

## Economy & Efficiency Commission Presentation

PRESENTATION OF Mr. Will Stewart, Assistant Director, Dept. of Social Services February 4, 1998

**Topic: Current Status of Welfare Reform** 

Mr. Stewart stated that welfare will not work if it is solely the responsibility of the welfare department. In order to help people move towards self sufficiency, it requires the collaboration of the entire community (i.e. public-private partnerships). DPSS wants to pull together all interested parties in Los Angeles to help design the approach to welfare. Immediately after the President passed the legislation, DPSS set up a task force of department heads in Los Angeles County who will be most affected by welfare reform. This task force set up guiding principles that were adopted by the Board of Supervisors. Later, the department established a coordinating committee of leaders representing various advocate groups and community agencies to influence state legislators to approach welfare reform as envisioned. There is a lot of flexibility in welfare reform that did not exist prior to the President signing welfare reform.

DPSS made a presentation to the Board on January 6th of their strategic plan, which involves many partnerships, as required by the State. On February 10th the state signed off on the plan submitted by DPSS.

Now, DPSS will submit to the Board fourteen separate implementation plans, each dealing with key aspects of welfare reform. Input from these plans came from the various work groups: fiscal, automation, eligibility standards, child care, child support, supportive services (mental health, substance abuse, domestic violence), food stamps, Medical, staff development, facilities, welfare to work (the GAIN program), community outreach, customer relations, and legislation. These groups began working last year to construct very detailed plans which be presented to the Board through next year.

The state plan, CalWORKs, has an eligibility side and a welfare to work side. The welfare to work side has two elements: 1) helping people get jobs, and 2) support services to get jobs. The centerpiece of the County's plan to help people get and retain work employment. Post employment services to help people improve their skills and wages will also be available as part of the GAIN programs.

Commissioner Barger asked how the private sector will be involved. Mr. Stewart replied that the GAIN program will continue outreach. DPSS is partnering with EDD who has a Caljobs automated system that employers can contact to get assistance in hiring and promoting welfare to work individuals. A large problem is that many workers are at minimum wage jobs, and in order to free themselves from welfare they must earn more. Under CalWORKs, participants can continue in GAIN even while employed so they can continue to improve their skills. In addition, education providers are key partners in the overall GAIN plan.

Chairman Abel stated that he attended a USC session that discussed Los Angeles in the 21st Century. One of the forums of this session focused on the impacts of welfare reform. These panelists stated that 47% of

the state's welfare load is currently in Los Angeles County and that there will not be enough jobs to in the next year or two to successfully move people from welfare to work. Chairman Abel asked Mr. Stewart to comment on this and what the County is likely to experience in the next couple of years. Mr. Stewart stated that he is unsure of what will happen in the next couple of years. Currently they are gathering resources to assess the entire situation. He added that they are fortunate to have Dr. Len Schneiderman, former Dean of the School of Social Work at UCLA, working with DPSS and others to evaluate the impact of welfare reform on families.

Mr. Stewart stated that they have received a strong commitment from business representing the L.A. Business Alliance and the L.A. Chamber of Commerce to work with DPSS in an advisory capacity on job creation. Commissioner Barger stated that the best way to get people into living wage paying jobs is by word of mouth from others who have had successful welfare employee situations. Mr. Stewart agreed and invited the Commissioner to visit the GAIN office and see the dramatic change that happens when someone switches from welfare to work. Most participants find a job with the first five days they are enrolled in GAIN. The primary problem is that most of these jobs are minimum wage and they need more money to get off welfare. They need assistance in finding the next, higher wage position.

Commissioner Lucente asked what measures were being taken to assure that efforts by the City and County are not duplicated. Mr. Stewart said that welfare reform is basically a county issue, but occasionally there is the problem of duplication of services to a particular family. The solution is in developing automated systems that can track these types of problems.

Quality and Productivity Commissioner Hill asked three questions: 1) How does illiteracy impact DPSS's ability to increase job placement? 2) How will the local service provider be impacted? The City of Whittier is already experiencing problems, church run soup kitchens currently working at capacity, etc. 3) She stated that her family is involved in the food service industry and the back bone of that industry is minimum wage employees. How will reform affect their employees? Mr. Stewart stated that GAIN has been focused on motivating people to work by assisting them in developing skills to get work, and directing them to jobs that they can do. Persons who do not find work are referred for a vocational assessment where their aptitude, skills and interests are used to evaluate and develop a plan for obtaining self-sufficiency. Individuals needing training and/or remedial education are identified and referred for appropriate services based on the results of the vocational assessment. Under CalWORKs, the work first approach will be used. Regarding local service providers (in two years), in the worst case scenario - only minor children will continue to be aided. Quality and Productivity Commissioner Hill stated that it is the single male who is already being impacted. Mr. Stewart stated that single males (GR's) are currently on a five month time limit and no one will be cut off of aid until June or July. GR's are also being engaged in work programs and they have a high number of interested participants.

Vice-Chair Fuhrman stated that their had been a caseload decrease in the past several months. Mr. Stewart confirmed and added that there is much speculation as to the cause of this decrease (i.e. individuals saving their assistance time for use later, etc.). Case load projections are a big issue for the department now.

Commissioner Farrar stated that he is working with a rehabilitation program in association with the Veterans Association (VA) for homeless veterans. They have had some modest achievement in receptive employment by the private sector. He stated that he read an article in the Wall Street Journal where an individual said that he would hire many people who were coming off of welfare were it not for the many costly responsibilities he would incur due to the entitlements involved in calling someone his employee. Commissioner Farrar stated that this is a valid consideration and the way his program dealt with this issue is that the VA acted as the employer much like a temporary agency would to insulate the employer. Commissioner Farrar hires most employees in his law firm this way and suggested that DPSS consider functioning in this manner for their work candidates in order to insulate prospective employers from liability. Mr. Stewart stated that this was an excellent idea and he would look into this suggestion.

Chairman Abel thanked Mr. Stewart for his presentation and invited him to think of ways in which the Commission could participate in this reform.

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