The purpose of this Memorandum is to announce that the Federal Department of Health and Human Services (DHHS), Administration for Children and Families has made competitive demonstration grants available to participate in intensive joint planning and development activities that would reinforce the concept of the temporary nature of welfare, and promote self-sufficiency and employment. The announcement appeared in the Federal Register, Vol. 60, No. 122 dated June 26, 1995.

Under this initiative up to eight (8) projects nationally will receive 12 month funding. Following the first year, up to four (4) projects to be selected on a competitive basis will receive second year continuation grants for implementation of cultural change models.

First year funds available to fund the eight projects is $400,000 or $50,000 per project. The maximum Federal share for the second year continuation grants will be $1.4 million, divided among the four projects selected for second year funding.

Applicants are required to provide a local match of at least five (5) percent of the total cost of the project.
The underlying theme to this demonstration project is that in focusing on what the client needs to become self-sufficient, workers, supervisors, and administrators must view their jobs in a broader context. Workers must be empowered to participate in changing the culture of the welfare office and helping clients move from dependence to independence.

This culture change may be achieved by a variety of different approaches, including changes in management style, staff training, performance measurement and changes to the AFDC and JOBS rules which are perceived to impede the transition from welfare dependency to economic self-sufficiency.

Sites will need to create and test cultural change models and look at the impacts, costs, and benefits of their models. They will need to demonstrate how the model can be expanded and provide up-front delivery of services to promote employment opportunities and portray welfare as a transitional program.

They will need to also demonstrate how the job of the AFDC worker has changed, or will change, from one of determining eligibility and payment accuracy to one of financial consultant/customer service agent. This role includes working with the client to explore options and alternatives to public assistance, resources available in the community to meet immediate client needs, demonstrating the financial benefits of employment vs. receipt of welfare, and marketing (employment opportunities to the client, and clients to potential employers), etc..

Examples of cultural change include:

1. Training management and staff, as part of a overall process redesign geared toward employment and self-sufficiency, including customer relations training.

2. Improving and modifying technology to support the line worker's ability to service clients.

3. Implementing performance standards for evaluating staff with an emphasis on job placement standards as an important criteria.

4. Establishing new criteria and incentives to reward staff participating in and promoting cultural change activities.

5. Implementing a competency-based case management system.

6. Reclassifying personnel positions to upgrade eligibility determination staff.
7. Collocating administrative and client service delivery staff working on AFDC and JOBS. Combining income maintenance and JOBS responsibilities in one worker.

8. Implementing more intensive interventions to accommodate harder-to-serve populations which would include individuals with learning disabilities and/or developmental disabilities.

9. Establishing with educational institutions such as community colleges, training institutions and local employers, short term competency-based training programs linked to actual jobs.

The thrust of this initiative to a large extent mirrors many cultural change themes developed on the local level but, in many instances, were not implemented due to the lack of funding.

Since the Federal closing date for the submission of applications is August 25, 1995, the Department will need to receive completed applications around mid-August. We will be available to meet with interested districts at their request.

Districts interested in applying for this demonstration grant and who do not have access to the Federal Register cited earlier should contact Peter Marx as quickly as possible, who will: expedite sending you detailed information and application material; and, arrange for meetings as indicated above. Mr. Marx can be reached as follows:

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The Department will review all proposals and select at least one for submission to DHHS. The selected proposal will be that which is most likely to receive funding based on the rating criteria that will be used by DHHS as contained in the Federal Register announcement.

Patricia A. Stevens, Deputy Commissioner
Division of Economic Security