanction's financial penalty would likely induce more clients to comply with work activity requirements.

Increase the Financial Penalty: The direct approach to making the sanction "stronger" is to increase the size of the financial penalty. California is one of a minority of states (16 out of 51) that never imposes a full family sanction; in other words, California never terminates the entire welfare payment for failure to comply with WTW requirements. In the 2003–04 budget, Governor Schwarzenegger proposed to increase the size of the financial penalty. Currently, California has an adult-only sanction. For a family of three, sanction reduces the welfare benefit from \$723 to \$584, a drop of 19 percent. The governor proposed to cut the benefit by another 25 percent in the second month, from the current sanction level of \$584 to \$438 (39 percent below the full benefit).

Change the Benefit Computation: In our fieldwork, some caseworkers stated that some households do not respond to the sanction because of other sources of in-kind income. Specifically, some families receive public subsidies for housing (either they live in subsidized public housing or they receive housing vouchers) and other families live with relatives or friends at no or below-market cost.

This public or private housing assistance implies that this household has broadly defined income (i.e., including the value of the housing subsidy) well above the income level specified in legislation for a sanctioned household. Ignoring such rent subsidies from public housing, public rent vouchers, and implicit rent subsidies from relatives and partners is arguably a reasonable policy for clients not in sanction. It provides additional resources to children at minimal cost to the state. However, for clients in sanction, perhaps the benefit computation should include a strict computation of the value of the imputed housing. The net result would be to bring the sanctioned family's total income (welfare benefit plus housing subsidy) down to the current statutory level and, perhaps, thereby to increase compliance in WTW activities.

Require Vendor-Voucher Payment: Under regulations in place during our fieldwork, clients in second and third sanction did not receive the full sanctioned benefit in cash. Instead, some of their expenses were paid directly to a vendor or through a voucher. Caseworkers reported that while some clients liked this arrangement, many strongly disliked it. Fear of vendor-voucher was a reason not to cure a first sanction. The second (or later) sanction would bring vendor-voucher. Requiring (or giving counties the option) of vendor-voucher payment after some stated interval on sanction (e.g., 3, 6, or 12 months) would remove the incentive not to cure and would make sanction even less attractive.

Tick the CalWORKs Time Limit Clock for Months in Sanction: Under current CalWORKs regulations, only able-bodied aided adults have their time limit clocks "ticked." Formally, a sanction removes the adult from the "aid unit." The family continues to receive the smaller welfare check, but the adult is not formally "aided." Therefore, months in sanction do not count toward the state's 60-month time limit (the time limit clock does not "tick"). It might be appropriate to "tick" the state time limit clock for months in sanction as well. (The TANF time clock would still not "tick.")

For an adult that expects to remain in sanction until she leaves welfare permanently, ticking the time clock will simply result in relabeling sanction cases as "Safety Net" cases. Since the benefit in sanction is

the same as the benefit after reaching the time limit (i.e., in the “Safety Net” program), ticking the time limit clock has no effect on the benefit.

However, for families that expect to return to compliance before leaving welfare, ticking the time clock has two effects. First, a client in sanction can cure the sanction and receive the full benefit. A client past the time limit cannot return to the full benefit. Thus, there would be some incentive to cure the sanction faster. Doing so would allow the client to receive more lifetime months of the full benefit.

Second, once past the time limit, a client is eligible for WTW services only at the county’s option. Thus, a client might currently accept sanction to use months of eligibility for WTW services “later” (e.g., once children enter school or once a short-term situation passes). Ticking the time clock would prevent a client from using the sanction to delay using those months. It should be noted that we are aware of no evidence for such behavior. For a client who never expects to cure the sanction, neither second-order effect would matter. For clients who expect to cure, these effects provide some additional incentive to cure the sanction quickly.

Options for Making the Sanction “Safer”

A major concern with swifter and stronger sanctions is that clients will be inappropriately sanctioned due to some combination of caseworker error, the client’s lack of knowledge of how to come into compliance, and the existence of serious barriers. Several changes to current policy might lower the incidence of inappropriate sanctioning.

Continuous Quality Improvement of County Procedures: Orientation/Appraisal is intended to inform clients of their responsibilities, screen out exempt clients, provide required services (e.g., transportation and childcare), and identify the appropriate activity (including services to remove barriers). These programs do not always work perfectly. While not a reasonable standard, perfect casework is a worthwhile goal. Additional Continuous Quality Improvement reviews might identify problems with specific caseworkers and county procedures.

Make Orientation/Appraisal Mandatory: Our fieldwork suggests that noncompliance at Orientation/Appraisal is 50 percent or more (see Fein and Lee, 1999; Holcomb and Ratcliffe, 2000; and Koralek, 2000, for similar findings from other states). Counties report these high levels of noncompliance despite intensive efforts to bring clients to these meetings (e.g., reminder letters, phone calls, walk-in Orientations/Appraisals).

Due to this high level of noncompliance with Orientation/Appraisal, many clients are sanctioned before they have been informed of what is expected of them, screened to verify what, if any, activity is appropriate, evaluated for the presence of serious barriers, or have received the motivational presentation. Consequently, sanctions for failure to attend Orientation/Appraisal will often be inappropriate. If the caseworker had more information, they might have determined that the client was exempt from WTW activities or should have been assigned to some other activity. It seems likely that increasing compliance with Orientation/Appraisal would probably reduce the incidence of inappropriate sanctions.

One approach to improving compliance with Orientation/Appraisal is to move Orientation/Appraisal activities into the intake process for cash aid. While current law prohibits requiring participation in a

WTW activity such as Orientation/Appraisal as a condition of applying, to be granted aid, every client must complete the intake process. Thus, by moving Orientation/Appraisal activities into the intake process, compliance with Orientation/Appraisal among those who eventually receive aid will be increased to 100 percent. Importantly, a policy change of this sort could have the effect of reducing the number of individuals who ultimately receive aid.

Another option would be to amend state law to allow, or even require, a CWD to require applicants to complete Orientation/Appraisal before receiving their first welfare check. In most counties, application requires two meetings with a caseworker. At the first meeting, the caseworker helps the client to complete the application. The caseworker also does a preliminary review of eligibility. At the second meeting, the client brings the required verifications and the application is completed. WTW Orientation/Appraisal could be included as part of this second meeting. Orientation/Appraisal might only be required of applicants that are likely to be approved.

Better Inform Clients in Sanction: In our fieldwork, we heard some concern about a lack of contact with sanctioned clients. Contact with clients in sanction varies widely across clients. In most counties, within a few months, the client loses the assigned caseworker. Thereafter, contact drops sharply. In some counties, occasional attempts at phone contact continue.

ACL 03-59 included forms to remind clients that they are in sanction and to notify them of how to come into compliance. Some counties are using these forms and some counties are using creative and eye-catching notices to inform sanctioned recipients of how to come into compliance and to encourage them to do so.

More Intensive Casework of Sanctioned Cases: Some sanctioned clients come into compliance quickly. For those who remain in sanction longer, county home visit efforts suggest that more intensive follow-up can encourage compliance. Our fieldwork suggests that home visits bring a sizable minority (perhaps 25 percent) of sanctioned clients back into compliance. However, home visits are expensive to conduct.

Some counties are employing a less expensive alternative. Every cash recipient is required to attend an annual in-person redetermination with an eligibility worker. This mandatory in-person meeting provides an opportunity to reengage sanctioned clients at relatively low cost. Every client must come to the office or be determined ineligible for cash assistance. The client comes to the welfare office. If the eligibility and WTW offices are co-located (as they are in many, but not all, counties), there is no travel cost for the CWD. Even if the offices are not co-located, it might be possible to assign a WTW caseworker to the eligibility office specifically to handle redetermination meetings with sanctioned clients.

This redetermination meeting provides an opportunity to talk to every client in person. At that meeting, the county can verify that the sanction is not the result of casework error, probe again for barriers, and explore whether the client would like to come back into compliance and help the client to do so. Some counties are using this opportunity, but many are not.

Concluding Thoughts

This chapter has presented several possible changes to current policies and procedures with respect to the noncompliance process. Our analyses have some implications for the advisability and likely effects of these reforms. However, changes to sanction policy must balance a desire to require compliance, likely

effects on compliance, and possible deleterious effects on children. This study has contributed some additional descriptive evidence. The evidence on the likely causal effect of policy changes is weak.

While our research contributes some insights into how the noncompliance process currently works and the likely effect of changes, how to weigh the positive and negative effects of any possible change are not research questions. Rather, they are policy questions, decisions to be made jointly by the state's governor and legislature representing the preferences of the citizens of the State of California.

Appendix A. Methods and Data

In this appendix we describe our methods and data sources in more detail.

Document Review

We reviewed the state document relating to sanction policy, including the following:

- The original CalWORKs legislation (Assembly Bill 1542, Thompson, Maddy, Ducheny, and Ashburn, Chapter 270, Statutes 1997)
- Assembly Bill 2772, Chapter 902, Statutes of 1998 (This bill made technical amendments to Assembly Bill 1542.)
- All County Letter 98-41
- All-County Information Notice I-70-99 “California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) Program Regulations Package” (ORD #0398-07)
- The official sanctions regulations: Manual of Policies and Procedures Section 42-721; Welfare and Institutions Code Sections 10553, 10554, and 10604

Site Visits

To understand sanction policy as applied, we visited six counties: Los Angeles, Orange, Sacramento, San Bernardino, San Joaquin, and Santa Clara. We selected the counties to span the range of county circumstances, while minimizing travel time and cost. Considerations of timing and cost implied that we were unable to visit the smaller northern and eastern counties of the state.

We spent approximately six hours in each of these counties. The exact organization of CWDs at the senior level and for the delivery of services varies (see the body of the report). Those interviewed varied with that organization and who was available when we visited.

In general, during a typical visit we met with these individuals:

- The CalWORKs program director;
- A CalWORKs program manager with special responsibility for sanction policy (often with those responsible for other aspects of CalWORKs policy also in attendance);
- A supervisor for WTW workers and (as applicable) specialized sanction or home visit workers;
- Several caseworkers (again, as applicable, generic WTW workers, sanction workers, and home visit workers).

With those above the caseworker level, we used semistructured interview protocols (distributed in advance of the visits). We developed initial copies of the protocols. We then shared them with CDSS for comment. We continued to refine the protocols over the term of the study.

The semistructured interviews attempted to elicit this information:

- Current, official county noncompliance practice (including specialized workers, what triggers sending an NA 840, frequency of recontact and home visits);
- How those procedures have changed since the beginning of CalWORKs;
- The philosophy behind those procedures;
- Perceptions of how well the procedures are working (including their effects);
- Adequacy of procedures to resolve noncompliance prior to the implementation of sanctions;
- Impressions or quantitative evidence on the prevalence of sanctions and sanction outcomes;
- Suggestions for changes to state policies;
- Other comments on the study questions.

In addition to semistructured interviews, we asked caseworkers to walk us through the history of two to three cases of noncompliance (perhaps one that resolved quickly and one that is longer lasting).

Throughout, we guaranteed anonymity to junior respondents (supervisors and caseworkers) and offered more senior staff the option of answering “on” or “off” the record.

All County Sanction Survey

The site visits were intended to help us to identify the main issues and the primary approaches to sanction policy. To provide a comprehensive perspective, we also fielded an All County Implementation Survey on sanction policy. The survey covered the topics raised in the research questions, as well as the issues raised in the site visits. The survey questions are “closed form,” allowing simple tabulations for the final report. We also allowed open responses. A copy of the survey instrument is provided as Appendix C of this document.

Again, we developed an initial survey based on our site visits. We shared a late draft of the survey with CDSS. The resulting survey was sent via email to a list of CWD directors provided by CDSS. We allowed responses by Web form, email, and over the phone. We followed up non-response and incomplete responses via email and phone. We received responses from 56 of the 58 counties (not Modoc and Sierra).

Administrative Data Sources

In this section, we provide additional detail on the administrative data sources used in this study.

To understand the nature of the data available, it is useful to view an individual as having three possible states:

- **Receiving Cash Assistance:** Months in this status count towards time limits. While in this status both adults and children should have the same “cash” aid code—usually “30” for one-parent/all-other-families, or “35” for two parent/unemployed parent, occasionally “3P”-for TANF timed out or some other code (for state-only programs).
- **In Sanction:** Months in sanction do not count toward time limits. California is a partial family sanction state. Thus, when an adult is in sanction, she is not counted for the computation of the welfare benefit. However, she continues to be covered by Medicaid/Medi-Cal. Furthermore, other members of the household continue to receive cash assistance on a “cash” aid code.
- **Off of Welfare:** Months off of cash welfare do not count towards time limits. When the adult is off of welfare, it should usually be true that the children leave welfare as well (in most cases, if children are on welfare, then adults in the household need to be on welfare as well³⁸). Such adults and children may be covered by Medi-Cal under 1931(b) (aid code “3N”) or they may simply be off of Medi-Cal.

WDTIP

The primary statewide data for this analysis is the Welfare Data Tracking Implementation Project (WDTIP). For an official discussion of WDTIP, see <http://www.wdtip.cahwnet.gov/>. WDTIP was created to allow tracking of state and federal time limits. It is intended to be one record for every adult person-month, with time-limit status. Since months in sanction do not count toward time limits, sanction should be a field in the WDTIP data. Furthermore, sanction is a component in the computation of the welfare benefit, so it should appear in the county electronic data systems from which WDTIP was populated.

For its stated purpose—the computation of months towards time limits—the WDTIP data does not need to distinguish between in sanction and off welfare. Neither status contributes toward either federal or state time limits. Our examination of the data suggests that some counties do not report sanctions. Instead, they simply report that the sanctioned individual has left the assistance unit. Doing so would not induce any error into the count of months toward the time limit. Alternatively, a county could place an individual into sanction and then not report that the person left welfare. Again, as long as the county has sent the “stop the clock” transaction, doing so would not induce any error into the count of months toward the time limit.

WDTIP data is reported as “spells” (begin and end dates, where the end data can be missing). The spell is ongoing as of the last reporting date. This form of data reporting makes the second alternative particularly easy. Spells in sanction can simply be reported as ongoing until the individual returns to

³⁸ The exception are Safety Net cases. When a family reaches the 60-month time limit, the adults are removed from the assistance unit and the aid payment declines corresponding to the drop in the number of individuals in the assistance unit. Furthermore, any participation requirement ends. However, the children remain in the assistance unit—i.e., they are considered in computing the appropriate aid payment.

welfare. It is not necessary to report exit from sanction to off welfare—i.e., when the entire welfare case is closed. With no cash case, there is no participation requirement and the adult is no longer in sanction.

MEDS/EDD

We augmented the WDTIP data by matching it to Medi-Cal Eligibility Data System (MEDS) and Employment Development Department (EDD) Base Wage File data. These files have individual-level data on monthly welfare receipt and quarterly earnings (respectively), as well as some demographics (age, race/ethnicity, language, family structure).

Of particular interest is that the MEDS data includes information on Medi-Cal enrollment (the “aid code”) for all individuals—both adults and children. The WDTIP data also includes information on “aid codes.” We compared the two sets of aid codes. They are clearly related, but there is considerable variation in the codes. Welfare spells start or end dates often differ by several months. Some spells in WDTIP do not appear at all in MEDS, and vice versa. Unless otherwise noted, in this analysis, we use sanction information from the WDTIP (there is no sanction information in the MEDS data) and the corresponding aid code information from the WDTIP as well. Using the same data source for both data items should minimize any alignment problems.

We note that the lack of alignment of the two data sources for aid codes is unfortunate. According to our understanding of aid code assignment, there should be an alternative way to identify those in sanction. As noted above, it is usually true that if children are on welfare, other adults in the household (almost always biological parents) should usually be either on welfare or in sanction (other statuses are possible, including SSI, non-need caretakers, or undocumented immigrants). Thus, it should be possible to identify sanctions roughly as follows. Identify “cases” using the MEDS aid code. Follow the cases forward identifying months in which the adult transfers to some other aid code (usually 3N/1931(b) sometimes 34/Medically Needy or 38/Edwards v. Kizer).

CDHS policy is explicit. People in sanction remain categorically eligible for Medi-Cal. Thus, no one in this status should be without Medi-Cal (as recorded in the MEDS). The alternative is possible. For the purposes of Medi-Cal eligibility, it makes no difference whether the adult is receiving cash or some other form of no-share-of-cost Medi-Cal. Thus, for the MEDS’s stated purpose—the verification of eligibility for Medi-Cal services, there is no reason to recode adults in sanction from cash to some non-cash aid code.

CA 237/WTW 25—County Filings to State

At the county-month level, counties file monthly statements about the outcomes of their WTW programs. That form is known as the WTW 25. These forms report on the universe of the counties. However, they are only aggregate data. Thus, it is not possible to tabulate or model characteristics of those in sanction or duration of time in sanction.

Cross-Checking the Data Systems

We thus appear to have three data systems with information on sanctions. In principle, all three data systems should be filled based on the same underlying county-level data. We might therefore expect the data systems to be consistent. The reality is otherwise.

We begin by noting that the Budget Act of 1995 directed the state to develop a multiple consortium strategy for statewide welfare automation. Currently the Statewide Automated Welfare System (SAWS) is composed of four consortiums: The Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting (LEADER) System; the CalWORKS Information Network (CalWIN); the Consortium-IV; and the Interim State Automated Welfare System (ISAWS). LEADER is used in Los Angeles County. CalWIN is used by 17 large and medium-sized counties. C-IV is used by four medium-sized counties. Finally, ISAWS is used by 35 small counties.

It appears that each of the other data systems—WDTIP, MEDS, and WTW25/A—were filled with extracts from the county data systems. That process was done using conversion software written by each of the consortiums (i.e., CDS and ISAWS; and for the other smaller systems). In general, we would expect this to lead to common characteristics of the WDTIP data. If data align for one county in a consortium, they are more likely to align for all/most of the counties in the consortium. (This will be less true for C-IV, where the previous systems were disparate.)

With that introduction, we consider the comparisons of the data systems. As noted above, our inferences from the MEDS data about sanction are weak. The MEDS data does not directly record sanction status. We explored the possibility of inferring sanction from the sequence of MEDS aid code using the inferences discuss above—either to use in place of the WDTIP data or to use as a cross-check on the WDTIP data. However, we found nonsensical results. Adults with this pattern of aid codes in the MEDS often are not recorded as in sanction in the WDTIP. Adults in sanction according to the WDTIP often do not have this pattern of aid codes in the MEDS. We tentatively conclude that our approach is—for some reason—invalid. We do not further pursue WDTIP/MEDS comparisons.

The situation with respect to WDTIP versus WTW 25A comparisons is more subtle. For each county, in each month, we summed sanctions across the WTW 25 and WTW 25A. A simple inspection of the data suggests serious problems. Sanction counts often vary sharply from month to month in ways that do not seem plausible. There are many simple one-month jumps up or jumps down in a given month that are undone in the next month.

Table A.1 provides a simple summary. For each county, it gives the computer system the average caseload (for the period 5/2003–4/2005); the ratio of the WDTIP to WTW 25 and WTW 25A caseloads for three periods (5/2002–4/2003, 5/2003–4/2004, and 5/2004–11/2005); and a flag (to be defined below).

If the data were consistent, the three ratios would be approximately one. The WDTIP tabulations are based on the RAND 17 percent sample. This sampling induced sampling variability, so the ratio will not be exactly one. Even given this caveat, inspection of the table reveals that for all but the ISAWS counties, the ratios are very far from one (well below 0.5 or well above 1.5). For most of the ISAWS counties (especially the larger one—i.e., those with caseloads greater than 1,000), the estimates are near one (i.e., approximately between 0.5 and 1.5). The exceptions are primarily the smaller ISAWS counties, where sampling variability is likely to be an issue (though sampling variability does not appear to be the only

issue). Among the ISAWS counties, only Imperial County is clearly outside this range. Among the counties using other data systems (i.e., CDS, C-IV, and others), the ratios are rarely within this range. We therefore use these ISAWS counties (excluding Imperial) in our dynamic analysis in the body of the report.

In many of the ISAWS counties, even this moderate consistency between the two data systems disappears approximately May 2004. (See, for example, Kern, San Joaquin, and Yuba, among the larger counties.) In these counties the change is in the WTW 25A data. The individual-level records in the WDTIP yield stable counts of the number of sanctions. Discussions with several ISAWS counties suggest that this shift is due to a change in the ISAWS data extraction program.

Counties differ in how they handle cases in sanction. Some counties terminate the WTW case after some interval (e.g., two to three months) in sanction. The ISAWS System Support team interpreted ACL 01-71 as implying that the WTW 25A is to count individuals in the WTW program. Thus, these individuals in sanction, after their WTW case is terminated, should no longer be included in the WTW 25A sanction count. This change was implemented as part of ISAWS System Change MCR #2213 approximately May 2005. This change causes a sharp drop in the WTW 25A sanction count in those ISAWS counties that drop sanctioned cases from their WTW program.

Table A.1
Cumulative Duration of Time in Sanction

County	Computer System	Caseload	WDTIP/WTW 25			Flag
			5/02-4/04	5/03-4/05	5/04-11/05	
Alpine	ISAWS	15	63%	83%	25%	*
Amador	ISAWS	164	72%	85%	119%	**
Butte	ISAWS	2,675	96%	90%	282%	**
Calaveras	ISAWS	259	88%	96%	124%	*
Colusa	ISAWS	100	122%	112%	135%	**
<i>Contra Costa</i>	<i>CDS</i>	<i>4,328</i>	<i>115%</i>	<i>160%</i>	<i>195%</i>	
Del Norte	ISAWS	636	125%	202%	151%	*
El Dorado	ISAWS	708	149%	143%	133%	*
<i>Fresno</i>	<i>CDS</i>	<i>14,082</i>	<i>87%</i>	<i>80%</i>	<i>125%</i>	
Glenn	ISAWS	295	160%	146%	156%	**
Humboldt	ISAWS	1,125	75%	122%	142%	**
<i>Imperial</i>	<i>ISAWS</i>	<i>2,566</i>	<i>4671%</i>	<i>3857%</i>	<i>8175%</i>	
Inyo	ISAWS	84	122%	237%	178%	**
Kern	ISAWS	8,593	127%	131%	158%	**
Kings	ISAWS	1,482	88%	101%	115%	*
Lake	ISAWS	909	91%	90%	135%	**
Lassen	ISAWS	333	111%	108%	100%	**
<i>Los Angeles</i>	<i>LEADER</i>	<i>89,949</i>	<i>15%</i>	<i>18%</i>	<i>18%</i>	
Madera	ISAWS	1,836	94%	92%	106%	**
Marin	ISAWS	486	184%	125%	121%	*
Mariposa	ISAWS	131	79%	97%	94%	*
Mendocino	ISAWS	987	118%	105%	97%	*
<i>Merced</i>	<i>C-IV</i>	<i>3,918</i>	<i>1%</i>	<i>1%</i>	<i>8%</i>	
Modoc	ISAWS	155	0%	4%	0%	*
Mono	ISAWS	29	59%	62%	175%	**
Monterey	ISAWS	2,537	81%	81%	99%	**
Napa	ISAWS	227	81%	79%	131%	**
Nevada	ISAWS	352	127%	125%	148%	**
<i>Orange</i>	<i>CDS</i>	<i>8,620</i>	<i>164%</i>	<i>238%</i>	<i>340%</i>	
<i>Placer a/</i>	<i>CDS</i>	<i>833</i>	<i>166%</i>	<i>249%</i>	<i>273%</i>	
Plumas	ISAWS	86	141%	159%	141%	*
<i>Riverside</i>	<i>Other</i>	<i>11,198</i>	<i>60%</i>	<i>36%</i>	<i>18%</i>	
<i>Sacramento/</i>	<i>CDS</i>	<i>18,914</i>	<i>192%</i>	<i>422%</i>	<i>883%</i>	
San Benito	ISAWS	448	96%	99%	175%	**
<i>San Bernardino</i>	<i>Other</i>	<i>20,401</i>	<i>2%</i>	<i>2%</i>	<i>13%</i>	
<i>San Diego</i>	<i>CDS</i>	<i>12,226</i>	<i>128%</i>	<i>183%</i>	<i>274%</i>	
<i>San Francisco</i>	<i>CDS</i>	<i>3,796</i>	<i>84%</i>	<i>86%</i>	<i>133%</i>	
San Joaquin	ISAWS	7,099	89%	92%	242%	**

<i>San Luis</i>						
<i>Obispo</i>	CDS	1,030	130%	152%	168%	
<i>San Mateo</i>	CDS	1,220	28%	47%	24%	
<i>Santa Barbara</i>	CDS	2,172	184%	339%	383%	
<i>Santa Clara</i>	CDS	8,268	272%	299%	305%	
<i>Santa Cruz</i>	CDS	1,172	139%	140%	159%	
Shasta	ISAWS	2,002	115%	125%	120%	*
Sierra	ISAWS	27	10%	45%	0%	
Siskiyou	ISAWS	613	99%	94%	112%	
<i>Solano</i>	CDS	2,579	288%	281%	241%	
<i>Sonoma</i>	CDS	1,314	526%	421%	306%	
<i>Stanislaus</i>	C-IV	5,072	21%	20%	17%	
Sutter	ISAWS	657	76%	53%	112%	*
Tehama	ISAWS	757	105%	109%	119%	*
Trinity	ISAWS	117	103%	97%	257%	**
<i>Tulare</i>	CDS	7,469	101%	132%	161%	
Tuolumne	ISAWS	432	120%	123%	418%	**
<i>Ventura</i>	<i>Other</i>	3,120	5%	7%	6%	
<i>Yolo</i>	CDS	1,425	258%	166%	164%	
Yuba	ISAWS	1,452	74%	91%	150%	*

Source: RAND tabulations from WDTIP, WTW 25, and CA 237 data systems. WDTIP/WTW 25—the ratio of weighted sanctions in the RAND 17% WDTIP file to total sanctions in the WTW 25 and WTW 25A (average over period). Caseload—Average adult caseload 5/03–4/05.

Flag: */rough agreement WDTIP/WTW 25, no sharp increase 5/04
 **/rough agreement WDTIP/WTW 25, sharp increase 5/04

Counties without rough agreement WDTIP/WTW 25 shown in italics (i.e., all non-ISAWS counties, plus Imperial County). Large (average caseload greater than 1,000) ISAWS counties shown in bold.

However, the individuals are still in sanction. They do belong in the sanction count according to our concept. They do belong in the sanction count according to the WDTIP concept. These counties appear to still report these cases as sanctioned to WDTIP. There is thus a sharp increase in the ratio of WDTIP to WTW 25 sanction counts. ISAWS counties which exhibit this jump are marked with a double star in the “Flag” column; those that do not are marked with a single star in the “Flag” column. For our purposes, the pre-change concept was the correct one. If there is agreement in that period, the data is valid. We thus use these WDTIP sanction data even after they diverge from the corresponding WTW 25 data.

In summary, Table A.1 shows the problematic counties (all the non-ISAWS counties, plus Imperial County) in italics. We do not analyze these counties. For the CDS counties, the WDTIP counts are well above the WTW 25 counts. Inspection of the county-level monthly data suggests that the divergence is growing over time. This appears to be consistent with people being shown as “in sanction” even after they leave welfare or at least after they are deleted from the WTW program. Comparison with the MEDS data, however, suggests that this is not the entire cause of the divergence. Many of the people in sanction

still have cash aid codes in the MEDS. Some of them appear not to be receiving Medi-Cal (where, as noted above, everyone in sanction should remain on Medi-Cal).

In contrast, Los Angeles County appears to be massively underreporting sanctions to WDTIP (relative to the WTW 25). This is consistent with Los Angeles County's delayed input of any data to WDTIP (apparently due in part to the conversion to LEADER). Similar massive underreporting of sanctions to WDTIP (perhaps because these people are not shown as on welfare at all, and therefore there is no need to show them as in sanction) is also apparent in the other non-ISAWS, non-CDS counties: Merced, Riverside, San Bernardino, Stanislaus, and Ventura.

Appendix B. Changes to NA 840 Language with ACL 03-59

This appendix details the changes ACL 03-59 made to the NA 840. As can be seen by the side-by-side comparisons, some additional clarifications were added and the language is easier to understand.

Opening Paragraph

NA 840, Pre-ACL 03-59

NA 840, Post-ACL 03-59

<p>As of _____ the County is changing your cash aid from \$ _____ to \$ _____. Cash aid will stop for _____, unless the person goes to the interview we have scheduled or calls by _____, and gives us a good reason for not doing what the County asks or agrees to a plan to do what the County asks.</p> <p>HERE'S WHY</p> <p>_____ has a problem with their participation in Welfare to Work. To discuss this problem, we have scheduled an interview with _____ at _____ o'clock at _____.</p> <p>Here's the problem:</p> <ul style="list-style-type: none">___ not signing the Welfare to Work plan___ not participating or making good progress in the assigned activity: ________ not accepting a job___ quitting a job___ reducing their earnings	<p>_____, our records show that you did not:</p> <ul style="list-style-type: none">___ Sign the Welfare to Work plan___ Participate in _____ on ________ Make good progress in your _____ activity because ________ Accept a job at ________ Keep your job at ________ Keep the same amount of earnings <p>WE NEED TO TALK TO YOU</p> <p>To keep your cash aid from being lowered, we must talk with you about this problem. An appointment has been made for you on _____ at _____ o'clock, at _____. If you need transportation or childcare to go to this meeting, call your Welfare to Work worker at the telephone number listed below.</p> <p>Welfare to Work Worker's Name:</p> <p>Telephone Number:</p>
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Consequences of Noncompliance

In addition to reworking the language, the new NA 840 informs the recipients that if they fail to comply they will not get another notice before their cash aid is cut.

NA 840, Pre-ACL 03-59

NA 840, Post-ACL 03-59

<p>(On the second page)</p> <p>If it is decided that _____ did not have a good reason for not doing what the County asks, _____ will be expected to agree to the plan or cash aid will stop for this person.</p> <p>___ If your cash aid stops, we will need a payee for your family's aid. We can send it to someone you trust. Give the name and address of that person to:</p> <p>County Worker: _____</p> <p>Street, City, Zip: _____</p> <p>Phone _____</p> <p>We will not pay _____'s childcare, transportation, or work or training expenses while this person is off cash aid.</p>	<p>If you do not have a good reason for not doing what we asked you to do, you can agree to a compliance plan to meet Welfare to Work rules. Your cash aid will not be lowered if you agree to a compliance plan and then do what it says. If you agree to a compliance plan and then later do not do what it says, your cash aid will be lowered. If this happens, you will get a separate notice.</p> <p>HOW TO STOP YOUR CASH AID FROM BEING CUT</p> <p>As of _____, your family's cash aid will be lowered from \$_____ to \$_____, unless you show us you had a good reason for not doing what we asked you to do. If you do not have a good reason, you can agree to a compliance plan to stop your cash aid from being lowered. If you do not agree to a compliance plan, you will not get another notice before your cash aid is lowered.</p> <p>See the next page for more information about how we figured how much your family will get if your cash aid is lowered.</p> <p>We will not pay for transportation, or work or training-related expenses if you are off cash aid. We may pay for childcare, if you work or attend school.</p>
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Good Cause

In addition to easier-to-understand language, the new NA 840 informs recipients that in addition to good cause, if they should have been exempt at the time of noncompliance, they will not be sanctioned.

NA 840, Pre ACL 03-59

NA 840, Post-ACL 03-59

<p>(On first page)</p> <p>WHAT HAPPENS AT THE INTERVIEW</p> <p>At the interview, you may give your reasons for not doing what the County asks. If you have a good reason, your cash aid will stay the same. Some good reasons for not participating are: you are the victim of domestic violence, you do not have childcare, or you do not have transportation. For other good reasons, see your Welfare to Work Handbook.</p> <p>(On second page)</p> <p>If this person has a good reason for not participating, we will work with him/her so that he/she is able to do what the County asks.</p>	<p>When you talk to your worker, you will be asked if you had a good reason (“good cause”) for not doing what we asked you to do. If we verify that you had a good reason, your cash aid will not be lowered because of this problem. Some examples of good reasons are not having childcare or not having transportation. For other good reasons, see the “Request For Good Cause Determination” form sent with this notice.</p> <p>Your cash aid will also not be lowered if you can show us that you should have been exempt at the time you did not do your Welfare to Work activity.</p>
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Other Language Changes:

Rescheduling the interview or doing it by telephone

NA 840, Pre-ACL 03-59

NA 840, Post-ACL 03-59

<p>(Page One)</p> <p>If you cannot keep this interview, you may call your Welfare to Work worker to schedule another interview by _____. You may reschedule this interview only once.</p> <p>(Page Two)</p> <p>You may also call your Welfare to Work worker, instead of going to the interview, to give us a good reason for not doing what the county ask or agree to a plan to do what the County asks. Contact _____ at _____</p>	<p>If you cannot go to this meeting, you must call your worker to set a new time. Unless you have a good reason, you can change this meeting only once. You can also call your worker to talk about the problem instead of going to the meeting. You must call your worker to set a new time to meet, or to talk about your problem on the telephone, by _____.</p>
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Curing of sanctions

NA 840, Pre-ACL 03-59

NA 840, Post-ACL 03-59

<p>If this person does not take care of the participation problem by _____ and your cash aid is lowered, your cash aid may start again if you are eligible for it and:</p> <p>____ if _____ cooperates.</p> <p>____ after _____, if _____ cooperates</p>	<p>HOW TO GET BACK ON CASH AID</p> <p>If your cash aid is lowered, you can get back on cash aid if you are eligible for it by:</p> <p>__ Contacting the county and telling them you want your cash aid back; then doing what the county asks</p> <p>__ Contacting the county no earlier than 45 days before _____, and telling them you want your cash aid back; then doing what the county asks. Even if you do this, your cash aid will not be restored earlier than _____.</p> <p>TO CONTACT THE COUNTY ABOUT GETTING BACK ON CASH AID, CALL</p> <p>_____</p>
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Appendix C. All County Sanction Survey Instrument

CDSS-RAND SANCTION Internet Survey

Pursuant to the 2004 Budget Trailer Bill, the legislature directed the California Department of Social Services (CDSS) to study the welfare sanctions process and report its findings to the appropriate fiscal and policy committees of the Legislature. To fulfill this statutory mandate, CDSS contracted with RAND, a private, non-profit research organization. As part of its efforts, RAND is conducting a survey of all 58 counties regarding their noncompliance and sanction policies. Information obtained from the survey and other analyses will be used to address the Legislature's questions. We expect to publish all of the responses, by county.

Many of the questions ask about how common an outcome is. We do not need exact answers. Instead, we are looking for approximate answers that give us a sense of how things are generally done in your county. In answering these types of questions, you can use these rough ranges for guidance:

0% - 5%, Almost none, Almost never

6% - 40%, Some, Occasionally

41% - 60%, About half, About half the time

61% - 95%, Most, Usually

96% - 100%, Almost all, Almost always

For these questions there also will be an option of "Do not know." The only time you should choose this option is when you have absolutely no basis on which to answer the question.

Thank you very much for participating in this survey. Your county should only submit one set of answers to the survey. Please consider completing the survey online by visiting <http://www.randurvey.org/Web/cdss/> and entering your password, which can be found in the email you received. If you would prefer, please feel free to return your completed survey via email to Jane McClure at mcclure@rand.org or you can print it out and return it to Jane McClure via facsimile (310) 260-8142 or via regular US Mail to: Jane McClure, RAND, PO Box 2138, Santa Monica, CA, 90407-2138.

If you have any questions about the survey, please contact Jane McClure at mcclure@rand.org or (310) 393-0411 ext. 8456.

Please complete the following information.

1. County name: _____

2. Name of contact person regarding this survey: _____

3. Mailing address of contact person: _____

4. Email of contact person: _____

5. Phone number of contact person: _____

I. How the sanctions process works in your county

For the following questions, please select all that apply.

A. Please select all the computer systems that your county has used or expects to use with respect to eligibility and welfare-to-work since 1998 and list the dates they were used.

	DATES USED (i.e., 1/98 to 3/01)		
<input type="checkbox"/> I-SAWS (Interim-State Automated Welfare System)	/	to	/
<input type="checkbox"/> Cal WIN	/	to	/
<input type="checkbox"/> WCDS (Welfare Client Data System)	/	to	/
<input type="checkbox"/> GIS (GAIN Information System)	/	to	/
<input type="checkbox"/> LEADER	/	to	/
<input type="checkbox"/> C-IV	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/

B. For MEDS, please select how your county has coded adults in sanction from 1998 forward and list the dates the codes were used.

	DATES USED (i.e., 1/98 to 3/01)		
<input type="checkbox"/> 30/35 Cash Assistance	/	to	/
<input type="checkbox"/> 3N 1931B	/	to	/
<input type="checkbox"/> 34 Medically Needy	/	to	/
<input type="checkbox"/> 38 Edwards v Kizer	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/
<input type="checkbox"/> Other Please list: _____	/	to	/

C. At which point in the welfare-to-work program do recipients become noncompliant? Please list a percentage for each of the activities below. The total should add up to 100%.

ACTIVITY	PERCENT OF RECIPIENTS THAT BECOME NONCOMPLIANT
Initial orientation/appraisal	%
Job Club	%
Assessment	%
Signing the Welfare-to-Work Plan	%
A later orientation/appraisal	%
An education and training activity	%
A behavioral health (mental health, substance abuse) activity	%
When leaving full time employment	%
Some other point Please _____ list:	%

When a recipient is noncompliant at the initial activity (usually orientation/appraisal; for some recipients in some counties job club), some counties give one or more "second chances," meaning that they give the noncompliant recipient another chance to comply before sending the NA-840. Other counties do not give such second chances and, instead, send the NA 840 once noncompliance occurs. Keeping this in mind, please answer the following questions about whether your county gives such second chances:

D. If a recipient is noncompliant and does not contact the caseworker and the caseworker is not able to contact the recipient, the NA-840 is sent:

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

E. If a recipient is noncompliant and the caseworker contacts the recipient and the recipient does not have a good reason for the noncompliance but agrees to comply, the NA-840 is sent:

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

F. If a recipient fails to attend the same activity on multiple occasions but each time has a good reason for the noncompliance, the NA-840 is sent:

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

G. How often is a home visit attempted before a sanction is imposed?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

H. How often is an individual sanctioned without the caseworker having any contact from the individual?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

I. Among noncompliant recipients who contact the caseworker, how often is good cause established?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

J. How many noncompliant recipients should have been exempted prior to their noncompliance?

- Almost none
- Some
- About half
- Most
- Almost all
- Do not know

K. How often does a recipient who signs a compliance plan complete the terms of the compliance plan?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

L. Once an individual is sanctioned, how often does a caseworker call the individual to discuss the sanction?

- Almost never
- Within the first 30 days of sanction being imposed but not thereafter
- Monthly
- Annually
- Other (please explain):

M. Once an individual is sanctioned, how often does a caseworker make a home call to discuss the sanction?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

N. How often does child protective services get involved with a sanctioned individual's family?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

O. How often is a fraud finding made on sanctioned individuals?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

P. If a sanctioned individual initiates contact with a caseworker after the sanction has been imposed, what is usually the main reason for the contact?

- To establish good cause.
- To ask why his or her check has been reduced.
- To ask how the sanction can be cured.
- Other. Please describe: _____

Q. How often do sanctioned individuals who cure their sanction become noncompliant again?

- Almost never
- Occasionally
- About half the time
- Usually
- Almost always
- Do not know

II. General questions about staffing and training

A. What portion of the welfare-to-work recipients in your county have their primary casework performed by another government entity or a private organization?

- 0% - 5%
- 6% - 40%
- 41% - 60%
- 61% - 95%
- 96% - 100%

For the following question, please select all that apply.

B. Does your county have a “combined worker” or separate “eligibility workers” and “welfare-to-work workers/employment specialists”?

CATEGORY	PERCENT OF CASES
<input type="checkbox"/> Combined	%
<input type="checkbox"/> Separate eligibility and welfare-to-work workers	%
<input type="checkbox"/> County eligibility and outsourced welfare-to-work worker	%
<input type="checkbox"/> Other Please describe: _____	%

C. Does your county assign a specialized worker (i.e., someone other than the case carrying worker) to do any part of the noncompliance process?

Yes

No

If you answered yes, please explain what parts of the process the specialized worker handles (e.g., sending the NA-840, doing home visits, making good cause determinations, etc).

D. When did your county complete (or does it expect to complete) training for All County Letter 03-59 "CalWORKs WTW Good Cause, Compliance and Sanction Procedures" dated November 14, 2003?

Month _____ Year _____

E. When did your county release (or expect to release) to caseworkers the policy and procedure changes set forth in ACL 03-59?

Month _____ Year _____

G. What impact do you think ACL 03-59 had or will have on sanctions in your county?

- Increase the number of sanctions
- Have no effect on the number of sanctions
- Decrease the number of sanctions
- Other (please explain):

III. Broader, more philosophical issues regarding the sanctions process

For the following questions, please follow the instructions given.

A. Using the numbers 1-5, where 1 is the most important and 5 is the least important, please rank in order of importance the top five reasons that recipients give for not participating in welfare-to-work activities.

Please select five reasons from the following list:

REASON	RANK
Illness or disability of the recipient	
Illness, disability or death of a recipient's family member	
Lack of transportation	
Child care is not available	
A recipient's mental or emotional problems	
Substance abuse	
Interruption of child care arrangements	
Domestic Abuse	
Disagreement with the terms of their Welfare-to-Work Plan	
Involvement in the criminal justice system	
Involvement in the child welfare system	
Employment/work activity would interrupt approved education/job training	
Homelessness or instability in housing	
Misunderstanding instructions	
Never received necessary information from county	
Attending school/training	
The recipient just forgot	
Un-reported employment	
Willful noncompliance	
Other (please explain):	

B. Using the numbers 1-5, where 1 is the most important and 5 is the least important, please rank in order of importance the top five reasons that your county believes explains why recipients do not participate in welfare-to-work activities.

Please select five reasons from the following list:

REASON	RANK
Illness or disability of the recipient	
Illness, disability or death of a recipient's family member	
Lack of transportation	
Child care is not available	
A recipient's mental or emotional problems	
Substance abuse	
Interruption of child care arrangements	
Domestic Abuse	
Refusal to sign the Welfare-to-Work Plan	
Involvement in the criminal justice system	
Involvement in the child welfare system	
Employment/work activity would interrupt approved education/job training	
Homelessness or instability in housing	
Misunderstanding instructions	
Never received necessary information from county	
Attending school/training	
The recipient just forgot	
Un-reported employment	
Willful noncompliance	
Other (please explain):	

Give your county's position on the following questions. Please select one response per question.

C. The compliance plan phase:

- Is necessary
- Is necessary, should be amended as follows:

- Should be eliminated

D. The short-term effect of a sanction on children is:

- Very harmful
- Somewhat harmful
- Slightly harmful
- Not harmful

E. Current state policies and procedures make the interval from noncompliance to imposition of sanction:

- Too long
- Adequate
- Too short

F. Current policies and procedures in your county make the interval from noncompliance to imposition of sanction:

- Too long
- Adequate
- Too short

G. If caseworkers had a lower caseload, it would:

- Increase the number of sanctions
- Have no effect on the number of sanctions
- Decrease the number of sanctions

H. If the amount of the sanction is increased after an individual is in sanction status for more than 1 month:

- More sanctioned individuals would cure the sanction
- It would have no effect on sanctions being cured
- Fewer sanctioned individuals would cure the sanction

I. California should adopt a larger (but not full-family) sanction policy:

- For first instance of noncompliance
- After a few months of initial noncompliance
- For second instance of noncompliance
- After the second instance of noncompliance
- Never

J. California should adopt a full family sanction policy:

- For first instance of noncompliance
- After a few months of initial noncompliance
- For second instance of noncompliance
- After the second instance of noncompliance
- Never

K. If sanctions were imposed (i.e., the recipient's benefit was cut) pending the outcome of the fair hearing it would:

- Increase the number of sanctions
- Have no effect on the number of sanctions
- Decrease the number of sanctions

Appendix D. Additional Quantitative Results

Table D.1
Underlying Data for Figure 3.2

	Almost Never	Occasionally	About Half	Usually	Almost Always	Don't know
Repeated Good Cause – UW	36%	18%	5%	23%	18%	0%
Repeated Good Cause - W	23%	13%	2%	15%	46%	0%
Contact, No Good Cause -UW	39%	9%	4%	18%	30%	0%
Contact, No Good Cause - W	22%	12%	0%	4%	61%	0%
No Contact - UW	11%	4%	4%	9%	73%	0%
No Contact - W	6%	2%	9%	4%	80%	0%

Table D.2
Underlying Data for Figure 3.3

	Almost Never	Occasionally	About Half	Usually	Almost Always	Don't know
Noncompliant again - UW	0%	51%	29%	13%	5%	2%
Noncompliant again - W	0%	33%	14%	15%	7%	31%
Complete CP - UW	0%	13%	45%	39%	2%	2%
Complete CP - W	0%	11%	27%	59%	0%	3%
Good Cause - UW	0%	34%	39%	20%	7%	0%
Good Cause - W	0%	14%	64%	17%	6%	0%
No contact - UW	25%	30%	29%	9%	7%	0%
No contact - W	17%	21%	20%	11%	31%	0%

Table D.3
Underlying Data for Figure 3.4

	Almost Never	Occasionally	About Half	Usually	Almost Always	Don't know
Telephone - UW	34%	7%	20%	5%	34%	0%
Telephone - W	56%	1%	15%	1%	27%	0%
Home call - UW	59%	20%	3%	9%	9%	0%
Home call - W	51%	46%	0%	1%	1%	0%

Table D.4
Underlying Data for Figure 3.5

	Almost Never	Occasionally	About Half	Usually	Almost Always	Don't know
Noncompliant again - UW	0%	51%	29%	13%	5%	2%
Noncompliant again - W	0%	33%	14%	15%	7%	31%
Complete CP - UW	0%	13%	45%	39%	2%	2%
Complete CP - W	0%	11%	27%	59%	0%	3%
Good Cause - UW	0%	34%	39%	20%	7%	0%
Good Cause - W	0%	14%	64%	17%	6%	0%
No contact - UW	25%	30%	29%	9%	7%	0%
No contact - W	17%	21%	20%	11%	31%	0%

Table D.5
Underlying Data for Figure 4.3

	Almost Never	Occasionally	About Half	Usually	Almost Always	Don't know
Home Call Before - UW	34%	25%	7%	7%	27%	0%
Home Call Before - W	29%	47%	1%	7%	15%	0%
Home Call After - UW	59%	20%	3%	9%	9%	0%
Home Call After - W	51%	46%	0%	1%	1%	0%

Table D.6
County Perceptions of Clients' Claimed Reasons for Sanction

Unweighted	1	2	3	4	5	Total
Own illness	0.43	0.16	0.09	0.04	0.07	0.79
Family illness	0.09	0.23	0.07	0.14	0.04	0.57
Lack of transportation	0.11	0.12	0.23	0.18	0.04	0.68
No childcare	0.04	0.09	0.09	0.11	0.05	0.38
Mental problems	0.02	0.11	0.04	0.04	0.05	0.26
Substance abuse	0.02	0.02	0.02	0.02	0.00	0.08
Child care interruption	0.00	0.04	0.13	0.00	0.02	0.19
Domestic abuse	0.02	0.00	0.00	0.02	0.00	0.04
Disagree WTW plan	0.00	0.00	0.04	0.00	0.02	0.06
Involvement in criminal justice	0.00	0.00	0.00	0.09	0.02	0.11
Involvement in child welfare	0.00	0.00	0.00	0.00	0.00	0.00
Wk/ Act interrupt approved job	0.00	0.02	0.02	0.02	0.02	0.08
Homelessness	0.04	0.00	0.04	0.05	0.11	0.24
Misunderstood instructions	0.02	0.00	0.11	0.02	0.12	0.27
Never got info from county	0.02	0.07	0.04	0.02	0.09	0.24
Attending school/training	0.02	0.04	0.02	0.02	0.09	0.19
Recipient just forgot	0.04	0.09	0.02	0.14	0.11	0.40
Unreported employ/resources	0.00	0.00	0.02	0.04	0.04	0.10
Willful noncompliance	0.16	0.00	0.05	0.04	0.13	0.38
Other	0.00	0.02	0.00	0.04	0.02	0.08
Weighted						
Own illness	0.64	0.21	0.01	0.01	0.06	0.93
Family illness	0.07	0.13	0.02	0.11	0.00	0.33
Lack of transportation	0.03	0.03	0.57	0.05	0.00	0.68
No childcare	0.03	0.11	0.06	0.12	0.00	0.32
Mental problems	0.01	0.08	0.02	0.02	0.04	0.17
Substance abuse	0.00	0.01	0.02	0.00	0.00	0.03
Child care interruption	0.00	0.05	0.14	0.00	0.00	0.19
Domestic abuse	0.00	0.00	0.00	0.02	0.00	0.02
Disagree WTW plan	0.00	0.00	0.01	0.00	0.00	0.01
Involvement in criminal justice	0.00	0.00	0.00	0.15	0.00	0.15
Involvement in child welfare	0.00	0.00	0.00	0.00	0.00	0.00
Wk/ Act interrupt approved job	0.00	0.00	0.00	0.00	0.00	0.00
Homelessness	0.01	0.00	0.00	0.04	0.42	0.47
Misunderstood instructions	0.00	0.00	0.00	0.29	0.07	0.36
Never got info from county	0.01	0.31	0.01	0.00	0.04	0.37
Attending school/training	0.00	0.00	0.02	0.01	0.04	0.07
Recipient just forgot	0.00	0.07	0.01	0.06	0.15	0.29
Unreported employ/resources	0.00	0.00	0.03	0.03	0.05	0.11
Willful noncompliance	0.20	0.00	0.00	0.04	0.11	0.35
Other	0.00	0.00	0.00	0.07	0.00	0.07

Table D.7
County Perceptions of Reasons for Sanction

Unweighted	1	2	3	4	5	Total
Own illness	0.14	0.04	0.00	0.07	0.05	0.30
Family illness	0.02	0.02	0.04	0.04	0.00	0.12
Lack of transportation	0.11	0.11	0.04	0.07	0.02	0.35
No childcare	0.00	0.00	0.04	0.09	0.02	0.15
Mental problems	0.14	0.29	0.14	0.14	0.09	0.80
Substance abuse	0.14	0.25	0.14	0.14	0.05	0.72
Child care interruption	0.00	0.00	0.02	0.02	0.02	0.06
Domestic abuse	0.00	0.00	0.09	0.04	0.02	0.15
Disagree WTW plan	0.00	0.00	0.00	0.00	0.04	0.04
Involvement in criminal justice	0.00	0.02	0.00	0.05	0.09	0.16
Involvement in child welfare	0.00	0.00	0.00	0.00	0.00	0.00
Wk/ Act interrupt approved job	0.00	0.02	0.02	0.02	0.00	0.06
Homelessness	0.00	0.04	0.07	0.07	0.04	0.22
Misunderstood instructions	0.02	0.00	0.00	0.04	0.11	0.17
Never got info from county	0.00	0.00	0.00	0.00	0.00	0.00
Attending school/training	0.02	0.02	0.07	0.04	0.04	0.19
Recipient just forgot	0.07	0.04	0.11	0.05	0.04	0.31
Unreported employ/resources	0.00	0.07	0.11	0.04	0.11	0.33
Willful noncompliance	0.29	0.11	0.09	0.09	0.18	0.76
Other	0.05	0.00	0.04	0.00	0.05	0.14
Weighted						
Own illness	0.41	0.06	0.00	0.03	0.09	0.59
Family illness	0.03	0.00	0.00	0.02	0.01	0.06
Lack of transportation	0.04	0.12	0.01	0.05	0.00	0.22
No childcare	0.00	0.00	0.03	0.31	0.00	0.34
Mental problems	0.14	0.18	0.14	0.05	0.06	0.57
Substance abuse	0.04	0.23	0.05	0.18	0.04	0.54
Child care interruption	0.00	0.00	0.05	0.03	0.04	0.12
Domestic abuse	0.00	0.00	0.14	0.00	0.02	0.16
Disagree WTW plan	0.00	0.00	0.00	0.00	0.03	0.03
Involvement in criminal justice	0.00	0.01	0.00	0.08	0.02	0.11
Involvement in child welfare	0.00	0.00	0.00	0.00	0.00	0.00
Wk/ Act interrupt approved job	0.00	0.00	0.29	0.00	0.00	0.29
Homelessness	0.00	0.01	0.01	0.06	0.01	0.09
Misunderstood instructions	0.01	0.00	0.00	0.06	0.13	0.20
Never got info from county	0.00	0.00	0.00	0.00	0.00	0.00
Attending school/training	0.00	0.00	0.04	0.01	0.01	0.06
Recipient just forgot	0.03	0.00	0.12	0.08	0.00	0.23
Unreported employ/resources	0.00	0.08	0.04	0.00	0.42	0.54
Willful noncompliance	0.20	0.30	0.07	0.03	0.09	0.69
Other	0.02	0.00	0.01	0.00	0.01	0.04

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