
SOUTH CAROLINA FAMILY INDEPENDENCE PROGRAM PROCESS EVALUATION

Topical Report: Conciliation and Sanctioning

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Abstract

The Family Independence (FI) Program transformed South Carolina's welfare program into a transitional assistance program that places a strong emphasis on participants engaging in socially responsible behavior and participating in employment and employment-related activities. The Urban Institute conducted a process study of specific features of the FI Program. This paper presents findings from the study of FI conciliation and sanction procedures.

This paper focuses on how consistently customers are placed in conciliation or are sanctioned, including: variations across staff and customer characteristics; timing of sanctions; and whether customers are more likely to be sanctioned when referred to one component or another.

I. Introduction

Implemented in 1996, the Family Independence (FI) Program transformed South Carolina's welfare program into a transitional assistance program that places a strong emphasis on participants engaging in socially responsible behavior and becoming self sufficient through employment and employment-related activities. With the implementation of FI, South Carolina's Department of Social Services significantly changed its operations to administer a system that "assists families in poverty to maximize their potential to become socially and economically independent."¹

Purpose of the Study

The South Carolina Department of Social Services (DSS) was awarded funding by the Administration for Children and Families (ACF), U.S. Department of Health and Human Services for three welfare reform evaluation studies in May 1998. For one of these studies, the process study, ACF awarded funds for the study of two welfare reform provisions that were unique to South Carolina: 1) the requirement for participation in substance abuse treatment; and 2) the delivery of relocation assistance services. In addition, the state included funding in this study to address the implementation of three processes: 1) conciliation and sanction procedures; 2) education provided to clients about transitional benefits; and 3) the effect of limited or broad availability of programs and services on client outcomes. Together, these provisions and processes represent some of the distinctive aspects of South Carolina's welfare reform.

This paper presents the findings of the study of FI conciliation and sanction procedures.² In particular, this paper focuses on how consistently customers are placed in conciliation or are sanctioned—including variations across Case Managers and customer characteristics. We also looked at whether or not customers are more likely to be sanctioned at a particular point in time (first three months of FI participation, after six months, after nine months, and at one year) and whether or not they are more likely to be sanctioned when referred to one component or another. Due to data limitations, we were not able to determine if participation rates and job placement rates correlated with the frequency with which customers are placed in conciliation or are sanctioned. Nor were we able to determine whether or not customers are sanctioned appropriately and in a timely manner.

Data Sources and Methods

This study uses process analysis to better understand the implementation of FI policies and procedures. Process analysis examines how policies are carried out and why they are carried out in a certain way. The intent is to understand what factors influence the way programs are structured, organized, and managed; and what effects program operations and management have on program outcomes. Each component of this process study combines a review of state policies, site visits to five counties, and analysis of administrative data for adult FI recipients.

¹ South Carolina Temporary Assistance for Needy Families Block Grant State Plan. October 1996.

² Our evaluation of the other provisions and processes, as well as an overview of the process study findings, are presented in companion papers.

Data were collected at state, county, and individual levels. The state-level information includes interviews with key officials, policy statements, and guidelines. County-level data were collected through site visits and follow-up telephone interviews with FI staff in each of the five study counties. County-level socioeconomic data were also compiled. DSS administrative data and focus groups provide individual-level data. The five counties selected for in-depth study are Charleston, Clarendon, Marion, Spartanburg, and Sumter. These sites provide variation across several dimensions, including: size of FI caseload, population, poverty rate, unemployment rate, and geographic location within the state.

Site visits, conducted from March 1999 through November 1999, included in-depth interviews with county DSS Directors, FI Program Coordinators, Self-Sufficiency Case Managers, specialists, and other staff involved with the program. Focus groups with FI customers were conducted at each site to solicit information about their experiences with the program. Interviews were also conducted with staff from the local Department of Alcohol and Other Drug Abuse Services (DAODAS), Department of Vocational Rehabilitation (VR), and other agencies serving FI customers. In addition, a telephone survey was conducted of customers that received relocation assistance.

Administrative data files include all individuals who received FI benefits in State Fiscal Year (July 1-June 30) 1997-1998 and 1998-99. These files were prepared by the South Carolina DSS using data from CHIP and WNAT, the two automated systems into which Case Managers routinely input data. The DSS data files also include unemployment insurance (UI) records for a subset of FI customers, provided by the South Carolina Employment Security Commission. Additional information on child care and transportation was provided from WFIN, the state's automated Work Support Financial System for processing these payments.

An important limitation of the data is the lack of information on *participation* in coordinated services, such as substance abuse assessment and counseling, child abuse and neglect, and vocational assessment and evaluation. Since Case Managers are not required to record units of service for these activities, we have information on referrals to these services, but not participation. For example, it was not possible to use the administrative data to determine whether a customer referred to substance abuse treatment actually completed treatment. Another limitation is that the data on sanctions do not include a detailed reason for sanction. Additionally, there is no code in the data system indicating that a customer actually *entered* the conciliation period; for purposes of analysis we assumed that if the data system shows that a conciliation notice was sent, the customer entered conciliation.

While the scope of the study broadly considers the entire period from implementation of FI in 1996 through June 2000, detailed data collection and subsequent analysis focus on the period from July 1997 through November 1999.

This paper first presents an overview of the sanction policy and procedures in South Carolina, including changes in the policy. It then discusses how the policy was implemented in the five study counties. Finally, it presents data on the outcomes of the sanction policy for State Fiscal Years 1997-98 and 1998-99.

II. South Carolina's Sanction Rules

All Family Independence customers are required to participate in the development of an Individual Self Sufficiency Plan (ISSP). The ISSP is a reciprocal agreement between the customer and DSS that outlines the activities in which s/he will participate and must be signed by the customer. Activities included in the plan are intended to enable the customer to obtain employment, strengthen the family's well-being, and help the family achieve financial independence. For example, the ISSP may include activities such as parenting skills training, job search, job club, and substance abuse treatment, if necessary.

Reasons for Sanctioning

Customers who fail to comply with FI program rules face benefit termination through the imposition of a *full-family sanction*. That is, if an FI customer or family member fails to comply with an activity laid out in their plan, all FI cash assistance for the entire family may be terminated. Examples of failure to comply, as outlined in the FI Policy Manual include:

- Failing to attend scheduled training, a work experience placement, or a scheduled job interview;
- Voluntarily reducing hours of employment;
- Quitting a job; and
- Refusing to comply with any requirement outlined in the ISSP without good cause.³

A sanction may also be imposed for failing a random test for *illegal* drugs or for not participating in substance abuse treatment determined to be necessary by DAODAS. FI policy clearly states, however, that failing a test for *alcohol* "shall not constitute the basis for a sanction, but may be grounds for resumption of treatment."⁴

Although many states have used the flexibility provided under federal welfare reform to strengthen penalties for non-compliance with program rules, South Carolina is one of only 15 states that strengthened its sanction policy so as to implement an initial full-family sanction.⁵ Another feature that separates South Carolina's sanction policy from that of most states is the additional requirement that customers be in compliance with their ISSP for 30 days before the sanction is removed and benefits are restored.

³ SC DSS FI Policy Manual. March 1, 2000.

⁴ SC DSS FI Policy Manual. March 1, 2000.

⁵ Welfare Reform: State Sanction Policies and Number of Families Affected (GAO/HEHS-00-44), March 31, 2000.

Conciliation

Under the Family Independence Act of 1995, sanctions for failure to comply with the ISSP were put in place “to emphasize the necessity of each family achieving independence and self-sufficiency.”⁶ Prior to implementing a sanction, DSS Self-Sufficiency Case Managers “must exercise judgement and must make every effort to assist participants in overcoming barriers to successful participation in the program.”⁷ This is done, in part, by enacting a 30-day *conciliation* period. As stated in the FI Policy Manual:

“conciliation is the process which gives the participant an opportunity to avoid a full-family sanction, and gives the [Self-Sufficiency Case Manager] the opportunity to counsel and instruct the participant in progressing toward self-sufficiency. The worker will initiate the conciliation process whenever a participant fails to comply or refuses to cooperate with FI Work Requirements.”⁸

During conciliation, the family (i.e., benefit group), has the opportunity to prevent implementation of a sanction by either coming into compliance or demonstrating *good cause* for not following the ISSP. According to the FI Policy Manual, good cause exists when circumstances beyond the customer’s control prevent the customer from successfully completing the specified work component. Good cause may be found for the following reasons:

1. The participant lacks child care.
2. The participant lacks transportation to the job or training site.
3. The job or training site would require more than one hour of commuting time, or a 60 mile radius one way, and can be documented as a hardship to the participant.
4. The participant lacks the mental or physical capacity to perform the job or training to which he/she was referred.
5. The participant is mentally or physically incapacitated (pending results of a comprehensive evaluation by [VR], [the Department of Mental Health], or a substance abuse program). This does not affect the deferral status until a final determination regarding employability is made.
6. The participant is offered unsubsidized employment where the job pays less than the federal minimum wage or results in a net loss of cash income to the participant.

⁶ Family Independence Act of 1995 A102, R156, H3613

⁷ SC DSS FI Policy Manual. March 1, 2000.

⁸ SC DSS FI Policy Manual. March 1, 2000.

7. Acceptance of the job or training would expose the participant to undue danger or hazard.⁹

Self-Sufficiency Case Managers in all five counties indicated that one of the most frequent reasons they determine good cause for is documented illness or doctor appointments for either the customer or a dependent family member.

Typically, the Self-Sufficiency Case Manager initiates the conciliation process by contacting the customer in writing and requesting a meeting to discuss reasons for not complying with the ISSP. The conciliation meeting provides an opportunity for the customer and the Case Manager to discuss problems related to non-compliance. If the customer is able to show good cause during the conciliation period, the Case Manager completes the appropriate paperwork and FI benefits continue without interruption. If good cause is not demonstrated, the customer may come into compliance by fully participating in the activity that s/he was assigned to (or a comparable activity if that one is no longer available) for 30 days. Additionally, FI customers may request a conciliation meeting if they feel the need to question the propriety of an administrative action or believe the terms stated in the ISSP are no longer appropriate for his/her individual situation. The conciliation process may not last longer than 30 days from the date the initial conciliation appointment notice is sent.

Intent to Sanction

If conciliation is not successful (i.e., the customer does not come into compliance and fully participate in the designated activity), the Self-Sufficiency Case Manager sends the customer a Notice of Adverse Action (or intent to sanction) stating that the case will close, and processes the closure of cash benefits. As a safeguard for children, if the FI customer is involved with protective services, or has a history of such involvement, FI policy states that the protective services worker should be included in the discussion of the case with the Self-Sufficiency Case Manager and the FI customer.

Sanction

Once sanctioned, the entire family does not receive any FI cash benefits or services. Customers must demonstrate compliance for 30 consecutive days before the sanction is lifted. This 30-day period counts toward the customer's 24-month time limit. If a customer is due to be sanctioned during his/her 24th month of assistance or during an extension, the case is closed.

Once a case is closed due to non-compliance, benefits may be restored only if the customer reapplies for FI and repeats the eligibility process. As part of this process s/he must "agree to comply according to the terms of the ISSP and demonstrate compliance for 30 days."¹⁰ After 30 days of compliance, benefits are reinstated retroactively from the date of application. This is sometimes referred to as "curing" the sanction.

⁹ SC DSS FI Policy Manual. March 1, 2000.

¹⁰ SC DSS FI Policy Manual. March 1, 2000.

Changes to the Sanction Policy

The policies and procedures for conciliation and sanctioning in South Carolina are complicated and have been modified by DSS in an effort to continually improve the FI Program. Important changes since the implementation of FI in 1996 include a July 1, 1997 modification stating that a parent may be sanctioned and still required to participate in FI activities. This policy change means that child care assistance may be provided to dependent children while the customer is participating in an FI activity even though the family is officially in a sanctioned status.¹¹ As of January 14, 1998, an informal staffing must be held between the Self-Sufficiency Case Manager and the FI Supervisor *before* a full-family sanction is imposed. The policy states that “at a minimum, an informal staffing (i.e., discussion of the case) should be held between the Self-Sufficiency Case Manager and the FI Supervisor. The following information should be reviewed to ensure that appropriate actions were taken and that the sanction is unavoidable: conciliation notice; client appointment notice; documentation of appointment results; and [evidence of] active or prior substance abuse.”¹²

A March 1, 2000 revision to the FI Policy Manual states that during the six-month period following the conciliation, a customer may be sanctioned for failure to follow the work activities outlined in his/her ISSP without another conciliation.¹³ This means that customers may be sanctioned after two violations of two *different* program rules or activities (as opposed to two incidences of noncompliance for the *same* program rule). For example, under the new policy, a customer could be in conciliation for not participating in job search activities. If s/he subsequently (within 6 months) did not attend Family Life Skills, s/he would be sanctioned for non-participation.

Informing and Training Local Staff about the Sanction Policy

Given the complexity of the sanction policy and the impact of a full-family sanction, it is critical that front-line staff fully understand the policies and procedures to ensure that they are applied appropriately.

There were no state-level trainings offered for the express purpose of explaining the state’s sanction policy. These policies were incorporated in initial FI policy training and covered in update training sessions.

Directive Memos and *Family Independence Alerts* were sent to County Directors to clarify the policy following initial program implementation. For example, in October 1998 an alert was sent to all County Directors, Program Coordinators, Supervisors, and Case Managers to clarify the differences between “sanctions” and “disqualifications” and ensure that they were appropriately applied.

Updates to the FI Policy Manual are made online and online alerts notify FI staff to changes. In addition, county FI Coordinators are responsible for keeping Self-Sufficiency Case

¹¹ Family Independence Alert Issue No. 42. September 24, 1997.

¹² Family Independence Alert Issue No. 51, January 14, 1998.

¹³ SC DSS FI Policy Manual. March 1, 2000.

Managers abreast of changes in policy and implementation. This is often done through staff meetings and in-service training. For example, in **Spartanburg**, staff training is held on the last day of every month when the FI Work Support Tracking System (WNAT) system is down for maintenance. The office is closed to customers at this time, during which the FI Coordinator goes over new policies and how they should be implemented. In addition, units meet regularly with their supervisors to review policies and procedures. **Charleston** and **Sumter** Counties also use the time during which the WNAT system is down for occasional staff meetings or training. However, they do not close their offices to customers.

III. Sanction Policy Implementation

Staff across the five counties believe that the conciliation and sanction processes are an integral component of the FI Program. In **Spartanburg**, a staff member noted that the sanction process is “the key ingredient to the success of the program.” FI staff in **Marion** noted that the ability to impose full-family sanctions helped them convince customers that the county is serious about the program requirements. At the start of the FI Program in **Clarendon**, customers did not believe that staff would actually sanction them and cut their cash benefits. Once word spread through the community that the threat of sanction was real, conciliation became a more effective means of preventing full-family sanctions. A Self-Sufficiency Case Manager in **Sumter** said that conciliation provides an opportunity to reinforce “what the program is all about.”

Discretion in Implementing Sanction Policy

Counties and Self-Sufficiency Case Managers have a fair amount of leeway in how they impose conciliation and sanctions. While some strictly adhere to the policy as it is laid out in the DSS policy manual, others are more likely to give customers another chance before cutting benefits through a full-family sanction.

In **Sumter**, staff felt that, while sanctions let customers “know that DSS means business,” they can be somewhat lenient and give customers extra chances, “taking some of the bite out” of the sanction process (e.g., by determining good cause, initiating conciliation, etc.). In **Charleston**, it was noted that Case Managers have discretion leading into a sanction. While some Case Managers are lenient in the way they handle sanctions within the state-issued policy guidelines, others are very strict and closely monitor customers’ compliance with the ISSP. One Self-Sufficiency Case Manager said she tells her customers “we will give you whatever you want as long as you [the FI customer] do what you need to do.” Staff in **Clarendon** noted that if a customer actually gets to the point of receiving a full-family sanction, they typically “deserve it” as Self-Sufficiency Case Managers tend to give customers extra chances before imposing the sanction.

Case Managers in all five counties tend to have a fair amount of latitude in determining good cause. FI Supervisors in **Charleston** have been working to make the implementation of conciliation and sanctioning—especially the determination of good cause—more consistent across Self-Sufficiency Case Managers. In **Sumter**, a Self-Sufficiency Case Manager said that s/he does not have to justify the determination of good cause to other staff. If s/he is unsure if it

should be considered good cause, she discusses the case with other Case Managers or the FI Supervisor. Another Case Manager said that s/he tries to give the customer the benefit of the doubt when determining good cause because the sanction cuts benefits for the entire family.

While four of the five counties require customers to participate in the work activity for which they received the sanction, **Marion** County requires customers to go through the county's three-week life skills/job readiness class two times as part of the "curing" process (i.e., removing the sanction). Staff noted that this was done to help customers accept their responsibilities under FI and acquire new attitudes about work. It should be noted that customers interviewed in a focus group were particularly displeased with this requirement.

Implementing Changes in Sanction Policy

FI staff in several counties noted an ease in the sanctioning policy under the new DSS administration that came into office under Governor Hodges in 1999. Although no specific directive was issued, staff felt they have noticed an increased emphasis on meeting the needs of the family and paying attention to how sanctions affect children in the family unit. This was reinforced by a March 1, 1999 revision to the FI Policy Manual stating that "for cases that show no [child welfare] involvement, counties should develop follow-up procedures to ensure the well-being of the family."¹⁴

Several staff, including staff in **Spartanburg**, noted that they were somewhat frustrated by this change in direction because it lessened their credibility and weakened the threat of sanctions in the eyes of customers. Some Self-Sufficiency Case Managers felt they were giving customers too many chances. They also noted that while conciliation is an effective process, Self-Sufficiency Case Managers "lose ground" with their customers during this time. In **Sumter** County, however, staff noted that there was no real change in how they initiated sanctions; the county was always "lenient" in its approach. For example, one Sumter Self-Sufficiency Case Manager said "if you sanction a customer they come right back. Finding out why they did not comply saves you some work in the long run." DSS respondents in **Marion** and **Clarendon** counties said that the ability to sanction customers after two violations of two *different* program rules (as opposed to two incidences of noncompliance for the *same* program rule) has made it easier to sanction cases.

IV. Outcomes of Sanction Policy

Overall, 1998 sanction rates in South Carolina were higher than the national average as reported by the U.S. General Accounting Office (GAO). South Carolina implemented a full-family sanction for 19 percent of its caseload. In comparison, 5 percent of the total average nationwide caseload was sanctioned in an average month.¹⁵

¹⁴ SC DSS FI Policy Manual. March 1, 2000.

¹⁵ Welfare Reform: State Sanction Policies and Number of Families Affected (GAO/HEHS-00-44), March 31, 2000.

Based on administrative data on full-family sanctions (see Table 1), it appears that conciliation is an effective means of preventing a full-family sanction from being implemented. Statewide, in SFY 1998-99, 31.5 percent of FI families were placed in conciliation. Just over half of all families that were placed in conciliation received a full-family sanction (16.4 percent). Variation across the five study counties was modest for sanctions, but there is a lot of variation in the percentage of cases that enter conciliation. The rate of conciliation in Spartanburg (36.3 percent) was twice as high as the rate in Clarendon (17.8 percent). Conciliation did not appear to be as effective in Clarendon county as it was in other counties, however. While 17.8 percent of all cases had conciliation imposed, 16.4 percent were sanctioned.

Table 1: South Carolina FI Program Cases with Conciliation or Sanction—SFY 1998-99

County	Conciliation		Sanction	
	Number of Cases	Percent of Caseload	Number of Cases	Percent of Caseload
Charleston	635	30.9	346	16.8
Clarendon	89	17.8	82	16.4
Marion	79	21.9	41	11.4
Spartanburg	387	36.3	216	20.3
Sumter	464	33.9	251	18.3
State Total	8114	31.5	4235	16.4

Source: The Urban Institute's calculations are based on data provided by the South Carolina DSS, from the CHIP and WNAT administrative systems.

Conciliation may serve as an effective warning to customers who then come back into compliance to prevent a full-family sanction. Another possible reason for the apparent strong effect of conciliation is that it may serve as a “flag” to Self-Sufficiency Case Managers who then work more closely with the family to prevent the sanction and better meet their needs.

Statewide, conciliation rates were lower in SFY 1998-99 than they had been in the prior State Fiscal year (see Table 2). Among the five study counties, only Spartanburg experienced an increase in conciliation rates over these time periods (from 27.9 percent to 36.3 percent). Charleston and Marion counties saw the largest decrease in conciliation rates (nearly 11 percentage points).

Table 2: Change in Conciliation Rates Between SFY 1997-98 and 1998-99

County	SFY 1997-98		SFY 1998-99		Percentage Change
	Number of Cases	Percent of Caseload	Number of Cases	Percent of Caseload	
Charleston	1240	41.6	635	30.9	-10.7
Clarendon	153	25.0	89	17.8	-7.2
Marion	159	32.6	79	21.9	-10.7
Spartanburg	433	27.9	387	36.3	+8.4
Sumter	569	34.6	464	33.9	-0.7
State Total	13561	38.9	8114	31.5	-7.4

Source: The Urban Institute's calculations are based on data provided by the South Carolina DSS, from the CHIP and WNAT administrative systems.

Sanction rates were also somewhat lower in SFY 1998-99 than in SFY 1997-98 (see Table 3). Statewide, sanction rates dropped 2.6 percentage points, from 19.0 percent to 16.4 percent. Marion County experienced the largest decrease in sanction rates (7 percentage points). Sumter was the only county to see an increase in sanction rates (1 percentage point) over this time.

**Table 3: Change in Sanction Rates
Between SFY 1997-98 and 1998-99**

County	SFY 1997-98		SFY 1998-99		Percentage Change
	Number of Cases	Percent of Caseload	Number of Cases	Percent of Caseload	
Charleston	518	17.4	346	16.8	-0.6
Clarendon	103	16.9	82	16.4	-0.5
Marion	90	18.4	41	11.4	-7.0
Spartanburg	379	24.5	216	20.3	-4.2
Sumter	284	17.3	251	18.3	+1.0
State Total	6628	19.0	4235	16.4	-2.6

Source: The Urban Institute's calculations are based on data provided by the South Carolina DSS, from the CHIP and WNAT administrative systems.

Using the subset of sanctioned FI cases that opened during the first quarter of SFY 1998-99 (July 1 – September 30, 1998), we calculated the time from case opening to first sanction. These calculations show that sanctions tend to occur during the first six months of cash assistance (see Table 4). More than half (54.6 percent) of this subset of customers were sanctioned during the first three months; more than three-quarters (80.9 percent) were sanctioned by the end of six months on assistance. Sanctioning occurred earlier in SFY 1998-99 than in the previous year—only 18.9 percent of this subset of customers in SFY 1997-98 were sanctioned during the first three of months of assistance; and approximately two-thirds (65.4 percent) were sanctioned during the first six months.

**Table 4: Number of Months on FI Before
First Sanction—SFY 1998-99**

Number of Months on FI	Number of Cases Sanctioned	Percent of Cases Sanctioned	Cumulative Percent of Cases Sanctioned
1	65	9.0	9.0
2	193	26.8	35.8
3	136	18.9	54.6
4	69	9.6	64.2
5	68	9.4	73.6
6	52	7.2	80.9
7	31	4.3	85.2
8	39	5.4	90.6
9	23	3.2	93.8

Source: The Urban Institute's calculations are based on data provided by the South Carolina DSS, from the CHIP and WNAT administrative systems.

Statewide in SFY 1998-99, the demographic characteristics of case heads that were in cases placed in conciliation or were sanctioned differed slightly from the characteristics of the general FI population (see Table 5). Case heads that were placed in conciliation or sanctioned tended to be slightly younger. The average age of all case heads was 30.2, while the average age of those placed in conciliation or sanctioned was 28.4 and 27.9 years old, respectively. Case heads placed in conciliation and/or sanctioned were more likely to be women, African-American, never married, under 21 years of age, have less than a high school education, and have fewer children under age one than all case heads in the sample.

Table 5: Characteristics of All Case Heads with Conciliation or a Sanction Imposed—SFY 1998-99

Characteristics	All Case Heads (n= 27,213)	Case Heads Placed in Conciliation (n=8,114)	Case Heads that were Sanctioned (n= 4,235)
Percent:			
<i>Gender</i>			
Female	92.5	97.4	97.6
<i>Race/Ethnicity</i>			
White	28.5	23.5	20.9
Black	70.0	75.5	78.2
Hispanic	1.0	0.7	0.6
Other	0.5	0.4	0.3
<i>Age</i>			
Under 21	13.0	16.6	17.5
21 to 30	45.7	48.0	49.4
31 to 40	30.2	27.4	16.4
41 to 50	9.6	7.2	6.5
Over 50	1.6	0.8	0.3
<i>Marital Status</i>			
Never Married	57.1	64.0	66.8
<i>Education</i>			
Less than H.S.	44.8	47.6	53.5
H.S. Graduate	44.1	39.5	39.2
<i>Family Composition</i>			
Child Less than Age 1	22.4	19.9	16.7
Average:			
<i>Age</i>	30.2	28.4	27.9
<i>Years of Education</i>	11.2	11.1	11.0
<i>Number of Children</i>	2.0	2.0	2.0
<i>Number of Months Received Benefits in Last 3 Years</i>	22.0	18.3	18.2

Source: The Urban Institute's calculations are based on data provided by the South Carolina DSS, from the CHIP and WNAT administrative systems.

V. Conclusions

During the course of our study we detected a move on the part of counties to be more lenient in imposing conciliation and sanctions. While this change in attitude toward sanctioning was typically attributed to changes in state-level leadership, it is important to note that this trend is consistent with what is happening across the country. As the TANF caseload has continued to shrink, those individuals left on TANF (or FI) tend to have more barriers to work and need more support and services to help them reach self-sufficiency. The response of Case Managers and Supervisors to this hard-to-serve population appears to be supportive rather than punitive.

There is considerable variation in the implementation of conciliation and sanction procedures. Based on interviews conducted in the five counties, there is evidence of a high level of variation in the way in which and frequency with which Self-Sufficiency Case Managers implement the conciliation and sanctioning processes. The variability with which good cause is determined and sanctions are imposed is encouraged by the FI Policy Manual which states that Case Managers “must exercise judgement and must make every effort to assist customers in overcoming barriers to successful participation in the program.”¹⁶ This is compounded by very complicated rules and the general easing of pressure to sanction customers. This high level of variation is not unusual. As noted in a March 2000 U.S. General Accounting Office report examining sanction policies in all 50 states and the District of Columbia, “the extent to which families actually experience benefit reductions or terminations depends in part on the extent to which caseworkers and families try to resolve noncompliance before sanctions result.”¹⁷

There appears to be slight variation in the characteristics of customers in conciliation or sanction status. Customers who were placed in conciliation or were sanctioned were more likely to be women, African-American, never married, and younger than the average case head. They were also more likely to have less than a high school education. It is possible that there are barriers faced by those who are more likely to be placed in conciliation or sanctioned that are not captured through the data available for this study and, thus, prevent us from identifying common characteristics of these customers.

There is little indication that customers are more likely to be sanctioned at a particular phase of their FI participation Analysis of administrative data indicated that customers are most likely to be sanctioned during the first six months of their time on FI.¹⁸ Self-Sufficiency Case Managers did not indicate that customers were more likely to be sanctioned at any particular point during their 24 months of FI assistance. One Self-Sufficiency Case Manager did note that sanctions were much harder to explain to customers who had been on AFDC than to new FI customers, and therefore sanctions were more frequently imposed during the initial conversion from AFDC to FI.

¹⁶ SC DSS FI Policy Manual. March 1, 2000.

¹⁷ Welfare Reform: State Sanction Policies and Number of Families Affected (GAO/HEHS-00-44), March 31, 2000.

¹⁸ Since we only had one year of data for this analysis, the maximum time we observed customers was 12 months. We do not have information on those who may have been sanctioned in their 13th to 24th month on FI.

It is not evident that customers are more likely to be sanctioned when referred to one component than another. Most Case Managers did not feel that customers were more likely to be sanctioned in one component or another. However, one Self-Sufficiency Case Manager indicated that her/his customers referred to Work Experience were more likely to be sanctioned because they were resistant to working for little or no pay, perceiving it as “working for nothing.”¹⁹ The administrative data analysis did not indicate which activities clients are more likely to be enrolled in when sanctioned.

In summary, the threat of a full-family sanction appears to assist Self-Sufficiency Case Managers in enforcing FI Policy, but at the same time, provides an incentive for Case Managers to encourage conciliation rather than penalize the children and other benefit group members. Implementation of the policy is complex and there is considerable variation across counties and among Case Managers within a county. This variation is consistent with FI Policy that encourages Case Manager judgement in determining good cause.

¹⁹ Originally, the Work Experience program did not pay wages for hours worked. At the time of our visits, counties were implementing a policy that allowed customers to be paid the difference between what their wages would have been at the federal minimum wage and the combined value of their food stamp, FI cash grant, and child support gap payment minus any child support withheld.

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