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### **Author**

Paul M. Ong and Douglas Houston

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## **CalWORKs Sanction Patterns in Four Counties: An Analysis of Administrative Data**

*Paul M. Ong and Douglas Houston*

California policymakers are seeking information on how counties are administering welfare sanctions—the procedures by which the state and county welfare agencies penalize low-income adults with children when they fail to comply with various CalWORKs program requirements. In this *Briefing Paper*, we list policymakers’ key questions and the aspects of each addressed by our study on CalWORKs sanctions in Alameda, Fresno, Kern, and San Diego counties.<sup>1</sup>

### **BACKGROUND**

In 1996 the Congress passed, and President Clinton enacted into law, the Personal Responsibility and Work Opportunity Reconciliation Act. That federal overhaul of the Aid to Families with Dependent Children (AFDC) cash welfare program devolved several aspects of welfare policymaking to the states, including responsibility for moving increasing numbers of poor parents from welfare to work. In order to avoid federal fiscal penalties, states must require adult recipients to work or participate in activities designed to lead to work, and must impose financial penalties (sanctions) on those who fail to comply without good cause. Federal law permits states to penalize the entire family for an adult’s noncompliance: States may impose a “full-family” sanction, terminating the entire cash grant to a household when an adult fails, without good cause, to comply with program requirements.<sup>2</sup>

In 1997 California created the California Work Opportunities and Responsibility to Kids (CalWORKs) program to come into compliance with the new federal law. California counties implemented CalWORKs provisions between January and May 1998. Among other things, state welfare-to-work regulations prescribe the number of hours that adult recipients must work or participate in approved welfare-to-work activities, the amount by which grants are reduced if adults do not comply with program requirements, and the duration of grant reductions imposed for first and subsequent incidents of noncompliance.

California lawmakers decided against using full-family sanctions. Rather, California relies on “partial-family” sanctions, an approach that was required of all states under prior federal law.<sup>3</sup> Under California’s sanction policies, a household in which an able-bodied adult fails to comply with welfare-to-work requirements without good cause, and then fails to meet the terms of a “compliance plan” worked out with his or her caseworker, loses that adult’s share of the CalWORKs cash grant. In the first instance of a sanction, the grant reduction continues only until the adult fully complies with program requirements. In the second instance, the sanction continues for three months or until the adult complies, whichever is longer.

In the third and subsequent instances, the sanction lasts for six months or until the adult complies, whichever is longer.

## CALIFORNIA POLICYMAKERS' QUESTIONS

► **What procedures have counties instituted to implement the CalWORKs sanction policies?**

In the companion report, *CalWORKs Sanction Policies in Four Counties: Practice, Attitudes, and Knowledge*, we address the implementation of CalWORKs sanctions in four counties: Alameda, Fresno, Kern, and San Diego. That portion of our study draws on interviews with case managers and agency administrators to describe these counties' outreach efforts, as well as these welfare workers' attitudes toward, and understanding of, the sanction policies. We also describe recipients' understanding of sanction policies, based on a small number of in-depth interviews we conducted in the four counties.

► **What procedures have counties put in place to help noncompliant recipients come back into compliance before receiving a sanction, and are these procedures effective?**

In probing county officials' attitudes toward sanctions, and the extent to which these officials think sanctions are effective, the companion report and *Brief* cited above review how sanction procedures may help recipients come into compliance before fiscal penalties are imposed. However, directly examining how well the counties succeeded in motivating recipients to find employment is beyond the scope of this study.

► **How much variation is there in sanction rates across counties? Do counties that sanction more frequently have higher work-participation rates than those that sanction less frequently?**

Drawing on the administrative data in our technical report, we discuss the frequency with which these four counties sanctioned recipients in 1999, and the intercounty variation in sanction rates.

► **What are the characteristics of sanctioned families, and how do they compare to families that have not been sanctioned?**

Using state and county administrative data for single-parent TANF families in these four counties, we compared the characteristics of sanctioned adults and their families with those who were not sanctioned. We also examined the independent association of these personal, family, and county characteristics with the likelihood of being sanctioned.

► **How do sanctioned families fare over time? Do the adults work? Do families continue to receive CalWORKs? How do their children fare? How do these factors vary across counties?**

Holding other factors constant, we examined outcomes for adults whom the four counties sanctioned because they had failed to comply with CalWORKs program requirements without good cause. We looked at whether these sanctioned adults were more or less likely to be working during the year after their sanction than those who were not sanctioned. We also examined whether they, along with their children, were more or less likely to be on CalWORKs, and whether the children alone were more or less likely to be receiving CalWORKs in the calendar year after the adults were sanctioned.

► **When families are sanctioned, how long do grant reductions last?**

County records enabled us to establish the number of months that recipients were sanctioned during the first 12 months of our study period, but not the number of separate sanctions that they may have received.

► **For what reasons do counties sanction recipients?**

Our research was not able to address this question.

## METHODS

In order to answer some of these questions for these four counties, we examined state administrative data on Unemployment Insurance-covered earnings, together with state and county administrative data on Cal-

WORKs receipt, incidence of sanctions, and individual and case characteristics among single-parent citizen and federally-eligible immigrant families. The adult heads of single-parent households in our sample were citizens living with citizen children or immigrants eligible for TANF assistance and were enrolled in county welfare-to-work programs in the first or second quarter of 1999, and we followed them in the administrative data for two years.<sup>4</sup> Adults who were excused by their county welfare departments from participating in welfare-to-work programs are not included in our sample. There are 38,948 adult heads of household in our sample.

We determined who was sanctioned and for how long, using “sanction codes” in county administrative records. These codes generally indicated that sanctions were imposed on households in which adults failed to comply with welfare-to-work requirements.<sup>5</sup> Assuming there are no coding errors in the data, these sanction codes would be expected to trigger grant reductions. But the codes cannot tell us whether a household actually suffered a loss of income. It is possible, for instance, that other circumstances in a sanctioned adult’s family changed simultaneously, triggering a grant increase that could offset the grant reduction due to the sanction. For example, if an eligible minor child joined a sanctioned household, the family’s grant would be expected to increase, offsetting in part or in full the grant reduction due to the sanction.

It is important to keep in mind that our findings are limited to the four counties in which we conducted this research, and may not be representative of welfare recipients’ experiences and outcomes elsewhere in the state in 1999-2000 or in these four counties or the state as a whole in more recent years. Our analysis also excluded recipients in two-parent families and immigrants who arrived on or after August 22, 1996.

## KEY FINDINGS

### ► How often did these four counties impose sanctions on recipients?

San Diego County had the highest rate of imposing sanctions: 30% of those who were on CalWORKs in early 1999 were sanctioned for at least one month. Sanction rates in the other counties were 25% in Alameda, 22% in Fresno, and 19% in Kern. (See Table 1.)

### ► How long did sanctions last?

In 1999, 25% of those who were on CalWORKs at the beginning of the year in the four counties were sanctioned for at least one month (see Table 1). Of those sanctioned recipients, over 40% were coded by the counties as being sanctioned for one to three months, 30% for four to seven months, and over 29% for eight or more months during the year. These figures reflect the number of months that the counties recorded these recipients as being sanctioned, but they do not capture the number of separate sanctions that a recipient may have received. For example, an adult who was sanctioned for four months might have been sanctioned only once but failed to fully comply until four months had passed; or that person might have been sanctioned twice, complying immediately the first time, but being sanctioned for the minimum period (three months) the second time.

Alameda, Fresno, and San Diego counties had sanction rates that were about equally distributed across households sanctioned for one to three months, four to seven months, and eight or more months (Table 1). The notable exception was Kern County: Only 5% of those who ever were sanctioned in 1999 were sanctioned for eight or more months, compared to 32% to 36% for the other three counties. Recipients sanctioned in Kern county were most likely to be sanctioned for one to three months (69%); the other three counties had sanction rates of 35% to 37%.

### ► What characteristics, if any, distinguish sanctioned individuals and their families from those who were not sanctioned?

In the four participating counties, overall, the significant majority of households (75%) were never sanctioned. This finding held up across an array of characteristics, with those never sanctioned ranging from a low of 70% to a high of 84% (Table 1).

We found some interesting differences when we examined seven individual-level characteristics (primary language, length of aid receipt in 1999, recent history of aid receipt, recent earnings, age, race/ethnicity, and sex), and two family-level characteristics (the number of children on the CalWORKs case and whether there was an infant or preschooler in the assistance unit):<sup>6</sup>

- **Primary Language:** The most striking difference had to do with the primary language spoken. Only 16% of non-native English speakers were sanctioned for at least one month during the year, compared to 26% of native English speakers (Table 1).
- **Prior AFDC Receipt:** Of those families who had received no AFDC benefits between 1993 and 1997, 18% were sanctioned, compared to 24% and 26% of those who had received AFDC benefits at some point during that period (Table 1).
- **Race/Ethnicity:** While the overall sanction rate was 25%, the rates for Asian/Pacific Islanders and Hispanics were 21% and 22%, respectively, while African-Americans had a sanction rate of 29% (Table 1).
- **Age and Family Composition:** At first glance, households with infants or preschoolers were sanctioned at the same rate as the entire sample (Table 1), and neither the average number of children nor the average age of the adult differed substantially by sanction status. (See Table 2 and further discussion just below on how these findings may change with multivariate analysis.)
- **Earnings:** Across the entire sample for the two-year period 1997-1998, earnings (income from work) averaged \$4,296 (Table 2).<sup>7</sup> Among those never sanctioned, earnings over this two-year period averaged \$4,678, while average earnings for those who were sanctioned ranged between \$3,042 and \$3,234—about a \$1,400–\$1,600 difference.

► **Are adults with these individual and family characteristics more likely to receive a sanction, holding other characteristics constant?**

Some findings did change as a result of multivariate analysis, where we looked at one characteristic while holding the others constant. For instance, adults whose primary language was not English were more often Hispanic than African-American, so the descriptive differences for race/ethnicity noted above may be driven by language differences across racial/ethnic groups. Our multivariate analysis enabled us to separate out the association between race/ethnicity and likelihood of sanction and primary language and likelihood of sanction.

We examined the independent association of these characteristics, as well as county of residence, with the likelihood of ever being sanctioned (see Table 3). Again, the most striking association had to do with the adult recipient's primary language, and the finding ran counter to expectations: Non-English speaking adults were 12% *less* likely to be sanctioned in 1999 than English speakers.

As expected, a recent history of earnings was also associated with a lower probability of being sanctioned. Compared to those who had no earnings in 1997-1998, those with earnings of \$4,296 (the sample average) were 5% less likely to have been sanctioned in 1999.

In contrast, those who relied on AFDC benefits for any time between 1993 and 1997 were 3% to 7% more

likely to have been sanctioned in 1999 than recipients with no recent welfare history. In addition, for every additional month that an adult received CalWORKs in 1999, she was nearly 0.77% more likely to be sanctioned (rounded to 0.8% in Table 3). This implies that an adult who relied on CalWORKs for 12 months in 1999 was about 8% more likely to have been sanctioned than someone who had received a CalWORKs check for only one month during the year ( $11 \text{ months} \times 0.77\% = 8.47\%$ ).

Other individual characteristics were associated with smaller changes in the likelihood of being sanctioned: For every extra year of age, older parents were 0.4% less likely to have been sanctioned than younger parents. For example, a 30-year-old was 4% less likely to be sanctioned than a 20-year-old. Single fathers were 2% more likely to have been sanctioned than single mothers (although male heads of household numbered only 2,758, or 7%, of the total sample of 38,948). Holding other characteristics constant, race/ethnicity was generally not associated with the likelihood of having been sanctioned. The notable exception was African-American adults, who were 3% more likely to have been sanctioned than their white counterparts.

Family characteristics also affected the probability of being sanctioned. As expected, having more children in the assistance unit correlated with an increased likelihood of being sanctioned. Every additional child added 0.6% to the likelihood of being sanctioned. Contrary to expectation, however, the presence of very young children in the household *reduced* the probability of being sanctioned: by 2% for an infant and by 3% for a preschooler.

Holding cross-county differences in individual- and family-level characteristics constant, county of residence remained clearly associated with large differences in the likelihood that an adult was sanctioned: In comparison to recipients in San Diego, adults in the other three counties were between 8% and 15% less likely to have been sanctioned.

**To summarize:** Our multivariate analysis shows that among single parents receiving CalWORKs benefits in these four counties in early 1999, families with very young children were somewhat *less* likely to have been sanctioned, while families with more children or with African-American family heads were somewhat more likely to have been sanctioned. At the same time, households were less likely to have been sanctioned if they had higher recent earnings, had not received AFDC benefits between 1993 and 1997, or relied on CalWORKs benefits for fewer rather than more months in 1999. Finally, the two most noteworthy characteristics associated with a smaller probability of being sanctioned were the adult recipient's primary language and county of residence. Those who did not speak English were far *less* likely to have been sanctioned than their English-speaking counterparts, and Alameda, Fresno, and Kern County residents were less likely to have been sanctioned than residents of San Diego County.

► **In the calendar year after being sanctioned, are adults more or less likely to be working than adults who were never sanctioned during the same period?**

To answer this question, we held the county of residence and other individual- and family-level characteristics constant and examined families who received CalWORKs for the whole of 1999. Of those families, the households that were sanctioned in 1999 were between 5% and 10% less likely to be employed at all in the next year, and, on average, they earned between \$875 and \$1,298 less in 2000 than those who had not been sanctioned (see Table 4). The reduction in the likelihood of employment and the amount of earnings varied by the number of months for which individuals were sanctioned in 1999, but the variation formed no clear pattern.

► **In the calendar year after being sanctioned, are adults more or less likely to receive CalWORKs benefits than adults who were never sanctioned during the same period?**

Among those whose families received CalWORKs for the whole of 1999, sanctioned recipients received CalWORKs on behalf of themselves and their children, or on behalf of their children alone, for slightly fewer

months in 2000 compared with those who had not been sanctioned. For example, those who had been sanctioned one to three months in 1999 received 0.4 fewer months of assistance in 2000 than those who had not been sanctioned. However, when considering only the months adults received CalWORKs benefits on behalf of their children but not themselves, those families in which adults had been sanctioned received such grants for one to two months more in 2000 compared to families in which adults had not been sanctioned (see Table 4). Again, this varied somewhat by the number of months adults were sanctioned during the year, but this was a small variation that formed no clear pattern.

## CONCLUSIONS AND IMPLICATIONS

### *Likelihood of Being Sanctioned*

- **Single-parent recipient households in which the parent is not fluent in English and/or has young children were not sanctioned disproportionately.**

This runs counter to the conventional wisdom, which holds that single-parent households with these characteristics have more trouble complying with welfare-to-work requirements. Perhaps these parents who were not fluent in English and/or had young children received the supports they needed (translators and sufficient child care) in order to participate successfully in required welfare-to-work activities. In particular, counties' outreach services (which we discuss in our companion report) may have made a big difference to those whose native tongue is not English. It is also possible that these parents who were not fluent in English were more likely to have intrafamily or other types of support (apart from county-provided services) that enabled them to comply with the new CalWORKs program requirements. Another possibility is that those with small children or whose native language is not English were able to avoid sanctions by claiming "good cause" when they were unable to comply with program requirements.

- **Those with no recent earnings history and a recent history of welfare receipt were more likely to have been sanctioned.**

These findings, as anticipated, indicate that adults who have experienced long or repeated periods of welfare assistance and who lack recent, paid work experience may need special assistance in order to find and maintain employment. It is possible that barriers to working not captured by these administrative data prevented these adults from working in the past and also from complying with CalWORKs welfare-to-work activities during the period covered in our analysis. It may also be, however, that adults who lacked recent experience with the welfare system adapted to the new CalWORKs policies more quickly than those who had been longer-term welfare recipients.

- **The county of residence made important differences in the likelihood of being sanctioned.**

Some of these differences may be attributable to how counties chose to implement welfare-to-work policies: their efforts to inform recipients about their responsibilities, their ability to accurately track recipients' participation in required program activities, and county workers' willingness to impose sanctions on adults who fail to comply with program rules without good cause. At the same time, these intercounty differences in sanction rates could be the result of other factors that we were not able to capture through these administrative data. For example, limited economic opportunities, or difficulties obtaining transportation to work or child care, can vary systematically across counties and affect recipients' compliance with CalWORKs program rules.

### *Employment After Sanction*

- **Adults who had been sanctioned had worse employment outcomes in the calendar year following their sanctions than those who had not been sanctioned.**

One cannot conclude from this finding alone that imposing sanctions causes worse employment outcomes by, for instance, denying CalWORKs recipients the services designed to help them find and maintain employment. Nevertheless, this finding may imply that any underlying barriers to employment that were not previ-

ously recognized or addressed continue into the following year, making it less likely that sanctioned recipients will find and/or keep jobs compared to those who have not been sanctioned. At the same time, our analysis provides no evidence to support the assertion that imposing sanctions motivates recipients to behave more like their counterparts who were not sanctioned.

### ***CalWORKs Receipt After Sanction***

- **Recipients who are sanctioned in one calendar year continued at higher risk of sanction in the next.**

Compared to adults who had not been sanctioned, sanctioned recipients received one to two additional months of aid on behalf of their children *but not themselves* in the calendar year following the year in which they were sanctioned, although they spent slightly less time on cash aid overall (0.4 to 0.6 months).

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<sup>1</sup>This study consists of two components: an administrative data analysis (*CalWORKs Sanction Patterns in Four Counties: A Technical Analysis*), summarized here, and a process study, entitled *CalWORKs Sanction Policies in Four Counties: Practice, Attitudes, and Knowledge*, by Sofya Bagdasaryan (with Ruth Matthias, Paul Ong, and Douglas Houston). All three publications will be available online at <http://wprp.ucop.edu>.

<sup>2</sup> **WPRP EDITORIAL NOTE:** For a recent review of the literature on welfare-to-work sanctions in the United States, see Pavetti, L., M. K. Derr, and H. Hesketh. (2003) *Review of Sanction Policies and Research Studies: Final Literature Review*. Washington, D.C.: Mathematica Policy Research. They cite a 2002 conference paper by Hasenfeld et al., a version of which was published in 2004 (Hasenfeld, Y., T. Ghose, and K. Larson. *The Logic of Sanctioning Welfare Recipients: An Empirical Assessment*. *Social Service Review* 78:304-319). WPRP provided the funding to collect the survey data used in their analysis, but terminated funding for the study once it became clear that the response rates for the survey were so low that WPRP would not release policy reports based on these data.

<sup>3</sup> The Family Support Act of 1988, P.L. 100-485.

<sup>4</sup> Alameda, Fresno, and Kern counties provided county administrative data beginning with January 1999. San Diego County was able to provide data for April 1999 forward. Therefore, our analysis excludes the first quarter of 1999 in San Diego and extends into the first quarter of 2001.

<sup>5</sup> Alameda County sanction codes could also have included holding “excess property without good faith.” The sanction codes we used in this research did not cover failure to cooperate with the child support agency or failure to immunize one’s children, which are other grounds for imposing sanctions.

<sup>6</sup> These findings were clarified by multivariate analysis, discussed under the next question.

<sup>7</sup> Average earnings were calculated across the entire sample, including adults who failed to earn anything.



**Table 1. Sanction Status, in 1999, by Selected Sample Characteristics**

	Never sanctioned	Ever sanctioned	Among sanctioned, percentage distribution by number of months sanctioned		
			Sanctioned 1-3 months	Sanctioned 4-7 months	Sanctioned 8 or more months
<b>Total</b>	<b>75%</b>	<b>25%</b>	<b>40%</b>	<b>30%</b>	<b>29%</b>
<b>By county of residence</b>					
Alameda	75%	25%	35%	33%	32%
Fresno	78%	22%	36%	28%	36%
Kern	81%	19%	69%	26%	5%
San Diego	70%	30%	37%	30%	33%
<b>By primary language</b>					
English	74%	26%	41%	30%	29%
Non-English	84%	16%	35%	29%	36%
<b>By race/ethnicity</b>					
White	76%	24%	43%	29%	28%
Asian or Pacific Islander	79%	21%	31%	29%	40%
African-American	71%	29%	40%	31%	29%
Hispanic	78%	22%	42%	30%	28%
Other	80%	20%	47%	32%	20%
<b>By sex</b>					
Male	79%	21%	40%	32%	27%
Female	75%	25%	40%	30%	29%
<b>By presence of children</b>					
Infant	75%	25%	42%	29%	28%
Preschooler	75%	25%	41%	31%	28%
<b>By earliest period of AFDC receipt, 1993-1997</b>					
None	82%	18%	50%	30%	20%
1993-1995	74%	26%	41%	30%	29%
1996	77%	24%	37%	31%	31%
1997	77%	24%	39%	26%	35%

**Table 2. Number of Children in the Assistance Unit, Age of Adult, and Average Earnings, by Sanction Status in 1999**

	All	Number of Months Sanctioned			
		Never	1-3 months	4-7 months	≥ 8 months
Number of children on the case	2.4	2.4	2.3	2.4	2.4
Age of the case head	32.3	32.6	31.0	31.7	32.2
Earnings, 1997-1998*	\$4,296	\$4,678	\$3,234	\$3,042	\$3,095

**Table 3. Characteristics Associated with Sanction Receipt in 1999, Multivariate Analysis**

	Received CalWORKs
Age (each additional year)	-0.4%
Sex	
Male	2%
Female	<i>comparison category</i>
Primary language	
Non-English	-12%
English	<i>comparison category</i>
Race/Ethnicity	
Asian or Pacific Islander	NS
African-American	3%
Hispanic	NS
Other	NS
White	<i>comparison category</i>
Young children	
Infant	-2%
Preschooler	-3%
No child under 6	<i>comparison category</i>
Each additional child on the case	0.6%
Sample average earnings, 1997-1998	-5%
Each additional month of welfare in 1999	0.8%
Welfare History	
Sample average CalWORKs receipt, 1999	7%
First on AFDC, 1993-1995	7%
First on AFDC, 1996	4%
First on AFDC, 1997	3%
Not on AFDC, 1993-1997	<i>comparison category</i>
County of Residence	
Alameda	-8%
Fresno	-11%
Kern	-15%
San Diego	<i>comparison category</i>
N=38,948	

All estimates, except those labeled "NS," are significant at the .05 level or better.

Estimates indicate the change at the mean of the dependent variable.

Estimates of the association with earnings are computed at the mean of earnings (\$4,296 for the entire sample).

Estimates of the association with length of CalWORKs receipt are computed at the mean number of months (9.2).

**Table 4. Employment, Earnings, and CalWORKs Status the Year After Being Sanctioned Among Those Who Received CalWORKs for 12 Months in 1999**

	Employment	Earnings	Months of CalWORKs (adult on OR off case)	Months of CalWORKs (adult OFF case)
<b>Sanction status (1999)</b>				
0 months			<i>comparison category</i>	
1-3 months	-5%	-\$1,298	-0.4	2.1
4-7 months	-10%	-\$1,268	-0.6	2.4
8-12 months	-5%	-\$875	NS	1.2

N=14,880

This is a subset of the entire sample. By restricting the sample to those who received CalWORKs for the entire 12 months, we eliminated those who had less occasion to be sanctioned and whose subsequent employment and welfare outcomes may also have systematically differed from those who remained on aid for the entire year.

All estimates, except those labeled “NS,” are significant at the .05 level or better.

Estimates in the Employment column indicate the change at the mean of the dependent variable.

“Employment” is defined as appearing in the Unemployment Insurance administrative records with positive earnings for at least one quarter during the year.

All models hold individual and family characteristics, as well as county of CalWORKs receipt, constant.

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*Paul M. Ong is a professor at the UCLA School of Public Affairs and Asian American Studies Department, and Director of the Ralph and Goldy Lewis Center for Regional Policy Studies. Douglas Houston is a research associate at the Lewis Center and a doctoral student in the School of Public Affairs, Department of Urban Planning.*

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