

❖  
2010 – 2012  
Annual  
Comprehensive  
Report

Arkansas  
Department of Workforce Services

Temporary Assistance for Needy Families  
(TANF)

SUBMITTED TO:

The Honorable Mike Beebe, Governor

Arkansas State Senate  
Arkansas House of Representatives  
Public Health, Welfare & Labor Committees

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# **Vision Statement**

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**We envision a TANF program that: Unifies and empowers Arkansas families by providing quality, supportive, and timely services that enable them to become self-sufficient and help them achieve their full potential.**

# **Our Mission**

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**In partnership with all available resources: To guide the operation of TANF-funded programs by creating a high-performing culture that supports strategic planning, innovative policies, effective community partnerships, and data-driven decisions.**

# Introduction

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In 1996, Congress created the Temporary Assistance for Needy Families (TANF) program. This \$16.5 billion a year block grant was enacted under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which replaced Aid to Families with Dependent Children (AFDC) and other related welfare programs.

The Transitional Employment Assistance (TEA) Program was implemented on July 1, 1997, in accordance with Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Arkansas Act 1058, the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997. The TEA Program replaced the Aid to Families with Dependent Children (AFDC) Program as the focal point of the State's welfare reform effort and plays a critical role in the State's mission to strengthen the well-being of children, families, and adults.

Acts 1567 of 1999, 1264 of 2001, and 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program from the Department of Human Services (DHS) to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the DHS - Division of County Operations (DCO), while DWS is responsible for the provision of case management services and overall administration of the program.

Act 1705 also created the Work Pays program which is an extension of the TEA program for former TEA recipients who are working. DWS also has overall responsibility for Work Pays with eligibility determination and benefit delivery remaining with DCO. Both Programs are funded with Federal Temporary Assistance for Needy Families (TANF) Block Grant funds.

# TANF: Family Safety Net

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The federal Temporary Assistance for Needy Families Program was created to help families stay together by empowering family leaders with job skills, resources, and assistance. With that in mind, TANF has four purposes:

- ◆ Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
- ◆ End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- ◆ Reduce the incidences of out-of-wedlock pregnancies.
- ◆ Encourage the formation and maintenance of two-parent families.

Per Arkansas Act 514 of 2007, the State's TANF program is defined as:

1. Transitional Employment Assistance (TEA)
2. Work Pays
3. Career Pathways Initiative
4. Community Investment Initiative

Arkansas created these TANF programs to address the four purposes of TANF. With these innovative programs, Arkansas has transformed public assistance from a system focused on entitlement to one focused on personal responsibility and sustained self-sufficiency. Arkansas has two monthly cash assistance facets to its TANF Program, Transitional Employment Assistance (TEA) and Work Pays.

## **Transitional Employment Assistance (TEA)**

The State-administered TEA program serves families in every political subdivision in the State. TEA is federally funded by the U.S. Department of Health and Human Services under the TANF block grant and is administered by the Arkansas Department of Workforce Services. TEA provides time-limited cash assistance to needy families with (or expecting) children and provides parents work training and other supportive services they need in order to attain permanent self-sufficiency.

In 1996, the welfare reform law changed the welfare system to require participation in activities leading to employment as a condition of receiving time-limited services. TEA emphasizes work as the first step toward building a brighter future. DWS aims to help people secure employment and become self-sufficient through training, education, and work activities. Financial assistance is based on family size, income, resources, and ages of the children. The TEA program also provides assistance to children being cared for by non-parental guardians, called child-only cases.

Families with minor children can receive TANF for a total of 24 months over a lifetime. Adult recipients are generally expected to become self-sufficient within that time limit.

# Arkansas Work Pays

## Arkansas Work Pays

Arkansas Work Pays is a program that supports employed prior recipients of TEA assistance. Participating families are eligible for the same support services and assistance as families enrolled in the TEA program and receive a monthly cash assistance payment. The extra income provided is designed to help families make an easier transition to self-sufficiency.

Participants can supplement their paychecks with monthly cash assistance while on the program (up to 24 months). They can receive bonuses for keeping the job and increasing their income. Arkansas Work Pays participants also receive personalized support to assist them with:

- Promotions
- Better jobs
- More income

The chart below displays TEA and Work Pays program participation for July 2012 – June 2013.

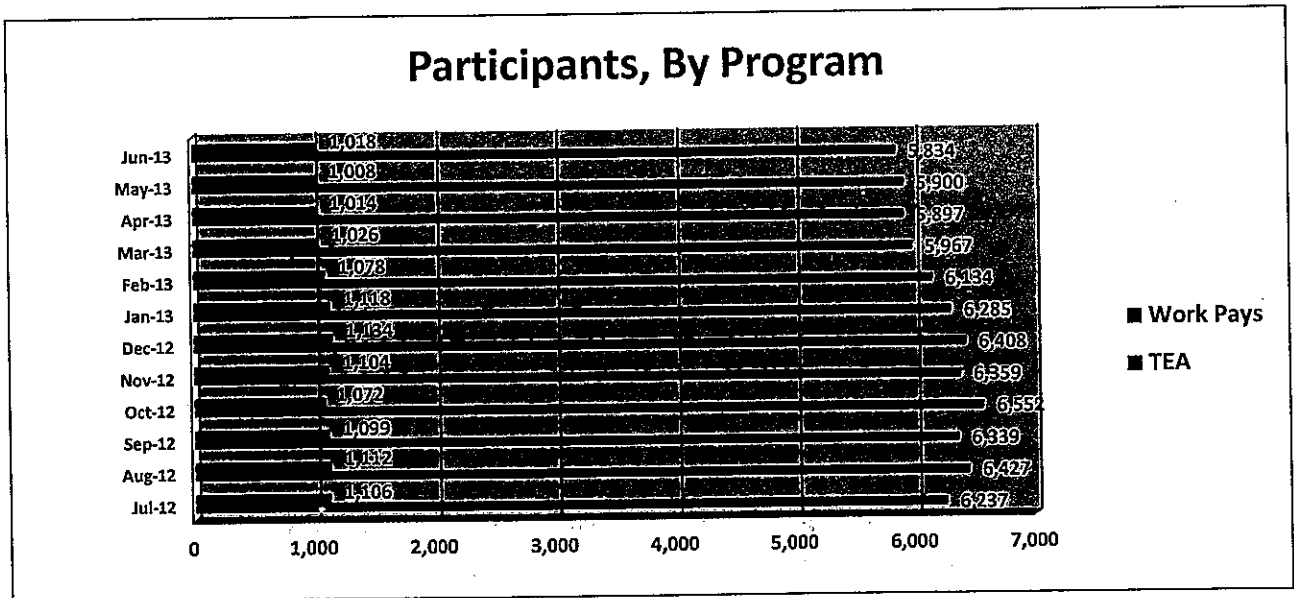


Figure 1, TEA, and Work Pays Monthly Participation

During this period, Arkansas averaged approximately 6,195 TEA and 1,074 Work Pays cash assistance cases each month.

The following chart displays the TEA and Work Pays program monthly total cash assistance payments during the period of July 2012 – June 2013.

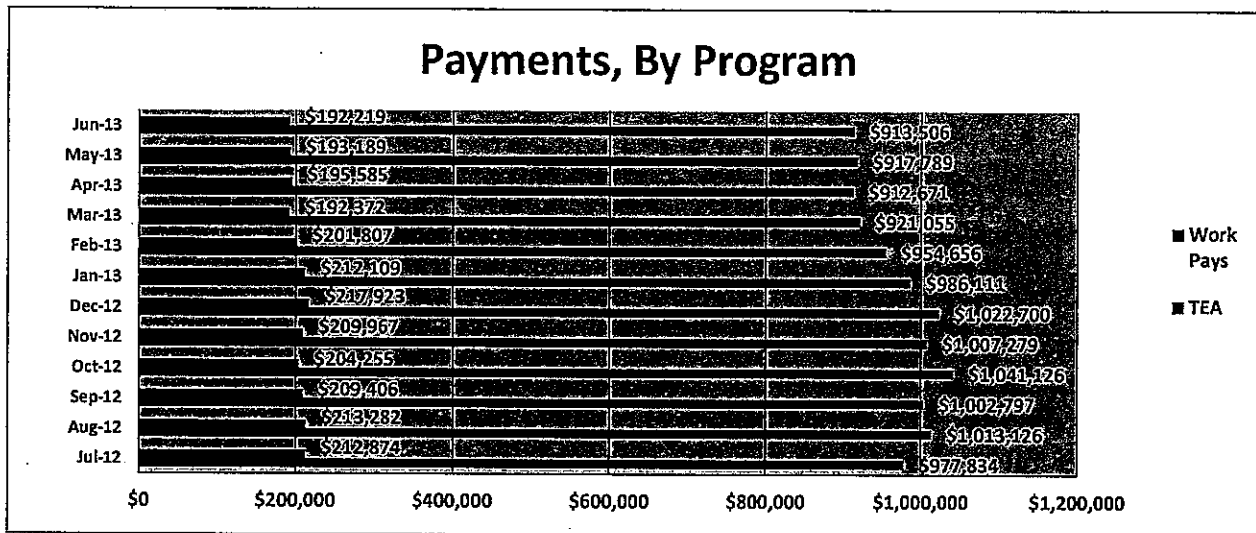


Figure 2, TEA and Work Pays Monthly Payments

Average monthly cash assistance payments totaled \$972,554 for TEA and \$204,582 for Work Pays. These totals represent the continuation of a downward trend from 2012.

## Career Pathways Initiative

The Career Pathways Initiative (CPI) provides evidence of the State's dedication and effort toward increasing access to post-secondary education for low-income citizens. Career Pathways is designed to meet the needs of low-income parents and non-traditional students to gain skills that lead to self-sufficiency by providing them access, at no cost, to educational, work-based programs offered through two-year colleges and technical institutions. Services provided include tuition, fees, books, child care, transportation, and other support. All participants are required to apply for Pell Grants for which they are eligible and exhaust those funds prior to using TANF funds.

In FY12, the US Administration for Children and Families (ACF), Office of Family Assistance (OFA), Promising Pathways Initiative identified Arkansas Career Pathways as one of ten most promising of existing TANF programs or practices nationwide.

The Arkansas program was identified by the ACF Regional TANF Program Manager to represent Region VI, comprising Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. The Promising Pathways Initiative sought to capture promising strategies for improving the outcomes of TANF recipients and other low-income individuals.

## CPI Program Highlights

**Enrollment Demographics:** The average age of a Career Pathways student is 31. Overwhelmingly, the students are female at 89%, and the data on ethnicity and race indicate that nearly 65% are Caucasian, 30%, African American, with the remaining 5%, Hispanic and other minorities.

**Previous Education and Employment Status:** Ninety percent of Career Pathways students are either high school graduates or GED recipients upon enrollment. Twenty-eight percent are employed when they enroll.

**Certificates and Degrees Attained by Type:** FY13 data indicate that the most common enrollment remains in Career Readiness and Employability Certificate programs, with 1,838 successful completions. The second-highest enrollment is for associate degrees, with 802 degrees earned. This is followed closely by the 801 technical certificates, 596 certificates of proficiency, and 38 GEDs.

| CPI Program Highlights                                  | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Enrolled  |         | 3,750   | 7,834   | 9,627   | 10,017  | 9,909   | 12,902  | 7,728   |
| Employability Certificates                              | 111     | 205     | 1,234   | 3,039   | 2,119   | 2,049   | 2,111   | 1,838   |
| Technical Certificates                                  | 72      | 204     | 437     | 751     | 754     | 793     | 714     | 801     |
| Associate Degrees                                       | 57      | 221     | 406     | 616     | 763     | 880     | 871     | 802     |
| GEDs  | 29      | 42      | 99      | 101     | 51      | 53      | 48      | 38      |
| Certificates of Proficiency                             | 228     | 249     | 598     | 660     | 736     | 662     | 717     | 596     |
| Source: Arkansas Department of Higher Education Reports |         |         |         |         |         |         |         |         |

Figure 3, Career Pathways Initiative Highlights

## Community Investment Initiative (CII)

Arkansas Act 1705 of 2005 authorized the Department of Workforce Services to contract with private or community organizations, including faith-based organizations, to offer services and supports to parents, children, and youth in their communities. The Community Investment Initiative focuses on improving outcomes for youth; parenting and family functioning; marriage and relationship skills; employment skills and family connections of parents who leave state jails and prisons; and support services to child-only cases in the TEA program.



# Supportive Services

DWS is committed to providing quality services to TANF participants in order to promote self-determination, self-sufficiency, and positive outcomes for those in need of assistance. Some participants require additional assistance and services to address barriers that may delay or adversely affect their employment or employment-related activities. A wide range of services is available as part of a holistic approach to address all employment barriers and provide a better quality of life for participants and their families. During FY12, DWS devoted almost \$1.8 million to supportive services. These expenditures are in addition to those funds paid for child care services. Figure 4, below, identifies these services.

## Supportive Services Payments By Category

As the chart indicates, Transportation Provider (57%) and Transportation Client (14%) accounted for 71% of the \$1.7 million of the total costs for providing support services to participants.

However, participants were still provided a wealth of additional support services.

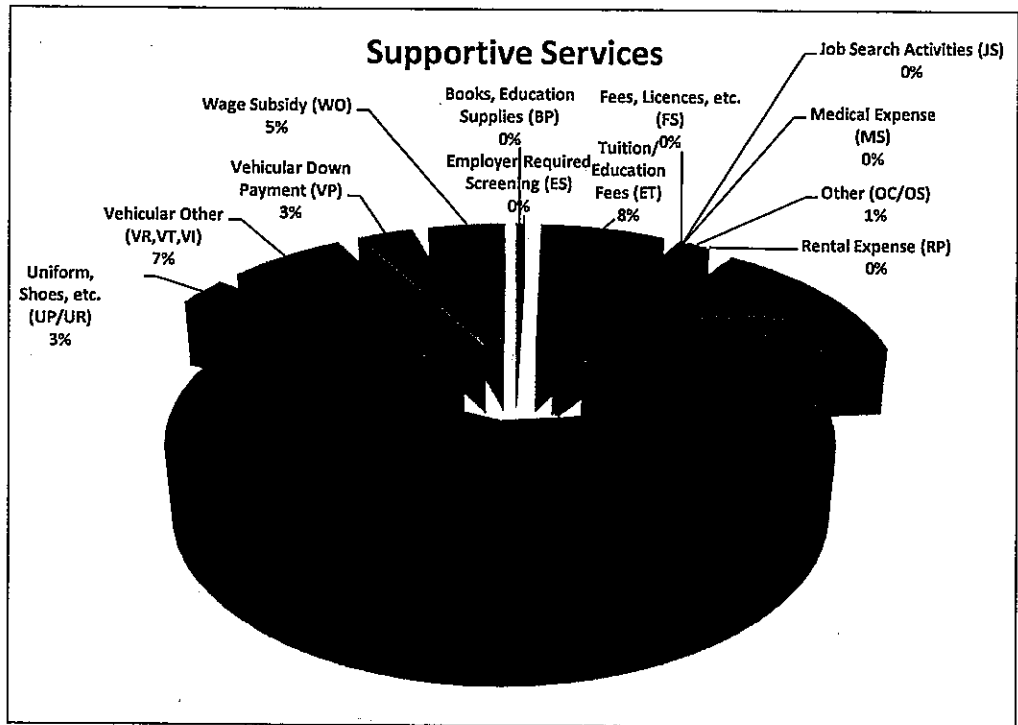


Figure 4, Supportive Services Payments, FY13

## Child Care Services

Child care assistance is the support service most needed by the TANF client population. Consequently, Arkansas guarantees child care services for eligible participants to the extent that it is necessary to complete their assigned work activities. This guarantee is extended to all participants who are responsible for and provide care for a child under the age of 13 years, or a child under the age of 18 years who is physically or mentally unable to care for himself, as verified by a physician or a licensed or certified psychologist. DWS devotes a minimum of \$7,500,000 in TANF funding to provide extended support child care services for low-income families.

# Work Participation Rates (WPR)

## Program Performance

The Social Security Act requires the U.S. Department of Health and Human Services (HHS) to issue annual TANF Work Participation Rates (WPR) to measure how well states engage families receiving assistance in certain work activities. A state must meet both an overall (all families) and two-parent families work participation requirement or face a potential financial penalty.

WPR measures the degree to which parents in TANF families are engaged in work activities that lead to self-sufficiency. Many TANF cases are exempt or are disregarded from work rate calculations, with child-only cases being the most significant group. For further information about how WPR is calculated, visit [www.acf.hhs.gov/office-of-family-assistance](http://www.acf.hhs.gov/office-of-family-assistance).

Originally, states were eligible to receive a Caseload Reduction Credit (CRC) against WPR standards for net caseload reduction since FY 1995. The Deficit Reduction Act of 2007 modified the CRC by recalibrating the base year for the net caseload reduction from 1995 to 2005. Since 2008, states have received credit for a net reduction in their caseload from 2005.

Arkansas became the second State to apply the Excess Maintenance of Effort (MOE) provision in 2007. This federal provision allows states to claim state spending in the TANF Program exclusively for the purpose of reducing its effective WPR.

Arkansas continues to meet its federal WPR, as reflected in the WPR charts in the appendix to this report. The actual achieved All Families WPR for this period averaged 38.07%, while the average CRC during this period was approximately 11.93%. Due to the CRC and MOE, Arkansas met its Two-Parent WPR as well. The actual achieved Two Parent WPR for this period was 26.23%, while the average CRC during this period was approximately 63.77%.

See the appendix for charts that reflect Arkansas' annual WPR for the most recent state fiscal year, July 2012 – June 2013, by month.

## Quarterly Work Participation Rate

While each state's final WPR is calculated annually, states are required to report WPR quarterly. See Figures 7 and 8 in the appendix for charts that reflect those quarterly submission results for both All Families and Two-Parent cases for the previous 12 available quarters (three years).

# State Performance Goals / Outcomes

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Act 1306 of 2003 focused the outcomes of the TEA program on transitional services, employment, and self-sufficiency. The Act established the following outcomes:

- Increase the percentage of families who receive appropriate services to move off of transitional employment cash assistance, into employment, and toward self-sufficiency.
- Increase the percentage of families who leave transitional employment cash assistance due to earnings from work.
- Increase earnings of families who leave transitional employment cash assistance.
- Increase the percentage of families leaving transitional employment assistance who stay employed.
- Increase the percentage of former transitional employment cash assistance recipients who move out of poverty, including the value of food stamps, the federal Earned Income Tax Credit, and child support.

Specifically, outcome targets were developed for these indicators:

- Job placement assignment
- Sanctions
- Closures due to employment
- Assessments
- Deferrals
- Initial placement hourly wage
- Retention hourly wage
- Employment retention
- Percent assigned
- Assigned to targeted work activities

Arkansas Act 514 of 2007 retained these TEA Program outcomes and required the Department of Workforce Services to develop proper targets for the TANF Oversight Board and report on the progress in achieving these targets. See the appendix, Figures 9 - 15 for charts that reflect the State's achieved performance in each of these outcomes for each year since the program's transfer from the Department of Human Services.

# Sanctioned Families and Home Visits

Arkansas Act 514 of 2007 modified the TANF Program's Administrative Sanctions Process. This legislative change introduced two periods of suspended benefits for program participants who fail to comply with their work activity requirements. The current Non-Compliance Sanctions Process consists of the following:

**Level I**

*Month 1 of Non-Compliance*—Suspension of cash assistance payment

**Level II**

*Months 2 – 4 of Non-Compliance*—25% reduction of the full cash assistance payment

**Level III**

*Months 5 – 6 of Non-Compliance*—Suspension of cash assistance payment

**Level IV**

*Months 7 – 9 of Non-Compliance*—50% reduction of the full cash assistance payment

*Beyond month 9 of Non-Compliance*—Closure of the TEA case

A sanction may be lifted at any time upon compliance with the work activity requirements for a period of two weeks.

Additionally, Arkansas Act 514 requires DWS to track efforts encouraging program participants to reconnect with the program and complete required activities. To meet this requirement, DWS tracks:

- Number of Home Visit notifications mailed to program participants who are not complying with their work activity requirements
- Number of Home Visits attempted, after notifications of non-compliance are mailed to program participants
- Number of Home Visits completed
- Number of program participants brought back into compliance after Home Visits completed

The results of these Home Visit activities for sanctioned families are illustrated in Figures 16 – 17 in the appendix.

# Appendix: Arkansas TANF Program Performance

## Work Participation Rates (WPR) for Work Pays and TEA Programs

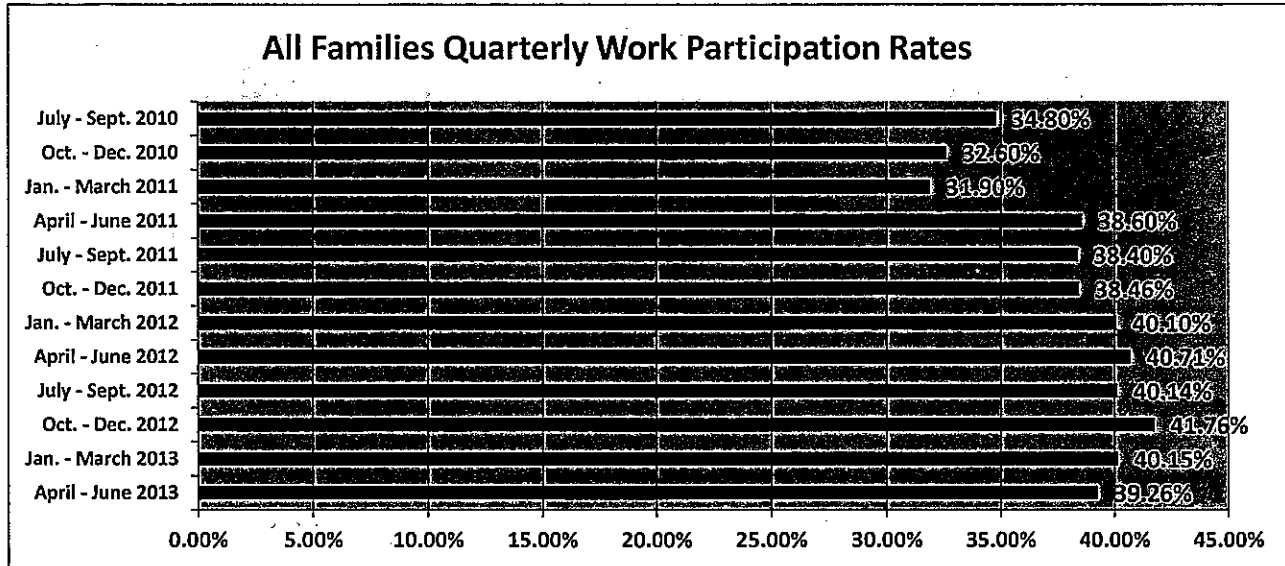


Figure 7, Quarterly WPR, All Families

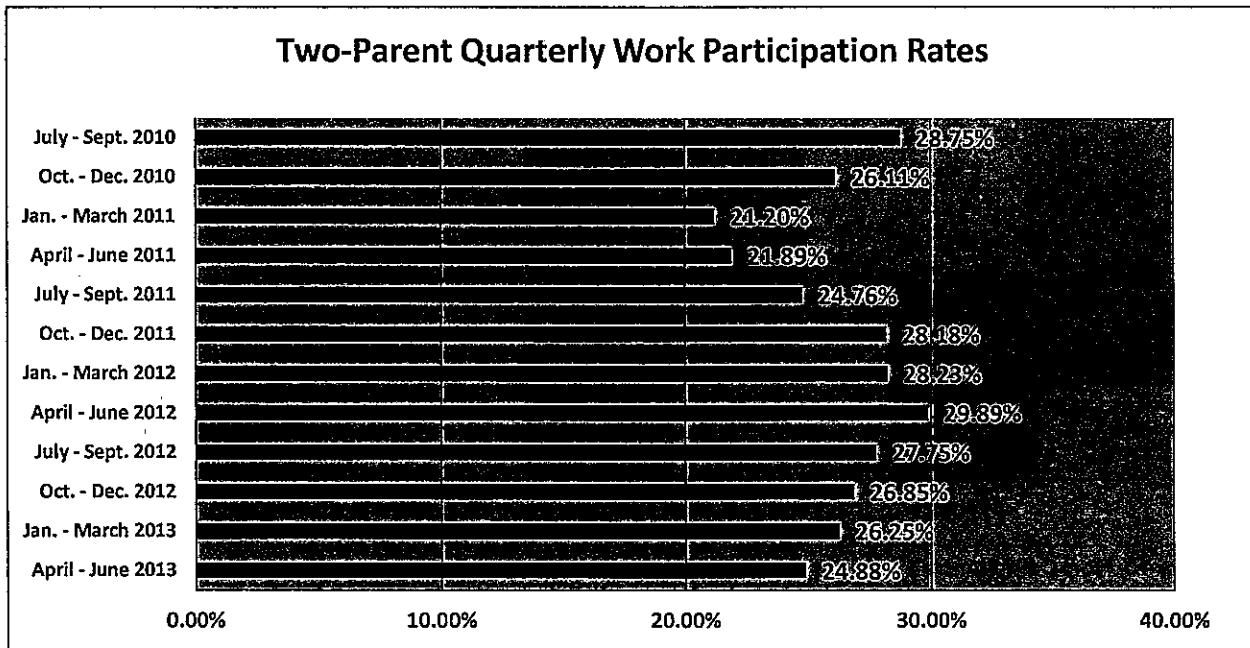


Figure 8, Quarterly WPR, Two Parent Families

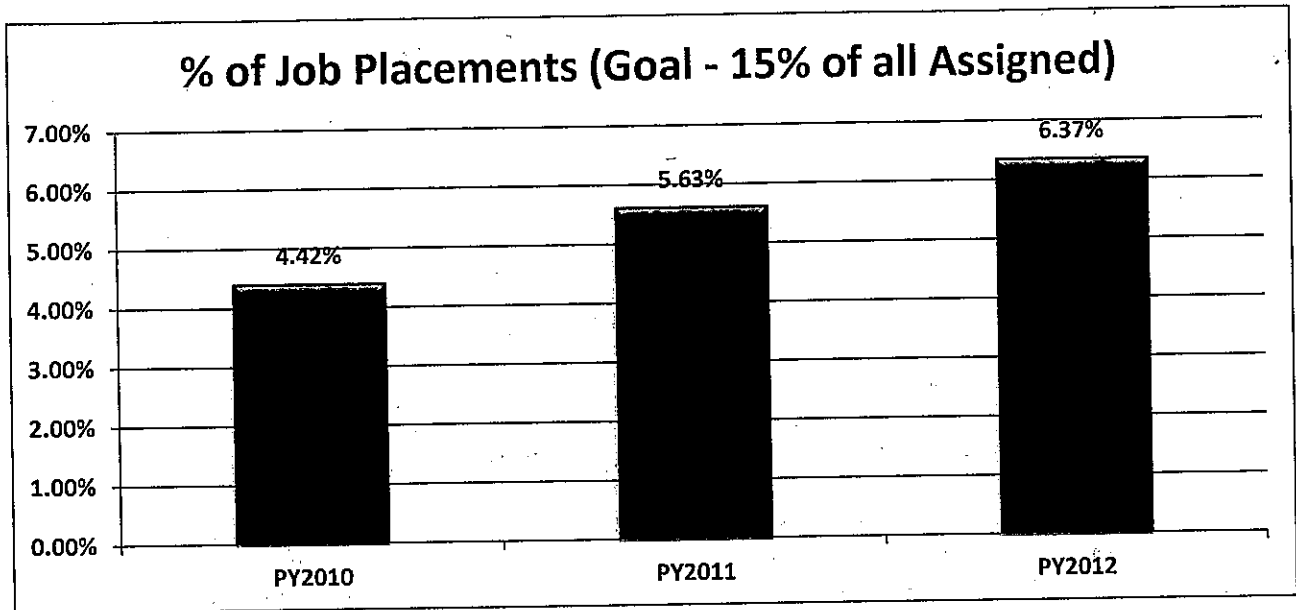


Figure 9, Job Placements Goal

## Performance Goals and Outcomes

After reaching an historic low in PY2010, DWS has rebounded and is working toward meeting the goal established for Job Placements.

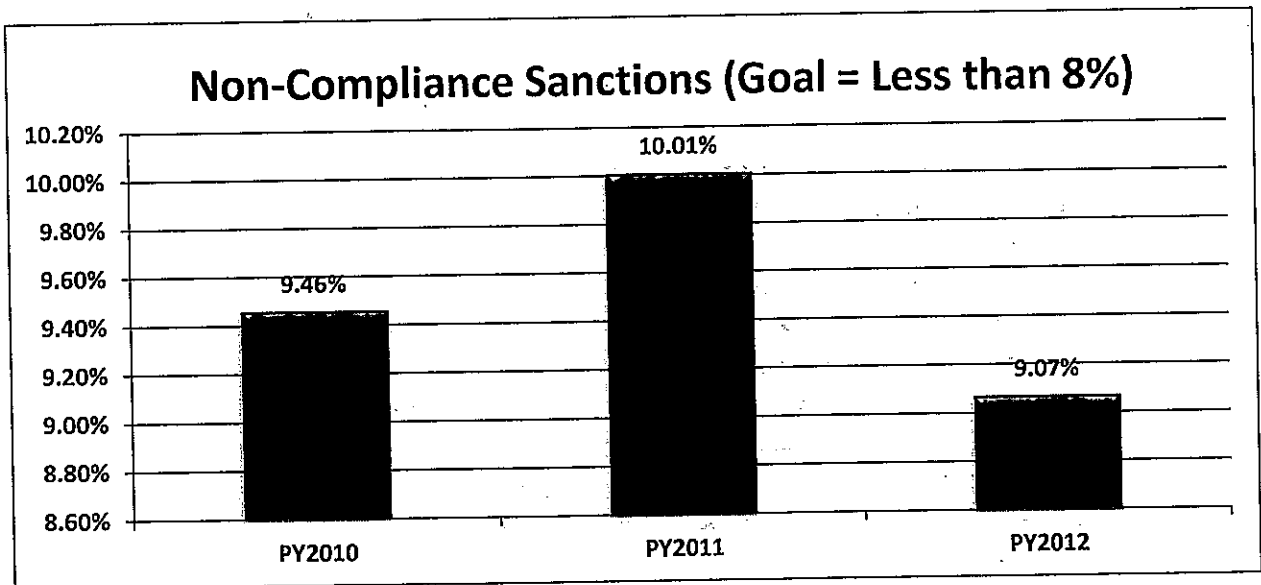


Figure 10, Non-Compliance Sanctions Goal

This chart indicates the rigor of the sanctioning process and its enforcement. DWS is working closely with clients to help them avoid non-compliance, which would prevent them from successfully receiving TANF services.

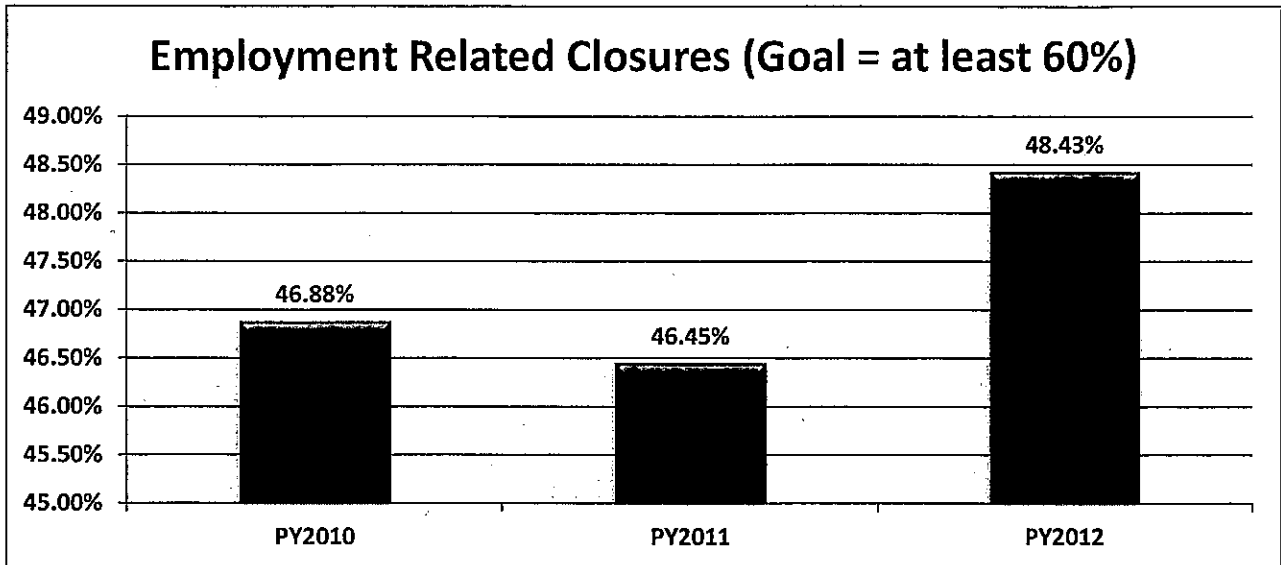


Figure 11, Employment Related Closures Goal

The Employment Related Closures outcome has been trending downward since PY2007. The current tough economy is creating new challenges for TANF recipients in finding jobs.

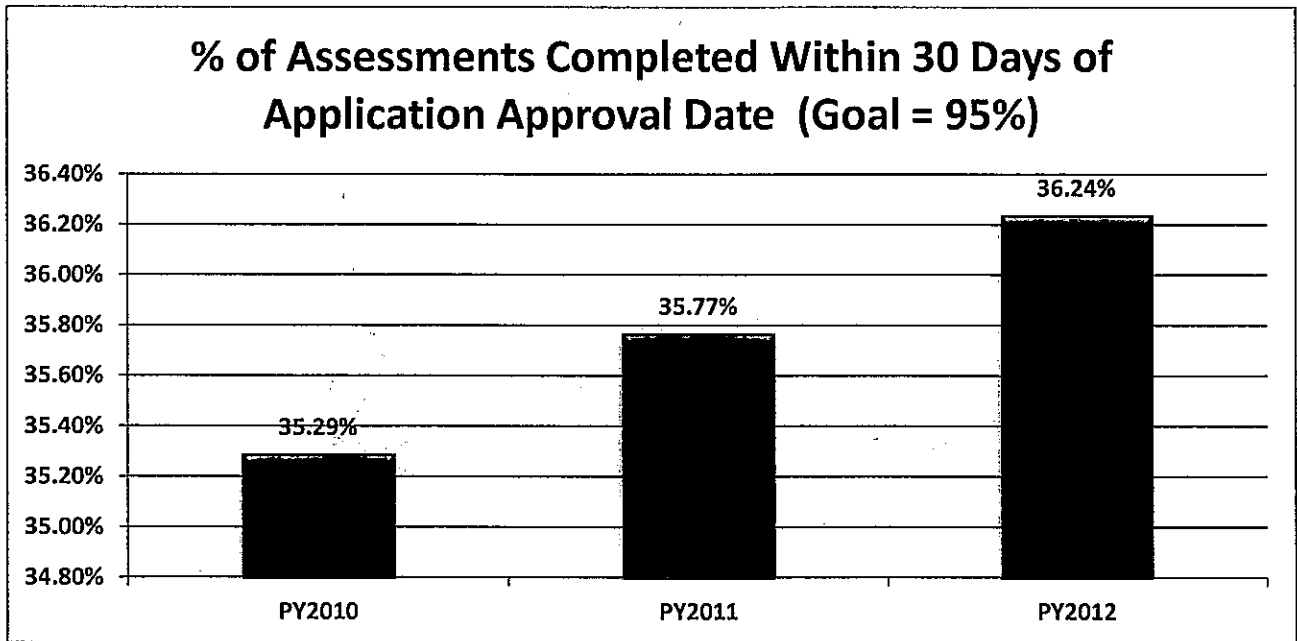


Figure 12, Timely Assessments Goal

DWS is taking the necessary steps to improve co-ordination with its program partners to improve timeliness of assessments.

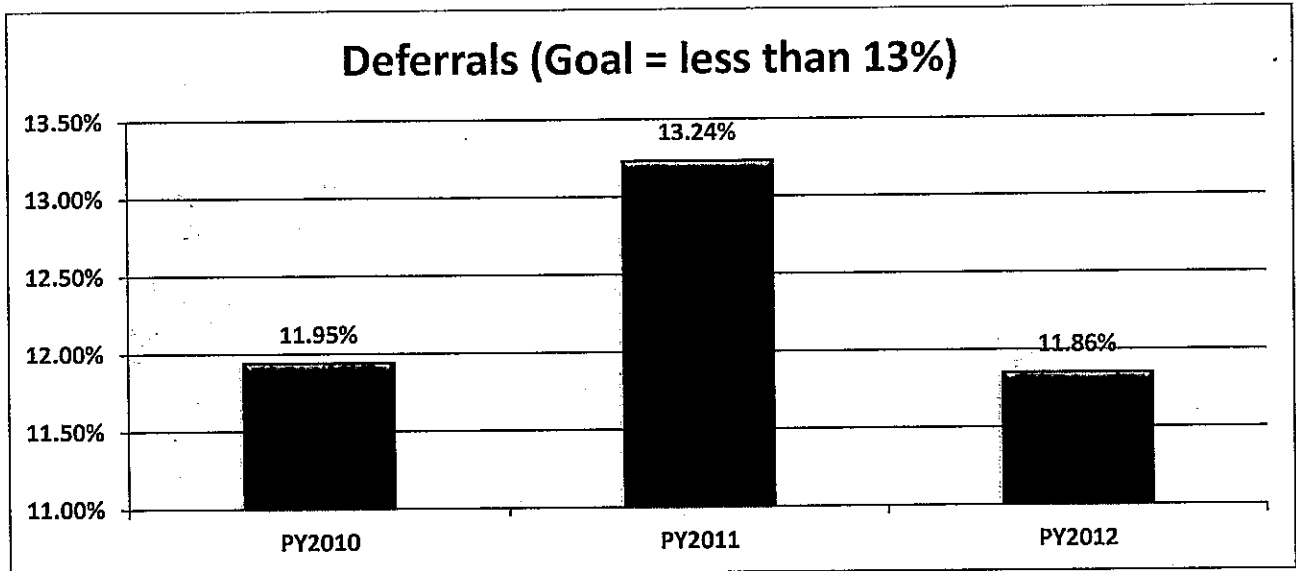


Figure 13, Deferrals Goal

During the current reporting period, the percentage of Deferrals has been reduced to less than the established goal of 13%.

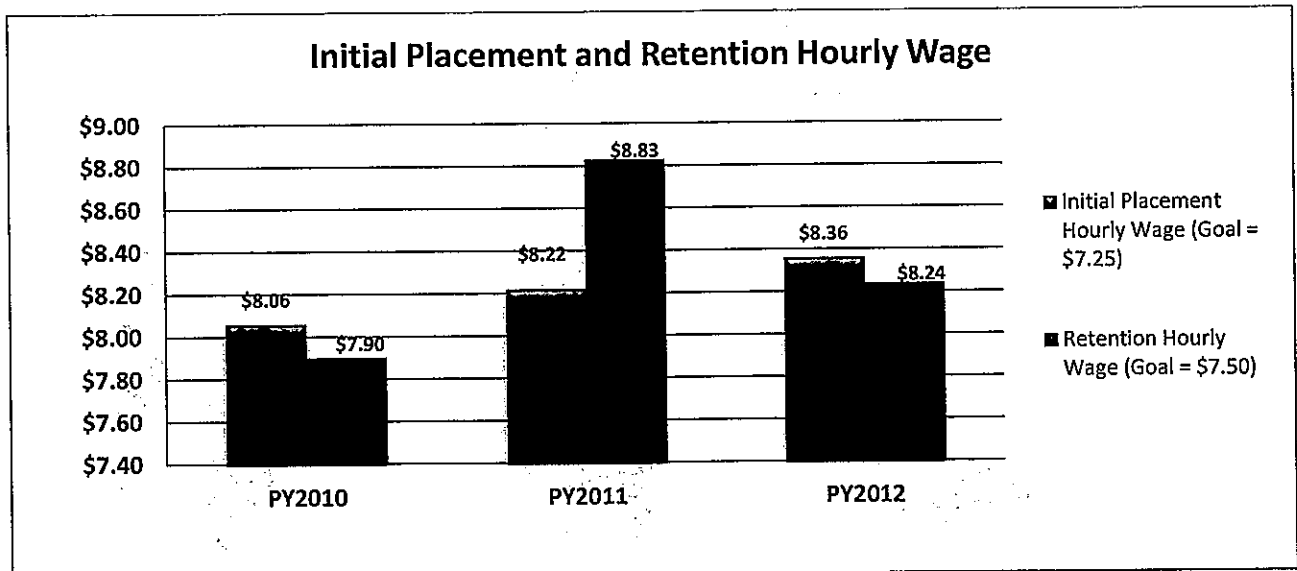


Figure 14, Initial Placement and Retention Hourly Wage Goal

DWS continues to exceed both the Initial Placement and Retention Hourly Wage goals with solid performance.



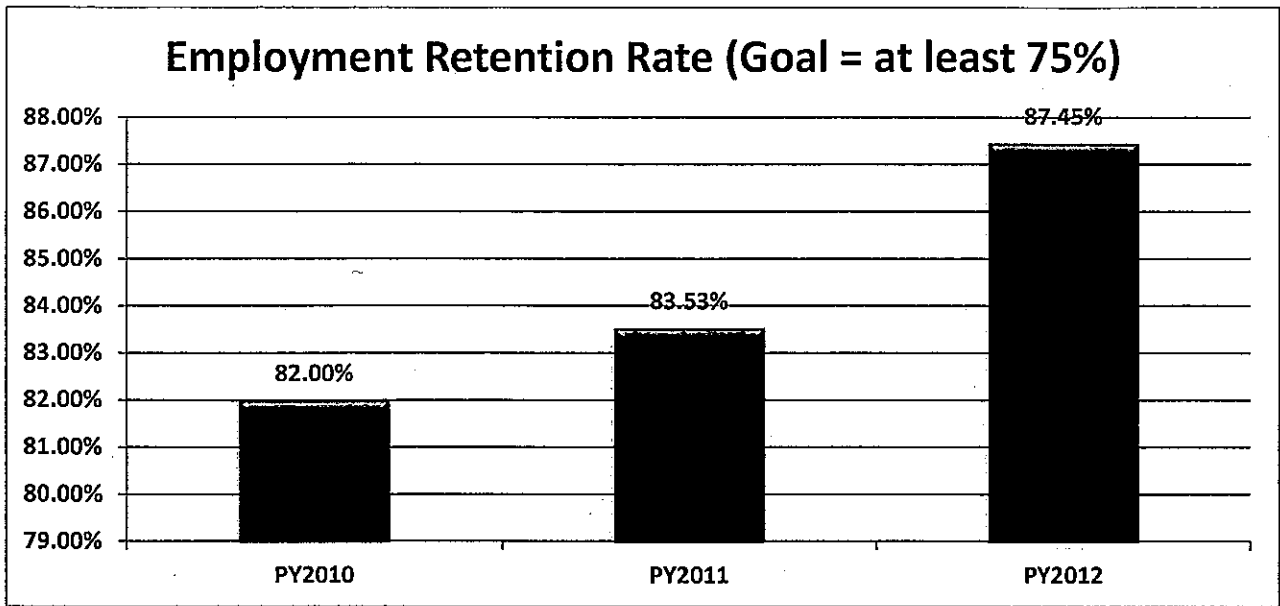


Figure 15, Employment Retention Rate

DWS has met and surpassed the Employment Retention Rate goal with solid performance for all years reported in Figure 15.

# Sanctions Families and Home Visits

These results represent the federal program years 2009 – 2013.

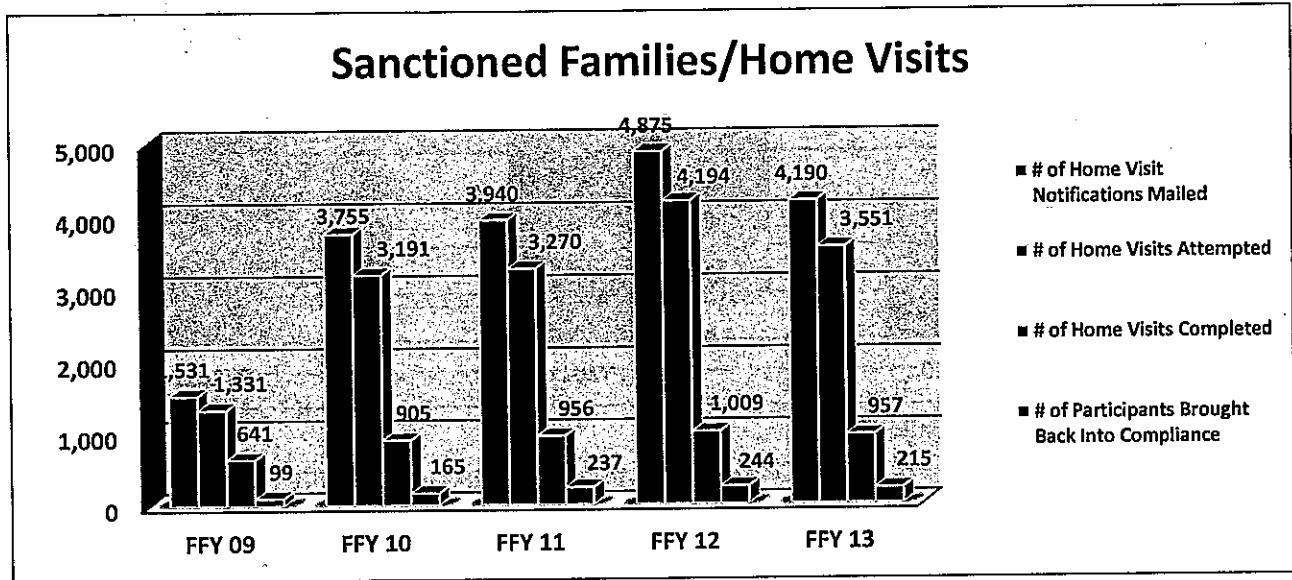


Figure 16, Home Visit Activities for Sanctioned Families

Figure 16 reflects an increase in every element of the sanctions monitoring and enforcement processes and diverting clients back into compliance. This results from the DWS commitment to help families use the services offered by the TANF Program and be successful. It also indicates the enforcement of strict quality assurance and control measures on various aspects of TANF operations and performance.

The table below provides information related to the results of these Home Visit activities.

|                         | FFY 13 | To Date | Percent |
|-------------------------|--------|---------|---------|
| Home Visits Required    | 4,190  | 18,291  |         |
| Home Visits Attempted   | 3,551  | 15,537  | 84.94%  |
| Home Visits Completed   | 957    | 4,468   | 24.43%  |
| Children Observed       | 403    | 1,902   | 10.40%  |
| Children Not Safe       | 2      | 17      | 0.09%   |
| Children Home Alone     | 1      | 4       | 0.02%   |
| Filthy Home Environment | 3      | 11      | 0.06%   |
| Other (unspecific)      | 0      | 4       | 0.02%   |
| Return To Compliance    | 215    | 960     | 5.25%   |

Figure 17, Results of Home Visit Activities

# Acknowledgements

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## SPECIAL THANKS TO DWS TANF PARTNERS AND STAKEHOLDERS

A major part of doing business on behalf of any organization is the relationship building with partners and stakeholders. We at the *Arkansas Department of Workforce Services* are very grateful for the assistance and service we receive from our partners. Our success stories would not be possible without community and collaboration.

- ❖ Office of the Governor – Honorable Mike Beebe
- ❖ Temporary Assistance for Needy Families (TANF) Oversight Board
- ❖ Arkansas Workforce Investment Board
- ❖ Arkansas Department of Human Services
- ❖ Arkansas Department of Career Education
- ❖ Arkansas Department of Higher Education
- ❖ Southern Bancorp, Inc.
- ❖ Arkansas Career Pathways Initiative and Participating 2-Year Colleges
- ❖ Arkansas Rehabilitation Services' Educational Assistance
- ❖ Arkansas Human Development Corporation
- ❖ Arkansas Career Readiness Certification Program
- ❖ Arkansas Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity
- ❖ Arkansas Association of Two-Year Colleges

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