NLWJC - Kagan

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[Welfare Reform Binder] [4]

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AGENDA
NATIONAL GOVERNORS' ASSOCIATION MEETING
WELFARE REFORM BRIEFING
SEPTEMBER 10, 1996
2:30 p.m. - 4:00 p.m.
Renaissance West A

State Priorities for NGA Implementation Assistance Activities

Gubernatorial Input to the Regulatory Process

Gubernatorial Input to Technical Amendments

NGA and APWA Consultative Role in Defining Outcome Measures on the Basis of Which Performance Bonuses will be Awarded

Upcoming Activities

- Welfare reform site on NGA's Home Page
- Peer Assistance Network for the Midwestern States
- Transportation Coordination Demonstration project
- Annual Workforce Policy Forum "Work First It's Not Just About Welfare," November 20-21, 1996 in Cleveland Ohio
- Conference Calls
- Fall Meeting on Options for Pursuing a Prevention Agenda Under Welfare Reform

NATIONAL CONFERENCE OF STATE LEGISLATURES

FORUM FOR STATE LEGISLATORS AND LEGISLATIVE STAFF

AGENDA
SEPTEMBER 10, 1996
2:15 PM - 4:00 PM
RENAISSANCE WEST B

I. WELCOME AND INTRODUCTIONS

II. CONCERNS AND UNANSWERED QUESTIONS

III. DISCUSSION TOPICS:
A. PREPARATION FOR 1997 SESSION
B. FISCAL ISSUES
C. STATUTORY ISSUES
D. TIMETABLE
E. OVERSIGHT
F. WORKING WITH OTHER LEVELS OF GOVERNMENT
G. FEDERAL REGULATIONS AND TECHNICAL CORRECTIONS LEGISLATION

IV. NEW BUSINESS

V. ADJOURN

Joint Welfare Reform Briefing

September 9 - 10, 1996

Handout Materials

Provided by APWA, NCSL & NGA

Highlights of Food Stamp Provisions in P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H. R. 3734)

New work requirement: The law imposes a new food stamp work requirement under which able-bodied recipients age 18-50 with no dependents are ineligible unless they work for certain amounts of time. Under the law, recipients may receive benefits only three months out of each three years, and must work the remaining 33 months. However, if the working recipient loses his or her job, an additional three months' benefits are allowed once in the three year period.

"Work" also includes participating in a work program or workfare 20 hours or more a week, averaged monthly. Qualifying work programs include programs under JTPA or the Trade Adjustment Assistance Act, state or local programs approved by the Governor (including a food stamp E&T program), and workfare, but not job search or job search training programs. Work requirements may be waived in areas with unemployment over 10% or with insufficient jobs.

EBT and Reg E: The law exempts state- or locally-administered means-tested EBT benefit programs, including food stamps, from Reg E. Report language is included expressing Congressional intent that regulations regarding benefit replacement and loss liability may be no more restrictive than those in place for the paper coupon program. States are required to implement food stamp EBT by October 1, 2002, unless waived. Systems must be cost-neutral over their life. States are required within two years of implementation, "to the extent practicable," to implement measures under which retailer scanning devices can differentiate allowable and non-allowable food items. States may charge for replacement cards and may require photos on EBT cards. The law includes a House "anti-tying" provision under which EBT vendors may not condition their contracts on states buying additional point-of-sale service from them or an affiliate.

Waiver Authority: The law includes a provision for new waiver authority that would allow states to request waivers for welfare reform, work, or multi-program conformity projects, but allowable waivers are subject to a number of restrictions. The major restrictions include: no new cash-out projects; no transfer of food stamp or employment and training funds to other assistance programs; no non-time-limited projects; limitations of 15% of the caseload and five years duration if the project reduces benefits by more than 20% for more than 5% of households in the project; no adverse effect on certain vulnerable populations nor on certain rights and procedures in the Food Stamp Act; no conditions based on "behavioral" activity such as a family cap or benefit time limit; and no waivers of a provision of the Simplified Food Stamp Program option.

Work supplementation and cash out: The law allows work supplementation or support programs where the value of cash and food stamp benefits is provided to employers who in turn hire and pay public assistance recipients. The law also allows states where 50% or more of the caseload received AFDC in 1993 to cash out food stamp benefits to households receiving both cash grants and food stamps, and who have a member who has worked for at least three months in an unsubsidized private sector job that pays at least $350 a month. States must increase benefits to compensate for state or local food sales taxes.

Exclusion of LIHEAP from food stamp income: The law exempts federal LIHEAP payments (but not state or local energy assistance payments) from being counted as food stamp income.

Simplified Food Stamp Program: The law includes a Simplified Food Stamp Program (SFSP) option under which states may conform the cash assistance portion of the food stamp caseload to their new cash assistance block grant plans. The law specifies that the Secretary will determine if the program is increasing federal costs; states will not be required to collect information on households not in the simplified program; the Secretary may approve alternative accounting periods in making cost determinations; and states may include in the program households with one or more non-TANF members if approved by the Secretary.

No optional block grant: The law does not include an optional block grant provision.

Other state administrative options and changes: The law allows states a degree of additional administrative flexibility in several areas. States will no longer be governed by detailed rules for application forms and procedures; they may allow verbal fair hearing withdrawals; and they may use the IEVS system and the SAVE system at their option. Two changes were made in expedited service rules: one extends the expedited service timetable from five to seven days, and the second ends automatic expedited service eligibility for homeless households. Expedited service will still have to be provided to households whose shelter costs exceed their income and resources.

States may lower the caretaker exemption age to three without restriction, and may lower the age to as low as one only if a state had requested a waiver to do so, and had had the waiver denied, as of August 1, 1996.

The law provides other administrative reforms including: allowing 12 month certification periods (24 months for elderly and disabled households) with one contact per year; requiring that late recertification benefits be prorated (rather than issued as a full month); allowing states to combine the first and second months' allotments for expedited households applying after the 15th; and prohibiting food stamp increases to make up for penalties in other assistance programs.

Retention rates: The law revises the percentage of overissuance collections that states may retain to 35% for fraud overissuance collections and 20% for non-fraud collections.

Deductions and benefit levels: The law caps the excess shelter deduction at current-law levels through December 31, 1996 ($247 for the 48 contiguous states and D. C.), then allows the cap to rise in increments to $300 by FY 2001. The law also freezes the standard deduction at present levels; freezes the homeless shelter allowance at current levels; disallows the earned income deduction for any income not reported timely; and sets maximum food stamp benefits at 100% of the cost of the Thrifty Food Plan rather than at 103% as under current law.

Child support: The law has two provisions affecting child support: states may at their option disqualify individuals during any period the individual has an unpaid liability (arrears) that is under a court child support order; and may disqualify custodial or noncustodial parents who do not cooperate with the child support program.

Quality control: The law leaves present QC law intact. Present QC law would also apply to the Simplified Food Stamp Program option.

Uncapped reauthorization: The law reauthorizes the program in its present uncapped, individual entitlement form through FY 2002.

Drug-related felony convictions: Individuals with drug-related felony convictions (after the date of enactment) are ineligible, but their income and resources are considered available to the households in which they are members. States can opt out of the mandate by passage of a state law.

Aliens: Illegal immigrants are ineligible. Legal non-citizens are ineligible until they attain citizenship, with exceptions for refugees, those who have worked for 10 years, veterans and their families, and certain others.

Effective date: Policy provisions are effective upon enactment, with the exception of some budgetary changes which are effective October 1.

Major Food Stamp Provisions in P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H. R. 3734)

Definition of certification period
Sec. 801—Replaces existing certification period rules and allows states to certify households for up to 12 months, and households consisting entirely of elderly persons or persons with disabilities for up to 24 months, provided a contact is made at least once every 12 months. **$0 ***
Treatment of children living at home
Sec. 803—Eliminates separate household status for children under age 22 who live with one or both parents by requiring them to be included in the parents' household. **- $1.45 billion**
Adjustment of Thrifty Food Plan
Sec. 804—Changes the basis for allotments to 100 percent of the cost of the Thrifty Food Plan effective 10-1-96. **- $6.28 billion**
Definition of homeless individual
Sec. 805—A person who is temporarily residing in the home of another individual may be considered homeless only for the first three months of such residence. **- [Under $500,000]**
Earnings of students
Sec. 807—Counts the income of an elementary or secondary school student beginning at age 18. **- $70 million**
Energy assistance
Sec. 808—State and local energy assistance payments are counted as income, but LIHEAP is excluded. One-time costs of weatherization or repair or replacement of unsafe or inoperative heating devices are also excluded; households will receive a deduction for out-of-pocket expenses. Certain HUD allowances/reimbursements are disregarded (present law). **- $1.005 billion**
Deductions from income; utility standard switch
Sec. 809—*Standard deduction:* Freezes deduction at the FY 95 levels ($134 for the 48 contiguous states). *Earned-income deduction:* Denies the earned-income deduction when determining overissuances for households that fail to report earnings timely, and for the public assistance portion of income earned under a work supplementation/support program. *Excess shelter expense deduction:* Continues present law (e.g., $247 for the 48 contiguous states and D. C.) through 12-31-96; rises to $250 through FY 98; to $275 for FYs 99-2000; and to $300 for FYs 2001-02. *Homeless shelter deduction:* Makes the standard homeless shelter deduction optional. *Utility standard:* Allows states to mandate utility standards under certain conditions; limits utility standard use by LIHEAP households to those that incur additional out-of-pocket expenses. **- $5 billion (standard deduction)** **- $15 million (homeless shelter)** **- $3.03 billion (excess shelter)** **- $425 million (utility standard)**
Vehicle allowance
Sec. 810—Rises to $4,650 effective 10-1-96. **- $1.030 billion**
Vendor payments for transitional housing counted as income
Sec. 811—Eliminates the exclusion from income of vendor payments for transitional housing. **- $60 million**

*** NOTE: Figures indicate seven-year budget impact—a minus sign (-) for savings, a plus sign (+) for costs.**

Simplified calculation of income for the self-employed
Sec. 812—Within one year of enactment, the Secretary will establish a procedure by which states may submit proposed cost-neutral methods of estimating the cost of producing self-employment income in lieu of calculating actual costs. **$0**
Doubled penalties for violating Food Stamp Program requirements
Sec. 813—Doubles penalties for participant fraud and abuse from six months to one year for the first offense and from one year to two for the second violation. **- [Under $500,000]**
Disqualification of convicted individuals [for trafficking]
Sec. 814—Permanently disqualifies persons convicted of trafficking offenses involving $500 or more. **- [Under $500,000]**
Disqualification [for failing to comply with work programs]
Sec. 815—Persons are disqualified who refuse to work, refuse to cooperate with state agencies trying to determine job status or job availability, and refuse to participate in an employment and training program; or who reduce work time below 30 hours a week or voluntarily quit a job without good cause. Minimum disqualification periods begin at one month for the first violation and go up to six months for the third violation, and longer (up to permanent disqualification) at state option. If the violator is a household head, the whole household may be disqualified up to six months. The Secretary determines the meaning of good cause, voluntary quit, and reduction of work effort. States may determine other procedures, which may not be less restrictive than their TANF programs. **- $30 million**
Caretaker exemption [from work requirements]
Sec. 816—Allows states to adjust the caretaker exemption to as low as age three, or as low as age one if the state requested a waiver to do so and was denied as of 8-1-96. **$0**
Employment and training [E&T program]
Sec. 817—Retains food stamp E&T program but provides more flexibility in program design and options. Removes provisions for federal performance standards on states. States may spend up to the amount spent in FY 95, including amounts for Title IV-A recipients. Allocations are determined by the state's recipients subject to the new work requirement (Sec. 824). Increases federal funding to $79 million in FY 97, rising to $90 million in FY 2002. Expands allowable activities eligible for 50% matching funds under E&T program to include case management and other services that promote self-sufficiency or transition to work. **+ $56 million**
Food stamp eligibility [state option not to deduct pro-rata share of ineligible alien income]
Sec. 818—States may count all the income and resources of an alien ineligible as available to the rest of the household. **- $145 million**
Comparable treatment for disqualification
Sec. 819—If a person is disqualified for violations of other needs-tested public assistance programs, states may impose the same disqualification for food stamps. Recipients disqualified may reapply after disqualification and be treated as new applicants. **- $125 million**
Disqualification for receipt of multiple food stamp benefits
Sec. 820—Disqualifies for 10 years any household member found to have made a fraudulent statement with respect to identity or residence to obtain any duplication of food stamp benefits. **- $30 million**
Disqualification of fleeing felons
Sec. 821—Denies eligibility to persons fleeing to avoid felony prosecution or custody or confinement after conviction of a felony, or violating probation or parole. **- [Under $500,000]**

Cooperation with child support agencies

Sec. 822—At state agency option, participants who are either custodial or noncustodial parents may be required to cooperate with the child support program, or be disqualified. Fees or other costs for services may not be charged.

- $90 million
+ $71 million for administration

Disqualification relating to child support arrears

Sec. 823—States may at their option disqualify a person if delinquent in paying court-ordered child support unless the court is permitting delayed payments or the person is complying with a IV-D payment plan.

- $130 million

Work requirement

Sec. 824—Able-bodied recipients between the ages of 18 and 50 are ineligible if, during the preceding 36 months, they received food stamps for three months or more while not working (or participating in a work program or workfare) 20 hours or more a week, averaged monthly. Individuals may regain eligibility by working 80 hours or more during 30 days. An additional three months' benefits are then allowed without working, once in the three year period. The three-year period begins after states have notified recipients, but not later than three months after enactment.

Qualifying work programs include programs under JTPA or the Trade Adjustment Assistance Act, state or local programs approved by the state agency (including a food stamp E&T program), and workfare. Job search or job search training programs do *not* qualify.

Work requirements may be waived in areas with unemployment over 10% or with insufficient jobs.

- $5.11 billion

Electronic benefit transfer (EBT) provisions

Sec. 825—Mandates all states to implement EBT by October 1, 2002, unless waived.

States may charge recipients for replacement of lost cards and may do so through reducing the monthly benefit allotment. States may require that EBT cards contain photos of one or more household members; but if so, the state must establish procedures to assure other household members or representatives may be able to use the card as well.

Changes cost-neutrality requirement from one year to the life of the system. Requires states within two years of implementation, "to the extent practicable," to implement measures to differentiate allowable and non-allowable food items.

Vendors may not condition contracts on states obtaining additional point of sale service from that vendor or an affiliate, or not obtaining such service from a competitor ("anti-tying" provision).

Expresses the sense of the Congress that states should operate EBT systems that are compatible with each other.

All state and locally administered EBT assistance programs are exempt from Reg E, except for electronic funds transferred directly into a consumer account held by the recipient. Regulations regarding replacement of benefits under EBT must be similar to those in effect for a paper system. The conferees intend that such regulations will not require greater replacement of benefits, nor impose greater liability, than those in effect for paper-based systems.

- [Under $500,000]

Value of minimum allotment

Sec. 826—Repeals Leland Act provision raising the minimum $10 allotment by indexing it for inflation.

- $160 million

Benefits on recertification

Sec. 827—Requires prorated benefits for the first month after a late recertification, rather than a full month as in current law.

- $160 million

Optional combined allotment for expedited households

Sec. 828—Makes optional the combining of the first and second month food stamp allotments for households qualifying for expedited service who apply after the 15th of the month.

$0

Failure to comply with other means-tested public assistance programs
Sec. 829—Bars increased food stamp allotments when a household's benefits are reduced under a means-tested assistance program for failure to perform a required action. States may reduce the household's allotment by up to 25%. **- $150 million**
Allotments for households residing in centers
Sec. 830—States may divide a month's benefits between the center and an individual who leaves the center; permits states to require such residents to designate an authorized representative. **- [Under $500,000]**
Operation of food stamp offices [and other state management issues]
Sec. 835—Requires states to establish procedures to serve special-needs households; requires timely, accurate, and fair services; permits differing operating procedures among states. Deletes various requirements concerning application forms, in-person interviews, certification of homeless households, verification, nutrition information, mail issuance, and single interviews. Sec. 836—Deletes state training requirements for certification personnel. Sec. 837—Requires states to furnish information to law enforcement agencies on fugitives and parole violators. Sec. 838—Expands expedited service timetable from five to seven business days; eliminates categorical expedited service eligibility for the homeless. Sec. 839—Allows verbal fair hearing withdrawals. Sec. 840—Makes use of IEVS and SAVE optional. **Sec. 840, - $30 million; all others, $0**
Collection of overissuances
Sec. 844—Replaces existing overissuance collection rules with provisions requiring states to collect by reducing future benefits, recovering from federal pay or income tax refunds, or any other means unless the state shows that means are not cost effective. Changes overissuance retention to 20% for nonfraud claims (other than agency errors) and to 35% for fraud collections. **- $165 million**
Limitation of federal match [for "recruitment activities"]
Sec. 847—Prohibits federal match for "recruitment activities" under outreach activities. **- $12 million**
Work supplementation or support program
Sec. 849—States may operate work supplementation or support programs that provide the value of benefits to employers who hire recipients and use the benefits to supplement their wages. Programs must comply with standards set by the Secretary; be for new employees only; and not displace employment of those who are not supplemented or supported. Requires states to describe how program recipients will be moved to nonsupplemented employment. **+ $130 million**
Waiver authority; response to waivers
Sec. 850—States may request waivers for welfare reform, work, or multiprogram conformity projects, subject to restrictions. No new cash-out projects may be approved, and no food stamp or E&T funds may be transferred to other assistance programs. Projects must be time-limited; must not have any adverse effect on certain vulnerable populations nor on certain rights and procedures in the Food Stamp Act; may not have conditions based on "behavioral" activity such as a family cap or benefit time limit; and may not waive provisions of the Simplified Food Stamp Program option. The prohibition in current law against further restricting income or resource standards or benefit levels is removed; however, if the secretary finds that a proposed project would reduce benefits by more than 20% for more than 5% of households in the project, the project may not cover more than 15% of the caseload, nor operate for more than 5 years unless extended by the Secretary. Sec. 851—If not specifically prohibited above, USDA must approve, deny, or request clarification of waivers within 60 days, otherwise they are deemed approved. Waiver denials must be reported to appropriate congressional committees. **$0**

Employment initiatives program [cash-out]
Sec. 852—Allows states where 50 percent or more of the caseload received AFDC in 1993 to cash out food stamp benefits to households receiving both TANF grants and food stamps, and who have a member who has worked for at least three months in an unsubsidized job paying at least $350 a month. States must increase benefits to compensate for state or local food sales taxes. States must provide a written evaluation of the initiative. **- $11 million**
Reauthorization
Sec. 853—Reauthorizes the program through FY 2002 in its present uncapped, individual entitlement form. **$0**
Simplified Food Stamp Program option
Sec. 854—Allows state option to operate statewide, or within subdivisions, a simplified Food Stamp Program for households composed entirely of TANF recipients, using TANF rules and procedures. "Mixed" households (at least one TANF recipient) may also participate with USDA approval. States may use TANF disqualification, penalty and sanction rules in the simplified Food Stamp Program; may standardize deductions; may not increase food stamp benefits when other public assistance benefits are decreased; must apply regular food stamp gross income standards to households in the simplified program; must operate under the regular QC system; and must have a system of hearings and adequate notice policies. States must develop a plan of operation which must be approved by the Secretary. The Secretary will determine whether a state's simplified program plan is cost neutral. States will not be required to collect information on households not in the simplified program, and may request alternative accounting periods for calculating cost neutrality. States found not to be cost neutral have an opportunity to submit a corrective plan before plan authority is terminated. The secretary is encouraged to work with states to test methods for applying a single set of rules to "mixed" households. **+ $80 million**

Restricting welfare and public benefits for aliens

Sec. 401 – Non-qualified aliens ineligible for federal public benefits – Aliens who are not "qualified aliens" (generally, illegal immigrants and nonimmigrants such as students) are ineligible for all federal public benefits, with limited exceptions for emergency medical services, emergency disaster relief, immunizations, certain housing benefits, etc.

Sec. 402 – Limited eligibility of qualified aliens for certain federal programs – Legal noncitizens who are "qualified aliens" (such as permanent resident aliens, refugees, asylees, etc.) are ineligible for SSI and food stamps until they attain citizenship. States have the option of also barring cash welfare, Medicaid, and Title XX benefits. Refugees, asylees, and aliens whose deportation has been withheld are excepted for 5 years after being granted their respective statuses. Also excepted are legal permanent residents who have worked (in combination with their spouse and parents) for at least 10 years, and noncitizens who are veterans or on active duty or their spouse or unmarried child. Current recipients made ineligible by this section will have their benefits terminated at their next review, but not later than one year after enactment.

Sec. 403 – Five-year limited eligibility of qualified aliens for federal means-tested public benefits – This section restricts most federal means-tested benefits (including food stamps, cash, Medicaid, SSI, and Title XX) for permanent resident aliens who arrive after the date of enactment for the first five years they are in the country. Exceptions are made for refugees, asylees, and aliens whose deportation has been withheld, and noncitizens who are veterans or on active duty or their spouse or unmarried child.

Sec. 404 – Notification and information reporting – Agencies administering TANF, SSI, or housing assistance must notify INS at least four times annually, and upon INS request, of any information they have about aliens they know to be unlawfully in the country.

Secs. 411-412 – Non-qualified aliens are ineligible for state and local public benefits; states may limit the eligibility of qualified aliens for state and local benefits.

Secs. 421-423 – The income and resources of a sponsor and the sponsor's spouse are taken into account (deemed available) for federal means-tested program eligibility until citizenship, unless the noncitizen has worked for at least 10 years. States may impose similar deeming requirements for state and local benefits. A sponsor's affidavit of support may be required on behalf of an alien seeking permanent residency, and the federal government can seek and enforce reimbursement from sponsors of any benefits received by the alien prior to citizenship.

Sec. 431-434 – The Attorney General must adopt regulations to verify the lawful presence of applicants for federal benefits no later than 18 months after enactment. States must have a verification system that complies with these regulations within 24 months of their adoption, and must authorize necessary appropriations. Removes any current restrictions regarding exchange between states and INS of information regarding the immigration status of an alien.

Denial of assistance and benefits for certain drug-related convictions

Sec. 115 – Individuals convicted of any drug-related felony (after the date of enactment) under federal or state law are ineligible for cash and food stamp benefits. Other members of a household in which such an individual resides may be eligible, but the individual's income and resources will be considered available to the household. Application forms must require a statement of whether any member has ever been convicted. States may opt out of this requirement through passage of a state law.

SIMPLIFIED FOOD STAMP PROGRAM

DESCRIPTION:

The welfare reform legislation gives States the option to operate a Simplified Food Stamp Program (SFSP). States are allowed to operate SFSPs throughout the State or in political subdivisions of a State. Households in which all members receive cash assistance under the Temporary Assistance for Needy Families (TANF) program are categorically eligible for the SFSP. Mixed public assistance (PA)/non-public assistance (NPA) households can participate with USDA approval. Pure NPA households cannot participate. The SFSP may employ TANF or FSP rules and procedures, or a combination of both. USDA must approve plans for SFSPs that meet all statutory requirements and would not increase Federal costs for any fiscal year.

IMPLEMENTATION:

This provision is effective upon enactment and is a State option, therefore the implementation of SFSPs will occur as States submit plans that are approvable and do not increase Federal costs.

To assist States in developing SFSPs and USDA in evaluating them, USDA is hiring a contractor to provide technical assistance. The contract should be awarded by October 1, 1996. The contractor will provide assistance, mostly in the form of microsimulation analyses, to States interested in developing an SFSP so that they can understand the probable effects of design choices (i.e. program reforms) on SFSP recipients and program costs before they submit a proposed SFSP plan to USDA.

IMPACT:

The SFSP option creates new opportunities in the Food Stamp Program and will have an effect on the traditional Federal/State relationship. Closer cooperation between FCS and State agencies will be critical for successful operation of SFSPs.

USDA is working to develop parameters for SFSPs and will be seeking input from States and other interested parties to help us in this effort. USDA especially needs to develop methods to define and measure cost neutrality both up front and on an ongoing basis.

Protocols for States to request technical assistance from the SFSP contractor will be developed shortly after the contract is awarded.

SIMPLIFIED FOOD STAMP PROGRAM	
PROVISION	**IMPLEMENTATION ISSUES**
USDA APPROVAL OF SIMPLIFIED FOOD STAMP PROGRAM: States are allowed to operate a Simplified Food Stamp Program (SFSP) throughout the State or in political subdivisions of a State for PA households receiving TANF. Mixed NPA/public assistance households can be included only with USDA approval. NPA households cannot be included in SFSPs. USDA is authorized to approve SFSPs that (1) comply with certain rules of the Food Stamp Act (see below) and (2) would not increase Federal costs for any fiscal year. **PLAN REQUIREMENTS:** To operate a SFSP, a State must have a plan for operation of the program approved by USDA. A State must comply with several statutory FSP requirements, including: (A) issuance procedures, except for staggering of benefits; (B) use of TFP as the basis of benefits, calculation of benefits using the 30% benefit reduction rate, and provision of a minimum allotment to one- and two-person households; (C) prohibitions against counting food stamp benefits as income or resources under any other Federal, State, or local law and against increasing a household's benefit due to a decrease in other public assistance or welfare benefits caused by the household's intentional violation of the rules of another public assistance or welfare program; (D) States' responsibility for certification, issuance, and record retention; anti-discrimination protections; submission and approval of plans of operation and administration of the FSP on Indian reservations; and measures to prevent receipt of duplicate benefits; (E) limits on the use and disclosure of information about food stamp households; submission of required reports and other information; reporting illegal aliens to INS; optional use of IEVS and SAVE; optional extension of disqualifications of other means-tested programs; SFSP provisions; (F) fair hearings; and (G) Quality Control.	How many States will choose to design a SFSP? Are there ways to minimize back and forth information needs - a standard package? Will States design a SFSP with their first TANF or next year? What will the review process be for SFSPs submitted by States? Should regulations be issued to define the parameters for SFSP's? If so, when would regulations be issued?

SIMPLIFIED FOOD STAMP PROGRAM	
PROVISION	**IMPLEMENTATION ISSUES**
PLAN REQUIREMENTS (CONT.): In addition, the legislation provides direction on the following: (H) SFSPs may standardize deductions. States must explain in their plan of operation how they will address the needs of households with high shelter costs. (I) The plan of operation must also include the rules and procedures to be followed in determining food stamp benefits and a description of the State's QC system. USDA is prohibited from requiring States to report information on households not included in the SFSP. USDA can approve State requests to use alternative accounting periods. (J) SFSP plans must contain sufficient documentation that the SFSP will not increase Federal costs for any fiscal year.	
COST NEUTRALITY: SFSPs cannot increase Federal costs for any fiscal year. USDA is required to notify a State within 30 days of a determination that its SFSP is increasing Federal costs and to allow for corrective action within 90 days. If the State does not submit and/or carry out a corrective action plan, USDA is required to end the SFSP. States with terminated SFSPs are ineligible to operate SFSPs in the future.	Are there ways to facilitate States' understanding of what specific proposals will and will not meet the requirements? Cost neutrality will be essential on an ongoing basis. How will cost neutrality be measured up front and on an ongoing basis? QC data? Are there alternatives?
TECHNICAL ASSISTANCE: USDA is hiring a contractor to provide technical assistance to States in developing SFSP plans. The contract should be awarded by October 1, 1996. The contractor will provide technical assistance, mostly in the form of microsimulation analyses, to States interested in developing a SFSP so that they can understand the probable effects of design choices (i.e. program reforms) on SFSP recipients and program costs before they submit a proposed SFSP plan to USDA. The contractor will also provide technical assistance to the Food Stamp Program so that it can assess the cost neutrality and benefit impacts of SFSP plans submitted by States for USDA approval.	Protocols for States to request technical assistance will be developed shortly after the contract is awarded. How many States will be interested in this technical assistance?

WORK REQUIREMENTS AND WAIVER AUTHORITY

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 815: STRENGTHEN PENALTIES FOR NONCOMPLIANCE WITH WORK REQUIREMENTS	
Revises current requirements to make individuals who are physically and mentally fit and between the ages of 16 and 60 ineligible for benefits if they: (1) refuse to provide sufficient information to allow a determination of their employment status or job availability without good cause; (2) voluntarily quit a job without good cause; or (3) voluntarily reduce their work effort (and, after the reduction, are working less than 30 hours a week) without good cause.	State options will need to be incorporated into E&T plans. Regulations will need to be revised. Need for States to modify tracking systems. Need to review current regulations that define good cause, voluntary quit, and reducing work effort.
Provides States with the option to disqualify an entire household if the head of household is disqualified under a work rule. The State elected disqualification period cannot exceed the lesser of the duration of the head of household's ineligibility or 180 days.	Need to coordinate with Title IV-A agency and know its requirements.
Establishes mandatory minimum disqualification periods for individuals who fail to comply with work or workfare requirements: o First violation - The later of (1) the date they comply with work rules; (2) 1 month; or (3) a period determined by the State not to exceed 3 months. o Second violation - The later of (1) the date they comply with work rules; (2) 3 months; or (3) a period determined by the State not to exceed 6 months. o Third or subsequent violations - The later of (1) the date they comply with work rules; (2) 6 months; or (3) a date determined by the State; or (4) at State option, permanently.	
Requires USDA to determine the meaning of good cause, voluntarily quitting, and reducing work effort.	
Requires States to determine (1) meaning of other terms; (2) procedures for establishing compliance; and (3) whether individuals are complying. None of such determinations can be less restrictive than comparable determinations under a program funded by Title IV-A of the Social Security Act.	

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 816: CARETAKER EXEMPTION Permits States to lower the age at which a dependent child would exempt a parent/caretaker from food stamp work rules to between 1 and 6 years of age. This provision only applies to States that had waiver requests denied as of August 1, 1996, and may be implemented by these States for a period of no more than 3 years.	This provision will only apply to the following States: Wisconsin, Michigan, Montana, and Kansas. The regulation will need to be revised. A method of tracking State options will need to be developed. Those States that elect the option will need to be prepared to change the rules in three years.
SECTION 852: EMPLOYMENT INITIATIVES PROGRAM (EIP) States are eligible to adopt EIP if at least 50% of the food stamp caseload in the summer of 1993 also received AFDC. Under EIP, States may provide households the option to receive food stamp benefits in cash if an adult member (1) has worked in unsubsidized employment for at least the last 90 days, has earned at least $350 per month for at least the last 90 days, and is continuing to do so; and (2) is eligible for Title IV-A benefits or becomes ineligible because of earnings. Requires States to provide USDA a written evaluation (content to be determined by States with the concurrence of USDA) of the impact of cash assistance after operating 2 years under this provision. Requires States to increase cash benefits, with State funds, to compensate households for State or local sales taxes on food purchases. Exemptions may be granted if the food items subject to sales tax are limited.	Which States are eligible for the option will need to be determined. Regulations will need to be revised or rewritten. Reporting requirements need to be established (separate FCS-388) so that we can track how many households choose to participate and the amount of benefits provided in cash. States must apply for exemption from sales tax requirement.

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 817: EMPLOYMENT AND TRAINING ADMINISTRATION	
Revises section 6(d)(4) of the Food Stamp Act.	Regulations will need to be revised.
Emphasizes that work is a purpose of E&T.	Many States may elect to revise their State plans.
Streamlines administrative requirements for States: • Permits E&T components to be delivered through a statewide workforce development system. • Expands the existing State option to apply all work requirements to applicants (currently limited to job search). • Removes specific rules governing job search components (i.e., tying them to those under title IV-A). • Removes provisions for E&T work experience and/or training components that require they serve a useful public purpose and use (to the extent possible) recipients' prior training and experience. • Removes specific Federal rules as to States' authority to exempt categories of individuals and individuals from E&T requirements. • Removes the requirement to serve volunteers in E&T programs. • Removes the requirement for conciliation procedures for resolution of disputes involving participation in an E&T program. • Removes the requirement that reimbursements for dependent care are at least as high as the dependent care deduction cap. • Removes requirements for E&T performance standards.	

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 817: EMPLOYMENT AND TRAINING FUNDING Revises section 16(h) of the Food Stamp Act. Allocates to States to carry out E&T programs: FY 97 $79 million FY 98 $81 million FY 99 $84 million FY 00 $86 million FY 01 $88 million FY 02 $90 million Allocations will be based on a reasonable formula (as determined by USDA) that gives consideration to the population in each State subject to work requirements. Minimum State allocation: $50,000. State to promptly notify USDA if it determines it will not expend all of its allocated E&T funds. USDA will reallocate those funds appropriately and equitably. Limits E&T funding for services to title IV-A recipients to the amount used by the State for AFDC recipients in fiscal year 1995.	A determination will need to be made on how much of a State's FY 1995 spending was limited to IV-A recipients. FCS needs to allocate the additional Federal funding for FY 97 as soon as possible

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 849: WORK SUPPLEMENTATION OR SUPPORT PROGRAM New provision of the Food Stamp Act (section 16(b)) that provides States the option to use the cash value of a household's food stamp allotment to subsidize a job for a household member participating in a work supplementation or support program—under which public assistance is provided to an employer to be used for hiring and employing a public assistance recipient. The household will not receive an allotment for the period during which the member continues to participate in the work supplementation or support program. During periods of employment under the work supplementation or support program, individuals will be exempted from any other work requirement. States must describe in their State plans how recipients in the program will, within a specified period of time, be moved to employment that is not supplemented or supported. Work supplementation or support programs may not displace the employment of individuals who are not supplemented or supported.	This new provision requires the development of QC procedures. Subsidized employment components of welfare reform demonstration projects are currently excluded from QC. States will need to establish procedures governing employers' relations with subsidized employees. For example, subsidized employees would have to be treated the same as regular employees of the same status. States will need to ensure that wage supplementation programs are consistent with the provision of the ACT which mandates that the value of benefits not be considered as income or resources and not be subject to taxation. States will need to develop mechanisms to move clients from subsidized to non-subsidized employment? States will need to develop procedures to ensure that the employment of nonsupplemented/nonsupported individuals is not displaced.

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 850: WAIVER AUTHORITY	
Revises section 17(b) of the Food Stamp Act.	Cost neutrality is still expected with waivers. States will need to show both a basis for projecting cost neutrality and a means of measuring it.
Permits USDA to "waive any requirement" of the Food Stamp Act "to the extent necessary" to conduct pilot or experimental projects that are consistent with the goal of providing food assistance to raise levels of nutrition among low-income individuals and that include an evaluation to determine the effect of the project.	We are more accustomed to behavioral waivers. New waivers may include requests to redistribute or to reduce benefits without a specific cause. State and Federal responsibilities for handling existing waivers under demonstration projects need to be developed.
Projects may be conducted to: • Improve program administration. • Increase the self-sufficiency of food stamp recipients. • Test innovative welfare reform strategies. • Allow greater conformity with the rules of other programs.	
Projects that reduce benefits by more than 20 percent for more than 5 percent of households in the project area may not include more than 15 percent of the State's food stamp households and may not continue for more than 5 years unless an extension is approved by USDA.	States will need to develop a method for ensuring the 20% / 5% rule is met.
USDA may not conduct a project that: • Cashes out benefits, unless the project was approved prior to the enactment of these provisions.	
• "Substantially" transfers food stamp funds to services or benefits provided primarily through another public assistance program, or uses the funds for any purpose other than the purchase of food, program administration, or an employment or training program.	Need to define what constitutes a "substantial" transfer.
• is inconsistent with specified aspects of current requirements.	

SUMMARY OF CHANGES	IMPLEMENTATION ISSUES
SECTION 851: RESPONSE TO WAIVERS Adds section 17(b)(1)(D) to the Food Stamp Act. Within 60 days after receiving a waiver request, USDA must approve or deny the request, or seek further clarification from the submitting State. If USDA fails to act within 60 days, the waiver request will be considered approved, unless approval is specifically prohibited by the Food Stamp Act. If USDA denies a waiver request, it must provide a copy of the request and a description of the reasons for its denial to the House Agriculture Committee and to the Senate Agriculture, Nutrition, and Forestry Committee.	What steps can be taken to expedite the waiver approval process? Should we consider a standard submission package - something like the current HHS requirement?

Side by Side Issues
Electronic Benefit Transfer (EBT) Provisions in Welfare Reform

Current Provision	New Provision	Issues
Allows EBT implementation as an issuance option for States.	Mandates EBT implementation for all States by October 1, 2002. The Agency can authorize waivers for States that face unusual barriers to implementing EBT.	
Requires that EBT systems be on line systems.	Eliminates the requirement that EBT systems be on-line systems.	FCS will need to review regulations to assess their relevance and completeness in instances when alternative technologies are used.
Requires that EBT systems be cost neutral in any one year to the State's paper system.	Retains overall cost neutrality requirement, however, annual cost neutrality requirement is removed.	Regulations will need to be revised on how cost neutrality is calculated.
No provision.	Allows States to procure and implement an EBT system under terms, conditions, and design that they consider appropriate, subject to Federal standards.	
No provision.	States should to take into account generally accepted standard operating rules based on commercial technology and the need for interstate operation and law enforcement monitoring/investigation when developing their EBT systems.	

Current Provision	New Provision	Issues
Requires USDA to establish standards for system security.	Requires USDA to establish standards for measures to maximize EBT security through use of the most recent, cost effective technology, including PINS and photos.	
No provision.	Effective no later than 2 years from enactment, requires USDA to establish standards, to the extent practicable, for measures that permit a system to differentiate eligible and ineligible food items.	Within the next two years FCS will conduct a study and demonstration in order to determine the feasibility of requiring this design feature.
No specific provision in law, but regulations allow a State to impose a reasonable card replacement fee.	Allows a State to collect a charge for card replacement by reducing the monthly allotment.	Will require additional system monitoring and reporting capabilities for States that wish to implement this provision.
No provision.	Allows States to require that EBT cards contain a photograph of 1 or more members of a household.	
No provision.	Prohibits companies that provide food stamp EBT equipment from lowering their costs to stores for other commercial services.	Regulations will need to address how this can be measured and monitored
No provision.	Requires EBT rules on liability for lost benefits to be similar to rules for coupon-based systems; bill also exempts FSP from regulation E liability.	

STATE OPTIONS PROVIDED IN WELFARE REFORM LEGISLATION

Sec. 806: State Option for Eligibility Standards

- o Explicitly permits nonuniform standards of eligibility for food stamps.

Sec. 809: Deductions from Income

- o Permits States to make use of standard utility allowances mandatory for all households if (1) the State has developed separate standards that do and do not include the cost of heating and cooling and (2) USDA finds that the standards will not result in increased Federal costs.
- o Permits States to establish a homeless shelter allowance deduction capped at $143. States may prohibit use of the deduction for households with extremely low shelter costs.

Sec. 815: Disqualification

- o Provides a State option to disqualify the household if the head of household is disqualified under a work training rule for a period determined by the State that cannot exceed the lesser of the duration of the individual's ineligibility or 180 days.

Sec. 816: Caretaker Exemption

- o Permits States, which have had waivers denied by August 1, 1996, to lower the age at which a child exempts a parent/caretaker from food stamp work rules from 6 years old to not under 1 year old for a period of not more than 3 years.

Sec. 817: Employment and Training

- o Streamlines administrative requirements for States by expanding the existing State option to apply work rules to applicants to include all work requirements (now, limited to job search), and removing many rules and requirements pertaining to the employment and training function.

Sec. 818: Food Stamp Eligibility

- o Provides States the option to count all of ineligible aliens' income as available to their households.

Sec. 819: Comparable Treatment for Disqualification

- o Allows States the option to extend penalties for non-compliance from other means-tested programs to the FSP.

Sec. 822: Cooperation with Child Support Agencies

- o Permits States to require cooperation with the Child Support Enforcement (CSE) Program as a condition of eligibility for the FSP for applicants or participants who live with and exercise parental control over children under 18 years of age who have absent parents that are not providing appropriate support.
- o Permits States to establish payment of legally-obligated child support as a condition of food stamp eligibility for non-custodial parents.

Sec. 823: Disqualification Relating to Child Support Arrears

- o Provides States an option to disqualify individuals who are in arrears in court-ordered child support unless a court is allowing delayed payments or payments are being made in accordance with a court- or CSE-approved payment plan.

Sec. 825: Encouragement of Electronic Benefit Transfer Systems

- o Permits State agencies (subject to Federal standards) to procure and implement an EBT system under the terms, conditions, and design the agency considers appropriate.
- o Permits State agencies to collect a charge for replacing EBT cards by reducing allotments.
- o Permits State agencies to require that EBT cards contain a photograph of one or more household members and requires that, if a State requires a photograph, it must establish procedures to ensure that other appropriate members of the household and authorized representatives may use the card.

Sec. 828: Optional Combined Allotment for Expedited Households

- o Makes the issuing of combined allotments (pro-rated first month's allotment plus full second month's allotment) to regular and expedited service applicants a State option.

Sec. 829: Failure to Comply with Other Means-Tested Public Assistance Programs

- o Provides a State option to reduce allotments 25% or less. If the allotment is reduced for failure to perform an action required under a family assistance block grant (TANF) program, the State may use the rules of that program to reduce the food stamp allotment.

Sec. 830: Allotments for Households Residing in Centers

- o Permits States to divide a month's food stamp benefits between a drug or alcoholic treatment center and the individual, if the individual leaves the center.
- o Permits States to require the resident to designate the treatment center as his or her authorized representative.

United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-265674

July 2, 1996

The Honorable E. Clay Shaw
Chairman, Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

This report, prepared at your request, examines five states' early experiences implementing welfare reforms under waivers of federal law. The report focuses on three key reform provisions: time-limited benefits, work requirements, and family caps, which deny cash benefits for additional children born to families already receiving Aid to Families With Dependent Children.

We are sending copies of this report to the Ranking Minority Member of the House Subcommittee on Human Resources, the Chairmen and Ranking Minority Members of the House Committee on Ways and Means and Senate Committee on Finance, the Secretary of Health and Human Services, the Assistant Secretary for Children and Families, and other interested parties. We will also make copies available to others on request.

If you or your staff have any questions concerning this report, please call me at 202-512-7215 or David P. Bixler, Assistant Director, at 202-512-7201. Other GAO contacts and major contributors to this report are listed in appendix I.

Sincerely yours,

Mark V. Nadel

Mark V. Nadel
Associate Director,
Income Security Issues

Executive Summary

Purpose

In the wake of increasing dissatisfaction with the existing welfare system, the Congress and the administration have been considering welfare reform changes on a national level. In the interim, many states have undertaken far-reaching reforms of varying kinds that are affecting different portions of their welfare caseloads. These changes generally have been undertaken through waivers of various federal statutory provisions that govern the program most Americans commonly think of as welfare—Aid to Families With Dependent Children (AFDC). For example, states have required AFDC clients to work; set time limits on benefit receipt; and denied cash benefits for additional children born to families already receiving AFDC, also known as a family cap. In fiscal year 1995, the AFDC program provided about $22 billion in cash benefits to nearly 14 million adults and children.

The Chairman of the House Subcommittee on Human Resources, Committee on Ways and Means, asked GAO to review some states' early experiences with implementing these provisions, believing that the information would be useful to other states as they prepare to face the challenges of welfare reform. Specifically, the Chairman requested GAO to examine the approaches that states took and issues they encountered in implementing three key provisions: time-limited benefits, work requirements, and family caps. Because the states that GAO reviewed made relatively few management or service delivery changes to implement their family cap provisions, this report focuses principally on the state approaches and issues encountered in implementing time limits and work requirements.

To develop information for this report, GAO examined the experiences of Florida, Indiana, New Jersey, Virginia, and Wisconsin. The criteria used to select states included obtaining a range in the length of time states' approved waivers had been in effect, selecting some states whose waivers included all three provisions, and avoiding duplication of existing studies.

Background

AFDC provides benefits to economically needy families with children who lack support from one or both of their parents because of death, absence, incapacity, or unemployment. AFDC is funded with federal and state dollars. States are responsible for administering the program and the U.S. Department of Health and Human Services (HHS) has federal oversight responsibility.

Under section 1115 of the Social Security Act, HHS is authorized to grant states waivers of statutory requirements governing the AFDC program. Th

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authority is intended to give states the flexibility to test innovations designed to help their programs better meet the objectives of the act. Between 1992 and 1995, 31 states were granted authority to experiment with one or more of the three provisions discussed in this report. Twenty-three states received waivers to experiment with time limits, 24 states for work requirements, and 13 states for family caps.

Results in Brief

Many states have been making major changes to their welfare programs through federal waivers. Four of the five states that GAO reviewed—Florida, Indiana, Virginia, and Wisconsin, established work requirements and limited the time that many clients could receive cash benefits. To implement these policy changes, these four states fundamentally changed the operations and management of their welfare programs. GAO's analysis identified three major themes on which these states, in conjunction with their counties, focused their efforts: (1) changing their staffs' culture and clients' expectations, (2) soliciting the involvement of employers and communities, and (3) redesigning their service delivery structure. Another policy change, a family cap, was implemented in Indiana, New Jersey, Virginia, and Wisconsin with relatively few management or service delivery changes.

In efforts to change the focus of their welfare programs, the states that implemented work requirements and time limits redefined how staffs and clients interact. Staffs were encouraged to focus less on specific obstacles facing clients, such as lack of work experience, and more on developing a strategy for clients to quickly secure employment and move off welfare. The states used various approaches to increase staffs' focus on helping clients find employment, including establishing job placement goals for each welfare office. In addition, the states sought to prepare clients to take greater responsibility for moving off welfare through a variety of approaches such as basing benefit payments on the number of hours clients participate in work, training, or education activities.

The states also sought to make greater use of community resources by soliciting the involvement of employers and community organizations in their welfare reform programs. For example, they asked employers and local officials to participate in community advisory groups, whose responsibilities generally focused on helping clients obtain employment. While the states sometimes had to address misconceptions about welfare clients in working with these advisory groups, they generally found that

community involvement yielded benefits for clients, such as better access to jobs.

Finally, the states worked to redesign their service delivery structure to provide more intensive support for clients confronted with work requirements and time-limited benefits. For example, counties in Florida and Wisconsin brought together staffs from various locations to form teams that provide a variety of services at a single location. In addition, states sought to expand the availability of child care and transportation by developing closer links to existing community resources, such as by working with churches to provide after-school care.

Principal Findings

States Make Major Changes to Design of Their Welfare Programs

Of the five states GAO reviewed, Indiana and New Jersey implemented their welfare reforms statewide. Virginia implemented its family cap provision statewide and is phasing in its work requirement and time limit statewide over a 4-year period. At the time of GAO's site visits, Florida and Wisconsin were each operating their welfare reform programs in two counties.

The work requirements enacted by Florida, Indiana, Virginia, and Wisconsin vary considerably. For example, Virginia requires nonexempt clients to engage in unsubsidized employment, subsidized employment, or a community work experience within 90 days of signing personal responsibility agreements. In Florida, the employability plans developed with clients specify the education, training, and work activities they are expected to complete. The time-limited benefit provisions in these four states generally limit nonexempt clients to 24 months of cash benefits, followed by a longer period of ineligibility for cash assistance. At the time of GAO's site visits, however, none of these programs had been under way long enough for any clients to have reached the end of their time limits.

With the exception of Florida, each of the states GAO examined had a family cap provision. Indiana's provision is typical; it stipulates that no cash benefit will be provided for a child born more than 10 months after either the start of the new program or the client's application for AFDC, with certain exceptions.

States View Changing the Culture of Their Staffs and Clients' Expectations as Critical to Welfare Reform

Florida, Indiana, Virginia, and Wisconsin viewed changing the culture of their welfare office staffs and clients' expectations as critical to helping clients find jobs before their time-limited benefits expire. Traditionally, staffs were trained to focus on assuring accurate eligibility determinations and benefit payments and enrolling clients in education, training, and work activities, but were not always directed to place a strong emphasis on placing clients in jobs. Recognizing this, these states adopted varied approaches to broaden staffs' perception of their roles. For example, Indiana established annual job placement goals for each county and a system to monitor county performance. Wisconsin trained staffs to explore with persons applying for AFDC benefits alternatives to welfare, such as obtaining a job or child support. Using this approach, in the first 8 months of the state's welfare reform program, Wisconsin's pilot counties diverted about one-third of their applicants from applying for AFDC benefits, according to a state progress report. Virginia established a different kind of diversion program for AFDC applicants, which seeks to divert families in crisis from long-term dependence by offering them a one-time payment equivalent to up to 120 days of AFDC benefits.

The states also sought to promote greater client responsibility for adopting behaviors that would facilitate their transition from welfare to work. For example, Wisconsin set higher expectations for clients by basing benefit payments on the number of assigned hours of activity they complete. States also revised their AFDC rules to make work more attractive by allowing clients to keep more of their benefit checks as they began working. Finally, states strengthened their sanctions for clients who fail to comply with program requirements by increasing reductions in clients' benefits, lengthening sanction periods, or applying sanctions more quickly.

States Solicit Greater Involvement of Employers and Communities in Reforming Welfare

To take advantage of community resources that could help clients obtain jobs, states used various approaches to solicit the involvement of local employers and communities in their welfare reform programs. For example, Virginia's state and local welfare offices held community meetings attended by churches, employers, and other organizations to explain its program and enlist support. Each of the states also established community advisory groups that included representatives from government, business, and community organizations. Indiana obtained an especially widespread level of community involvement, with over 3,000 citizens and officials participating in 92 local welfare reform planning councils throughout the state. States encountered various challenges working with community advisory groups, including determining their

appropriate roles, informing members about characteristics of welfare clients and the welfare system, and recruiting a sufficient number of members. However, the states generally found that as they worked to address these issues, community involvement provided benefits for clients, such as more job opportunities, and insights on how to deal with clients' barriers.

States Redesign Service Delivery to Provide More Intensive Support for Clients

To further facilitate implementation of time limits and work requirements, states also redesigned their service delivery structure in different ways to provide the more intensive support clients may need. Collocation of staffs to enhance communication among job team members and provide services more efficiently was a key component of welfare reform implementation in Florida and Wisconsin. For example, the two pilot counties in Florida, Alachua and Escambia, sought to provide "one-stop shopping" for clients by bringing together eligibility specialists, case managers, employment and training specialists, health clinic staff, and child support staff. Although both Florida counties experienced logistical difficulties moving staffs to a single location, such as delays in obtaining office space and equipment, job teams in Florida and Wisconsin report that clients benefit from the improved communication and service coordination the teams provide.

Florida's pilot counties also redesigned their service delivery by creating a case manager role to coordinate the comprehensive services that clients may need. Escambia County eligibility workers assumed additional responsibilities to serve as case managers; in contrast, Alachua County made the case manager role distinct from that of eligibility staff and training and employment staff. Case managers in Escambia County experienced a difficult adjustment to their broad new responsibilities, because as eligibility workers they had focused on following strict rules and procedures. On the other hand, case managers in Alachua County encountered some initial difficulties determining how their roles differed from those of other staff. In both cases, additional training and experience helped reduce these problems, according to Florida officials.

By developing closer links to existing community resources, states also sought to expand the availability of child care and transportation for their clients. For example, Fond du Lac County, Wisconsin, worked with some day care providers to extend their hours for parents working late shifts. Scott County, Indiana, recruited local volunteers to transport clients and Pierce County, Wisconsin, arranged for a local bank to provide low-interest automobile loans to clients.

Recommendations

GAO is not making recommendations in this report.

Comments From HHS and States

GAO obtained comments on a draft of this report from HHS and the five states whose welfare reform programs are reviewed in the report. HHS and the states generally agreed with the report's findings and provided additional technical information that GAO incorporated in the report as appropriate.

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Abbreviations

AFDC	Aid to Families With Dependent Children program
HHS	Department of Health and Human Services
JOBS	Job Opportunities and Basic Skills Training program

Introduction

Because the existing welfare system has not been successful in preventing long-term dependency, many states are using federally approved waivers of statutory requirements to implement their own welfare reform initiatives. Concurrently, efforts are under way at the federal level to reform the nation's welfare system. Some states already are experimenting with provisions similar to those included in recent federal welfare reform proposals, such as time limits on benefit receipt, work requirements, and a prohibition on payment of cash assistance for additional children born to families already receiving welfare—the family cap provision.

The Existing Welfare System

Aid to Families With Dependent Children (AFDC) provides cash benefits to economically needy families with children who lack support from one or both of their parents because of death, absence, incapacity, or unemployment. In fiscal year 1995, the average monthly number of AFDC recipients was about 13.6 million—4.4 million adults and 9.2 million children—and payments to recipients totalled nearly $22 billion. AFDC is an entitlement program funded with federal and state dollars, with the federal share determined by a matching formula related to each state's per capita income. The U.S. Department of Health and Human Services (HHS) has federal oversight responsibility for the program. Each state administers and determines many aspects of its AFDC program within federal guidelines, including payment amounts, eligibility requirements, and treatment of income and resources.

In recent years, policymakers and analysts have expressed growing discontent with the welfare system, many claiming that the system fosters dependency. There have been no limits on the length of time families may receive benefits, except for recent experiments in some states that have received federal approval to test time limits. One study estimates that about 35 percent of those who ever receive AFDC will eventually receive benefits for a total of 5 years or more, when all moves on and off welfare are considered.[1] In addition, some policymakers and analysts believe that the welfare system should no longer provide cash benefits for additional children born to AFDC mothers.

[1]However, a much larger proportion of those receiving AFDC at a given point in time—an estimated 76 percent—receive benefits for 5 years or more. The difference is due to the fact that as longer-term recipients accumulate on the welfare rolls as time passes, they end up accounting for a large percentage of recipients on the welfare rolls at any given point in time. See Harold Beebout, Jon Jacobson, and LaDonna Pavetti, The Number and Characteristics of AFDC Recipients Who Will Be Affected by Policies to Time-Limit AFDC Benefits (paper presented at the Annual Research Conference of the Association for Public Policy and Management, Chicago, Oct. 29, 1994).

With the Family Support Act of 1988, the Congress created the Job Opportunities and Basic Skills Training (JOBS) program to transform AFDC into a transitional program geared toward helping parents become employed and avoid long-term welfare dependence. Under JOBS, states are to (1) provide a broad range of education, training, and employment-related activities; (2) increase the number of AFDC clients participating in these activities; (3) target resources to the hard-to-serve; and (4) provide support services, including child care and transportation. The Family Support Act created minimum requirements for the percentages of AFDC clients participating in JOBS that states must meet to receive their full share of federal funding. The minimum participation requirements rose from 7 percent of nonexempt AFDC clients[2] in fiscal year 1991 to 20 percent in fiscal year 1995. While most states have met the minimum participation requirements, the number of AFDC clients participating in JOBS remains limited. In fiscal year 1994, about 13 percent of the 4.6 million adults receiving AFDC were active in JOBS activities each month.

Our previous work has shown that most JOBS programs nationwide do not have a strong employment focus.[3] About one-half of the county JOBS administrators nationwide that we surveyed stated that they do not work enough with employers to find jobs for participants. In addition, although most of the program officials reported that less than one-half of their job-ready participants had become employed, the officials reported little use of subsidized employment or work-experience programs, options available under JOBS.[4] Various factors were identified that contribute to the lack of a strong employment focus in some JOBS programs. For example, the performance measurement system for JOBS holds states responsible for the number and type of AFDC clients participating in JOBS activities but not for the number who get jobs or earn their way off AFDC. In addition, county JOBS administrators cited insufficient staff as a major obstacle to implementing or expanding the use of tools such as subsidized employment and work-experience programs. JOBS administrators also

[2]AFDC clients 16 through 59 years old are considered nonexempt unless they are ill or incapacitated, working 30 hours or more per week, attending high school, or caring for children under 3 years old (1 year old at state option). However, teenage parents who have not completed high school and have children under 3 years old are also nonexempt.

[3]See Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement (GAO/HEHS-95-113, May 19, 1995) and Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment (GAO/HEHS-95-28, Dec. 19, 1994).

[4]JOBS programs can provide subsidies to employers to hire AFDC clients, who then receive a paycheck from their employer. In a community work experience, clients work in newly created positions with an employer serving a public purpose; they are not hired by the employer, but receive an AFDC benefit check.

reported that labor market conditions such as high unemployment and low job growth hindered their efforts to get jobs for clients.

States Experiment With Their Welfare Programs

Under section 1115 of the Social Security Act, HHS is authorized to grant states waivers of certain statutory requirements governing the AFDC program. This authority is intended to give states the flexibility to test innovations designed to help their programs better meet the objectives of the act. The conditions of the waivers require that states have an independent organization rigorously evaluate the outcomes of their welfare reform projects and that these projects be cost neutral to the federal government. HHS assesses cost neutrality over the life of a project, rather than on a year-by-year basis, because many projects involve making up-front investments with the expectation of achieving savings in later years.

Between 1992 and 1995, 36 states received approval from HHS to implement one or more projects. These projects include a wide variety of provisions, such as those designed to encourage work, increase parents' responsibility for meeting their children's needs, and restrict eligibility for benefits. Thirty-one of these states were granted federal waivers to experiment with one or more of the three provisions discussed in this report: time limits, work requirements, and family caps. As shown in table 1.1, 23 states received waivers to experiment with time limits, 24 states for work requirements, and 13 states for family caps, according to HHS.

Table 1.1: States Granted Federal Waivers to Experiment With Selected AFDC Provisions, 1992-95

State	Time limits	Work requirements	Family caps
Arizona	X	X	X
Arkansas			X
Colorado	X		
Connecticut	X	X	
Delaware	X	X	X
Florida	X	X	
Georgia	X	X	X
Hawaii		X	
Illinois	X	X	X
Indiana	X	X	X
Iowa	X		
Maryland	X		X
Massachusetts	X	X	X
Michigan	X	X	
Mississippi		X	X
Missouri	X	X	
Montana	X	X	
Nebraska	X	X	X
New Jersey			X
North Dakota	X		
Ohio		X	
Oklahoma	X	X	
Oregon		X	
South Carolina	X	X	
South Dakota	X	X	
Vermont	X	X	
Virginia	X	X	X
Washington	X		
West Virginia		X	
Wisconsin	X	X	X
Wyoming		X	

Source: U.S. Department of Health and Human Services.

eral Welfare orm Proposals

In recent years, several proposals have been introduced in the Congress to reform welfare. President Clinton's proposal, which was introduced in

1994 but not brought to a vote in the Congress, would have time-limited cash welfare benefits and provided subsidized jobs to clients unable to find work on their own. After the congressional elections in 1994, the 104th Congress developed its own welfare reform proposal. The Personal Responsibility and Work Opportunity Act of 1995 (H.R. 4), the compromise legislation worked out by House and Senate conferees, was passed by both houses of the Congress in December 1995. The President vetoed the legislation in January 1996, citing, among other reasons, that it did not provide enough funding for child care.

H.R. 4 would have ended the individual entitlement to benefits and the payment of federal matching funds to states. Instead, each state would have received a block grant to provide temporary assistance for needy families. These block grants would have provided states fixed annual federal allocations and increased their flexibility in operating their programs. H.R. 4 would have limited families' lifetime receipt of benefits to 60 months (whether or not consecutive), but allowed states to provide hardship exceptions in limited cases. In addition, the legislation would have required parents to engage in work after 24 months of receiving assistance (whether or not consecutive) or earlier, if a state determined that the parent was ready to engage in work. Furthermore, the legislation's family cap provision would have banned the provision of cash assistance for additional children born to families already receiving welfare, unless states decided not to adopt such a provision.

Negotiations for a compromise agreement on welfare reform have continued among congressional leaders, the President, and state governors. In May 1996, the Personal Responsibility and Work Opportunity Act of 1996, a revised version of H.R. 4, was introduced in the Congress. As introduced, the proposal includes time-limited benefit and work requirement provisions similar to those in H.R. 4, but not a family cap provision. The administration's revised welfare reform proposal, the Work First and Personal Responsibility Act of 1996, was introduced in the Congress in June 1996.

Objectives, Scope, and Methodology

The Chairman of the House Subcommittee on Human Resources, Committee on Ways and Means, asked us to review states' early experiences with implementing welfare reforms under federal waivers, believing that this information would be useful to other states as they prepare to face the challenges of welfare reform. Specifically, the Chairman requested that we examine the approaches that states took and

issues they encountered in implementing three key provisions: time limits, work requirements, and family caps. Because the states that we reviewed made relatively few management or service delivery changes to implement their family cap provisions, this report focuses principally on approaches states used and issues they encountered in implementing time limits and work requirements.

To accomplish our objectives, we reviewed the implementation experiences of Florida, Indiana, New Jersey, Virginia, and Wisconsin. The criteria we used to select states included obtaining a range in the length of time states' approved waivers had been in effect, selecting some states whose waivers included all three provisions, and avoiding duplication of existing studies. We met with state program officials, county program administrators, and caseworkers in Florida, Indiana, Virginia, and Wisconsin using a semistructured interview guide that we developed. Our site visits included interviews with officials in the following counties: Alachua and Escambia (Florida); Marion, Scott, and Vigo (Indiana); Fauquier and Culpeper (Virginia); and Pierce and Fond du Lac (Wisconsin). We contacted New Jersey state officials by telephone to obtain information on the state's implementation experiences. In addition, we examined the terms and conditions of the states' approved waivers and other written materials about their welfare reform programs. This report does not examine the outcomes of the states' welfare reform programs, such as cost implications and effects on caseloads, because sufficient data are not yet available.

We conducted our work between July 1995 and May 1996 in accordance with generally accepted government auditing standards.

States Make Major Changes to Design of Their Welfare Programs

The five states we reviewed made major changes to the design of their welfare programs through waivers of federal statutory requirements. These changes include provisions that require some clients to work, set time limits on cash assistance, and prohibit the payment of cash benefits for additional children born to families already receiving AFDC. The five states' welfare reform programs vary in such features as the length of time they have been under way, their geographic scope of implementation, and the content of their provisions. States implemented their family cap provisions with relatively few management or service delivery changes, but made more substantial changes in implementing their work requirement and time-limited provisions, as discussed in the following chapters.

Overview of Five States' Welfare Reform Provisions

Table 2.1 provides an overview of the five states' time-limited benefit, work requirement, and family cap provisions. New Jersey's program, which has a family cap provision but no time limits or work requirements, has been under way the longest, since October 1992. The programs in Florida, Indiana, Virginia, and Wisconsin have time limits and work requirements, and all but Florida's have family caps. Among these four states, Florida's program has been under way for the longest time (since Feb. 1994) and Virginia's the shortest (since July 1995).

Table 2.1: Key Waiver Provisions of the States Reviewed

Program and geographic scope (start date)	Time-limited benefits	Work requirements	Family cap
Florida			
Family Transition Program—2 counties[a] (2/94)	Most nonexempt clients limited to 24 months of cash benefits in a 60-month period; some to 36 months in a 72-month period	Employability plans developed with clients specify the education, training, and work activities they are expected to complete	None
Indiana			
Indiana Manpower Placement and Comprehensive Training Program (IMPACT)—statewide (5/95)	Clients assessed to be training- or job-ready, limited to 24 months of cash benefits followed by 36-month period of ineligibility	Clients granted an exemption from the 36-month period of ineligibility following the 24-month time limit will be expected to participate in a community work experience program and in job search	No cash benefit for a child born more than 10 months after program start date or date of application for AFDC, with exceptions
New Jersey			
[illegible] Development [illegible]m—statewide (10/92)	None	None	No cash benefit for a child born 10 months or more after program start date or date of application for AFDC, with exceptions
Virginia			
Virginia Independence Program—eligibility provisions implemented statewide; work requirements and time limits being phased in statewide over 4 years (7/95)	Nonexempt clients limited to 24 months of cash benefits in a 60-month period	Nonexempt clients are required to participate in work activities within 90 days of signing personal responsibility agreements	No cash benefit for a child born or adopted more than 10 months after the later of (1) month of first AFDC payment, (2) program start date, or (3) date of family cap notice, with exceptions
Wisconsin			
Work Not Welfare—2 counties (1/95)	Nonexempt clients limited to 24 months of cash benefits in a 48-month period, followed by 36-month period of ineligibility	After the first month of eligibility, clients must earn their benefits through education, training, or work activities; after 12 months, they must engage in work activities	No cash benefit for a child born more than 10 months after initial receipt of AFDC, with exceptions

Note: In addition to the programs cited here, Virginia and Wisconsin have implemented other welfare reform programs authorized through federal waivers.

[a]Since our site visit, Florida implemented the Family Transition Program in six additional counties.

Source: Terms and conditions of the states' approved waivers and information obtained from officials in these states.

Welfare Reforms Implemented on Different Geographic Scopes

The geographic scope of states' implementation of their welfare reforms ranged from statewide to selected counties. Indiana and New Jersey implemented their welfare reform programs statewide. Indiana had an AFDC caseload of about 56,000 and New Jersey about 120,000 in September 1995. Virginia implemented its family cap and other new eligibility provisions statewide in 1995 and is phasing in its work requirement and time limit statewide over a 4-year period. The state began by implementing the full welfare reform program in five rural counties. We visited two of these counties, Culpeper and Fauquier, whose AFDC caseloads totaled about 400 at the time of our review. Virginia implemented its program in 19 counties and six cities within the first year of operation, which represented about 23 percent of the state's AFDC caseload. Florida and Wisconsin were each operating their programs in two counties when we made our site visits. In Florida, Alachua County had an AFDC caseload of about 4,000 and Escambia County about 5,900, which combined represented about 4 percent of Florida's total caseload. Wisconsin's program operated in Fond du Lac and Pierce Counties, which had a combined AFDC caseload of about 500 at the time of our site visits—approximately 1 percent of the state's caseload.

States' Work Requirement and Time Limit Provisions Vary

The work requirements of the states' welfare reform programs differ with regard to the time by which clients must begin engaging in work and what counts as a work activity. Virginia requires clients to engage in work within 90 days of signing personal responsibility agreements, Wisconsin after clients have been in the welfare reform program 12 months, and Indiana after they are granted an extension to the time limit on benefits. In Florida, the timing of work requirements depends on the terms of the employability plan developed for each client. The states also differ about which activities will satisfy their work requirements. For example, work activities that meet Virginia's requirement include unsubsidized employment, subsidized employment, and community work experience. In contrast, Indiana's work requirement specifies that clients must participate in a community work experience.

None of the programs in the states with time limits had been under way long enough for any clients to have reached the limits when we conducted our site visits. The programs' time limit provisions stipulate that in certain situations clients who reach the limits may continue to receive public assistance. In Florida, clients who have participated but reached the end of their time limits without having been able to obtain or hold a job will be provided an opportunity to work in a subsidized job. Indiana, Virginia, an

Wisconsin permit extensions of their time limits in limited circumstances. For example, clients in Wisconsin would be eligible for an extension if the local labor market precludes a reasonable job opportunity, they are unable to work because of disability or incapacity, or they need to care for a disabled dependent.

Family Cap Provisions Implemented With Relatively Few Management or Service Delivery Changes

The family cap provisions enacted by Indiana, New Jersey, Virginia, and Wisconsin generally stipulate that no cash benefits will be provided for children born more than 10 months after the program start date or the date of a family's application for or initial receipt of AFDC. These four states implemented their family cap provisions with relatively few management or service delivery changes. Staffs in these states informed clients about their family cap provisions through mailed notices, personal responsibility agreements, or face-to-face meetings. To further emphasize the significance of this provision to clients, Wisconsin also trained staffs to discuss with clients the impact that an additional child would have on their budgets and ability to work.

In implementing their family cap provisions, Indiana and Wisconsin also sought to increase clients' access to family planning services. Indiana approached this by contracting with health maintenance organizations to provide family planning services to AFDC clients under the state's new Medicaid program. Wisconsin, which instituted a family cap provision in its Work Not Welfare counties on January 1, 1995, and statewide a year later, budgeted funds for county grants to provide family planning education to clients.

Only one of the four states we reviewed identified any issues associated with implementing the family cap. New Jersey encountered an issue with regard to the treatment of income from other sources, such as child support payments, received on behalf of children subject to the family cap. Under federal rules, states collect child support payments for AFDC families. Families receive the first $50 of child support collected each month and the state retains a portion of the remainder, which is based on its share of AFDC benefit payments. Since children subject to the family cap do not receive AFDC benefits, state officials in New Jersey believe that the family should receive the entire child support payment made on behalf of these children. However, New Jersey has received conflicting information from officials within HHS about the appropriate treatment of child support payments for these children, according to state officials. New Jersey officials have requested clarification from HHS on this issue.

While the family cap provision did not pose major implementation challenges for these states, the important issue of what effect the provision might have remains unsettled. An analysis by the evaluator of New Jersey's welfare reform program found no statistically significant difference between the birth rates of AFDC mothers who were subject to the family cap in New Jersey and those who were not. However, the evaluator noted that this finding should be regarded as preliminary because the analysis was based on limited data.[5] New Jersey officials noted that, while there has been no statistically significant difference in birth rates between the experimental and control groups, there was a 12-percent decrease in births for both groups.

[5]Michael J. Camasso, The State University of New Jersey: Rutgers, Letter to Rudolf Myers, New Jersey Department of Human Services (New Brunswick, N.J.: June 14, 1995). For a discussion of this analysis and some of the data issues, see the presentations by Michael Camasso, Rudolph Myers, and Peter Rossi in Addressing Illegitimacy: Welfare Reform Options for Congress, a conference held in Washington, D.C., on Sept. 11, 1995, by the American Enterprise Institute for Public Policy Research.

States View Changing Staffs' Culture and Clients' Expectations as Critical to Welfare Reform

Florida, Indiana, Virginia, and Wisconsin made fundamental changes to the operations and management of their welfare programs to implement time limits on benefit receipt and work requirements. These states viewed changing the culture of welfare office staffs and the expectations of welfare clients as critical to their welfare reform efforts. Time limits and work requirements increase the importance of helping clients obtain employment quickly, which often was not a priority for staffs or clients under the traditional welfare program. These states used various approaches to increase staffs' focus on helping clients obtain jobs and motivate clients to take greater responsibility for moving off welfare.

Increasing Staffs' Focus on Clients' Employability

Traditionally, staffs have been trained to focus on assuring accurate eligibility determinations and benefit payments and enrolling clients in education, training, and work activities. However, they have not always been directed to place a strong emphasis on placing clients in jobs.[6] To facilitate implementing their new work requirements and time limits, the states we reviewed are using diverse approaches to concentrate more of their staffs' energies on helping clients obtain employment. These approaches include setting job placement goals, working to reduce staffs' preoccupation with clients' barriers to self-sufficiency, and having staffs explore options other than welfare with persons applying for benefits.

Establishing Job Placement Goals and Monitoring Performance

To help welfare staffs understand its new emphasis on moving clients into work quickly, Indiana established performance measures linked to the state's welfare reform objectives. Before introducing its reform program, the state's JOBS program was oriented to educating and training welfare clients for better-paying jobs—a human capital investment approach. To signal the shift in emphasis of its welfare reform program, staffs were instructed to follow Indiana's new Work First philosophy: to make getting a job the first priority for clients, supplemented by education and training. The state developed a script for staffs to use at the initial eligibility meeting with applicants; the script is designed to focus the meeting on job placement and assistance rather than entry into the welfare system.

Indiana established annual job placement goals for each county office to help motivate staffs to follow the Work First philosophy. Counties report monthly to the state on their performance in meeting their job placement goals, and county directors' annual performance evaluations are based in part on their job placement performance. For the first 10 months of the

[6]See GAO/HEHS-95-113, May 19, 1995.

state's 1996 fiscal year, 88 of Indiana's 92 counties were meeting their annual job placement goals, according to state officials. To reinforce job placement goals, some counties set monthly goals for the number of clients staffs should refer to contractors for job placement. A year earlier, Indiana had prepared for the welfare reform program by adopting performance-based contracts for job placement contractors. Program managers told us that the job placement goals have helped focus staffs on clients' employment and generated healthy competition among staffs and counties.

Working to meet the job placement goals generated some early implementation issues in Marion County, which includes the state's largest city, Indianapolis. Local job placement contractors voiced concerns that they were not receiving a sufficient number of client referrals, according to the county program director. The county identified two sources of this problem. First, many clients who were referred did not show up for their scheduled orientations with the contractors, who would work only with those clients who did appear. To address this problem, the state changed the wording of its contracts with job placement contractors to specify that they were expected to work with all referred clients, including those who failed to attend their orientations. In addition, the county had clerical staff call clients to remind them of their scheduled orientations. Second, staff encountered difficulties in developing an initial pool of clients to refer to job placement contractors. Typically, a 20- to 40-day period elapsed before staff could assign clients assessed to be job-ready to any program activities, including job placement. This delay arose because clients assessed to be job-ready are subject to time-limited benefits and are provided an opportunity to appeal their assessment. The county sought to increase the number of referrals to job placement contractors through such measures as referring clients who had not yet been assessed.

Reducing Staffs' Focus on Clients' Barriers

Wisconsin and Florida faced a challenge implementing their reform programs, because some staff were so preoccupied with first addressing clients' barriers to self-sufficiency that they were not devoting enough effort to quickly placing clients in jobs. Job placement is of greater importance in a time-limited benefit environment than under the traditional AFDC program. These states sought to shift their staffs' focus to looking at the positive qualities of their clients rather than the reasons clients could not work, such as their lack of self-esteem or work experience. One county in Wisconsin worked to change staff culture

through the persistent efforts of local managers, and Florida responded by revising the focus of the activity plans staff develop for clients.

The director of the welfare office in Fond du Lac County, Wisconsin, told us that he had devoted much of his implementation efforts to encouraging staff to stop focusing on clients' barriers to self-sufficiency and instead focus on their positive characteristics and employability. He explained that the traditional AFDC program had a procedural focus—staff helped clients complete paperwork to establish and maintain benefit eligibility. However, to implement Wisconsin's welfare reform program, staff were encouraged to empower their clients to become self-sufficient. The director illustrated the shift in focus that has occurred by citing an example of how staff treat Hmong clients,[7] a population that faces psychological, language, and other barriers. Before Wisconsin's welfare reform program, these clients typically were placed in English-as-a-second-language classes and not assigned to work activities. However, since the reform program began, Fond du Lac County managers have encouraged staff to find ways to place Hmong clients in jobs. Staff responded by hiring Hmong job coaches to temporarily accompany these clients to work and help them handle any problems that arise, such as communicating with others on the job. Other ways that the county approached the language issue were to place many of the Hmong in production jobs that do not require English language skills or in companies with bilingual staff.

Florida worked to change staffs' culture by revising the focus of the activity plans staffs develop for clients in the welfare reform program. Initially, staffs developed two plans for each client: (1) a self-sufficiency plan establishing measures to address various barriers clients faced, such as inadequate shelter, lack of child care, or substance abuse and (2) an employability plan specifying activities designed to result in employment. The self-sufficiency plan, however, tended to cause some staff to focus too much on clients' barriers and why clients were unable to engage in work activities, according to Florida's welfare reform administrator. When clients met with staff to complete their employability plan, about 10 to 14 days after development of the self-sufficiency plan, staff and clients tended to focus on the barriers to employment identified in the self-sufficiency plan. Staff were attempting to first address all the barriers clients faced and then help them find employment, instead of initially focusing on how to move them quickly into employment. In response, Florida combined the

[7]The Hmong are refugees from Laos.

employability and self-sufficiency plans into a single plan that makes clients' employability the first order of business for staffs.

Having Staffs Explore Options Other Than Welfare With Applicants

Wisconsin helped staffs change the way they think about assisting clients by training them to explore options other than welfare with persons applying for AFDC benefits. Before the state's work requirements and time-limited benefit reforms, staffs automatically processed applicants to determine their eligibility for benefits. Under the reforms, staffs are instructed to help clients determine whether applying for benefits is the most appropriate choice. Staffs encourage applicants to consider the advantages of not starting the 24-month time clock for AFDC benefits and explore other options that might enable them to support their families. These options may include obtaining a job or increasing hours at their current job, obtaining child support, or taking advantage of other resources, such as housing assistance or food stamps. Staffs also assist applicants who decide to pursue options other than AFDC by providing various services, such as suggesting job possibilities and making referrals to specialists who can help them obtain child support. In an early study, Wisconsin reported that Fond du Lac County and Pierce County diverted about one-third of the applicants—over 300 families—from applying for AFDC benefits in the first 8 months of the state's welfare reform program. About 45 percent of diverted applicants indicated that they would try to support their families through obtaining child support, obtaining a job, moving in with others who could help support them, or other means.[8]

Virginia's welfare reform program includes a diversion program that is quite different from the one in Wisconsin. To help divert individuals from long-term public assistance, welfare office staffs in Virginia examine with each AFDC applicant the reasons he or she is applying for assistance. Families who are in crisis but are otherwise self-sufficient are offered a one-time payment, equivalent to up to 120 days of AFDC benefits, made directly to a provider for services such as housing or transportation. Families that receive a diversion payment are ineligible for AFDC benefits for 160 days. In the first 9 months of Virginia's welfare reform program, 261 cases received diversion payments; in about two-thirds of these cases, the payments were used for housing or utilities, according to state data.

[8]Of the remaining applicants who were diverted, 15 percent moved out of state or out of the pilot counties; 15 percent wanted to avoid the work and training requirements after considering their family needs, such as a full-time college student who did not want to be away from the family additional hours; and 25 percent did not indicate a reason for not following through with their applications for AFDC. See Division of Economic Support, Wisconsin Department of Health and Social Services, Work Not Welfare: Progress Report, January-August 1995 (Madison, Wis.: Dec. 1995).

Preparing Clients to Assume Greater Responsibility

While the states we reviewed devoted considerable effort to increasing staffs' focus on clients' employability, they also worked to change clients' expectations about welfare. For example, an Indiana official told us that a key challenge for the state was to learn how to break the entitlement mentality—a view that public assistance is a guaranteed benefit. With time limits ending the guarantee of benefits, the states believed that they needed to find ways to help all clients realize that finding a job was in their best interest. The states used various approaches to encourage greater client responsibility for moving off welfare, including setting higher expectations, expanding financial incentives to work and save money, and strengthening sanctions for dealing with noncompliant clients.

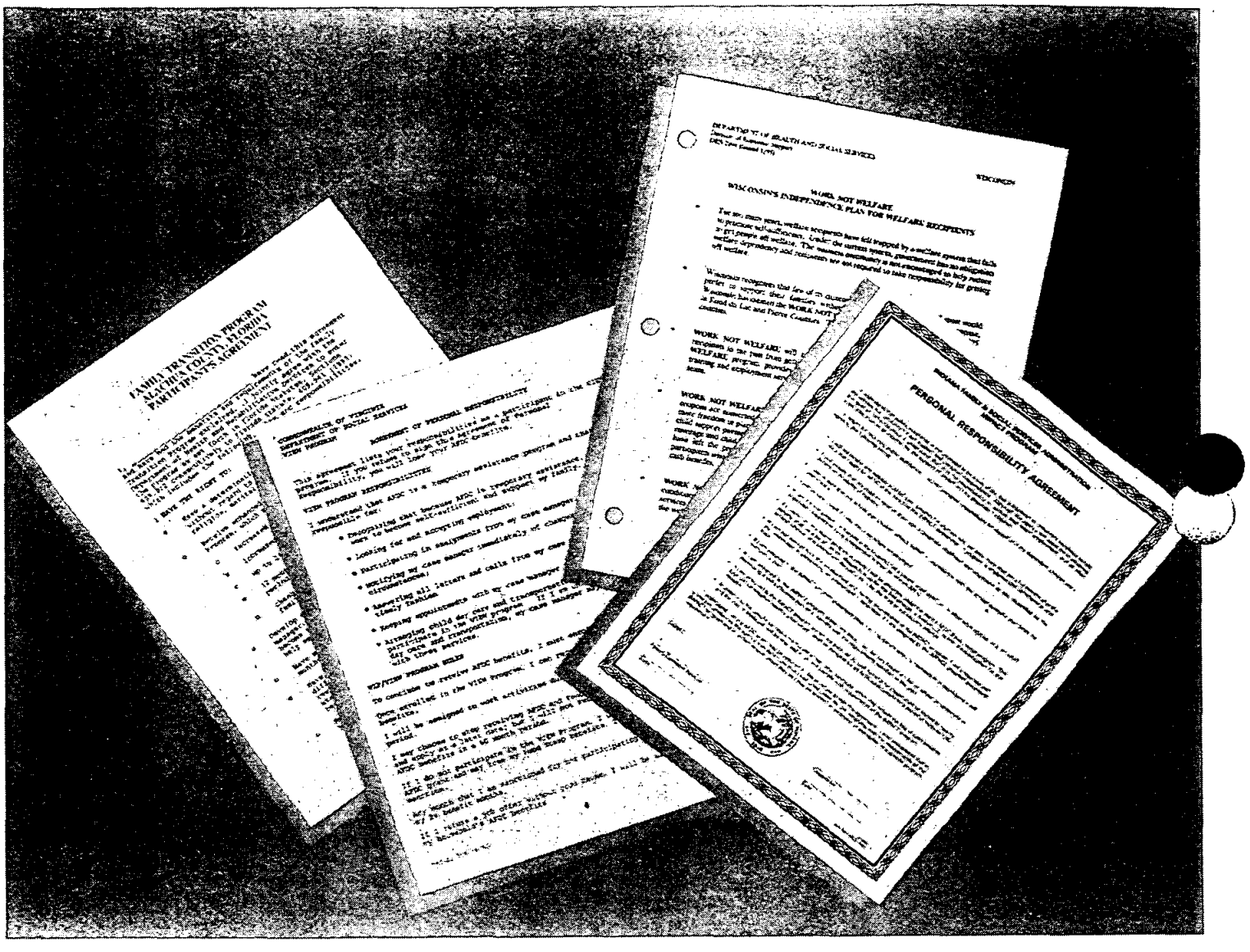
Encouraging Clients Through Setting Higher Expectations

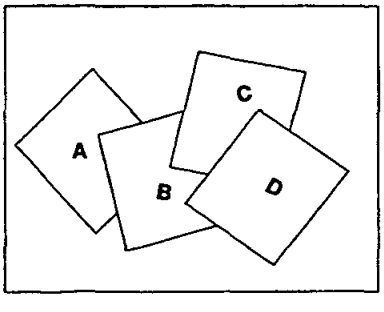
Clients in the states' welfare reform programs are being asked to take greater responsibility for their lives through working, managing money, and meeting their families' needs. States have used several approaches to establish higher expectations, such as requiring clients to sign personal responsibility agreements and changing the way benefits are paid.

Requiring Clients to Sign Personal Responsibility Agreements

Florida, Indiana, Virginia, and Wisconsin require clients in their welfare reform programs to sign personal responsibility agreements that specify the responsibilities clients must assume in exchange for receiving public assistance (see fig. 3.1). The responsibility to participate in program activities designed to culminate in employment is one of the major expectations set by these agreements. For example, Indiana's agreement stipulates that public assistance is intended to be temporary, not a way of life, and that becoming self-sufficient through work is expected to be the personal goal of clients. More than 39,000 clients in Indiana had signed a personal responsibility agreement as of the end of April 1996, and about 3,100 clients were sanctioned for failure to sign an agreement, according to Indiana officials.

Figure 3.1: Personal Responsibility Agreements





A - Alachua County, Florida
B - Virginia
C - Wisconsin
D - Indiana

The personal responsibility agreements also establish expectations of greater family responsibility for clients. For example, Florida's agreement requires clients with school-age children to have a conference each grading period with school officials—unless there is a good reason for not doing so—and have preschool children immunized. In Indiana and Virginia, minor parents are required to live with their parents or in some other setting supervised by an adult and also attend school.

Changing the Way Benefits Are Paid

Wisconsin set higher expectations for clients by establishing a benefit payment system designed to more closely resemble the world of a day's pay for a day's work. Clients in Wisconsin's welfare reform program earn their benefits by participating in education, training, or work activities for an assigned number of hours per week. If they fail to complete the assigned number of hours without having a good reason, their benefits are proportionately reduced. For example, if a client assigned to participate 40 hours completes only 30 hours, the client's benefits are reduced the equivalent of 10 hours times the minimum wage.[9] In contrast, a client who fails to participate in JOBS activities under Wisconsin's traditional AFDC program is subject to a fixed benefit reduction equal to only the client's portion of the family's AFDC benefit. During the last 5 months of 1995, an average of 57 cases each month in Wisconsin's welfare reform program had their benefits reduced because of failure to complete assigned hours of activity without good cause, based on state data.

In addition, Wisconsin "cashed-out" food stamp benefits. AFDC clients eligible for food stamps do not receive the standard coupons, but instead have the value of their food stamps included in their AFDC benefit checks.[10] This places greater responsibility on clients to determine how best to meet their families' needs. To help assure that benefits are used as effectively as possible to provide adequate food for their families, clients are required to participate in 12 hours of family nutrition education.[11]

[9]Under this formula, clients who do not complete any hours of assigned activities could have their benefits reduced to nothing.

[10]Food stamp benefits are thus also subject to reduction if clients who are not exempt from Food Stamp program employment and training requirements do not complete their assigned hours of activity. However, the food stamp portion of a client's benefit may not be reduced below $10.

[11]Wisconsin established a similar pay-for-performance system for AFDC clients statewide in its Pay for Performance/Self-Sufficiency First demonstration project, implemented on March 1, 1996.

Motivating Clients by Increasing Financial Incentives

Setting higher expectations for clients may have limited effectiveness in ending welfare dependency if they do not perceive that they will be better off working. The states we reviewed increased financial incentives by revising the provisions that regulate the treatment of clients' earned income and assets because they did not believe these provisions provided sufficient incentive to clients to work or save money.

Florida, Indiana, Virginia, and Wisconsin modified their provisions relating to the treatment of earned income to permit clients to keep more of their AFDC benefits or retain them for longer periods of time while working. Under federal law, clients' benefits are reduced and eventually terminated as their earned income increases. However, clients who obtain employment are eligible to have some of their earned income disregarded in calculating their AFDC benefits. As shown in table 3.1, Florida and Virginia increased the amount of earned income that can be disregarded. Indiana modified its provision to provide that clients' benefits would be calculated at the time of their entry into employment and would remain at that level even if their earnings increased, subject to certain limits.[12] To help clients make a more stable transition to the workforce, Florida, Virginia, and Wisconsin extended the length of time that their income disregards would be available. This change responds to concerns that families may experience a significant decline in their standard of living when benefits are reduced or discontinued after existing federal income disregards expire.

[12]Indiana also freezes the amounts of food stamp benefits for the first 6 months AFDC clients are employed.

Table 3.1: States Revised AFDC Rules on Income Disregards, Asset Limits, and Vehicle Asset Limits

Program	Income disregards	Asset limits (excluding vehicles)	Vehicle asset limits
Current federal AFDC law			
	$90 of earned income disregarded monthly; in addition, $30 of earned income and 1/3 of remainder disregarded for first 4 months, and $30 of earned income disregarded for next 8 months	1,000	1,500
Florida			
Family Transition Program	$200 of earned income and 50 percent of remainder disregarded each month with no time limit other than overall time limit on benefits	$5,000	$8,150[a]
Indiana			
Indiana Manpower Placement and Comprehensive Training Program	Clients' benefits calculated at time of entry into employment and frozen at that level until their time limits end or their monthly family incomes equal or exceed federal poverty guidelines	1,500	No change
Virginia			
Virginia Independence Program	All earned income disregarded for up to 24 months if earnings plus AFDC benefits are equal to or less than federal poverty guidelines	5,000	7,500
Wisconsin			
Work Not Welfare	$90 of earned income disregarded monthly; in addition, $30 of earned income and 1/6 of remainder disregarded each month with no time limit other than overall time limit on benefits	No change[b]	No change[c]

[a]Florida's waiver permits the state to increase this amount annually.

[b]Some clients in Wisconsin's Work Not Welfare program are part of an experimental group in a statewide Special Resource Account demonstration project that allows clients to set aside up to $10,000 for the purpose of educational advancement or improving employability.

[c]Some clients in Wisconsin's Work Not Welfare program are part of an experimental group in a statewide Vehicle Asset Limit demonstration project that allows clients to have vehicle assets of up to $2,500.

Source: Waiver terms and conditions of the states' welfare reform programs and federal statutory provisions.

As shown in table 3.1, Florida, Indiana, and Virginia modified their asset limits or vehicle asset limits. Higher asset limits enable clients to save

money that can be used to deal with situations that might otherwise undermine their transition off welfare, such as a vehicle breakdown. By permitting clients to own more valuable cars, higher vehicle asset limits may enable them to obtain more reliable sources of transportation to work.

Virginia's provisions constitute an especially broad expansion of work incentives for clients. The state disregards all earned income for up to 24 months as long as earnings plus AFDC benefits are equal to or less than federal poverty guidelines. Moreover, families receiving AFDC can establish savings accounts of up to $5,000 and own motor vehicles with a fair market value of up to $7,500. In the view of state officials, increasing financial incentives to clients who get jobs is a critical change that will help ensure the long-term success of the state's welfare reform initiative. Virginia officials believe that disincentives to work were intrinsic in previous programs because AFDC benefits were immediately reduced or the case closed when clients became employed. In its welfare reform program, the state allows clients to use lower-paying jobs as stepping-stones to self-sufficiency through the increased amount of disregarded income combined with the increased allowable amounts of savings and vehicle assets.

Strengthening Sanctions to Encourage Client Compliance

Expanding financial incentives for clients to work and save may encourage some clients to comply with program requirements. Under federal law, states can sanction clients who fail to participate in JOBS activities without good cause by reducing their AFDC benefits. The sanction reduces only the adult's portion of the AFDC benefit, not the portion designated for children. The first sanction lasts until the client agrees to participate, the second for a minimum of 3 months, and the third for at least 6 months. All the states we reviewed determined that they needed stronger measures to deal effectively with clients who fail to meet their participation requirements. As discussed below, they strengthened their sanctions in various ways, such as including food stamp benefits in the sanctions, increasing the size of the benefit reduction, applying sanctions more quickly, increasing the length of sanction periods, and requiring clients to demonstrate compliance before sanctions would be lifted.[13]

Wisconsin strengthened its sanctions by adding clients' food stamps to the value of their AFDC benefit checks and basing the amount of these checks on the number of hours of activity clients complete. This change responds

[13]Many of these changes required waivers of federal statutory requirements.

to a frequently voiced criticism of traditional AFDC sanctions—namely, that they have little effect on some clients because their food stamp benefits, which are partly based on the clients' household income, are increased to compensate for much of the reduction in their AFDC cash benefits.

Virginia increased the size of the benefit reduction and made it easier to apply sanctions more quickly in its welfare reform program. For the first sanction, a family's entire AFDC benefit is terminated for 1 month or until the client complies, whichever is longer. A family's entire benefit is terminated a minimum of 2 months for the second sanction and a minimum of 3 months for the third and subsequent sanctions.[14] In addition, clients can be sanctioned more quickly because Virginia eliminated its conciliation process. This process had provided noncompliant clients an opportunity to avoid receiving a sanction by demonstrating compliance or indicating that they intended to comply. The state eliminated the conciliation process because it found the process administratively burdensome and considered the sanction to be too far removed from the act of noncompliance to affect clients' behavior.[15]

Indiana increased the length of sanction periods and imposes sanctions more frequently in its welfare reform program. The first sanction now applies for a minimum of 2 months, the second for at least 12 months, and the third for a minimum of 36 months, regardless of when the clients rectify the noncompliance. In addition, Indiana does not allow individuals to apply for AFDC for 90 days after voluntarily quitting employment. The number of AFDC clients sanctioned in the first 5 months of program implementation was about 150 percent higher than the number sanctioned the previous year for the same months. Concerned about the increase in the number of sanctions, the director of Indiana's Division of Family and Children told us that he was considering hiring a consultant to determine the reasons for clients' noncompliance and recommend ways to increase their program participation.

Florida strengthened its sanctions in response to complaints by staff about clients who game the system. In some cases, clients would delay responding to notices of noncompliance until the last possible day and avoid receiving a sanction by saying that they would agree to comply, even though they did not always follow through on this agreement. Florida now requires clients who are not meeting their participation requirements to

[14]The months in which a family's benefits are terminated are counted as part of the 24 months allowed for receipt of cash benefits.

[15]Clients retain the right to appeal sanctions and receive a fair hearing.

demonstrate compliance for up to 10 days to avoid having sanctions imposed. In addition, the state reduced the conciliation period from 21 days to 10 days.

States Solicit Employer and Community Involvement in Reforming Welfare

As a result of instituting time-limited, employment-focused welfare reforms, the states we reviewed had to determine how to move clients more quickly into employment and off welfare. In response, the states sought to forge stronger links with employers and community organizations to take advantage of resources, such as job opportunities and child care, that these groups could provide. While the states had used these resources to some extent in the past, they made a more systematic effort to solicit employer and community involvement in their welfare reforms by publicizing their welfare reform programs, establishing various types of community advisory groups, and working to improve their ability to enlist employers' support in finding jobs for clients.

Meetings and Promotional Materials Used to Inform Communities About Welfare Reforms

One approach states used to generate community interest and involvement was to disseminate information about the objectives and key features of their welfare reform programs. Providing such information helps educate communities about the roles they can play to assist reform efforts and the benefits they may achieve from welfare reform.

Holding Community Meetings

Virginia's Department of Social Services held a statewide summit, hosted by the governor, to bring together employers, churches, and employment and training organizations to explain the state's welfare reform program. In addition, the department has helped various localities hold community involvement meetings. At a community meeting in Fauquier County, county officials identified areas in which community organizations could assist the program, such as by helping provide child care and transportation for clients. Florida's two welfare reform pilot counties each established a speakers' bureau. County officials have made presentations about the program to civic and fraternal organizations, social service agencies, and churches. In Wisconsin, each pilot county hosted a community training event, sponsored by the state, to introduce the welfare reform program to residents, businesses, and service agencies. Pierce County, Wisconsin, combined its community training with a job fair to bring job seekers together with employers. Indiana officials have held numerous speaking engagements with organizations throughout the state to discuss Indiana's welfare reform program.

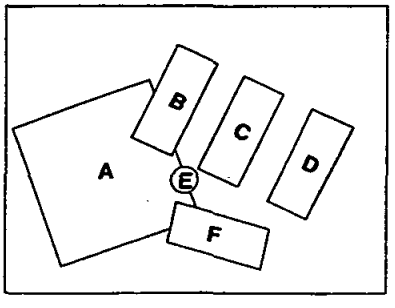
Developing Promotional Materials

States and counties developed various materials to help publicize their welfare reforms, such as videotapes, brochures, and posters. For example,

as shown in figure 4.1, Virginia developed different versions of a videotape for employers, churches and nonprofit organizations, and clients. The employer version notes that to ensure success the state had to reform welfare by involving the whole community. Alachua County, Florida, developed a brochure targeted to businesses and public agencies that explained how its welfare reform program could help employers reduce their labor costs and improve their bottom lines. The brochure emphasizes the program's ability to provide qualified applicants to meet employers' specific needs and cites the financial incentives available to employers for hiring program clients.[16]

[16]For example, the brochure notes that employers who hire clients for on-the-job training can be reimbursed up to 50 percent of the wages paid during training and those who hire clients to fill newly created positions can be reimbursed a portion of clients' wages.

Figure 4.1: Examples of Welfare Reform Promotional Materials



A - Virginia
B - Alachua County, Florida
C - Alachua County, Florida
D - Alachua County, Florida
E - Virginia
F - Virginia

Institutionalizing Community Involvement Can Be Difficult but Beneficial

Each of the states we reviewed sought to take advantage of community resources by establishing advisory groups that included representatives from business, government, and community organizations. As depicted in table 4.1, the responsibilities of these groups generally focused on helping clients obtain employment. Indiana obtained an especially widespread level of community involvement, with over 3,000 citizens and officials participating on 92 local welfare reform planning councils throughout the state. States encountered various challenges working with community advisory groups, including determining their appropriate roles, informing members about the characteristics of welfare clients and the welfare system, and recruiting a sufficient number of members. However, the states generally found that, as they worked to address these challenges, community involvement provided significant benefits for the clients in their welfare reform programs, such as better access to jobs.

Table 4.1: States Established Various Types of Community Advisory Groups to Help Implement Welfare Reforms

Type and location of advisory groups	Responsibilities
Florida	
Community review panels in pilot counties	Review cases of clients not complying with program requirements and sufficiency of services provided to them
Enterprise development task force in Alachua County	Develop opportunities for clients to start their own businesses and help identify and expand training and job opportunities for clients
Indiana	
Local planning council in each county statewide	Identify scope of AFDC clients' needs and existing community resources, recommend programs and resources to assist in providing services to clients, and compile list of public service work opportunities
Welfare-to-work task force in Scott County	Help address clients' barriers, such as difficulties obtaining transportation and child care
Virginia	
State advisory commission on welfare reform	Recommend ways to generate jobs for clients and evaluate incentives designed to promote business participation in welfare reform
State welfare reform work groups	Explore innovative ways to address implementation issues, involve the community in implementation, and work to create a local seamless design by involving all staff
Local community advisory groups	Help develop and implement local plans for welfare reform
Wisconsin	
Community steering committee in pilot counties	Obtain job and training sites for clients; foster clients' entrepreneurial efforts; serve as mentors for clients; ensure that training and education programs are relevant to community business needs; coordinate a Children's Services Network that helps provide services, such as health care and food, to children whose parents lose cash benefits; and identify child care and shelter resources and expand child care availability

Source: Written materials on the states' welfare reform programs, supplemented by information from state and local officials.

Determining Appropriate Roles for Advisory Groups

One challenge some states experienced working with community advisory groups was helping them determine their appropriate roles. For example, the enterprise development task force in Alachua County, Florida,[17] encountered some uncertainty about its role. As set out in program legislation, the task force was to develop opportunities that emphasize enterprise development for clients. However, the legislative language does not elaborate what this role entails. In addition, program staff working with the task force expressed reservations about limiting the role of the task force to helping clients start their own businesses. For example, staff voiced concerns about whether clients would be willing to assume the risks involved in starting a business and be able to obtain bank financing. In light of the more pressing need at the time to develop a range of training and job opportunities for clients in the program, staff proposed that the role of the task force be broadened to include these activities. Members of the task force agreed and subsequently focused much of their efforts on these activities. However, they have expressed interest in working to develop entrepreneurial opportunities for clients and have invited speakers to address this topic at recent task force meetings.

Informing Community Members About Welfare Clients and the Welfare System

Another challenge states encountered in working with community advisory groups was informing members about the characteristics of welfare clients and the welfare system. For example, counties in Indiana and Wisconsin faced issues such as addressing members' misconceptions of welfare clients and members' requests for client data that were difficult to satisfy.

Scott County, Indiana

The mayor of Scottsburg, Indiana, established a welfare-to-work task force to assist the welfare office in Scott County with implementing the state's reform program.[18] A welfare office representative who served on the task force told us that the biggest challenge working with the task force was informing members about the welfare system and changing their perceptions of clients. Task force members requested that the welfare office survey clients to find out about barriers clients face as well as their attitudes toward welfare. The county welfare director told us that the results of the survey showed that clients wanted to work and generated enthusiasm among task force members for supporting the program.

[17]Members of the task force include representatives from private sector employers and the Job Service Employer Council.

[18]Members of the task force include the mayor, county welfare director, personnel managers of local companies, child care experts, a welfare office case manager, and members of the local Private Industry Council.

The community task force has been instrumental in helping obtain job opportunities for clients, according to the county welfare director. For example, the task force sponsored a meeting for representatives of some of the area's large manufacturers. Former AFDC clients who had obtained jobs told their success stories and attendees were encouraged to provide current AFDC clients opportunities for employment. Subsequently, some of these manufacturers hired program clients (and in some cases waived their General Equivalency Diploma requirement to enable clients to qualify for employment) and allowed the welfare office to begin handing out their employment applications.

Fond Du Lac County, Wisconsin

Educating members of the community steering committee in Fond du Lac County, Wisconsin,[19] about welfare clients proved to be a challenging experience for both the committee members and the county welfare office. Some committee members initially knew very little about the welfare system and were unaware that resources such as child care assistance and the JOBS program already existed, according to the director of the county Department of Social Services. Committee members wanted to obtain baseline data on the welfare reform program and determine, for example, how many clients would require training, jobs, and child care. Members told us, however, that the county director often responded to their requests by saying the data were not available, taking a long time to provide the data, or providing data in a different format than requested. Committee members had difficulty understanding the obstacles the county director faced in meeting their requests for data. For example, the county director told us that obtaining data from the state's automated welfare system was difficult because the state was modifying the system to accommodate the welfare reform program.

As committee members continued working with the county director, and learned more about program clients and the welfare system, working relations improved dramatically. The committee formed several subcommittees and enlisted additional community members to assist with its work. The chairman of the steering committee, who is the executive director of a local business, became a strong advocate for the program. As a result of the improved working relations, local employers are much more likely to hire AFDC clients than they were before Wisconsin's welfare reform program began, according to the county director.

[19]The committee consists of representatives of business, government, and educational organizations.

Recruiting Sufficient Community Volunteers

Florida's experience with community review panels illustrates the substantial administrative effort that may be required to coordinate community involvement. These panels were created by Florida's welfare reform legislation to serve as independent entities to evaluate the sufficiency of the welfare department's delivery of services to clients and the cases of clients who have not complied with program requirements. State law requires that each panel consist of seven members and include a member of the local health and human services board, a member of the private industry council, a client or former client in the welfare reform program, two members of the local business community, one member of the education community, and one member-at-large. Review panels typically meet for 4 to 5 days each month. Escambia County encountered difficulties recruiting enough community members to ensure a quorum for panel meetings. The county had recruited a pool of 67 members for the review panel at each of its two program sites, but still encountered problems obtaining the required mix of panelists.

Despite these administrative difficulties, Florida state and county officials reported that the panels are very beneficial. The panels bring a third-party perspective to the evaluation of clients that in some cases differs from the perspective of program staff. For example, the panels have identified barriers and issues that were not identified in clients' self-sufficiency or employability plans, and also served as a resource for career counseling. In addition to helping document client noncompliance, the panels help create informed citizens who can serve as advocates for welfare reform, according to Florida's welfare reform administrator.

States Increase Efforts to Work With Employers to Obtain Jobs for Clients

As we reported previously, JOBS programs nationwide generally had not forged the strong links with local employers that can be important to helping AFDC clients gain work experience and find jobs.[20] In contrast, the welfare reform programs in the states we reviewed were placing a strong emphasis on working with employers to help clients obtain jobs. As discussed earlier in this chapter, one approach states used to generate employer involvement was through establishing community advisory groups. In addition, the states used various approaches to increase their effectiveness working with employers, such as expanding incentives for employers to hire clients, responding to job openings from employers more quickly, and providing employers with job-ready clients.

[20]GAO/HEHS-95-113, May 19, 1995, and GAO/HEHS-95-28, Dec. 19, 1994.

Expanding Employer Incentives

Some states expanded the incentives that can be provided to employers to hire program clients. For example, one provision of Virginia's welfare reform program authorizes the payment of the cash value of clients' AFDC and food stamp benefits to employers for up to 6 months in exchange for their providing clients with jobs. This provision, called the Full Employment Program, is targeted to clients eligible for both AFDC and food stamps who are unable to find unsubsidized employment. Instead of receiving AFDC and food stamps, these clients receive wages paid by their employers. Under the terms of Florida's welfare reform program, the state is authorized to pay employers who hire hard-to-place clients an amount equal to 70 percent of what the clients would have received in AFDC benefits for up to 1 year. Hard-to-place clients include AFDC recipients who, in the preceding year, have been unable to hold any job for at least 3 months or have held more than two jobs. Indiana expanded incentives to employers by extending to up to 24 months the period in which the cash value of clients' AFDC benefits can be diverted to employers who hire them.

Responding to Job Openings More Quickly

Another approach to help staffs work more effectively with employers is to provide them with the capacity to respond quickly to employers' needs. Fond du Lac County, Wisconsin, developed the means to dramatically decrease the amount of time it took to respond to employers who notified county staff that they had job openings. Matching clients to job openings had involved a time-consuming process of manually reviewing case files to determine which clients had appropriate skills for specific job openings. A member of the community steering committee recommended that the county attempt to replicate the ability of private employment agencies to respond within an hour to job requests. The county obtained a software program that enables staff to capture information on client skills and job interests in a database so that they can respond within half a day to employers with a list of potential client matches.

Providing Employers With Job-Ready Clients

Wisconsin state officials told us that the community steering committees helped educate the welfare agencies about some of the primary qualities local employers sought in employees, such as reliability and the ability to follow instructions. The steering committees maintained that the welfare agencies should not spend a lot of time training clients in specific job skills, but leave this to employers. Fond du Lac County, Wisconsin, provides a 2-week workshop to help prepare clients for seeking employment. The workshop covers subjects such as motivation, budgeting, stress management, nutrition, and parenting.

In the initial months of program implementation, Culpeper County, Virginia, was sending employers its most job-ready clients—those who had received some job-readiness training through the JOBS program. However, county officials expressed a concern that new clients may encounter difficulties obtaining and keeping jobs when they are required to engage in a job search without having received some prior job-readiness preparation. With the help of the local Chamber of Commerce, Culpeper County developed a job-readiness class covering topics such as motivation, job-keeping skills, and money management.

Service Delivery Redesigned to Provide More Intensive Support for Clients

To help implement time limits and move clients quickly into work, the states we reviewed also redesigned their service delivery structure. They believed that their clients needed more intensive support and coordinated services than were being provided under their previous AFDC program. The approaches states used to redesign their service delivery included creating a new staff role to improve service coordination, bringing job team members together at a single location, increasing staff interaction with clients, and developing closer links to community resources to expand the availability of child care and transportation.

Case Manager Role Created to Coordinate Services

To prepare clients to become self-sufficient before the end of the time limit, Florida changed its service delivery by creating a case manager role. Case managers are responsible for coordinating and brokering a comprehensive set of services clients might need to become employed before their time limit expires. The two Florida counties we visited chose different approaches in assigning these responsibilities and faced different implementation issues. Escambia County assigned case manager responsibilities to its eligibility staff, whereas Alachua County created case manager positions distinct from those of eligibility and JOBS staff.

Eligibility Staff Assume Case Management Responsibilities

Escambia County expanded the roles of its existing staff to include both eligibility and case management responsibilities. As eligibility workers, their responsibilities included determining eligibility for AFDC and calculating benefit amounts. Now their role also includes case management activities such as overseeing client activities and coordinating support services.

Staff performing the combined role of eligibility worker and case manager have experienced difficulties adjusting to their new roles. One Florida administrator told us it has been difficult to get new case managers to use their judgment and be creative, because as eligibility workers they focused on following strict rules and procedures. Staff who before believed that they had little discretion in their jobs experienced a difficult adjustment to the new expectations that they would now make decisions that could significantly influence clients' lives. As a consequence, the program experienced some staff turnover. To help them adjust to their expanded role, Escambia County provides case management training. A local college conducts an on-site program for case managers during their lunch hour several days a week. In addition, the American Public Welfare Association conducted a training course for case management supervisors.

Another difficulty staff experienced performing in this combined role was trying to manage their workloads. Despite reductions in the number of cases these staff worked with, determining eligibility under new program rules was so time consuming they did not have enough time to perform their new case management responsibilities, which included conducting home visits, facilitating client staffing, and processing noncompliant cases for review by a community panel. For example, their computer system was not able to accommodate new income disregards, so staff had to calculate benefit amounts by hand. The staff told us that, while they recognized the importance of providing intensive case management services to clients facing a time limit, eligibility determination took up most of their time. To reduce the staffs' stress level and workload, the county limited the number of clients entering the reform program.

New Case Manager Positions Created

In contrast to Escambia County, Alachua County maintained existing eligibility determination and JOBS staff roles and added new case manager positions. The county kept the case manager role separate, believing that mandatory elements of eligibility would take too much time and not leave enough time to provide important case management services to clients.

The new case manager positions generated some confusion about staff roles. JOBS staff and case managers initially were not clear about their roles and in some instances their responsibilities seemed to overlap. Traditionally, JOBS staff were responsible for placing clients in education and training programs and arranging support services clients needed, such as mental health counseling and housing assistance. Now, case managers are working intensively with clients to arrange these support services. JOBS staff told us that while it was difficult to give up part of their traditional role, this has allowed them to devote more time to other responsibilities, such as monitoring clients' program activities.

Collocated Case Management Teams Established to Improve Services to Clients

Collocation of staffs is a key component of welfare reform implementation in Florida and Wisconsin. These states brought a variety of staffs together at one location and formed case management teams to help quickly provide a comprehensive set of services that clients might need to obtain employment before they reach the end of their time limits. While both counties in Florida experienced some logistical problems locating staffs at a single office, staffs in both states reported that collocation enabled them to better serve clients. Indiana has directed local welfare offices to take advantage of opportunities for collocation as current leases expire.

Variety of Services Provided at a Single Location

Florida's pilot counties each brought together a variety of services at a single location to provide efficient, one-stop shopping for clients. Alachua County established a core team of staff who work most directly with clients and a larger team whose members provide other support services as needed. The core team, coordinated by a case manager, also includes an eligibility worker who determines eligibility and benefit amounts and an employment and training specialist who coordinates all education, training, and employment activities. Core team members' offices are clustered together. They interact frequently, both informally and formally, at regularly scheduled meetings to help ensure clients receive the comprehensive set of services they need to become employed before their time limits expire. Members of the larger team located on-site with the core team include child support enforcement analysts, community health nurses, and child care specialists. Escambia County, the other Florida county we visited, provides additional support for its clients with mental health and substance abuse counselors on-site.

Like Florida, Wisconsin also collocated staffs to create case management teams. During the early planning stages of its demonstration, Pierce County decided to collocate all staffs working with clients. Before the collocation, case managers and eligibility staff were located in cities that are about 15 miles apart. In addition to the case manager and eligibility worker, other members of the case management team who are collocated at the Pierce County Jobs Center include job employment and training case managers, child welfare staff, and representatives from a local technical college. Clients are commonly included at case management team meetings when their cases are discussed. Social workers are also assigned to case management teams to help meet the needs of more difficult-to-place clients, such as those requiring counseling services. The social workers assess barriers to these clients' employment, provide counseling services, and link them to the resources they need to become employed.

Indiana has adopted a policy that local public assistance offices are to collocate with workforce and job placement agencies, as well as other social service agencies, as current leases expire. The policy is intended to help facilitate a coordinated approach to job placement and self-sufficiency attainment for clients.

Collocating Staffs Creates Some Logistical Issues

The experiences of both Florida counties highlight the importance of allowing adequate time for planning and implementation tasks so that all

components are in place when clients enter the program. Given the new time limits on benefit receipt, delays caused by start-up problems can have a significant impact on clients. Escambia County began enrolling clients 3 months after it was selected as a pilot county and experienced problems with the short time frame because workers' office space was not ready when the program officially began—leases for office space had not been signed and office equipment had not been obtained. In Alachua County, the establishment of an on-site health clinic was delayed until the physical space could be renovated and needed equipment installed. In addition, collocating JOBS staff with eligibility staff in both counties required a contract between two state departments that was not finalized until 5 months after the program began. As a result of the delay, some of the employment and training services provided by JOBS staff were not in place until about 10 months after the program began.

Collocated Teams Reported Improved Communication, Teamwork, and Service Delivery

Staffs on collocated case management teams in Florida and Wisconsin reported better communication and teamwork and more efficient services provided to clients. Staffs told us that the more frequent interaction between team members yields quicker service for clients, better knowledge of clients' barriers, and a greater knowledge of services available to assist clients. These staffs told us that collocation has made it much easier to coordinate services for clients. Before collocation, clients sometimes received different directions from JOBS and eligibility staff about which activities they should perform. Now, periodic meetings are held to discuss cases and coordinate services among team members.

Case management teams in Florida and Wisconsin told us that clients also benefit from the collocated team approach because services are more efficiently delivered. For example, before collocation, time was often lost when clients were sent notices to go to several different locations for appointments with service providers. With collocation, clients can meet with several members of their management team on the same day and sometimes at the same time to resolve issues quickly. Teams also told us that clients are more likely to use certain services when they are available at the welfare office. According to case managers in Alachua County, having a mental health counselor on-site is beneficial because clients may be willing to talk to a counselor but would not go to a mental health center because of the stigma attached. Collocating a health clinic at the welfare office made it easier for clients because transportation between different locations is time consuming and not easily available to some clients.

States Increased Staffs' Interaction With Clients

Aware of the more serious consequence of clients "falling through the cracks" under time-limited benefit receipt, the states we visited increased the frequency of staffs' contact with clients. For example, Fauquier County, Virginia, redesigned its assessment process to quickly obtain more detailed information about clients. At the start of the assessment process, staff in Fauquier County visit clients in their homes. Staff believe that home visits are an efficient way for them to get critical information that they would not be able to get otherwise about the services clients need to be able to work. For example, while it was not an objective of the home visits, staff found some families in need of child protection services. The home visits help staff assess a client's job-readiness, current support system, and the kind of community in which the client lives.

Before implementing its welfare reform program, Fond du Lac County, Wisconsin, learned how critical it is to monitor and provide support to clients once they enter a training program. After learning that a business in town needed welders, the county contracted with a local high school to provide a 3- to 4-week welding course for clients. However, county staff underestimated the amount of monitoring needed and did not find out soon enough that some clients did not show up for the course. Now, case managers do a great deal more monitoring of clients. For example, case managers receive daily attendance reports from the local technical college and follow up with absent clients.

Concerned about former clients who may lose employment and cycle back onto AFDC, some of the states we visited increased the services provided to clients after they begin working. Florida established a Bootstrap training program for clients who no longer qualify for cash assistance due to employment. The program allows these clients to participate in JOBS education and training activities to provide them the opportunity for job advancement. Vigo County, Indiana, monitors clients 2 weeks after job placement and then monthly for 6 months. At the request of the community steering committee, staff in Fond du Lac County, Wisconsin, formally follow up with clients and employers 90 days after employment begins.

Establishing Necessary Support Services

In addition to increasing interactions with clients, states worked to provide clients with the support services they needed to become employed. Two issues the states frequently encountered as more clients participated in program activities and became employed were the increased demand for child care and transportation. States worked to

increase the availability of these services by using their own resources in new ways and developing closer links to existing community resources.

States Use Program Resources and Work With Community Groups to Meet Child Care Needs

As states expand their work requirements, more AFDC clients will have to find child care to work or participate in program activities. Our prior work has shown that in some states, the supply of certain kinds of child care is limited, such as infant care, part-time care, and care during nonstandard work hours.[21] The states we reviewed worked to expand the availability of different kinds of child care by using program resources and developing closer links to community organizations.

In Culpepper County, Virginia, the need for infant care exceeded the capacity of the only infant care center, and clients were being placed on a waiting list. To address this shortage, the county is using state funds to create a new infant care center. In Wisconsin, Pierce County is considering developing a child care cooperative where clients can exchange child care services with one another.

States are also reaching out to community groups to increase the supply o. child care for their clients. One of the biggest child care issues states faced in implementing their reform programs was finding after-hours care for clients working late shifts. The community steering committee in Fond du Lac County, Wisconsin, worked with local day care providers to extend their hours for parents working late shifts. States are also reaching out to local churches to increase the supply of child care. For example, staff in Marion County, Indiana, arranged for churches to pick clients' children up from school and provide after-school care. Virginia is working with volunteers from churches and nonprofit organizations to wrap around existing child day care operations and increase the hours of service available.

States Develop Creative Solutions to Transportation Issues

The welfare reform programs in the states we reviewed also addressed the issue of providing transportation for working clients. Finding transportation was most difficult in rural areas where there was no public transportation; however, urban areas also experienced transportation difficulties. For example, in some urban areas, public transportation was not available close to employers or was not available to clients working late shifts.

[21]Welfare to Work: Child Care Assistance Limited; Welfare Reform May Expand Needs (GAO/HEHS-95-220, Sept. 21, 1995).

States developed creative solutions to these transportation issues. For example, Virginia is using county and city school buses to transport clients to community work experience sites. The state also allows welfare agencies to purchase surplus state and county vehicles for clients to lease, purchase, or use to travel to work. The welfare reform programs in Virginia and Wisconsin will pay for some clients' car repairs and provide gas subsidies. In addition, some clients in Fond du Lac County are allowed to provide transportation services to other clients as part of their work experience activities.

Some states are also working with employers and their communities to provide transportation for clients. For example, Marion County, Indiana, worked with its public transportation system and local employers to get bus stops near large employers' offices and to have bus service available for clients completing late shifts. In addition, Pierce County arranged for a local bank to provide low-interest loans for clients to purchase cars.

Some counties have found community volunteers to provide transportation for clients. Scott County, Indiana, worked with employers on its community task force to develop a volunteer transportation program. They handpicked volunteers, selecting retired persons they considered reliable and good role models. These volunteers drive clients to and from work and also serve as mentors to clients. Fond du Lac County, Wisconsin, also established a community volunteer transportation service. The service is managed by the County Volunteer Coordinator and staffed by volunteer drivers using county vans or their own vehicles. Staff request rides for clients needing transportation to and from appointments, training, and work.

Concluding Observations and Comments From HHS and States

Because the existing welfare system has not been successful in preventing long-term dependency, some states are making profound changes to the structure and operation of their welfare systems. Much can be learned from the experiences of the states we reviewed. To implement time limits and work requirements, these states fundamentally changed the way they do business. They focused their efforts on changing staffs' culture and clients' expectations, seeking greater involvement from their communities, and redesigning their service delivery structures. To date, however, most of their changes have been implemented on a relatively small scale, within a few counties or small metropolitan areas. Thus, it is uncertain what additional implementation and operational issues these and other states could encounter as they move to implement welfare reform statewide or in larger metropolitan areas. For example, obtaining a sufficient number of jobs for clients or developing new sources of child care could prove to be more challenging for welfare reforms implemented on a larger scale.

It is too early to determine what effect the welfare reforms in the states we reviewed might have on moving people into employment and off welfare. State and local officials point to preliminary data that suggest that their program changes may be making a difference in the size of their caseloads. For example, over a 14-month period, the two Wisconsin pilot counties' combined caseloads decreased by over 40 percent since beginning the Work Not Welfare program. Between January 1, 1995, and December 31, 1995, Indiana experienced a 22-percent decrease in its statewide AFDC caseload, which state officials attribute to the implementation of Indiana's Work First philosophy. However, it is unclear whether these declines are directly attributable to the programs or to other factors, such as a strong economy, low unemployment rates, or in the case of Wisconsin, other welfare changes within the state. Because the programs in the states we reviewed are relatively new, no formal evaluations examining the effect of the reforms have been completed to date. At the time of our review, none of the programs had been operating long enough for recipients to reach the time limits.

Comments From HHS and States

We obtained comments on a draft of this report from HHS and the five states whose welfare reform programs are reviewed in the report. HHS and the states generally agreed with the report's findings but indicated various places in the report where they believed additional information would be useful. We incorporated their comments in the report as appropriate.

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Work First:
How to Implement An Employment-Focused Approach to Welfare Reform

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Appendix A: Work-Related Provisions in Federal Welfare Reform
Appendix B: Resources and Further Reading

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Introduction

1. Work First Defined

There is no single model of a work first program. What defines such programs is their overall philosophy: that the best way to succeed in the labor market is to join it, developing work habits and skills on the job rather than in a classroom. Put another way: that any job is a good job and can be a stepping stone to a better job. Work first programs seek to move people from welfare into unsubsidized jobs as quickly as possible, and job search itself is a central activity. Work first programs also share a strong message that, for participants, employment is both the goal and the expectation.[1]

That said, work first programs can vary significantly in the services they offer, the sequencing of activities, the extent of mandatoriness, and even their goals and approach. Work first programs generally begin with job search as the first activity for most participants, using the labor market itself as the test of job readiness. Then, for those who are not able to find jobs right away, work first provides additional activities geared to moving participants to employment as quickly as possible. These might include education, training, work experience, or other options. In the context of work first, these activities are generally short term, closely monitored, and either combined with or immediately followed by additional job search.

MDRC has evaluated a number of programs that we would define as work first. The following list includes a partial sample of those programs. Not all of these programs were equally effective and each of them tailored activities differently according to its own needs and goals. Yet they all embraced an approach that emphasized quick entry into the labor market.

- **"Labor Force Attachment" Approach Sites in the JOBS[2] Evaluation** (in Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California). Job club and job search are the first activities required for virtually everyone, followed by short-term education and training and subsequent job search for those who remain unemployed.

- **Riverside County, California's Greater Avenues for Independence (GAIN).** Participants without a high school diploma (or its equivalent) or proficiency in reading and math had a choice of job search or basic education as their first activity, though job search was encouraged. All other participants were required to participate in job search first. Riverside's GAIN program conveyed a strong message, even to those in education and training, about the importance of quick employment and the need to accept even low-paying jobs.

- **Florida's Project Independence.** Individuals who were identified as "job ready"

[1] Some use the term "work first" to describe unpaid work experience, or workfare. The definition used in this guide is not meant to include programs that are primarily workfare, although unpaid work experience can be one component of a work first program.

[2] JOBS refers to the Job Opportunities and Basic Skills Training (JOBS) program established under the Family Support Act of 1988 and now consolidated with cash assistance in the Temporary Assistance to Needy Families block grant.

(based on education and work experience) conducted an independent job search followed by job club and another search, while those not "job ready" were assigned to education or occupational training as a first activity. The majority of the caseload met the definition of "job ready."

- **San Diego's Saturation Work Initiative Model (SWIM).** All participants were assigned first to a two-week job search workshop, then, if they had not found employment, to a three-month unpaid work experience position concurrent with biweekly job club sessions, and finally, to education and training if they were still not employed.

- **Arkansas' WORK.** All participants were assigned first to two weeks of job club followed by up to two or three months of individual job search. If still unsuccessful in finding a job, participants were then assigned to a work experience position.

2. A Brief Summary of the Research

The impact of any welfare-to-work program depends on diverse factors, such as the amount and use of resources, the mix of services provided, the quality of staff, the message that is communicated to participants, and the quality of implementation. Given the interaction of these factors, it is difficult to conclude that any particular strategy is most effective at helping people on welfare find jobs. However, there are general themes that appear to be emerging from research on different welfare-to-work programs. This section discusses some of those themes.[3]

People often associate a work first strategy with job search. But while job search is a central activity, research suggests that it is not the only important component. Evaluations in the 1980s of programs that relied primarily on job search activities, and subsequent evaluations of more mixed approaches (combining job search with education, training, and other features), indicate that mixed programs that maintain a focus on employment can generate larger or more lasting increases in employment rates, earnings, and income than purely job search programs.[4] Evaluations of mixed-strategy programs in several states have also shown that such programs can save welfare dollars and return more to government budgets than they cost.

An evaluation by MDRC of six counties in California's GAIN program (the nation's largest JOBS program) found positive results in each of these areas. While GAIN as a whole was not a work first model, the most successful county GAIN program, in Riverside County, incorporated a work first

[3] For a more in-depth summary of the research on welfare-to-work programs, see Bloom, forthcoming, 1996. Virtually all of the studies cited in this section used a random assignment research design in which eligible people were assigned by a random process to either a program group, which was eligible to receive welfare-to-work program services or a control group, which was not eligible to receive those services.

[4] See Gueron and Pauly, 1991; Hamilton, 1988; and Riccio, Friedlander, and Freedman, 1994.

approach for a large proportion of the caseload.[5] The program increased earnings by an average of 44 percent (compared to a control group) and reduced welfare payments by an average of 15 percent over 4.5 years, and the impacts have held up over time.[6] In addition, the program saved almost $3 for every dollar invested over a five-year period.[7] Participants came out of the program somewhat better off: their average gains from increased earnings and fringe benefits, minus increased taxes, were greater than their losses from reduced public assistance benefits. At the same time, however, the Riverside program did not lift many people out of poverty and did not eliminate the need for welfare, since many participants remained on the rolls.

An ongoing evaluation of work first programs in Atlanta, Grand Rapids, and Riverside is also finding positive results.[8] The programs, which emphasize quick job entry but offer additional services for individuals who do not find employment through an initial job search, increased earnings over two years by as much as $1,212 compared to a control group. Savings from reduced AFDC payments over two years ranged from $368 in Atlanta to $1,338 in Grand Rapids (though some of these savings were due to increased sanctioning as opposed to increased employment). The evaluation also compares the work first programs in those sites with programs in the same sites which emphasize a Human Capital Development (HCD) approach. As opposed to work first, HCD programs generally encourage investment in education and training as a route to employment, primarily through the provision of basic education. After two years, welfare and employment impacts for the HCD approach were not as strong as those for work first.[9] However, HCD impacts may take longer to surface and may grow over time as participants complete education and training and enter the workforce.

The most successful work first programs have shared some characteristics, including: a mixed strategy including job search as well as other activities and services; an emphasis on employment in all activities; a strong, consistent message about program goals; a commitment of adequate resources to serve the full mandatory population; enforcement of the participation mandate; and a cost-conscious management style.[10] This suggests that the best programs strike a balance between quick job entry and opportunities for education and training, while always maintaining a strong focus on the goal of employment.

3. Work First in a Block Grant Environment

The Temporary Assistance to Needy Families block grants created by the Personal

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[5] See page 2 for a description of the Riverside County GAIN program.

[6] Lin, Freedman, and Friedlander, December, 1995.

[7] Riccio, Friedlander, and Freedman, 1994.

[8] U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996. For early findings from this evaluation, see U.S. Department of Health and Human Services and U.S. Department of Education, 1995a. See page 2 for a description of these programs.

[9] U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996.

[10] See Riccio and Orenstein, 1996, on the relationship between program features and impacts across the GAIN evaluation sites.

Responsibility and Work Opportunity Act of 1996, just signed into law, give states increased responsibility for welfare programs, along with vast new flexibility and some new constraints.[11] For work first programs, the legislation similarly presents both opportunities and challenges, described below:

- States no longer need to obtain federal waiver approval to implement many of the ideas presented in this guide, as they did under the Aid to Families with Dependent Children (AFDC) program. However, there are some restrictions on the use of federal block grant funds and states risk losing some block grant funding if they do not comply with certain requirements.

- In the first years of block grants, many states will have additional funds (due to recent caseload declines) that they can use for investments in the work first model. While work first approaches have been shown to return more to governments and taxpayers than they cost, there are up-front costs in terms of hiring staff, developing or modifying management information systems, and implementing activities and services.

- The high participation rates required by the legislation put pressure on programs to bring a broad segment of the caseload into the program. States are required to have 25% of all families participating in certain work activities in fiscal year 1997, increasing to 50% in 2002 (though these rates are reduced if caseloads decline). Participants must be active for at least 20 hours (or more, depending on the year, family composition, and age of youngest child) in order to count toward the participation rates. States risk reductions in block grant funding if they do not meet these rates.

- Not all activities count toward the federal participation requirements. For example, job search counts for only up to six weeks per individual (or twelve weeks if the state unemployment rate is 50% greater than the national average) and not for more than four consecutive weeks. High school or GED preparation (except for teen parents) and job skills training count only for those hours required in excess of 20 per week. Program planners should understand these requirements and take them into account when designing their work first program. Some may choose, however, to incorporate activities that do not count toward federal participation requirements if they make sense in terms of the state's goals.

- The legislation imposes a five year time-limit on the receipt of assistance from federal funds. Time limits place increased pressure on work first programs to serve all those subject to the time limit and to help them find employment before they reach the end of their time limit. Time limits also increase the importance of

[11] See appendix A for a summary of work-related provisions in the Personal Responsibility and Work Opportunity Act of 1996.

helping recipients not only find but also keep jobs (see section 37 for more on time limits).

4. How to Use This Guide

The guide which follows is organized into chapters which offer advice on different levels of program management: planning, administration, activities, and case management. There is also a chapter which discusses related policies such as financial incentives and time limits. Each chapter is further divided into sections, which discuss a specific element related to operating a work first program. The chapters and sections are designed to be read independently, so that you can simply turn to those which are of interest to you. Many of the elements interact, however, and the text will point out important interactions with elements discussed in other sections.

There is no exact recipe for implementing work first. The three work first programs in the JOBS Evaluation have similarly strong results but look quite different. In any case, a guide presenting a single model would be of little use because the model would not work everywhere. Presented here is a list of key ingredients and some ideas on how to mix them together. Given your own situation, you may want to add more or less of some ingredients, or alter the recipe in other ways.

The following are some other things to bear in mind as you read this guide:

- The role of helping individuals move from welfare to work is usually performed by State, County or City welfare agencies. However, many aspects or even whole programs may be contracted out or provided through informal arrangements with workforce development agencies, Job Training Partnership Act (JTPA) providers, community-based organizations or other groups. Other organizations may also provide similar services on their own. This guide can be used by all of these groups.

- It is important for program planners and staff to recognize the flexibility in a work first approach. If some elements do not work in your particular situation, or if you do not have control over some areas, that does not mean you cannot implement work first. Similarly, even if you would not define your own program as work first, the suggestions included in this guide can help you make whatever model you choose more employment-focused.

- This guide does not describe how to put in place a welfare-to-work program from the ground up. Readers most likely have JOBS programs and policies in place, but want to perhaps expand these programs and shift their emphasis to focus on quick employment. Therefore, this guide skips over many elements of good management and planning and gets right to the question at hand: how to move from wherever your program is at today to a work first approach.

- Finally, this guide is being written at a time when welfare policy is in a state of flux. With

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GOAL	POSSIBLE PROGRAM FEATURES
1. Reduce the number of families on welfare	• job search geared to full-time employment • continued participation in program activities until off welfare
2. Increase employment among families on welfare	• job search geared to either part-time or full-time employment • encourage and support combining work and welfare
3. Increase the income of families on welfare	• increased earnings disregards and child care and other benefits to make work pay • job search geared to higher-paying jobs • allow more opportunity for education or training that can increase participants' earnings
4. Impose a reciprocal obligation on welfare recipients	• mandatory participation for a broad portion of the caseload. • swift and strict sanctions for nonparticipation • more use of unpaid work experience and/or subsidized jobs to engage those who are unable to find unsubsidized employment
5. Keep applicants from becoming long-term recipients	• applicant job search • priority for program services to new recipients • emphasis on getting people quickly into the program
6. Secure short-term savings	• mostly job search, with few other activities for participants • close monitoring of participation • swift and strict sanctions for noncompliance • use of applicant job search and one-time payments to help applicants avoid coming on welfare
7. Aim for longer-term cost-effectiveness	• willingness to invest more resources up-front • job search supplemented by other employment-focused activities • focus on long-term recipients and reducing recidivism (see goal #9)
8. Move long-term recipients into jobs	• priority for program services given to long-term recipients • more marketing of work and teaching basic work habits • supervised work experience combined with job placement

- **What will the sanction be?** Sanctions can be a reduction in the family's grant, removal of the non-compliant parent from the grant, or loss of the entire grant. The more severe the sanction, the stronger the message and the incentive to participate. However, severe sanctions also carry greater potential risks for families – and children – who do not participate for whatever reason. In general, the harsher the sanction, the more programs need to make clear to participants what is expected of them and the consequences of not doing so, as well as to provide clear guidelines for conciliation and coming into compliance.

- **How can a sanction be cured?** Sanctions can be cured as soon as the participant comes into compliance or only after a certain period of time, often increasing with consecutive incidents of noncompliance. Mandatory minimum sanctions can send a strong message and save staff from the heavy paperwork that can be involved in repeatedly recalculating grants. However, sanctions that are hard to cure give people little incentive to comply before the end of the sanction. To avoid the paperwork burden of participants dropping in and out, some programs require participants to show good faith (for example by complying for a period of two weeks) before reinstating their grant retroactive to the date of compliance.

10. Tailoring Work First to Your Goals

The program mix you choose will depend partly on your goals. Work first programs are generally geared toward the goals of increasing the number of case heads-of-household who work, reducing welfare rolls, and saving welfare dollars. A work first approach may not be appropriate for programs with very different goals. At the same time, however, programs may have additional or secondary goals that can be accommodated within a work first model. Such programs should think about including activities, options, and related policies that can further those goals. For example, a program with the goal of increasing family income might consider adding to its policy mix increased earnings disregards and more generous child care and other benefits to make work pay, and allowing more opportunity for participants to combine work with education and training that can increase participants' earnings.

The following table outlines some of the ways in which the program model and emphasis might vary in programs interested in pursuing alternative goals. While the basic work first model remains the same, the exact shape of policies and practices can differ.

addressed within the context of the program, there are options for deferral or exemption.

9. Mandates and Sanctions

If certain groups of welfare recipients are required to participate in work first, you need to define precisely what is required and what the penalties will be for non-compliance. Sanctions are a tool to bring clients into the program and to motivate them in their job search. Their success is judged not by the number of sanctions ultimately imposed, but the extent to which those under the mandate *do* participate. Intent to sanction (or warning) notices are often sufficient to bring participants into compliance. Other people do not comply even after sanctions are imposed. Sanctioning rates in work first programs that MDRC has studied range from 3 (in Florida's Project Independence) to 37 percent (in Grand Rapids, Michigan's JOBS program) over a one-year follow-up period.[20]

In designing mandates and sanction policies, program planners should address the following questions:

- **How flexible will the mandate be?** Within the structure of a broad mandate, it may be useful to build in some flexibility – in either allowable activities or hours of participation – for case managers to design employment plans based on individual situations. Inflexible mandates may lead staff to defer or exempt participants who might be able to participate or to work part time. See section 8 for more on participation requirements.

- **How will the mandate be presented to participants?** Some programs discuss sanctions prominently in order to encourage participation. Others try to be upbeat, promoting the opportunities presented by the program rather than threatening sanctions. Those programs that do not emphasize the mandate up front need to make sure there are safeguards in place so that participants are not sanctioned without adequate notice.

- **How much effort will be made to bring people into compliance before a sanction is imposed?** Some programs send out intent to sanction notices as soon as participants fail to respond to program mandates. Others make repeated efforts to contact participants and learn the reasons for noncompliance. The conciliation process can also vary in length. For example, Utah's welfare-to-work program has a comprehensive conciliation policy, involving both a home visit and case review. Administrators there say that non-compliance is usually the result of participation barriers of which case managers were not aware and that once those barriers are addressed, participants come into compliance.

[20] Kample and Haimson, 1994, and U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996.

served if there are limited resources. Because you want to avoid serving only the most motivated and job ready – who would likely volunteer but may least need the program's services – voluntary programs need to work especially hard at marketing program services to bring in a broad cross-section of participants. Work first programs can also adopt a mixed approach, where some groups are mandatory, but those in other groups can volunteer. In addition, if there is a long wait before even mandatory participants enter the program, you may want to give volunteers the chance to move ahead in the queue. Having some volunteers, who are likely to be highly motivated, can help change the atmosphere of the program and inspire other participants.

Working with the Hard to Serve

As participants move through the program, more and more will find jobs, leave welfare, become exempt, or be in sanction status. Those who remain will likely have greater barriers to employment and need more intensive program assistance.[19] It is important to recognize that some welfare recipients have serious health, mental health, addiction or other problems, and to be prepared with strategies and policies around how to deal with those individuals. Section 35 offers suggestions for case managers who encounter these problems, but they should be considered in the larger policy context as well. The extent to which these issues can be addressed so that participation is possible depends partly on the nature of the problem, partly on the flexibility built into participation requirement, and partly on the availability of services in the community to assist individuals with these problems. It may make sense to reassess the situation and needs of participants who remain in the program for more than a certain length of time, and to put in place policies which focus attention on these hard-to-serve participants.

Programs may also wish to consider using a broad definition of participation that encompasses a variety of activities and levels of involvement. For example, Utah's program requires universal participation, but allows parents who are not immediately able to look for work to meet the mandate with mental health counseling or other activities that lead toward the goal of employment. Administrators in Utah found that universal participation requirements without such options can lead to excessive sanctioning, as staff had few options for assisting hard to serve participants. However, counseling or similar activities will not count toward reaching participation rates required in federal welfare legislation. Program planners may decide to allow such activities anyway, if they make sense in terms of their own program.

Another approach is to limit up-front exemptions but allow back-end outlets for those who are unable to participate or find jobs. That way, the program message and mandate apply to a broad segment of the welfare caseload and program staff begin with the expectation that everyone can participate and go to work. At the same time, program policy recognizes that not all will be able to work or participate at all times. If barriers or problems are identified, staff first look for ways to help the participant resolve those problems. Then, if the barrier cannot be

[19] SeeRiccio, Freedman, and Harknett, 1995, for an analysis of the characteristics and employability of long-term participants in California's GAIN program.

time that individuals do not participate. Establishing deferral periods on a case-by-case basis and closely monitoring progress during this period can eliminate delays (see section 29 for suggestions on how to monitor clients who are excused or deferred from participation).

Targeting Resources

In a program environment with limited resources, program administrators may wish to consider whether to target certain groups of welfare recipients for program participation. Spreading your resources too thin can result in a program that is less effective for any group of participants. Perhaps the biggest mistake that program planners make is failing to decide how they will prioritize who gets served if resources run out or are cut back. Leaving that decision by default to line staff can result in serving only those who are most motivated and easy to serve, who are more likely to be able to find jobs without the program's assistance. While this type of "creaming" may improve program outcomes, it can reduce impacts (see section 11).

Below is a discussion of the tradeoffs associated with serving various groups.

- **New welfare applicants.** Strategies targeting new applicants aim to get people off welfare while many have recent work histories and before they become "trapped" in a life on welfare. However, targeting new applicants means that funds are being spent on individuals who may soon leave welfare on their own or who may never begin receiving welfare benefits.

- **Long-term welfare recipients.** Some welfare-to-work programs concentrate program resources on long-term recipients. For example, in Minnesota's Family Investment Program, individuals are required to participate in employment-focused case management after they have received benefits for two years.[17] However, waiting to require participation may not change the overall "culture" of welfare, and many would not describe such programs as work *first*. In addition, while mixed programs have shown impacts for most major subgroups of participants – including long-term recipients – there is less research evidence showing what specific strategies work well for this group.

- **Teen parents.** There is a strong incentive to target teen parents, who are at especially high risk of becoming long-term welfare recipients.[18] However, it may be more appropriate to consider other strategies for this group, such as encouraging high school completion. The work first philosophy and employment "message" can still be integrated into those other strategies.

- **Volunteers.** Running a voluntary program is one way of deciding who gets

[17] In an expansion of MFIP, participation is required after one year on welfare.

[18] Bane and Ellwood, 1994. For more on programs targeting teen parents, see Maynard, Nicholson, and Rangarajan, 1993; and Long, et al., 1996.

and program activities, as well as reduced flexibility in tailoring plans to participants' situations and needs (see below on working with the hard to serve). A similar trade-off exists around defining what activities will count as participation. Most work first programs define participation in terms of involvement in the program components described in section 6 (job search, education, work experience, etc.). However, programs aiming for universal participation may wish to provide some flexibility in allowing participants to meet the requirements through some combination of program components and other activities.

In order to count toward participation rates in the new federal legislation, individuals must be participating in specified activities for at least 20 hours per week (or more, depending on the year, family composition and age of youngest child). Program planners need to decide whether they will adopt similar requirements or establish their own standards for participation. Policy-makers may decide not to try to meet the federal participation rates if they feel that doing so would strain program resources or compromise the program's effectiveness. Furthermore, successfully reducing caseloads through an effective work first program can reduce the federally required participation rates.

Exemptions and Deferrals

Programs may decide to exempt certain categories of recipients from work first, either because they feel participation is not appropriate for those groups or because they cannot provide the services that would be needed to allow those groups to participate. Program planners need to decide not only what the criteria for program exemption will be, but also what documentation will be required to meet those criteria. Welfare-to-work programs commonly exempt some or all of the following individuals:

- Pregnant women
- Teen parents enrolled in school
- Child-only cases
- Individuals of advanced age
- Parents with very young children[16]
- Parents who are ill or incapacitated, or caretakers of ill or incapacitated family members
- Parents residing in remote areas
- Parents who are already employed for a substantial number of hours per week

Most programs also grant temporary deferrals for individuals who have a short-term reason for nonparticipation. Deferrals are commonly granted for reasons such as family crises, short-term illnesses, legal problems, or if individuals are participating in self-initiated activities that do not meet program participation standards. Deferrals can be productive program components if participants are able to use the time to address the reasons for the deferral, so that they will be able to participate. However, standardized deferral periods may actually increase the length of

[16] More programs now require this group to participate. However, program planners should be aware of the increased cost and limited availability of child care for very young children.

Many programs also provide assistance to participants in other areas, such as work clothes, tools or other equipment, books, etc. Clothing assistance may be in the form of a clothes closet from which participants can take clothing to use for interviews or a job, or in the form of vouchers to a local thrift shop or clothing store. Often programs initiate these types of support services after learning about common issues that participants confront as they begin their job search. Some programs provide a flat "participation allowance" to cover any job search or work-related costs.

8. Participation Requirements

Participation requirements define the basic parameters of any work first program. In establishing participation requirements, program designers need to address three questions:

- Who should participate?
- How many hours should they participate?
- What activities will count toward participation?

In general, work first programs try to extend participation to as broad a segment of the welfare caseload as possible. Broad participation helps to change the overall message of the welfare system to one of expected employment. In addition, it is difficult to determine ahead of time who will succeed in job search, and lack of education or work history does not necessarily preclude success. A high-expectations program believes that all recipients can succeed and lets the job search itself determine who is employable. While there is no clear evidence that certain strategies are most effective for certain groups (such as teen parents or long-term recipients), research has shown that work first approaches can benefit all types of participants.[15] In addition, states will need to bring a large portion of their caseload into program activities in order to meet the high participation rates required under federal legislation (see Appendix A).

Universal participation takes on added importance in the context of time limits. Because families face a cut-off of financial support, programs need to work with all those who are subject to a time limit, to help them become self-sufficient before they reach the cut-off. If programs cannot serve everyone, then criteria for exemption or deferral from work first need to be coordinated with exemption from, or temporary suspension of, the time limit.

The number of hours of participation required varies across work first programs. Many require 20-30 hours per week, in order to intensify participation and make the experience of being in the program equivalent to that of a job. However, those with broad or universal participation may want to consider lower or more flexible hours requirements. The programs that MDRC has studied averaged less than 20 hours per week of required participation and research has not yet addressed whether increased hours will improve program impacts. The trade-offs include increased costs for child care

[15] See, for example, Riccio, Friedlander, and Freedman, 1994.

followed by family day care, and finally by informal day care (care typically provided by friends or relatives). Across all types of care, infant and toddler child care tends to be more expensive than care for older children. In addition, the availability of child care varies by area and by type. There are commonly shortages of infant care, child care for children with special needs, and after-hours child care. Participation requirements will affect child care needs and costs. For example, exempting parents with very young children minimizes the need for infant care. Demand for child care can also be reduced by coordinating participation or employment with school hours.

Finally, child care funding mechanisms matter. Paying providers directly as a reimbursement or issuing two-party checks offers caseworkers tools to monitor child care use and may increase the likelihood that providers will accept children covered by subsidized care. On the other hand, payments made directly to participants can empower them as "buyers" of child care, help them learn to manage their budget, and prepare them for when they leave welfare. Disregarding the cost of child care in determining welfare grant levels – an option states often use for individuals who are mixing welfare and work – can put participants in the difficult position of paying for care up-front and may limit child care options.

Transportation

Most programs provide transportation assistance to participants so that they can attend program activities and look for a job. This may be in the form of passes for public transportation or mileage reimbursement for a participant's own vehicle. Passes or reimbursement can be distributed by work first staff or service providers, and on a monthly or more frequent basis. The more frequent the distribution, the more closely client participation can be monitored. Many programs have also increased the value of a vehicle participants can own, so that they can have more reliable transportation. Helping participants get a valid drivers' license or offering one-time assistance for car repair needs can also help keep clients mobile.

Some programs offer private van or bus service to program activities, particularly if public transportation is limited. Because of the need for participants to not only attend program activities, but also go out and look for jobs where those jobs are located – which may not correspond to public transportation routes – work first programs may need to deal creatively with transportation problems. For example, Fond du Lac, Wisconsin, uses both program vans and volunteer drivers with their own vehicles to transport participants to interviews, training programs, job search classes and employment (for the first few weeks, until permanent transportation has been arranged). While such a strategy can facilitate job search and increase participation rates in program activities, participants will still need to arrange their own transportation that they can use when they get a job.

Other Support Services

example, by combining education with part-time employment, or work experience with continued job search. Concurrent activities can be a useful way of allowing participants to improve their skills and enhance their opportunities, while still maintaining focus on the employment goal. The design of other policies and services completes the program mix, including child care, transportation, and other supports, as well as financial incentives and other strategies to make work pay.

7. Support Services

In addition to the activities outlined above, work first programs generally offer support services to participants. The most common of these are child care and transportation assistance. The supports enable parents to participate in the program and help them succeed in the transition to employment. This section discusses some policy options regarding support services. Section 34 gives suggestions for how program staff can help participants make the most of available supports.

Child care

Without child care, many parents will not be able to participate in work first. In a work first program, child care needs may be more urgent than in other approaches because of high hours requirements and because of the push to get parents participating quickly. Programs aiming for broad participation should therefore look to see that there is available and affordable child care for all those who need it. Conversely, programs which can not or do not provide adequate child care assistance will need to limit participation requirements accordingly. Policy decisions must also be made regarding the types of care that will be funded, the method of payment, and the level of assistance the program will give parents in locating care. Some programs continue to provide child care subsidies after participants leave welfare for work, to ease the transition and help make work pay (see section 36). Programs might also wish to consider providing child care assistance to those at-risk of coming on welfare, if that assistance can help them remain self-sufficient.

Many child care arrangements are unstable, and breakdowns in child care can force parents to make new arrangements. Also, as parents move through the program – for example, from job search to training to employment – their child care needs may change. Child care assistance needs to be flexible enough to accommodate such changes without causing major participation problems. Some programs provide on-site drop-in child care, that parents can use when meeting with program staff or participating in program activities. The program can similarly encourage outside service providers to co-locate child care with activities. This can facilitate program participation and give parents an opportunity to see a child care center first-hand. However, parents will still need to identify longer-term child care arrangements when they begin work. The move to work can be smoothest when parents already have stable child care arrangements in place.

Child care costs vary by the type of arrangement and the age of the child. Child care provided by licensed child care centers tends to be the most expensive type of care,

- **Orientation.** The actual work first program begins with an orientation, which can vary in length and content across programs and may be integrated with the initial assessment or the first day of job club.

- **Initial assessment.** The initial assessment is generally limited to identifying and addressing immediate barriers – such as child care or court appearances – to participation and employment. Some participants may also be identified for exemption or deferral at this point.

- **Job club.** In keeping with a work first philosophy of quick entry into the labor force, the first program activity for participants is usually job search, in the form of group job clubs and sometimes combined with job development.[14]

- **In-depth assessment.** An in-depth assessment is generally reserved for those who do not find jobs through job search. The goal of the in-depth assessment is to identify additional activities that will help the participant get a job as quickly as possible.

- **Next steps.** The diversity among work first programs mostly occurs at this point. Program planners need to devote some thought to what services and activities will be available to those participants who have not found employment through the initial job search. Common post-job search activities include: education or training; work experience or subsidized work; or additional job search. Job developers and case managers may also work more closely with participants at this point. The goal in all these activities remains getting participants jobs as quickly as possible.

- **Renewed job search.** In the context of work first, the "next step" activities are generally short term and are followed immediately by additional job search, as the labor market is constantly tested and retested. This is a critical point for work first programs. Close monitoring and follow-up are necessary to ensure that participants remain on track as they move through multiple activities.

- **Retention and re-employment services.** Some programs provide services aimed at helping participants succeed in jobs once they have found them. This includes preparing participants ahead of time for what they might experience on the job as well as assistance after participants leave welfare for work. Some programs also offer re-employment assistance, to help those who lose their first job quickly find another.

Not all programs will choose to incorporate all these activities and some programs may choose to add others or alter the order of activities. Participants can also conduct concurrent activities, for

[14] The Riverside, California GAIN program is a notable exception which sent many participants to education first and which produced strong impacts. See page 2 for a description of the Riverside GAIN program flow.

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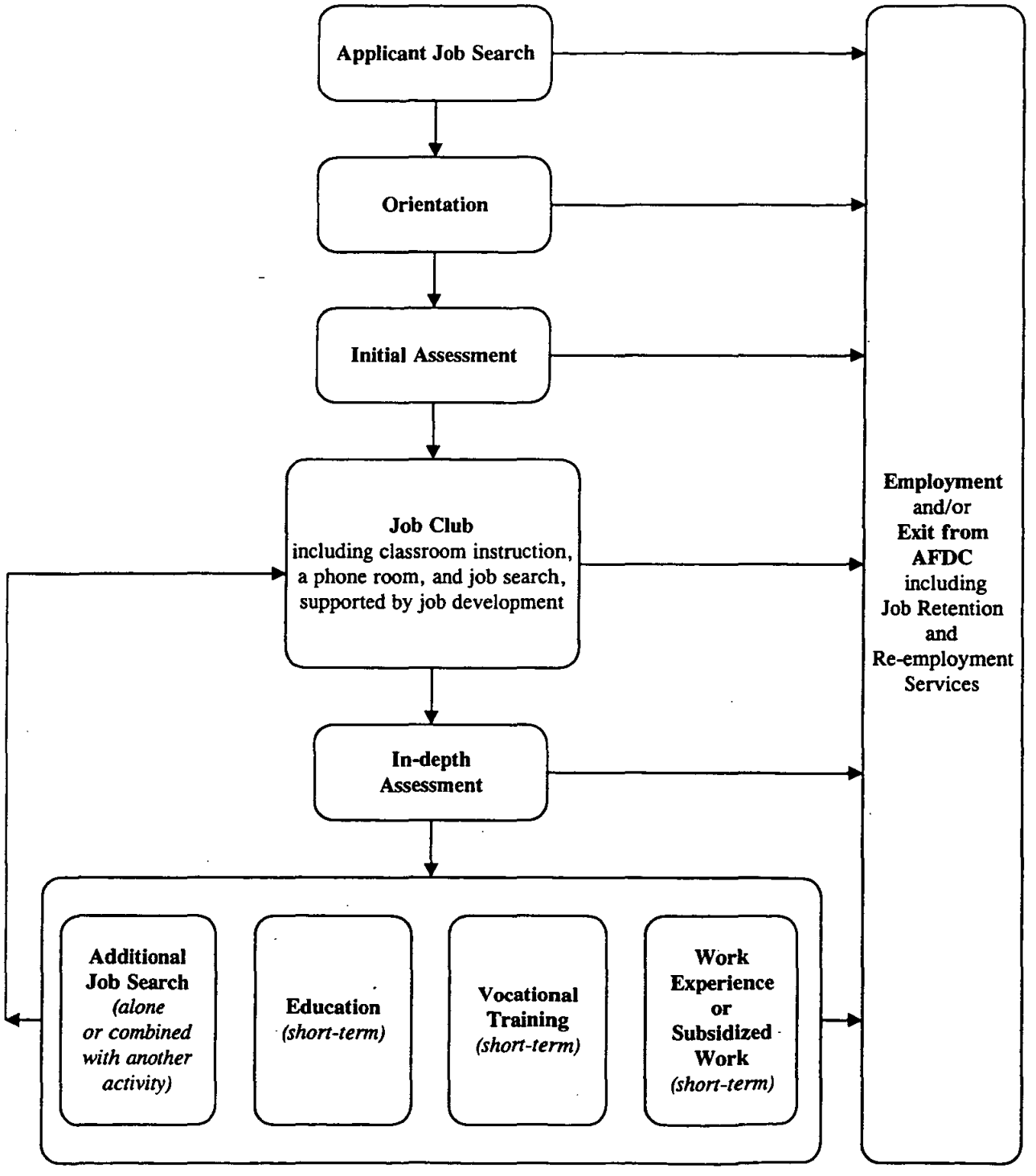
Figure 1

Common Work First Activities and Client Flow



Many programs, whether work first or another approach, focus primarily on the processes involved in bringing participants into the program and maintaining them in the program. A key challenge in implementing a strong work first program is shifting staff and management to focus instead on getting participants employed. Administrators should define program goals in terms of desired outcomes and measure progress toward those outcomes, while taking care not to promote creaming or other undesired results. This shift in focus can also be addressed through training staff, clearly communicating the program message, establishing performance measures, and other tools. Finally, simplifying and streamlining paperwork and administrative tasks, as well as providing clerical and systems support for those tasks, can free staff to focus on getting participants jobs.

- **Implementing a high-performance model**

Many programs may appear to be work first, but include only job search, have only individual job search, or operate weak job club activities, which act more as job readiness or career exploration workshops. Research suggests that stronger group job search activities and more mixed program models can be more effective (see section 3 for a summary of the research). Moving to a more high-performance work first model involves putting in place quality group job clubs and additional employment-focused activities for those who do not find jobs right away. Training for staff and agreements with service providers will also need to be revamped to put the improved work first model into practice.

6. Program Activities and Flow

While there is no single work first program model, most share the same core components and the same basic sequence of activities. This section describes the basic work first model – common activities and flow – and some possible variations that program planners may wish to consider. Sections 7 through 9 which follow discuss options for child care, transportation and other support services; participation requirements; and mandates and sanctions. Section 10 provides a blueprint for how program planners can tailor a work first approach to achieve different priorities and goals.

Figure 1 presents an example of the flow of work first participants through common program components. Below is a brief description of each of the components, which are discussed in detail in sections 19 through 26. Not all programs include all these components and some vary the order of activities.

- **Applicant job search**. Some programs precede work first with an applicant job search, to divert some applicants from coming on welfare and send a message to all applicants about the goal of employment.

to do or already enrolled in self-initiated activities. A critical policy decision is whether to accept the plans of participants who self-initiate into education or training. Staff may also need to spend more time helping mandatory participants identify their goals and develop employment plans.

- **Expanding participation**

Many programs that currently serve only a small segment of the caseload will want to work with a broader portion of the caseload as they shift to a work first model (see section 7 for more on participation requirements). The task of expanding participation is made somewhat easier in work first programs by the quick flow of participants into and through the program. However, moving to scale will require increasing capacity in terms of staff, resources, facilities, activities and service providers. Systems for tracking, monitoring and referral of participants will also need to be enhanced to make sure that participants are not "lost" in the larger program.

- **Shifting to a quick-employment focus**

Many welfare-to-work programs implemented under JOBS focused on connecting participants to educational opportunities as a longer-term employment strategy. While education can be an important part of work first programs, the emphasis on quick-employment requires a fundamental shift in the activities provided, the order of those activities and the philosophy under which the program operates. Some time needs to be spent reorienting staff and service providers to the new philosophy, developing stronger job search and employment-related services, designing new assessment tools and performance measures, and reworking agreements with outside service providers to promote the new focus.

- **Changing notions of "employability"**

Many programs begin with assessments that separate out participants based on education levels and determinations of "job readiness." Others hold the philosophy that participants face multiple barriers to work and that employment is not a realistic goal in the short term. In contrast, a work first model generally begins with the expectation that everyone can find work and lets the job market itself – through job search activities – determine who is employable. Programs making this shift need to rethink both when assessment is conducted and what is included in the assessment. They also face the substantial challenge of communicating the new program message and moving staff to a philosophy of high expectations, in which a belief that all participants can succeed is put into practice.[13]

- **Focusing on outcomes**

[13] For more on implementing a high-expectations program, see Bardach, 1993.

5. Planning for Change

Before you begin to design or implement a work first program, take the time to assess your current program and map out where you need to go. In planning for change, bear in mind the following general points:

- ☑ Change does not happen overnight. It takes time to develop rules and procedures, train staff, ensure that the program message is in place, and create linkages with other agencies and service providers. [12]

- ☑ Be prepared to make adjustments as you go along. Change is a complicated process. If possible, pilot changes before implementing them system-wide, or phase in changes over time.

- ☑ Plan ahead. You can begin to put in place structures for facilitating change – such as working groups or interagency task forces – even before the exact nature of the change is determined.

- ☑ Make change an inclusive process. Involve internal staff, partner agencies, political players, employers, and advocates in planning for change (see section 10 on building support for the program).

Transforming your current program

The list below describes some common features of work first programs and outlines the key challenges for transforming existing programs that may not have those features. Specific strategies for meeting the challenges are contained in the sections of the guide which follow.

- **Moving to a mandatory program**

Shifting from a largely voluntary program to one that will serve mandatory participants involves establishing who will be required to participate and putting in place mechanisms to identify, refer, and track the mandatory caseload – both internally and in agreements with outside service providers. Staff will need to adapt to working with participants who may be less motivated and less attuned to the program's goals, or who may have more or more serious barriers to participation. In addition, staff will need to take on a new role – that of enforcing the mandate and sanctioning participants for non-compliance. Training staff in working with mandatory participants and getting staff and service providers to buy in to the program philosophy are important steps in implementing a mandatory program.

Finally, voluntary participants often enter a program already knowing what they want

[12] For more on leadership and managing change in welfare employment programs, see Behn, 1991.

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Getting Started:
Advice on Program Policy and Planning

The sections which open this guide walk program planners through some of the questions they need to ask and decisions they need to make as they prepare to implement a work first program. What are the key challenges of transforming your current program? What mix of policies, activities, and services will form your work first model? How will participants move through the program? Who will participate, and what will the program's mandates and sanction policies look like? In making those decisions, it helps to understand the environment in which the program will operate – including characteristics of the welfare caseload and conditions of the local labor market. It also helps to build support for the program both within the agency and in the broader community, to create a larger environment that will promote the program's goals and enhance its success. Finally, this portion of the guide provides advice on establishing performance measures and evaluating program impacts.

the passage of federal welfare reform legislation, states and localities have new authority and responsibility in designing responses to poverty, and many are rethinking the policies and programs they currently have in place. This guide attempts to present ideas that can be implemented within a variety of frameworks. Readers should be aware, however, of any local regulations, requirements, or other restrictions – from state policy mandates to agency hiring rules – that might affect how you make use of this guide.

The discussion which follows is only a beginning. Each of the sections could easily be expanded into a lengthy paper of its own, and would still not address all of the ideas, options and trade-offs. But the guidelines presented here will point you in the right direction. Use it to make sure that you have considered all important aspects of program design, to identify your options, and to make educated choices among those options. Taken as such, this guide can provide concrete advice to help states and localities implement programs that help families on welfare make the move to work.

9. Reduce recidivism	• transitional benefits and support services for those who leave welfare • help participants access other work-related benefits, such as the Earned Income Credit • re-employment assistance for those who lose a job
10. Improve the well-being of children	• help participants access high-quality child care • focus on increasing total family income (see goal #3) • monitor child outcomes

11. Understanding the Caseload and Labor Market

Having some basic information about the caseload and local labor market can help planners get a feel for the environment in which the work first program will operate. In general, it makes sense to try to gather only that information that is readily available rather than conducting an in-depth study. Some information can be obtained from management information systems, labor agency data, and other sources. In addition, programs might consider administering a baseline survey for a few weeks during the program planning or implementation stages, in order to get a feel for the background characteristics, interests and perceived barriers of participants. There is also a limit to what the information can tell you. It is difficult to predict how participants will fare in a program based on either demographic characteristics or labor market conditions, and work first programs have been successfully implemented under a variety of conditions.

The following is a list of some information that may be especially useful to work first program planners:

Information About the Caseload

- **Basic caseload demographics, including number of single and two-parent families and number and age of children.** To get a feel for who will be participating and their child care needs.

- **Extent of previous work experience.** To get an idea of how easy it will be for participants to find work and what wages they might earn, and to balance the program focus on marketing the idea of work and teaching basic work habits (for those with little or no work history) versus job retention and advancement strategies (for those with a proven ability to find work).

- **Percent of caseload with reported earnings.** To know how many people are

already working at least part time, and as an indication of how likely it is that participants will mix work and welfare. It is also important to understand how grant levels, financial incentives and other policies affect the trade-off between welfare and work and how easy it is to combine welfare and work.

- **Percent who leave welfare due to employment and rates of recidivism for this group.** To provide some insight into how much the program should focus on job search versus helping participants succeed in jobs or re-employment for those who lose a job.

- **Perceived barriers to employment.** To focus the program's message and services on addressing or overcoming those barriers.

- **Race and ethnicity.** To identify how issues of racism in the labor market may come up as participants look for jobs or program staff develop jobs; if there are cultural differences which might change how you market the program or approach activities; and the need for services in languages other than English.

Information About the Labor Market

- **Trends in state and local income and wage levels, particularly for families at the bottom of the income spectrum.** To calculate the trade-off between welfare and work, which will affect participants' motivation and the way staff "market" the program. If the jobs available are low-wage, you may also want to consider financial incentives and other supports to make work pay.

- **Unemployment statistics and other indicators of the economic climate.** To help anticipate how long it will take for participants to find jobs and how many might need additional services after completing job search. In good economy, there may be more jobs available, but those on welfare are likely to have greater barriers to employment. In contrast, jobs may be scarcer at times of low unemployment, but a greater proportion of those on welfare will likely have job skills and experience.

- **Location of jobs.** If available jobs are not located in the area where participants live, you may want to consider strategies for addressing transportation problems so that participants have access to those jobs.

- **Gender, racial, and ethnic differences in job opportunities.** Certain jobs may traditionally be held or be unavailable to participants based on their gender, race or ethnicity. Programs may wish to highlight those fields in job search and job development, or help participants break into non-traditional areas of employment. Programs may also want to teach strategies for dealing with labor market discrimination in job search and on the job.

- **Prospects for employment growth by sector.** To help target job search to areas where there will be openings and room for growth, and to help job developers determine where to concentrate their efforts.

- **Longer-term economic prospects.** It is useful to consider the question: how will your strategy fare in a recession? When jobs are scarce, it may be more difficult for a large portion of the caseload to find work. In addition, more people typically enter the welfare rolls during recessions – including many who may be considered "job ready" – expanding caseloads and spending on cash assistance. This may reduce resources available for welfare-to-work programs at the same time as the number of potential participants increases.

12. Building Support for the Program

Building support for the program – among internal staff, partner agencies, political players, advocates, employers, and the broader community – is important to the successful implementation of a work first program. Staff, whether administrative or line, will likely do a better job if they share the program's vision and goals. It is also important to win the support of your partner agencies so that they will work to coordinate services that can help program participants gain employment. Especially in smaller towns and rural areas, giving local employers a sense of ownership of the program can go a long way toward enhancing job development and placement. Community opposition can also affect the program if advocacy groups mount legal and other challenges. In addition, community and political opposition can lead staff to question the future of the program and make them less likely to work to implement it.

Work first programs are likely to encounter resistance in certain areas. The education and training communities may resist the shift in focus to immediate employment, or believe that the program is only job search. Advocates and welfare rights groups may fear that the program is forcing participants to take low-wage jobs without benefits or advancement opportunities, or believe that the program's primary focus is on sanctioning those who do not – or cannot – comply with the new requirements. Child care providers and child-welfare advocates may be concerned about the availability and quality of child care, especially if the program adopts a broad participation mandate.

In general, it is best to try to involve all parties from the earliest planning stages and be responsive to their concerns.[21] However, you may not have control over the timing or process of decision-making – for example in situations where program specifics have been handed down by the Governor or legislature. In addition, a long planning process may not be desirable if you want to get

[21] Program planners in Vermont went through an extensive process of gathering input and building consensus before implementing their Welfare Restructuring Project. See Vermont Agency of Human Services, Department of Social Welfare, 1992.

the program in place quickly. Within the confines of your situation, however, it pays to do what you can to involve those who you want to be partners in the work first effort. It is likely that there will be at least some level of policy or implementation over which you have control and in which your partners can play a role. Even if you have no control in shaping the new policies, it can help to explain them and answer any questions.

The following are some strategies for building support for programs both internally and externally:

- ☑ **Hold focus groups.** Focus groups can be a great way to both gather information and build support. Aim for groups that include people in a variety of roles (program staff, other human services providers, business owners, community leaders, and program participants) so that members learn from each other as well as informing you.

- ☑ **Make use of outside expertise.** The groups you need to work with are knowledgeable in their fields. Take the concerns of service providers and advocates seriously and look for ways to jointly address them.

- ☑ **Identify partners.** Identify those individuals and organizations who support the work first proposal, and organize them to help market the program to others.

- ☑ **Keep an open mind.** When soliciting input, present the program as flexible and open to suggestion, and be willing to make changes based on what you hear. At the same time, be honest about what you have control over and what you do not.

- ☑ **Use a bottom-up approach.** When asking for input from staff, try to create an atmosphere in which ideas are generated from the bottom up. Staff are more likely to support and become involved in something they helped to create.

- ☑ **Give players a stake in the program.** Communicate to staff, partner organizations and others that they are important to the process and how what they do fits in with the work first mission. Giving local offices, partner agencies, and staff flexibility in operating the program can increase support for change and help meet local needs.

- ☑ **Examine what has worked in the past and what has not.** Look at the current system and past programs to see what elements people feel did or did not work well. Find ways to incorporate the most successful practices into the new program and focus on how it can improve upon past ones.

- ☑ **Let people know the result of your work.** Either through a written document or some other form, let people know the input you received from various sources and how that has shaped your program. It is important that people involved in the

process feel that their input mattered.

☑ **Follow up.** Maintain the relationships you have built during the planning stage and continue team-building internally and with key partners. Keep all players up to date on program activities and invite suggestions for program improvement in the future. Some ways to do this are to have quarterly or other regular meetings, create a newsletter, form advisory groups, or hold an open house, so that members of community – including potential employers – can see the program in practice.

13. Evaluating Program Performance

There are a variety of mechanisms which program planners can put in place to measure program performance.[22] Outcome and process measures are useful management tools that can focus staff effort and identify weak areas. Formal evaluations can measure program impacts. In choosing performance measures, be aware that different measures – or the same information measured in different ways or at different points – will yield different information. The measures you choose should reflect and support the program's goals and objectives; be careful that measures promote the outcomes you want, and do not create incentives to do other things. In addition, the data required for some of the measures listed below may be costly or difficult to collect. In choosing performance measures, bear in mind what information you already have and what your management information system can be modified to do. Make sure that the data can be collected relatively easily and accurately, and that it will not be burdensome in terms of cost or staff time.

Developing a performance measurement system that provides meaningful and practical information and that guards against creaming and inflated outcomes is a challenging task. Such as system requires a long-term investment to design, implement, adjust, and maintain. The challenge becomes even more difficult if the work first program is being operated in coordination with other agencies. Finally, the task is further complicated by the fact that the data-gathering requirements you establish may have little in common with those mandated at the federal and state levels for other purposes.

Outcome and Process Measures

- **Placements**

The main outcome measure in a work first program is the number of participants who get jobs. It is also useful to know the length of time individuals participated before finding employment, the point in the program flow at which they gained employment, and the wage levels and hours of those who got jobs. Follow up to learn how many

[22] For more on performance measures in welfare employment programs, see Zornitsky and Rubin, 1988; and Barnow, 1992.

are still working after 30 days, 90 days, or longer. Measuring only placements, however, can result in "creaming" (serving only the most job-ready participants) or in inflating program outcomes. An over-emphasis on placement can also lead staff to neglect, defer, or sanction the hardest to serve participants. Measuring coverage (see below) as well as participation can help guard against this. You might also want to look at the characteristics of those who get jobs, to see if additional focus on some groups of participants may be needed.

- **Welfare-leaving and returning**

It can be useful to measure the number of participants who leave welfare because of employment, though it is difficult to distinguish between those who leave as a result of program services and others who find work on their own. It is important to also monitor and measure recidivism, so you know how many of those who leave return later. If your program includes applicant job search or other up-front "diversion" policies, you will want to measure the number of applicants "diverted" from entering the welfare rolls. Again, monitor to see if they are reapplying later.

- **Participation**

In establishing participation measures, program planners need to decide what activities and statuses to count as participation (for example, should assessment or deferral be included) and how to define participation (for example, does any participation count or is there a minimum number of hours required). Since participation measures are ratios, it makes a great deal of difference what is included in the numerator and denominator. The denominator can be the entire welfare caseload, those who are mandatory for the program, or those who actually enroll. Each successive denominator will show higher rates of coverage but will miss certain groups.

Bringing participants into the program is an important operational challenge. Participation measures can be useful in identifying bottlenecks and other operational problems or weak program areas. However, too strong an emphasis on participation measures can divert the focus from the real goal – employment. Moreover, measuring only participation will understate the number of people who are appropriately involved in the program mandate. Instead, consider measuring coverage, discussed below.

- **Coverage.**

Coverage is a broad definition of participation .that includes all those who are considered to be in an acceptable status. For example, coverage might include those in program activities as well as those who combine work and welfare (even if they are not required to participate in the program). Coverage might also include activities such as counseling or drug treatment where appropriate. Some programs might include sanctioned cases, recognizing that those cases are being appropriately dealt with under

program guidelines. Others may choose not to include sanctioned cases in the coverage rate, to encourage program staff to work harder to bring people into compliance.

By measuring coverage rather than participation, you focus on the number of people who are left *unserved*. This protects against creaming by encouraging staff to work with all those who are required to participate. You may also want to "weight" coverage measures to prioritize outcomes, for example, giving more credit for employment and less for sanctions, or more credit for working with those who have been on welfare longer.

- **Other measures**

You may also want to track other measures that can give clues to program performance. For example, completion rates and length of time in education and training activities can give you an idea of whether those activities have successfully adopted the quick-employment philosophy of work first. You might also want to establish measures of quality for child care settings or other measures of child well-being.

Some Cautions about Performance Measures

Program planners should also be cautious when using performance measures. How measures are defined will influence the results they show, and as the program matures and participants move through the program and off welfare, the dynamics of the measures will change. Below are some things to be aware of:

- As more people leave welfare for work, be prepared for reductions in the percentage of the caseload that is mandatory to participate and the percentage of the mandatory caseload that is participating in the program. In addition, those who remain are likely to be more disadvantaged or face greater barriers to employment.

- Total welfare caseloads may not drop if high grant levels or increased disregards mean that more people are combining work and welfare. Dramatically increased disregards may actually result in increased caseloads, as many of those who work remain eligible for welfare.

- Other factors will affect total caseload size: the number of new applicants; the number who leave for reasons other than employment resulting from the program; and the overall economy. Be careful what you attribute to the program. If you take credit when the economy is good, be prepared to take the blame if it turns down and more people come on welfare.

Program Evaluation

Welfare recipients regularly find jobs and leave the rolls even without welfare-to-work programs. Because the caseload is so dynamic – and so sensitive to economic and other factors – it is difficult to judge the success of your program without knowing what would have happened in its absence. Random assignment evaluations answer that question, by separating the effects of the program from changes that would have occurred anyway. Potential participants are randomly assigned to either the program or a control group that is not eligible for program services. The characteristics of the two groups are therefore comparable and they both face the same labor market and other conditions. Thus, differences in employment, earnings, or welfare receipt between the two groups can be confidently attributed to the program.

The following table illustrates the difference between outcomes and impacts:

Outcomes and Impacts

Program	Outcomes: Employment Rates with the Program	Control: What Employment Rates Would Have Been Without the Program	Impact: The Difference the Program Made
A	70%	65%	5%
B	50%	40%	10%
C	40%	20%	20%

Program A clearly has the best outcomes of the three, with 70 percent employment rates, but – perhaps because of a strong economy or because many of the participants it served were highly skilled – most participants would have found jobs even without the program's help. Program C has the smallest outcomes but the largest impacts – it was the most successful of the three at *increasing* the number of people who found jobs. The table illustrates that strong outcomes do not necessarily mean that a program is working well. Random assignment evaluations can uncover a program's true impact.

Programs may also wish to conduct internal random assignment for pilot projects to test different approaches before implementing them program-wide. For example, programs may be unsure whether it is worth allocating resources for applicant job search. New welfare applicants could be randomly assigned to either applicant job search or a regular route into the program. Policy makers and administrators can then compare welfare approval and employment rates for the two groups to determine whether they want to go ahead with that program component. The same technique could work for post-placement services, job development, or other activities.

Implementing Work First: Advice on Program Administration

Once the basic policies have been set, program administrators need to put in place the actual work first program. To do that, they need to hire and train staff, determine how staff functions will be assigned, and clearly communicate the program message to all staff and service providers. Management information systems need to be modified to support the work of staff and provide administrators with the information they need to oversee the program. Administrators also need to develop linkages with outside service providers who will work with program participants, paying special attention to the role of the eligibility office in supporting work first. Finally, administrators need to understand the costs of their program and to identify strategies to reduce costs. Most of these issues are part of any program implementation. However, certain aspects take on a special importance in a work first program and others need to be approached in distinct ways. The following sections discuss the trade-offs inherent in different management approaches, and provide advice for program managers as they tackle these various challenges in the context of work first.

14. Hiring and Training Staff

Hiring Staff

Most programs will make use of existing program staff as they shift to a work first approach. Many will also hire new staff. Staffing takes on an added importance in work first programs because so much of the job involves encouraging and motivating participants in addition to the work of processing and monitoring participation. The following guidelines have been recommended by administrators in several work first programs. Most apply to staff at every level, from management to support staff. In assembling the program staff, administrators will need to work within local civil service rules, hiring limitations or union agreements.

- ☑ Look for staff who are committed to the program's philosophy and goals, and who believe the program can work. You can always train people in the tasks associated with the job, but it is harder to change people's attitudes.

- ☑ Look for staff who are outgoing, energetic and enthusiastic and who can strike a balance between compassion and challenging participants. Also, look for staff who are supportive of participants and believe in their abilities.

- ☑ Look for staff who are organized and can handle the challenges of managing a caseload without becoming overwhelmed by the paperwork or processing parts of the job.

- ☑ Hire a diverse staff, who bring different backgrounds and expertise to the program, including:

  - staff from the private sector, because that is where most participants will be looking for jobs.
  - staff with an employment or human resources background, who can bring expertise in job placement.
  - staff with experience in marketing, public relations, or sales, especially for job developers.
  - staff who are experienced at presenting or working with groups, especially for staff who will facilitate job clubs or other group activities.
  - staff with experience as eligibility workers, to bring an understanding of what the eligibility office does and to facilitate coordination between the two offices.
  - staff from the organizations that will provide key services, because they know the culture and "language" of those programs.
  - staff with specialized training or a social work background, who can be a resource to other staff in working with hard-to-serve particiapants.

- former welfare recipients, who bring personal experience to the program and whose success can motivate both staff and participants.
- staff that reflect the diversity – in terms of gender, race, age, language, etc. – of the participants being served.

Training Staff

Training for work first staff needs to focus on both the tasks required to do the job and the overall program philosophy and goals. A day or more of training should focus exclusively on the philosophy, to make sure that all staff are on board in promoting that philosophy in their work. This will be less of an issue when new staff are hired who already support the program's goals, and more so if existing staff are asked to adapt to a new program philosophy. Programs may wish to provide training around the goals and operations of work first not only to their own staff, but also to staff of outside service providers and partner agencies.

It is often difficult for programs to find the time and resources to devote to extensive staff training. Some have made use of free local resources, for example by borrowing space at a community college or finding individuals with relevant expertise from the community (from social service agencies, employment services, etc.) to conduct trainings. Training can also be done in stages over time, beginning with the program message and the most immediate skill needs, then reinforcing the message and adding other skills as the program develops. Remember, too, that you can use other forums besides formal training – such as daily supervision and encouraging diverse staff to learn from each other – to communicate key program messages and teach staff relevant skills.

Other suggestions for training include:

- ☑ Combine classroom training for new staff with on-the-job training.
- ☑ Provide regular ongoing training, identifying training needs by getting suggestions from line staff and supervisors.
- ☑ Have managers and supervisors reinforce the main messages from training when staff are back at the office.
- ☑ Relate training to the program's goals and explain how it will help staff achieve those goals.
- ☑ Use training also to bring information back to administrators, including suggestions for ways to improve the program and make the jobs of staff easier.
- ☑ Train staff about other programs and benefits that might affect participants as they move to work, including transitional benefits, the Earned Income Credit, and income-based housing subsidies.
- ☑ Provide training on cultural diversity related to the social identity and characteristics of the participants being served.
- ☑ If you do not have existing expertise in-house around a particular issue, consider bringing in outside trainers.
- ☑ Let staff know beforehand the purpose of training sessions, so they can make

decisions about who should attend.

- ☑ When possible, schedule training for multiple days and give staff options on when to attend.

15. Other Staffing Issues

The case manager is the most visible staff member in most work first programs, and is responsible for overseeing the participant's journey from welfare to work. Decisions around caseload size and case manager responsibilities are therefore critical programmatic and resource allocation issues.[23] The primary issues involve determining caseload size and how case management will be structured – whether staff will be generalists or specialists and whether case management will be integrated with eligibility functions. Some programs may choose not to implement a formal case management structure, instead having participants work with whichever staff member is available at a given time. However, most programs find that maintaining regular caseloads allows staff to develop ongoing relationships with participants and more effectively motivate them, guide them, and monitor their progress.

Caseload Size

Caseloads in work first programs being studied in three sites as part of the JOBS Evaluation ranged from 95 to 120 cases per case manager.[24] In general, smaller caseloads (less than 100) enable staff to provide more individualized support and to follow up more quickly on attendance and other problems.[25] Smaller caseloads also afford more opportunity for case managers to use persuasion instead of relying on penalties to increase participation. On the other hand, large caseloads (as high as 200 or more) enable programs to process a much larger share of the eligible total caseload through the intake points of the program. The trade-off is largely one of breadth of participation versus intensity of services.

How large caseloads can be without negatively affecting services also depends on other factors. For example, staff can manage larger caseloads in programs with strong computer systems, clerical and other supports, and with specialized handling of some tasks, such as child care or attendance monitoring. On the other hand, if case managers do not have those supports, or if they do not have clear guidance on how to prioritize their work, they can be overwhelmed even with smaller caseloads. The American Public Welfare Association recommends that welfare-to-work program administrators consider the following questions in determining caseload size:[26]

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[23] For more on the issues discussed in this section and other case management issues, see Doolittle and Riccio, 1992.

[24] U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996.

[25] A direct comparison of different caseload sizes in Riverside, California, found that reducing caseloads from 100 to 50 did not improve program impacts on earnings or welfare receipt. See Riccio, Friedlander, and Freedman, 1994.

[26] The Institute for Family Self-Sufficiency, 1994.

- What are the characteristics (i.e. degree of job readiness) of the participants with whom case managers will work?
- What are the functions that case managers are expected to perform?
- What are the performance goals that case managers must satisfy?
- How much access do case managers have to community services?
- What level of clerical support and automation is available to case managers?
- What is the background and training of case managers?

Caseload issues are different in work first than in other welfare-to-work programs because program activities are shorter-term and participants are moving more quickly into employment. Caseload sizes may need to be smaller, as case managers work more intensively with their entire caseload, closely monitoring the participation even of those referred to outside activities. At the same time, the program may be able to serve more participants over time, because of rapid turnover. You may be familiar with the common caseload analogy to hospital beds, where the majority of patients are short term, but long-term patients occupy the majority of beds at any one time. In a hospital, however, the doctors may check in on patients only occasionally. Work first is closer to an outpatient clinic, where people may not stay long, but they require a great deal of attention while they are there.

Specialization Options

Different programs define the case manager's job in different ways. In some, case managers are responsible for each step along the path to employment, from orientation to job placement. In others, some tasks – such as facilitating job clubs or developing jobs – are handled by specialized staff. Similarly, programs may assign caseloads randomly across case managers, or may instead assign cases to specialized case managers based on participant characteristics. There are pros and cons to both types of specialization, outlined below. Whatever approach you choose, be aware of its limitations and put mechanisms in place to adjust for them. In addition, if you choose to specialize staff functions, you may want to consider adopting a "team" approach, where staff with different specialties work together in serving program participants.

- **Specializing by program function**

Designating certain program elements as the responsibility of specialized staff members can allow staff to focus their attention and develop expertise. If case managers have to not only counsel and monitor participants but also conduct assessments, facilitate job clubs, and call employers to develop jobs, it can be difficult to give needed attention to each of these aspects. Different functions also require different skills, and specialization can take advantage of staff with those skills (some program elements might also be contracted out to specialized service providers). Finally, specialization can free case managers of administrative responsibilities so that they can focus on employment. For example, scheduling of orientation, monitoring attendance, or processing child care payments might be done by specialized staff.

On the other hand, generalist case managers may develop stronger relationships with participants, and can use information they learn in one role to promote employment through another (for example, using knowledge of a participant's interests and needs when developing job leads). Having the case manager responsible for more pieces of the program can also avoid communication problems between staff and establish a clear locus of responsibility for moving participants to work.

- **Specialization by participant characteristics and activities**

Assigning certain groups of participants – such as teen parents, non-English speaking participants, or participants in education activities – to specialized case managers can streamline communication and ensure that certain groups get special attention. In Grand Rapids, Michigan, staff caseloads are coordinated with assignments to different service providers. Specialized staff can get to know service providers, facilitating communication and coordination.

On the other hand, specialization runs the risk of constantly shifting caseloads when participant characteristics change, such as when a participant completes an education program. Every time this occurs, you risk losing participation and delaying progress toward employment. Separating out participants can also send mixed messages about work expectations; you do not want to assume that people need special services when they might not. Finally, specialization can be difficult to manage. Specialized caseloads may require different degrees of personalized attention, varying caseload size, different types of supervision, and different performance standards.

Integrating Case Management and Eligibility

Another option involves whether to maintain separate staff for the eligibility functions of the welfare system, or to combine eligibility with work first. A "traditional" approach to case management separates the functions of the work first case manager from those of the eligibility worker. An "integrated" approach combines these functions in a single worker. This section discusses some of the trade-offs of these two approaches. Section 18 covers the role of the eligibility office in a work first program.

An ongoing evaluation of the JOBS program in Columbus, Ohio,[27] which includes a direct comparison of these two approaches, suggests that integrated case management may lead to:

- **significantly higher welfare savings and reductions in welfare rolls**
- **a higher proportion of participants attending the work first orientation**
- **higher monthly participation rates**
- **lower monthly sanctioning rates**
- **better tracking and monitoring of participants**

[27] See Weissman and Hamilton, forthcoming, 1996; and Harknett, forthcoming, 1996.

The integrated approach may have been more successful for several reasons. First, an integrated model avoids any lapse of communication between the two workers and ensures a consistent message. Second, participants may take the program mandates more seriously when they know that the case manager also controls their grant. Finally, the integrated approach may help forge a closer relationship between workers and clients, encouraging participation.

However, an integrated approach carries potential problems as well. Some of these are discussed in section 17, which deals with the trade-offs involved in co-locating the work first and eligibility offices. In addition, because of the challenges for staff of taking on so many roles, integrated case management needs to be implemented in the context of adequate resources – highly trained staff; clerical, computer and other supports; and quality program services. Other potential problems include the following issues:

- **Workload.** Eligibility staff often carry heavy caseloads, limiting their ability to add a focus on employment. An integrated approach necessitates lower caseloads.
- **Multiple priorities.** The diverse responsibilities of integrated workers also makes it more difficult to make employment a priority. Even with caseloads of under 100, issues of eligibility and benefits tend to dominate integrated workers' time, and the employment focus can get lost.
- **Resistance to change.** In some places, it may be easier to create a separate employment-focused program than to reorient the existing welfare bureaucracy.
- **Relationships with clients.** Eligibility staff often function as the "police" of the welfare system, verifying eligibility and protecting against fraud. This may make it difficult for staff to establish the kind of trust required in work first.
- **Staff qualifications.** Eligibility staff are often successful because of their ability to accurately process and manage vast amounts of paperwork. The same staff may not have the motivational, counseling, and other skills that make for a successful work first case manager (and vice versa).

16. Promoting an Employment Focus

Because work first programs are defined as much by their philosophy as by the services they offer, clearly articulating the employment message to staff, service providers, and participants is a crucial part of program implementation. Program administrators need to find ways to emphasize the importance of employment and focus staff on getting people jobs. In addition, unless all those who interact with participants understand and communicate the same message, participants may not get a clear idea of what is expected of them. Below are some suggestions for ways to promote an employment focus in your program. Following the list is a discussion of performance standards, which can be a powerful tool for focusing staff on employment but which also carry potential risks.

☑ **Emphasize employment repeatedly and from the top on down.** Top level

administrators should set the tone by promoting the importance of the program's mission and communicating the employment message. All levels of management and supervisory staff should follow suit, sending a consistent message down the line. Similarly, the message should be reinforced in all interactions with participants as well as any written materials or notices that participants receive.

☑ **Link the focus on employment to the daily work of staff.** Let staff see how their daily work promotes the goal of employment and help them relate what they do to the message given to participants. Shorter-term or activity-specific objectives (such as bringing participants in to orientation or increasing education completion rates) should also relate to the larger employment goal.

☑ **Use a new "language."** A change in the program message can be signaled by a change in the language used by program administrators and staff. Simply including the word "employment" or "work" in the program name – and repeating them frequently in the context of program activities – can be a powerful way of sending a new message to both staff and participants. Emphasizing outcomes, job placements, and job contacts are other examples of a new "language" for work first.

☑ **Adopt a motto.** Slogans can help clarify the employment message and can make it stand out. For example, Los Angeles adopted the motto "a job, a better job, a career" when it shifted from a program of education and job search to one with a strong emphasis on work first. The motto is part of the program logo and can be seen on walls, handouts and pins worn by staff and administrators. It makes clear that the immediate goal for participants is employment, and conveys the philosophy that even a minimum wage job is a positive start.

☑ **Make sure that the message is heard and understood.** In Vermont, all Department of Social Welfare staff literally signed on to a poster proclaiming the new program message. For participants, signing an employability plan or other "contract" is a concrete way to show they understand what is expected of them under the new program.

☑ **Market the program.** Promoting the program and its goals through the press and other means can reinforce the employment focus and provide a positive public image of the program of which staff and participants can feel proud to be a part. Marketing the program can also help sell the message to employers and the public.

☑ **Promote the employment focus in agreements with service providers.** It is important to communicate the program message not just to your own agency's staff, but also to any other providers who will work with program participants. See section 15 for suggestions on how to do this.

- ☑ **Monitor Outcomes.** Some programs may not want to institute formal performance standards (discussed below), or union contracts or other factors may limit their ability to do so. Even so, employment and other related outcomes can be monitored and included informally in staff evaluations, and benchmarks can be set with targets for desired outcomes.

- ☑ **Reward success.** Publicly acknowledge the success of individual staff and larger units and offices in meeting program goals. In addition, honor the accomplishments of partner agencies and service providers. High performance can be rewarded with public recognition, certificates, or prizes, such as gift certificates or movie passes.

- ☑ **Change the "culture" of the office.** Changing the culture of the office will affect both staff and participants. Posters, signs, and videos in waiting areas can all "advertise" the message and heighten the emphasis on employment for the program as a whole. Having pots of coffee available in the waiting area can create and atmosphere of professionalism and respect. Staff should also follow the same rules relating to professionalism, punctuality and "dressing for success" that are recommended for participants.

Performance Standards

How staff are evaluated sends a strong message about the program's goals and having employment-focused performance standards can clearly communicate the new program's expectations for staff.[28] One program that has made extensive use of employment standards is in Riverside, California.[29] Each staff member must achieve an average of 5-18 job placements per month (out of a caseload of approximately 120) in order to meet the standards. Performance goals are set much higher (currently 25 participants entering employment each month). Staff members who achieve 30 placements in a given month receive an "eagle" award. Staff achievement is posted daily, by individual and by unit. In addition, the performance of different offices is publicized so that they also compete against each other.

Administrators in Riverside credit the performance standards for much of the program's success in increasing employment among participants. While staff have multiple job responsibilities, the prominence of the standards makes it clear that employment is the main program goal and the main (though not the only) criterion for evaluating staff. Staff with lower performance regularly seek out higher performers to learn "how they do it." There is no fixed rule for how high to set performance standards. Most programs start with a somewhat arbitrary guess and then adjust the standards based on how staff do in meeting them.

However, there are also dangers associated with performance standards. By evaluating staff so

[28] For a related discussion of performance standards in the Job Training Partnership Act (JTPA), see Dickinson, et al., 1988; and Zornitsky and Rubin, 1988.

[29] For details on Riverside's approach, see County of Riverside Department of Public Social Services, 1994.

heavily on the end goal of employment, the standards can lead to creaming – focusing on those participants most likely to succeed. There may be little incentive for staff to spend a lot of effort working with participants who seem a long way from employment (though administrators in Riverside believe that their high standards force staff to work with their entire caseload). An overemphasis on employment can also detract from individual client needs and from other program goals. Combining employment standards with other performance measures, such as completion of education, and with some process standards, such as caseload coverage (see section 11), can act to prevent creaming. If not monitored, performance standards can also lead to inflated outcomes, with staff reporting employment that is not confirmed or does not last.

Another hazard of performance standards is that they can have a negative effect on staff morale, especially if staff feel the standards are unrealistic or unfair. Involving staff in setting the standards can help make them more realistic and counter staff resistance. Putting staff in competition with one another can also discourage cooperation. Measuring the performance of larger units rather than individual workers or giving credit to all staff who help a participant gain employment can encourage staff to work together.

17. Management Information Systems

A successful management information system works as both a management tool and a support for line workers. In a work first program, administrators and staff will look to the system for tracking, monitoring, and administrative functions, as well as data reporting needs. The design and implementation of the system should keep both of these uses in mind. If the system cannot provide all the support the program needs, administrators should look both for ways to accomplish functions manually and for opportunities to modify the program design so that those functions are not as critical.

Designing a System

In any program, a management information system should support and promote the program's goals. In a work first program, this may mean an increased emphasis on monitoring and tracking participants, as well as a greater role in simplifying and reducing paperwork so staff can focus on promoting employment. The following are three key areas which should be addressed in designing a management information system:

- **Who should be served?** The system must be able to identify clients appropriate for participation and make that information available to staff and managers. A system that notifies workers of who should be called in for participation, who has not participated as required, and who is no longer required to participate can assist workers in everyday tasks and provide tools for management to assess workloads.

- **What services are being provided?** Workers should be able to record activities, and managers should be able to see aggregate statistics on participation overall and in various components. It is also helpful if workers can identify specific service provider locations, schedules, and slot openings.

- **Where are clients in the process?** Being able to see where in the array of activities clients are and when activities end will help workers manage their caseloads and help administrators see if bottlenecks are developing or if certain points in the process are "losing" people. In a time-limited program, a key systems function is tracking where people are in relation to the time limit. This can be especially complicated if different participants face different time limits or if the time limit clock can start and stop as the status of participants changes.

A good management information system should be user friendly and give staff all the tools they need to manage their caseload. The following suggestions were given by staff at several work first programs about what they would like a computer system to do:

- ☑ Track dates and deadlines, to alert workers when activities or deferrals end, when notices need to be sent, or when meetings need to be scheduled.
- ☑ Automatically generate scheduled notices for participants around program activities and other deadlines.
- ☑ Automatically schedule participants for meetings, orientations, job club, and other activities.
- ☑ Coordinate scheduling with other staff, for example, by maintaining regular class size in scheduling participants for the next available job club.
- ☑ Facilitate coordination with eligibility staff, by allowing workers in each office to view information from the other's system and to transmit information over the computer.
- ☑ Automatically update information on employment and earnings as well as basic information like address changes on each system (eligibility and work first) when changes are entered in the other.
- ☑ Automatically insert case information onto computerized forms to avoid double-entry and save workers time.
- ☑ Help workers quickly calculate for participants what will happen to their grants and total income if they go to work at various wage levels and work hours.

A good system should also provide programs administrators with reliable data that they can use in their daily management as well as to plan and to measure program performance. Program administrators have suggested that in addition to basic program and caseload data, they would like a computer system to enable them to easily access the following information: average wages and hours for participants who start work; the program activity from which participants find jobs; information on job retention and recidivism; profiles of caseloads and placement information for each worker; and information on the number of deferrals and reasons for deferrals.

Finally, a good system can help both staff and participants by providing linkages with other agencies or systems that have helpful information. These might include labor department "job banks," child care resource and referral agencies, or local community colleges and school systems.

Implementation Decisions

In deciding how best to implement a management information system, program managers need to consider the following elements:

- **Resources.** What system resources are in place? Can the existing systems be modified easily to add desired new features? If not, is it feasible to develop a separate system? Are money and personnel available to develop the system within the time-frames for implementation? If an automated system cannot be developed, a manual system of forms and reporting will be needed in its place. Even with an automated system, a manual system may be needed for certain elements, since many systems do not allow on-line data entry or produce letters or other notifications.

- **Worker support.** Successful implementation of any system requires buy-in from workers. The more a system helps staff do their jobs, the more likely they will be to enter data accurately and in a timely manner. Staff need to be trained both in the mechanics of using the system, and in integrating the system into their daily work. In addition, equipment must be easily accessible (i.e. a terminal on each worker's desk) and system support must be available to answer questions as they arise.

- **Timing.** The timing of program implementation often determines what system changes can be implemented. It takes time to redesign systems, put them in place and train staff to use them. A system will be most useful if it is fully operational before program implementation begins. However, this may not be possible if implementation is scheduled to happen quickly. In such cases, it is important to get the system supports in place as quickly as possible, before operating procedures are cast in stone. It is also important to prioritize the order in which systems functions will become operational and to put in place manual processes to fill the gaps.

Designing a system is not the end, however. Programs need to devote resources to maintaining and updating the system, training and retraining staff, and problem-solving as issues arise. Often, once a system is developed, technical staff are no longer available to fix problems or implement improvements. This can result in a system that quickly becomes outdated and loses its usefulness.

18. Inter-Agency Linkages

Chances are that your agency will not provide all program services itself. Some services will be contracted out, while others may be performed by outside agencies without formal contracts. Political pressure for privatization, restrictions on government hiring, or a desire to take advantage the specialized experience of other agencies may all lead program administrators to look outside of the welfare department. Outside agencies may also be able to respond to program changes more quickly than the welfare system or may be already attuned to the work first philosophy. You may want to think about contracting those elements that the program has not done before or has not done successfully. In addition, you may want to contract out more in the early stages of a program, focusing internally on core functions first and taking on more roles over time.

The late Sar Levitan, the labor economist, once defined coordination in employment and training programs as "an unnatural act between two or more nonconsenting bureaucracies." The key organizational players in welfare-to-work programs – typically the department of social services and employment, education, and training providers – traditionally have different missions, goals, targeting strategies, and accountability standards, and use different kinds of information systems. Forming successful inter-agency linkages is important in any program, but particularly so in work first because of the need for a consistent and clear message to participants, because of the close monitoring of participation required, and because of the need to facilitate quick movement of participants into and between activities and into employment. This section contains advice for forming linkages with partner agencies and for putting in place successful contracts in the context of work first.

When considering new or modified interagency linkages, however, program administrators should be prepared to encounter opposition from unions or others with a stake in the existing system. Such opposition can delay implementation if contracting gets stalled in political or legal battles. Administrators need to assess the extent of potential opposition and determine whether the effort is worthwhile.

Forming Successful Linkages

In implementing a work first model, most program will not have to start from scratch in setting up linkages. Key organizational players are probably already working together and may have effective partnerships. Therefore, shifting to work first is more likely to involve a process of reappraisal leading to the restructuring of existing relationships and linkages. Here are a few things to consider in that process:

- ☑ **Know your partners: successful linkages are more than good operating procedures.** A mutual assessment process – before getting into detailed planning – can allow organizations to establish common ground about goals and priorities, anticipate serious conflicts, and set realistic expectations. This assessment process is likely to work best if it involves staff at all levels of the organization. Remember, too, that it takes time for relationships to develop; establish mechanisms for frequent communication and resolving problems that arise along the way.

- ☑ **Do not assume that partner organizations cannot change.** You may feel that the shift to work first is so dramatic that the organizations you currently work with cannot be partners in the new program. Because establishing new relationships can be so difficult, it pays to explore how much current relationships can be altered beyond their traditional roles. Both Portland and Los Angeles, for example, have been successful in getting education institutions that previously focused on long-term human capital development to shift relatively quickly to a work first model.

- ☑ **Sometimes it pays to do it yourself.** Because good linkages can be so difficult to establish and maintain, it may make sense to take on responsibility for some functions rather than try to coordinate across agencies. For example, rather than relying on service providers' record-keeping systems for attendance information, staff in Riverside, California, installed their own computer systems at contracted adult education providers. More broadly, many work first programs prefer to run their own job clubs, to maintain control over the activity's content and to facilitate monitoring of attendance and progress.

- ☑ **Be careful about imposing workload and resource burdens.** Linkages usually mean more work for some staff, and it is important to understand your partners' operational constraints. If you are asking for something from another organization, pay for it. If you cannot, try to minimize the workload or propose alternatives. For example, it may be overwhelming for a small training provider to report attendance information to many different case managers in a large program. Some programs have responded by specializing the reporting function in a single staff member.

Contracting Out

In establishing formal contracts with service providers, program administrators should bear in mind the following advice:[23]

- ☑ **Address program philosophy head-on**. Service providers may have different goals, perspectives, and philosophies than work first. Requests for proposals, contracts, performance measures, and payment structures should all be written to directly address the program philosophy and how it will be incorporated in the specific services being contracted. Regular monitoring should ensure that the philosophy has in fact been put into practice.

- ☑ **Establish communication linkages**. Communication and monitoring procedures and standards should be clearly addressed in agreements with service providers. When linkages involve substantial burdens for providers, the cost should be taken

[23] Some of these suggestions are taken from Riccio and Sherwood, 1990.

into account and providers should be compensated for these efforts. Mechanisms should also be established to promote ongoing teamwork between line staff at the work first office and contracted agencies. Regular visits to each others' sites as well as inter-agency meetings, retreats, or conferences are useful communication and teambuilding tools.

☑ **Carefully estimate participation levels**. Developing reasonably accurate projections of the number of individuals who will be served in each program component is critical to negotiating workable agreements with service providers. This is important so that providers can plan for staffing and participant flow, and to predict costs and design a payment structure. Such projections should take into account both the experiences of similar programs and local caseload characteristics.

☑ **Leave room for flexibility and contingency plans**. Because the program will inevitably not go precisely as expected, agreements should be flexible and include contingency plans to allow for adjustments once program implementation has begun.

☑ **Consider contracting options.** Contracts can be structured in a variety of ways. Service providers can be reimbursed for their costs in working with participants or paid for achieving desired outcomes (such as education completion or job placement). Another option is to contract with multiple providers, allowing participants and staff to choose among them. This can provide leeway for matching participants with programs based on their strengths, location, or special features. It can also improve outcomes by fostering competition among providers. Requests for proposals and systems to rate proposals should be structured so that the contractors chosen will be those most likely to be effective.

☑ **Promote the outcomes you want to encourage.** In contracting out, it is important to maintain a focus on the program's mission and goals. However, be careful that incentives – whether financial or otherwise – encourage only desired outcomes (see section 14 for a related discussion of performance standards for staff). Outcomes for job club may be placements and retention, while outcomes for skills training might include both credentials attained and job placements. The outcomes should be relevant to the service and easily measurable.

☑ **Protect against creaming.** One danger of outcome-based contracting is that it might lead providers to target only those participants most likely to succeed, especially when funding is at stake. Contracts should give the work first program control over who gets referred to contracted agencies and should specify the reasons why a participant might be denied service or dropped from the activity. Specifying service expectations – in addition to outcome goals – can also guard against creaming.

☑ **Maintain a role for oversight and coordination.** Once the contract has been signed, the welfare department's role does not end. The department should maintain a role in oversight and coordination of services.

19. The Role of the Eligibility Office

The eligibility (or income maintenance) office is a crucial player in welfare-to-work programs. Section 13 discussed some of the trade-offs of giving program staff responsibility for both employment and eligibility functions. If those functions are not integrated, then communication and coordination between staff in the two offices becomes highly important to the operation of work first. Beyond that is the challenge of transforming the eligibility office as a partner in the work first philosophy, so that the entire system becomes focused on employment. However, this second challenge may be great, and in some cases, may be too difficult to take on at the same time as implementing work first. While some eligibility staff will support the work first philosophy, others may find it conflicts with their traditional role. Bureaucratic inertia can increase the challenge in large systems. Changing the culture of the eligibility office can be a secondary step, and is often made easier once work first is in place and the employment message has begun to take root.

Eligibility Functions

Below is a list of five roles that eligibility staff often play in work first and ways that some programs have tried to facilitate those roles:

- **The program message.**

Eligibility staff need to understand the program's philosophy and requirements, be able to effectively communicate the message to participants, and have the time to add this employment focus to their jobs. As the message spreads, and as more participants get jobs, this should become easier and the dynamics of the welfare office may begin to change. Eligibility staff also give participants their first explanation of what the program is about and what to expect. In order to do this effectively, it helps for eligibility staff to have visited the program and seen first-hand what it is about.

Eligibility staff have a special role in explaining financial incentives, earned income disregards, and other rules around what happens to a client's grant when she goes to work. Eligibility staff often understand this better than work first staff, and can be a more credible source in convincing clients that work can pay. incorporate the work first message into the eligibility office.

- **Screening and referral.**

Eligibility staff are responsible for identifying mandatory participants and for referring

new mandatory and voluntary participants to work first. Eligibility staff also need to promptly refer participants who become mandatory when exemptions end, sanctions are lifted, or for other reasons. For both mandatory participants and potential volunteers, eligibility staff need to market the program and encourage participation. However, referral to work first may not be a priority for eligibility staff and delay in referring participants is a common complaint of welfare-to-work programs. It helps to formally include this function in the job of eligibility workers and to monitor and reward its completion. Another solution is for the work first office to place a staff person at the eligibility office to oversee and assist in referrals.

- **Employment assistance.**

Many eligibility staff welcome the opportunity to discuss employment with clients and help them move from welfare to work. Eligibility staff can be especially useful in this role when working with clients who are not participating in the program, either because they are not in a target group or have not yet been referred. Administrators can support and encourage this role by freeing up staff time and by providing resources and information about job search, job leads, and support services – specially child care – available to clients. Recognition or other performance incentives can set the tone and reward workers who are especially successful at helping clients find jobs. Changing the atmosphere of the welfare office, for example by hanging employment-themed posters and providing information about employment and work first in eligibility offices can also help.

- **Sanctioning.**

Processing sanctions that result from noncompliance with work first involves two-way communication. Work first staff must inform eligibility staff to impose a sanction, and eligibility staff must act on the request. The process works the same way when a sanction has been cured. It is often unclear who is responsible for following up on those in sanction status and for attempting to bring them into compliance, and each worker may have information that the other lacks. Delays or miscommunication in implementing sanctions can be costly and send mixed messages to participants, while similar problems in reinstating benefits can cause financial hardship for participants. Some work first programs have taken on the sanctioning function to avoid miscommunication or delays.

- **Employment and earnings.**

Work first staff need to notify eligibility workers when a participant gets a job, and eligibility workers need to keep case managers apprised of changes in employment and reported income. Program managers in one site report that their largest financial losses come from delays in adjusting grants when participants start work. Likewise, case managers often report that participants lose income because eligibility workers fail to

apply all of the earned income disregards for which participants are eligible.

Cases where participants combine welfare and work often take much more of an eligibility worker's time than those without earned income. To accommodate this additional workload, programs might consider reducing the caseloads of staff with earned income cases (for example, by counting two employed cases as three without earned income in determining caseload size). Work first staff can help by providing eligibility workers with much of the detailed employment data needed for adjusting grant levels. Timely and accurate reporting of earned income can also be facilitated by conducting meetings or even group orientations for newly employed participants, to review grant changes and explain reporting requirements.

The following suggestions have also been offered as ways to improve communication and cooperation between eligibility and work first offices:

- ☑ Include a discussion of common goals, areas of potential conflict, and communication procedures in training for new and ongoing staff.
- ☑ Create liaisons in each office.
- ☑ Put in place a "team" approach by pairing eligibility workers with work first case managers so they have overlapping caseloads.
- ☑ Have staff visit each other's office and learn about their operations and procedures.
- ☑ Have joint staff meetings to discuss coordination issues.
- ☑ Ensure that eligibility workers know at least one work first case manager they can call for information, and vice versa.
- ☑ Make it easy for staff to know who a client's eligibility worker or case manager is, for example by assigning caseloads alphabetically.

The Trade-Offs of Co-location

One way to facilitate coordination between eligibility and work first is to co-locate those services (another, combining eligibility and work first functions through integrated case management, is discussed in section 13). Below are some factors to consider in deciding whether to locate your work first program in the same facility as the eligibility office or in a separate one.

- **Communication issues.** Co-location can facilitate communication and coordination between eligibility and work first.
- **The "culture" of welfare.** Co-location can help to change the overall atmosphere of the welfare office to one focused on work and can increase eligibility worker "buy-in" to the program.
- **Convenience.** Collocation can be easier on participants, especially those with transportation problems, and can reduce delays in participation.
- **Message.** On the other hand, locating case management in a separate office, or even a separate agency, can emphasize that the program is not "business as usual" and establish a distinct program message.

- **Atmosphere.** Many work first programs try to maintain professional offices modeled on the private sector to complement their emphasis on employment. Welfare offices – particularly in urban areas – may be crowded or noisy, have people constantly coming and going, or have guards and other security features.
- **Space needs.** If the program includes job clubs and other activities on-site, space needs may require a separate facility.
- **Participant attitudes.** Because attitude and motivation are such key elements of work first, it might make sense to keep the offices separate if participants have negative associations with the eligibility office.

20. Program Costs

Operating a work first program typically costs less per participant than operating a program emphasizing education and training. This is mainly because participants remain in program activities for less time. However, work first programs can also vary greatly in their costs. To illustrate the range of work first program costs and some of the reasons for the variation, this section looks at the costs of six programs that MDRC has evaluated: Florida's Project Independence; San Diego SWIM; Riverside, California's GAIN program; and JOBS programs in Atlanta, Grand Rapids (Michigan), and Riverside.[24]

The chart below breaks down program-related costs into operating costs – staff, administration, and other overhead – and support service costs – mostly for child care and transportation. Operating costs are further broken down into costs to the welfare department and those borne by other agencies, including Job Training Partnership Act (JTPA) agencies and education providers. On one hand, program administrators will aim to maximize the amount of resources leveraged from other sources. On the other hand, administrators should be aware of the larger picture: maximizing cost effectiveness from a total government and taxpayer perspective involves taking a certain amount of responsibility for *all* program-related costs.

[24] Kemple, Friedlander and Fellerath, 1995; Hamilton and Friedlander, 1989; Riccio, Friedlander, and Freedman, 1994; and U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996. Some figures have been recalculated or inflation-adjusted for this section and therefore do not appear in the same form in the reports cited.

Estimated Work First Costs for Single-Parent Cases (1993 dollars)[25]

Program	Operating Cost per Research Sample Member			Support Service Cost per Research Sample Member	Total Cost per Research Sample Member
	Welfare Dept.	Other Agencies	Total	Welfare Dept. Cost Only	
Florida's Project Independence	$312	$491	$803	$118	$921
San Diego SWIM[26]	988	858	1846	101	1947
Riverside GAIN	1671	817	2488	123	2611
Atlanta JOBS	1154	802	1956	882	2838
Grand Rapids JOBS	648	2164	2812	297	3109
Riverside JOBS	919	187	1105	122	1227
Average	949	886	1835	274	2109

As depicted in the chart above, costs can vary across work first programs. There are many reasons why these costs vary, including the average length of participation, the extent of monitoring and case management, which services are emphasized and the extent to which supportive services are made available. The following is a discussion of some of the reasons for the variation in costs in the programs cited above:

- **Operating costs.** Project Independence had the lowest total operating cost per sample member. The program faced serious budget constraints during the evaluation period, which increased the size of staff caseloads, lowering per-participant costs. Grand Rapids' higher operating costs can be explained primarily by a high level of participation in education and training programs, in part due to an extensive network of education and training services offered in the Grand Rapids community.

- **Support service costs.** Support service costs were lowest in SWIM. Support service costs in most programs are primarily for child care, and SWIM's research

[25] The costs presented here are averages across all research sample members, including both those who participated and those who did not participate in the program. Longitudinal participation rates among this group generally ranged about 60%. Also not included are the costs of services that research sample members received after leaving the work first program.

[26] SWIM operating costs include the cost of some community college and training services that participants received after leaving the SWIM program.

sample was composed mostly of parents with children six and older, who did not require the same level of child care services needed at other sites. Also, SWIM's allowable child care rates during the first year of the program were very low ($1.25 per hour per child). Atlanta's support service costs were much higher than the other programs' costs due to high monthly child care costs, a high number of monthly child care payments, and generous payments made for transportation and other ancillary services.

Costs for Program Activities

The following table presents a breakdown of costs per program participant for the major components of the work first programs in Florida, Atlanta, Grand Rapids, and Riverside (both GAIN and JOBS).[27] The component costs below include the costs of the activities as well as costs for case management to monitor and enforce participation requirements and address barriers to participation. These costs can give you an idea of what your own program costs might be, based on how many people you estimate will participate in each component. The range of costs reflects differences across the five programs studied; the third column of the table explains those differences by discussing some of the factors affecting costs for each component.

Cost per Participant for Work First Program Components:[28]
Range of Costs for Five Sites

Component	Cost per Participant (Range)	Factors That Affect Costs
Orientation[29]	$25-100	• length of orientation; group size
Job search	$270-1930	• duration of job search; staffing and group size; extent of individualized counseling
Basic education	$1610-4365	• duration of education; class size; providers used
Vocational training and college	$4395-6980	• duration of education or training; class size; providers used

[27] For more on the trade-offs and relative effectiveness of high-cost versus low-cost services, see Friedlander and Gueron, 1992.

[28] Costs are two to three-year costs for single parent AFDC recipients and are in 1993 dollars. Note that this table uses a different base than the one on the previous page. The previous table presented the cost per research sample member, including both those who participated and those who did not participate in the program. This table presents the cost for each person who actually participated in the program.

[29] Not including Riverside GAIN.

Work experience or on-the-job training[30]	$340-1400	• duration of activity; costs of supervision or monitoring
Child care[31]	$435-2250	• length of participation; type of care; age of children; local market rates
Transportation[32]	$65-125	• use of public transportation; what is covered; extent of coverage
Other support services[33]	$105-115	• what is covered (e.g. uniforms, books, equipment, registration and licensing fees)

Cost-Effectiveness

Welfare-to-work programs do cost the government money, but they can also bring a return on the investment when program participants leave welfare for work. Virtually every program evaluated by MDRC in which job search has been the first component for most participants has been found to be cost-effective, returning more in budget savings – from reduced welfare, Food Stamps, and Medicaid, as well as increased taxes – than was spent on the program. Moreover, close to half of these programs have proven to be extraordinary investments for taxpayers. Within five years, programs in San Diego, Arkansas, and Riverside returned between $2.34 and $5.50 per dollar spent.[34]

21. Strategies to Reduce Costs

The differences in program costs among the work first programs discussed above reflect differences in program funding, policy, and implementation, the availability of community services, regional wages and prices, labor market conditions, and the demographic characteristics of the welfare population served. Many of these variables are outside the control of program planners. However, given these environmental factors, planners can reduce the cost spent on each participant through decisions around program policy and implementation. Past research suggests some ways to do so, outlined below.

Remember, however, that there are trade-offs to cost-saving strategies and programs need to

[30] Not including Riverside JOBS

[31] Not including Florida.

[32] Not including Florida or Grand Rapids.

[33] Not including Florida or Grand Rapids.

[34] Hamilton and Friedlander, 1989; Friedlander, Hoerz, Quint and Riccio, 1985; and Riccio, Friedlander and Freedman, 1994.

strike a balance between costs, benefits, goals, and outcomes.[35] Minimal government investment in the short run does not necessarily save government money in the long run. Conversely, well-managed programs with considerable up-front investments can be cost-effective.

Reducing the Length of Time Spent in the Program

- ☑ **Close monitoring of participation.** By keeping close track of attendance and progress, case managers can ensure that program resources pay for active participation and can reduce the number of months that participants spend in the program. Caseload sizes need to be small enough to allow for close monitoring, or specialized staff responsible for monitoring participation (see section 15). Close monitoring also involves coordination with service providers if program activities take place off-site.

- ☑ **Short-term activities.** Use of short-term activities, such as job search, reduces the amount of time spent in the program. Priority could also be given to short-term programs in other areas, such as education and training, where programs can greatly vary in length.

- ☑ **Payment agreements.** Targets for activity completion can be written into contracts and funding agreements, to encourage service providers to reduce the length of time participants stay in activities. For example, Riverside County makes incentive payments to schools that succeed in getting clients to make progress and complete their education assignments.

Reducing Unit Operating Costs[36]

- ☑ **Economies of scale.** Programs that enroll large numbers of participants benefit from economies of scale. Overhead costs, such as rent, utilities, equipment, and administrative staff salaries, can be spread across a larger base of participants.

- ☑ **Contracts with outside agencies.** Outside agencies that specialize in particular areas and/or offer services to large numbers of participants may be able to offer services more cheaply than can welfare departments. However, also consider the offsetting costs of contract management and oversight.

- ☑ **Referrals to outside agencies.** For some services, outside agencies (such as adult schools, community colleges, vocational training institutes, and trade schools) may provide and pay for services utilized by work first participants. The welfare department can reduce its own costs (though not necessarily government costs, since it increases other agency costs) by referring clients to these organizations.

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[35] See Friedlander and Gueron, 1992.

[36] Unit operating costs are the cost per participant over a given period of time.

Reducing Child Care Costs

- ☑ **Type of child care.** Child care provided by licensed child care centers tends to be most expensive, followed by family day care and child care provided by friends or relatives. Some programs counsel participants to seek low-cost day care, taking the position that welfare recipients who are using low-cost day care will be able to afford this service on their own after leaving welfare. Other programs counsel participants to use licensed child care centers, believing that they offer higher quality and more reliable care, and can therefore provide better support for program participation and employment.

- ☑ **Age of children.** Infant child care tends to be very expensive, followed by toddler care and care for preschool-aged children. Programs may want to take this into account when prioritizing who should participate in work first. However, some programs have found that it is not more expensive to serve parents with young children because they tend to have fewer children and often use relatives to provide child care.

- ☑ **Flexibility in schedules.** Limiting required hours of participation, and maintaining flexibility in what those hours are, can reduce child care costs. For example, the San Diego SWIM program referred individuals to activities that coincided with their children's school hours. This group needed only some preschool, after-school, "backup," and summer care, which significantly reduced costs.

- ☑ **Close monitoring of participation.** Close monitoring will ensure that child care expenditures support active participation. In addition, reducing the number of months that individuals participate in work first – through close monitoring and use of short-term activities – will also reduce child care costs (though participants may receive transitional child care benefits after leaving the program).

Structuring Activities: Advice on Program Components

The program activities in which work first participants take part are the engine of a work first program. They teach participants the skills that they need to look for, find, and keep a job. The following sections describe nine activities frequently included in work first programs: applicant job search; orientation; assessment; job search; job development; education; training; work experience and subsidized employment; and retention and re-employment services. They are discussed in roughly the order in which a participant might encounter them as she moves through the program. The core work first activity is job search, and running effective group job clubs is perhaps the most important element of work first implementation. If you read only one section of this guide, read section 23 on job search. However, job search alone will not help all participants find jobs. The other activities all help to round out the program, making it more successful than job search alone. The quality of all these activities, and the extent to which they support the goal of work first, can determine the effectiveness of your program.

22. Applicant Job Search

Applicant job search (AJS) has become increasingly popular in recent years as a component of work first programs. Proponents of AJS argue that it can accomplish two important things: reduce welfare costs by diverting people who can find jobs relatively easily from coming on welfare and send a message to applicants that the goals of work and self-sufficiency will be emphasized from the outset of their contact with the welfare system. Focusing on applicants, however, can divert program resources from longer-term recipients, who may need program services more (see section 7 on who should participate). Furthermore, it is important to recognize that AJS is not a cost-free strategy.

Here are a few things to consider in deciding whether to implement applicant job search and some tips about how to might make it most effective:

☑ **Do not require only individual, unsupervised job search.**

The easiest and cheapest way to run AJS is to tell applicants to look for work during the application approval period, provide some criteria for employer contacts, and require minimal reporting (once or twice) on progress. However, this is not the most effective job search approach (see section 23 on group job clubs), and even a minimal AJS will incur costs for support services and staff time for determining exemptions and monitoring compliance. There may instead be other ways to communicate an early message about the importance of work. For example, the resources dedicated to AJS could be allocated instead to moving approved applicants into work first more quickly.

☑ **Find a balance with a more intensive, but contained, job search.**

If you do decide to run AJS, how far beyond unsupervised individual job search should you go? It may not make economic sense to run a full job club for applicants, since not all will be approved for welfare. One approach is to include group activities in AJS but at a less intensive level than in the regular work first program. An alternative is to use individual job search but provide additional staff support, such as access to job developers or work first case managers. The JOBS program in Oregon has set up resource rooms in welfare offices in which applicants as well as recipients, under general guidance of staff, can access computerized lists of job leads, use computers to prepare resumes, obtain written material on interviewing techniques and receive other assistance.

☑ **Treat the job search requirement seriously.**

If you decide to implement AJS, then it should be a real activity and not just rhetoric. Some AJS programs set ambitious targets for required employer contacts but do not follow up to confirm whether the requirements are being met. Applicants will learn very quickly if AJS is essentially a paperwork requirement, and it makes little sense to impose a requirement that you do not have the capacity to monitor or enforce.

☑ **Understand the other needs of applicants.**

People applying for welfare are often in desperate situations and need immediate help dealing with the crises that have led them to welfare. Even if they want to work, applicants may not be able to focus on job search unless they can address these other immediate concerns. One solution is to make available resource lists and other information and allow participants to use the time and telephones to arrange housing, child care, or address other needs during their first few days of AJS. Another is to assign a case manager to AJS to answer questions about welfare-related services and provide referrals when appropriate. Some programs also include up-front lump sum payments to "divert" those applicants who need only one-time assistance.

☑ **Link AJS with the rest of work first.**

What happens after AJS? Any momentum gained by getting applicants to look for work can be lost if there is not a well-defined and quick next step. If approved applicants do not enter work first relatively quickly, then it might be useful to have some other form of follow-up to discuss the AJS and help the client connect it with their plans for getting a job. The experience of AJS should also be taken into account in structuring the work first program. For example, the job search component may be shorter if participants have already spent time looking for a job, and job clubs should build on, rather than duplicate, skills learned during AJS.

☑ **Assess the value of AJS as you go along.**

Because AJS is an unproven and potentially costly strategy, it may be prudent to try it on a pilot basis and monitor its cost and effect on welfare approvals. If outcomes like the number of welfare applications, the percentage of applications approved, or the number and percentage of approved applicants who are working have not moved in the desired direction, or if AJS has been very costly to implement, it may make sense to rethink the strategy. An alternative is to try AJS first on a small scale, randomly assigning applicants to either AJS or the regular route and then comparing approval and employment rates between the two groups.

23. Orientation

As a participant's first experience with work first, the orientation plays a crucial role in setting the tone for the program as a whole. Before discussing the specifics of orientation, it is important to note that this is the point in welfare-to-work programs where participation falls off the most (programs

report that as many as half of those scheduled for orientation typically fail to attend).[37] It is worthwhile, therefore, to focus effort and resources on marketing, communication and follow-up to bring people in to orientation.

In general, the orientation should accomplish three core things:

- briefly describe the program to give participants an idea of what they will do and what will be expected of them;
- convey a clear message about the program's goals and market to participants why those goals are important; and
- market the opportunities presented by the program and motivate participants to begin their job search.

Unfortunately, many orientations lose sight of these core purposes because they try to accomplish too much and get bogged down in details. They use the orientation for a myriad of other things, from administering assessment tests to filling out paperwork. The following are some ideas for making orientations more effective:

☑ **As much as possible, simplify the orientation so that the basic message gets through.** Programs often develop new forms but retain the old ones too. Assess every piece of paper and decide what you do and do not need, and what can be simplified or combined. For example, are assessment tests really needed at this stage if everyone is going into job search? Can program rules be rewritten from long, legalese paragraphs into plain English bullets? Can some forms be consolidated or combined?

☑ **Use a skilled and trained presenter who can energize participants and get across the program message.** Good presenters can manage to weave the message into the paperwork and other elements, pull out the most important points and make them stick, and motivate participants with their own enthusiasm. In contrast, participants will be turned off if the presenter sounds bored and is just going through the motions.

☑ **Keep the orientation short and to the point.** You may want to consider using the orientation to focus on the message and motivation, with only a brief description of what the program entails and little if any paperwork. The orientation will be short – perhaps an hour or less – but it can get across the concept and motivate participants. It can also make the program feel different from others that

[37] Increasing attendance at the program orientation was one of the key accomplishments of the integrated case management test in the JOBS evaluation. Integrated case managers in Columbus, Ohio achieved an 86 percent orientation attendance rate, versus 65 percent for a traditional case management approach (see Brock and Samuel, 1995). See also section 13 for more on integrated case management.

participants may have been through before. However, it is then up to case managers to go through program requirements and paperwork individually with participants.

- ☑ **Integrate the orientation with the initial assessment or the first day of job club.** Some programs find that a separate orientation is not necessary and that case managers or job club facilitators can most effectively get across the program message. This has the added benefit of eliminating a step in the program flow, saving staff time in scheduling participants and eliminating a drop-out point for participation. However, it can complicate scheduling and risks losing consistency in the information and message participants receive. Moreover, programs choosing this option need to make sure that mechanisms are in place and time is available for participants to arrange child care and take care of other matters that generally are addressed before participants begin their job search.

The following are some additional ideas and techniques that can make an orientation more motivating and productive:

- ☑ Reward those who come on time by starting on time. Have something for people to begin to work on right away and at a certain point close the door, requiring latecomers to reschedule.
- ☑ Brainstorm about the benefits – financial and otherwise – of going to work. This can set a positive tone and give people their own motivations for participating.
- ☑ Make the orientation interactive by asking questions and involving participants in other ways. If there is a lot of material to read, having participants take turns reading can hold people's attention better than if the presenter reads everything.
- ☑ Have a guest speaker who has been through the program tell her "success story." A former welfare recipient can be the best salesperson for the program.
- ☑ Have a job developer stop in to announce current openings. This makes real the opportunities you are marketing.
- ☑ End on a positive note by discussing ways the program will support participants' move to work.
- ☑ Make sure people leave knowing exactly what is expected of them, what their next step will be (such as a scheduled meeting with their case manager or an activity assignment), and a contact number for any follow-up questions.

24. Assessment

As with all program components, assessment should be geared to the program's goals. In a work first program, assessment functions to identify both employment skills and interests and barriers to getting a job. This is a narrow function, not meant to discover or address all of a participant's personal and employment issues. Some programs conduct a formal assessment only with those

participants who are not successful in their initial job search. Others break the assessment into two stages: an initial assessment to identify immediate barriers to employment or participation in job search, and a more in-depth assessment for those who have been unable to find a job.[38]

- **The initial assessment.**

The purpose of the initial assessment is to discover and address any immediate barriers to participation in job search, as well as to make sure that child care, transportation, and other supports are in place. Many programs hold meetings between participants and case managers or other staff immediately following the orientation to conduct the initial assessment. This helps to get participants started right away. The time between assessment and the first day of job search can then be used by participants to arrange for child care and take care of any other immediate issues – such as legal, health, or personal problems – so that they are able to participate (see sections 32 and 33). The case manager should have some leeway in scheduling the beginning of job search to accommodate the resolution of these issues.

The initial assessment is also an opportunity to get participants thinking about their job search, and to identify job skills and interests. Simple questions can begin to get at this without in-depth testing or assessment. In this way, case managers can turn the assessment around, helping participants build on their strengths rather than simply identifying barriers. The initial assessment is also often the point when case managers and participants begin to develop an employment plan (see section 28). If scheduling difficulties create a long delay before participant can begin group job search, you may want them to start looking for a job on their own. If so, the assessment should include job search tips that will point them in the right direction.

- **The in-depth assessment.**

A more in-depth assessment may be reserved only for those who have completed the job search component but were not successful in finding employment. Most participants will not make it to this point – they will either find work, become exempt, or be in conciliation or sanction status.[39] More participants may need assistance beyond job search in areas of high unemployment or those with more disadvantaged caseloads.

The in-depth assessment may include investigation of the participant's skills, abilities and interests, and barriers to success in the labor market, as well as research into possible employment options. Even the in-depth assessment, however, should be limited to producing information that will be useful to both the participant and program staff in determining the next step within the scope of the program. Extensive formal

[38] For more on assessment, see Auspos and Sherwood, 1992.

[39] Based on participation data in U.S. Department of Health and Human Services and U.S. Department of Education, forthcoming, 1996.

testing may not be necessary or appropriate. For example, many staff report that detailed test data on participants' vocational interests do not provide them with information beyond what they know from talking with participants, and may be of little use in situations in which training and employment options are limited.[40] Defining the scope and purpose of the assessment is especially important if it is done by an outside contractor who may have different assessment goals.

The outcome of the in-depth assessment should be a plan for next steps, whether renewed job search, work experience, participation in education or training, counseling, or a combination of activities. Even at this stage, however, employment is still the short-term goal.

25. Job Search

Job search is the central activity of a work first program. While individual job search – in which participants are instructed to make job contacts on their own and report their progress – is least expensive, structured group job search – job club – appears to be more effective. Job clubs generally include three components: a classroom segment, a phone room, and active job search. A job club in which each of these components is strong can make all the difference in the success of your program.

There is no fixed rule about how large job clubs should be or how long job search should last. Skilled facilitators working with groups of approximately 20 participants seem to be able to balance individual attention for those who need it with positive group dynamics. Most job clubs last three to four weeks, with some as long as twelve weeks (see appendix A for limitations on job search in federal legislation). However, practitioners agree that after a certain point, if a participant has not found a job, additional job search is not likely to be fruitful. At that point, programs may wish to conduct an in-depth assessment (see section 22) to identify barriers and plan alternative employment strategies.

The following are ten guidelines for running effective job clubs:

☑ **Make the goal of job search to find a job.**

Some job search programs are more of an "informational" job search, in which participants learn about employment opportunities, get a sense of what they want to do, and find out what additional training or education may be needed to get there. Be explicit about the goal of job search – to find a job that the participant can get now – and job search expectations. For example, is only full-time work expected, or should participants take part-time work if that is available? Are there wage expectations – should participants be looking to achieve a certain wage or take the first job they are offered?

[40] Doolittle and Riccio, 1992.

☑ **Combine classroom instruction with actual job search.**

Field research suggests that the best job clubs combine classroom activities with actually going out and looking for a job. Some programs have group activities in the morning or afternoon, with the other half of the day spent making contacts and interviewing. Alternatively, the classroom segment may be a few days to a week long, followed by active job search and group use of telephone banks. If your program includes job development (see section 24), linking that with job club can help make both components more effective.

☑ **Have a well-equipped phone room.**

Telephones are crucial job search equipment. A phone room allows participants to apply the skills they learn in job club by calling employers, learning about openings, and arranging interviews. Participants should be on the phones making contacts by the end of the first week of job club, if not sooner (some job clubs have people bring in leads and get started the second day). Phone rooms should contain resources to help participants identify potential employers, including telephone directories, classified advertisements from local newspapers, and job leads developed by program staff or other participants. There should also be some structure to the phone room component of job club, with an instructor to offer advice and direction and some group activities so participants can share experiences and brush up on job search and interviewing skills.

It helps to have enough phones to accommodate not just those in group workshops, but all participants who might need to use them. Having additional phones where people can retrieve messages can help those without a phone or who would like a more professional message to greet potential employers. Make sure that staff or participants do not answer those phones, and have pre-recorded professional messages that do not mention the welfare department.

☑ **Use hands-on approaches to teach practical job search skills.**

Job search skills include: how to find job leads and make job contacts; how to complete job applications; how to conduct a successful interview; how to prepare a resume and cover letter; and how to identify and market your strengths and talents. The most hands-on techniques are the most effective, including filling out sample applications and practicing mock interviews (even videotaping them so participants can see how they come across to employers).

☑ **Motivate participants in their job search.**

Motivation and a positive attitude are key job search skills. Remind participants of why

they will be better off working, both for financial and non-financial reasons (see section 30 for more suggestions on motivating participants). An enthusiastic instructor can also help to motivate participants. Many participants enter the program with low opinions of their own skills and abilities. They may not feel they are qualified for available jobs and may not have the confidence needed to make cold calls and approach potential employers. Helping participants identify their strengths, including skills they may not have recognized – such as all the skills associated with caring for a family – can increase motivation and self-esteem and help participants identify job opportunities.

The most important motivation in a job club can come from the participants themselves. The instructor needs to get participants to suspend their initial skepticism long enough for the group dynamics to kick in. Often by the third day or so, someone in the group has gotten a job interview. By the end of the first week, someone has gotten a job. As this happens, the mood of the group changes. Participants become more excited about finding a job, more optimistic about their opportunities, and, as fewer and fewer are left, those who remain feel more pressure to succeed as well.

☑ **Encourage participants to make numerous job contacts.**

At entry level, finding a job is largely a numbers game, so job search is largely about encouraging participants to make as many contacts and apply for as many positions as possible. To support this, it makes sense to calculate participation requirements (outside of group activities) in terms of contacts or interviews rather than hours. The number of job contacts required should be ambitious but realistic; requirements in programs MDRC has observed range from six a week to thirty a day, but contacts are defined differently in different places. Requirements should emphasize successful outcomes over simply going through the motions. For example, you might require participants to complete either fifty cold calls or in-person contacts per week, or ten leads for actual job openings, or three job interviews.

☑ **Treat the job club like a job.**

The job club is also a chance to acclimate participants to the world of work. Attendance requirements get participants in the habit of getting somewhere on time each morning and ensure that child care and other barriers have been addressed. A dress code can enhance self-confidence and ensure that participants are ready to go to an interview at any time. Group activities can emphasize interpersonal skills and give participants experience in communicating with supervisors and coworkers. In these ways, and by incorporating discussion of what will happen once participants are working into the curriculum, job search can also enhance job retention.

☑ **Help participants learn from each other and from their experiences.**

Participants should share job leads that they cannot use themselves with the rest of the

group. Debrief participants to find out about their job search experiences – what went well and what failed – and to improve job search skills. Sharing job search and interview experiences can also help participants learn from each other.

☑ **Hire an engaging instructor.**

Perhaps the single most important element of a job club is the instructor. Perhaps more than any other program staff member, the job club instructor needs to be outgoing, motivating, able to engage participants, and a skilled group facilitator (see section 12 on hiring staff). Hiring an instructor with personal experience on welfare (in addition to other qualifications) can work especially well. For example, in one job club in Riverside, California, the instructor, a single parent and former welfare recipient with three children, was able to counter every suggested barrier to work with her own success story.

☑ **Celebrate success.**

Put in place mechanisms to publicly affirm the achievements of participants, from arranging job interviews to getting a job. In addition to providing positive reinforcement, publicizing success can encourage and inspire other participants. Many offices post photos of program graduates in public waiting areas. In offices in San Diego and Los Angeles, a bell rings out whenever someone gets a job.

26. Job Development

Not all work first programs include job development, in which staff identify unsubsidized job openings for participants. However, many programs that use job development attribute to it much of their success in moving participants to employment. Those participants who have little work experience or who have been out of the job market for a long time may need help networking with employers and may need more personalized attention than they get in a job club. Job development may be especially critical in tight labor markets, to help program participants find and fill scarce job openings. While this type of job development may not create new employment opportunities, by building relationships with employers, job developers can give program participants first crack at available jobs.

Critics of job development argue that it detracts from the message that it is the participant's responsibility to find a job and makes the participant less committed to remaining in a job. They also argue that having gotten a job on her own once, a participant has the skills and self-confidence to do it again if that job is lost. In addition, hiring specialized job developers can also add to a program's cost.

In the context of work first, job development can be most useful as an additional resource, rather than a substitute for job search by participants. The following are some of the ways in which job

development can be incorporated into a work first program:

☑ **All staff and participants can act as job developers in identifying job openings.**

At its most basic, job development is about identifying potential job leads that can be used by participants. Even if there are not specialized job developers, all staff, from receptionists to the office director, can keep their eyes open for employment opportunities. Participants can also be encouraged to bring in leads that are not of interest to themselves. These can be compiled into daily or weekly lists, posted on a bulletin board, or added to a computerized listing. Rather than doing all the work for participants, the job leads can be a resource for them as they conduct their job search. In a large city, it may be especially effective to have participants turn in leads to a central job bank. On the other hand, having a specialized staff member responsible for development may make more sense in a rural area with few employers, so that the same employers are not contacted over and over again by different people.

☑ **Job developers can recruit employers to hire through the program.**

Job developers can go a step further and develop relationships with local employers so that employers will hire through the program. Many job developers view their role as that of a staffing service, providing a pool of labor and often pre-screening applicants for the employer, who is considered a "customer" or "client." For example, staff at America Works, a private, for-profit, job placement program for welfare recipients, make cold calls, work existing accounts, network through business associations, and use other means to develop relationships with employers and to encourage them to hire program participants.

In this role, job developers often focus on large employers who will regularly have entry-level job openings. These may include representatives of large service industries, such as hotel and restaurant chains, as well as manufacturing firms and other businesses. Some job developers try to target jobs that offer opportunities for advancement. Some programs also hold job fairs – in conjunction with job clubs or separately – to help connect participants with employers. Despite the potential of employer recruitment, job developers should be sensitive to issues of stigma. Some employers may be deterred from hiring welfare recipients, and some participants may not want employers to know that they are on welfare.

☑ **Job developers can help match participants with jobs.**

One resource job developers can bring to potential employers is their knowledge of participants; by pre-screening applicants, they can save the employer time in the interviewing process. Job developers can also use their knowledge of employers to

help participants, by giving job applicants information about the position, the workplace, and the personality of the employer. Job developers often follow up on newspaper ads and leads brought in by participants and staff to find out more about the jobs and what employer is looking for. Many job developers practice mock interviews with participants before referring them to employers. By knowing both parties, the job developer can help make a better match, improving the chances of success. Job developers can also act as advocates for participants by recommending applicants who may not fit the stated job qualifications but who the developer thinks will be a good match for the job.

☑ **Job developers can be a resource for both staff and participants.**

Job developers' knowledge of the labor market can be a major resource for program staff and participants. More than just identifying and sharing job leads, job developers can provide information about the types of available jobs for which participants may be qualified. This information can serve as a reality check for participants who may have unrealistic short-term employment goals. It can also help participants identify employment possibilities that they might not have thought of. In smaller programs, job developers can get to know job search participants individually and tailor development activities to the skills, interests, and geographical location of participants.

☑ **Job developers can provide extra assistance to some participants.**

Job developers should be careful to avoid working only with those participants who are most able to find jobs on their own. Some programs refer participants who are having trouble finding a job to work more intensively with a job developer. Job developers can use their knowledge of the job market to help those participants re-evaluate their search, identifying additional leads or fields of opportunity, and improving job search and interviewing skills.

☑ **Job developers can help build support for the program among employers.**

In a more general way, job developers, who are the most visible program staff in the employer community, can build support for the program among employers. Some job developers become involved in business and civic organizations, to create good will for the program and to give them opportunities to interact with employers without always asking if they are hiring.

☑ **Job developers can help change the culture of the office.**

Enthusiastic and visible job developers can add a sense of energy to the office, motivate both participants and case managers, and help change the overall culture of the program. Job developers can stop in at orientations, job clubs, and other activities to publicize leads and offer advice and encouragement to job seekers. Some job

developers use job fairs to motivate participants by exposing them to potential employers.

27. The Role of Education

Many welfare-to-work programs use education as a means of getting people to the point where they can get a high-enough-paying job to become self-sufficient. A work first approach instead suggests that it is best to get into the workforce – even in a lower-paying or part-time job – and work up from there. The effects of adult education on employment and earnings is complex and appears to be inconsistent.[41] However, short-term education can be a useful activity for those who are at first unsuccessful in job search. Programs might also consider allowing opportunities for participants to combine part-time work with education, in order to improve their skills while gaining work experience.[42]

The following guidelines can help programs tailor education within the framework of a work first philosophy that emphasizes quick employment. In general, they require working closely with education providers – rather than just referring participants over – and paying increased attention to both the quality of the educational service and its appropriateness, both for the participant and the employment goal.

- ☑ Encourage or require participants to complete a job search before entering education activities, and follow education immediately with job search.

- ☑ Make sure that mechanisms to monitor and measure progress are in place, and reassign to job search those participants who are not attending regularly or making progress. A large proportion (often more than 40 percent) of people who enter adult education as part of a welfare-to-work program do not complete the education, and attendance rates among those enrolled in adult education range from 50 to 70 percent.[43]

- ☑ Make sure that education is closely linked to the employment goal. Depending on the type of education, that may mean looking for short-term programs or programs that focus on job-related skills, integrate education with skills training, have high completion rates, or prepare students for fields with a significant number of job openings.

- ☑ Encourage or require participants interested in education to combine it with

[41] For a summary of research on adult education for people on AFDC, see U.S. Department of Education; and U.S. Department of Health and Human Services, 1995.

[42] Note that federal legislation places limits on the number of participants who can be in certain types of educational activities and count toward the work requirements. See Appendix A.

[43] U.S. Department of Education; and U.S. Department of Health and Human Services, 1995.

employment. Make this a formal part of the program, rather than just rhetoric, by allowing participants to meet program requirements with some combination of school and part-time work. Look for employment opportunities in a related field to enhance what is being learned and at or near education sites to make the combination of school and work more feasible. Administrators in Los Angeles found that community colleges were open to accommodating the schedules of those working part-time.

- ☑ Encourage and support participants in pursuing education once they are working. For example, Florida provides funding for participants to access education and training for up to two years after leaving welfare.

- ☑ Use performance-based contracting to focus providers on outcomes. In Los Angeles, for example, a shift to performance-based contracts resulted in a shift in the focus of basic education providers.[44] Providers and instructors knew that the goal was short-term education followed by employment. Some schools even added job resource rooms, and worked to place participants in jobs as they completed their education.

- ☑ Don't pull self-initiated participants who are making progress out of education programs that are employment-focused. Instead, allow flexibility in meeting participation requirements by scheduling job search or other activities around school hours, and encouraging students to combine education with part-time employment.

In addition, experience suggests some guidelines for approaching different levels of education:

🕮 Adult Basic Education (ABE)

Lack of basic skills (generally defined as basic reading and math skills below the 8th grade level) does not automatically mean that a participant will not be able to find a job, and MDRC survey results suggest that many welfare recipients would prefer assistance directly linked to getting a job.[45] Basic education may also be inappropriate for many participants, if they have negative past experiences in school. However, for those who are interested or who are unsuccessful in their job search, ABE can improve job qualifications and skills as well as self-esteem and confidence. Furthermore, many basic education programs are increasing their focus on employment and adjusting their curricula to emphasize those skills needed on the job. The Los Angeles program described above is one example. Setting standards for and closely monitoring progress can also help improve ABE outcomes.

🕮 High School Equivalency (GED)

[44] Weissman, forthcoming, 1996.
[45] U.S. Department of Health and Human Services; and U.S. Department of Education, 1994.

For some people, a GED can increase access to jobs and training opportunities as well as self esteem. Work first programs can encourage participants who are close to achieving a GED to do so, even if in conjunction with employment. At Washington Works, a private job placement service in Washington State, participants must complete their GED before entering job search, but by closely monitoring progress and tying completion to employment, they have reduced completion time significantly.

🕮 High School Completion

Research shows that people with a high school diploma earn more than those with a GED.[46] Furthermore, the education-focused program in Grand Rapids, Michigan, emphasized high school completion over GED attainment and was the only one of the JOBS Evaluation sites with employment and earnings impacts for those who entered the program without a diploma or GED. Work first participants can take advantage of the adult high schools in many communities to attain their diploma. However, high school completion requires not just passing a proficiency test, but completing the required number of credits. Therefore, high school completion should be considered only for those participants who are within a year or so of graduation.

🕮 College

Participants interested in higher education are generally a self-selected and highly motivated group. Work first case managers can help participants tailor post-secondary education to their employment goals. Participants in Vermont's Welfare Restructuring Project who want to attend college are required to research their chosen field and "sell" program staff on their potential for employment in that field. Most work first programs also emphasize short-term certificate programs rather than four-year degrees – but be advised that participants often end up in remedial courses, which can slow down completion of even shorter-term programs. Some programs have worked with local community colleges to break down education into shorter, more narrowly defined segments, so participants can begin with just what is needed to enter the job market, and then continue their education to move ahead in their field. Finally, encourage participants to take advantage of academic and social supports available on campus.

🕮 English as a Second Language (ESL)

ESL is often an automatic activity for participants who are not proficient in English, and participants often stay in ESL for extended periods. At the same time, ESL programs are scarce in many places, creating waiting lists and prolonged program deferrals. Stepping up monitoring and establishing standards for progress can keep ESL on track as a step toward employment. In addition, ESL programs themselves

[46] Cameron and Heckman, 1993.

can be more employment-focused, for example, emphasizing language skills needed on the job. ESL, however, does not need to be an automatic prerequisite for job search, and, as with other education options, work first programs can encourage participants to combine ESL with part-time work. In Los Angeles, group job clubs are conducted in Spanish, Armenian, Vietnamese, and Cambodian. Instructors report that those job clubs consistently have higher rates of employment than do the English-language job clubs.

28. The Role of Training

As with education, training can be a part of a work first program and may enhance its success. There is some research evidence that some types of training can increase the earnings of participants, but the research also suggests that these impacts are concentrated on those who may have gotten jobs and left welfare anyway (i.e. the training may have helped them get higher wages or more hours of work than they otherwise would have), rather than increasing the number of participants who become employed.[47] One reason for this may be that participants choosing training are highly motivated and likely to find jobs even without training. Another reason may be that many training programs require a high school diploma or other credentials to enroll. Proponents of training argue that by increasing earnings, training helps families not just get off but also stay off of welfare.

The Center for Education and Training (CET) in San Jose is one training program that has produced large impacts on employment and earnings, as well as welfare savings.[48] CET does not require a high school diploma to participate, and serves both welfare recipients and those not on welfare. Many of the following ideas on how you can tailor training to a work first approach are drawn from the CET model. If there is a variety of training options in your community, you can target programs that include these characteristics. If local programs do not meet these criteria, you can promote them by renegotiating contracts or using informal pressure and encouragement.

- ☑ **Make sure the training is tied to employment**. Training should be a route to a job, not an alternative to getting a job. Make sure those entering training have specific employment goals of which training is the means to the end. Also, look for training programs that share the philosophy that the goal is a job, not just a certificate.

- ☑ **Look for programs with close ties to industry**. This linkage can be instructors and staff with industry ties, as well as an industry role in developing and reviewing

[47] Friedlander and Burtless, 1995; and Gueron and Pauly, 1991.

[48] Impacts cited are unpublished MDRC findings from the JOBSTART Demonstration, which provided training for low-income out-of-school youth without a high school degree. AFDC savings, while large, were not statistically significant due to small sample size for this group. For other research on CET, see Zambrowski and Gordon, 1994; Burghardt, et al., 1992; and Hershey, 1988. MDRC is also conducting an ongoing study to examine whether a similar model can work well in other sites.

the curriculum. Ties to industry are signals that the training program is up-to-date in terms of the job market and the skills needed to succeed in jobs. The best programs adapt to the labor market by continually adding and dropping classes as demand shifts. Ties to industry also mean that instructors can use their contacts to develop jobs for participants and that employers know and value the training program as a source of qualified workers.

☑ **Look for short-term programs**. Shorter training programs – those which can be completed in six months or less – mean quicker entry into the labor market (they are also less expensive). In addition, participants in longer-term training may find that the labor market has changed by the time they have completed the program. Program administrators in Pensacola, Florida and Fond du Lac, Wisconsin worked with training providers to develop new, shorter-term programs for participants subject to time limits.

☑ **Try to begin training right away**. As a general rule, participants should not be "on hold" for weeks or even months waiting for a welfare-to-work activity to begin. Yet training programs often operate on a fixed schedule. If possible, find a program that participants can enter as soon as training has been identified as the appropriate next step. If not, engage the participant in other employment-focused activities (such as seeking or beginning part-time or temporary employment) until the training begins.

☑ **Monitor attendance and progress closely**. Step in when participants are not successfully moving ahead toward completion and employment. Try to address the reasons for lack of progress, or rethink the training decision with the participant.

☑ **Look for training that simulates a work environment.** Make training full-time, like a job, and look for programs that hold participants to the same expectations they would have on a job. Also, look for programs that teach participants basic work habits as well as job skills. If training is not full-time, consider combining the training with part-time employment.

☑ **Look for programs that have open access**. Many training programs are limited to participants with a high school diploma or other credentials – the same participants who may be more likely to be able to get a job without additional training. However, some training programs are available or even target participants with low education or skill levels. Some also integrate basic skills with training, addressing any educational weaknesses in terms of these skills needed in the particular occupation.

☑ **Look for programs that provide additional support services**. Welfare-to-work program participants may face many of the same issues when they enter training as when they start a job – problems with child care and transportation, or personal

and other issues, that can get in the way of success. Look for training programs that understand these issues and can provide the extra encouragement and support that can make the difference.

☑ **Don't wait for the completion of training to begin job search**. Avoid a gap between program completion and employment by having the participant begin her job search before the end of the training program. Recognize, however, that this can be difficult for participants in full-time programs, and be flexible in working the job search around program hours. In addition, closely monitor participation and refer those who drop out or cannot complete training back to job search.

☑ **Hold training programs accountable for job placement**. Look for training programs that have strong job placement records and that include job placement as a formal part of their program. Some programs will offer re-employment assistance to graduates who lose their first job. In addition, holding training programs accountable for job placement – and retention – ensures that training will be tied to employment.

29. Work Experience and Subsidized Employment

Some participants will simply not be able to get jobs on their own; work experience and subsidized employment can provide work opportunities for those individuals. In general, work experience participants work for public and non-profit employers in exchange for welfare benefits. Participants in subsidized employment generally work for private employers, receive a paycheck, and are eligible for the Earned Income Credit (see section 38) or other benefits for low-income workers. There can be exceptions to both of these definitions, discussed below. Used selectively and carefully designed, both approaches can give participants skills and experience to put on a resume, teach basic work habits, and motivate participants. Ideally, they can lead to permanent, unsubsidized positions.

Many programs may look to operate large-scale work experience or subsidized employment programs in order to meet federal participation requirements (see Appendix A). In addition, these options can satisfy public and political support for requiring recipients to work in exchange for their benefits. However, administering such large-scale programs may conflict with a work first approach. Work experience and subsidized employment are expensive and difficult to administer, and they do not necessarily lead to permanent employment.

- **Work experience**

Work experience (also called community service employment or workfare) is usually structured so that participants work a fixed number of hours per week or the number of hours equivalent to their grant divided by the minimum wage. Participants are not paid wages but may lose part of their welfare benefits if they fail to work the required hours.

Vermont, in contrast, has modeled its post-time limit community service employment after a temporary agency, so that participants receive paychecks (from a contracted payroll firm) rather than welfare checks, and are covered by worker compensation through the state. The New Hope Project, in Milwaukee, provides an income supplement to low-wage workers and offers minimum wage community service jobs (with public and non-profit employers) to those who are unable to find unsubsidized employment.

Research on relatively small-scale workfare programs in the 1980s found that, by themselves, the programs did not increase either employment or earnings (although they did impose a mutual obligation and participants generally performed meaningful work that had value to the community).[49] Some argue that newer workfare models – which impose ongoing, full-time work requirements on a broader share of the caseload – will produce different results. However, large-scale work experience programs can be difficult to implement and expensive to administer, because they involve developing work slots, providing child care, supervising workers, and monitoring participation.

- **Subsidized Employment**

Under work supplementation (also known as grant diversion), states use welfare grants as a source of wage subsidies for participants placed in jobs. Advocates of work supplementation believe that these subsidies act as an inducement for employers to hire participants, creating access to stable employment opportunities in high-quality jobs. On-the-job-training (OJT) operates similarly to work supplementation, but OJT is available to individuals who do not receive welfare and is funded through employment and training programs rather than diverted welfare grants.

Evaluations of small-scale work supplementation programs in the 1980s found that they did not substantially increase the number of individuals who got jobs, but did increase earnings – that is, they led to jobs that either paid higher wages or provided more hours than the jobs those individuals would have gotten in the absence of work supplementation.[50]

Like unpaid work experience, large-scale subsidized employment programs present major operational challenges. In addition, subsidized employment raises the danger that employers will simply receive a windfall for hiring someone they would have hired anyway. At the same time, there may stigma associated with subsidized employment. Employers may be reluctant to hire people on welfare, and participants may be reluctant to work in what they feel are not real jobs. Staff of the New Hope Project (described above under work experience) found a lower-than-expected take-up rate of community service jobs, and found they needed to spend more effort marketing those jobs to participants. Finally, work supplementation and OJT also present

[49] Brock, Butler, and Long, 1993.
[50] Freedman, Bryant, and Cave, 1988 and Auspos, Cave, and Long, 1988.

administrative hassles for employers, limiting their ability to act as a hiring incentive.

The following are some ideas about how to make the most of work experience and subsidized employment as part of a work first program:

- ☑ Help participants try to find unsubsidized employment first. As part of a work first philosophy, work experience and subsidized employment should be used after job search and after assessing a participant's needs. For some, these options may provide useful job readiness, on-the-job training and a resume item that can help them succeed in future job search. Try to take the time to develop work slots that teach participants marketable skills and fill the gaps in their strengths and experience.

- ☑ Time-limit work assignments. Participants can become comfortable in work slots and employers may not want to part with the extra help. Work experience should be used only as long as needed until unsubsidized employment can be found. Work experience can be combined with job search, or time-limited and followed by job search. In Vermont, community service jobs are limited to ten months, then followed by two months of job search. Positions in New Hope are limited to six months. Techniques such as close supervision, peer support, and active job development can help participants transition from work experience into unsubsidized employment.[51]

- ☑ Maintain regular contact with both participants and employers or supervisors to get feedback on how the placement is working out, reinforce positive relations with employers. maintain regular contact with employers, and discover any job-related issues before they become major problems. To monitor participants' progress, the New Hope Project added four simple questions to the biweekly time sheets that employers fill out. They ask employers to rate participants as either excellent, good, fair, or poor in the following areas: attendance/punctuality; quality/quantity of work; cooperation with supervisor/coworkers; and listens/follows directions/rules. New Hope also asks employers to contact program staff *the same day* if participants miss work, so that they can follow up immediately rather than waiting until time sheets are due to find out about a problem.

- ☑ Target participants for intensive work with job developers. In one Los Angeles office, job developers who do this have been able to place all of the work experience participants assigned to the work first office into unsubsidized employment. They work closely with participants to identify job leads, and also use work experience to give personal references to employers regarding the participant's work habits. However, this is labor intensive and may not be possible

[51] Small-scale Supported Work programs in the late 1970s incorporated these aspects and produced increases in employment and earnings, and reductions in AFDC receipt for long-term AFDC recipients. See Manpower Demonstration Research Corporation, 1980.

on a larger scale.

- ☑ Use the opportunity to work out personal and other issues. For example, work experience can provide a transition period for participants who are having trouble sorting out transportation, family and other issues that might hinder their ability to get and keep an unsubsidized job. With close supervision, program staff can also use the opportunity to identify and address any on-the-job problems that might jeopardize unsubsidized employment. Again, however, this kind of attention is labor intensive and may not be possible in programs with a large work experience component.

- ☑ If possible, place participants in positions with employers who have made a commitment to retaining successful employees after a trial period. In Fond du Lac, Wisconsin, work experience participants can be placed with private employers for up to thirteen weeks (at no cost to the employer), with the expectation that they be hired after that time. In Index, a Tulsa, Oklahoma, program overseen by the Chamber of Commerce, participants work at a central facility for private sector industries that agree to hire successful workers after a given period of time.

- ☑ In developing unpaid work slots, take care to avoid substituting for paid openings in the labor market. Most programs ask employers to affirm that the position is a new one. Closer interaction with the employer, to learn about the job description and whether anyone else in the organization is doing or has done those tasks, can help to better identify situations where there is displacement. In developing slots for work supplementation and OJT, try to ensure that funds create new opportunities rather than subsidizing employers for hiring decisions they would have made anyway. For subsidized employment, employers are generally expected to hire participants who do not meet official job qualifications.

- ☑ Find ways to simplify the administrative burden on employers under work supplementation and OJT. This might mean that the welfare department takes on some of the administrative role typically left to employers. For example, programs might allow employers to submit wage information in whatever form is most convenient, and then convert it into the form required for payment of the subsidy. In Oregon, employers treat work supplementation participants like any other employee, including sick leave and vacation time, then receive reimbursement for a portion of wages paid.

- ☑ Facilitate payments to employers under subsidized employment. Processing and other delays can inconvenience employers and delay the start of work for participants. To avoid these problems, it can help to have "bridge" money available to cover the period before grant diversion is effective and any short-falls in monthly cash flow.

30. Retention and Reemployment

Many people will leave welfare for work, but many will also lose those jobs and return to welfare. Interviews with participants of Project Match found that nearly 60 percent lost their jobs within six months, and no single factor explained the bulk of job loss.[52] A study of post-employment services in four sites found that participants faced four main challenges as they began work:[53]

- Adapting to the additional costs and demands of working.
- Meeting the performance, cultural, and emotional demands of the workplace.
- Dealing with negative reactions from family and friends.
- Finding a new job if they lost their initial one.

Program administrators, staff, and participants should have realistic expectations about job loss, so that they see such experiences as part of a process of securing lasting employment, rather than as failures. In addition, several programs are adding services to their program mix that aim to increase retention and help participants quickly get new jobs if their first ones do not work out. The decision to spend resources on retention and reemployment services may mean fewer are available for helping new participants find jobs. However, a focus on retention and reemployment may become even more important in the context of time limits (see section 39), which will affect not just long-term welfare recipients, but also those who cycle on and off.

This section offers some suggested strategies for addressing retention and reemployment in work first programs. Opinions are mixed as to the usefulness of these strategies. For example, staff at Project Match have not found a pre-employment focus on teaching participants how to keep a job to be useful. They recommend focusing instead on quick reemployment if (as is often the case) a job does not last. Project Match has developed a dynamic welfare-to-work model that expects participants to move through several different jobs and services before succeeding in long-term employment. Administrators in other programs, however, believe that preparing participants for some of the issues they will confront on the job and teaching job-keeping strategies, can improve the chances of job retention.

Research is only beginning to look at the effectiveness of retention strategies and so the added benefit is not yet clear. Results of the Post-Employment Services Demonstration (PESD) may shed light on the effectiveness of these strategies.[54] The demonstration sites provided retention, reemployment, and extended case management services to JOBS participants who obtain employment. Specific services included: counseling advice, and moral support; help paying expenses; help accessing benefits; and job search and development assistance for reemployment.

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[52] Berg, Olson, and Conran, 1991. For more on the dynamics of welfare and work, see Pavetti, 1992.
[53] Haimson, Hershey, and Rangarajan, 1995.
[54] For early lessons, see Herr, Halpern, and Wagner, 1995 and Haimson, Hershey, and Rangarajan, 1995.

There are five points in the program where retention can be addressed:

- **Before participants get a job.**

Retention strategies can be incorporated into the program, so that participants learn not only how to get a job, but also what will happen when they get one. This includes information about what will happen to their grant, how to budget, skills for interacting with coworkers and supervisors, and general problem-solving techniques. Similarly, the program can include a discussion of job progression, so that participants understand that their first job may not be their ideal job but can be a stepping stone to a better job. Finally, the program should emphasize that the job search skills that participants are learning can be used to look for a better job or to find a new job if the first one does not work out.

- **When participants get a job.**

After a participant gets a job, her case manager should review with her what will happen to her grant and help her access available transitional and work-related benefits, such as child care, medical assistance and the Earned Income Credit (see sections 36 and 38) – including advocating for the participant when there are problems accessing these benefits. Assisting participants in receiving these benefits may be the most important and useful retention service that programs can provide.[55] This is also a good opportunity to review and resolve any issues, such as child care, housing or personal problems that might interfere with success on the job. America Works gives primary emphasis to placing participants in jobs and then conducts an in-depth needs assessment *after* they are placed. At that point, staff go to great lengths to do whatever necessary to ensure that participants are able to succeed in employment, for example by helping the participant obtain stable child care and even baby-sitting a child until care can be arranged.

- **After participants get a job, for those who continue to receive welfare.**

Especially in high-grant states, participants may find jobs but still be eligible for welfare if those jobs are low-wage or part-time. Retention activities can be especially helpful when they catch participants at the point on the job when something happens to jeopardize employment. This requires close contact with employees (and employers when appropriate) and is staff intensive. Staff need to gain trust and ask probing rather than general questions to get at potential problems, as new employees may be reluctant to relate difficulties or may not identify them as issues. Program administrators also need to decide whether the program will continue to work with those who combine work and welfare, to help them increase their hours, get a promotion, or find another job that will get them completely off assistance. The trade-off involves working with

[55] Herr, Halpern, and Wagner, 1995.

these participants or assisting more people in finding employment.

- **After participants get a job, for those who leave welfare.**

Program staff can follow up with participants who have begun working (and with employers when appropriate) to learn how things are going on the job and help resolve any problems. Again, this requires more than just checking in after 30 days on the job – it involves building trust, frequent contact and support, probing questions and even visits to the employment site when appropriate. In the PESD study, moral support and encouragement was the help most valued by participants.[56] Another idea is to facilitate peer support groups, where former participants can share work experiences, problem-solve, and provide mutual support. Connecticut operates a "mentoring" program that matches newly employed participants with other former welfare recipients to provide support and guidance.

- **When people who have gotten a job lose it.**

Many participants who successfully find jobs and leave welfare will lose those jobs and return to the rolls. Welfare systems should establish mechanisms for determining in the eligibility process whether an applicant has been through the work first program before. Some sites may want to make sure that such participants are quickly brought back into the program, so they can begin a renewed job search while also exploring and addressing the reasons why the first job did not last. Others may feel that, with scarce resources, the program should focus on reaching as many new participants as possible. Even so, it might make sense to allow former participants immediate access to job leads and telephones to conduct their own re-employment job search – even if they have not reapplied for welfare. Program "alumnae" might be allowed access to the program's job resource room for one or two years after they leave welfare, in order to conduct a new job search or look for advancement opportunities.

[56] Haimson, Hershey, and Rangarajan, 1995.

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Working with Participants: Advice on Case Management

Case managers are the front-line staff who translate program policy into practice. Work first case managers must balance a dual role: they are responsible for enforcing program mandates and completing administrative tasks, and also act as participants' guides and advisors as they move through the program. Case managers are responsible for helping participants chart a path off of welfare, motivating participants to work toward employment, monitoring participants' progress in program activities, and helping participants overcome barriers – both real and perceived – to successful employment. The guidance provided in the following sections can help programs create environments that support case managers as they take on this challenging role, and can provide case managers with some tools to succeed.

31. Employment Plans

Many programs use employment plans to formalize the "contract" between the program and participants and to map out the journey from welfare to work. If job search is an automatic first activity, the employment plan may play mostly the former role. Because participants will soon be asked to look for a job that they can get right now, less time may be spent up front exploring participants' employment goals and creating a long-term roadmap toward attaining those goals. However, case managers can still use the employment plan as a tool to get to know participants and to help them begin thinking about their job search. In addition, the same employment plan can become a longer-term planning tool for those participants who do not find employment through the initial job search.

Employment plans generally contain the following elements:

- participants' employment goals
- clear objectives that lead to those goals
- specific activities for participants to conduct in order to achieve each objective
- time periods for completion of activities
- any authorized support services that are necessary for participants to achieve each objective

The following are some general guidelines for developing employment plans:

☑ **The plan should keep its focus on employment.** While the plan might include a variety of activities, it should remain consistent in its focus on the short-term goal of employment and keep participants on track toward achieving that goal. Similarly, although the plan might address personal and other barriers – from getting eyeglasses to dealing with a legal issue – these should always be viewed in context as steps toward employment (see section 32 on dealing with personal and other issues).

☑ **The plan should be flexible.** It may be helpful to think of the employment plan not as a permanent document, but one that leaves room for adaptations and additions as new situations arise. For example, as certain activities are completed, participants may realize that more steps are necessary than originally conceived to reach a given goal. Alternatively, participants may find that they can move to employment more quickly than anticipated. It is a good idea to periodically reflect with participants during case management sessions on the status of the plan and their accomplishments to date, and to make any needed modifications.

☑ **The plan should be realistic.** Case managers should bear in mind that while it is noble for participants to aim high, too many goals or goals that are too high may become overwhelming and unrealistic to fulfill in a reasonable time period. Case managers should encourage participants to keep goals focused and somewhat

limited in number, at least on initial development of the plan. Emphasize smaller, doable steps, especially for participants with fewer life skills or more significant barriers.

☑ **The plan should be developed mutually between the participant and case manager.** Each employment plan should be individualized, reflecting the program's goals and the case manager's judgment as well as the participant's goals and inclinations. It should be based on the participant's interests, skills, and prior experiences, and on realistic labor market opportunities. The employment plan should also include not only the steps the participant will take toward employment, but also the ways in which the program and case manager will assist her.

☑ **The plan should broaden opportunities, not limit them.** While the employment plan is meant to be a roadmap, it should not present only one path to employment. The process of looking for a job can identify both obstacles and additional opportunities that may not have been considered before. The employment plan can be an opportunity to get participants thinking about what they would like to do, and exploring the variety of jobs that may fit their interests.

Working with Participants with Little to No Work History

Developing an employment plan may be more difficult for those participants with little or no work history. Case managers may need to spend extra time discussing the participants' skills and abilities – focusing on what they can rather than cannot do. Identify skills used in managing a home and raising children. Also, explore any informal work experience that participants might have, including volunteer work, caring for children other than their own, hobbies and cottage industries. Help participants identify jobs they can get now, which will be a stepping stone to their longer-term employment goals. Incorporate into employment plans activities that will help build a set of skills and knowledge about the labor market – activities such as networking, mentoring, volunteering, internships, and on the job training. Case managers can also work with job club instructors or job developers to give special attention to this group of participants.

32. Maximizing Participation

How can staff bring participants into the program so they can work with them toward employment? In the JOBS Evaluation, 37% of those who were mandatory to participate in a typical month had not yet attended orientation and 21% had attended orientation but were not yet involved in JOBS.[57] Below are eight suggestions for maximizing program participation. Implementing these suggestions assumes that adequate staff are available to work with

[57] For more on participation rates in JOBS programs, see U.S. Department of Health and Human Services and U.S. Department of Education, 1995.

participants and that resources are available to fund sufficient activities – such as job clubs – and support services – in particular, child care – for all those who participate (see also section 7 on who should participate and section 13 on caseload size).

- ☑ **Enroll participants in work first quickly.** Quickly enrolling new participants in work first signals that work first is serious about mandating participation. Additionally, any messages they received about work first from the eligibility office will still be fresh in participants' minds. Most of those who fail to participate drop out before the first scheduled program activity – usually orientation or a meeting with a case manager. Staff should quickly contact those who fail to attend their first activity. The work first program in Grand Rapids, Michigan, uses specialized intake staff, who schedule and follow-up on orientation attendance and also conduct the program orientations.

- ☑ **Get participants into activities quickly.** Delays in assigning participants to activities and lag times between assignment and the beginning of activities can both reduce participation rates and slow down progress to employment. Case managers should have systems in place to alert them when participants are scheduled to complete an activity. Assign subsequent activities before participants complete the previous one, or schedule activities to flow into one another (for example, have assessments immediately follow orientation, rather than scheduling an additional visit). As much as possible, schedule activities to be open-entry or to start often, so participants do not have to wait long to begin. If an activity does not start right away – because of a waiting list or because the program operates on a fixed schedule – assign a fill-in activity, such as job search or work on personal issues that might interfere with participation.

- ☑ **Help participants address immediate barriers to participation.** Participants may need to arrange child care or take care of health, housing, legal, or personal issues before they can fully participate. By helping participants quickly locate child care – and facilitating payment for child care – and by helping them to quickly address any other issues, staff can increase participation in the program (see sections 31 and 32 for suggestions).

- ☑ **Maintain frequent contact with clients.** Case managers should aim for frequent contact– as often as weekly – with participants. A short telephone call to ask how things are going can often identify problems before they become excuses for nonparticipation. It is also a good way to reinforce messages about program goals and mandates. Visiting participants in program activities is one way to easily contact a number of clients at once. A case manager in Riverside, California, has found that asking participants to call or check in with her once a week saves her the burden of initiating contact. She then needs to follow up only with those who do not call.

- ☑ **Monitor ongoing participation closely.** When job clubs and other activities are held on-site, case managers can simply drop in to check on participants' attendance and progress. When participants are assigned outside service providers, there needs to be a system for reporting attendance information and progress. Ideas include: having the site fax or mail weekly (or even daily) attendance information; a shared computer system to transfer information; or assigning a staff member as a liaison between the service provider and work first. The JOBS program in Grand Rapids, Michigan, assigned participants to case managers according to their activity assignments. As a result, case managers could see all their participants in person by visiting a few service providers, and a close working relationship developed between the providers and case managers.

- ☑ **Market the program.** Effective marketing of work first at the eligibility office can increase the number who initially attend program activities and continued marketing can help retain participation throughout the program. Use every interaction with participants as an opportunity to remind them of the strengths of your program and of the importance of work. Explain how the program can help participants achieve their own goals (see section 30 on motivating participants). Upbeat posters about work first can also be placed throughout the welfare department and other social services agencies in the community.

- ☑ **Publicize and enforce program mandates.** Clearly articulating program goals and expectations early and often can increase participation. These should be clear in written materials, call-in notices, warning letters and employment plans or contracts, and should be reviewed with participants by their case managers. Make sure participants understand both participation rules and penalties for noncompliance, and then enforce the mandate by utilizing formal enforcement mechanisms, such as sanctions. When warranted, and with due process, sanctions should be enforced quickly and uniformly.

- ☑ **Closely monitor exemptions and deferrals.** Establishing individual deferral periods (rather than standard lengths) or making deferrals short-term – no longer than one month – and then reassessing the situation, can minimize delays in program participation (see also section 7). Program staff also need to keep track of individuals who have been granted temporary exemptions or who have been deferred from participation. Once the exemption or deferral period is over, participants should be quickly called back in to the program. An effective management information system can alert case managers when participants are again required to participate; if the system cannot do this, case managers need to develop systems themselves. A specialized "case finder" is assigned this duty in Grand Rapids, Michigan. Another solution is to, on the date a deferral is granted, schedule an appointment for the end of the deferral

period.

33. Motivating Participants

One of the main functions of case managers in a work first program is to market the goal of employment and to help motivate participants in their job search. Participants will likely enter the program with a wide range of expectations and with their own set of personal and employment goals.[58] If participation is mandatory, then many of those who come into the program may not share the work first philosophy or may not be interested in pursuing employment at that moment in time. Many may also have low self-esteem. Often, participants have tried and failed to find jobs on their own, or have worked but have not been able to remain self-sufficient.

It is important to realize that individuals cannot directly motivate other individuals. Case managers, however, can tap into existing motivation in participants by helping them to define their own goals and showing them how the program can help them achieve those goals. The following specific techniques can help case managers tap into participants' internal motivation:

- ☑ **Promote the financial and nonfinancial benefits of working.** Let participants brainstorm about why they are better off working, from financial reasons (such as getting a car or being able to buy their children clothes) to nonfinancial ones (such as self-esteem and independence). Emphasize any financial incentives, including transitional benefits and the Earned Income Credit (see sections 37 through 39). Some participants may believe that they will be financially worse off by working; they may need to be convinced that work will pay before they are motivated to try.

- ☑ **Talk with participants about their children.** A key motivator for parents tends to be their children. Discuss what working will mean for their children, both financially and in other ways, such as by enhancing their ability to be a role model for their children.

- ☑ **Show the bigger picture.** For many participants, it may be hard to get motivated about an entry-level position. In addition, some participants may believe that the best way to get ahead is through education and training. Explain the philosophy behind work first. It may be easier for participants to get motivated if they see a path toward accomplishing their longer-term goals and if they understand that their first job can be a stepping stone to better things. Walk participants through a sample job progression so that they can see where they might be today if they had started a minimum wage job five years ago.

- ☑ **Use your own and others' experiences.** Staff's own life experiences can inspire

[58] See Pavetti, 1993.

participants. Single parents, working parents, or staff who went to school while working can all say to participants, "I did it, and so can you." Bringing in past participants to share their success stories is another great way to motivate participants and show them that the program can work. In addition, celebrate publicly when participants find jobs, and make placements very visible in the office by posting the names and photos of participants who have found jobs.

☑ **Present the program as an opportunity.** Most participants share the value of work and the long-term goal of self-sufficiency. Emphasize what the program can do for participants and how it can help them achieve that goal. Encourage participants to take advantage of the services that can help them get off welfare, and help them do so.

☑ **Help participants expand their thinking.** Explore the positive things participant's have done and the skills they have acquired. People often get stuck thinking very narrowly about what they are able to do. Assistance in overcoming barriers – both real and perceived – can also help keep participants from getting caught up in the difficulties of working and focus on their employment goals.

☑ **Believe in the program and in participants.** Participants often come to the program with low self-confidence and self-esteem. Often, they have tried and failed to find jobs on their own, or have worked but not been able to keep the job. Staff need to convey that they believe participants have skills and abilites, and that the program can help them succeed. Send personal notes to participants' homes – of encouragement, if they are having trouble, or of congratulations, if they have achieved a success. This can motivate participants by signaling that the case manager values and believes in them.

☑ **Provide both positive reinforcement and continuing challenges.** Positive reinforcement can help participants feel good about the progress they are making, while new challenges can keep them motivated to achieve more. For example, Project Match established incremental benchmarks and publicly recognizes participants as they achieve those benchmarks. As participants get jobs, Project Match tracks who is still working at up to 3 months; six months; nine months; one year; and 18 months, and publicizes this information in a quarterly newsletter. This not only recognizes each step as a positive achievement, but also presents a next level to work towards.

☑ **Talk about welfare reform.** Participants are very aware that welfare is changing. Discussing the changes – such as time limits or work requirements – that have already been made and others which are being considered can motivate participants by reminding them that the financial supports they have now may not be available in the future.

34. Facilitating Child Care and Transportation

To run a successful work first program, enrollees must be able to participate in program activities and look for work. In the JOBS Evaluation, between 77 and 84 percent of new JOBS enrollees in four sites reported facing at least one of seven listed barriers to participation.[59] The most common barrier cited – by between 58 and 72 percent of enrollees – was the inability to afford child care. Between 30 and 40 percent of enrollees reported facing transportation problems. Work first programs generally provide supports for child care and transportation needs. Section 6 discussed some policy issues around child care and transportation. This section offers advice that can help staff facilitate the provision of these support services, thereby increasing participation and helping participants succeed in obtaining employment.

Child Care

☑ **Provide information about child care options.** As they enter the program, give participants detailed information about child care benefits and options. Brochures, posters, checklists, and videotapes are all useful tools. Materials should be attractive, engaging, and accessible to participants who have low reading levels or who speak languages other than English. Individual work first offices may also want to compile lists of child care providers in their area. The lists should include hours of operation, location, special training of staff – including the ability to serve children with special needs – and registration instructions. Written materials should supplement, but not replace, information received from staff members. Participants should also know where they can turn for more information or assistance.

☑ **Help participants quickly arrange care while giving adequate time as needed.** Case managers can help participants locate care by providing information, such as the provider lists described above. Referring participants to a local child care resource and referral agency can also facilitate child care arrangements. At the same time, parents need sufficient time to visit providers and make an informed decision about a child care setting before placing their children in care. Forcing a hasty choice increases the risk of later problems, which could disrupt participation or employment. Once care has been located, case managers can expedite the processing of child care payments – whether this is part of their responsibility or by coordinating with other staff – so that participants can begin work first as soon as possible.

☑ **Help participants make an informed decision about child care.** Pamphlets,

[59] U.S. Department of Human Services and U.S. Department of Education, 1994. For more on child care usage rates, types of child care arrangements, and participant perceptions, see Martinson and Riccio, 1989.

checklists, or videos about criteria contributing to quality care can help parents make this choice. Materials about child care are most helpful when they offer specific objective information about all forms of child care, including center-based care, regulated family day care, and informal arrangements with relatives or friends. Staff should review the pros and cons of each form, but should not flatly recommend or dismiss any form of care. Helping participants find and choose their child care can also be an important activity to increase their skills and self-confidence in preparation for job search.

☑ **Help participants identify reliable child care arrangements.** Problems resulting from unreliable care can disrupt job search and employment. Case managers should discuss with participants the reliability of their child care arrangements, especially those who plan to use informal care. Participants should plan for a backup system of child care, such as a drop-in center or a relative, that they can turn to should other arrangements fall through.

☑ **Understand participants' child care needs.** In helping parents arrange for child care, staff should understand the family's specific child care needs, preferences, and constraints, such as lack of transportation or complex family schedules. Help parents think through the advantages and limitations of available options, in order to choose care that will work best for their situation.

☑ **Talk through child care concerns.** Many parents are apprehensive about leaving their children in child care, causing stress and undermining their motivation. Case managers or child care specialists can alleviate these concerns by talking through these issues with parents and helping them find quality care that they trust.

☑ **Provide ongoing support.** Parents who have ongoing access to information and counseling can draw on that support to work through child care problems that might arise. Programs may want to designate a specialized staff person, who is knowledgeable about child care and sensitive to the child care issues confronted by participants, as a child care information and assistance contact. In addition, programs can avoid disruptions in participation by helping parents to anticipate changes in child care arrangements that may be needed as they move through the program (e.g. if their hours of participation change).

Transportation

☑ **Help participants access transportation assistance.** Most programs offer bus passes, mileage reimbursement, help with car repairs, or other forms of transportation assistance. Case managers can educate participants about the availability of that assistance, and help them take advantage of it by facilitating any processing requirements.

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- ☑ **Help participants think creatively about transportation alternatives.** Participants without their own vehicle or ready access to public transportation will need help to identify other alternatives. For example, participants can form carpools with other participants who live near them. Case managers in Fond du Lac encourage participants to "network" once they find jobs, to join carpools, or pay another employee for a ride. Helping participants get a valid driver's license or clear violations can also help keep participants mobile.

- ☑ **Help participants identify back-up arrangements.** Unexpected problems with transportation can cause participants to miss appointments or even lose a job. Case managers can help participants think through what they would do if their transportation fell through and identify back-up alternatives.

35. Dealing with Personal and Other Issues

Work first programs (and case managers within programs) vary in the extent to which they help participants overcome personal and family problems that may interfere with their ability to find and keep a job. Most programs view the case manager's job narrowly, in terms of addressing only those issues which are immediate barriers to participation. In addition, participants may not disclose personal issues up front to workers – these issues are more likely to become evident in the course of the program. When issues do arise, however, that threaten successful employment, case managers should be able to work with participants to address them.

For many issues, case managers may be able to identify resources that participants can access on their own. Offices should develop local resource lists that can guide case managers and participants in choosing appropriate options. This can also be an opportunity to teach participants problem-solving skills that can improve their self-confidence and help them when they are off welfare and working. Even when referring participants elsewhere, however, case managers may find that they need to follow up on encouraging participants to access the services or to act as an advocate on the participant's behalf. It can be helpful for programs to develop formal or informal relationships with community agencies that can provide services to participants. Programs should also make arrangements to follow up on participants' progress in these services, without compromising confidentiality issues. If needed services are not available in the community, programs might try to provide the services themselves or find other ways to meet those needs (for example, by setting up a clothing bank on site or contracting with a local provider to offer the needed service).

In Florida and Utah, program staff have found that these issues become more prominent as a work first program matures and more participants find jobs. Those who remain may be more likely to face significant personal issues that have kept them from succeeding in finding employment. Staff in those states felt frustrated in working with these "hard to serve" participants and unqualified to identify or address many of the barriers they faced. Administrators in both Florida and Utah have responded by

hiring specialized staff – often professional social workers with masters degrees – to help case managers deal with these issues. The specialized staff may assist case managers in several ways: training them to identify issues; providing advice for working with participants; offering short-term counseling to participants; or acting as a resource for appropriate referrals to outside providers.

Some participants may have serious problems that may warrant deferral from participation in other program activities. If so, progress in addressing the problems should be closely monitored, and employment activities should begin as soon as the participant is able. Many issues, however, can be addressed either quickly or simultaneously with participation in job search, other activities, or employment – and staff and participants should recognize that the same issues confront many working people as well. The goal of staff in addressing these issues is generally to get the participant to the point where they are able to work. Participants can then continue to address the issues while they are working.

Some Other Suggestions

Case managers in Minnesota's Family Investment Program (MFIP) – who have been operating an employment-focused program for long-term welfare recipients for more than two years – have identified some common issues that arise when working with participants, and they and others have proposed strategies for addressing them. The discussion which follows is less about dealing with hard-core problems than addressing smaller ones which may arise along the way as participants move through the program. In addition, many of these strategies involve referring participants to specialized service providers; the ability of case managers to assist participants with these issues may depend largely on the existence of such providers in the local community.

- **Child care and transportation.** Work first programs generally provide comprehensive support for the child care needs of participants. Most programs also provide transportation assistance to participants, in the form of passes for public transportation, reimbursement for gas, or funds to make needed car repairs. See section 31 for ideas on how the program can facilitate child care and transportation arrangements.

- **Clothing.** Some clients do not have an adequate wardrobe for interviewing or work. Think about starting a "clothing bank" or providing vouchers for a local thrift shop. In addition, it is a good idea to discuss with participants what is appropriate attire and to help them plan their outfits for interviews and work. Program staff should set an example by dressing professionally. In addition, many programs ask participants to attend activities dressed for interviews, or designate one day a week as "Dress for Success" day.

- **Physical health problems.** Any physical limitations that participants have should be reflected in their employment goals, job search strategies, and employment plans. Case managers should also be prepared to make appropriate referrals for health care services. If exemption or deferral may be warranted and medical

documentation is required, obtain signed releases to obtain participants' medical records. Case managers may also want to be familiar with SSI eligibility rules and application process, so that they can help participants complete the application and assemble the required documentation.

- **Depression and other mental health issues.** Depression is a common problem among participants in welfare-to-work programs.[60] Case managers need to be trained to identify this issue, which may become evident only after a participant fails to make progress in program activities. Furthermore, what appears to be apathy, laziness may in fact be a signal of depression. Treatment for depression or other mental health issues may include counseling and/or medication. Case managers need to discuss the problem with participants and encourage them to seek assistance. Some programs refer participants to short-term programs that focus on building self-esteem. Case managers should also have information about treatment facilities available to Medicaid clients, and be able to facilitate referrals to those facilities.

- **Limited cognitive functioning.** The first step in addressing a suspected limitation is to document the problem through an assessment. Many programs contract out this assessment, which is often completed by a licensed psychologist or certified school psychologist. If the assessment documents an impairment that significantly limits the participant's ability to obtain or retain employment, exemption from the program may be warranted. Otherwise, look for employment or activity options at the participant's ability level. For example, community organizations may offer sheltered workshops and other employment and training programs for those with limited abilities. In addition, some service industries (including Wal-Mart, McDonalds, and Hardees) have employment opportunities specially designed for people who have a low level of cognitive functioning. Try to identify participants' strengths and then match them with a job that will both challenge them and provide the necessary support, and one in which the employer is sensitive to the issue.

- **Domestic abuse.** Relationship problems are a common cause of disruptions in participation and employment. When they arise, case managers should try to figure out the depth of the problem and the dynamics of the situation. A referral to short-term counseling – for the participant or the couple – can address some problems. Issues of domestic abuse may not emerge in early participant-case manager interaction, since participants may fear consequences of disclosure (e.g., removal of children to foster care). Case managers should also be able to refer participants to local resources, such as hotlines and battered women's shelters, and can encourage participants to cooperate with agencies designed to help alleviate abusive situations. If case managers suspect children are in danger, they will need to report the case to the appropriate agency.

[60] U.S. Department of Health and Human Services and U.S. Department of Education, 1995.

- **Substance abuse.** This may be a particularly difficult issue to address because participants may not be willing or able to admit to or work on the problem. Programs can offer training to case managers to identify substance abuse problems. Substance abuse problems among partners or family members may also create barriers to employment or program completion. Case managers should have information available on treatment, counseling, and support programs and should make appropriate referrals when necessary. The case manager will have to bring the issue out in the open, as the participant will have to agree to access available services.

- **Legal problems.** Many single parents in the program may be involved in child custody battles, court-ordered visitation agreements with a nonresident parent, or child support hearings and trials. Case managers should be aware of court dates and other commitments that might interfere with program participation. It is also useful to include Legal Services or other court advocates or representatives on resource lists. Some participants may have a criminal record and/or may be dealing with parole or probation officers. In these instances, case managers should work with participants on how to present such information in a job application or an interview. Case managers may also want to maintain periodic contact with probation or parole offices to monitor a participant's progress.

- **Telephone cutoff.** Not having a telephone can impede job search as well as communication between participants and case managers. Case managers can help participants who do not have a telephone to get one installed, including working out agreements for payment of arrears. Programs should also have telephones available for use by participants and consider designating a program telephone with an answering machine so that participants can receive messages regarding interviews and hiring decisions.

- **Housing issues.** Case managers should always know how best to contact a participant who does not have a permanent residence, either through a post office box, message center, or family member or friend who can relay messages. If a participant is or becomes homeless, encourage her to consider all options including temporarily residing with relatives, friends, or in local emergency and transitional shelters. Assist participants in putting themselves on waiting lists for subsidized housing and in accessing local housing assistance programs. Participants residing in public or other subsidized housing may face increased rents as they go to work and their income rises – make sure participants are aware of this and recognize how it alters the trade-off between welfare and work.

Work First in Context: Advice on Related Policies

Work first programs do not exist in a vacuum. Other rules and policies, both within and outside the welfare system, create the environment in which the program operates. As such, they affect the way participants experience the program's services and mandates and how they view the trade-offs between welfare and work. Transitional benefits can help cushion the jolt of leaving welfare for work by extending some supports through the first year or years of employment. Others policies – such as financial incentives and the Earned Income Credit (EIC) – can make work pay for participants who get jobs. Finally, time limit policies put pressure on both participants and the program to succeed. The following pages discuss these different policies, explain how they affect the design and operation of a work first program, and offer suggestions on how they can support efforts to move welfare recipients into jobs.

36. Transitional Benefits

Particularly for long-term welfare recipients, leaving welfare can be a difficult transition, both financially and emotionally. Transitional benefits can help smooth the transition from welfare to work, by continuing to provide government supports for a limited time. They can also help to make work pay for families who leave welfare. There are two main transitional benefits generally available to former welfare recipients: child care and medical assistance. Some programs also provide other transitional benefits. In addition, most families leaving welfare for low-wage jobs remain eligible for Food Stamp benefits.

- **Child care.**

The recently enacted federal welfare legislation consolidates welfare-related child care programs into a new block grant to states. Funding from the child care block grant can be used to extend child care subsidies to parents who leave welfare for work. States can also choose to provide transitional child care through other programs available to all low-income working parents. Some states require parents to pay for a part of child care costs, based on a sliding scale.

However, transitional child care is structured, work first programs need to market available options to participants and help them take advantage of that support. A study conducted by the General Accounting Office found that utilization rates of Transitional Child Care (now consolidated under the block grant) were extremely low, with roughly 20 percent of eligible families making use of the program for at least one month.[61] The study found that insufficient informing mechanisms utilized by some states limit the effectiveness of transitional benefits as incentives for AFDC recipients to seek employment.

- **Medical assistance.**

Because many of the jobs participants get will not provide health benefits, transitional medical assistance can help make work pay and provide security for parents who leave welfare for work. Transitional Medicaid is available for a limited time to most families who leave assistance because of earnings, and some states have received waivers to extend that eligibility. Others operate state-funded programs which subsidize medical assistance for all low income families. Because Medicaid is no longer categorically linked to welfare receipt, states will need to decide to what extent they establish such links (for example, by creating a single application form) and how they structure the changeover to transitional Medicaid benefits. Again, programs need to educate participants about the availability of this medical assistance and help participants take advantage of them.

[61] U.S. General Accounting Office, 1992.

- **Food Stamps.**

Families generally remain eligible for Food Stamps after leaving welfare for work, as long as their net monthly income does not exceed the poverty level and their gross monthly income does not exceed 130 percent of the poverty level.

- **Other Transitional Benefits.**

Some programs provide other types of transitional benefits. For example, Utah allows former program participants to access all program services for two years after leaving welfare. This includes transportation assistance, money for car repairs, uniforms and other work-related needs, as well as access to education and training. In addition, former participants are encouraged to contact case managers to help work out any issues that might jeopardize employment. Some offices have specialized staff who take over closed cases, while in others, participants keep their same case manager for the two years after leaving the program.

Families will be more likely to take advantage of transitional benefits if they are aware of them and if they are easily accessible. Clearly communicating information about transitional benefits can also help remove some of the fear that participants may have about leaving welfare for work. Below are some suggestions:

☑ Make sure that both work first and eligibility staff understand the criteria for transitional benefits and the importance of these benefits as a complement to the work first program.

☑ Include a discussion of transitional benefits in all work-related discussions, both at the eligibility office and work first. Eligibility staff can include explanations of these benefits with new applicants and at regular redetermination meetings. Work first orientation and the first day of job club are also good times to discuss work-related program incentives, including transitional benefits.

☑ Case managers and child care staff can also mention transitional benefits when program participants are arranging for child care to participate in program activities. Let clients know that child care assistance won't end with welfare.

☑ When welfare recipients start reporting income, send them a letter congratulating them and reminding them about transitional benefits. Include all appropriate applications.

☑ Keep applications for transitional benefits simple. Consider using one application form for both transitional medical assistance and child care, or have cases automatically roll over to transitional benefits without a new application.

Similarly, set up processes to smoothly transfer welfare cases to Food Stamp only cases.

Services Available After Transitional Benefits End.

It is also helpful to inform participants about – and assist them in accessing – supports available to them beyond transitional benefits, particularly as they near the end of their eligibility. When Transitional Medicaid ends, states should determine whether any member of the family may be eligible for Medicaid under another category. In addition, many states provide subsidized medical coverage for low-income working families and children who are not eligible for Medicaid. There are also other federally and state-funded child care programs available to low-income working parents. Funding for low-income child care benefits is limited, however, so it may be helpful to give parents information on how to access benefits or get on waiting lists early.

States should also work to design fluid delivery systems that bridge the gaps between welfare and transitional benefits, and between transitional benefits and follow-up supports. For example, some states have established systems that automatically roll over recipients of child care assistance from transitional to another funding stream. Consistent payment rates and mechanisms can also ease transitions from one funding stream to another.

37. Financial Incentives

Financial incentives are a popular part of state welfare reform efforts. As of May 1996, thirty states have been granted federal waivers to make changes in earnings disregards to help make work pay and ease the transition from welfare to work.[62] Financial incentives can also address one of the main criticisms of a work first approach – that it leads to low-wage jobs without benefits, leaving employees in a worse financial position than when they were on welfare. By changing the way earnings are counted in determining a family's monthly welfare grant, financial incentives allow recipients to keep more of their earnings from work while still receiving welfare. However, recognize that financial incentives will also keep many participants on welfare longer than they otherwise would have been, by raising the point at which they are no longer eligible due to earnings.

Field research suggests that, used together, work first and financial incentives can be more powerful than either alone, for the following reasons:

- **Financial incentives can help motivate participants to work.** Surveys indicate that welfare recipients have a general desire to work, yet many believe that welfare provides better for their families than work would.[63] In addition, many welfare recipients report that they have worked in the past but have fallen back on welfare

[62] Savner and Greenberg, May 1996.
[63] U.S. Department of Health and Human Services; and U.S. Department of Education, 1994.

because they could not make ends meet. Financial incentives can alter the trade-offs between welfare and work.

- **Financial incentives allow participants to accept even low-wage or part-time work.** Financial incentives allow case managers to promote – and participants to see – the value of even part-time or low-wage work, and even for participants who are at the same time pursuing education or training. By providing financial support for work, earnings disregards can also help those who get low-wage jobs keep them.

- **Work first can help participants take advantage of financial incentives.** While the incentives provide financial support, work first can provide additional motivation as well as job search tools and other supports to help participants find jobs.

- **Financial incentives can add a more positive message to work first.** Financial incentives form a positive message that work will pay and that the welfare system will support efforts to work. Programs that include financial incentives tend to market the opportunities presented by working where those without them are forced to rely more heavily on the threat of sanctions.

- **Financial incentives can help shift staff attitudes to a work first philosophy.** In Los Angeles, increased disregards played a big role in changing the mindset of staff to a work first approach. Any reservations that staff may have about pushing recipients to work or being involved with a mandatory program can be eased by the knowledge that if participants pursue work, they will be better off financially.

- **Financial incentives can help change the culture of the eligibility office.** Financial incentives inject discussions about employment into the eligibility office, since workers explain the benefits of working to both applicants and recipients. In MFIP, eligibility staff suggested that financial incentives empowered them for the first time to discuss work with participants.

- **Financial incentives may boost the income-producing power of work first models.** While work first has had significant success in increasing employment, research has not shown such programs to consistently increase the income of those who get jobs. Financial incentives can address this by supplementing the income of participants who get jobs.

Making the Most of Financial Incentives

Financial incentives will increase the income of participants who would have gone to work even in their absence, helping to make work pay for them. In order to also increase total employment, however, the incentives must encourage participants who otherwise would not have to go to work.

The following ideas can promote communication and marketing of financial incentives:

- ☑ **Market financial incentives early and often.** Let new applicants know right away that the incentive can support their efforts to work. Repeat the message in both the eligibility office and work first, in all discussions about work. Participants who have tried to work and failed may need "proof" that the incentives are real. Effective brochures and sample budgets are one way to do this. Keeping the disregard formula as simple as possible can also help. Some programs provide participants with blank calculation forms so they can plug in their own numbers.

- ☑ **Make sure that staff – both in work first and eligibility offices – and participants understand how the financial incentives work.** Staff should be able to explain the details of disregards to participants, so that they know exactly what will happen to their grant if they take a job at a given salary. Computer systems can be programmed to quickly calculate this for use by staff and participants. Administrators in the New Hope Project found that employed participants had a hard time understanding the incentive, because the supplemental benefit amount changed each month (due to changes in hours, pay periods, etc.). To address this, they now send participants an individualized explanation of the benefits calculation as part of a monthly benefits statement. Staff should also understand any trade-offs that might affect how financial incentives work for individual participants. For example those in public housing may face increased rents as a result of increased earnings. Finally, eligibility staff need to know how to implement the increased disregards so that participants who work receive the appropriate benefits.

- ☑ **Help participants who work access the financial benefits.** When participants get a job, remind them about the financial incentives, provide them with any forms that need to be completed, and facilitate communication with the eligibility office. Simplifying reporting requirements can also help. Some programs hold special orientations for newly employed participants to review financial incentives and transitional benefits, and to demonstrate how to fill out reporting forms. Work first staff in several programs report that financial incentives are not always consistently or accurately applied. When necessary, program staff should act as advocates, to help participants access those benefits. If not, they will not feel that they can honestly market the incentive to participants.

38. The Earned Income Credit

The Earned Income Credit (EIC) – also known as the Earned Income Tax Credit, or EITC – can help make work pay for low-income families. The EIC is a federal tax credit worth as much as $3,556 for some families in tax year 1996. Educating participants about the EIC and helping them take

advantage of it can enhance their success and the success of your program. The following suggestions can assist programs in promoting the EIC:[64]

- ☑ Publicize this valuable benefit. Hang posters promoting the EIC in prominent places around the program office. Pass out brochures about the EIC to participants, insert brochures in mailings, and include the EIC in discussions about financial incentives and transitional benefits. Relay the message that the EIC can substantially increase family income and make work pay.

- ☑ Train staff and partner organization staff about the EIC. Programs often fail to effectively market the EIC to participants, because the staff do not clearly understand it themselves.

- ☑ Include the EIC in information given to participants once they find a job.

- ☑ When explaining the benefits of the EIC to participants, make sure that the idea of "refundability" is clear – even if they don't owe taxes, they can still get a credit.

- ☑ Make sure participants know that the EIC will generally not count against their grant if they are combining welfare and work.[65] This is additional money that they can use for whatever they need.

- ☑ Discuss the pros and cons of advance payment with participants who find jobs. People who choose advance payment will get a portion of the EIC in their paycheck, and the rest at tax time. While advance payment can increase employees' take-home pay, some people prefer to get a lump sum. Employees should understand these and other trade-offs so they can make an informed choice.

- ☑ Have tax forms available to participants throughout the year and particularly during tax season. These forms are available free of charge from the IRS (1-800-TAX-FORM) and you are allowed to make photocopies.

- ☑ If your program has a job developer, he or she should market the EIC to employers. Often, employers do not know that the EIC will supplement the wages of low-wage workers at no cost to them and do not understand that employers can add the EIC to the employee's paycheck each pay period.

- ☑ Work with local business associations to educate employers about the EIC and promote its use.

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[64] Many of these ideas were suggested by the Center on Budget and Policy Priorities, which operates an Earned Income Credit Campaign. For more information about the EIC or a free outreach kit containing posters, brochures and fact sheets, contact the Center at 820 First Street, N.E., Suite 510, Washington, D.C., 20002, (202) 408-1080.

[65] The EIC does not count as income in determining eligibility for AFDC, but does count against AFDC asset limits if not spent by the end of the second month after the month in which it was received.

- ☑ Some participants may fear entering the tax system, perhaps because they are intimidated by the forms, have not filed taxes in a long time, or do not want to disclose personal information. Help participants realize that there is free help available and that the process is not nearly as invasive as the process of applying for public assistance.

- ☑ Let participants know where they can get free tax filing assistance or look into providing assistance on site. VITA (Volunteer Income Tax Assistance) is a free IRS-sponsored program to help low-income workers fill out their tax forms. Staff can make lists of local VITA sites available to participants and inform them of what information they need to bring to a VITA site.

39. Time Limits

Federal welfare legislation sets a five-year time-limit on the receipt of benefits for most participants. Many states have already set even shorter time limits. Although time limits are widely supported, no evaluations of this approach have been completed.[66] The first state-initiated time limit programs are still relatively new, and only a handful of people have reached the time limits as of mid-1996. The stated goal of time limits is the same as that of work first – to move welfare recipients into employment. Certainly time limits can help to "motivate" participants in their job search, and in doing so may bolster the program's success. However, as time limits change the nature of welfare, they impact on a work first program as well. Program planners and administrators who consider coupling time limits with a work first program should consider the following things:

- **Time limits raise the stakes.** Given the importance of minimizing the number of people who reach the end of the time limit, time limits put added pressure on states and localities to design and implement effective programs and policies for helping welfare recipients find jobs. Time limits need to be taken into account when planning participants' course off of welfare, so that they can complete the plan within the time limit and do not waste time in unproductive activities.

- **Time limits increase the importance of serving the entire time-limited caseload.** The program should be able to serve all those subject to the time limit. Criteria for exemption or deferral from work first need to be coordinated with those of the time limit. In addition, the program needs to take special care to avoid targeting only certain groups or the most job ready, and to give special attention to those who have a more difficult time finding work.

[66] For some early lessons on time-limited welfare policies, see Bloom and Butler, 1995. A follow-up report is scheduled to be published in late 1996.

- **Time limits increase the importance of moving participants into and through the program quickly.** Time limits make it even more important to utilize activities that are short-term and have open entry, as participants cannot afford to wait for activities to begin. If access to work first is limited or there are delays in enrolling, states should consider waiting until participants are in the program to start the time limit clock.

- **Time limits change the environment of work first.** Staff and participants need to clearly understand the time limit and to take it into account when designing employment plans. Staff need to explain early on to applicants and recipients the terms of the time limit and what they need to do so that they are prepared. It is not clear what strategy makes most sense in the context of time limits. Some argue that a rapid employment focus is best because it helps recipients find jobs quickly and save their months of welfare eligibility. Others contend recipients should use their scarce months to build their skills through education or training, to prepare for jobs that will allow them to stay off welfare.

- **Time limits can penalize participants who combine welfare and work.** Welfare recipients can use up valuable months of eligibility for low partial grants. Discuss these trade-offs with participants who work; some may choose to save their time on welfare for when then might they need it more. You may also want to consider not counting months when participants work against the time limit or – as proposed by Oregon in a recent plan – counting those months as only a portion of a month.

- **Time limits pose risks not just for long-term recipients but also for those who cycle on and off welfare.** In the context of a time limit, you may want to invest more in services that help people keep jobs. You might also want to design the time limit so that it is not a lifetime limit (for example, Florida limits welfare receipt to 24 out of 60 months for most recipients). An alternative is to allow participants to earn back time by working. For example, participants in Vermont's time-limited Welfare Restructuring Project can earn back six months on their time limit for every year they are working and off welfare.

- **Time limits may increase opportunities to invest in work first programs.** The expected savings resulting from time limits on welfare receipt may provide opportunities for programs to make up-front investments in serving more participants or improving program services.

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Appendix A:
Work-Related Provisions in Federal Welfare Reform

The following is a summary of work-related provisions in the Personal Responsibility and Work Opportunity Act of 1996. The legislation converts the former Aid to Families with Dependent Children (AFDC) program into block grants to states, giving states great control over the shape of welfare programs. The legislation also includes some constraints on the use of block grant funds and some conditions for the receipt of funds. In particular, it sets high standards for participation in work activities.

This summary is not comprehensive and many provisions will need to be interpreted in the coming months. However, it can give policy-makers and administrators an idea of how their work first program model will fit into the context of federal reform.

General Work Provisions

Work Required After Two Years: Among other things, the plan states must submit to receive block grant funding must describe how the state intends to require parents to engage in work (as defined by the state) once they have received assistance for 24 months or once the state determines that they are ready to engage in work, whichever is earlier.

Community Service Required After Two Months: Not later that one year after enactment, states must require parents who have received assistance for two months, and who are not meeting or exempt from the participation requirements, to participate in community service employment. The minimum hours per week and tasks are determined by the state. States can opt out of this requirement.

Individual Responsibility Plan: States must make an initial assessment of the skills, prior work experience and employability of recipients who are 18 or older, or who do not have a high school diploma or the equivalent and are not attending high school. On the basis of that assessment, states have the option of developing a plan which sets forth an employment goal, obligations and services, designed to move the recipient into private sector employment as quickly as possible.

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Participation Requirements

Participation Rates: States must meet the following minimum participation rates:

Year	All Families	Two-Parent Families
1997	25%	75%
1998	30%	75%
1999	35%	90%
2000	40%	90%
2001	45%	90%
2002+	50%	90%

Reduction of the Participation Rate: The rate is reduced by the number of percentage points by which average monthly caseloads are below FY1995 caseloads. Caseload reductions due to changes in federal law or in eligibility criteria do not count in this calculation.

Calculation of the Participation Rates: The rate for a fiscal year equals the average of monthly participation rates. The Numerator equals the number of families receiving assistance that include an adult or minor head of household who is engaged in work (i.e., meeting the weekly hours requirement in allowable activities). The Denominator equals the total number of families receiving assistance that include an adult or minor head of household minus those in sanction status (but not those sanctioned more than 3 months of the past 12 months). States can exempt single parents with a child under one from participation, and then not count them in the calculation above.

Hours Requirements: To count toward the participation requirements, parents must participate for at least the following number of hours per week:

Year	All Families	Single Parents w/ a Child Under Six	Two-Parent Families
1997	20	20	35
1998	20	20	35
1999	25	20	35
2000+	30	20	35

In addition, if a two-parent family is receiving receive federally funded child care assistance and an adult in the family is not disabled or caring for a disabled child, then in order to count toward the participation rates, the second parent must also participate for at least 20 hours per week.

Allowable Activities

At least 20 hours/week for all families and 30 hours per week for two-parent families must be in the following activities:

- unsubsidized employment
- subsidized private sector employment
- subsidized public sector employment
- work experience
- on-the-job training
- job search and job readiness assistance (for up to 6 weeks total per individual – or 12 weeks if the state unemployment rate is 50% greater than the national rate – and not for more than 4 consecutive weeks; participation for 3 or 4 days in a week only counts as a week toward the participation rates once per individual)
- community service programs
- vocational educational training (up to 12 months per individual; see also limitation on percent of caseload in this activity as described below)
- provision of child care services to an individual participating in community service

The remaining required hours may be in the above or the following activities:

- job skills training directly related to employment
- education directly related to employment (only for those who do not have a high school diploma or equivalent)
- satisfactory attendance in high school or a GED program (only for those who do not have a high school diploma or equivalent)

Teen heads of household can meet the participation requirements by maintaining satisfactory attendance in high school or the equivalent or participating in education directly related to employment for at least the minimum hours per week.

No more than 20% of participants can meet the requirements by participating in vocational educational training or being a teen head of household in school.

Penalties For Individuals: If parents refuse to participate, the state shall reduce assistance at least pro rata with respect to the period of noncompliance or terminate assistance (subject to good cause and other exceptions determined by the state). States cannot reduce or terminate assistance for refusal to work if a single parent with a child under 6 who proves they are unable to obtain needed child care.

Penalties for States: A state's block grant will be reduced by up to 5% for not meeting the participation requirements, plus up to an additional 2% each immediately successive year in which the rates are not met, up to a maximum of 21% (the exact amount is to be determined based on the severity of the failure to meet the requirements). If a state's grant is cut because of a penalty, it must replace the reduced funds with state funds in the next fiscal year. There are also rules and a process around compliance and the imposition of penalties.

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Other Related Provisions

Time limit: States cannot use federal block grant funds for families that include an adult who has received assistance (attributable to federal funds) for 60 months, whether or not consecutive. States can exempt up to 20% of the caseload from the time limit.

Teen Parents: States cannot use federal block grant funds to assist unmarried parents under 18 who have a child at least 12 weeks old and who have not completed high school (or its equivalent) unless the parents are in school, a GED program or an alternative education or training program approved by the state. Block grant funds also cannot be used to provide assistance to an unmarried parent under 18 who is not living at home or in another adult-supervised setting.

Child Care: Child care funding is consolidated into a block grant to states. At least 70% of mandatory funds must be used for families who are either receiving assistance under the State's welfare block grant program, transitioning off of assistance through work activities, or are at risk of becoming dependent on assistance. A "substantial portion" of any additional amount should be used to provide assistance to low-income working families.

Continuation of Waivers: States can opt to continue one or more waivers that are in effect as of the date of enactment (8/22/96). Until the waiver expires, the legislation does not apply to the extent that it is inconsistent with the waiver. The same holds true for waivers submitted before enactment and approved by July 1, 1997, except that the work requirements still apply. States that choose to continue a waiver will still receive the same amount of block grant funding and need to demonstrate cost neutrality. States that request termination of a waiver no later than 90 days after the end of the first regularly scheduled legislative session after the bill becomes law, will be held harmless for any cost neutrality liabilities incurred under the waiver.

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Appendix B:
Resources and Further Reading

Hopefully this guide has given you a place to start in designing and implementing a work first program. This appendix offers some suggestions for further reading and for programs and organizations you can contact to learn more about various aspects of work first. The list is not intended to be comprehensive – it includes only those sources which contributed to or are referenced in the text. Please take advantage of these and other available resources as you implement and refine your work first program so it can best help welfare recipients succeed in employment.

PROGRAMS:[1]

America Works (Sections 26, 30). *General Contact:* Richard Greenwald, 575 8th Avenue, 14th Floor, New York, New York 10018, (212) 244-5627, Fax (212) 244-5628

Center for Education and Training (CET) (Section 28). *General Contact*: Bob Johnston, Director of Planning, 701 Vine Street, San Jose, California 95110, (408)287-7924, Fax (408)294-7849.

Columbus, Ohio JOBS (Sections 15, 23). *General Contact*: Lelia Hardaway, Deputy Director for Community Opportunity Centers, 80 East Fulton Street, Columbus, Ohio 43215, (614)462-5818, Fax (614)462-6329.

Connecticut Reach For Jobs First (Section 30). *General Contact:* Amparo Stella Garcia, Connecticut Department of Social Services, 25 Sigourney Street, Hartford CT 06106, (860) 424-5346, Fax (860) 424-4966.

Florida (Sections 1, 9, 20, 28, 35, 39). *Program Planning Contact*: Jan Blauvelt, Human Services Program Manager, Department of Health and Rehabilitative Services, Economic Services Division, P.O. Box 8420, Pensacola, Florida 32505-0420, (904)444-8159, Fax (904)444-8332. *Program Implementation Contact*: Shirley Jacques, Program Operations Administrator, Family Transition Program, Department of Health and Rehabilitative Services, 160 Governmental Center, P.O. Box 8420, Pensacola, Florida 32505-0420, (904)444-5764, Fax (904)444-5766. *Program Activities Contact*: Norman W. Cushon, Region IA Administrator, 700 South Palafox Street, Suite 135, Pensacola, Florida 32501, (904)444-5860, Fax (904)444-5850.

Fond du Lac, Wisconsin (Sections 28, 29, 34). *General Contact*: Diane Hausinger, Deputy Director, Department of Social Services, P.O. Box 1196, 87 Vincent Street, Fond Du Lac, Wisconsin 54936, (414)929-3433, Fax (414)929-3447.

Grand Rapids, Michigan JOBS (Sections 1, 2, 9, 15, 20, 27, 32). *General Contact*: Jim Poelstra, Section Manager, 415 Franklin Street, SE, Grand Rapids, Michigan 49507, (616)247-6147, Fax (616)247-6100.

Index, Inc. (Section 29). *General Contact*: Wayne Rowley, President, 616 South Boston Avenue, Suite 100, Tulsa, Oklahoma 74119, (918)560-0241, Fax (918)585-8386.

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[1] Numbers in parentheses indicate sections in which the program is referenced.

Los Angeles Jobs-First GAIN (Sections 16, 18, 27). *General Contact*: John Martinelli, Chief of GAIN Division, Los Angeles County Department of Public Social Services, 3629 Santa Anita Avenue, El Monte, California 91731, (818)350-4743, Fax (818)452-0627.

Minnesota Family Investment Program (Sections 8, 35, 37). *General Contact*: Chuck Johnson, Director, Minnesota Department of Human Services, 444 Lafayette Road, Saint Paul, Minnesota 55155, (612) 297-4727, Fax (612)297-5840. *Case Management Contacts*: Joan Truhler, Case Management Program Advisor, 444 Lafayette Road, St. Paul, Minnesota 55155-3837, (612)297-5385, Fax (612)215-1818 or Nancy Vivian, same address, (612)296-5831, Fax (612)215-1818.

The New Hope Project (Sections 29, 37). *General Contact:* Sharon Schulz, Executive Director, 623 North 35th Street, Milwaukee, Wisconsin 53208, (414) 342-3338, Fax (414) 342-4078.

Oregon JOBS (Sections 18, 22, 39). *General Contact*: Sue Smith, JOBS Program Manager, Adult and Family Services, 500 Summer Street NE, Salem, Oregon 97310, (503)945-6127, Fax (503)373-7200.

Project Match (Section 30, 33). *General Contact*: Ria Majeske, Research Associate, Project Match, Erickson Institute, 420 North Wabash Avenue, Sixth Floor, Chicago, Illinois 60611, (312) 755-2297, Fax (312)755-2255.

Riverside GAIN (Sections 1, 2, 16, 18, 20, 21, 25, 32). *General Contact*: Marilyn Kuhlman, GAIN Program Manager, Riverside County Department of Social Services, 4060 County Circle Drive, Riverside, CA 92503, (909)358-3008, Fax (909)358-3036.

Utah Family Employment Program (Sections 8, 9, 35, 36). *General Contact:* John Davenport, Program Specialist, 120 North 200 West, Room 325, Salt Lake City, Utah 84103, (801) 538-3968, Fax (801) 538-4212.

Vermont Welfare Restructuring Project (Section 16, 27, 29, 39). *General Contact*: Jackie Levine, Commissioner Staff Assistant, Department of Social Welfare, 103 South Main Street, Waterbury, Vermont 05671-1201, (802)241-2852, Fax (801)241-2830. *JOBS Program Contact*: Steve Gold, Reach-Up Director, Reach-Up DSW, 103 South Main Street, Waterbury, Vermont 05671-1201, (802)241-2834, Fax (802)241-2830.

Washington Works (Section 27). *General Contact*: Amanda Madorno, Community Relations Director, 616 First Street, Fifth Floor, Seattle, Washington 98104, (206)343-9731, Fax (206)343-5865.

ORGANIZATIONS:

American Public Welfare Association: 810 First Street, N.E., Suite 500, Washington, DC 20002-4267. (202)682-0100; Fax (202)289-6555.

Center for Law and Social Policy: 1616 P Street, Suite 105, Washington, DC 20036, (202)328-5140, Fax (202)328-5195.

Center on Budget and Policy Priorities: 820 First Street NE, Suite 510, Washington, DC 20002,(202)408-1080, Fax (202)408-1056.

Child Care Action Campaign: 330 Seventh Avenue, 17th Floor, New York, New York 10001, (212)239-0138, Fax (212)268-6515.

DRAF

Child Care Law Center: 22 Second Street, 5th Floor, San Francisco, California 94105, (415)495-5498, Fax (415)495-6734.

Children's Defense Fund: 25 E Street, NW, Washington, DC 20001, (202)628-8787, Fax (202)662-3510.

Curtis and Associates, Inc.: P.O. Box 206, 124th West 25th, St. James Square, Kearney, Nebraska, 68848, 1-800-658-4399, Fax (308)237-7981.

Cygnet Associates: 101 Hickory Lane, Annapolis, Maryland 21403, (410) 280-5128, Fax (410) 626-1171.

Families and Work Institute: 330 Seventh Ave, 14th Floor, New York, New York 10001 (212)465-2044, Fax (212)465-8637.

Greg Newton Associates : One Hanson Street, Boston, Massachusetts 02118, (617)426-5533, Fax (617)426-5588.

National Association of Child Care Resource and Referral Agencies: 1319 F Street, NW, Suite 810, Washington, DC 20004, (202)393-5501, Fax (202)393-1109.

National Center for Children in Poverty: 154 Haven Avenue, New York, New York 10032, (212) 927-8793, Fax (212) 927-9162.

National Governors' Association: 444 North Capitol Street, Suite 267, Washington, DC 20001-1512, (202)624-5327, Fax (202)624-5313.

Urban Institute: 2100 M Street, NW, Washington, DC 20037, (202)833-7200, Fax (202)331-9747, Please contact LaDonna Pavetti or Pam Holcomb.

U.S. Department of Labor: Bureau of Labor Statistics, Division of Labor Force Statistics, Room 4675, 2 Massachusetts Avenue, NE, Washington, DC 20212, (202)606-6378, Fax(202)606-6345.

Welfare Information Network: 1341 G Street, N.W., Suite 820, Washington, D.C. 20005, (202) 628-5790, Fax (202) 628-4205.

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