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DEPARTMENT OF PUBLIC SOCIAL SERVICES

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December 1, 2016

TO: Each Supervisor

FROM: Sheryl L. Spiller, Director

EDUCATIONAL SUPPORT PAYMENT PILOT PROGRAM – BOARD OF SUPERVISORS INITIAL REPORT

This is to provide the Board with a progress report in response to the May 31, 2016 Motion directing the Department of Public Social Services (DPSS) to:

- Develop and implement the Educational Support Payment (ESP) Pilot Program for CalWORKs youth to support the completion of a high school education for a \$400 payment and the completion of the Financial Literacy (FL) course for a payment of an additional \$100;
- Work with the Department of Consumer and Business Affairs (DCBA) to deliver FL courses;
- Identify baseline outcome measurements and obtain participant feedback that will help with advocacy efforts to expand the Pilot Program into a State CalWORKs Program and determine the potential impact of the ESP Program on CalWORKs children and their educational attainment. Measures should include, but are not limited to: the number of CalWORKs children participating in the Pilot Program, completing FL classes, and continuing into higher education;
- Implement the Pilot Program through the use of one-time CalWORKs Fraud Incentive funds that may be used for Federal Temporary Assistance for Needy Families (TANF) purposes and can serve this population, and work with the California Department of Social Services (CDSS) to identify ongoing CalWORKs Single Allocation funding to sustain the ESP Program based on the success of the Pilot Program; and
- Consider additional ways to incentivize high school graduates, as well as students throughout high school and how they can utilize money received from the ESP Pilot Program.

1. Develop and implement the Educational Support Payment (ESP) Pilot Program for CalWORKs youth to support the completion of a high school education:

On May 31, 2016, DPSS successfully began implementation of the ESP Pilot. The goal of the Pilot was to reward and encourage CalWORKs (non-Cal-Learn) teens to graduate from high school.

ESP offered a one-time incentive payment of up to \$500 to CalWORKs teens that graduated from high school in the 2016 school year. Graduating teens were eligible to receive a \$400 payment upon graduation and could receive an additional \$100 payment if they completed a Financial Literacy (FL) course.

On May 31, 2016, DPSS mailed informational materials in English and Spanish to CalWORKs households with a potentially eligible teen. There were over 2,000 eighteen year olds who were potentially eligible. Parents received a letter along with a brochure that explained how to apply for ESP and enroll in the financial literacy course. To ensure that all families received this information, the Department sent a second mailing in August.

As of the date of this report, 1,902 teens have received the \$400 payment after submitting proof of their graduation.

2. Work with the Department of Consumer and Business Affairs (DCBA) to deliver FL courses:

In August of 2016, DCBA began delivering FL courses to CalWORKs teens.

DCBA and DPSS worked together to develop a FL curriculum that included information that would be useful to teens. The course length is approximately 2.5 hours and covers topics such as "how to make a budget," "understanding credit reports," "money management," and "preventing identity theft."

As of the date of this report, 1,000 teens have expressed interest in taking the FL course. A total of 18 classes have been held and we expect to hold an additional 12 classes through the remainder of the calendar year.

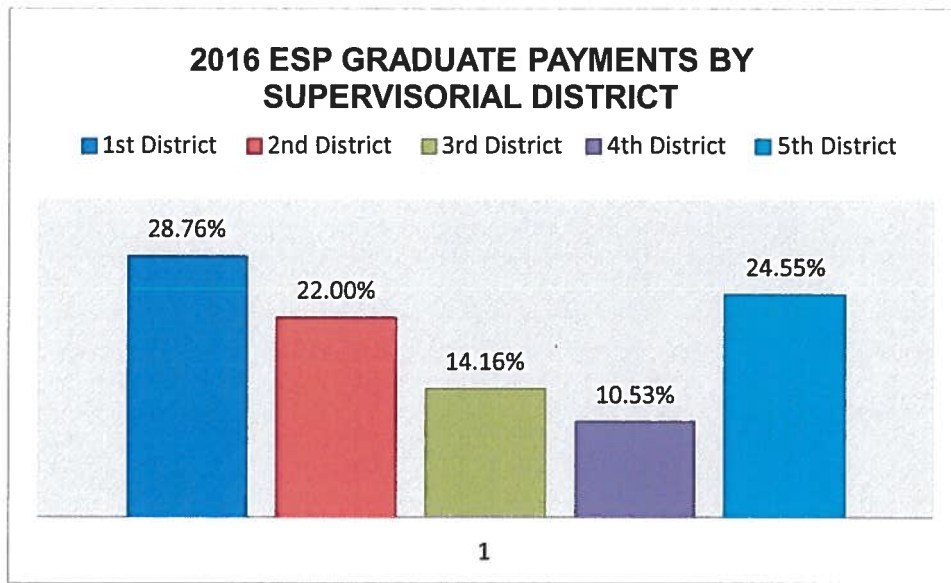
3. Identify baseline outcome measurements and obtain participant feedback that will help with advocacy efforts to expand the Pilot into a State CalWORKs Program:

The baseline measure was that the percentage of teens receiving the ESP payment be equal to or greater than the average graduation rate for Los Angeles County of 79%. We exceeded the goal. A total of 2,362 teens applied for ESP; 1,902 (81%) were approved. Of the total approved:

- 1,071 (56%) were 18 year olds, and
- 831 (44%) were 17 year olds.

The following charts reflect ESP payments, financial literacy classes to date:

Educational Support Payment 2016 School Year		
Applications Processed	School Year 2016	Percentage
Received	2,352	100%
Approved	1,902	81%
Denied – Not Eligible	450	19%
Financial Literacy Class		
Requested Class	1,000	43%
Completed Class	216	22%



DPSS and DCBA surveyed students participating in the FL classes to obtain their feedback on class content and what other financial information they would be interested in. Survey results showed the classes were well received by the students and their primary recommendations for future classes included information about college expenses, student loans and scholarships, and how to obtain and build good credit. This information will be considered when building the future curriculum.

4. Implement the Pilot through the use of one-time CalWORKs Fraud Incentive Funds that may be used for Federal Temporary Assistance for Needy Families purposes and can serve this population, and work with the California Department of Social Services to identify ongoing CalWORKs Single Allocation funding to sustain the ESP Program based on the success of the Pilot.

DPSS was able to set aside \$2.3 million in one-time TANF Fraud Incentive dollars to fund the Pilot. DPSS contacted CDSS to determine if we could use CalWORKs Single Allocation to fund the Pilot. However, CDSS concluded that the use of Single Allocation was not allowable. In September 2016, DPSS submitted a proposal to the California Welfare Directors Association (CWDA) Legislative Proposal Committee requesting that CalWORKs Single Allocation be allowed to fund the ESP Program in FY 2016-17. The CWDA has given the Program Support Level 1 approval for consideration for inclusion in the FY 2017-18 State budget. DPSS will utilize the balance of TANF Fraud Incentive dollars to fund the Program thru FY 2016-17.

5. Consider additional ways to incentivize high school graduates, as well as to students throughout high school and how they can utilize money received from the ESP Pilot Program.

In order to strengthen the Program, DPSS will:

- Conduct outreach to potential graduates earlier in the school year, including students in lower grades;
- Partner with school districts so they can promote ESP;
- Encourage teens to use incentive funds to open a bank account or assist with continuing education costs;
- Work with financial institutions who may be willing to match the funds that students deposit into a new checking/savings account; and
- Evaluate whether the \$400 should be split between semesters to motivate teens to graduate.

We are committed to enhance the ESP Program to encourage students to obtain their high school degree and obtain pertinent financial literacy information, with a goal of helping these youth obtain self-sufficiency.

If you have any questions or require additional information, you may contact me or your staff may contact Antonia Jiménez at (562) 908-8309.

SLS:ma