

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



December 22, 1993

ALL-COUNTY INFORMATION NOTICE NO. I-44-93

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY GAIN COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: GAIN AFDC-UNEMPLOYED PARENT PARTICIPATION REQUIREMENT AND STANDARD FOR ENHANCED FUNDING

This letter is to notify you of new federal requirements for AFDC-Unemployed Parent (AFDC-U) applicants and recipients in the Greater Avenues for Independence (GAIN) Program which became effective October 1, 1993. These consist of: 1) participation requirements that require a specified number of hours in allowable activities, and 2) a participation rate standard to qualify for enhanced federal funding. The state will implement these changes effective January 1, 1994.

New Participation Requirements

- o At least one parent in each AFDC-U case must participate in a work activity for an average of 16 hours per week.
- o Allowable work activities are:
 - PREP;
 - OJT;
 - grant diversion funded activities;
 - educational activities for parents under age 25 without a high school diploma or equivalent;
 - unsubsidized employment.

Hours in these allowable work activities can be combined to meet the 16 hour per week participation requirement.

- o The federal Department of Health and Human Services (DHHS) can also approve a state-developed work experience program as one of the allowable work activities. (See next page for a description of California's proposed work activity.)

New Participation Requirements, cont.

- o Participation in education (except for parents under 25) or training activities cannot be substituted for the work requirement.
- o Hours in job search activities do not satisfy the participation requirement.

The Department is developing regulations to implement these requirements which will primarily consist of a revised program flow for AFDC-U participants. Statutory authority for these changes is contained in Senate Bill 1078, Chapter 1252, Statutes of 1993. The regulations and appropriate changes to the GAIN forms, notices and procedures will take effect January 1, 1994 and will be issued to all counties prior to that date.

Under the revised regulations, one parent in an AFDC-U case will be required, after appraisal, to participate in one of the allowable work activities. Second parents will no longer be deferred on the basis of the first parent's participation in GAIN. Unless otherwise deferred or exempted, the second parent will be a mandatory GAIN participant. To meet the new participation requirement, counties will be able to require AFDC-U participants to concurrently participate in additional activities, where appropriate and feasible. (This will also serve to meet the 20-hour basic participation requirement).

The Department intends to establish a new work experience component as another allowable work activity for AFDC-U participants. We expect to receive federal approval of this component and have regulations in place by February 1, 1994. This activity will be similar to the PREP component but will include more flexible activity requirements. This new activity will be composed of non-salaried assignments with public or private non-profit employers to enhance and renew job skills and build work habits. The work experience activity hours will be based on employers' needs but will not exceed 32 hours per week. These assignments could also include community service such as volunteer work in the children's school, hospital, convalescent home, public library or park and recreation districts. Participants will be encouraged to develop their own community service activities, with final county approval.

These regulatory changes will substantially expand counties' ability to place AFDC-U participants in allowable work activities. In addition, the Department was instrumental in working with other states to obtain federal approval to count unsubsidized employment as an allowable activity. We have also requested a waiver to allow stand-alone job services activities to count as an allowable work activity. We believe that federal approval of this waiver request, together with the work-related changes now being implemented in the AFDC Program (e.g., removal of the 100-hour rule and the 30 and 1/3 limit, supplemental child care payments and changes to limits on allowable resources) will enhance counties' ability to place more AFDC-U parents in allowable work activities while providing a strong incentive for AFDC-U participants to find and accept employment.

New Participation Rate Requirement for Enhanced Federal Funding

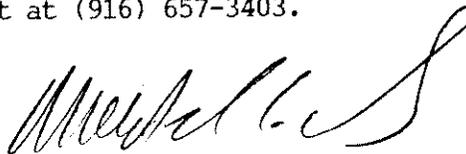
Federal law and regulations specify that 40 percent of a State's AFDC-U caseload must be in allowable work activities for an average of 16 hours per week to qualify for enhanced federal funding for Federal Fiscal Year 1994. This participation rate increases to 50 percent in 1995, 60 percent in 1996, and 75 percent for 1997 and 1998.

Even with the implementation of the changes discussed above, it is possible that California will not meet the enhanced funding criteria. As a result, we have developed a two-part strategy to improve our chances of qualifying for the enhanced funding. First, we are asking that you take full advantage of the changes described in the first section of this letter to serve as many cases as possible. Second, we encourage you to inform recipients of the new work incentives in AFDC and of the new work support features, such as supplemental child care. It is our hope that, in the long run, substantial numbers of AFDC recipients will move into the workforce, thereby increasing our participation rate and improving our chances of qualifying for enhanced funding.

We do not intent to go so far as to change the program priority for long-term recipients, or to discontinue services to existing participants just to serve more AFDC-U cases. In our judgement, the goal of qualifying for enhanced federal funding does not warrant such drastic changes to the GAIN program. We will continue to work with the federal government and other states to seek modifications to the enhanced funding requirements. We will also continue to work with you to further facilitate the implementation of these provisions without disrupting services to the current caseload.

We anticipate that reporting requirements for this population will be forthcoming from DHHS in the near future. We will advise you of any changes needed to current reporting documents or new reporting requirements as soon as possible.

If you have any questions regarding this letter, please contact your Employment Operations Analyst at (916) 657-3403.



MICHAEL C. GENEST
Deputy Director
Welfare Program Division