

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES  
PROGRAM  
FIVE-YEAR STRATEGIC PLAN**

**DEPARTMENT OF HUMAN SERVICES  
BENEFIT, EMPLOYMENT AND SUPPORT SERVICES DIVISION  
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## **FIVE-YEAR TANF STRATEGIC PLAN**

In January 2006, the State of Hawai`i Department of Human Services (DHS), in partnership with Blueprint for Change, embarked on a statewide, community-based process to develop a five-year Temporary Assistance for Needy Families (TANF) Strategic Plan. The Strategic Plan's purpose is to ensure that Hawai`i makes the most effective use of resources in meeting the four purposes of TANF, thereby contributing to the reduction of poverty.

The four purposes of TANF are:

- 1) Provide assistance to needy families;
- 2) End dependence of needy families by promoting job preparation, work and marriage;
- 3) Prevent and reduce out-of-wedlock pregnancies; and
- 4) Encourage the formation and maintenance of two-parent families.

Two of the purposes – provide assistance to needy families (TANF Purpose One) and end dependence of needy families by promoting job preparation, work and marriage (TANF Purpose Two) – deal with existing poverty and dependency. Services that states provide in these areas are to ameliorate and reduce dependency of families already in need of public assistance. These kinds of services have been available to families since the enactment of the Social Security Act in 1935.

The innovative aspect introduced by the federal government in 1996 was the ability for states to use TANF block grants for providing services that prevent the kinds of dependency requiring cash assistance and for second-chance work services.

The Five-Year Strategic Plan is organized to reflect these two primary themes of TANF: promoting self-sufficiency for families already in need of public assistance, and providing services that strengthen families and positively develop youth in order to prevent future dependency.

From January to August 2006, DHS and Blueprint for Change held seven community-based workshops statewide to assist in developing the Strategic Plan. These workshops were held on O`ahu, Maui and Kaua`i, and in Kona and Hilo on the Big Island (Attachments A and B). The resulting Strategic Plan delineates the objectives and activities necessary to address commonly expressed community needs within the context of federal requirements.

The Strategic Plan takes into account steps already implemented in Hawai`i's very successful TANF program, along with the following accomplishments in achieving TANF goals:

- Hawai`i has achieved a 296% increase in the number of individuals who exit TANF due to employment.
  - Only 542 individuals left TANF due to employment in 2000;

- In 2005, as many as 2,147 individuals were able to terminate TANF dependency due to employment.
- Hawai`i ranked first in the nation in job retention for TANF recipients who found employment during Federal Fiscal Years (FFYs) 2003 and 2004, with retention rates of 73.7% and 72.24%, respectively.
- Hawai`i's excellent performance was rewarded with a number of federal bonuses over the last several years:
  - Hawai`i received \$881,140 for Success in the Work Force, which considered job retention and earnings gain;
  - \$9,890,478 was awarded for improvement in both Job Entry and Success in the Work Force;
  - \$866,796 was received for Rate of Access to and Affordability of Child Care and Improvement in the Enrollment Rate of Former TANF recipients in Medicaid/SCHIP; and
  - \$342,281 was awarded for improved performance in the Child Care Performance and Family Formation area.

Hawai`i has not rested on its successes, however, and recently introduced programs and services that further enhance our ability to help liberate families from poverty.

For example, anticipating heightened work requirements under revised federal regulations for people on welfare, DHS launched the Reward Work initiative in August 2006, with some benefits retroactive to January 2006. This program offers new financial incentives that encourage clients to seek and maintain employment, while encouraging those who can earn enough to exit welfare to do so expeditiously.

Because many clients grew discouraged when they began work and then saw their TANF financial assistance reduced, Reward Work was designed to remove that disincentive to employment. Now clients receive 100% financial assistance, in addition to their wages, during the first 24 months of work. They also receive 50% of their TANF assistance during months 25 to 48 of work, and 36% during months 49 to 60.

Other highlights of Reward Work include:

- Two years of progressive cash bonuses of up to \$8,250 for people who voluntarily exit welfare early for employment before their 25<sup>th</sup> month of TANF assistance and continue to work for up to two years after exiting TANF (Attachment C).
  - Bonuses are earned after three months, six months, 12 months and 24 months of employment.
  - To encourage fulltime employment, work retention bonuses are higher for those who work more hours.
- Two months of rent payments to help stabilize housing and employment (Attachment D).
  - This money can be used for security deposits or ongoing rent.

- Rent payments can be as high as 60 percent of monthly family income.

Another self-sufficiency initiative, Upfront Universal Engagement (UFUE), was launched by DHS in 2005 to expand grant diversion to support employment and eliminate the need for people to enter the welfare system. The UFUE helps reduce poverty by:

- Immediately referring participants to a work program;
- Providing non-cash benefits to families for four months;
  - These benefits do not impact the five years of lifetime eligibility available under TANF.

Yet another successful work initiative created by DHS is SEE Hawai`i Work: Supporting Employment Empowerment. Initially launched in February 2005 on O`ahu, the program now places needy parents in hundreds of subsidized job-training programs statewide. Notably, most employers participating in SEE had never previously hired people on welfare. Highlights of SEE include:

- Provides companies with pre-screened candidates who with training are able to meet job requirements;
- Offers a wide range of positions, including loan officers, mechanics and computer specialists;
- Helps ease Hawai`i's labor shortage;
- Employers set and pay wages to employees/trainees;
- The State reimburses employers for the minimum wage, plus 14 percent toward unemployment insurance, Workers' Compensation, FICA, etc.; and
- The State provides clients with health insurance, automobile insurance and childcare, as well as transportation and housing assistance.

Recognizing that some working families might still be financially in need after reaching their 60-month lifetime limit of TANF assistance, Hawai`i offers five years of "timing-out" payments. This amounts to \$200 a month for 12 months if the client is working at least 19 hours a week, \$200 a month for the next 12 months if working at least 20 hours a week, and \$200 a month for the next 36 months if working at least 32 hours a week.

In addition, Hawai`i now funds a broad range of programs that we are confident contribute directly or indirectly to the prevention of dependency. Support of these programs is encouraged by the U.S. Department of Health and Human Services (DHHS), which urges states to pursue innovative ways of meeting the poverty prevention goals of TANF Purposes 3 and 4.

It is important to understand that enactment of the federal Deficit Reduction Act (DRA) in 2006 compelled DHS to rethink and enhance some of its strategies. DRA changes to TANF, which will make it more difficult for Hawai`i and other states to meet federal requirements, are discussed below.

- The DRA maintains the original TANF law's requirement that 50% of all family welfare caseloads fulfill statutory work requirements, and that 90% of two-parent families fulfill even higher work requirements.

- Additional categories of individuals are included in state work participation calculations, and the definition of work categories has narrowed.
- The caseload reduction credit, previously used in determining compliance with the work participation requirement, was recalibrated to be based on the number of families receiving assistance in FFY 2005. As a result, Hawai`i loses its ability to claim credit for the significant drop in caseload that we achieved prior to 2005.
- States are now required to include in the work participation requirements, families who are receiving assistance under separate state-only assistance programs that are fully State-funded and were being used to fulfill Maintenance of Effort (MOE) requirements.
- States must follow elaborate and labor-intensive verification requirements to prove that individuals are meeting work participation standards. States that fail to meet the verification requirements are penalized.

Only one DRA change provides Hawai`i with additional opportunities. The DRA expanded the ability of states to utilize state dollars for prevention programs. Prior to the DRA, only the federal TANF block grant could be utilized for non-needy families, but the DRA now permits expenditure of MOE state dollars to provide prevention services to the general public. This change, which manifests Congressional encouragement of state-developed poverty prevention efforts, provides states with important new flexibility for developing and implementing programs that provide social benefits to prevent dependency.

In the following sections, we provide strategic planning objectives, performance measures, strategic activities, and first-year targets for TANF Purposes 1 and 2, which deal with currently impoverished families, and TANF Purposes 3 and 4, which attempt to prevent the poverty of future generations.

### **TANF PURPOSE 1 AND TANF PURPOSE 2 – PROVIDE ASSISTANCE TO NEEDY FAMILIES AND END DEPENDENCE OF NEEDY FAMILIES BY PROMOTING JOB PREPARATION, WORK AND MARRIAGE**

The following objectives are designed to accomplish goals expressed by stakeholders in the community workshops, within the context of the new DRA requirements. Stakeholders identified the following key needs:

- More employment opportunities by expanding the SEE Hawai`i Work (Supporting Employment Empowerment) program; increasing work experience sites; increasing job development for unsubsidized employment; continuing to support and expand technical education opportunities as well as other post-secondary education opportunities.
- Measuring the success of work-related activities in terms of placement and employment, higher wage rates, higher retention rates, increased ability to exit welfare due to sufficient earnings, job advancement, employer/employee satisfaction, long-term retention of employment, utilization of the “Reward Work” incentives (described above), and successful completion of job readiness programs.

- Expanding supportive services such as transportation, infant/toddler child care, sick child care, elder care, job coaching/mentoring, housing assistance, and financial literacy to help TANF families succeed in work activities.

**TANF Purposes 1 and 2 Strategic Objectives**

<b>Strategic Planning Objectives</b>	<b>Performance Measures</b>	<b>Strategic Activities</b>	<b>First Year Targets</b>
Maximize the number of TANF families that are working in unsubsidized employment	Increase in work activity participation  Meet federal work participation requirements    Increase in 2% of clients employed		
		Redesign employment services so that all applicants immediately receive employment services, and employment services are provided continuously	14% increase in work activity participation  50% for single parent households  90% for two-parent households  5% increase in clients employed  2% increase in leaving and remaining off TANF  Expand Grant Diversion (UFUE) to provide up-front services to 100% of federally mandatory applicants  100% of clients are immediately placed in appropriate activities and time lags are eliminated

Strategic Planning Objectives	Performance Measures	Strategic Activities	First Year Targets
		Provide appropriate and innovative vocational rehabilitation services to individuals with disabilities in both wage earning and self-employment career pathways; in alignment with other workforce development innovations by other agencies and private sector partners	Expand vocational rehabilitation services so that 100% of individuals with disabilities will be served immediately
		Provide services that enhance job retention and advancement	40% of individuals retain employment for at least 12 months after exiting welfare (This is a projection. A baseline will be established in the 1 <sup>st</sup> year and adjusted as necessary.)  30% of individuals increase wages by at least 10%
Maximize the number of TANF families that are participating in activities that are designed to lead to unsubsidized employment	Increase in work activity participation  Meet federal work participation requirements		
		Continue to support and expand career and technical and other post-secondary educational opportunities including an expanded use of adult education through the Department of Education Community School for Adults including remedial education	Maximize career and technical education opportunities while meeting work participation requirements  Increase the number of eligible TANF recipients in First-to-work programs provided by Community Schools for Adults
		Continue to support and expand the SEE Hawai'i Work (Supporting Employment Empowerment) program	Increase number of SEE placements by 50%

Strategic Planning Objectives	Performance Measures	Strategic Activities	First Year Targets
		Expand the array of services available in Oahu and the neighbor islands to provide needed work services; work across State agencies to maximize State resources	Make job search, work experience, etc. available statewide
Maximize utilization of support services to encourage employment entry, increase work hours and employment retention	Increase the % of clients able to fully participate in work activities		
		Expand child care capacity including infant, toddler, sick and odd-hour child care	Award contract(s) to provide sick child care  Develop contracts to provide child care where needed
		Develop public and private transportation initiatives to accommodate Hawai'i's transportation challenges statewide	Assess the effectiveness of higher transportation allowances  Attempt to develop pool of transportation volunteers  Develop contracts to assist clients to remediate automobile license restrictions
		Develop housing initiatives to help low-income families find stable and affordable housing, including rehabilitation of existing public housing, conversion of existing buildings into affordable housing	Increase housing payment options
		Develop capacity for the provision of financial literacy training	Issue RFI to determine how best to develop services  Develop action plan based on RFI responses
		Develop contracts to improve utilization of EITC in Hawai'i	Increase the number of EITC recipients in Hawai'i by 10%

Strategic Planning Objectives	Performance Measures	Strategic Activities	First Year Targets
Further develop and utilize performance measures to reward good performance	Increase in productivity of staff and contracted vendors		
		Review all provider contracts and add appropriate performance payment points	Include performance payment points in renegotiated contracts
		Institute performance management structure that incentivizes high performance	Develop and pilot performance management structure

**TANF PURPOSE 3 AND TANF PURPOSE 4 – PROMOTE SERVICES THAT STRENGTHEN FAMILIES AND POSITIVELY DEVELOP YOUTH IN ORDER TO PREVENT FUTURE DEPENDENCY**

The following objectives are designed to accomplish program needs expressed by stakeholders in the community workshops. They identified the following key needs:

- Maximize the number of youth engaged in youth development programs where youth experience positive outcomes by using TANF funds for strengthening families and positive youth development through before- and after-school programs, career and technical exploration/work programs for youth, and additional efforts similar to the array of programs for families and children offered under the Department of Defense's About Face! programs.

Invest a minimum of 25% of the TANF Block Grant to these prevention activities which are highly effective and create additional social benefits (e.g., youth staying in school, avoiding abuse of alcohol and drugs, character building, responsibility and job readiness skills) which are reasonably calculated to contribute, directly or indirectly, to the prevention of dependency in Hawaii.

- Maximize the safety of children served by the child welfare system (CWS) by using TANF funds to promote safe and stable families.

**TANF Purposes 3 and 4 Strategic Objectives**

<b>Strategic Planning Objectives</b>	<b>Performance Measures</b>	<b>Strategic Activities</b>	<b>First Year Targets</b>
Maximize the number of youth engaged in youth development programs where youth experience positive outcomes	Awaiting research findings from evaluation contract with Lewin and the University of Hawai'i		
		Issue contracts to evaluate investments in prevention activities	Review evaluation results and determine appropriate actions
		Continue support for before and after school programs	Review current support for these programs and determine need for additional support
		In partnership with DOE, DLIR, and other agencies and providers, develop strategies to increase career and technical exploration/work programs for youth	Form a DHS/DOE task force to develop program plans  Support MOA with City and County of Honolulu Youth Services Center to provide competency-based high school diploma program classes
Maximize the safety of children served by CWS	Less than 6% of families have an initial CWS referral during the intervention period  Less than 11% have substantiated CWS report of child abuse and/or neglect within 6 months of the initial report	Continue TANF investments in CWS services and its community-based partners  Continue to monitor accomplishments of the CWS Program Improvement Plan (PIP) federal mandate	Determine additional needed resources

DHS is committed to successfully accomplishing all the strategic objectives enunciated in this Five-Year Strategic Plan. DHS will monitor completion of first-year targets through quarterly monitoring sessions. In addition to these scheduled monitoring meetings, target activities will be regularly discussed in meetings of DHS Divisions and in monthly top-level management meetings. Reports of accomplishments will be compiled. The quarterly monitoring meetings will also be used to develop subsequent-year targets and, if necessary, additional strategic objectives and activities.