

Evaluation of the SB 1041 Reforms to California's CalWORKs Program

Background and Study Design



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Preface

In June 2012, Governor Jerry Brown signed the California Budget Act of 2012, which included a series of budget trailer bills, one of which—Senate Bill (SB) 1041—included significant reforms to California’s Temporary Assistance for Needy Families (TANF) program, known as CalWORKs (California Work Opportunity and Responsibility to Kids). The reforms, effective as of January 2013, included changes to the recipient time clock, work requirements, and earned income disregard, with the goal of engaging recipients in more-intensive work activities as early as possible. The reforms also provide more flexibility in work activity options and increased financial incentives as recipients move toward self-sufficiency. To fully understand whether SB 1041 is achieving its objectives and whether there are any unintended consequences, the California legislature required an independent evaluation. Following a competitive bidding process, the California Department of Social Services (CDSS) awarded the evaluation contract to the RAND Corporation, in partnership with the American Institutes for Research (AIR).

This report provides relevant background on the CalWORKs program and SB 1041 reforms and gives an overview of the evaluation design, which includes five components:

- The **process study** will address questions related to SB 1041 implementation over time using data from interviews with state-level key informants, from annual interviews and focus groups in six focal counties (Alameda, Fresno, Los Angeles, Riverside, Sacramento, and Stanislaus), and from an annual All-County Survey (ACS) of welfare directors.
- The **county welfare operations impact study** will rely on the information gathered from the focal counties and the ACS, as well as administrative data from county welfare offices regarding program staffing, budgets, and other matters, to assess the impact of SB 1041 on multiple dimensions of county welfare office operations.
- The **recipient status study** will employ CDSS welfare system administrative data to provide a series of annual snapshots of indicators for the CalWORKs recipient population.
- The **recipient tracking study** will likewise draw on the array of state- and county-level administrative databases to provide a series of annual summaries of the dynamics of the CalWORKs caseload.
- The **recipient impact study** will combine administrative data with primary data collected over time for a sample of welfare entrants, the California Socioeconomic Survey (CalSES), to investigate the impact of SB 1041 on a range of adult and child outcomes for current and former CalWORKs recipients.

Findings from the multiyear SB 1041 evaluation will be disseminated through a series of publicly available annual reports released in late 2015, 2016, and 2017. Each annual report will disseminate methods and findings for all available study components.

This background and study design report should be relevant for stakeholders in the public and private sectors interested in the CalWORKs program and in the TANF program more generally.

The evaluation is being conducted jointly in RAND's Education and Labor and Population units. At AIR, the study is housed in the Education program with staff from the Human and Social Development program and implemented in AIR's San Mateo, California, office. Additional information about RAND and AIR is available at www.rand.org and www.air.org, respectively.

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Summary

The California Budget Act of 2012, also known as Senate Bill (SB) 1041, contained significant reforms to the California Work Opportunity and Responsibility to Kids (CalWORKs) program. CalWORKs, administered by the California Department of Social Services (CDSS), is California's Temporary Assistance for Needy Families (TANF) program, a central component of the safety net that provides cash aid for low-income families with children. The SB 1041 reforms to CalWORKs included changes to requirements for work, the types of eligible work activities, the time clock that governs the work requirements, and the financial incentives to work—all with goal of engaging recipients in more-intensive work activities as early as possible, while also providing more flexibility in work activity options and increased incentives for work as recipients move toward self-sufficiency. The California legislature included a provision in the bill for an independent evaluation to determine if SB 1041 achieves its objectives and if there are any unintended consequences.

The purpose of this report is to provide background on the SB 1041 reforms and offer an overview of the evaluation plan. In the remainder of this summary, we first highlight the factors that motivated the changes to CalWORKs and summarize the key reforms. We then delineate the questions underlying the SB 1041 evaluation and the evaluation approach. A final section covers the evaluation timetable, products, and expected utility.

SB 1041 Reforms to CalWORKs

California implemented the CalWORKs program in January 1998, as required under federal welfare reform legislation passed in 1996. Compared with the Aid to Families with Dependent Children program it replaced, TANF implemented a lifetime limit on welfare receipt, as well as stricter requirements for work—features that flowed down to CalWORKs. When first implemented, CalWORKs was one of the more generous state TANF programs, with a time limit at the upper boundary (60 months), relatively modest sanctions for noncompliance in the welfare-to-work (WTW) program, and a state-funded Safety Net program that allowed for the continuation of the child portion of the grant for otherwise eligible families once the adult reached the lifetime limit. Prior to the SB 1041 reforms, the CalWORKs program was subject to a number of policy reforms as a result of shifting state priorities, federal policy action, and the Great Recession. These changes affected such features as benefit levels (which increased, stayed flat, or declined), work requirements (made more strict in 2004), the lifetime time limit (reduced from 60 months to 48 months as of 2011), exemptions from work requirements for adults with a young child in the assistance unit (with a more generous allowance as of 2009), and the financial incentives to work (made less generous in 2011).

In January 2012, Governor Jerry Brown introduced a budget plan that would have cut nearly \$1 billion from CalWORKs through tighter limits on eligibility, reduced services, stricter time limits and work requirements, and lower cash grants, among other changes. The proposed changes were prompted by continued concerns over the state fiscal crisis following the Great Recession and the administration's approach to the restructuring of other state-funded programs. Another goal was to come into compliance with the federal TANF work participation requirement, which stipulates what percentage of a state's TANF caseload should participate in work activities. The final revisions adopted in SB 1041 and signed by the governor in June 2012, while not as extensive as the governor proposed, still included nearly \$500 million in cuts to CalWORKs. In brief, the modifications, most of which took effect on January 1, 2013, affected the following key features of CalWORKs:

- *Time clock.* The 48-month lifetime limit for CalWORKs receipt was divided into two periods: the first 24 months, when a set of flexible CalWORKs WTW services and other supports are available, and a second 24 months, when the more restrictive federal TANF work activities apply.¹
- *Nature of WTW services.* There are no required core activities during the first 24 months of benefit receipt, a more flexible option than under prior CalWORKs rules.
- *Work requirements for those with young children.* The hours of required work were reduced from 32 hours to 20 hours for those whose youngest child is below age six. All other single-parent cases had a small drop in the work requirement, from 32 to 30 hours.
- *Young child exemption.* The prior temporary young child exemption was replaced by a new once-in-a-lifetime exemption from WTW requirements to care for a child from birth to age 23 months.
- *Financial work incentives.* The monthly cash grant was increased, as was the size of the earned income disregard (the income excluded when calculating the benefit level), restoring both to their levels that existed prior to cuts in 2011 in response to the Great Recession.
- *Supports for pregnant and parenting teens.* The Cal-Learn program, after a hiatus, was reinstated and allowed to resume its activities supporting pregnant and parenting teens.

The SB 1041 reforms apply fully for those enrolling in the program for the first time after January 1, 2013, as well as for those transitioning from the pre-SB 1041 rules. Other reforms included a requirement to reengage participants who had previously been granted a young child exemption and a switch from a quarterly income-verification system to a semiannual system. (Child-only cases now have annual income verification.)

¹ Under federal TANF rules, the following activities are considered "core": unsubsidized employment, subsidized employment, work experience, community service, vocational education (up to 12 months), on-the-job training, job search and job readiness training (six weeks per year, and it may include mental health and substance abuse treatment), and providing child care to a community service program participant. The following activities are considered "noncore": job skills training directly related to employment, education directly related to employment, and satisfactory attendance at a secondary school or course leading to a GED.

In sum, the combination of SB 1041 reforms focused attention on moving participants through CalWORKs by intensifying their engagement with WTW activities early on—in the first two years of participation—and providing flexible, meaningful work activity options and supportive services during that period. The elimination of a requirement for core activities during the first 24 months potentially allows recipients to engage in a range of activities, which could include human capital investments through education or training. The reduction in the weekly work requirement for single-parent recipients with a child under age six provides additional accommodation for families with younger children. The return to the higher earned income disregard in place prior to 2011 provides a greater financial incentive to increase earnings. The restoration of the Cal-Learn program reinstated the set of specialized and supportive services for pregnant and parenting teens. At the same time, the new one-time limit on the use of the young child exemption constitutes less flexibility compared with the period before the reforms.

Evaluation Questions and Design

As the legislature considered the reforms to CalWORKs contained in SB 1041, child and family advocates were concerned that the policy changes and accompanying budget reductions would limit the program's ability to create sustainable paths out of poverty for the poorest Californians. Others contended that the more-intensive and -flexible WTW services and associated time limit would promote a faster and more effective transition to self-sufficiency. To determine if SB 1041 is achieving its objectives and if there are any unintended consequences, it is critical to document how the reforms were implemented, how the changes affected the number and composition of CalWORKs recipients and their experience with program services, and the impact of the reforms on families and children, as well as the operations of county welfare offices, the primary agents responsible for implementing and monitoring the program. These issues are at the heart of the overarching questions that the independent evaluation of SB 1041 evaluation is designed to address:

- Has SB 1041 provided greater flexibility in the services and activities available to recipients?
- Has SB 1041 helped to remove barriers to recipients' employment?
- Has SB 1041 affected recipients' transitions at the 25-month mark?
- Has SB 1041 accelerated recipients' paths to self-sufficiency?
- Has SB 1041 affected California's TANF annual work participation rates?
- How have the changes affected CalWORKs and related programs at the county level?
- Has SB 1041 improved the well-being of recipient children and their families?
- What improvements to the CalWORKs program are recommended?

(These broader questions are accompanied by a set of more-focused questions detailed in the body of the report.)

To address these questions, a multiyear, multicomponent evaluation will draw on primary and secondary data and employ qualitative and quantitative methods (see Table S.1). The

approach is guided by a conceptual framework that traces state-level policy changes to implementation at the county level, with potential effects on county welfare offices and CalWORKs participants. In particular, the study consists of five components:

- The **process study** will address questions related to SB 1041 implementation over time using data from interviews with state-level key informants, from annual interviews and focus groups in six focal counties (Alameda, Fresno, Los Angeles, Riverside, Sacramento, and Stanislaus), and from an annual All-County Survey (ACS) of welfare directors. Qualitative methods will be used to document the practices, organizational changes, and policies undertaken to satisfy SB 1041 and to examine the consequences of the reforms from the perspective of CalWORKs participants, caseworkers, and other county welfare office staff. This study component will also serve to identify any other factors that may affect SB 1041 implementation and its impacts.
- The **county welfare operations impact study** will rely on the information gathered from the focal counties and the ACS, as well as administrative data from county welfare offices regarding program staffing, budgets, and other matters, to assess the effects of SB 1041 on multiple dimensions of county welfare office operations. The approach will use multiple methods to isolate SB 1041 effects and rule out alternative explanations for the observed changes in county operations.
- The **recipient status study** will employ CDSS welfare system administrative data to provide a series of annual descriptive tabulations—separately for relevant recipient subgroups differentially affected by SB 1041—of how recipients are distributed at a point in time in terms of WTW activities, exemptions, time on aid, current reciprocity, and time-limit status and extensions, among other indicators.
- The **recipient tracking study** will likewise draw on the array of state- and county-level administrative databases to provide a series of annual summaries of the dynamics of the CalWORKs caseload. These analyses will serve to document changes in the flow of participants into, through, and out of the CalWORKs program, capturing the timing and sequence of various outcomes, such as receipt of services, participation in WTW activities, exits for employment or because of time limits, and other aspects of caseload dynamics.
- The **recipient impact study** will combine administrative data with primary data collected over time for a sample of welfare entrants, the California Socioeconomic Survey (CalSES), to investigate the effect of SB 1041 on a range of adult and child outcomes for current and former CalWORKs recipients, including participation in CalWORKs and other means-tested programs, employment and earnings, income and poverty, adult and child health, and other aspects of family and child well-being. To make inferences about causal effects of the SB 1041 reforms, the study uses a multicohort interrupted time series design. National data from the Current Population Survey (CPS) will also be used to compare outcomes in California with other states.

Table S.1. Evaluation Components and Sources of Data

Data Source	Process Study	Impact Study for County Welfare Operations	Recipient Status Study	Recipient Tracking Study	Impact Study for CalWORKs Recipients
State-level key informant interviews	✓	✓			
Survey of all county welfare directors (ACS)	✓	✓			
Focal county key informant interviews	✓	✓			
Focal county focus groups with caseworkers	✓	✓			
Focal county focus groups with CalWORKs participants	✓	✓			
Focal county welfare office budget, staffing, and other administrative records		✓			
State and county administrative data on welfare use, employment, and other outcomes			✓	✓	✓
Longitudinal survey of CalWORKs participants (CalSES)					✓
National survey data (CPS)					✓

Evaluation Timetable, Products, and Expected Utility

The evaluation of SB 1041 began in July 2014 and continues through December 2017. Each year of the project (running from July to June, in sync with the state fiscal year), the project team will undertake a sequence of data-collection and -analysis activities associated with the five study components, as shown in Table S.2. For example, the ACS will be an annual survey of welfare directors that takes place in the spring of 2015, 2016, and 2017. The set of data-collection activities in the six focal counties will also occur in three rounds, the first in the fall and winter of 2014–2015, and repeating annually for two more rounds. Likewise, the longitudinal survey of CalWORKs participants, CalSES, will be fielded in three annual rounds in the spring of 2015, 2016, and 2017. State and county administrative data will be analyzed in a series of annual snapshots in June 2014, June 2015, June 2016, and June 2017.

Findings from the multiyear, multicomponent evaluation will be conveyed through a series of publicly available annual reports released at the end of the calendar years 2015, 2016, and 2017. Each report will provide results on the data-collection and -analysis activities that took place over the prior year, with results expected for each of the five study components. The reports will be designed to reach a number of key audiences, including the California legislature, which required an independent evaluation of SB 1041; CDSS administrators at the state and county levels; CalWORKs caseload managers and other frontline workers; advocates in California for low-income children and their families; current and potential future CalWORKs recipients; and

the general public. The findings may be of interest to policymakers in other states and at the national level.

Table S.2. Timetable of Evaluation Activities and Products

Evaluation Activity or Product	Year 1: July 2014 to June 2015	Year 2: July 2015 to June 2016	Year 3: July 2016 to June 2017	Year 4: July 2017 to December 2017
State-level key informant interviews	Fall and winter 2014–2015	Fall and winter 2015–2016	Fall and winter 2016–2017	–
Survey of all county welfare directors (ACS)	Spring 2015	Spring 2016	Spring 2017	–
Focal county data collection	Fall and winter 2014–2015	Fall and winter 2015–2016	Fall and winter 2016–2017	–
Longitudinal survey of CalWORKs participants (CalSES)	Spring 2015	Spring 2016	Spring 2017	–
State and county administrative data analysis	As of June 2014	As of June 2015	As of June 2016	As of June 2017
Study reports and presentations	–	November 2015	November 2016	November 2017

NOTE: This background and study design report is the main deliverable for year 1. – = not applicable.

Together, the series of study reports will address the key policy questions outlined earlier by documenting the way the SB 1041 reforms were implemented across California’s 58 counties; by measuring the effects on county welfare operations; by measuring the changes in the caseload size, composition, and dynamics; and by examining the consequences for an array of adult and child outcomes among CalWORKs participants. Although the evaluation is designed to be rigorous and comprehensive, there are a number of limitations that are important to keep in mind:

- As SB 1041 represents a package of reforms implemented together, the evaluation will be most useful for understanding the effects of the combination of reforms, rather than the separate contribution of each component of the legislation.
- Because an experimental evaluation design is not possible, our evaluation may not be able to fully control for all of the other factors influencing the population eligible for or participating in CalWORKs and the agencies that deliver CalWORKs services.
- The evaluation has begun approximately 18 months after implementation of the SB 1041 reforms, so we may be limited in our ability to fully capture the early implementation of the reforms, where we must rely on records or key informants’ recall, relative to those aspects we can measure going forward.
- As a multiyear evaluation, the study will provide insights into the short-term effects of the SB 1041 changes up to four or five years after implementation, but we will not be able to measure longer-term outcomes.
- There may be some limitations in our ability to generalize from the experience of the six focal counties to the rest of the state, although we expect the focal counties to capture much of the range of the experiences across California’s diverse communities.

Even with these limitations, we fully expect the evaluation to yield important insights into the implementation and outcomes of the SB 1041 reforms. In seeking to document and understand both process and impact, the evaluation will provide a comprehensive assessment of whether SB 1041 achieved its goals and shed light on areas where further improvements to the CalWORKs program may be needed.

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Abbreviations

AB	Assembly Bill
ACS	All-County Survey
AFDC	Aid to Families with Dependent Children
AIR	American Institutes for Research
ARRA	American Recovery and Reinvestment Act
BRR	benefit reduction rate
C-IV	Consortium-IV
CalSES	California Socioeconomic Survey
CalWIN	Welfare Client Data System Consortia
CalWORKs	California Work Opportunity and Responsibility to Kids
CATI	computer-assisted telephone interviewing
CCDF	Child Care Development Fund
CCS	comparative case study
CDSS	California Department of Social Services
CPS	Current Population Survey
DHHS	U.S. Department of Health and Human Services
DRA	Deficit Reduction Act
EDD	Employment Development Department
FFY	federal fiscal year
FPL	federal poverty level
GAIN	Greater Avenues for Independence
GED	general educational development
HLM	hierarchical linear (regression) model
HOME-SF	Home Observation Measurement of the Environment–Short Form
LAO	Legislative Analyst’s Office

LEADER	Los Angeles Eligibility, Automated Determination, Evaluation and Reporting
MAP	maximum aid payment
MBSAC	Minimum Basic Standard of Adequate Care
MEDS	Medi-Cal Eligibility Data System
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
RADEP	Research and Development Enterprise Project
SAWS	Statewide Automated Welfare System
SB	Senate Bill
SCG	synthetic control group
SCHIP	State Children’s Health Insurance Program
SFY	state fiscal year
SMI	state median income
SNAP	Supplemental Nutrition Assistance Program
TANF	Temporary Assistance for Needy Families
UI	unemployment insurance
WDTIP	Welfare Data Tracking Implementation Project
WTW	welfare to work

1. Introduction

The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ushered in a new era of cash assistance and other supports for low-income families with children, colloquially known as *welfare*. Designed to “end welfare as we know it,” according to President Bill Clinton, who signed the act, PRWORA replaced the Aid to Families with Dependent Children (AFDC) program (in place since the 1930s) with the Temporary Assistance for Needy Families (TANF) program. As the name implies, TANF incorporated features designed to provide basic support for families in need, but the institution of lifetime time limits meant that the aid would be temporary, with the goal of moving families toward self-sufficiency. In compliance with PRWORA, California introduced CalWORKs (California Work Opportunity and Responsibility to Kids) in January 1998. At that time, CalWORKs was one of the more generous state TANF programs, with a 60-month time limit that affected adults only and relatively modest sanctions for noncompliance in the welfare-to-work (WTW) components of the program.

Since its inception, CalWORKs has undergone a series of reforms, the most recent being a set of changes instituted in the California Budget Act of 2012, or Senate Bill (SB) 1041. The reforms, effective for the most part as of January 1, 2013, affected a number of key features of CalWORKs:

- *Time clock.* The lifetime limit for CalWORKs receipts remained at 48 months (the time limit adopted in 2011 legislation), but support was divided into two periods: the first 24 months, when a set of flexible CalWORKs WTW services and other supports are available, and a second 24 months, when the more restrictive federal TANF work activities apply.¹
- *Nature of WTW services.* There are no required core activities during the first 24 months of benefit receipt, a more flexible option than under prior CalWORKs rules.
- *Work requirements for those with young children.* The hours of required work were reduced from 32 hours to 20 hours for those whose youngest child is below age six. All other single-parent cases had a small drop in the work requirement, from 32 to 30 hours.
- *Young child exemption.* The prior temporary young child exemption was replaced by a new once-in-a-lifetime exemption from WTW requirements to care for a child from birth to age 23 months.

¹ Under federal TANF rules, the following activities are considered “core”: unsubsidized employment, subsidized employment, work experience, community service, vocational education (up to 12 months), on-the-job training, job search and job readiness training (six weeks per year; it may include mental health and substance abuse treatment), and providing child care to a community service program participant. The following activities are considered “noncore”: job skills training directly related to employment, education directly related to employment, and satisfactory attendance at a secondary school or course leading to a GED.

- *Financial work incentives.* The monthly cash grant was increased, as was the size of the earned income disregard, restoring both to their levels that existed prior to cuts in 2011 in response to the Great Recession.
- *Supports for pregnant and parenting teens.* The Cal-Learn program, after a hiatus, was reinstated and allowed to resume its activities supporting pregnant and parenting teens.

The SB 1041 reforms apply fully for those enrolling in the program for the first time after January 1, 2013. They also apply to those transitioning from the pre-SB 1041 rules. Thus, both new and continuing participants after January 1, 2013, will have a 24-month period to engage in more-flexible WTW activities. However, those already enrolled in CalWORKs as of 2013 with more than 24 months of cumulative aid will likely reach their 48-month lifetime limit before exhausting the 24 months of flexible WTW activities.

Together, these policy changes were intended to provide incentives for adult CalWORKs recipients to engage in a flexible set of WTW activities and supportive services within the first 24 months on aid, with the goal of moving as rapidly as possible toward employment and eventual self-sufficiency. Changes were also made to streamline reporting processes in order to reduce the burden on recipients and lower the cost of CalWORKs administration.

Objectives of the Evaluation

During the debate over the CalWORKs reforms embedded in SB 1041, advocates of CalWORKs were concerned that the policy changes and accompanying budget reductions would limit the program's ability to create sustainable paths out of poverty for the poorest Californians. Others contended that the more intensive and flexible WTW services and associated time limit would promote a faster and more effective transition to self-sufficiency. To fully understand whether SB 1041 is achieving its objectives and whether there are any unintended consequences of the reforms, it is essential to understand how the reforms were implemented, how the changes affected the number and composition of CalWORKs recipients and their experience with program services, and the effects of the reforms on families and children, as well as the operations of county welfare offices, the primary agents responsible for implementing and monitoring the program. These issues are at the center of the following questions that the SB 1041 evaluation is designed to address:

- Has SB 1041 provided greater flexibility in the services and activities available to recipients?
- Has SB 1041 helped to remove barriers to recipients' employment?
- Has SB 1041 affected recipients' transitions at the 25-month mark?
- Has SB 1041 accelerated recipients' paths to self-sufficiency?
- Has SB 1041 affected California's TANF annual work participation rates?
- How have the changes affected CalWORKs and related programs at the county level?
- Has SB 1041 improved the well-being of recipient children and their families?
- What improvements to the CalWORKs program are recommended?

These broader questions are accompanied by a set of more-detailed questions discussed later in this report. Both the broader and detailed questions will be addressed through a multiyear, multicomponent evaluation that will draw on primary and secondary data and employ qualitative and quantitative methods.

The goal of this initial report is to provide relevant background for the SB 1041 reforms and to describe the design of the evaluation itself. A series of annual reports at the end of 2015, 2016, and 2017 will provide findings from the evaluation components conducted during each phase of the evaluation.

Road Map for the Report

We begin in the next chapter with a summary of the CalWORKs program and explanations of how it differed from the prior AFDC program, the key reforms to CalWORKs leading up to SB 1041, and caseload trends and patterns prior to SB 1041. The chapter then details the motivation for and main features of the SB 1041 policy changes and contrasts key features of California's TANF program with those in other states. Chapter Three provides a high-level overview of the conceptual framework that will guide the evaluation, the evaluation components and data sources, and the detailed questions to be addressed. We also describe the key features of the six focal counties where in-depth data collection and analysis will take place during the evaluation. The final chapter details the evaluation timetable and expected products. The expected contributions of the evaluation, as well as the potential limitations, are also discussed. A series of appendixes document key features of each state's TANF policies and provide additional detail about the evaluation data sources and methods.

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2. CalWORKs and the SB 1041 Reforms

SB 1041 represents one set of policy changes in a series of periodic reforms to California's CalWORKs program since its inception in 1998. This chapter serves to first set the stage for understanding the origins and history of the CalWORKs program in the context of national policy regarding the social safety net. We then detail the motivation for and main features of SB 1041 as signed into law. We also place California's TANF policies, following the adoption of SB 1041, in the context of the policies adopted by the rest of the states. Finally, we highlight key lessons from prior CalWORKs research studies and their implications for the planned SB 1041 evaluation.

Design and Philosophy of CalWORKs

Starting more than 20 years ago, the federal cash welfare program, then known as AFDC, underwent a series of reforms designed to promote work, financial independence, and family stability among recipients (Grogger and Karoly, 2005). We first provide background on the welfare reform efforts that eventually led to the 1996 PRWORA legislation. We then turn to California's CalWORKs program, detailing its features when first implemented, the series of significant reforms leading up to SB 1041, and the caseload patterns.¹

The Context for Reforms to AFDC

The AFDC program originated in 1935 as a New Deal program—jointly administered and funded by the federal government and the states—designed to provide cash aid to single mothers with children with no means of support from a husband as a result of his death, disability, or absence. Support for these “deserving poor” began to wane in the 1960s as the caseloads started to climb and the composition shifted toward female-headed households resulting from out-of-wedlock childbearing or divorce. Evidence that a substantial number of AFDC recipients experienced spells of five years or more on aid raised concerns about a culture of long-term dependency and about the transmission of dependency from one generation to the next. The economywide trend of increased labor force participation among women, including those who were married or had young children, further eroded support for providing cash aid to single mothers without any expectation of work.

In response to these trends, a series of reforms, first in 1967 and then in 1988, were designed to provide AFDC participants with “carrots” to promote work, in the form of financial incentives

¹ This section draws on Grogger and Karoly, 2005, for the national perspective and Zellman et al., 1999, for the California context.

(through a reduction in the “tax” on benefits as earnings increase and the provision of subsidized child care and other work supports), as well as “sticks,” through increased requirements for participation in work or related activities, such as training and education, and sanctions in the form of benefit cuts for those who failed to meet work requirements. For example, California’s AFDC program established the Greater Avenues for Independence (GAIN) program in 1985 to reduce long-term dependency. GAIN provided basic education services and other supports, typically targeted to AFDC recipients who had not graduated from high school or received a GED certification.

As caseloads continued to climb, the states began experimenting with additional reforms to AFDC in the late 1980s and early 1990s under Section 1115 waivers issued by the U.S. Department of Health and Human Services (DHHS) that allowed states to test out new policies. California, for example, was one of the first of 20 states to receive approval for a statewide waiver to increase the financial incentive to work by disregarding or exempting the first \$120 of monthly earnings for AFDC recipients (up from \$30 under the federal rules). Other states experimented with even more generous financial work incentives, as well as other features designed to reduce caseloads, such as lowering the age for the youngest child that exempted AFDC recipients from participating in work-related activities (set at age three under federal rules), introducing stricter sanctions for failing to comply with requirements for work or other activities, and instituting lifetime time limits on benefit receipt. Although California did not apply for waivers for such punitive reforms, it was the first state to receive approval for a so-called family cap, meaning that the monthly cash payment would not increase if a recipient had another child while on AFDC. Another waiver allowed California to establish the Cal-Learn program to provide more-comprehensive services for pregnant and parenting teens who had yet to complete high school. In this era, California also experimented with a “work first” approach in its GAIN programs in Los Angeles and Riverside Counties, among others, whereby caseworkers focused on job placement for recipients (through education or training) over human capital investment activities. By 1995, the GAIN program was restructured to emphasize a work-first approach, buoyed by evidence from an experimental evaluation of Riverside’s GAIN program using a model that showed significant increases in employment and earnings and reductions in AFDC use (Freedman, Knab, et al., 2000).

The experimentation at the state level with various AFDC reforms culminated in the federal PRWORA legislation in 1996, which included many of the features the states had tested under waiver-based reforms. Through PRWORA, Congress sought to reduce dependence on aid, limit out-of-wedlock childbearing, encourage the formation of stable two-parent families, and ensure that children could be cared for in their own homes or the homes of relatives. To achieve these objectives, PRWORA replaced AFDC with TANF, changed the funding structure of the program, limited the amount of time that families could receive federal aid, and provided incentives for the states to encourage work among recipients. Recognizing the importance of subsidized child care in the transition from welfare to work, Congress also authorized the Child

Care Development Fund (CCDF) by reauthorizing the Child Care Development Block Grant Act and consolidating other sources of child care funding into a single streamlined program.

California's TANF Program: CalWORKs

In compliance with PRWORA, California enacted the Thompson-Maddy-Ducheny-Ashburn Welfare-to-Work Act of 1997 on August 11, 1997. That legislation replaced AFDC and GAIN with CalWORKs, effective as of January 1998. Table 2.1 summarizes the key features of CalWORKs when it began in comparison with California's prior AFDC program. Subsequent reforms to CalWORKs, discussed in the next section, are also listed in the table.

As required under PRWORA, a key reform was the institution of a lifetime limit on benefit receipt. However, CalWORKs was one of the more generous state TANF programs, with a 60-month limit and a relatively modest adult-only sanction for noncompliance in the WTW program (see Table 2.1), compared with the full-family sanction in place in other states. CalWORKs also provided for the state-funded Safety Net program that allowed for the continuation of the child portion of the grant once the adult reached the lifetime limit (i.e., the grant is recalculated with the time-limited adult removed from the reciprocity unit), as long as the household continued to meet other eligibility requirements. Furthermore, CalWORKs extended the approach of California's earlier reforms to "make work pay" by raising the monthly earned income disregard from \$30 (plus a \$90 work allowance) under AFDC to \$225 and by lowering the benefit reduction rate (BRR) from 67 percent to 50 percent (i.e., for every dollar of earnings beyond the disregard, the reduction in the grant declined from 67 cents to 50 cents). CalWORKs was structured as a modified "work-first" program that provided services to help recipients find work and move toward self-sufficiency, although counties had considerable discretion in whether they followed a strict work-first approach or allowed for a portion of the caseload to engage in education or training. Under CalWORKs, most recipients begin with Job Club (a structured job search program) as their first activity, although some proceed directly to assessment and other activities to improve their job readiness.

Finally, just as PRWORA gave the states authority to define aspects of their programs, CalWORKs gave California's counties greater flexibility and financial accountability in designing their welfare programs compared with AFDC (Zellman et al., 1999). For county welfare offices, CalWORKs shifted the role of caseworkers away from simply determining eligibility and dispersing payments and toward engendering an expectation among recipients that they would find work and move to self-sufficiency. CalWORKs gave counties flexibility in setting policy with respect to the use of diversion payments in lieu of cash assistance, in setting the age threshold that applied for the young child exemption (from 12 weeks to 12 months), in providing for a domestic violence exemption, and in the design of the county's WTW program activities. Financial accountability provisions under CalWORKs meant that counties would bear the cost of their share of any penalties assessed at the state level and also receive performance

Table 2.1. Overview of Key Features of California’s AFDC and CalWORKs Programs Prior to SB 1041

Policy	California AFDC (as of 1997)	CalWORKs (as of January 1998)	CalWORKs Reforms (1998–2012)
Adult lifetime time limit	Not applicable	60 cumulative lifetime months; county option for an 18- or 24-month limit of continuous receipt of the adult portion of the grant	As of 2004 (SB 1104): 60 cumulative lifetime months As of 2011 (SB 72): 48 cumulative lifetime months
Child benefits after adult time limit	Not applicable	Child-only benefit continues until age 18 (or 19 under some circumstances) through the Safety Net program, as long as the household continues to qualify	None
Weekly total work requirements	<ul style="list-style-type: none"> • Single parent: 20 hours (for 20 percent of nonexempt caseload) • Two parent: 16 hours (for 40 percent of nonexempt caseload) 	<ul style="list-style-type: none"> • Single parent: 26 to 32 hours (county discretion), increased to 32 hours after July 1, 1999 • Two parent: 35 hours 	None
Weekly core work requirements	Not applicable	No requirement for participation in core activities during first 18 or 24 months	As of 2004 (SB 1104): 20 hours of the weekly work requirement of 32 hours (for a single parent) or 35 hours (for two parents) have to be in core activities
Young child exemption	Short-term exemption: Exempt if caring for child up to age 36 months	Short-term exemption: Exempt if caring for child from 12 weeks up to age 12 months (county discretion)	As of 2009 (AB X4 4): Short-term exemption: One adult per family excused from WTW activities if caring for one child under 24 months of age or two children under six years of age
Sanctions for noncompliance	Initial and subsequent sanctions: Adult portion of the grant until compliance	Initial sanction: Adult portion of the grant until compliance Second (third) sanction: Adult portion of the grant for three (six) months after compliance is achieved	As of 2006 (AB 1808): Initial and subsequent sanctions: Adult portion of the grant until compliance
Earned income deduction	\$30 disregard (plus a \$90 work allowance) and 33 percent of the remaining earned income for the first four months; \$30 disregard thereafter	\$225 disregard and 50 percent of the remaining earned income with no limit	As of 2011 (SB 72): \$112 disregard and 50 percent of the remaining earned income
Family cap	Yes	Yes	None
Cal-Learn	Program in place	Program in place	As of 2011 (SB 72): Program suspended for one-year period; pregnant and parenting teens subject to WTW sanctions

SOURCES: Zellman et al., 1999; California Department of Social Services (CDSS), 2013; Western Center on Law and Poverty, 2013.

NOTE: AB = Assembly Bill.

incentives (to be directed toward eligible TANF activities) if caseload and employment outcomes were favorable.

CalWORKs Policy Changes Prior to SB 1041

Between 1998 and 2012 (when the SB 1041 reforms passed), the CalWORKs program was subject to a number of policy changes as a result of shifting state priorities, federal policy action, and the Great Recession. Table 2.2 summarizes the changes in the income eligibility threshold and maximum benefit level between 1996 (under AFDC) and 2012, both illustrated for a family of three persons with one adult earner and two dependent children. The income threshold and maximum benefit level are also shown relative to the state median income (SMI) for a single-parent female-headed family in the same year, a series available from 2005 onward. The monthly income threshold (also known as the Minimum Basic Standard of Adequate Care, or MBSAC) has increased from \$820 in 1996 under AFDC to \$1,258 in 2012, although there was no change from 1999 to 2000 and again from 2003 to 2006.² Because of stagnating median income for single-mother households, the income cutoff has more than kept pace with the median income of that demographic group at risk of welfare participation. The maximum benefit level (known as the maximum aid payment, or MAP), in contrast, remained flat over several intervals when cost-of-living adjustments were eliminated by the legislature and declined significantly in absolute and relative terms through 2012 as a result of budget cuts prompted by the state fiscal crisis during the Great Recession.

Beyond the periodic changes in the benefit structure, the most-significant policy reforms occurred in 2004 and 2006 and, especially, in 2009 and 2011 (see the final column in Table 2.1). In 2004, the California legislature passed SB 1104, which tightened the CalWORKs participation requirement to require 20 hours of defined “core work” activities out of the 32 hours required for single parents (where previously there was no requirement for core activities in the first 18 to 24 months). The legislation, effective as of December 1, 2004, also eliminated the 18- to 24-month time limit and mandated a study of CalWORKs sanction policy (in lieu of adopting the stricter sanctions policy proposed by Governor Arnold Schwarzenegger).

² To be eligible for CalWORKs, gross monthly family income, less \$90 in earned income of each employed person, must not exceed the MBSAC level for the family’s size. The maximum monthly income amounts in Table 2.2 for a family with one earner and two dependents is therefore calculated as the MBSAC plus \$90.

Table 2.2. Income Thresholds and Benefits in CalWORKs: 1996 to 2012

Year	Maximum Monthly Income for Eligibility		Maximum Monthly Benefit	
	Level (\$)	Percent of SMI	Level (\$)	Percentage of SMI
1996	820	–	596	–
1997	825	–	565	–
1998	844	–	565	–
1999	883	–	626	–
2000	883	–	626	–
2001	906	–	645	–
2002	949	–	679	–
2003	981	–	704	–
2004	981	–	704	–
2005	981	35.7	704	25.6
2006	981	34.1	704	24.5
2007	1,116	37.3	723	24.2
2008	1,170	38.3	723	23.7
2009	1,187	39.6	694	23.1
2010	1,203	40.3	694	23.2
2011	1,224	41.9	638	21.9
2012	1,258	43.1	638	17.7

SOURCES: *Welfare Rules Databook* (Urban Institute, 2014) and authors' calculations based on the 2005–2012 American Community Survey.

NOTE: Data were not available for the empty cells. Maximum monthly income for eligibility is for a family of three with one earner and two dependents living in Region 1 (17 large urban counties). The income threshold is slightly lower for those in Region 2 (all other counties). SMI is for families with a female householder and no husband present based on the 2005 to 2012 American Community Survey. The maximum monthly benefit is for a family of three with one adult and no income living in Region 1 (17 large urban counties), and the adult is not exempt from work requirements (i.e., nonexempt MAP). The nonexempt MAP is slightly lower for those in Region 2 (all other counties). The exempt MAP in either region (which also applies to child-only cases) is higher than the nonexempt MAP.

The next major policy changes were tied to federal reauthorization of TANF, which occurred as part of the 2005 Deficit Reduction Act (DRA).³ Provisions under the DRA required states to effectively increase the TANF work requirements (by broadening the population subject to the requirements, for example), and states had to provide new funding to promote healthy marriages

³ The 2005 DRA reauthorized TANF and CCDF through 2010. However, with the Great Recession, Congress has not been able to agree on the 2010 TANF reauthorization, so the program has operated under a series of extensions, the latest of which extends to September 30, 2015.

and responsible fatherhood. At the same time, changes were made to improve child support enforcement, and funding for the CCDF was increased. In February 2006, California was one of the first states to pass legislation (AB 1808) to respond to the DRA requirements. A key provision in the bill modified state sanction policy to allow recipients to “cure” their sanction (i.e., remove the sanction following compliance) at any time rather than after a specified duration had passed.

A more recent round of CalWORKs changes was prompted by the state budget crisis following the Great Recession. In response to the downturn, the 2009 American Recovery and Reinvestment Act (ARRA) boosted TANF funding through the Emergency Fund and other mechanisms, increased CCDF funds available to states, and expanded funding for other safety net programs (e.g., the Supplemental Nutrition Assistance Program, or SNAP; the State Children’s Health Insurance Program, or SCHIP; and unemployment insurance, or UI). Despite the influx of these one-time funds, California, like other states, made substantial cuts to its TANF program, with funding reductions that substantially altered the contours of its operations. First in 2009, AB X 4 expanded the young child exemption to include those with one child under 24 months or two children under six years of age, largely to save the money for WTW and child care services that would have otherwise been provided to the exempted families.⁴ Then SB 72, enacted in March 2011, tightened the time limit from 60 months to 48 months as of July 1, 2011. The financial work incentives were also reduced through a 50-percent cut in the size of the earned income disregard (from \$225 to \$112). Further savings came from the suspension of funding for intensive case management for pregnant and parenting teens accomplished through the Cal-Learn program. Other changes implemented between state fiscal years (SFYs) 2009–2010 and 2011–2012 resulted in a reduction of cash grants to recipients, the elimination of automatic cost-of-living adjustments, and reduced funding for substance abuse, mental health treatment, and child care.

California CalWORKs Caseload Trends Prior to SB 1041

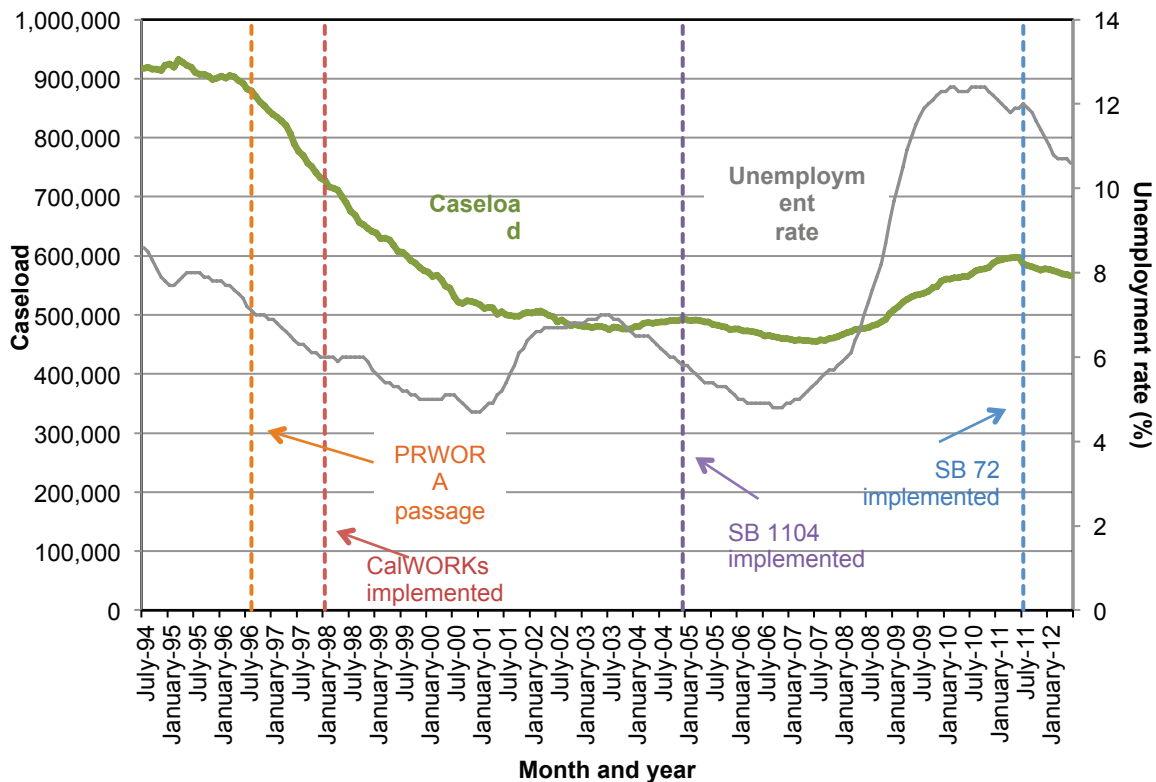
A central goal of the welfare reforms in the 1990s that resulted in the transition from AFDC to TANF was to reduce the size of the caseload. As seen in Figure 2.1, which plots the monthly caseload for California from July 1994 to June 2012, the caseload peaked in March 1995 in California at 932,000, even before the transition to TANF at the federal level and CalWORKs at the state level. This earlier decline reflects reform efforts under AFDC, a booming economy in the mid-1990s, and long-term demographic trends, such as the dramatic reduction in teen pregnancy and parenting during the past 25 years. As of 2012, fewer than 1.8 million families

⁴ Months when an individual qualified for this exemption did not count against the lifetime time limit. These short-term exemptions were originally set to expire on July 1, 2011, but were later extended to December 31, 2012, as part of SB 72, enacted in March 2011.

nationwide received cash aid, down from nearly 5 million in the mid-1990s (ACF, 2014). In California, following a steady decline, the caseload stabilized by the early 2000s at about 500,000 cases. Even the uptick in the unemployment rate (also plotted in Figure 2.1) with the recession at the start of the new century did little to change the CalWORKs caseload. By July 2007, the CalWORKs caseload reached a low point of about 455,000, a decline of just over 50 percent relative to the 1995 peak.

As expected, during the Great Recession, the caseload increased both in California and in other states, although California's upward climb predates the official December 2007 start of the recession by several months. By June 2011, just before the CalWORKs reforms enacted under SB 72 became effective, the caseload peaked at just under 600,000 cases. At that point, the unemployment rate had begun to decline after reaching 12.4 percent, but California's official poverty rate stood at 16 percent, persistently above the national average (Short, 2014). Since 2011, the number of CalWORKs families has decreased, although it remains higher than in the beginning of the 2000s. Nevertheless, by 2012, the size of the California caseload measured 40 percent below the historical peak attained in the mid-1990s.

Figure 2.1. California Monthly Caseload and Monthly Unemployment Rate: SFYs 1995 to 2012



SOURCE: CDSS, 2014.

California has also experienced significant shifts in the composition of the CalWORKs caseload as time limits under TANF became binding and other policies took effect. Figure 2.2 shows the size of the CalWORKs caseload by family type from 1999 to 2012 as of December of each year.⁵ The largest caseload component is classified as “all other family types,” essentially one-parent families or families where only one parent is CalWORKs-eligible. In absolute terms, this segment of the caseload mirrors the long-term pattern of secular decline with a cyclical upturn during the Great Recession (see the top line marked with triangle symbols in Figure 2.2). As a share of the caseload (not shown), this segment fell from just over 60 percent in 1999 to 40 percent as of 2012. The number of two-parent assistance units is considerably smaller, with a slight absolute decline since 1999 (see the line marked with square symbols in Figure 2.2) and a corresponding decline in the caseload share from 12 percent to 9 percent (not shown) over the period. The remaining family types are child-only cases that fall into one of three categories: the zero-parent group, the largest category, has no eligible parent(s) in the assistance unit (e.g., because of immigration status or receipt of Supplemental Security Income); the Safety Net cases represent assistance units in which all the adults have been removed from the assistance unit after reaching the 48-month CalWORKs time limit; and the TANF timed-out cases are composed of adult members who have reached the federal TANF 60-month time limit but not the CalWORKs time limit. Together, this child-only segment of CalWORKs nearly doubled in absolute terms between 1999 and 2012, with a similar change as a share of the caseload (from 27 percent to 51 percent; not shown in the figure).

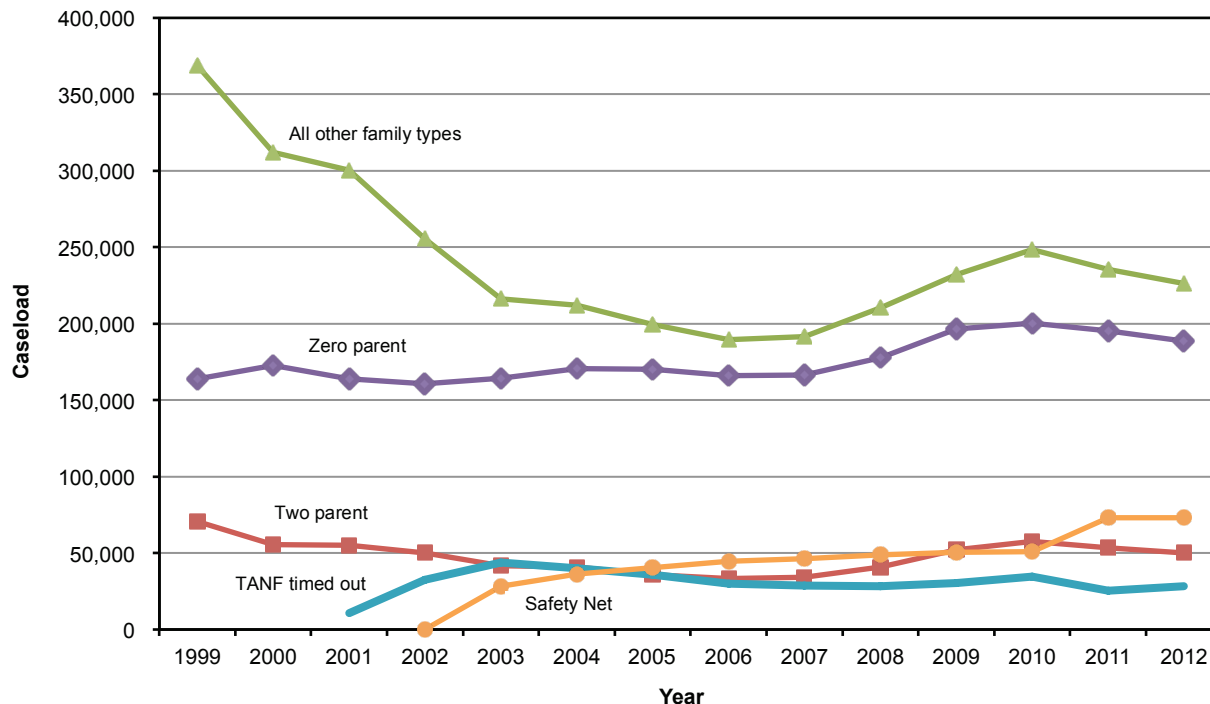
Reforms to CalWORKs Under SB 1041

In January 2012, Governor Jerry Brown introduced a budget plan with substantial changes to the CalWORKs program, prompted by continued concerns over the state fiscal crisis and the trends in the caseload, and reflecting the administration’s approach to the restructuring of other state-funded programs. Through tighter limits on eligibility, reduced services, stricter time limits and work requirements, lower cash grants, and other changes, the governor proposed nearly \$1 billion in cuts to CalWORKs, about 20 percent of the funding level that would have applied under then-current law according to the state Legislative Analyst’s Office (LAO) (Taylor, 2012). The plan also called for a major restructuring of the administration of WTW and child care services at the county level through the establishment of a three-part system: CalWORKs Basic (similar to the then-existing CalWORKs program), CalWORKs Plus (for those meeting federal TANF work requirements), and the Child Maintenance program (for all other CalWORKs-eligible families). The LAO estimated that the package of changes would affect nearly three in

⁵ Cases subject to sanction are counted with the family type that would apply if no sanction were in place.

four cases (432,000 cases), either through reduced cash assistance or discontinuation of benefits (Taylor, 2012).

Figure 2.2. CalWORKs Caseload by Family Type: 1999 to 2012



SOURCE: CDSS, 2014.

NOTE: The caseload is measured as of December each year.

Given the substantial reductions in the social safety net and fundamental shift implied by the governor’s proposed reforms, it is not surprising that advocates for low-income children and families vigorously opposed the governor’s plan (see, for example, Western Center on Law and Poverty, 2012). Given other recent reforms, advocates had already raised concerns about the decline in real benefit levels (adjusting for inflation) and supportive services, especially in a weak economy when CalWORKs participants faced even greater challenges in finding work that would support a family. The governor’s proposal also faced opposition from members of the Democrat-controlled legislature, which eventually voted to reject the proposed cuts and restructuring plan. At the same time, legislators had to contend with the reality that the state remained in a fiscal deficit, so calls to restore prior cuts were unrealistic. Compared with other states and federal TANF requirements, California had a relatively generous TANF program with a substantial share of child-only cases and adults who were not engaged in work or other activities because of various exemptions. The state had also failed to meet its TANF work participation rate requirement under the new DRA federal formula and risked significant penalties. With these factors in mind, an alternative package of policy changes emerged in the Budget Act of 2012 (SB 1041), which was approved by Brown in June 2012.

SB 1041 was more limited than the set of proposals originally set forth in the governor's January budget plan. SB 1041 included nearly \$500 million in cuts to CalWORKs, achieved through a series of policy changes, the most significant of which are summarized in Table 2.3. The biggest changes embedded in SB 1041 are the time clock, weekly work requirements, and the exemption for parents of young children. First, starting in 2013, recipients continue to receive 48 months of aid, but WTW services are only administered during the first 24 months of the program. During that 24-month period, allowable activities include unsubsidized employment, subsidized employment, unpaid work experience, vocational education, job search and job readiness training, mental health and substance abuse treatment, domestic violence services, adult basic education, and secondary school or a GED course. The goal is to intensely engage recipients in work activities as early as possible, so as to expedite their ability to support themselves and their families and transition out of the program more quickly.

After the WTW 24-month time limit is reached, recipients are subject to federal TANF work requirements, which are less flexible, either because of restrictions in duration for some activities (e.g., vocational education is limited to 12 months and mental health or substance abuse treatment to six weeks per year) or restrictions in intensity for others (e.g., attending secondary school is allowed only if at least 20 hours are spent in unrestricted activities, such as unsubsidized or subsidized employment). Notably, for recipients who may need more time to complete educational goals or to resolve barriers to employment, counties may grant a six-month extension of the CalWORKs 24-month time clock for up to 20 percent of recipients who have spent between 24 and 48 months on aid.

Under SB 1041, no months prior to January 1, 2013, count toward the new 24-month time clock for those already participating in CalWORKs. For all CalWORKs participants transitioning from the pre-SB 1041 rules to the new 24-month WTW time clock, recipients will have the option of continuing with their prior WTW plan or revising the plan to account for the new rules. Those with more than 24 months remaining on their 48-month lifetime limit as of January 1, 2013, will likely exhaust their CalWORKs 24-month clock at some point and transition to the federal TANF work rules. Those with fewer than 24 months remaining will likely reach the 48-month limit before exhausting their 24-month WTW time clock. Notably, after January 1, 2013, the 24-month WTW time clock stops for recipients with any of the following conditions: a WTW exemption applies or the participant has a good-cause determination that excuses noncompliance in WTW activities (e.g., illness or disability, lack of transportation), is under sanction, is developing a WTW plan, is participating in job search, meets federal work participation requirements, is eligible for Cal-Learn, has a domestic abuse waiver, or has a prior temporary exemption for caring for a young child and has not yet been reengaged (discussed further below).

Table 2.3. Overview of Key SB 1041 Policy Changes Effective January 1, 2013

Policy	Pre-SB 1041	Post-SB 1041
Adult lifetime time limit	48 cumulative lifetime months of CalWORKs WTW assistance, services, and activities	48 months of support in two consecutive periods: <ul style="list-style-type: none"> • 24 months of CalWORKs WTW services and activities • 24 months of TANF work activities. Counties may extend the first 24-month clock by up to six months for up to 20 percent of those between months 24 and 48 of aid.
Time-clock initiation	Not applicable	<ul style="list-style-type: none"> • Those starting the program on or after January 1, 2013, follow the SB 1041 time-clock structure. • Those in the program prior to January 1, 2013, with fewer than 24 months accumulated are subject to the 24-month CalWORKs WTW time clock, followed by the TANF rules until the 48-month lifetime limit is reached. • Those in the program prior to January 1, 2013, with more than 24 months accumulated are subject to the 24-month CalWORKs WTW time clock until the 48-month lifetime limit is reached.
Weekly total work requirements	Single parent: 32 hours Two parent: 35 hours	<ul style="list-style-type: none"> • Single parent with child under six: 20 hours. • Single parent with no child under six: 30 hours. • Two parents: 35 hours.
Weekly core work requirements	20 hours of the of the weekly work requirement of 32 hours (for a single parent) or 35 hours (for two parents) have to be in core activities	<ul style="list-style-type: none"> • No core requirement during the 24-month CalWORKs service period. • During the 24-month TANF service period, 20 hours of the weekly work requirement for single parents and 30 hours of the weekly work requirement for two parents have to be in core activities, which include employment, on-the-job training, and vocational educational training.
Young child exemption	Short-term exemption: One adult per family excused from WTW activities if caring for one child under two years of age or two children under six years of age	<ul style="list-style-type: none"> • One lifetime exemption: One adult per family excused from WTW activities if caring for child under two years of age. • Adults exempt from the pre-SB 1041 young child exemption rules are not required to participate until the county reengages them.
Earned income deduction	\$112 disregard plus 50 percent of the remaining earned income	Effective October 1: \$225 disregard plus 50 percent of the remaining earned income.
Cal-Learn	Program suspended	Program reinstated on April 1, 2013: Pregnant/parenting teens will no longer be under WTW rules but under special Cal-Learn rules.

SOURCES: CDSS, 2013; Western Center on Law and Poverty, 2013.

Second, SB 1041 lowered the minimum hourly participation requirement for single parents (from 32 hours to either 20 hours or 30 hours, depending on the age of the youngest child) and removed the core requirement during the 24-month CalWORKs service period, which designates the type of work activities that count toward participation. This gives more flexibility for recipients to participate in noncore activities, such as schooling and job-skills training, as they move toward self-sufficiency. Further, by aligning the work participation requirements with

federal TANF rules, the changes were also expected to allow California to meet the federal TANF work participation rate requirements.

Third, prior to SB 1041, one adult per family was excused from WTW activities if they were caring for one child under two years of age or two children under six years of age. Under SB 1041, recipients are allowed one lifetime exemption, whereby one adult per family is excused from WTW activities if they are caring for a child under two years of age. Months while the exemption is in effect do not count against the new WTW 24-month time clock, or against the CalWORKs 48-month time limit. This exemption is at the discretion of the recipient: In other words, a recipient eligible for this exemption as of January 1, 2013, may reserve the exemption for the caregiving of a future child or may exercise the exemption for the current child at a later date. In two-parent assistance units, one parent at a time is eligible for the exemption and the parents may alternate which parent is exempt.

Two other SB 1041 changes of note are likely to affect recipient finances and the composition of the caseload. First, the earned income disregard rose from \$112 to \$225 (the level in effect prior to 2011), allowing qualifying individuals to keep more of their earnings before their cash grant is reduced or they no longer qualify for aid. Maximum benefit levels rose as well. For example, the maximum monthly cash grant for a single-parent household with two children was set to \$638, the same amount that applied in 2011. Second, Cal-Learn, with its intensive case management for teen parents who remain in school, was reinstated. In the two years prior to SB 1041, Cal-Learn was suspended and teen parents were subject to the same WTW regulations as adults. In 2013, they returned to the special regulations of the Cal-Learn program.

Other notable features of SB 1041 included a requirement for the reengagement of participants who had received a young child exemption as of December 31, 2012, with the development of a WTW plan to identify the necessary supportive services. Individuals who were exempt as of December 31, 2012, would not be required to participate and would not have months count against their time on aid until the county reengages them. Along with implementing the SB 1041 reforms, counties also had until January 1, 2015, to reengage these exempt individuals.

Finally, several reporting requirements were modified in an effort to reduce the burden on recipients and county welfare offices. In particular, the prior quarterly income verification system under CalWORKs (and CalFresh, the name for SNAP in California) was replaced by a semiannual reporting system that was implemented between April 2013 and October 2013. For child-only cases (exclusive of those in sanction status), income verification is now required annually rather than quarterly.

Taken as a whole, the SB 1041 policy changes focused attention on moving participants through CalWORKs by intensifying their engagement with WTW activities early on—in the first two years of participation—and providing flexible, meaningful work activity options and supportive services during that period designed to enhance their ability to secure stable, gainful

employment. The elimination of a requirement for core activities during the first 24 months potentially allows recipients to engage in a range of activities that could include human capital investments through education or training. The reduction in the weekly work requirement for single-parent recipients with a child under age six provides additional accommodation for families with younger children. The return to the higher earned income disregard in place prior to 2011 provides a greater financial incentive to increase earnings. Finally, the restoration of the Cal-Learn program reinstated the set of specialized and supportive services for pregnant and parenting teens. For proponents of SB 1041, the changes were viewed as preserving the successful features of the CalWORKs program (including those in place prior to the cuts prompted by the budget crisis). At the same time, the shift after 24 months toward the more restrictive TANF work activities requirements was viewed by opponents of the changes as narrowing the options available to recipients. The new one-time limit on the use of the young child exemption was also viewed unfavorably by child and family advocates. Given the complexity of the package of policy changes and the importance of the CalWORKs program in the social safety net, it is appropriate that the legislation included a requirement for evaluation.

California TANF Policy After SB 1041 in the National Context

At the start, compared with other states, the CalWORKs program relied more on incentives rather than disincentives to comply with TANF requirements regarding eligibility, benefits levels, financial work incentives, time limits, work activities, and sanctions. More recently, the reforms in 2011 and 2013 placed California among the more restrictive states on several TANF policies. To document how policies under CalWORKs following the passage of SB 1041 contrast with other states, we compiled information from the Urban Institute's Welfare Rules Database as of 2013, when the SB 1041 reforms were in effect (Urban Institute, 2014). Detailed tables are provided in Appendix A.

In terms of eligibility, California has one of the highest income thresholds to qualify for TANF receipt. As noted earlier, the maximum income that a family of three (one adult and two children) could earn and still be eligible to qualify for cash benefits is \$1,289, higher than all but four other states (notably Hawaii, Alaska, Nevada, and Tennessee; see Table A.1 in Appendix A). When viewing the income threshold expressed as a percentage of the SMI for single-parent female-headed families, California also ranks as one of the more generous states.

California also maintains relatively high benefit levels, both in absolute terms and relative to SMI for families led by a single mother (see Table A.1 in Appendix A). Only New York, New Hampshire, and Vermont provide a higher monthly benefit level for a family of three with one adult and two children as of 2013. California's ranking when benefits are compared with SMI falls somewhat but still lands in the top ten. At the same time, it is worth noting that California is one of 17 states that employs a family cap, a feature that predates the implementation of CalWORKs (see Table A.2 in Appendix A).

With the restoration of the \$225 earned income disregard in SB 1041, California also has one of the most generous financial work incentives (see Table A.1 in Appendix A). As of 2013, California's earned income disregard is among the highest and the BRR among the lowest, although several states like Connecticut exempt even more income (100 percent up to the federal poverty level or FPL), although sometimes only for a limited time. The high earned income disregard and low BRR under CalWORKs results in a benefit structure that strongly encourages work. This combination also implies that earnings must be relatively high before a recipient is income-ineligible for CalWORKs.

California's time limit policy, since the SB 72 reform in 2011, now places it among the more restrictive states (see Table A.2 in Appendix A). As of 2013, the majority of states and the District of Columbia (40 out of 51) apply the full federal 60-month limit to their TANF programs (as California did initially under CalWORKs). Four other states match California's 48-month time limit, while the remaining six states apply a 24- or 36-month limit. At the same time, California is among a handful of states that provides TANF benefits indefinitely for children in need after the adult recipient reaches the time limit. Indefinite support for such "child only" cases occurs in just two other states: New Mexico and Oregon.

In terms of work requirements, California is one of three states that exempt adults with a child age 24 months or older (see Table A.2 in Appendix A). Most other states have either no exemption or an exemption at most up to 12 months. Further, as noted earlier, SB 1041 reduced the required hours of participation for single parents with no children under age six from 32 to 30, which is the most common participation requirement across states (see Table A.3). SB 1041 also reduced the required hours for single parents with young children (under six years old) from 32 to 20, which is also a common requirement among states that allow for a reduction in minimum participation hours when the assistance unit includes a young child. Thus, SB 1041 aligned participation requirements in California with those in most of other states.

However, as discussed earlier, SB 1041 eliminated the core requirement during the first 24 months on aid. This gives more flexibility to recipients to participate in noncore activities, such as schooling and job skills training that can contribute to achieving economic self-sufficiency. This change under SB 1041 aligned CalWORKs policy with that of many states that do not require a minimum of participation hours to be spent on core activities (such as employment, on-the-job training, vocational educational training, and community service) (see Table A.3 in Appendix A).

Finally, California is also one of the few states where the maximum sanction affects only the aid received by the adults in the assistance unit (see Table A.4 in Appendix A). Most other states allow for a full-family sanction or even a case closure.

In sum, California has some of the highest income thresholds to qualify for TANF receipt. The state has maintained relatively high benefit levels and has one of the most generous financial work incentives. Moreover, California is among a handful of states that provide TANF benefits indefinitely for children in need after the adult recipient reaches the time limit. At the same time,

California's time-limit policy places it among the more restrictive states. Finally, elimination of the core requirement during the first 24 months on aid gives more flexibility to recipients and has aligned CalWORKs policy with many other states that do not require a minimum of participation hours to be spent on core activities.

The Role of Research in CalWORKs Policy

Since the inception of CalWORKs, research has played an integral role in policy formation and reform. In an effort to understand the initial process of CalWORKs implementation and its effects, CDSS commissioned a comprehensive statewide evaluation (Ebener and Klerman, 1999, 2001; Zellman et al., 1999; Cox, Humphrey, and Klerman, 2001; Klerman, Zellman, et al., 2001; Klerman, Hotz et al., 2003; Reardon, DeMartini, and Klerman, 2004). Findings from the multiyear process evaluation demonstrated the complexities of implementing a major reform, including the need for added operational capacity in county welfare offices despite declining caseloads; the added time required to effectively manage high-risk cases; the challenge of offering the broader services envisioned by CalWORKs to both current recipients and new recipients during the transition to steady-state operations; and the high rates of no-shows and other types of noncompliance with the new CalWORKs WTW requirements. Results from the impact analysis demonstrated that CalWORKs was implemented during a period when caseloads had been falling (since 1993) and the employment and earnings of welfare recipients had been rising, so CalWORKs could not be credited with all of the continued improvements after implementation and the strong economy continued.

As noted earlier, SB 1104, in addition to tightening the CalWORKs participation requirement, also mandated a study of the CalWORKs sanction policy. That evaluation of the implementation of the CalWORKs sanction policy as of 2004 determined that sanctions were weaker than intended because of how they were implemented by caseworkers reluctant to impose them (Klerman and Burstain, 2008). Moreover, there was sizeable variation across counties in sanction implementation.

Other evaluations of CalWORKs reforms include the Welfare Policy Research Project—commissioned study of the implementation of the CalWORKs five-year limit and the experiences of families nearing or reaching the limit (Crow et al., 2006; London and Mauldon, 2006). The study documented the rise in child-only (safety net) cases as the first adults reached the five-year limit in 2003. The study also demonstrated that while many families nearing or reaching their time limit had at least one adult in the labor market, jobs were often low paying and lacked health and other benefits, so high proportions experienced some form of material hardship. Other families faced significant barriers to employment and self-sufficiency. Importantly, many families had key gaps in their understanding of the time-limit policy, the various exemptions or exceptions that applied to them, and the other benefits that could continue even after they reached the limit on adult aid.

The findings from these various CalWORKs evaluations and others demonstrate the importance of carefully assessing how policy reforms are implemented in practice at both the state and county levels, the impact on all levels of public-sector agencies directly involved in implementation and other supporting agencies, the incentives facing caseworkers and other line workers in policy implementation, the importance of communicating policy changes to participating families, and the complex behavior of program participants in response to policy changes. The methods employed in these prior research studies and the lessons they impart helped to shape the design for this evaluation of SB 1041, as described in the next chapter.

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3. Evaluating SB 1041

As described in Chapter Two, SB 1041 ushered in a number of changes to the CalWORKs program that were designed to provide incentives and support for low-income families with children moving toward meaningful employment and greater self-sufficiency. The legislation expressly called for CDSS to “contract with an independent, research-based institution for an evaluation and written report that shall be provided to the Legislature by January 1, 2018” (SB 1041, Sec. 55 [a]). The evaluation seeks to understand how the reforms were implemented, their impacts, and any unintended consequences, as well as directions for future improvement. These issues are at the core of the overarching study questions listed in Chapter One:

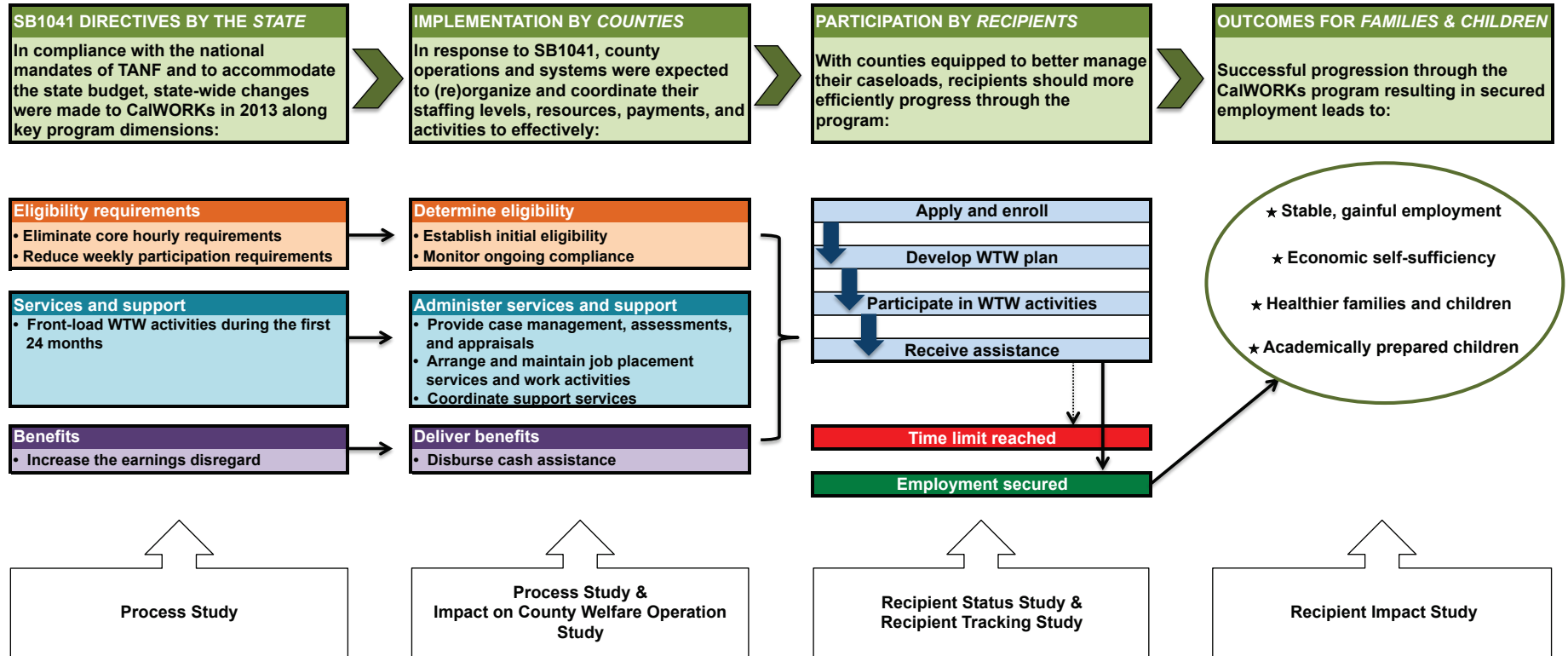
- Has SB 1041 provided greater flexibility in the services and activities available to recipients?
- Has SB 1041 helped to remove barriers to recipients’ employment?
- Has SB 1041 affected recipients’ transitions at the 25-month mark?
- Has SB 1041 accelerated recipients’ paths to self-sufficiency?
- Has SB 1041 affected California’s TANF annual work participation rates?
- How have the changes affected CalWORKs and related programs at the county level?
- Has SB 1041 improved the well-being of recipient children and their families?
- What improvements to the CalWORKs program are recommended?

In this chapter, we detail our planned approach to the SB 1041 evaluation, first by describing the conceptual framework that guides the study. We then briefly introduce the five study components, as well as the associated data sources, and show how they work together to answer the overarching research questions; we also provide a set of detailed questions relevant for each component. The analyses that address some of the research questions draw on data from the caseload across California, while others are answered using an in-depth examination of SB 1041 implementation and outcomes in six focal counties. In the last section, we introduce the features of the six focal counties, which were selected to capture a sizable share of the CalWORKs caseload, while also representing the variation in key characteristics that are potentially relevant for the implementation of SB 1041 (e.g., geographic region, rural versus urban status, and sociodemographic makeup). Additional details about the study methods are in the appendixes.

Evaluation Framework

The conceptual framework shown in Figure 3.1 guides our evaluation. It is structured like a logic model, moving first from the policy change in the left column to the implementation stage in the second column, and next to the outputs from the policy change, and finally to the desired impacts on child and family well-being. The top row indicates the sequence of activities, starting with the

Figure 3.1. SB 1041 Evaluation Conceptual Framework



passage of the bill, continuing with implementation by the counties, then participation by recipients, and concluding with the desired outcomes for children and families. Additional details about each stage are shown in the middle blocks. For example, the legislation has components addressing eligibility requirements, services and support, and benefits. Those same domains are then the focus of implementation by counties depicted in the second column. Participation by recipients in the third column shows the steps experienced by CalWORKs participants and the end result of either reaching the time limit or exiting to employment. The desired child and family outcomes are shown in the final column, including stable, gainful employment; economic self-sufficiency; healthier families and children; and academically prepared and successful children. Finally, the framework also denotes in the bottom of each stage the associated study component(s), discussed in the next section.

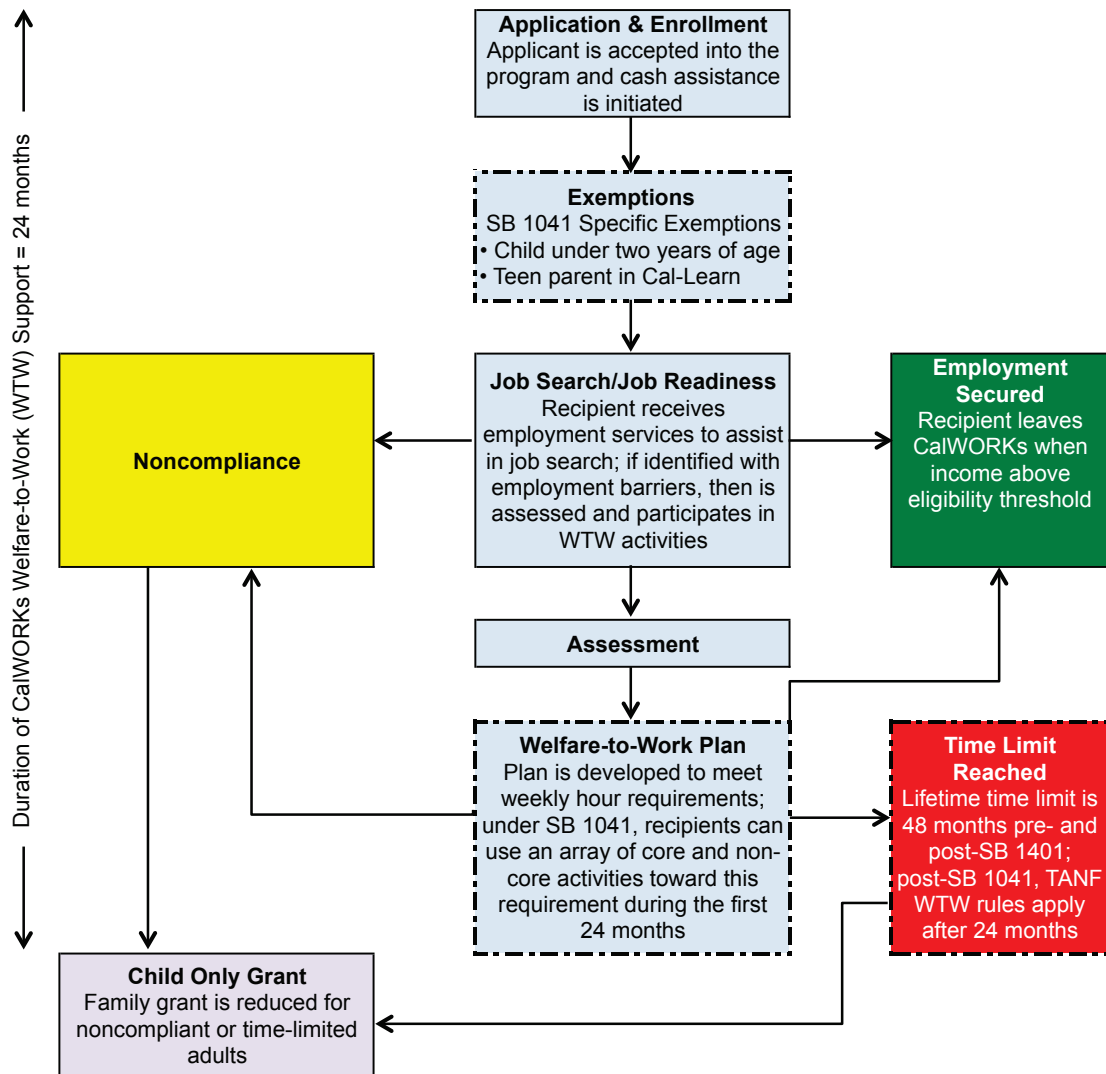
The evaluation framework serves to illustrate that whether or not the reforms achieve their intended effect will depend on a number of factors. First, county welfare office administrators and staff must successfully communicate the new policy internally and to prospective and current CalWORKs recipients. Second, some counties may need to reorganize staff or shift resources among competing priorities to successfully implement the reforms. The pace at which the reforms are instituted may also affect how quickly changes occur in county welfare operations or in the outcomes that recipients experience.

Third, the reforms are expected to affect the experience of an individual applicant to CalWORKs and those individuals who qualify for benefits. Participants are expected to apply and enroll, develop a WTW plan, participate in WTW activities, and then receive assistance. Although the exact activities and processes through which participants cycle through the program will vary across the individual counties, Figure 3.2 elaborates on the recipient column (third column) in Figure 3.1 by providing a conceptualization of the CalWORKs caseload process in a prototypical county. SB 1041 policy changes are highlighted in the boxes with the perforated outline. The figure draws attention to the different stages where SB 1041 reforms may have an effect on the activities and services experienced by CalWORKs participants, which in turn will affect the eventual outcomes for participating adults and their children. The figure also conveys the inherently dynamic aspects of characterizing caseload outcomes, as the time spent in each stage is another important dimension to consider.

In terms of evaluating SB 1041, it is important to recognize that other policy changes are occurring in CalWORKs as the SB 1041 reforms are implemented. Also, there are other factors in related policy areas and in the local economy that could also influence the outcomes for families and children. The analytic challenge is drawing inferences about the causal impacts of the SB 1041 reforms when these other factors are not constant. To address this challenge, as we discuss in the next section and in more detail in the appendixes, the evaluation components concerned with measuring the impact of the legislation use relevant analytic and statistical techniques to control for such confounding factors. The qualitative data collection, including

state- and county-level interviews, also identifies what other factors may be influencing SB 1041 implementation and impacts.

Figure 3.2. CalWORKs Caseload Process, Effective January 1, 2013



NOTE: Boxes with perforated outlines indicate processes affected by SB 1041.

Evaluation Components

The overarching evaluation questions concern issues related to both the process of implementing the SB 1041 reforms and the impact on county welfare operations and CalWORKs participants. Given the multiple objectives of the evaluation, it consists of five interrelated component studies (see Figure 3.1). The first three studies address questions about policy implementation and key indicators related to CalWORKs participation at a point in time and over time. The remaining two components are designed to assess the impact of the legislation. The study components will

draw on multiple sources of both qualitative and quantitative data, described more fully in Appendix B. Table 3.1 shows the relationship between the data sources and the five study components. Details on the analytic approach for each study component are contained in Appendix C. In the remainder of this section, we briefly describe each study component and the most salient questions each will address.

Table 3.1. Evaluation Components and Sources of Data

Data Source	Process Study	Impact Study for County Welfare Operations	Recipient Status Study	Recipient Tracking Study	Impact Study for CalWORKs Recipients
State-level key informant interviews	✓	✓			
Survey of all county welfare directors (All-County Survey [ACS])	✓	✓			
Focal county key informant interviews	✓	✓			
Focal county focus groups with caseworkers	✓	✓			
Focal county focus groups with CalWORKs participants	✓	✓			
Focal county welfare office budget, staffing, and other administrative records		✓			
State and county administrative data on welfare use, employment, and other outcomes			✓	✓	✓
Longitudinal survey of CalWORKs participants (California Socioeconomic Survey [CalSES])					✓
National survey data (Current Population Survey [CPS])					✓

Process Study

SB 1041 represents a significant change to CalWORKs in how aid is conceptualized and delivered. The goal of the process study is to document how county welfare offices are putting SB 1041 into effect in order to achieve its goals and describe the practices, organizational changes, and policies undertaken to satisfy SB 1041. In addition, the Process Study will examine the effects of SB 1041 from the perspective of CalWORKs participants and caseworkers. Insights gained from the evaluation of the early and latter stages of implementation will also inform the Impact Study on County Welfare Operations and the Impact Study on CalWORKs Recipients (discussed below). Understanding the process of implementation and its impacts will also help us to explain the measured program impacts on recipients or lack thereof.

The process study will address questions related to SB 1041 implementation over time using data from four waves of an ACS of welfare directors, and from three waves of qualitative data collection in six focal counties. Another source of information about implementation will be a series of interviews with state-level key informants in the first project period and in later periods

as needed. Together these components of the process study are designed to address the following questions:

- How did the state communicate the changes brought about by SB 1041? How did the counties communicate those changes to the staff? How did county staff understand those changes?
- Do aid recipients understand the changes brought about by SB 1041? How did county staff communicate this information?
- How did the counties change the way they do business in order to implement SB 1041? Did they reorganize, create cross-functional units or new staff positions, or redefine staff roles? What factors facilitated or hindered implementation, and what adjustments were made to address identified challenges?
- What is the variation in program services and administration across counties, and how do these relate to the differences in the delivery and coverage of services?
- How effective is coordination among county welfare programs, child welfare services, school districts, mental health programs, transportation providers, child care providers, community colleges, community-based organizations, the private sector, alcohol and drug programs, local planning councils, and other organizations in providing necessary services to CalWORKs applicants and to current and former recipients?

Impact Study for County Welfare Operations

SB 1041 has the potential for significant effects on county operations. The legislation seeks to increase recipients' use of WTW services, increase flexibility for when and for how many hours these services are used, and impose new time limits and new clocks that county staff and CalWORKs recipients have to understand and keep track of. Whether SB 1041 has its intended effects on CalWORKs recipients, and to what extent these impacts are felt throughout the CalWORKs caseload, depends on whether county operations will themselves be changed by SB 1041. How will the roles and responsibilities of county CalWORKs staff change? How will their interactions with new and existing CalWORKs recipients change? And how will SB 1041 affect the interactions of CalWORKs agencies with WTW partners in the community (e.g., education agencies and providers of training, child care, job placement services, and health care)?

When answering these questions in an impact analysis focusing on county operations, it is important to acknowledge that many of the activities and services that would herald a changing focus of the CalWORKs program have been drastically curtailed in recent years due to the fiscal constraints and other economic challenges affecting the state. As both the economy and the state's fiscal health slowly improve, such improvement will hopefully increase access to services and supports for CalWORKs recipients. The challenge for the evaluation is to measure the impact of SB 1041 separately from these broader improvements in state and local fiscal circumstances and separately from general economic recovery.

The impact study for county welfare operations will draw on the multiple waves of survey and qualitative data collected for the process study, as well as additional information collected from administrative data and from county welfare offices for program staffing, budgets, and

other administrative matters, to assess the effect of SB 1041 on multiple dimensions of county welfare office operations. In particular, this component will address such questions as:

- What is the effect of SB 1041 on staffing levels and distribution?
- What is the effect of SB 1041 on resources available from the state and the counties?
- What is the effect of SB 1041 on payments for child care, transportation, and other supportive services?
- What is the effect of SB 1041 on the provision of WTW activities, including the timing of WTW plans and the use of assessments?

In addressing these questions, multiple methods will be used in order to isolate SB 1041 program effects and rule out alternative explanations for the changes in county operations we observe, namely: (1) extensive use of long time series of administrative program data; (2) detailed analysis of staffing decisions and budget allocations in the six focal counties; (3) ACS and focal county staff interviews and focus groups, conducted for the process study; and (4) careful triangulation of findings across different qualitative and quantitative evaluation activities.

Recipient Status Study

An important role of the SB 1041 evaluation is to provide reliable and comprehensive participant status information regarding the full population of CalWORKs participants affected by SB 1041, accounting for the complex process of CalWORKs participation (see Figure 3.2). The recipient status study will employ CDSS welfare system administrative data to generate a series of annual descriptive tabulations (as of June of a given year)—separately for relevant recipient subgroups differentially affected by SB 1041—of how recipients are distributed at a point in time in terms of WTW activities, exemptions, time on aid, current reciprocity, and time-limit status and extensions, among other indicators. The three groups of interest are

- adult recipients participating in CalWORKs before January 1, 2013
- adult recipients participating in WTW activities during their WTW 24-month time clock
- adult recipients participating in WTW activities after exhausting their 24-month time clock.

For each of these groups, the evaluation seeks to document answers to the following questions:

- What are the activities in which recipients are participating?
- What is the number of recipients exempt from participating, and what is the number of noncompliant adults?
- What is the average time that families receive assistance?
- What is the number of families who complete their WTW plan and exit CalWORKs as a result of earned income or other factors?

For all but the first group (those eligible for CalWORKs before SB 1041 went into effect), we are also interested in quantifying additional indicators related to time-clock extensions, exits, and barriers to employment:

- What is the number of adults who reach the WTW 24-month time clock but are granted an extension? What is the basis for those extensions and the average length of the extensions?
- What is the number of adults who reach the 24-month time clock and who exit the WTW program?
- What is the number of recipients who do not complete their WTW plans and for whom this lack of completion may be due to barriers to employment, and what are the various barriers they face?

Recipient Tracking Study

The recipient tracking study will provide information about the flow of participants into, through, and out of the CalWORKs program. The recipient tracking study recognizes that CalWORKs is a dynamic program with participants entering and leaving the program at different times and for different reasons. Throughout the course of participation in the program, participants access various services, are subject to program requirements, are granted exemptions or extensions, or are penalized through sanctions—all of which change due to time in the program, accumulated experience in school and in the labor force, income flows, and family circumstances.

To document this dynamic aspect of CalWORKs participation, the recipient tracking study will make use of individual-level, time-varying information contained in both state and county administrative data systems as a means to inform the dynamic processes that CalWORKs participants experience. A wide array of individual-level welfare administrative data from state and county sources will be employed to generate a series of tabulations that summarize how recipients are distributed in terms of the timing and sequence of various outcomes, including receipt of services, participation in WTW activities, exits for employment or because of time limits, and other aspects of caseload dynamics. Specific questions for this study component include:

- How quickly do new adult recipients receive services?
- How quickly are adult recipients who were formerly exempt from WTW due to the young child exemption reengaged?
- How are ongoing, nonexempted adult recipients (those prior to January 1, 2013, and after) provided services?

For each of these three groups—new adult recipients, those formerly covered by the young child exemption, and other nonexempted adults—we will address additional issues related to their outcomes over time:

- Do adult recipients have access to services on a continuous basis or do they experience interruptions?
- How quickly do adult recipients gain employment?
- What happens when adult recipients reach the end of the 24-month time clock?
- What happens when adult recipients exit CalWORKs?

Impact Study for CalWORKs Recipients

The goal of the impact study for CalWORKs recipients is to measure the effect of SB 1041 on an array of indicators associated with CalWORKs participation. Before January 1, 2013, when SB 1041 went into effect, participation in most of the WTW activities included in CalWORKs was much more restricted, making it difficult for CalWORKs participants to complete training programs, earn college credentials, or take on unpaid internships or trainee positions (London and Mauldon, 2006). SB 1041 thus provides a guaranteed two-year WTW window and increases the flexibility of participants and county workers in tailoring their plans for achieving long-term self-sufficiency. Because these new rules apply to current CalWORKs recipients as well, the entire caseload as of January 2013 should be affected by these new rules (keeping in mind that implementation delays and funding constraints may limit SB 1041's immediate impact).

The expected effects of SB 1041 on participant decisions and outcomes can be summarized as follows:

1. A clear 24-month time limit on WTW services, combined with more flexibility to select activities and fully commit to them, will increase initial participant engagement in human capital development, resulting in higher income and greater self-sufficiency in the long run.
2. Deemphasizing employment as the only approved activity in the first 24 months of CalWORKs participation will reduce initial employment rates and may reduce self-sufficiency in the short run.
3. At the same time, simultaneous increases in the earnings disregard create new employment incentives that may offset the effects of effect 2 and enhance the results of effect 1.
4. The interaction of the new WTW rules with other SB 1041 changes, resource constraints in counties (for example, in child care subsidies or community college slots), and implementation delays will result in considerable variation in expected impacts across participant subgroups, counties, and economic regions.

As noted in Chapter Two, the change in the initial 24-month WTW rules is not the only major program change prompted by SB 1041. Other important changes, including changes in the young child exemption, the reinstatement of Cal-Learn, and less frequent income verification requirements, will affect subgroups of recipients or the caseload more generally. The impact analysis will consider all these changes together and will include subgroup analyses to assess their separate effects.

The impact study for CalWORKs recipients will draw on the CalSES, a three-wave longitudinal survey of recipients ($N = 1,500$) with an embedded child supplement sample ($N = 1,000$) of focal children who were up to age seven when their parent(s) entered CalWORKs. The primary data about recipients and their children collected as part of this effort will be augmented with welfare system administrative data and other administrative data sources (e.g., data from the Employment Development Department [EDD]). Through a multicohort interrupted time series design that allows inferences about causal effects, these primary and secondary data sources will

be used to investigate the impact of SB 1041 on a range of adult and child outcomes for current and former CalWORKs recipients. Together, the survey and administrative data sources will allow us to observe outcomes for at least 30 months for cohorts that entered CalWORKs both before and after the SB 1041 policy changes. Further impact analyses will be conducted using the nationally representative CPS. Across these data sources, we will examine the following key questions:

- What is the effect of SB 1041 on the number of families participating in CalWORKs (adults and children)?
- What is the effect of SB 1041 on participation in and completion of WTW activities?
- What is the effect of SB 1041 on the identification and treatment of barriers to employment?
- What is the effect of SB 1041 on employment status, earnings, and self-sufficiency?
- What is the effect of SB 1041 on family structure, residential instability, child abuse and neglect, entry into foster care, educational performance, nutrition, poverty, and other measures of child well-being?

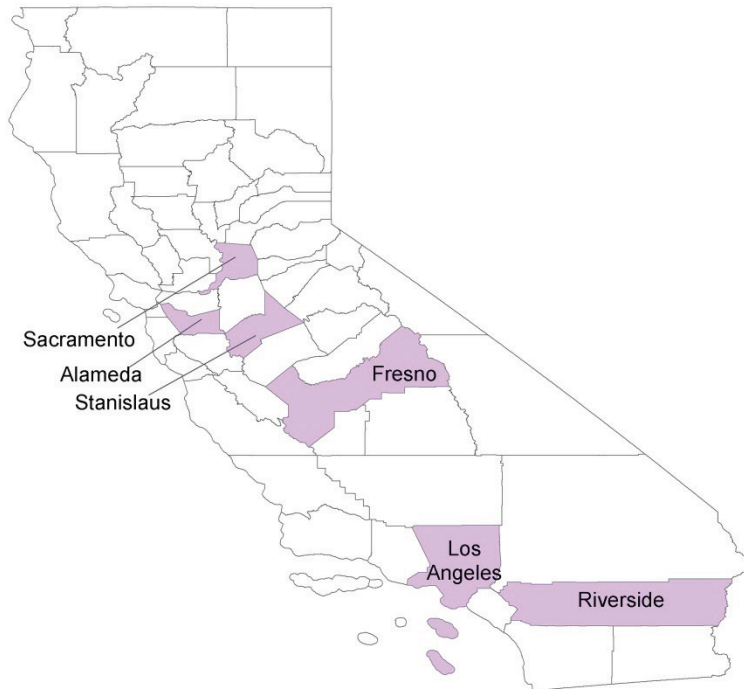
Focal Counties and Their Characteristics

The evaluation design incorporates in-depth data collection and analysis for six focal counties: Alameda, Fresno, Los Angeles, Riverside, Sacramento, and Stanislaus (see Figure 3.3).

Qualitative study components will rely on annual key informant interviews with relevant stakeholders in each county, as well as annual focus groups conducted separately with CalWORKs caseworkers and participants. The focal county investigations will proceed in three waves approximately one year apart, starting in early 2015, in order to examine the ongoing process of implementation of SB 1041 and the short- and medium-term impact on county welfare operations. The sample of CalWORKs participants included in the CalSES will also be drawn from participants in the six focal counties. This will allow a closer examination of the relationship between county implementation and the outcomes of participating adults and children.

The six focal counties were selected to provide variation in key characteristics that are potentially relevant for the implementation of SB 1041, such as the geographic region of the state, the rural-to-urban continuum, the demographic makeup of the population, measures of socioeconomic status, and the state of the economy. Counties were also selected such that, together, they would capture a sizable share of the CalWORKs caseload. Table 3.2 demonstrates the variation in these features for the six focal counties based on illustrative geographic, demographic, social, economic, and caseload characteristics.

Figure 3.3. Map of Six Focal Counties for SB 1041 Evaluation



As indicated in Figure 3.3 and Table 3.2, the six counties cover key regions of the state, from the dense metropolitan counties in the Bay Area (Alameda), the Central Valley (Sacramento), and Southern California (Los Angeles and Riverside), as well as the less densely populated counties in the north and south of the Central Valley (Stanislaus and Fresno). Los Angeles County is the state’s largest, with more than 10 million inhabitants as of 2012. In contrast, Stanislaus County is one of California’s smallest, with about a half-million residents. Together, the six counties make up just under one-half (44 percent) of California’s population.

The six focal counties also capture much of the statewide variation across California counties in terms of their demographic and socioeconomic makeup. The race and ethnic mix varies from Fresno County, with its majority Latino population, to Alameda and Sacramento counties, where the share of Latino residents is less than half as large (22 to 23 percent). The percentage of non-Hispanic African Americans ranges from a low of 3 percent in Stanislaus County to a high of 12 percent in Alameda County. These two counties also capture the extremes of the Asian population share (5 percent in Stanislaus County compared with 27 percent in Alameda County).

Table 3.2. Characteristics of Focal Counties and California as a Whole

Characteristics	Alameda	Fresno	Los Angeles	Riverside	Sacramento	Stanislaus	California
Geographic region	San Francisco Bay Area, East Bay	Central Valley (south)	Southern California, Greater Los Angeles	Southern California, Inland Empire	Central Valley (north)	San Joaquin Valley (north)	–
Urban-rural classification	Large central metro	Medium metro	Large central metro	Large central metro	Large central metro	Medium metro	–
Population							
Total persons	1,573,254	964,040	10,041,797	2,279,967	1,454,406	526,042	38,340,074
Percentage of state population	4.1	2.5	26.2	5.9	3.8	1.4	100.0
Race-ethnic composition							
Percentage non-Hispanic white	33.2	31.7	27.1	38.4	47.4	45.5	39.2
Percentage non-Hispanic black	11.5	4.9	8.0	5.9	9.5	2.5	5.7
Percentage Asian	26.6	9.6	13.7	5.7	14.6	5.2	13.3
Percentage Hispanic/Latino	22.7	51.2	48.2	46.5	22.0	43.0	38.2
Percentage other	6.0	2.6	3.0	3.5	6.5	3.8	3.6
Education level, persons age 25 and above							
Percentage less than high school diploma	13.2	27.6	22.8	20.7	13.7	22.2	18.5
Percentage bachelor's or more	42.4	18.5	30.0	20.5	28.0	16.1	30.9
Percentage of single-parent female-headed households	19.6	30.5	24.8	22.4	26.6	22.9	22.5
Median household income	\$70,500	\$41,627	\$53,001	\$52,621	\$52,667	\$48,405	\$58,328
Percentage of persons below poverty	13.1	28.4	19.1	17.8	19.6	20.3	17.0
Unemployment rate	7.4	12.9	9.9	10.3	8.8	13.0	8.9
CalWORKs caseload							
Total cases	19,244	28,620	176,273	33,569	4,442	12,024	569,324
Percentage of state caseload	3.4	5.0	31.0	5.9	0.8	2.1	100.0
Total persons	41,571	73,390	416,614	84,456	9,577	29,331	1,368,801
Percentage of state recipients	3.0	5.4	30.4	6.2	0.7	2.1	100.0
CalWORKs caseload composition							
Percentage two parent	6.5	11.5	6.5	10.6	4.9	12.5	8.8
Percentage all other families	42.4	35.7	40.1	44.3	45.0	38.4	39.5
Percentage no parent	28.7	30.6	36.8	30.6	28.1	29.4	33.7
Percentage Safety Net	18.0	17.4	11.8	10.9	13.2	13.1	13.0
Percentage TANF timed out	4.5	4.7	4.8	3.6	8.8	6.5	5.0

SOURCE: California Department of Finance, 2013; CDSS, 2014; U.S. Bureau of Labor Statistics, undated; U.S. Census Bureau, undated.

NOTE: Population counts and shares are for 2013. The demographic, education, income, and poverty measures are for 2012. The unemployment rate is the 2013 annual average. The CalWORKs caseload counts and characteristics are for January 2013. – = not applicable.

As might be expected by its more rural makeup, Fresno County has the largest share of adults with less than a high school education among the six counties (28 percent), while the more urban Alameda County has the highest proportion of adults with a college degree or higher (42 percent). These two counties also bookend the rate of female-headed households, ranging from 20 percent in Alameda County to 31 percent in Fresno County. They likewise represent the extremes of median household income (\$42,000 for Fresno to \$71,000 for Alameda) and the poverty rate (13 percent for Alameda versus 28 percent for Fresno). For the unemployment rate, Fresno and Stanislaus County rank highest among the six counties (13 percent each), while the lowest rate is measured again in Alameda county (7 percent).

The CalWORKs caseload statistics, measured as of January 2013, when SB 1041 became effective, also show distinct differences across the six counties. The absolute size of the caseload varies, as would be expected, with the overall county population, from about 4,400 units in Stanislaus County to 176,300 units in Los Angeles County. The patterns are similar when the caseload is viewed in terms of the number of persons receiving aid. Together, the six counties compose 48 percent of the total CalWORKs caseload and the same share of total CalWORKs participants. At the same time, several counties—Fresno, Los Angeles, and Stanislaus—are overrepresented in the CalWORKs caseload relative to their share in the state’s population. For instance, Fresno has 2.5 percent of the state population but 5.0 percent of the caseload, a pattern that would be expected given the county’s high poverty rate and high unemployment rate. In contrast, Alameda and Sacramento—the two counties among the six with the lowest unemployment rate—are underrepresented in the CalWORKs caseload given their population shares. The population share and caseload share are almost identical for Riverside County.

There are also differences in the composition of the caseload, shown in Table 3.2 in terms of the distribution by case type: two-parent cases, all other families cases (typically one-parent cases), no-parent cases (because the parent[s] or guardian[s] are excluded from or ineligible for aid), Safety Net cases (where all adults have reached the 48-month CalWORKs time limit), and TANF timed-out cases (because the adult household head or spouse has received federal TANF assistance for 60 months). Effectively, the last three categories constitute the child-only caseload, and Riverside County stands out for the lowest share in those three child-only categories at 45 percent. The other counties have 49 to 53 percent of the caseload in those three child-only categories.

Finally, beyond the differences in characteristics, we note that Riverside and Los Angeles are of interest as focal counties because of their long-standing work-first WTW models, having been the subject of experimental evaluations during the AFDC waiver period (Freedman, Friedlander, et al., 2000; Freedman, Knab, et al., 2000). Those two counties, as well as Alameda and Sacramento counties, have also been included in evaluations of various CalWORKs reforms (Crow et al., 2006; London and Mauldon, 2006; Klerman and Burstain, 2008; Zellman et al., 1999).

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4. What to Expect from the SB 1041 Evaluation

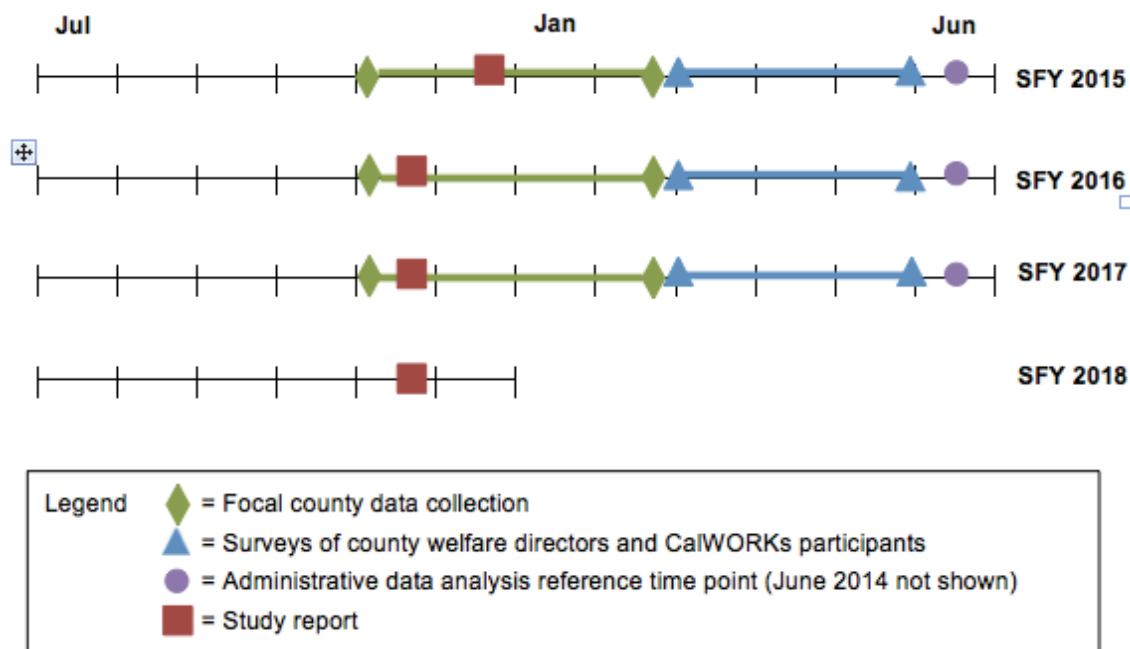
The evaluation of SB 1041, as a multiyear, multicomponent evaluation, is a complex undertaking, but one that is expected to yield valuable knowledge about the implementation of the reforms and whether they are having their intended effects. Audiences for the evaluation include the California legislature, which required an independent evaluation as part of the SB 1041 bill; CDSS administrators at the state and county levels; CalWORKs caseload managers and other frontline workers; advocates in California for low-income children and their families; current and potential future CalWORKs recipients; and the public more generally. Given the ongoing refinements to other state TANF programs, findings from the SB 1041 evaluation are likely to find an audience among state-level and national policymakers with an interest in social-welfare programs. With these audiences in mind, we conclude this final chapter with reference to the evaluation timetable and expected products, and a brief assessment of the evaluation's expected utility, as well as its limitations.

Evaluation Timetable and Expected Products

Figure 4.1 provides a high-level overview of the evaluation timeline, starting in July 2014, when the project began, and concluding in December 2017. As of the preparation of this report, activities are under way to conduct state-level key informant interviews and the first round of focal county data collection (interviews, focus groups) in winter 2015. Simultaneously, the ACS and CalSES are both in the planning stage for implementation in the second quarter of 2015. Once the data are obtained, analysis of administrative data for the recipient status and tracking studies will commence. Figure 4.1 shows that most of these activities repeat in an annual sequence until data-collection activities conclude in mid-2017.

Figure 4.1 also indicates that the evaluation will produce a series of publicly available annual reports in late 2015, 2016, and 2017 to document evaluation findings. The first analytic report in 2015 will place a greater emphasis on the process study, as well as the recipient status and tracking studies—the most-relevant components for understanding the early stages of SB 1041 implementation and how caseload patterns and trends may be affected by the reforms. Subsequent reports will shift toward more emphasis on findings pertaining to the two impact studies: the county welfare operations impact study and the recipient impact study.

Figure 4.1. Timetable of Key Activities for the SB 1041 Evaluation



NOTE: This background and study design report constitutes the first-year report. The second-year, third-year, and fourth-year reports will follow at the end of calendar years 2015, 2016, and 2017, respectively.

Expected Utility and Limitations of the Evaluation

The multicomponent, mixed-methods approach for SB 1041 is expected to produce a range of insights into the effectiveness of the SB 1041 reforms to CalWORKs. First, the evaluation will document the way the SB 1041 reforms were implemented across California’s 58 counties, with a more detailed perspective on implementation for the six focal counties. Any constraints in the rollout of the reforms or in the ability to fully execute the reforms will be identified, along with exemplary models and best practices. Second, the evaluation will determine if SB 1041 had the desired effects on the size and composition of the caseload and on caseload dynamics. A central objective in the reforms was to allow CalWORKs participants to use the array of available services to more rapidly move toward self-sufficiency, without having to contend with core participation requirements during the first two years of enrollment. The use of administrative data will permit the tracking of various indicators of CalWORKs performance to determine whether the expected outcomes are being realized. Third, through the collection of detailed individual, family, and household information for a sample of CalWORKs participants, the evaluation will provide an opportunity to examine an even richer array of adult and child outcomes and the link to the SB 1041 reforms. Fourth, the implications of the SB 1041 reforms for county welfare office operations will help to identify the extent to which the reforms represented a fundamental shift in CalWORKs delivery or more modest organizational changes.

In seeking to document and understand both process and impact, the evaluation will provide a comprehensive assessment of whether SB 1041 achieved its goals and will shed light on areas where further improvements to the CalWORKs program may be needed.

At the same time, in anticipation of the series of annual findings from the evaluation, it is appropriate to acknowledge a number of limitations of the evaluation design. First, the evaluation of SB 1041 is essentially designed to measure the implementation and impact of a bundle of reforms to CalWORKs. Thus, while the study may identify impacts of the set of reforms on county welfare operations or on recipients, we do not expect to be able to rigorously assess the contribution of any given SB 1041 policy reform to the measured outcomes. Although it may be possible to speculate about the importance of different reform components (and the qualitative portions of the project are particularly useful for gleaning such insights), we may not be able to conclusively point to one or more reform elements as the drivers behind the findings.

Second, unlike studies with controlled policy variation, such as in an experimental design, the SB 1041 reforms are not the only policy changes being implemented in California starting in 2013, and other policy changes will almost certainly take place during the three years covered by the evaluation. Since the passage of SB 1041, the California legislature has continued to change related aspects of the CalWORKs program. The 2013–2014 budget package, for example, provided for a new standardized appraisal tool to more effectively identify and address barriers to employment for CalWORKs participants, new specialized services for families at risk of destabilization, and an increase in the number of subsidized employment slots (LAO, 2014). Changes to other social programs that are intertwined with CalWORKs continue as well, such as the roll out of provisions for subsidized health insurance coverage under the 2010 Patient Protection and Affordable Care Act (ACA) and the realignment of the corrections system (AB 109), which will potentially add to the service requirements at the local level. Such concurrent policy reforms to CalWORKs and other aspects of the safety net make it even more challenging to isolate and measure the effects of the specific SB 1041 reform.

Third, the evaluation of SB 1041 has commenced 18 months after the legislation became effective. Although we can rely on documents and administrative data that cover the initial period of implementation and we can ask key informants and CalWORKs participants to recall experiences during that period, there may be errors in recall or other gaps that limit our ability to reconstruct the very early stages of SB 1041 implementation. This means that our knowledge of the initial implementation of the policy changes will be more limited compared with the information we can gather as the implementation continues to unfold.

Fourth, although the evaluation will provide a multiyear perspective on the SB 1041 implementation and outcomes, the data collection and analyses will be limited to the first four or five years of the policy change. We will certainly gain an in-depth understanding of the initial short-term implications of the reforms, but the evaluation will not be able to measure or observe the longer-term consequences for adults or children or for county welfare operations. However,

by understanding early impacts through the various study components, we may be able to identify the likely implications for longer-run outcomes.

Finally, while the in-depth work in the six focal counties is expected to yield important information about variation in the SB 1041 implementation and impact, there will be limits in the ability to generalize the findings based on focal county analyses to the rest of the state. This is the nature of all such case study research, where cost constraints otherwise preclude in-depth data collection and analyses for the entire state. Nevertheless, the experience of any given focal county is likely to provide insights into the outcomes and impacts for other similar California counties. The variation across the six focal counties, discussed in Chapter Three, means that the findings specific to the six focal counties should have relevance for many other parts of the state.

Appendix A. State Welfare Policies

This appendix provides tables that document the variation in state TANF policies as of 2013, referenced in Chapter Two in the discussion of the features of the CalWORKs program. The state-level policies were compiled from the Urban Institute's *Welfare Rules Databook* (Urban Institute, 2014). The database contains detailed information on welfare rules across states, time, geographic areas within states, and different types of assistance units. The information from 1997 to the present is obtained from caseworker manuals and state regulations. The information prior to 1997 is obtained from AFDC state plans and waiver terms and conditions. The features summarized in Tables A.1 to A.4 are a high-level summary. Details of the features for each state's policies are available in the *Databook*.

In California in federal fiscal year (FFY) 2004, the latest year for which caseload characteristics are reported, the average CalWORKs assistance unit consisted of 2.6 persons and 2.0 children (CDSS, 2005). Data for the United States as of FFY 2009 show a similar pattern (Loprest, 2012). Thus, in Table A.1, the income threshold and maximum benefit levels are both specific to a household with one adult and two children. Each dollar amount is calculated as a share of the SMI for families with a female householder and no husband present (obtained from the 2013 American Community Survey from the U.S. Census Bureau, undated).

Table A.1. State Welfare Program Income Thresholds and Benefits: 2013

State	Maximum Monthly Income for Eligibility		Maximum Monthly Benefit		Earned Income Disregard
	Level (\$)	Percentage of SMI	Level (\$)	Percentage of SMI	
Alabama	269	12.9	215	10.3	100% for 12 months, 20% thereafter
Alaska	1,631	43.6	923	24.7	\$150 and 33% for 12 months, then decreases every 12 months
Arizona	585	22.8	277	10.8	\$90 and 30%
Arkansas	279	13.6	204	9.9	None
California	1,289	43.7	638	21.6	\$225 and 50%
Colorado	421	14.6	462	16.0	67%
Connecticut	880	26.9	576	17.6	100% up to FPL
Delaware	428	12.8	338	10.1	\$120 and 33% for 4 months, \$120 for 8 months, then \$90
District of Columbia	588	21.0	428	15.3	\$160 and 66.7%
Florida	393	14.9	303	11.5	\$200 and 50%
Georgia	514	22.0	280	12.0	\$120 and 33.3% for 4 months, \$120 next 8 months, \$90 thereafter
Hawaii	1,740	41.5	610	14.5	20% and \$200, then 55% for 24 months; 20% and \$200, then 36% thereafter
Idaho	648	26.0	309	12.4	40%
Illinois	814	30.0	432	15.9	75%
Indiana	378	16.5	288	12.6	75%
Iowa	1,061	43.5	426	17.5	20% and 58%
Kansas	519	20.7	429	17.1	\$90 and 60%
Kentucky	908	44.4	262	12.8	\$120 and 33.3% for 4 months, \$120 next 8 months, \$90 thereafter
Louisiana	359	17.8	240	11.9	\$1,020 for 6 months, \$120 thereafter
Maine	1,023	45.2	485	21.4	\$108 and 50%
Maryland	719	18.2	576	14.6	40%
Massachusetts	708	22.8	618	19.9	\$120 and 50%
Michigan	803	33.7	492	20.7	\$200 and 50%
Minnesota	1,105	38.9	532	18.7	40%
Mississippi	458	25.4	170	9.4	100% for 6 months, \$90 thereafter
Missouri	557	22.9	292	12.0	67% and \$90 of remainder for 12 months, \$90 thereafter

Table A.1—Continued

State	Maximum Monthly Income for Eligibility		Maximum Monthly Benefit		Earned Income Disregard
	Level (\$)	Percentage of SMI	Level (\$)	Percentage of SMI	
Montana	817	37.4	510	23.3	\$200 and 25% of remainder
Nebraska	923	36.8	364	14.5	20%
Nevada	1,526	54.8	383	13.7	100% for 3 months, then decreases every 3 months; \$90 or 20% after 12 months
New Hampshire	844	25.6	675	20.5	50%
New Jersey	636	18.7	424	12.5	100% for 1 month, 75% for 6 months, 50% thereafter
New Mexico	1,017	46.6	380	17.4	\$125 and 50%
New York	879	29.5	789	26.5	\$90 and 49%
North Carolina	681	30.3	272	12.1	27.50%
North Dakota	1,169	42.4	477	17.3	\$180 or 27% and 50% for 6 months, \$180 or 27% thereafter
Ohio	814	35.1	458	19.8	\$250 and 50%
Oklahoma	824	37.3	292	13.2	\$240 and 50%
Oregon	616	23.9	506	19.6	50%
Pennsylvania	681	25.4	403	15.0	50%
Rhode Island	1,169	40.5	554	19.2	\$170 and 50%
South Carolina	814	37.3	223	10.2	50% for 4 months, \$100 thereafter
South Dakota	816	36.2	582	25.8	\$90 and 20%
Tennessee	1,315	59.1	185	8.3	\$250
Texas	401	15.9	271	10.7	\$120 and 90% for 12 months, \$120 thereafter
Utah	668	23.0	498	17.1	\$100 and 50%
Vermont	1,053	42.9	640	26.1	\$200 and 25%
Virginia	547	17.8	320	10.4	\$149 and 20%
Washington	954	34.8	478	17.5	50%
West Virginia	565	28.8	340	17.3	40%
Wisconsin	0 ^a	0.0	608	26.2	None
Wyoming	815	33.2	616	25.1	\$200

SOURCES: Urban Institute, 2014, and authors' calculations based on 2013 American Community Survey (U.S. Census Bureau, undated).

^a Families in Wisconsin with earnings at application will not receive a cash benefit, except for some Community Service Job participants who may qualify for a prorated cash benefit. Applicants may earn up to \$1,872 and still be eligible for nonfinancial assistance.

NOTES: Maximum monthly income for eligibility is for a family of three with one earner and two dependents. SMI is for families with a female householder and no husband present, based on the 2013 American Community Survey. The maximum monthly benefit is for a family of three with one adult and no income. For the earned income disregard, a percentage after a dollar amount or a percentage indicates the BRR that applies to the remainder of income after the fixed disregard is subtracted, unless otherwise stated.

Table A.2. State Welfare Program Eligibility Time Limits, Young Child Exemptions, and Family Caps: 2013

State	Lifetime Limit (months)	Use State Funds to Extend Benefits Indefinitely	Child(ren) Continue(s) to Receive Benefits Past Limit	Young Child Exemption (age in months)	Family Cap
Alabama	60			36	
Alaska	60			12	
Arizona	24			No exemption	Yes
Arkansas	24			3	Yes
California	48		Indefinitely	24	Yes
Colorado	60			No exemption	
Connecticut	60			12	Yes
Delaware	36			12	Yes
District of Columbia	60	Yes		12	
Florida	48			3	Yes
Georgia	48			12	Yes
Hawaii	60			6	
Idaho	24			No exemption	
Illinois	60			12	
Indiana	24		Until 60 months	3	Yes
Iowa	60			No exemption	
Kansas	48			3	
Kentucky	60			12	
Louisiana	60			0	
Maine	60			12	
Maryland	60			12	
Massachusetts	60	Yes		N/A	Yes
Michigan	60			2	
Minnesota	60			12	Yes
Mississippi	60			12	Yes
Missouri	60			12	
Montana	60			No exemption	
Nebraska	60			3	
Nevada	60		"Hardship exemption"	12	
New Hampshire	60			12	
New Jersey	60			3	Yes
New Mexico	60		Indefinitely	No exemption	
New York	60	Yes		3	
North Carolina	60			12	Yes
North Dakota	60			2	Yes
Ohio	60			12	

Table A.2—Continued

State	Lifetime Limit (months)	Use State Funds to Extend Benefits Indefinitely	Child(ren) Continue(s) to Receive Benefits Past Limit	Young Child Exemption (age in months)	Family Cap
Oklahoma	60			4	
Oregon	60		Indefinitely	6	
Pennsylvania	60			12	
Rhode Island	48			12	
South Carolina	60			No exemption	Yes
South Dakota	60			3	
Tennessee	60			12	Yes
Texas	60			12	
Utah	36			0	
Vermont	60	Yes		24	
Virginia	60			12	Yes
Washington	60		"Hardship exemption"	12	
West Virginia	60			No exemption	
Wisconsin	60			2	
Wyoming	60			3	

SOURCE: Urban Institute, 2014.

NOTES: The lifetime limit column indicates the total number of nonconsecutive months that the adult recipient is allowed to receive benefits in his or her lifetime. The third column indicates whether the state exercises the option to extend benefits past 60 months using state funds. The fourth column indicates whether the lifetime time limit applies to the adult(s) only—i.e., any children in the assistance unit may continue to receive benefits. The young child exemption indicates whether the state exempts the adult recipient from work requirements while the child is younger than the stated number of months. The family cap column indicates whether benefits are capped for families when a new child is added to the assistance unit a specified number of months (typically ten months) after case opening. N/A = not applicable.

Table A.3. State Welfare Program Work-Related Requirements for Single Parents: 2013

State	Minimum Total Hours (weekly)	Minimum Core Hours (weekly)	Fewer Hours If Parent Caring for Young Child	Secondary Program	Secondary Change
Alabama	35	25	Yes	None	
Alaska	30	20		When not successful in Work First	Holistic approach for job readiness
Arizona	40	0		None	
Arkansas	30	20	Yes	None	
California	30	0	Yes	After 24 months of primary program	At least 20 core hours
Colorado	22	22		For 1 month before starting primary program	Focus on job search activities
Connecticut	Determined by caseworker	0		None	
Delaware	30	20	Yes	None	
District of Columbia	30	20	Yes	None	
Florida	30	20		None	
Georgia	40	30	Yes	None	
Hawaii	30	0	Yes	None	
Idaho	30	0	Yes	None	
Illinois	40	0		First 24 months for those not considered job-ready	Full-time remedial education
Indiana	30	20	Yes	None	
Iowa	30	0		None	
Kansas	30	20		None	
Kentucky	30	20		None	
Louisiana	30	20	Yes	None	
Maine	30	20	Yes	None	
Maryland	30	24	Yes	None	
Massachusetts	N/A	N/A	N/A	None	
Michigan	30	20	Yes	None	
Minnesota	31	0	Yes	None	
Mississippi	40	0		For 24 months if no high school diploma	Allows for 40 hours of remedial education
Missouri	30	0	Yes	None	
Montana	33	23	Yes	None	
Nebraska	30	20	Yes	None	

Table A.3—Continued

State	Minimum Total Hours (weekly)	Minimum Core Hours (weekly)	Fewer Hours If Parent Caring for Young Child	Secondary Program	Secondary Change
Nevada	30	20	Yes	None	
New Hampshire	30	20	Yes	None	
New Jersey	40	20		None	
New Mexico	34	20	Yes	None	
New York	30	20	Yes	If no high school diploma	Full-time remedial education
North Carolina	35	20	Yes	None	
North Dakota	30	0	Yes	None	
Ohio	30	20	Yes	None	
Oklahoma	30	0		None	
Oregon	Determined by caseworker	0		While unemployed	Minimum 10 hours of job search
Pennsylvania	30	20	Yes	None	
Rhode Island	30	20	Yes	If reading level below 6th grade	6 months of 30 hours/week of remedial education
South Carolina	30	20	Yes	While not considered job-ready	30 hours/week of job-readiness training
South Dakota	30	20	Yes	None	
Tennessee	30	20		None	
Texas	30	30	Yes	For 1 month before starting primary program	Focus on job search activities
Utah	30	20	Yes	None	
Vermont	30	0	Yes	None	
Virginia	35	20		None	
Washington	32	0		None	
West Virginia	30	20	Yes	None	
Wisconsin	40	40		None	
Wyoming	30	20	Yes	None	

SOURCE: Urban Institute, 2014.

NOTE: The minimum total hours and minimum core hours are the requirements for the main program that is administered in the state. Some states allow a recipient to work fewer hours to meet requirement if he or she is caring for a child six years or younger. Usually, the reduction is by 10 hours of the standard requirement. The secondary-program column indicates how a secondary program, which must have different requirements from the main program, is triggered. The secondary-change column indicates the difference in work requirements if a recipient is in the secondary program. N/A = not applicable, because there is no minimum-hours requirement.

Table A.4. State Welfare Program Sanctions for Failing to Comply with Work Requirements: 2013

State	Initial Sanction		Most Severe Sanction	
	Reduction in Benefit	Length of Sanction	Reduction in Benefit	Length of Sanction
Alabama	50%	Until compliance	100%	12 months
Alaska	40%	4 months	Case closed	Must reapply
Arizona	25%	1 month	100%	1 month
Arkansas	100%	1 month	Case closed	Until compliance
California	Adult portion	Until compliance	Adult portion	Until compliance
Colorado	25%	1 month	100%	3 months
Connecticut	25%	3 months	Case closed	3 months + reapply
Delaware	Case closed	1 month	Case closed	1 month
District of Columbia	Adult portion	Until compliance	Adult portion	6 months
Florida	100%	10 days	100%	3 months
Georgia	25%	3 months	Case closed	12 months + reapply
Hawaii	100%	Until compliance	100%	3 months
Idaho	100%	1 month	100%	Permanent
Illinois	50%	Until compliance	100%	3 months
Indiana	Case closed	1 month	Case closed	Permanent
Iowa	100%	Must reapply	100%	6 months
Kansas	100%	3 months	100%	10 years
Kentucky	Pro rata portion	Until compliance	100%	Until compliance
Louisiana	Case closed	1 month	Case closed	3 months
Maine	Adult portion	3 months	Case closed	Until compliance
Maryland	100%	Until compliance	100%	1 month
Massachusetts	None	None	100%	Until compliance
Michigan	Case closed	3 months	Case closed	Permanent
Minnesota	10%	1 month	Case closed	1 month
Mississippi	100%	2 months	100%	Permanent
Missouri	25%	Until compliance	25%	Until compliance
Montana	Adult portion	1 month	Case closed	6 months
Nebraska	100%	1 month	100%	12 months
Nevada	100%	3 months	100%	3 months
New Hampshire	Adult portion	2 weeks	Case closed	Must reapply
New Jersey	Adult portion	1 month	Case closed	1 month + reapply
New Mexico	25%	1 month	Case closed	6 months + reapply
New York	Pro rata portion	Until compliance	Pro rata portion	6 months
North Carolina	Case closed	Must reapply	Case closed	Must reapply
North Dakota	Adult portion	1 month	Case closed	Until compliance
Ohio	100%	1 month	100%	6 months

Table A.4—Continued

State	Initial Sanction		Most Severe Sanction	
	Reduction in Benefit	Length of Sanction	Reduction in Benefit	Length of Sanction
Oklahoma	100%	Until compliance	100%	Until compliance
Oregon	Adult portion	1 month	100%	2 months + reapply
Pennsylvania	Adult portion	1 month	100%	Permanent
Rhode Island	Adult portion	Until compliance	Case closed	Must reapply
South Carolina	Case closed	1 month	Case closed	1 month
South Dakota	None	None	Case closed	1 month + reapply
Tennessee	100%	Until compliance	100%	Until compliance
Texas	100%	1 month	Case closed	1 month + reapply
Utah	Case closed	1 month	Case closed	1 month + reapply
Vermont	\$75	Until compliance	\$225	Until compliance
Virginia	100%	1 month	100%	6 months
Washington	Adult portion	1 month	Case closed	Permanent
West Virginia	33%	3 months	100%	3 months
Wisconsin	\$5 per hours missed	Until compliance	Case closed	Until compliance
Wyoming	100%	Until compliance	100%	Until compliance

SOURCE: Urban Institute, 2014.

NOTE: In the case of a 100-percent sanction, benefits are suspended but the case remains open. Benefits may resume when the recipient is in compliance. When the sanction is closure of the case, the recipient must reapply for benefits.

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Appendix B. Sources of Data for Evaluation

This appendix provides additional detail on the data sources that will be used in the evaluation of SB 1041. Each of the data sources listed in Table 3.1 in Chapter Three is described in turn:

- State-level key informant interviews
- Survey of all the county welfare directors (ACS)
- Focal county interviews, focus groups, and other information sources
- State and county administrative data
- Longitudinal survey of CalWORKs participants (CalSES)
- National survey data (CPS).

State-Level Key Informant Interviews

To understand the planning process and how the implementation of SB 1041 reforms were organized and addressed, we will conduct key informant interviews at the state level in each project year. The interviews will be conducted with CDSS senior officials and staff involved in planning for and implementing SB 1041, representatives from other relevant state agencies (e.g., California Department of Education [CDE] and EDD), legislative staff involved in the development of SB 1041, relevant associations (e.g., the County Welfare Directors Association and advocacy groups), and members of the stakeholder workgroup convened by CDSS to plan for SB 1041.

Interviews will be conducted in person in the first year, where feasible, and in subsequent years by telephone using a semistructured interview protocol. Our interviews with CDSS staff will explore both CDSS's formal and informal roles, as well as the process of developing and planning for SB 1041. Formally, CDSS is responsible for writing the regulations and distributing TANF monies and state CalWORKs dollars. It also has federal reporting requirements and is responsible for overseeing county programs. Informally, CDSS provides technical assistance and guidance to the counties to help them implement SB 1041, and it is the lead state agency for the interagency collaborations required by CalWORKs legislation and associated with SB 1041's implementation. Thus, the protocol for the CDSS interviews will address: (1) development of the SB 1041 legislation and plans for implementation, (2) how requirements were developed and transmitted to the counties, (3) the type of technical assistance and guidance provided to counties, (4) the reporting requirements associated with SB 1041, and (5) coordination with other state agencies, the federal government, and county governments. The protocol for key informants in other organizations in the public and private sectors will be modified, as appropriate, to account for their roles in planning for and implementing the legislation.

The key informant interviews will be supplemented by the review of relevant policy documents at the state level, such as All County Letters and All County Information Notices.

All-County Survey

The evaluation will include an ACS to gather information from the 58 counties about the implementation of SB 1041. These survey data will inform the analysis of SB 1041's impact on county welfare operations. At a macro level, the survey is about implementation challenges and how they are overcome, successes and failures of county implementation efforts, and innovative programs and organizational changes made to implement SB 1041 at the local level. At a micro level, the survey will gather information about the structure of the county welfare system (including any reorganizations), coordination across agencies, caseloads, budgets and expenditures, and other operational details of SB 1041 implementation, including the design and implementation of WTW time clocks, the way in which time remaining is communicated to recipients, and the level of coordination between the CalWORKs program and other service providers (such as community colleges) at the county level.

The ACS will be fielded in three waves, with the administration period beginning in the springs of 2015, 2016, and 2017. Each annual survey will be designed to be completed in about an hour. The first three waves of the ACS will include the full survey questionnaire, which will be revised at each wave to gather information about emergent implementation issues. If the evaluation team identifies additional informational needs, a supplemental short form of the survey may be administered in the summer of 2017 to gather a final round of data as the reforms required by SB 1041 are more fully implemented. Multiple rounds of survey administration will allow for comparisons of counties over time, so that we may understand the varied approaches to SB 1041 implementation.

The ACS survey will address the (1) implementation of key components, (2) status of required planning, (3) innovative strategies and programs, (4) organizational and administrative changes to facilitate implementation, (5) the context in which implementation was occurring, (6) problems and characteristics that served as barriers or facilitators in the implementation process, and (7) approaches for addressing or harnessing them. The surveys will be designed to capture information about organizational partnerships with other agencies and service providers and will seek to highlight successful examples of such partnerships, which, especially in the earlier rounds of the survey, can provide useful supportive suggestions for other counties.

The ACS will be administered as an online survey, with follow-ups via telephone as needed. To maximize the participation of county directors, we will ask CDSS to support this data-collection effort through supportive emails and other outreach. We will also invite each county welfare agency to participate in the ACS through an email to the CalWORKs program director. The email will provide background information about the survey, including the fact that it is part of the CDSS statewide evaluation of SB 1041, and will contain a web link and password to the online survey questionnaire. The email will also ask the directors to work with their key operations staff to complete the survey. We expect to obtain completed questionnaires from a minimum of 50 of the 58 counties (for an 86-percent response rate). We will achieve this desired

response rate through a combination of email and telephone reminders, and telephone administration of the survey with persistent nonrespondents. We will follow a similar approach for each year of the study, building on the connections we have made in year 1 and continuing to extend invitations to any counties that may not have participated in year 1.

Focal County Qualitative Data Collection

As noted in Chapter Three, in-depth data collection will occur in six focal counties in three waves. There are three components: key informant interviews, focus groups with caseworkers and with CalWORKs participants, and the collection of administrative documents. Similar to the ACS, the content of the interviews and focus groups will be adjusted each round to allow us to explore new issues as they emerge.

County-Level Key Informant Interviews

At the county level, the key informant interviews will be conducted in the six focal counties at three points in time, specifically the fall to winter months of 2014, 2015, and 2016. Table B.1 lists the different types of informants and their approximate numbers, as well as the anticipated list of topics. At county welfare offices, individuals in various positions will be interviewed: county welfare directors and supervisors; directors of CalWORKs, WTW, and CalFresh; personnel and budget directors; and eligibility and caseworker staff, among other personnel. Interviewees will also include senior officials in other affected county agencies (e.g., employment, training, education, child care, mental health, substance abuse) and directors or other key staff at other service providers (e.g., community colleges).

We will create a standardized protocol to guide our interviews. Beyond the crucial input into the process analyses to assess implementation, we will use these key informant interviews to collect information and agency-specific data regarding staffing levels, resources and resource allocation, service provision, and provision of WTW activities and plans to be used in our analyses of impact on county welfare operations.

The county-level key informant interviews will be conducted in person and augmented with telephone follow-ups to clarify information or to interview welfare staff or other county agency staff and service providers not available at the time of each site visit. We will work with each county's designated contact to identify the personnel to be interviewed and to schedule the initial three-day site visit. In the last two waves of focal county site visits, we will also perform some direct observations in welfare field office facilities and of caseworker/aid recipient interactions.

For each round of focal county interviews, we will gather and review all relevant documentation related to SB 1041's design and implementation, such as organizational charts, departmental plans and policies, planning documents, formal interagency agreements, progress reports, and other relevant information. In addition, we will collect data about staffing, resource

allocation, and expenditures as part of the impact study of county welfare operations. Written documentation will be used to augment the information gained from the interviews.

Table B.1. Types of Informants at the County-Level and Interview Topics

Category	Approx. Number per County	Interview Topics
County directors/deputy directors of welfare services	1–2	Overall status of implementation; how state communicates these changes to the informants' agency; did their county change the way it does business (including interactions with other agencies and service providers) to implement SB 1041; what type of organizational changes were needed; views regarding strengths and weaknesses of the SB 1041 changes to CalWORKs (what is working, what is not); views regarding the impact on county operations and recipients
Administrative personnel and relevant supervisors ^a	6–8	How did the informants' county change the way it does business (e.g., reorganize, create cross-functional units, create new staff positions, redefine staff roles); what policies needed to be developed or revised to implement SB 1041; what type of coordination activities were undertaken with other county agencies and service providers; how were SB 1041 changes to CalWORKs communicated to staff; what type of training was provided to eligible staff and caseworkers; how well did staff understand those changes; views regarding what is working well/what is not; views regarding impact on county operations and recipients
Eligibility staff, CalWORKs program specialists, WTW coordinators, and experienced caseworker staff	3–5	What are the key changes to CalWORKs under SB 1041; how, if at all, did SB 1041 affect the informants' jobs and responsibilities; how were the SB 1041 changes to CalWORKs communicated to them; what training did they receive; how did they communicate these changes to aid recipients; which elements of SB 1041 do recipients understand well/what elements are confusing; what are their support needs; views regarding impact on recipients
Staff from other county agencies ^b	5–7	Role of the agency in coordinating with county welfare offices and/or providing services to aid recipients; how were SB 1041 changes communicated to the informants; what type of planning were they involved in; what did the SB 1041 changes to CalWORKs mean for their agency and clients; what type of coordination with county welfare and among agencies was needed to implement SB 1041; views regarding impact on their services and operations and impact on their clients
Staff from other service providers	3–4	Role of organization in providing services to aid recipients; how did the informants learn about the changes under SB 1041; what effect, if any, did it have on their operations and services; did they participate in planning for SB 1041's implementation; how well do their staff and clients understand the SB 1041 changes; views regarding impact on services and aid recipients

^a Includes directors of CalWORKs, WTW, and CalFresh, budget director; director of programs and services; personnel director; director of finance/fiscal operations; and director of information technology.

^b Includes mental health services agencies, child welfare agencies, school districts, alcohol and drug programs, local planning councils, child care payers, education and training providers, transportation officials, and other community-based organizations.

Focus Groups with Caseworkers and CalWORKs Participants

In the first and third waves of focal county data collection, we will conduct focus groups with caseworkers and with CalWORKs participants in the six focal counties to examine, from the caseworkers' and participants' perspective, their understanding of the SB 1041 changes, their perceptions of operational changes at the county level, and their perception of how SB 1041 affects their work and their CalWORKs experience as recipients. Table B.2 lists illustrative discussion topics for each type of focus group, along with the planned number of total sessions. Each focus group session will involve eight to ten individuals and follow a written protocol. The sessions are expected to run for 60 to 90 minutes and may be conducted in English or in Spanish. A cash gift will be provided to the CalWORKs recipient focus group members to incentivize participation.

Table B.2. Focal County Focus Groups and Discussion Topics

Category	Approximate Number of Sessions	Discussion Topics
Caseworkers	12 to 24 (split between fall 2014 and fall 2016)	Understanding of SB 1041 changes to the CalWORKs program; how did county welfare supervisors communicate these changes to caseworkers; what training, if any, did they receive; what organizational changes or redefining of staff roles occurred; how is SB 1041 affecting their caseloads and responsibilities; views regarding recipients' understanding of the new rules; views regarding factors that facilitated or hindered caseworkers' implementation of these new rules
CalWORKs participants	24 (split between fall 2014 and fall 2016)	Awareness and understanding of SB 1041 changes in WTW requirements, of differences between the CalWORKs and TANF program requirements, of the new time clocks, of the exemptions; how did participants learn about these changes; in what areas does SB 1041 affect their work requirements, status, reporting requirements; views regarding overall effect of these changes on their own situation

For the caseworker focus groups, we will work with our county contacts to recruit and select caseworkers who vary in terms of type of caseload, which aspects of SB 1041 they are primarily responsible for (e.g., families with young children, pregnant teens, single adults), and experience in implementing SB 1041. To recruit CalWORKs participants for the focus groups, we will use several approaches. We will explore with each of the six focal counties' welfare agency contacts the possibility of obtaining a list of current participants for recruitment purposes. If the counties are unable to provide that, we will explore obtaining the list of current participants from CDSS or from the consortia. We will then mail recruitment letters to participants that will explain the purpose of the study and focus group and provide an 800 number for those interested in participating. Given expected differences in participants' experiences and understanding of SB 1041, depending on whether they had prior experience with CalWORKs before SB 1041 was

implemented, we will consider conducting focus groups with participants who predate SB 1041 reforms and participants whose experience is post-SB 1041.

Administrative Documents

Most of the activities of CalWORKs program staff and their managers are recorded in administrative program databases and reported (often in aggregated form) to state CalWORKs officials. For example, county data systems regularly maintain WTW participation records, sanction records, sanction reasons, caseworker referral information, and detailed data about time clocks and related exemptions and exceptions, including whether, when, and why county staff engage with CalWORKs recipients. With these data it is possible to build a longitudinal record of officially recorded interactions that CalWORKs recipients have with the county program staff.

Because large administrative data systems do not tell the whole story about SB 1041's impact on county operations, we will dig more deeply into these operations with county-specific data in the six counties where we will do in-depth process research and site visits. As part of our focal county visits, we will collect available documentation about staffing patterns and budget allocations in the period leading up to and following the implementation of SB 1041. In addition, we may find that some of the data needed to measure impact within the six focal counties (e.g., detailed data about staffing changes and distribution) are only available as part of departments' internal databases or working files. Thus, as part of the key informant interviews, we will ask the interviewees to also provide us with access to the data files they maintain to manage their areas of responsibility, which will enable us to collect more detailed data within the six focal counties.

State and County Administrative Data

The recipient status study and the recipient tracking study will draw from state and county administrative data. Furthermore, state and county administrative data will be a major source of data for the impact study for participants. No single data source provides all of the information necessary to address the evaluation's research question. For this reason, we will combine data from multiple sources to form a rich database for analysis. We will use the full range of CDSS individual-level databases and the individual-level databases maintained by the three Statewide Automated Welfare System (SAWS) county consortia: the Welfare Client Data System Consortia (CalWIN), Consortium-IV (C-IV), and the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) system.¹ Table B.3 summarizes these and other administrative databases that will inform the analyses. For each data source, the table lists the population covered, the unit of analysis and frequency, and the available measures.

¹ Statewide administrative data are being provided to the study team under terms of the project contract. The study team will negotiate individual memorandums of understanding with each of the county consortia to obtain the SAWS data.

Table B.3. Sources of CDSS and County Administrative Data

Data Source	Coverage	Unit Level/ Frequency	Available Data Constructs
CDSS Individual-Level Databases			
Medi-Cal Eligibility Data System (MEDS) Longitudinal Database & Monthly Extract Files (MMEF)	All AFDC/TANF/CalWORKs participation since 1987	Individual level/ monthly	Aid history, demographics, county codes
Employment Development Department (EDD) Base Wage Match	All CalWORKs adults since 1993	Individual level/ quarterly	Employment, earnings, unemployment insurance benefits
Welfare Data Tracking Implementation Project (WDTIP)	Aided adult TANF/CalWORKs participants since 1998	Individual level/ monthly	Time clock, program participation, exemptions
Research and Development Enterprise Project (RADEP)	Annual (FFY) representative sample of about 3,500 CalWORKs cases since FFY 2007	Individual and case level/annual	Demographics, sources of cash assistance, earnings, other income sources
County Consortium Individual-Level Databases			
Statewide Automated Welfare System (SAWS) Welfare Client Data System Consortia (CalWIN) Consortium-IV (C-IV) Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)	All participants: CalWIN since 2006; C-IV since 2004; LEADER since 2001	Individual level/ monthly	Public assistance and employment program participation; measures of time accumulation, exceptions, exemptions, sanctions, and eligibility status variables; actual amounts of monthly CalWORKs benefits received
CDSS Aggregated Reports and Other Administrative Data			
CA 237 CalWORKs Cash Grant Movement Report	All applicants and participants since 1999	State level/ monthly	Caseload status
CA 253 CalWORKs Report on Reasons for Discontinuances of Cash Grant	All participants since 1999	State level/ monthly	Case discontinuance
CA 255 CalWORKs Report on Reasons for Denials and Other Non-Approvals of Cash Grant	All applicants since 1999	State level/ monthly	Applicant denials
WTW 25 and 25a CalWORKs Welfare to Work Activity Report	Participants required to participate in WTW since 1999	State level/ monthly	WTW activities, exemptions, terminations
County Expense Claiming (CED) System	All counties in the state	County level/ monthly	Administrative expenditures

Among the individual-level databases maintained by CDSS, we will use the Medi-Cal Eligibility Data System (MEDS) data to establish the evaluation's study population, identified as

individuals participating in the CalWORKs program (either prior to or after SB 1041 implementation) and their families. After identifying individuals in this population, we will merge information from other data sources to form a complete record for each CalWORKs participant. We will also use MEDS data for sampling participants to take part in the CalSES.

The Welfare Data Tracking Implementation Project (WDTIP), a statewide welfare time-on-aid tracking and reporting system, will provide information to inform the research questions related to participant status and the time clock for aided adult participants in CalWORKs. The relevant participation status information includes involvement in a WTW plan, program discontinuance information, current employment status, and types of support services received. WDTIP also tracks cumulative time toward the WTW 24-month, CalWORKs 48-month, and TANF 60-month clocks, including sanction, exemption, and exception information.² We anticipate that these data will provide the bulk of the information to address the evaluation's research questions; however, the WDTIP data system does not contain some necessary data, such as child-only cases and specific WTW activities and services.

Another data source is administrative systems used by the counties. Data for the individual counties are managed by the three consortia that compose the SAWS: CalWin, C-IV, and LEADER. Data from these systems will be critical for measuring the actual amounts of assistance that CalWORKs participants and their families receive, assessing the impact of SB 1041 on populations not included in WDTIP (e.g., child-only cases), and supplementing WTW program participation, participation in specific WTW activities and services, and sanction information.

In order to get information about the employment and earnings of CalWORKs participants (while they are participating in CalWORKs, as well as before and after), we will use data from the EDD's data systems. These EDD data also provide information on participants' eligibility for and use of unemployment insurance benefits.

While the data sources listed in Table B.3 will provide most of the data used for the evaluation, other data sources may be used, particularly for assessing the quality of the individual-level data and our management of it. The Research and Development Enterprise Project (RADEP) uses an annual representative sample of CalWORKs cases for federal reporting purposes and will be useful as a point of comparison with our compiled data and some of our findings. Furthermore, a series of county-level data tables (e.g., WTW 25 and 25a) are produced by CDSS that contain full-population information about caseloads, discontinuance counts, applicant denials, WTW activity, and a variety of other salient county-level statistics. These county-level reports, as with RADEP, will allow us to assess our treatment of the individual data sources and shed light on the consistency of the information provided at higher levels of aggregation, such as state- and county-level caseload reporting.

² WDTIP does not currently contain the WTW 24-month time clock for Los Angeles County.

California Socioeconomic Survey

The administrative data will allow an examination of the subset of outcomes of interest for the SB 1041 evaluation. The CalSES will extend the range of outcomes that can be examined by collecting data for a sample of CalWORKs recipients, with a focus on those topics not covered by the administrative data. For four CalWORKs entry cohorts from 2011, 2012, 2013, and 2014, we will select a representative sample of 1,500 CalWORKs recipients in our six focal counties; we will interview them in three annual waves in the first quarters of 2015, 2016, and 2017. As discussed further in Appendix C, sample members who entered CalWORKs in 2011 and 2012 will serve as the control group, against which we will compare the experiences of sample members who entered CalWORKs in 2013 and 2014, who will serve as our treatment group. In this quasi-experimental framework, the control group ($N = 750$) experienced the program prior to the changes associated with SB 1041 were implemented, and the treatment group ($N = 750$) experienced the program following the changes associated with SB 1041.

A wealth of information will be collected through a telephone survey, including outcomes such as employment and training, income and material hardship, health, housing conditions, child and family well-being, and CalWORKs program experiences. Such information is limited or lacking in administrative data sources, so this survey will provide unique insight into the lives of California families attempting to gain economic footing with assistance from the state. In following the sample members longitudinally, we will be able to assess the dynamics of their program participation in the changing context of their work and family lives.

A central policy question that will be addressed by the CalSES is: To what extent is CalWORKs improving the social, emotional, cognitive, and physical well-being of children and youths living in families whose parents receive aid from the state? To help answer this question, the CalSES will include a series of questions about parenting, child care, and child well-being that will be asked of all 1,500 sample members. Additionally, the CalSES will include a child supplement in which a subsample of approximately 1,000 households will be visited for an in-person interview. As part of this visit, a child living with the recipient between the ages of two and 12 will be randomly selected and administered cognitive and developmental assessments.

CalSES Cohort and Panel Structure

As shown in Table B.4, the CalSES will include four entry cohorts of CalWORKs participants, drawn from data covering the first quarters of 2011, 2012, 2013, and 2014. The CalSES will follow families in three survey waves covering a three-year period as they adapt to the new regulations of SB 1041. Wave 1 will take place in the first quarter of 2015 (February to May). All four cohorts will be interviewed again in wave 2 (first quarter of 2016) and in wave 3 (first quarter of 2017). Table B.4 also shows the expected sample sizes, starting with 375 individuals in each CalWORKs entry cohort (a total of 1,500 cases) and assuming a 90-percent follow-up

rate across the waves. We expect to achieve this rate, if not higher, based on prior experience with longitudinal surveys of CalWORKs recipients (Reardon, DeMartini, and Klerman, 2004).

Table B.4. CalSES Cohort and Panel Structure and Expected Sample Sizes

CalWORKs Entry Cohort	Wave I: First Quarter of 2015	Wave II: First Quarter of 2016	Wave III: First Quarter of 2017
First quarter 2011	375	338	304
First quarter 2012	375	338	304
First quarter 2013	375	338	304
First quarter 2014	375	338	304
Total across all cohorts	1,500	1,352	1,216

CalSES Sample

The CalSES will draw a random sample of 1,500 CalWORKs recipients located in the six focal counties. The target distribution of sample members across the focal counties is shown in Table B.5. The sample allocation is based on assigning 75 cases to each county and then distributing the remaining cases across counties in proportion to the size of the CalWORKs caseload. This ensures that the two smaller counties (Stanislaus and Alameda) have at least 100 cases in the sample.³

Table B.5. Expected Sample Sizes by County

	Alameda	Fresno	Los Angeles	Riverside	Sacramento	Stanislaus
Sample size	135	165	710	200	175	115

Based on the response rate from similar telephone surveys in California, we will draw the required sample of CalWORKs cases to yield our target sample of 1,500 completed interviews. MEDS will serve as the sampling frame to identify individuals in the four entry cohorts of CalWORKs recipients: 2011 entrants, 2012 entrants, 2013 entrants, and 2014 entrants. Each cohort will be selected from the pool of first-time CalWORKs recipients entering the program during the first quarter of the calendar year. After the sample is randomly drawn, it will be assessed to ensure that it is representative of the overall CalWORKs caseload in the six focal counties in terms of age, ethnicity, gender, and language (key demographic characteristics that are maintained in the MEDS data). Should the distribution in the sample not align with the recipient population in these focal counties, it will be redrawn until it does.

³ Survey weights can be applied for analyses that seek to present results that are representative of the caseload across the six focal counties.

Once the final sample is selected from MEDS, RAND will coordinate with the six focal counties and the three county consortia to obtain the addresses and telephone numbers (when available) of sampled individuals as of the last time they received cash aid. Many of those no longer receiving cash aid will still be receiving MediCal or CalFresh. For them, current address and telephone information should also be available. Our experience in studying disadvantaged populations receiving government assistance suggests that even for those currently receiving some form of aid (who therefore have current records in the administrative data systems), many of the telephone numbers and some of the addresses will be missing, and a sizable fraction of the addresses will be invalid or no longer current. Furthermore, some former recipients of cash aid (such as those in the 2011 and 2012 entry cohorts) will no longer be in contact with the welfare system. For these sample members, use of labor-intensive tracking methods based on last known address will be required.

Survey Content

We expect the baseline survey of the focal CalWORKs participant to include 11 modules, listed in Table B.6. The survey is being strategically designed to elicit rich, comprehensive data by using questions, prompts, and survey modules from high-profile studies of welfare populations in California and around the country. These studies include:

- The California Health and Social Services Survey (conducted as part of RAND's initial evaluation of CalWORKs): 2,905 recipients were interviewed in 2000–2001 (Reardon, DeMartini, and Klerman, 2004).
- The Los Angeles Family and Neighborhood Study (conducted by the RAND Corporation and the University of California, Los Angeles [UCLA]): 3,250 households in Los Angeles were followed between 2000 and 2001 and 2006 and 2008 (Sastry et al., 2006).
- The California Health Interview Survey (conducted by UCLA): this is an ongoing cross-sectional study of 50,000 Californians (UCLA Center for Health Policy Research, 2012).
- The Fragile Families and Child Wellbeing Study (conducted by Columbia and Princeton Universities): 5,000 children born in large U.S. cities between 1998 and 2000 were interviewed throughout childhood and are currently being followed into adolescence (Center for Research on Child Wellbeing, undated).
- The Welfare, Children, and Families Three City Study (conducted by Duke University, Harvard University, Northwestern University, Johns Hopkins University, and the University of Texas): 2,400 households with children in low-income neighborhoods in Boston, Chicago, and San Antonio were followed between 1999 and 2006 (Johns Hopkins University, undated).

Following a review of the instruments used in these studies, we will develop a survey instrument that uses the most-appropriate questions for our study population and our research questions. By including key items from these surveys, we will be able to make strategic comparisons with similar study populations, which will extend the breadth and utility of the data.

Table B.6. CalSES Adult Interview Modules

Module	Module Content
Household module	Who is living in the household and how household members are all related to the recipient; basic demographic information for all household members
Welfare module	Recipient's knowledge of the CalWORKs rules and his or her participation in WTW programs, receipt of benefits, and other means-tested benefits received
Employment module	Recipient's labor force participation, including employers, wages, spells of unemployment, job-training activities, and job-search activities
Transportation module	How the recipient commutes to and from work
Education module	Recipient's educational attainment to date, as well as current enrollment in school
Economic resource module	Recipient's income, assets, and insurance; experiences of financial hardship and resource scarcity
Housing module	Recipient's dwelling and neighborhood, including their conditions, quality, and safety
Health module	Recipient's mental and physical health, health care use, and health risk behaviors (e.g., drinking and drug use)
Personality module	Aspects of the recipient that influence decisionmaking, perceptions of risk and opportunity, and life planning, such as measures of optimism, control, mastery, and financial literacy
Noncustodial parent module	If relevant: demographic, employment, education, and health questions about the noncustodial parent
Child module	Recipient's child's/children's schooling, health, and behavior; child care; and parenting

The child module will be asked of all sample members. However, to more deeply understand child development and well-being in the context of the CalWORKs program, we will administer a battery of assessments to a subset of 1,000 children. For this child supplement sample, a focal child between the ages of two and 12 will be randomly selected from among the respondent's minor children. Cognitive assessments will be performed using subtests of the Woodcock Johnson Achievement Test and the Peabody Picture Vocabulary Test. Executive function skills will also be assessed, and the child's height and weight will be recorded using standardized measuring equipment. Additionally, the parent will be asked to report on the child's socioemotional health by filling out the Child Behavior Checklist—a widely used method of identifying problem behavior in children. During the visit, the interviewer will independently evaluate the cognitive stimulation and emotional support provided by a child's family using the Home Observation Measurement of the Environment—Short Form (HOME-SF).

Overview of CalSES Field Procedures

All three survey waves will be conducted by telephone by RAND's Survey Research Group using computer-assisted telephone interviewing (CATI). The survey will be administered in

English and in Spanish, and a cash gift will be provided as an incentive to participate.⁴ The survey will be structured to maximize information already contained in the MEDS data and in the county consortia data. The child supplement will be administered via in-home visits scheduled at the conclusion of the telephone surveys. The family will receive an additional cash gift to incentivize participation. During this visit, the trained survey administrator will administer the different child assessments described earlier and perform the weight and height measurements. Following data collection, we will merge state and county administrative data into the CATI survey data system to construct detailed welfare and employment histories (in addition to retrospective data collected in the surveys). The linked administrative data set will be used to model any selectivity in patterns of item nonresponse or attrition from the sample over time.

Nationally Representative Survey Data

The evaluation will also draw on existing secondary data, namely the CPS, which provides repeated cross-sections of nationally representative samples covering California and other states. The CPS collects data regarding approximately 60,000 households in 792 sample areas across the country. The U.S. Census Bureau, using a scientifically selected national sample of residential housing units, with coverage in all 50 states and the District of Columbia, conducts the survey for the U.S. Bureau of Labor Statistics. The CPS provides measures for a number of the outcomes of interest, including employment and earnings, income and poverty, family structure, and residential instability, and it allows us to compare outcomes for CalWORKs recipients with their counterparts in other states who experience alternative policy regimes.

⁴ All cases will be eligible for sampling, regardless of primary language. According to data from the 2004 CalWORKs Characteristics Survey (CDSS, 2005), approximately 6 percent of one- and two-parent CalWORKs cases had an adult recipient who did not speak English or Spanish as his or her primary language. In sampled cases where the respondent speaks another language, we expect some to be able to speak English well enough to participate in the survey, or we may be able to have another household member serve as a proxy respondent. We will track all cases where language is a barrier to participation in the survey, and in all reports we discuss the implications for the representativeness of the survey results.

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Appendix C. Analytic Approach

This appendix provides additional detail on the overall analytic approach to the SB 1041 evaluation and the approach to each study component shown in Figure 3.1 and Table 3.1 in Chapter Three. We begin with the two components that focus on CalWORKs administration: the process study and the impact study for county welfare operations. We then turn to the three components that focus on CalWORKs participants: the recipient status study, the recipient tracking study, and the impact study for CalWORKs recipients. Table C.1 provides an overview of how each study component will draw on a set of indicators or outcomes based on the data sources described in Appendix B.

Process Study

The process study data and information collected from the six focal counties, augmented by results from the 58-county ACS and state-level interviews, will allow us to build a robust picture of variation in implementation and service delivery after SB 1041 began (see Table C.1). Overall, we will attempt to relate such intercounty variation in reorganization and service delivery to the characteristics of the counties—political orientation, size, per-capita wealth, geography, the industrial composition of employment, and the level of and recent changes in the local labor market. Later, in the two impact study components, we will also use the results of the process study data analysis to help explain variation in impacts on county operations and recipients and to develop specific policy recommendations related to those findings.

Analysis of Literature and Document Review Data

As part of the process study, we will produce a description of the county-level implementation of SB 1041. This description will trace the adoption and adaptation of the program in the counties. To do so, we will conduct a content analysis of official SB 1041 implementation plans developed by the counties and submitted to CDSS. We will examine these plans in the context of what we know about these counties and their leadership to see whether the type of plan varies as a function of county characteristics. The most important objective of this literature and document review is to develop sophisticated ACS and focus group data collection instruments, whose data effectively complement what is already available in submitted plans.

Table C.1. Evaluation Components, Indicators or Outcomes, and Sources of Data

Indicator or Outcome	State-Level Interviews	Focal County Data	Administrative Data	Survey Data
Process Study				
State communication with counties and county comprehension	I	I, F, R		ACS
County communication with staff and staff comprehension	I	I, F, R		ACS
Staff communication with recipients and recipient comprehension	I	I, F, R		ACS
County reorganization to implement SB 1041	I	I, F, R		ACS
Cross-county variation in delivery and coverage of services	I	I, F, R		ACS
Coordination of services, agencies, programs, and staff to implement	I	I, F, R		ACS
Impact Study for County Welfare Operations				
Staffing levels and distribution		I, R		ACS
Budgetary resources available from the state and the counties		I, R		ACS
Payments for child care, transportation, and other supportive services		I, F, R		ACS
Provision of WTW activities (including WTW plans and assessments)		I, F, R		ACS
Recipient Status Study				
Total eligible and participating adults			S	
Total applications received, approved, or denied			S	
Average time receiving assistance			S	
WTW activity participation			S	
Total exemptions from WTW activities			S	
Total number and reasons for not completing WTW plans			S	
Total exits from the program and reasons for exits			S	
Total extensions, reasons for extensions, and length of extensions			S	
Recipient Tracking Study				
Timing and continuity of services receipt			S, C	
Timing of reengagement among formerly exempt			S, C	
Timing and continuity of employment			S, C	
Provision of services to pre-SB 1041 recipients			S, C	
Activities after reaching 24-month time clock or exiting			S, C	

Table C.1—Continued

Indicator or Outcome	State-Level Interviews	Focal County Data	Administrative Data	Survey Data
Impact Study for CalWORKs Recipients				
Number of families (adults and children) participating			S	CPS
Participation and completion of WTW activities			S	CalSES, CPS
Time-clock status, sanctions, and exceptions/exemptions			S	CalSES
CalWORKs cash aid and other means-tested benefits received			S	CalSES, CPS
Identification and treatment of barriers to employment				CalSES
Employment and earnings			S	CPS
Self-sufficiency			S	CPS
Family income and poverty				CalSES, CPS
Family structure				CalSES, CPS
Residential instability				CalSES, CPS
Family nutrition				CalSES
Child well-being, including abuse, neglect, entry into foster care, developmental indicators, and educational performance			Other	CalSES

NOTES: I = interviews at state or county level with key informants; F = focus groups with caseworkers and recipients; R = welfare office budget, staffing, and other administrative records; S = CDSS welfare administrative data and EDD employment data; C = county consortium welfare administrative data; Other = other administrative data where feasible to obtain and match (e.g., foster care, school records).

Analysis of the ACS

We will conduct a descriptive analysis of the ACS, which will enable us to summarize (1) the implementation status of key components of the legislation across the 58 counties; (2) how implementation has evolved over time; (3) organizational and administrative changes made to facilitate SB 1041 implementation; (4) problems and characteristics that served as barriers or facilitators in the implementation process; and (5) approaches for addressing and leveraging them. Importantly, because the ACS will be fielded two years following the implementation of SB 1041, which started in January 2013, we will not be capturing data about the early experiences of counties in implementing these reforms. However, the ACS will include some questions to retrospectively capture information about early implementation experiences, and it will also provide an updated snapshot of the current status of implementation. The analysis will also describe how counties use partnership arrangements with other agencies and service providers to effectively implement their intensive WTW services in the face of reduced budgets and staff resources. We also will examine the extent to which state and county data systems

effectively support SB 1041 implementation, specifically as it pertains to the monitoring of recipient participation in WTW and employment activities, and to the maintenance and communication of recipients' status vis-à-vis the different time clocks. The maintenance and communication of time clocks was flagged as a continuing challenge in earlier evaluations of CalWORKs (as well as similar studies conducted in other states).

Analysis of Interview and Focus Group Data

Qualitative data from state-level and focal county interviews and the caseworker and CalWORKs participant focus groups will be analyzed using four steps: (1) identify general themes through reviewing notes and highlighting relevant quotes, and identify where there are differences in perspectives; (2) develop and apply a codebook that defines these themes, specifies inclusion and exclusion criteria for them, and provides examples; (3) describe the manifestation of the themes in each wave of qualitative data by retrieving all the instances of each theme; and (4) summarize patterns of qualitative findings within groups and across them. For caseworkers, for example, we expect to describe the degree to which they buy into the SB 1041 goals; the impact of the legislation on their roles and responsibilities; what changes they actually made, if any, in their daily activities; and their views regarding the impact of the legislation on CalWORKs participants. For CalWORKs participants, we anticipate coding themes related to participants' understanding of the SB 1041 changes to CalWORKs, how it affects their activities and ability to access services and to meet WTW requirements, how helpful their caseworkers have been in steering them through the new requirements, and their perceptions of their likely future courses. For county interviewees, we expect to describe similarities and differences across the focal counties in organizational changes made, the type of coordination activities undertaken, factors that were facilitators or barriers in implementing SB 1041 reforms, the type of training provided to eligibility staff and caseworkers, and views regarding how well staff and CalWORKs participants understand these changes. Classic content analysis will be used to systematically code these data, allowing us to identify key themes and issues across the different focus groups and interviewees.

Interviews with other county agencies, service providers, and planning councils (along with review of relevant documents) will allow us to describe variation in coordination across the six focal counties, key factors associated with particularly effective coordination, and remaining coordination challenges.

Impact Study for County Welfare Operations

The goal of the impact study for county welfare operations is to assess the impact of SB 1041 on staffing, resources available from the state and counties, payments for child care and other supportive services, and provision of WTW activities, as well as other county welfare operations. To do so, we will conduct analyses that examine the impact across the 58 counties and conduct

in-depth assessments of impact within the six focal counties (see Table C.1). The county operations impact analysis design has four components that together will allow us to isolate SB 1041 program effects and rule out alternative explanations for the changes in county operations that we observe, namely: (1) extensive use of long time series of administrative program data; (2) detailed analysis of staffing decisions and budget allocations in the six focal counties; (3) ACS and focal county staff interviews and focus groups, conducted for the process study; and (4) careful triangulation of findings across different qualitative and quantitative evaluation activities. We discuss each of these in turn.

Analysis of Administrative Program Data

By systematically analyzing changes in the timing, intensity, and nature of the interactions between CalWORKs staff and recipients, it is possible to generate a comprehensive picture of how county CalWORKs agencies work with recipients, at the individual recipient level. While this picture is necessarily incomplete (capturing only the bureaucratic side of these interactions), the advantage of using these data is that they will likely be widely available, cover large portions of the caseload at any point in time, and can be analyzed using comparative cohort analyses that are similar to those used in the impact study for CalWORKs recipients. Thus, for example, if we observed changes in the WTW service receipt, work participation, and sanctions that coincided with the introduction of SB 1041 and strengthened as SB 1041 was rolled out in 2013 and beyond, we could attribute those changes to SB 1041 once we control for economic trends, changes in caseload composition, and other external factors. Such controls are far more effective in large longitudinal data systems that cover many counties than in analyses that more narrowly focus on a small sample of counties and a few cohorts of recipients.

Analysis of Staffing and Budget Allocations

Using the data about staffing and budgets that we obtain for the six focal counties, we plan to further document the effects of SB 1041 through a “follow the money” analysis that explicitly examines how counties change how they allocate staff and other resources in response to the mandate to implement SB 1041 (Brecher et al., 2005). Such an analysis goes beyond asking managers and staff about their plans and intentions; it more objectively documents how those plans affect actual resource decisions within the fiscal constraints facing counties and their CalWORKs agencies.

Analysis of ACS and Focal County Interview and Focus Group Data

As summarized regarding the process study, we will perform descriptive tabulations from the ACS and, for the interview and focus group data, use qualitative methods involving classic content analysis to systematically code these data. This will allow us to identify key themes that emerge and to identify similarities and differences across the different sources of qualitative data. The findings from the process study will assist us with the interpretation of the analyses of the

administrative data sources. For example, we may learn about factors that facilitated or hindered connecting recipients to resources, changes in the quality of staff interactions with CalWORKs participants, and remaining challenges in implementing SB 1041.

Triangulation

Because none of the organizational impact measures described here capture the full extent of SB 1041's impacts on county operations, we will carefully triangulate the results from all three of these components to build a complete organizational impact assessment for SB 1041, including examples of outstanding achievements, as well as examples of where financial and organizational constraints may have prevented SB 1041 from reaching its full potential. By systematically comparing and contrasting the messages of the different study components highlighted here, we seek to build a valid and representative assessment of SB 1041's impacts on county CalWORKs operations.

Recipient Status Study

The goal of the recipient status study is to use existing CDSS and county-level administrative data to measure various indicators for current and former welfare participants at a point in time so as to address the recipient status study questions listed in Chapter Three. To accomplish this objective, we will measure participant status as of June in each year (2014, 2015, 2016, and 2017), thereby providing an annual snapshot at the end of the state fiscal year. This component relies on much of the same administrative data as the recipient tracking study and the impact study for CalWORKs recipients, so these efforts are closely related (see Table C.1).

Our primary focus of the recipient status study will be to use data from MEDS, WDTIP, and other statewide data systems, supplemented with SAWS data as needed, to create an annual cross-sectional snapshot of the full CalWORKs caseload. Analytically, we will divide the caseload into three groups:

1. adult recipients participating in CalWORKs before January 1, 2013
2. adult recipients participating in CalWORKs after January 1, 2013, and participating within the WTW 24-month time clock
3. adult recipients participating in CalWORKs after January 1, 2013, and participating after exhausting their 24-month time clock.

The last two groups constitute new CalWORKs participants who started or will start their current spell on assistance after SB 1041 took effect.

Within each of these three groups, we will then report on a range of activities, CalWORKs experiences, and categorical distinctions characterizing these cross-sectional snapshots of participants. At a minimum, we will report the following for all three groups:

- the number of caseloads classified as child-only, CalLearn, and WTW
- the distribution of WTW participants by the activities in which they are participating

- the number of WTW participants exempt from participating
- the average time that families receive assistance
- the number of WTW families who (effectively) complete their WTW plan and exit CalWORKs as a result of earned income or other factors
- the number of participants who do not complete their WTW plans and the distribution of these individuals by the barriers they face.

For those eligible for CalWORKs before SB 1041 (group 1 above), we will report

- the number who were eligible to be reengaged as of January 1, 2013
- the number already reengaged.

For those eligible for CalWORKs after SB 1041 (groups 2 and 3 above), we will report

- the number of adults who reach the WTW 24-month time clock but are granted an extension, and the distribution of those individuals by the basis for their extension and the average length of the extension
- the number of adults who reach the 24-month time clock and who exit the WTW program
- the number of adults who are participating after the 24-month clock has expired
- the number of adults who have received exemptions from participation.

As we obtain the data and further understand the available indicators, we will work to precisely define these activities and distinctions so that they align with SB 1041's reporting requirements and are useful to CDSS for planning and policy purposes. For example, we will specify the different types of WTW activities that are most relevant for annual reporting and tracking across years. We will similarly clarify the analysis of exemptions to track exemption reasons, if possible. Other important indicators to be included in these reports concern the caseload dynamics within the population of CalWORKs participants: how long families receive assistance, how often participants leave for employment, how close they get to reaching the 24-month CalWORKs WTW time limit or the 48-month limit for receiving any TANF benefits, and how many cases are converted into child-only safety-net cases because the adults time out altogether. Throughout our analyses, we will recognize that CalWORKs adult recipients will cycle on and off aid and into and out of statuses that stop the time clock (e.g., exemptions, sanctions). Thus, we will need to account for the fact that recipients who entered CalWORKs in the same month or quarter will reach the 24-month time limit at different time points, depending on these caseload dynamics.

For participants who do not successfully complete their WTW plans, we will explore what reasons may be behind such a lack of success, including individual educational and language barriers, health needs (including those facing children in the family), disabilities, and domestic violence. If such analyses are not possible with the state administrative data, we will carry out more-in-depth analyses of these barriers in the six focal counties, where we will have access to detailed county data that may not be available to CDSS and where we will also have data from the CalSES. The CalSES data covers a representative sample of CalWORKs participants up to three points in time and will support the impact study for CalWORKs recipients.

An important component of the work involved in accessing these data and analyzing repeated cross-sectional snapshots of the CalWORKs caseload is assessing and improving the quality and consistency of the data. We will work with CDSS and our focal county contacts to systematically validate the individual data elements that are used in this evaluation component. To make the work efficient and to build in lasting sustainability, we will create a comprehensive longitudinal data system for these reports, which will build on existing CDSS data resources, including MEDS and WDTIP. At the end of our project, we will make this data system available to CDSS so that CDSS staff and analysts can continue to generate these periodic participant status reports and have well-defined tools and procedures to validate and summarize these data for policy analysis.

Recipient Tracking Study

The recipient tracking study will complement the information provided by the recipient status study, which looks at levels of participation at specific points in time. The recipient status study focuses on examining aggregate levels of participation or the number of individuals in various statuses at points in time, but it does not reveal the temporal complexity that participants in the CalWORKs program may experience. The recipient tracking study adds this temporal component, with analyses of state and county administrative data (see Table C.1). Like the recipient status study, the recipient tracking study will be based on administrative data analyzed as of a given point in time for a total of four annual analyses. The first analysis will use administrative data through June 2015. The findings will be updated a year later with data through June 2016. A third round of analyses will use data through June 2017.

Analyses will be structured around key provisions of SB 1041 that have critical time-varying dimensions: the time clock, weekly work participation requirements, and the young child exemption. To address the study's research questions regarding SB 1041, the goal of the recipient tracking study is to measure and report on

- the timing and continuity of service receipt among new participants and among ongoing participants (both those entering before and after January 1, 2013)
- the timing of reengagement and services received among those previously exempt due to young children
- the timing and continuity of employment among new, ongoing, and previously exempt participants
- the outcomes for adults who reach the 24-month time clock or who exit CalWORKs.

Additionally, we will measure and report on

- the probability that participants will remain in the program, “stop the clock,” or exit the program contingent on their current months of participation and their total cumulative months of participation per their individual time clocks
- the probability that participants will remain in the program, stop the clock, exit the program, or request an extension contingent on their fulfillment of their hourly work

participation requirements, as well as the total cumulative months of hourly work participation; where applicable, we will disaggregate between core and noncore activities

- the probability that participants will remain in the program, stop the clock, exit the program, or request an extension contingent on the ages of their children and their usage of the one-time young child exemption.

Data for the recipient tracking study will come from both state and consortia administrative data. Specifically, we will integrate and analyze the MEDS, WDTIP, and the SAWS county consortium data (CalWIN, C-IV, and LEADER). We anticipate that the MEDS and WDTIP data will form the foundation for this analysis, allowing us to document dates of enrollment, time-clock information, and exemptions, while linking to key pieces of sociodemographic information (e.g., age, language spoken, and location). We will augment these data files with variables available from the county consortium data sources to include time-varying information regarding county-specific caseload information, such as benefits, services, and support from other public assistance programs. We may supplement these data with data from other sources, such as EDD.

Analysis for the recipient tracking study will compare three groups of participants. The first group includes program participants who entered and exited CalWORKs prior to SB 1041 implementation. Examining this group will allow us to establish a baseline of how individuals flowed through the program prior to the recent reforms. The second group includes participants who entered into CalWORKs before January 2013 and continued to remain in the program after SB 1041 implementation. The third group entered and experienced CalWORKs entirely after the SB 1041 implementation. For each of the annual analyses, we will add additional years of data and update the analysis so that we may report on group comparisons and changes in the program throughout the course of our evaluation.

To prepare for analysis, we will calibrate the administrative data files into a participant-month format so that we have a monthly record for each participant in the system. For each monthly record, we will identify time-varying information, such as their cumulative progress through the program as of the indexed month, their current enrollment status, their service receipt histories, their employment histories, and the number of months remaining on their time clock. This participant-month file will form the foundation for estimating multistate life tables.

Analyses will make use of a life table analytic method common in demography and epidemiology to illustrate the antecedents to and consequences of program uptake at different points in time throughout the course of participants' participation in CalWORKs. The method models the movement of individuals between different statuses, or states (e.g., program participant during WTW period, program participant during TANF period, program participant during an extension, temporarily exempt, exit the program). Constructing life tables will permit us to estimate transition probabilities for CalWORKs participants across these different states as participants are subject to rules that change (e.g., WTW period versus TANF period) per the provisions of SB 1041. This will allow us to assess how slowly or quickly participants are receiving services, integrating into the labor market, and transitioning off of the program relative

to changes in the time-clock rules, their weekly work requirements, and their eligibility for the young child exemption.

In technical terms, the input to the multistate life tables include a set of age-specific rates of interstate transfer—for example, transfers from State A (program participant during TANF period) to State B (program exit). Each transfer rate can be determined by summing the number of observed transitions—for example, from State A to State B—that occur between program month X and program month $X + 1$, and dividing that by the number of total participants in State B between program month X and program month $X + 1$. We will use data from the participant-month file on periods of program participation to calculate both the number of transitions between states and the state-specific exposure in each program month. In our reports, all analyses will be presented in nontechnical, straightforward terms, while specific details of the methodology will be documented in appendixes.

These analyses will be critical from a policy and programmatic perspective, as they will highlight key junctures in participants' engagement with the program where the state and individual counties can recalibrate their approach to ensure that participants are receiving the maximum benefit. For example, should these dynamic analyses reveal that participants are most likely to request an extension when their young child exemption expires or when they fall below a certain threshold of hours worked, participant monitoring can potentially be recalibrated to engage participants most at risk to ensure that they progress through and out of the program successfully.

The recipient tracking study provides an opportunity to develop ways for CDSS to continue some elements of this component once the evaluation has ended, since most of the information used for the tracking analysis is maintained systematically by the state. One way to do so would be to develop a dashboard. Dashboards are increasingly common tools used by government agencies at all levels to monitor the status and progress of their programs in real time. We will coordinate with CDSS to calibrate the metrics used in the recipient tracking study in a systematic way so that CDSS can update its systems and produce tracking analyses on a regular basis past the end of the evaluation.

Impact Study for CalWORKs Recipients

The impact study for CalWORKs recipients will use administrative and survey data to document the impacts of SB 1041 and address the questions outlined in Chapter Three. The study will use a multicohort interrupted time series design that compares the experiences and outcomes of a sequence of CalWORKs entry cohorts from 2003 to 2017. The impact analyses will consider the combined effect of the bundle of reforms embedded in SB 1041 (see the discussion in Chapter Two). Where possible, we will also conduct subgroup analyses to assess the separate impact of specific components of the legislation.

Table C.1 shows how the different data sources will be used to create outcomes to be used in the impact study for CalWORKs recipients (note that many of these outcomes will also be relevant for the recipient status study and the recipient tracking study). One class of outcomes can be constructed from administrative data. Among these, the outcomes targeted specifically by the major program changes in SB 1041 include work participation, WTW service receipt, educational enrollment, and CalWORKs program outcomes, such as sanctions and exceptions/exemptions. The next level of outcomes concerns CalWORKs participation more generally, including the amount of cash assistance received (monthly and cumulative), the amount of time CalWORKs participants accumulate toward the 48-month TANF time limit, and the extent to which CalWORKs participants reach that time limit. (A positive benefit of SB 1041 may be that fewer participants reach the 48-month time limit.) A third level of administrative outcomes includes participation in other programs, such as CalFresh, as well as employment and earnings. Those are more distal outcomes of SB 1041, for which impacts may not be observed until after participants are exposed to the program changes for some time.

We now discuss our approach analyzing the administrative and survey data to conduct the recipient impact analysis.

Using Administrative Data to Compare Multiple Cohorts of CalWORKs Recipients

The best way to evaluate the impact of major policy changes such as SB 1041 is to first implement them as a demonstration project and use random assignment to capture the effect of the policy change, as was done, for example, in the evaluations of GAIN, Saturation Work Incentive Model, and National Evaluation of Welfare to Work Evaluation Studies in the 1990s. The advantage of that approach is that it creates a control group, which provides an unbiased counterfactual for the effects of the policy change. Unfortunately, the implementation of SB 1041 does not allow for such an evaluation design. SB 1041 was introduced statewide in January 2013, and county-level implementation is fully under way. Therefore, in theory, all current CalWORKs participants may be affected by the policy change. In the original 1999–2004 evaluation of CalWORKs, RAND faced similar methodological constraints and also used a cohort-comparison design to measure the impacts of CalWORKs (Klerman, Hotz, et al., 2003). However, that study’s authors did not have access to the high-quality administrative data that are available for this evaluation, making our ability to isolate SB 1041 program effects much stronger compared with what was possible with the data available in the late 1990s.

Figure C.1 illustrates how an interrupted time series analysis with multiple entry cohorts works. Each month, a number of new applicants enroll in CalWORKs and begin receiving assistance and WTW services. These new applicants form an entry cohort, whose outcomes can be measured over time. The vertical red bars denote the month the cohort entered the program, which in the left panel is staggered, owing to the multiple entry cohorts within the data file. Cohorts 1 to 4 in the figure entered before the SB 1041 policy change, while cohorts 5 and 6 (shaded in blue) entered after the policy change. As demonstrated in the right panel of Figure

C.1, it is possible to align (or stack) these cohorts so they all start in month 1 and have outcomes measured at points relative to that first month. With these stacked cohorts, it is then possible to compare an outcome in a given relative time period (e.g., month 25) across all available cohorts and create a trend of that outcome over time.

Figure C.1. Illustrative Data Structure and Analysis File Structure for Multiple Entry Cohorts

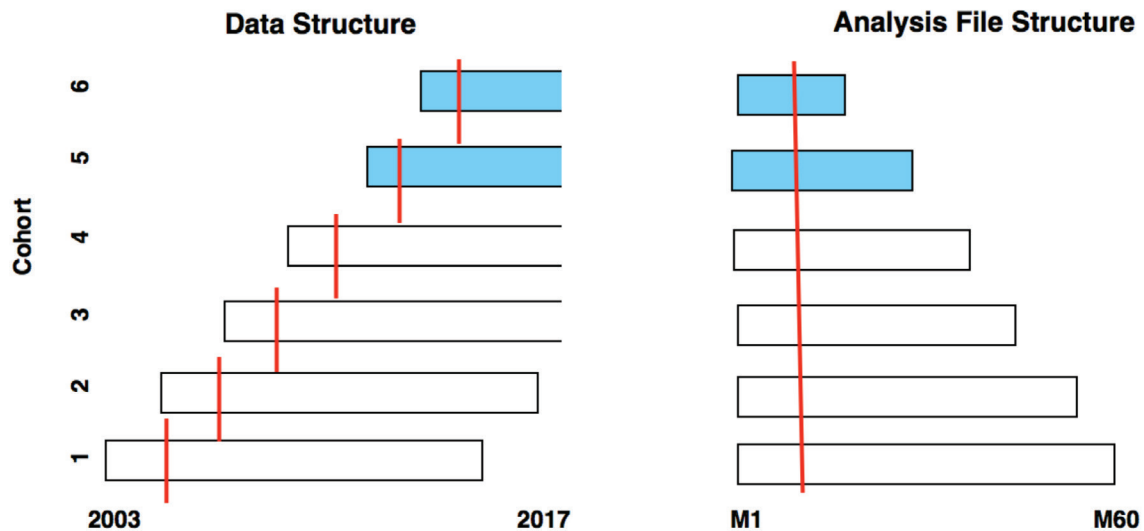
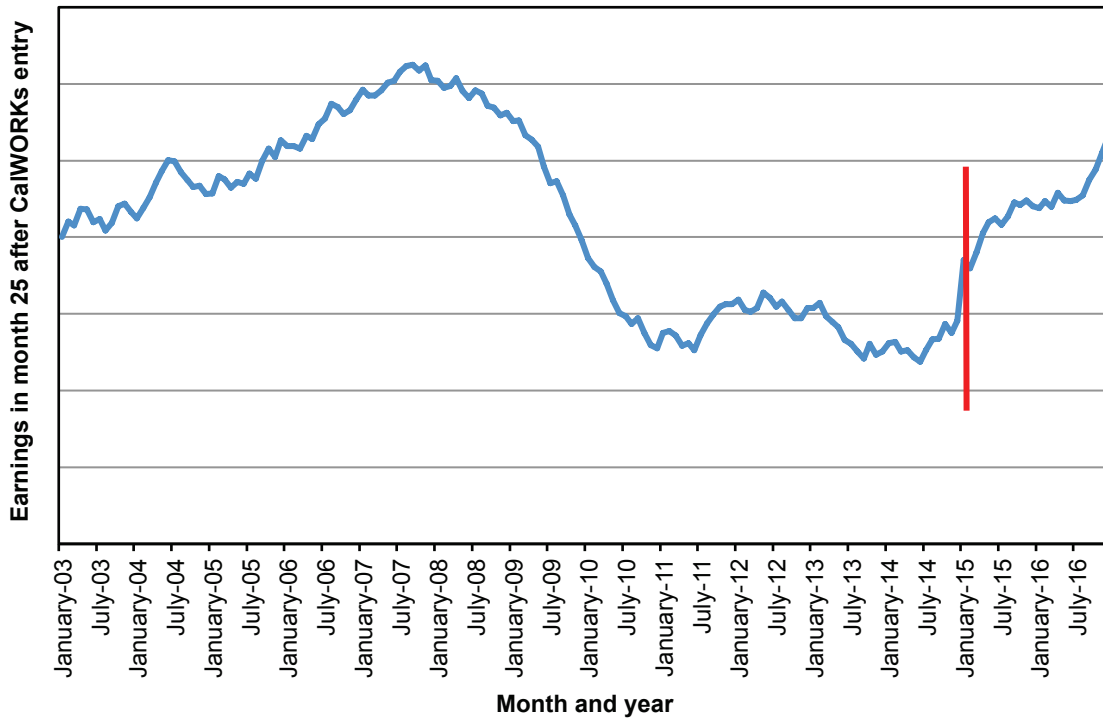


Figure C.2 shows such a hypothetical trend for average monthly earnings in month 25 (derived from simulated quarterly EDD earnings data and expressed in constant 2013 dollars). Here the vertical red bar corresponds to the implementation of the SB 1041 policy changes. By controlling for individual participant background characteristics, calendar time (in an absolute sense), and local economic conditions, it is possible to get a precise estimate of month-over-month changes in the outcomes of different CalWORKs entry cohorts, holding constant the variation in individual backgrounds and macro conditions affecting these outcomes. These analyses benefit greatly from the fact that we have more than 15 years of high-quality data with which to conduct them over the course of the project, extending from 2001 to mid- 2017, covering up to 168 monthly entry cohorts between 2001 and 2014 and with the ability to observe outcomes for at least 30 months for each cohort.

Figure C.2. Hypothetical Cohort Comparison of Earnings in Month 25: Monthly CalWORKs Entry Cohorts from 2001 to 2014



Impact Analysis Using CalSES Data

The overall approach for the impact analysis with survey data is similar to the analysis of the administrative data, and we will also use administrative data as a source of individual background and macro-level trend variables. (We will merge individual survey data and administrative data using identifiers maintained in state and county data files.) As noted in Appendix B, the CalSES will be conducted in the first quarters of 2015, 2016, and 2017. As of wave 1, we will have four years of follow-up since CalWORKs entry for the 2011 entry cohort, three years of follow-up for the 2012 cohort, and two years of follow-up for the 2013 cohort. After three waves of data collection, we will be able to compare five-year outcomes for the 2011 and 2012 cohorts; four-year outcomes for the 2011, 2012, and 2013 cohorts; and three-year outcomes for the 2012, 2013, and 2014 cohorts. In every case, the experience of the earlier cohorts will be the counterfactual for the SB 1041 experience of the later cohorts (controlling for individual characteristics and time-dependent context variables).

One caveat with our survey design is that the 2013 entry cohort is not entirely a “post-SB 1041” cohort. The SB 1041 changes were first implemented during 2013, and some of the changes did not take effect until later in the year. Therefore, for impact analyses that focus on outcomes in year 1 or 2 after respondents first enroll in CalWORKs, we will conduct sensitivity

analyses in which we exclude this 2013 cohort to ensure that SB 1041 receives a fair test after it was fully implemented statewide.

Statistical Methods and Procedures

Equations 1 and 2 formally describe how the cohort comparison impact analyses will be structured based on either the administrative or survey data. We will use nested multilevel models to conceptualize and carry out the data analyses.

First, we will merge administrative data and survey data to create person-level data files, in which each record is tied to the head of a newly opened CalWORKs case (excluding child-only cases). EDD (employment and earnings) data will also be tied to this individual.¹ For each person, this master data file will have a number of longitudinal data vectors containing data on CalWORKs participation, time clocks, sanctions, referrals, services, and other administrative data, including CalFresh participation and EDD records. Next, we will normalize these data so that the administrative data for each person is indexed relative to their first enrollment as the head of a CalWORKs case (as illustrated in Figure C.1). Thus, for example, if someone earned \$1,000 in the quarter following the one in which he or she enrolled in CalWORKs, a quarterly earnings variable EARNQ1 would be created that would capture those earnings. Using the full data available to us, we will create many different vectors of relative variables, which will form the basis for all administrative impact analysis. Also, for each individual, the data files will contain a series of dummy variables identifying which CalWORKs entry cohort he or she belongs to.

Next we will estimate the impact of SB 1041 using a hierarchical linear model (HLM) regression framework to account for the effect of clustering by cohort on the variance structure of the data. In each of the impact analyses, we will include cohort (time)-specific and individual covariates to ensure that the cohorts and the CalWORKs participants in them are as comparable as possible. At the individual level, these variables include measures of prior earnings and employment, age, gender, family size, county, and educational background, if available. At the cohort level, these variables include economic measures (unemployment, average earnings), variables capturing seasonality (especially important in rural areas), and variables capturing demographic trends. For analyses based on the administrative data, we expect to define CalWORKs entry cohorts based on the calendar quarter of entry, with the ability to examine cohorts as far back as 2001, depending on the administrative data source (see Table B.3 in Appendix B). For analyses based on the CalSES, we will have four entry cohorts (entrant cohorts for the first quarters of 2011, 2012, 2013, and 2014).

¹ For two-parent households, we will conduct separate impact analyses to accommodate the more-complex data structure characterizing these cases and to take into account the fact that the program changes affect these cases differently, causing expected impacts to be different as well.

The HLM illustrated in Equations 1 and 2 have two levels, a level for the individual participant and a level for his or her entry cohort. (These models will be refined as the analyses begin, as we learn more about the administrative data systems and their structure.)

$$Y_{ic} = \alpha_{0c} + \sum_1^z \alpha_{xc} X_{xic} + \varepsilon_{ic} \quad (1)$$

$$\alpha_{0c} = \gamma_0 + \gamma_1 T_c + \gamma_2 T_c^2 + \gamma_3 SB1041_c + \sum_4^q \gamma_q E_{qc} + \delta_c \quad (2)$$

In these equations, Y_{ic} is an outcome Y for participant i in cohort c . X_{xic} and E_{qc} are vectors of participant- and cohort-level background variables. The participant-level background variables also include county dummies to ensure that changes in the CalWORKs caseload distribution across counties do not bias the impact estimates. The participant-level Equation 1 includes a cohort fixed effect α_{0c} , which is the dependent variable in the cohort-level Equation 2. That second equation includes two time trend effects, T_c and T_c -squared, and the impact dummy variable $SB\ 1041_c$, whose coefficient γ_3 is the main SB 1041 treatment effect in this system of equations. ε_{ic} and δ_c are random error terms at the two different levels.

By estimating these two equations simultaneously, we ensure that the statistical results are appropriate for the nested nature of the data. Note that the specification of Equation 2 in particular is subject to empirical modeling decisions and may vary across outcomes. For example, in some cases the quadratic form of the time trend T_c may be too restrictive, and in other cases a linear trend may fit equally well. Which variables are included in the vector E_{qc} is also subject to data availability and to the relevance of specific variables E_{qc} to outcome variable Y_{ic} . More importantly, the term $\gamma_3 SB1041_c$ may oversimplify the treatment effect of SB 1041. It is likely that this effect will vary as the program changes mature, in which case additional treatment variables, interacted with T , would be useful to describe how the impacts of SB 1041 vary over time. Note that this setup does not explicitly model the relationship between the outcome in question and individual-level time since entry into CalWORKs. However, the outcomes, Y_{ic} , will all be defined relative to the beginning of the initial receipt of CalWORKs. For example, to examine earnings in the first quarter following entry, the outcome will be the variable EARNQ1. Estimating separate models where the outcome varies by time since entry effectively interacts all the coefficients in Equation 1 with time since entry.

Impact Analysis Using Publicly Available Survey Data

The goal of this analysis is to use information about other states to provide an indication of what would have happened in California had SB 1041 not passed. In particular, we will examine whether SB 1041 resulted in a divergence between California and comparable states in terms of trends in the outcomes of interest (e.g., the employment rate among single mothers with less than a high school degree). Since this analysis will compare the experiences in one state relative to potentially many other control states, it is an ideal candidate for applying contemporary comparative case study (CCS) methods. CCS methods are used to determine the effect of an

intervention applied throughout some aggregate entity, such as a state. The impact of the intervention on some outcome is determined by examining how the trend in that outcome changes when the intervention occurs relative to the corresponding trend in a collection of control units. This approach has been used previously to study the impact of the passage of California’s Proposition 99, a major smoking-cessation program (Abadie, Diamond, and Hainmueller, 2010), and is currently being used by members of the research team in a study of the impact of district-level school reforms.

To carry out this type of analysis, we will use the procedure proposed by Abadie, Diamond, and Hainmueller (2010) in which a synthetic control group (SCG) is chosen by taking a weighted average of a set of comparison states, where the weights are chosen to maximize the resemblance of the SCG and the affected unit. In this context, this means choosing weights so that preintervention trends in outcomes and other baseline variables (including characteristics of states’ TANF programs) in California mirror the trends in the SCG formed from other states as closely as possible. Once the weights are chosen, estimates of the program impact can be computed simply by comparing the outcomes for California and for the SCG.

Formally, the synthetic control method chooses the $(j \times 1)$ vector of weights, W , that minimizes the distance between a $(k \times 1)$ vector of preintervention covariates for the treated district, X_1 , and a weighted combination of the vector for comparison sites, WX_0 . Specifically, the weights are chosen to minimize the distance defined by the expression

$$\sqrt{(X_1 - WX_0)'V(X_1 - WX_0)},$$

where V is a $(k \times k)$ positive semidefinite matrix. The role of the matrix is to assign the relative importance of the matching covariates based on their predictive power of the outcome. Initially, the V matrix is chosen by regressing the outcome in the preintervention period on the $(k \times 1)$ vector of preintervention covariates. Then conditional on the $(j \times 1)$ vector of weights, a nested optimization procedure searches among other potential diagonal V matrices that would further reduce the mean squared prediction error of the outcome over the preintervention period.² This choice amounts to deciding how important a particular covariate is in the determination of the SCG weights. For instance, if the value of the outcome in 2012 (last preintervention year) receives a large weight relative to some other variable (e.g., the state unemployment rate), then the SCG method would “prefer” weights that result in smaller differences in 2012 outcome levels, even if other weights could lead to smaller differences in the state unemployment rate. This procedure will be implemented using the synth STATA software package to carry out these calculations.

² While it would be ideal to incorporate covariance in the V matrix, the current synth procedure does not attempt to perform this analysis.

Unlike the other analyses, which rely on specialized administrative and survey data, only data at the aggregate (i.e., state) level is needed to carry out this analysis. Specifically, this analysis will make use of annual data from the CPS. Specifically, we will construct annual state-level aggregates of outcomes such as employment, earnings, welfare participation, and school enrollment using data from CPS respondents who are at high risk of being on welfare. For instance, this group might consist of single mothers with less than a high school diploma and who have children living with them who are younger than a certain age. Although our main analysis will be conducted using the CPS, we will also explore the feasibility of using other sources of information, such as the Survey of Income and Program Participation (SIPP) or the American Community Survey. The advantage of the SIPP is that it provides repeated measures at the individual level (i.e., panel data), whereas the main advantage of the American Community Survey is that it has a larger sample size than the CPS.

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The California Budget Act of 2012, through a trailer bill known as Senate Bill (SB) 1041, contained significant reforms to the California Work Opportunity and Responsibility to Kids (CalWORKs) program. CalWORKs is California's Temporary Assistance for Needy Families (TANF) program, a central component of the safety net that provides cash aid for low-income families with children. The SB 1041 reforms to CalWORKs aim to engage recipients in more-intensive work activities as early as possible, while also providing more flexibility in work activity options and increased incentives for work as recipients move toward self-sufficiency. The California legislature included a provision in the bill for an independent evaluation to determine if SB 1041 achieves its objectives and if there are any unintended consequences.

Evaluation of the SB 1041 Reforms to California's CalWORKs Program: Background and Study provides background on the SB 1041 policy changes and an overview of the evaluation plan. The authors highlight the factors that motivated the changes to CalWORKs, summarize the key reforms, delineate the questions underlying the SB 1041 evaluation and the evaluation approach, and explain the evaluation timetable, products, and expected utility.

To determine if SB 1041 is achieving its objectives and if there are any unintended consequences, a series of reports will document the way the SB 1041 reforms were implemented across California's 58 counties, how the changes affected the number and composition of CalWORKs recipients and their experience with program services, and the impact of the reforms on families and children, as well as the operations of county welfare offices. The multiyear, multicomponent evaluation will draw on primary and secondary data and employ qualitative and quantitative methods. The project was launched in July 2014 and will be completed in December 2017. Results will be made available through a series of reports released at the end of calendar years 2015, 2016, and 2017.



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