

Self-Sufficiency in Hawaii's Welfare Programs

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DURING THE LAST SEVERAL YEARS the American Institute for Full Employment has been assisting the state of Hawaii in redesigning its welfare-to-work programs to more effectively move TANF recipients and applicants to self-sufficiency and avoid long-term welfare dependency. Not only have these strategies resulted in a reduced caseload, they have greatly enhanced Hawaii's ability to meet the federal work participation rate. This article briefly describes three of the fundamental strategies.



Up-Front Work Programs

There are individuals who apply for welfare who don't need much assistance finding a job. They either know how to search for a job on their own or even may be already working in the underground economy.

Hawaii's 21-day up-front assisted job search program keeps many individuals from becoming dependent on welfare. Potential applicants are informed of the requirement at an up-front orientation to the TANF program. When informed that meeting this 21 day job search requirement is a condition of eligibility for benefits, a significant number of potential TANF enrollees decide not to pursue their applications. Many of the drop outs utilize their own job finding skills or the Workforce system to obtain employment on their own. In Hawaii most of these will qualify for assistance with the costs of child care as soon as they obtain employment.¹ Hawaii workers also believe that the three-week performance requirement acts as a "smoke out", deterring those from applying for benefits who are already working in the underground economy.

Those who take advantage of the three-week assisted job search requirement use the services of skilled vendors under contract with the Department of Human Services (DHS) to learn job finding skills and be directed to job openings for which they have the necessary skills. They are well on their way to success.

TANF applicants who complete the three-week up-front job search period without locating employment with sufficient earnings to bar program entry become eligible for monthly TANF benefits and are continued in an intense assisted up-front job search program for another 3½ months. During this period they continue to receive the services of a skilled provider in obtaining employment. For almost all TANF applicants this initial three-week participation period and the following 3½ months are served in Hawaii's Up-Front Universal Engagement (UFUE) program.

Most work-ready individuals are able to find unsubsidized private-sector jobs in this four month period. Some earn enough so they are able to exit welfare. Others are working at least part-time and/or are participating in other activities that count toward the federally mandated work participation requirements. Those individuals still eligible for TANF are transferred after the four months to regular DHS First to Work (FTW) case managers, who continue to work with the individuals to assist them to become self-sufficient and independent of welfare. Hawaii's up-front 21 day requirement and UFUE program serve a dual purpose—they assist individuals to find employment so they can begin to support their families, and they assist Hawaii to meet the federal participation rate and so avoid federal fiscal penalties.

Subsidized Work

Individuals who don't succeed in the first three weeks to obtain full-time jobs become eligible for Hawaii's SEE Hawaii Work subsidized employment program, operated by a vendor under contract with DHS. SEE placed more than 600 TANF recipients in 4½ month subsidized employment jobs last year. About 85% of those who completed their assignments obtained unsubsidized work with their subsidized employer. SEE is the largest scale subsidized work program in the U.S. Through SEE almost 300 Hawaiian employers are currently offering job opportunities to TANF clients who cannot find work on their own.

Other states have asked Hawaii what is the formula for the success of SEE. The answer is that it is an "employer-friendly" program, avoiding the bureaucratic kinks that have limited the usefulness of programs attempted in some other states. Employers interview potential placements to ensure that they will fit the workplace needs. Vendor staff are available to solve any workplace issues, and subsidies are promptly paid.

Exit and Retention Bonuses

Hawaii is a high TANF benefit state, so even small families can remain on welfare while working in full-time jobs paying over \$8.00 an hour. Job retention in entry-level employment can be a problem. Hawaii felt it had to do more to encourage individuals to strive for full-time employment at higher salaries, to keep their jobs, to immediately seek alternative employment if they lost their jobs, and to aim for the shortest possible period of welfare dependency.

Hawaii's answer is "Exit" and "Retention" bonuses available to working families who leave TANF before exceeding 24 months of welfare receipt and who remain off welfare. Exit bonuses range from \$500 where the adult head of household is working 20 hours a week to \$1000, for 40 hours of employment. Retention bonuses are available after 3, 6, 12, and 24 months, with the bonus amounts increasing for more hours of employment. For example, the 24 month bonus is \$1,400 for 20 hours a week of employment and \$2,500 for 40 hours. A family can receive a total of \$8,250 over the 2 year period where the head of household is continuously employed for 40 hours a week. Exit and retention bonuses encourage individuals to obtain and keep jobs, and help them to support their families.

Footnotes

¹ Hawaii offers child care assistance to all working families with incomes under 85% of the median state income. The availability of help paying for child care enables many low-earning families to avoid welfare dependency.

² The federal Administration for Children and Families (ACF) determined that, effective October 2008, individuals receiving monthly payments and participating in up-front programs like Hawaii's counted as regular recipients of TANF assistance. Until then, Hawaii did not count these participants as recipients of TANF welfare benefits and did not count them in the TANF work participation rate.

³ The February 2, 2009 SEE job order list shows over 800 available SEE jobs with 267 employers.