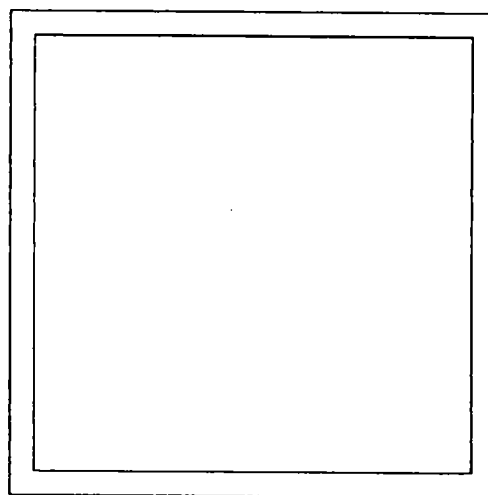


INFORMING THE WELFARE DEBATE . . .



. . . Recent Research on Policy Innovations



Abt Associates Inc.



Copyright 1993, Abt Associates Inc.

Printed on Recycled Paper

"...We have to end welfare as we know it."

*Bill Clinton, Remarks
to the National Association of
Manufacturers, June 24, 1992*

"...Welfare punches a hole in the American dream. And so
let's fix the hole so we can fulfill the dream."

*George Bush, Remarks to
Community Service Organizations,
Riverside, California, July 31, 1992*

At no time since the Great Depression has
the need for change been more clearly recognized. Our "safety net" must be
mended, perhaps fundamentally redesigned.

Far from a partisan issue, the demand for change transcends political
boundaries. It reflects widespread public dissatisfaction with public assistance pro-
grams that have not kept pace with the changing structure and values of society.

But the pressure for reform is not new and, in fact, has already generated
many modifications. Major legislation has mandated employment and training
programs for welfare recipients as well as new thrusts for child support enforce-
ment. Federal agencies have undertaken significant initiatives, not only with the
AFDC and Food Stamp Programs but with job training, public housing and early
childhood programs. State governments have also taken the lead, experimenting
with new policy directions and evaluating their results.

The policy innovations of the past decade can offer a solid foundation
of ideas and experience for those charged with formulating today's policies.
Often, however, information about them is fragmented and difficult to access,
and much of it is confined to reports evaluating a particular innovation for the
sponsoring agency.

This document is intended to facilitate access to many of the recent innovations. Abt Associates has conducted independent evaluations of hundreds of program initiatives across a wide range of social policies. In the following pages, we describe selected projects in several different areas, each of which has a bearing on issues in the current welfare debate. The areas include:

Employment Policies	Pages 1 - 30
Child Support	Pages 31 - 34
Housing and Self-Sufficiency	Pages 35 - 38
Family Services	Pages 39 - 44
Program Operations	Pages 45 - 48

Several of the evaluations described here have been completed, some have preliminary findings and a few are just now beginning. In each case, we have summarized the nature of the policy innovation, the available results, and the present stage of the research. We invite you to call the researchers for more details and updated information.

President Clinton has urged the policy community to seek innovation and measure results. Each test along the way adds to the foundation on which policies will be built, and it is in that spirit that we share this material.

Wendell J. Knox
President and CEO
May 1993

TABLE OF CONTENTS

Employment Policies

1. Making Work Pay: Will AFDC Recipients Work More if They Can Keep More of their Earnings? Page 1
2. Does JTPA Increase Employment and Earnings and Decrease Welfare Dependence? Is It Cost-Effective?..... Page 5
3. Can the Food Stamp Employment and Training Program Increase Employment and Earnings and Decrease Welfare Dependence? Page 7
4. Can Public-Sector Employment Help AFDC Recipients Make the Transition to Self-Sufficiency? Page 11
5. Will AFDC Clients Increase their Earnings and Reduce their Welfare Dependence if Required to Work or Participate in Education and Training?.. Page 13
6. Can a "Social Contract" Encourage Recipients to Engage in Positive Behavior while Receiving Aid? Page 15
7. Can Co-Location of Services and Intensive Case Management Help Severely Disadvantaged Welfare Recipients Become Self-Supporting?..... Page 17
8. Can Intensive Case Management, Education and Employment Skills Training Be Effectively Combined to Reduce Welfare Dependence among Single AFDC Parents with Pre-School Children?..... Page 21
9. Can a Private Organization Deliver Education and Employment and Training Services to AFDC Recipients More Cost-Effectively than a Public Agency? Page 23
10. Do AFDC Recipients Looking for Jobs Derive More Benefit from Transitional Employment or Classroom Vocational Training and Who Should Provide these Services?..... Page 25
11. Can Expanded Rehabilitation and Employment Services for Americans with Disabilities Increase their Labor Force Participation and Reduce their Need for Income Support?..... Page 29

Child Support

- 12.** Will a Financial Incentive Induce AFDC Recipients to Obtain More Child Support Orders?..... Page 31
- 13.** Can Child Support Payments Be Increased in Food Stamp Households by Encouraging or Requiring these Households to Participate in the Child Support Enforcement Program?..... Page 33

Housing and Self-Sufficiency

- 14.** Can Housing Assistance Be Effectively Combined with Other Support Services to Help Low-Income Families Gain Financial Independence?..... Page 35
- 15.** Can Onsite JOBS Services Affect the Quality of Life in Public Housing Developments and Help Residents Become Economically Self-Sufficient?..... Page 37

Family Services

- 16.** Can a Coordinated System of Comprehensive, Continuous Social and Educational Services Improve the School-Readiness of Children and the Economic Self-Sufficiency of their Parents? Page 39
- 17.** Can an Intensive Case Management Approach Help Head Start Families Become Self-Sufficient?..... Page 41
- 18.** Can a Coordinated Approach to Family Literacy Improve a Child's School-Readiness and a Parent's Literacy and Parenting Skills?..... Page 43

Program Operations

- 19.** Can the AFDC and Food Stamp Programs Be Effectively Combined into a Single, More Efficient Income Security Program?..... Page 45
- 20.** Are Electronic Benefit Transfer Systems More Cost-Effective and More Secure than Paper-Based Delivery Systems and Do They Improve Service? Page 47

Making Work Pay: Will AFDC Recipients Work More if They Can Keep More of their Earnings?

.....

Many people think so. In a New York State demonstration, recipients responded strongly to financial incentives. And in Michigan, a new comprehensive reform program allows recipients who work to keep more of their earnings.

Background The public debate on welfare policy has reached an apparent consensus that dependency should be as short as possible and that recipients should be encouraged to become self-sufficient through employment. There is, however, little agreement about how this "encouragement" should be delivered.

Right now it generally takes the form of employment and training programs designed to enhance recipients' employability and help them find jobs. But as critics point out, the basic AFDC benefit formula provides little reward to people who work while receiving welfare. In fact, many claim the formula actually demotivates because after an initial period, benefits are reduced by nearly a dollar for every dollar earned. So rather than increasing earnings to the point they can become self-sufficient, recipients may participate in employment and training programs only to the minimum extent required to avoid losing benefits.

New York Program Design

The New York Child Assistance Program (CAP), a demonstration program undertaken by the New York State Department of Social Services, tests a new financial incentive structure. With CAP, benefits are reduced by just 10 cents for each dollar earned up to the poverty level, and by 67 cents for each dollar up to 150 percent of poverty (the maximum eligibility level).

A voluntary program, CAP is open only to current AFDC recipients. It is offered to single-parent families with one or more children and at least one child must be covered by court order for child support. Technically, AFDC recipients do not need to have earnings to enroll in CAP, but CAP's benefit exceeds the AFDC grant only when the recipient has substantial earnings, typically at least \$350 per month.

In addition, CAP provides food stamp benefits in cash, eliminates the AFDC limit on assets, and features small worker caseloads to allow intensive case management.

CAP is currently implemented in seven New York counties. In three of these, AFDC recipients were randomly divided into a treatment and a control group. The treatment group includes some people who met the requirements and accepted the opportunity to participate in CAP, some who met the requirements but declined the opportunity and continue to receive AFDC, and some who did not meet the requirements. The control group consists of recipients who were not offered the opportunity to participate in CAP.

Findings Abt's two-year evaluation findings indicate strong response to the CAP incentive. In the second year, the treatment group earned, on average, 30 percent more than the control group. This result appears to compare favorably with results from employment and training programs.

One concern about using the benefit formula to motivate earnings is that benefit payments may increase, but that did not happen in this demonstration. Assistance payments neither increased nor decreased over the two years. Thus CAP's increased earnings did not occur at the price of higher welfare expenditures.

For additional information, please call Chris Hamilton at 617/349-2790.

Michigan Program Design

In 1992, with a program called "To Strengthen Michigan Families", TSMF, the state of Michigan began implementing significant changes in its programs for low-income individuals and families. Among these changes is the treatment of earnings. Now, rather than facing the loss of almost a full

dollar of AFDC for each dollar earned, TSMF recipients are allowed to keep the first \$200 and 20% of the remainder earned each month. In addition, the earnings and savings of children are not counted against a family's welfare grant.

Research

Abt Associates was contracted in May 1993 by the Michigan Department of Social Services to assess the impact of TSMF's more favorable treatment of earnings. The five-year impact evaluation will be based on an experimental design being implemented in four local welfare offices chosen as representative of the State's AFDC caseload. It will measure the effect TSMF has on welfare dependency itself, on recipients' earnings both during and after periods on welfare, and on the earnings and savings of AFDC children.

For more information, call Alan Werner, 617/349-2832.

Reports

The New York Child Assistance Program:

Interim Report on Program Impacts – June 1992

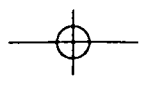
Interim Report on Implementation – October 1992
(Volumes 1 and 2)

Final Report on Program Impacts – Summer 1993

Final Report on Implementation – Summer 1993

The Michigan TSMF Program: Annual reports on the program's impacts are due each spring from 1994 to 1998; a final report is due in 1998.

.....



Does JTPA Increase Employment and Earnings and Decrease Welfare Dependence? Is It Cost-Effective?

With disappointing evaluation results, the Clinton Administration plans to hold JTPA spending at current levels until more effective approaches can be developed.

Background The Job Training Partnership Act (JTPA) program is the major federally funded training program for economically disadvantaged workers. At a cost of approximately \$1.8 billion annually, JTPA Title II-A programs serve roughly one million low-income participants.

Although the federal government has funded services through JTPA and its predecessor programs for more than 25 years, there have always been questions about impact and effectiveness. Early evaluations that compared the post-program experience of participants with that of a group drawn from national survey data yielded conflicting and inconclusive results. In 1986, the Department of Labor funded the National JTPA Study to obtain reliable estimates of the program's impact by randomly assigning applicants either to the program or to a control group.

Program Design

The National JTPA Study measured the effects of ongoing JTPA programs in 16 local Service Delivery Areas (SDAs) across the country. Each provided a range of services that included classroom training in occupational skills, on-the-job training in private firms (OJT), job search assistance (JSA), basic education, work experience, and a variety of other less intensive employment and training services. Participants often received multiple services so for the purposes of analysis, they were categorized into three "service strategy" subgroups on the basis of the services for which they were recommended at program entry. These included:

- The *Classroom Training strategy* which was defined to include sample members recommended for classroom occupational skills training but not for OJT, regardless of any other services for which they might have been recommended. Most JTPA enrollees in this subgroup subsequently received either occupational skills training or basic education, or both.
- The *OJT/JSA strategy* which was defined to include sample members recommended for OJT but not for classroom training in occupational skills, regardless of any other services for which they may have been recommended. Most JTPA enrollees in this subgroup subsequently received either OJT or JSA, or both.
- The *Other Services strategy* which was defined to include sample members who were recommended neither for occupational skills training nor for OJT. Most adults in this subgroup received either JSA or one or more of a variety of less intensive services primarily aimed at immediate placement in an unsubsidized job. Most youths in this subgroup received services intended either to remedy deficiencies in their work-related skills or to better define their vocational interests and aptitudes, such as basic education, job-readiness training, vocational exploration, and try-out employment.

Findings

In *Title II-A Impacts on Earnings and Employment at 18 Months*, Abt Associates examined program effects on four major demographic groups during the first 18 months after random assignment. Adult men and women enrolled in JTPA experienced modest earnings gains of about \$900 over this period, with men and women in the OJT/JSA subgroup experiencing the largest gains. Adult men in the Classroom Training and Other Services subgroups did not see any statistically significant effects on earnings. Adult women in the Classroom Training subgroup experienced earnings losses in the first quarter of the observation period, while they were in training, but were enjoying significant gains by the last six months. Women in the Other Services subgroup had only small, short-lived earnings increases in the immediate post-program period.

The program had virtually no positive impact on the earnings of female youth between 16 and 21 years old. In fact, those in the Classroom Training subgroup suffered significant earnings losses during the first half of the period while they participated in the program. Similar results occurred for male youths in the Classroom Training subgroup, while male youths enrolled in the OJT/JSA and Other Services subgroups experienced losses of more than \$2000. Further analysis established that most of these losses were concentrated among the 25 percent of the sample with arrest records; the program had little or no effect on male youth who had not been arrested.

On the basis of these results, the Clinton administration plans to freeze spending on JTPA until more effective methods can be developed.

Abt's final report on the National JTPA Study is scheduled for late 1993. At that time we will extend our analysis period to 30 months beyond program entry in order to determine if the 18-month trends persist, and we will continue to explore the adverse impacts on male youth arrestees. We'll also examine impacts on AFDC and food stamp benefits and analyze the cost-effectiveness of each of the service strategies.

In the meantime, contact Larry Orr at 301/913-0520 for more information.

Reports

Design of the National JTPA Study – 1990

The National JTPA Study:

Baseline Characteristics of the Experimental Sample – 1991

Title II-A Impacts on Earnings and Employment at 18 Months, Executive Summary – 1993

Impacts and Costs of Title II-A – 1993

Can the Food Stamp Employment and Training Program Increase Employment and Earnings and Decrease Welfare Dependence?

.....

A national evaluation of the program's early operations indicated very disappointing results.

Background The only welfare program available to all Americans, the Food Stamp Program is funded at approximately \$13 billion annually and serves one out of eight citizens. In an attempt to reduce these numbers, Congress initiated the Food Stamp Employment and Training Program (E&T) in 1986, a program requiring that all able-bodied food stamp recipients be actively engaged in efforts to gain employment.

An ambitious program, E&T had several objectives. In the near term, it was designed to increase employment and earnings and decrease welfare dependency. Longer range, it was intended to increase recipients' employable skill levels and foster a sense of social responsibility and a desire for self-sufficiency.

Program Design

The E&T Program is broadly structured to provide services and incentives to encourage and assist Food Stamp recipients to search for a job or enroll in a training program to increase their job skills. It is a mandatory program and requires states to enroll large numbers of recipients and sanction those who do not comply by reducing their benefits.

The E&T process typically begins when a household applies for food stamp benefits. At this time, all mandatory recipients are referred to an employment and training unit and then screened for categorical exemptions. In FY1988, only about 3.7 million of the 28.2 million food stamp recipients were

initially classified as mandatory. The remaining 24.5 million were over 59, under 18, or primary caregivers for young children or disabled adults. Categorical exemptions (e.g., poor labor market conditions in the local area) eliminated another 1.2 million so a total of 2.5 million were potentially eligible for E&T. From this, another 1.3 million either were exempted for individual problems (e.g., transportation or childcare difficulties) or failed to appear for their initial meeting with a caseworker. Therefore, only 1.2 million food stamp recipients actually enrolled in the E&T program in FY1988.

States were required to encourage and facilitate the efforts of food stamp recipients to obtain regular employment. Under FNS regulations, four types of E&T services were allowed:

- *Job Search* - This is a relatively low-cost, short-term intervention aimed at the majority of mandatory participants and intended to shorten the time needed to find employment. Participants are usually required to make a specified number of job contacts in a given time period (typically 24 contacts in eight weeks) and report these to the local food stamp agency.
- *Job Search Training* - This is another relatively low-cost, short-term intervention that requires participants to learn successful job-hunting techniques.
- *Workfare and Work Experience* - These are relatively long-term but low-cost interventions. In workfare, participants work off their food stamp benefits at a predetermined wage (usually the minimum wage) at a public sector worksite. Work experience typically involves paid employment (often at a public sector worksite) for a fixed period of time and is intended to help participants develop both generic and specific work skills.
- *Education and Vocational Skills Training* - These are long-term and relatively expensive services designed to overcome greater barriers to employment. States were allowed to offer such services only if the activities directly enhanced employment potential.

Because of limited funds and the need to meet statewide performance standards, program managers had to decide which of the allowable services to provide, and who among the mandatory participants should receive which types of services. States could also provide more intensive services to those needing additional remediation by forging linkages with other service delivery systems - i.e., programs funded under JTPA, the Carl Perkins Vocational Education Act, adult basic education programs, and State Employment Service Agency programs.

Mandatory E&T participants comprise a somewhat unusual group of public assistance recipients. Approximately half are under the age of 30, predominately male and never married. Over half reside in single-person households and only a quarter have children. Furthermore, half have not completed high school and one-fifth have no previous work experience.

The nature of the E&T exemptions makes this profile far from typical of the adult food stamp population. Not only are those unable to work excluded (e.g., the elderly and single parents of young children), but also those covered by other work and welfare programs. In particular, AFDC recipients are almost entirely absent from this group.

Findings Results from Abt's national evaluation clearly indicate that the E&T Program, at least in its early stages, failed to meet any of its objectives. In the short-term, it had no effect on participants' employment and earnings, and only a small effect on average food stamp benefits. Consequently, the taxpayer costs to administer the program were not offset by either reduced welfare expenditures or increased income taxes from employed recipients.

E&T also failed to achieve long-term goals. It did not add significantly to employable skill levels, and it did not enforce the types of requirements needed to alter participants' behavior patterns. Beyond imposing an obligation to comply with certain requirements, the program failed to provide any service to about half of those determined eligible. Further, the assistance received by those actually served consisted primarily of a low-intensity period of individual job search.

On the basis of these findings, FNS proposed changes to the E&T Program, including more stringent performance standards to ensure compliance and greatly reduced mandatory participation rates in order to spread the available funds less thinly over eligible participants. Also, the Office of Technology Assessment has suggested making the program voluntary and/or merging it with JTPA.

Only time will tell if these or other changes will alter the evaluation results.

For more information, contact Michael Puma at 301/913-0530.

Reports

*Evaluation of the Food Stamp Employment and Training Program
(2 volumes) - 1990*



.....



Can Public-Sector Employment Help AFDC Recipients Make the Transition to Self-Sufficiency?

Findings from the AFDC Homemaker-Home Health Aide demonstrations sponsored by the U.S. Department of Health and Human Services Health Care Financing Administration (HHS/HCFA) are creating a renewed interest in this once-discarded approach.

Background In the 1970s, transitional or even permanent employment in the public sector was viewed as an appropriate response to the problems of disadvantaged workers and their families. Interest declined in the 80s, however. Because of overall cost concerns, widespread allegations of mismanagement and abuse in the largest program (the federal Comprehensive Employment and Training Act) and reduced government intervention in the labor market, the approach was virtually discarded, at least at the national level. Now in the 1990s, increasing welfare caseloads and a growing emphasis on workforce quality are generating a renewed interest in public-sector employment as a transitional step toward long-term self-sufficiency.

Program Design

As the evaluator for the AFDC Homemaker-Home Health Aide Demonstrations, Abt Associates analyzed the approach.

Sponsored by the U.S. Department of Health and Human Services Health Care Financing Administration (HHS/HCFA), seven states implemented multi-site field experiments to train and employ AFDC recipients as homemakers and home health aides. The seven states, which included Arkansas, Kentucky, New Jersey, New York, Ohio, South Carolina and Texas, expected that this experience would lead to long-term employment gains and welfare benefit reductions.

Nearly 10,000 AFDC recipients volunteered for the program between 1983 and 1986, and half were

randomly selected to participate. The remainder served as a control group and provided a benchmark against which to measure the program's effects.

Provided by schools and existing government agencies, training consisted of four to eight weeks of classroom work followed by practicum experience in nursing homes and home health agencies. This was followed by up to a year of subsidized employment with established home care agencies, primarily within the public sector. All training and subsidized employment costs, including wages, were funded by the demonstration at an average cost of \$12,000/participant.

Findings The demonstrations produced positive net benefits. Abt found that in six states, participants increased their earnings and economic well-being for up to 18 months beyond the subsidized employment period and reduced their welfare dependency. (The earnings gains continued throughout an extended five-year follow-up period.) Moreover, Abt estimates that in three of the six states, the reduced welfare payments and increased tax collections were large enough to outweigh the taxpayer costs incurred.

These findings support the idea of offering intensive training and employment assistance to interested welfare beneficiaries, much like the WIN demonstrations of the early 80s supported the use of less intensive welfare-to-work programs. If administered effectively and limited to those who are truly motivated, public sector employment and training programs can indeed move participants toward self-sufficiency.

For details, contact Stephen Bell at 301/913-0540.

Reports

The AFDC Homemaker-Home Health Aide Demonstrations:

Overview of Evaluation Results – 1987

Trainee Employment and Earnings – 1987

Trainee Public Program Benefits – 1986

For a succinct summary of these findings, see "Is Subsidized Employment Cost-Effective for Welfare Recipients: Experimental Evidence from Seven State Demonstrations," forthcoming in *The Journal of Human Resources*.

Will AFDC Clients Increase their Earnings and Reduce their Welfare Dependence if Required to Work or Participate in Education and Training?

.....

Evaluations of two Ohio demonstrations will contribute timely information to the debate regarding the effectiveness of mandatory and voluntary work programs.

Background The AFDC Program has often been criticized for implicitly discouraging clients from becoming economically self-sufficient, and until the Family Support Act (FSA) was passed in 1988, there was little attempt to enhance the employability of recipients. However, the Job Opportunities and Basic Skills (JOBS) Program, which was created by the FSA, initiated a fundamental change by requiring that able-bodied AFDC recipients either work or receive education and training in exchange for their grants. FSA also provides childcare and other supportive services to facilitate transitions to self-sufficiency.

Early findings on the effectiveness of JOBS have important implications for both the future of JOBS and the potential to transform AFDC into a transitional assistance program.

Program Design

Between January 1989 and December 1992, Ohio's Department of Human Services operated two demonstrations aimed at fostering self-sufficiency among AFDC clients.

One demonstration tested the effectiveness of a mandatory program requiring all able-bodied AFDC clients to participate in skills assessment and work programs. Clients subject to the participation requirements were single-parent households without young children and two-parent households. Fifteen of Ohio's 88 counties participated in this mandatory demonstration.

The second demonstration was called Work Choice. It applied to single parents on AFDC whose youngest child was between the ages of one and five, and it tested the effectiveness of a policy in which skills assessments were required but work program participation was voluntary. It also tested the provision of a 12-month cushion of extended benefits to clients leaving welfare for a job. Work Choice operated for 15 months in a single large urban county.

Findings

In collaboration with Ohio State University, Abt Associates has studied the implementation, impacts, costs and benefits of these demonstrations.

The implementation research found that despite a lengthy start-up delay in structuring work programs and processing existing case backlogs, all counties achieved stable operations. Intake and work program operations remained separate in most of the counties. (Some states are trying a comprehensive case management approach.)

The Ohio JOBS program stresses the use of a formal assessment process that indicates client employment and training needs and preferences before determining work program assignments. As a result, a large proportion of assignments are to basic education programs. Although the program has achieved reasonably high assignment rates, process study findings indicate that substantial improvements in monitoring and follow-up are required.

The 18-month impact analysis, which is the only one completed at this time, found that clients in the treatment group (who were subject to JOBS) had lower levels of AFDC receipt and smaller average grants than those in the control group (who were neither required nor allowed to participate). Overall, the impacts implied a four percent reduction in direct AFDC grant expenditures. However, no statistically significant impacts on overall welfare dependence were found in the Work Choice demonstration.

The final impact analysis, which will cover the entire 48-month period of the first JOBS demonstration, will examine clients' earnings as well as welfare dependency. Other analyses will focus on how JOBS affects a range of quality-of-life indicators, including measures for job quality, self-esteem and family structure.

For more information, call David Fein at 301/913-0548.

Reports

Interim Report on Impacts on Clients' Life Quality - Spring 1993

Final Report on Impacts on Clients' Life Quality - Fall 1993

Final Impact and Cost-Benefit Report - Fall 1993

Final Project Report - Spring 1994

Can a "Social Contract" Encourage Recipients to Engage in Positive Behavior while Receiving Aid?

.....

A comprehensive welfare reform program being implemented in Michigan is attempting to change the current welfare culture by asking recipients to perform activities that are socially or personally beneficial.

Background Critics contend that the current welfare system actually supports nonemployment and social isolation because it demands and expects too little from recipients in terms of positive activity. (The JOBS Program is intended to enforce mandatory participation in employment and training services among a meaningful portion of the client population, but the vast majority of welfare recipients never receive these services.)

Program Design

As described earlier, the "To Strengthen Michigan Families" (TSMF) Program being implemented by the Michigan Department of Social Services represents a comprehensive approach to welfare reform. Besides changing the structure for earnings incentives, the program is also attempting to create a "social contract" of mutual obligation between recipients and society. TSMF asks all adult AFDC applicants and recipients to sign an agreement to

participate for at least 20 hours a week in an activity intended to "increase community involvement, promote self-esteem, and enhance opportunities to become independent." Activities may include work-related education and training, volunteer work, parenting and life skills training, or something else agreed upon by the recipient and the Department of Social Services.

Research

Abt Associates was contracted in May 1993 to assess the impact of TSMF's Social Contract provision. The five-year evaluation will be based on an experimental design being implemented in four local welfare offices, all representative of the State's AFDC caseload. To focus on the potential impact of the Social Contract, the evaluation will measure the TSMF's impact on recipients' involvement in education and employment training programs, self-improvement classes and community service, as well as on their welfare dependency and employment. Data on these activities will be collected through a survey administered to a sample of treatment and control group members in 1996.

Annual reports are due each spring from 1994 to 1998, and a final report is due in 1998. Early reports will contain data on the treatment group's involvement in positive activities, and later reports will include comparable information about the control group as well.

For more information, call Alan Werner at 617/349-2832.

Can Co-Location of Services and Intensive Case Management Help Severely Disadvantaged Welfare Recipients Become Self-Supporting?

After first testing this concept in 15 sites, the Commonwealth of Pennsylvania expanded it statewide and adopted it as the official JOBS program.

Background Initiated under the 1988 Family Support Act, the Job Opportunities and Basic Skills (JOBS) Program is the primary vehicle for assisting AFDC recipients to become self-supporting. To achieve this goal, JOBS has increased the emphasis on education, training, and employment services.

JOBS also encourages administrative and programmatic interventions — targeting services to severely disadvantaged assistance recipients; coordinating education, training and employment programs; and utilizing an intensive case management approach for participant caseloads. But while these interventions have been credited with increasing participants' access to a wider array of services, they involve significant change in agency staff behavior and can be very labor intensive.

Many questions arise — Can administrative improvements like these be successfully implemented under JOBS? Can our vast array of human service agencies be coordinated to work collaboratively? Can case management be introduced and used effectively without major new investments in agency staff resources? And most important, can administrative interventions really improve participant access to service?

Program Design

The Commonwealth of Pennsylvania's Single Point of Contact, SPOC, provided an early test for these propositions. SPOC tested the feasibility of a unified intake system whereby income maintenance, education, and employment and training agency staffs were co-located in the same welfare office. It also incorporated intensive case management techniques, attempting to maintain reasonable caseloads but requiring at least monthly contact between case managers and participants.

SPOC targeted the more disadvantaged AFDC recipients who had multiple barriers to employment and offered them basic literacy and education, skills training, placement assistance and transitional medical and childcare assistance.

Testing began in 1988-1989 in 15 locations and the program was eventually implemented throughout the state.

.....

Findings Abt's evaluation of the SPOC demonstration found that both unified intake and co-location were effectively implemented without any major interagency conflicts.

Local interagency task forces, with representatives from all agencies, proved to be an effective vehicle for confronting operational issues as they emerged. Significant authority for program design and operations was delegated to the site level, so local agency participants were forced to work out their differences. In addition, the program provided extensive technical resources — a full-time staff of nine was assigned to assist in problem-solving and specialists were contracted to provide in-service training or help as needed.

The co-location of staff from key education and employment agencies also helped to leverage existing resources. While most sites relied heavily on their existing JTPA vendors for skills training and placement services, these were carefully tailored to meet the needs of the more disadvantaged SPOC clients.

Basic education and literacy was the only area where existing resources proved inadequate, and the demonstration staff made a significant investment in the development of new remedial education initiatives that were more appropriate for the clients involved.

.....

The SPOC staff was also able to implement the case management model, though they were not always able to limit caseloads to the guidelines established. Precluded from adding new staff positions, many sites adopted an approach that leveraged case management services from education and employment vendors or split responsibilities between welfare and JTPA staffs. These methods enabled them to maintain participant contact even though individual counselor caseloads may have been larger than desired.

The Abt evaluation suggests that these administrative interventions, in fact, facilitated participant access to services. For example, 65 percent of SPOC participants received an education, training, work experience, or job search service, with the most prevalent services being skills training and remedial education, and 70 percent received childcare or transportation assistance. In addition, 40 percent of those participants who terminated during the demonstration period entered employment, and 91 percent of these earned more than the minimum wage. Over 70 percent of these jobs were a direct result of program referrals and more than half were related to program training. More important, 60 percent were still working 10 months after program exit and most had experienced a wage increase during this period.

For more information on the success of this program, contact Meryl Finkel at 617/349-2380.

Reports

Final Report on the Single Point of Contact Program Evaluation - January 1990

.....



Can Intensive Case Management, Education and Employment Skills Training Be Effectively Combined to Reduce Welfare Dependence among Single AFDC Parents with Pre-School Children?

.....

New York State officials began funding nine pilot programs to test this concept in 1987. Preliminary findings support their expectations — comprehensive services do reduce dependency but the impact only begins to appear several years after enrollment.

Background Mandatory education and employment skills training has recently been the most common tool in the battle against welfare dependency, but single parents with pre-school children have generally been exempt. The Job Opportunities and Basic Skills Training (JOBS) Program extended the requirement for participation in education or employment programs, and all single AFDC parents with children three years of age or older must now enroll.

Program Design

IN 1987, the New York State Department of Social Services (SDSS) funded the Comprehensive Employment Opportunity Support Centers (CEOSC) Program to provide single AFDC parents with pre-school children with the comprehensive services needed to increase their employability. SDSS contracted with a variety of public and private not-for-profit providers and held them to specific goals for client participation and results. Within the constraints imposed by their performance-based contracts, CEOSC operators developed a variety of different ways to achieve their goals. Despite some variation in administration, most CEOSC programs shared the following features:

- Outreach and recruitment activities for participants;
- Individual needs assessments;
- Pre-employment, educational and skills training services;
- Access to support services such as childcare, transportation and counseling;
- Job search and job placement services;
- Follow-up or transitional services following job placement.



.....

Findings Evaluating the CEOSC Program, Abt Associates found that all nine CEOSC pilots had successfully implemented a comprehensive education, employment and training program. All had met their participation goals by the end of the first year.

The CEOSC project sites encountered a variety of start-up problems during the first year. For example, because they had all underestimated the remediation and support service needs of prospective participants, they had to both add remedial services and recalculate their expectations regarding the time needed to achieve economic independence.

A related problem was the high dropout rate and the casual attachment participants had to attendance and performance standards. CEOSC operators also discovered how critical the availability of childcare was to success and determined that developing onsite full-time or "drop-in" centers was the most effective way to provide this.

In general, Abt has found that while expansion of the CEOSC model is feasible, it implies a relatively sizable investment in remedial and support services to serve its clients effectively.

Abt is now preparing an impact evaluation of CEOSC that is expected for the late summer of 1993. Preliminary findings suggest some reduction in welfare dependency, occurring several years after program enrollment.

For more information, contact Alan Werner at 617/349-2832.

Reports

.....

Evaluation of the Implementation of the New York State Comprehensive Employment Opportunity Support Centers:

Volume I: Synthesis of Findings – June 1988

Volume II: Case Studies – June 1988

Impact Evaluation – Summer 1993



Can a Private Organization Deliver Education and Employment and Training Services to AFDC Recipients More Cost-Effectively than a Public Agency?

.....

To test this possibility, the Illinois Department of Public Aid (IDPA) embarked upon an ambitious welfare reform effort in 1988. So far, the results indicate that neither approach has a clear advantage.

Background Many observers believe that a community-based organization can more effectively deliver assistance programs because it can reach out to population groups unlikely to enroll in traditional education and training programs. Because such organizations are often staffed by individuals from the same or similar communities, clients may be more responsive. And while community organizations generally have fewer resources than the large bureaucracy, the rapport they can develop with clients may compensate.

Program Design

The five-year demonstration is designed to compare two alternative delivery modes for employment and training services. The first delivery mechanism is the state bureaucracy and its network of regional and district welfare offices. The other is Bethel New Life, Inc., a community-based organization located in a particularly distressed Chicago neighborhood.

The demonstration serves 1000 AFDC recipients. All volunteers, these recipients were randomly assigned to two groups of 500 - one group to receive education and training and employment ser-

vices from the Bethel Self-Sufficiency Program (BSSP) and the other to receive similar services from IDPA.

The community-based segment of the demonstration encompasses an additional dimension - a housing supplementation project through which 50 employed participants become homeowners of newly constructed homes by contributing 750 hours of labor on the house as their portion of the down-payment. The home ownership incentive is intended as additional inducement to continued participation.

.....

Findings Analysis of the first two years indicates that participation in education and training programs is higher in the community-based program. In addition, 60 percent of community participants are enrolled in literacy and remedial education programs (as compared to 39 percent of IDPA clients) and the provision of these more basic services appears to correspond with the successful E&T efforts.

However, the early differences in earnings, benefit receipt and employment tend to be small and inconsistent. After two years of operation, the demonstration's effect on both groups is the same. Rates of welfare receipt are virtually identical, and there is no evidence that increasing exposure to demonstration services is associated with any change in the relative rate of AFDC receipt. Differences in employment rates and average earnings between the two groups are small and not statistically significant.

A cost-benefit analysis discovered that cost and benefit differences between the two groups were relatively minor and statistically insignificant. Total government expenses for the two groups are about equal.

The baseline report is currently available. A first interim report is expected to be released during the summer of 1993, and a second interim report is being prepared. A final report will be issued at the end of the 5-year period in 1995.

For more information, contact Bonnie Randall at 617/349-2827.

Reports

Community Group Participation and Housing Supplementation Demonstration:

The First Eighteen Months – 1992

Interim Report – 1993

Do AFDC Recipients Looking for Jobs Derive More Benefit from Transitional Employment or Classroom Vocational Training and Who Should Provide these Services?

In a four-year demonstration, the state of Connecticut tested four approaches to on-the-job training and one classroom training program. Some were delivered by public agencies and some by private contractors, and all five yielded positive results.

Background In 1985, Connecticut established an interagency welfare reform demonstration called The Job Connection. The purpose was two-fold: to create a uniform, comprehensive system to provide needs assessment, education, vocational training, job search assistance and support services for AFDC recipients, and to develop and test innovative employment and training programs. Over the next four years, The Job Connection tested a number of model employment programs and explored different approaches to service delivery. In 1989, The Job Connection became the organizational structure responsible for administering Connecticut's JOBS program, and it continued virtually all the model programs tested during the previous four years.

Program Design

The Job Connection funded five demonstration programs — four providing on-the-job (OJT) training and one providing classroom training.

The on-the-job training programs represented a series of progressively more intensive services. One tested OJT services only - job development, individual assessment and referral to OJT positions with private employers. Another added a two-week series of workshops to prepare participants for the adjustment to employment. A third provided enhanced OJT services, essentially by expanding the series of pre-placement workshops to include a broader range of topics and by extending the duration to between six and eight weeks. This program

also provided intensive support services for participants throughout their OJT placements.

These three programs were offered through the JTPA system. The fourth program, which also offered enhanced OJT services, was operated by a private, for-profit company.

The fifth program, the Entrepreneurial Training program, provided six months of classroom instruction in business management skills to prepare participants to operate their own small businesses. It also offered continuing counseling and technical assistance after graduation and access to small business development loans up to \$7000.

Findings

Abt's evaluation of The Job Connection included a process analysis, an assessment of program operations, an analysis of participant outcomes after six and twelve months, an evaluation of employer satisfaction, and an assessment of program costs.

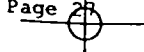
All of the programs experienced difficulty in sustaining an adequate flow of participants throughout. Recruitment and retention problems were substantially alleviated, however, through the development of more intensive and responsive case management. The Entrepreneurial Training Program was the most effective in identifying problems and then modifying program design and management practices to resolve them.

Despite the recruitment difficulties, all of the programs succeeded in placing substantial numbers of AFDC recipients in jobs. Most of those placed were still employed a year later.

In the basic OJT model program, 84 participants were placed in OJT positions over the three years of the evaluation, and 64 percent completed their placements and were retained as regular employees. One year later, 83 percent of these individuals were working regularly, at an average wage of \$6.76/hour.

In the basic OJT plus workshop program, 137 participants were placed in OJT positions over the three years of the evaluation, and 65 percent completed their placement and were retained as regular employees. One year later, 79 percent were working regularly, at an average wage of \$6.81/hour.

The enhanced OJT program operated through the JTPA system placed 396 participants in OJT positions over a three-year period, and 59 percent completed their placements and were retained as regular employees. One year later, 64 percent were working regularly, at an average wage of \$6.93/hour.



.....

The enhanced OJT program operated by a private firm placed 1273 participants in OJT positions over four and a half years, and 46 percent of these completed their placements and were retained as regular employees. One year later, 64 percent were working regularly, at an average wage of \$6.93/hour.

Overall, the OJT programs secured a broad range of employer satisfaction. (This was not measured for the Entrepreneurial Training Program.) While a core group of employers accounted for almost half of all placements, the programs placed 1885 participants with a total of 466 employers. Whether or not they retained participants as regular employees, employers expressed a high level of satisfaction with the participants and with the quality of support services provided. Overall, 82 percent of respondents to an Abt survey reported being satisfied or highly satisfied and 65 percent said they would continue accepting placements from the program.

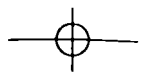
The Entrepreneurial Training Program enrolled participants for three nine-month class cycles. There were a total of 68 participants overall and 71 percent completed the program. One year after graduation, 44 percent had started their own businesses, 35 percent were otherwise employed, and eight percent were in school or training.

For more information, call Joe Frees at 617/349-2369.

Reports

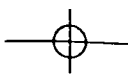
Final Report on the Evaluation of the America Works Demonstration – March 1991

Final Report on the Evaluation of the Model Employment and Training Programs – March 1991





.....



Can Expanded Rehabilitation and Employment Services for Americans with Disabilities Increase their Labor Force Participation and Reduce their Need for Income Support?

.....

In response to both escalating costs and a growing awareness of the special needs of this large segment of the population, the federal government has recently initiated multiple demonstration projects to test this concept.

Background People who leave the labor force because of disabilities, or who never enter it at all, rarely work regularly again later in life. Though many would like to work, most continue to depend on disability payments from the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs for a major share of their income. The economic and personal costs of this withdrawal from the labor force are substantial and, as indicated by the increasing number of new disability claims filed each year, they are growing rapidly.

Since passage of the Americans with Disabilities Act, employment opportunity for these citizens has become a national priority - yet little is known about how to accomplish real fundamental change. Currently, disability employment policy focuses on state vocational rehabilitation programs but these do not serve most SSDI or SSI beneficiaries, particularly not those with the most severe disabilities.

Program Design

In response to this situation, the U.S. Social Security Administration, in conjunction with the Office of the Assistant Secretary for Policy and Evaluation at the U.S. Department of Health and Human Services, has initiated a set of demonstrations to test the use of more extensive rehabilitation and employment services.

Known as Project NetWork, the demonstrations use a case management or "brokering" approach to service delivery. They also provide participants with enhanced work incentives to determine whether SSDI inhibits sustained employment by terminating benefits when earnings regularly exceed \$500 per month. Project NetWork will test four different service delivery models, each in two sites. Three models provide sustained case management services as long as they are needed. These

services — which include counseling, goal-setting, procurement of rehabilitation training and support services, job placement, and ongoing monitoring — will be provided either by Social Security field office staff, private rehabilitation agencies under contract to Social Security, or state vocational rehabilitation agencies. The fourth model will use Social Security staff to refer clients to existing agencies for case management assistance.

Testing multiple delivery models will allow a thorough exploration of alternative institutional arrangements for case management delivery and a complete analysis of the overall efficacy of the approach. In attempting to determine whether more aggressive employment assistance is warranted at the state and/or national level, both are critical questions.

Research Abt Associates began a five-year evaluation of Project NetWork in 1992, and is using a random assignment design to measure project effects and compare them with project costs. Anticipated results in the participant population include increased employment and earnings, reduced reliance on disability and other income support programs, improved health and functional ability, and increased self-esteem.

For more information, contact Stephen Bell at 301/913-0540.

Reports

Determinants of Participation in Return-to-Work Programs among SSDI and SSI Beneficiaries— January 1996

Project NetWork Impacts, Benefits and Costs— November 1997

Will a Financial Incentive Induce AFDC Recipients to Obtain More Child Support Orders?

.....

In a New York State demonstration, results are positive.

Background In recent years numerous studies have found that the high incidence of poverty in single-parent families is exacerbated by the failure of absent parents to accept financial responsibility for their children. One response has been to require single parents applying for AFDC to cooperate with the Child Support Enforcement (CSE) program. Despite this requirement, however, many single parents receiving AFDC either do not have any support orders or have them for only some of their children.

Some people believe that AFDC applicants could do more to help get support orders. Right now, they can meet the requirement to cooperate without actually supplying any useful information and there's no real incentive for them to do more. Recipients do get bonus payments amounting to the first \$50 of each payment collected from the absent parent, but they may not believe that collections are likely. As a result, many recipients may go without support orders that could provide at least part of the income necessary to make them self-sufficient.

Program Design

New York's Child Assistance Program offers a significant incentive to obtain support orders. As described earlier, CAP allows participants to keep a larger percentage of their earnings. The CAP grant, however, is based on the number of children in the family who are covered by child support orders. An order must exist for at least one child for the family

to be eligible at all, and the total amount of the family's CAP grant depends on the number of children covered by orders. People who want to take advantage of CAP's benefits, therefore, have a strong incentive to obtain support orders for all their children.

.....

Findings Evaluation results show that the CAP incentive did generate additional orders. Among families that did not already have support orders for all their children, there were 25 percent more that obtained complete orders from the treatment group than from the control group. However, the new orders did not result entirely from the AFDC clients feeling additional motivation. Much of the impact seems to have stemmed from CAP procedures that add resources and place extra pressure on the support enforcement system. For example, the county that hired a child support specialist as part of its CAP staff was the only one showing a statistically significant impact on support orders.

For additional information, please call Chris Hamilton at 617/349-2790.

Reports

The New York Child Assistance Program:

Interim Report on Program Impacts – June 1992

Final Report – Summer 1994

Can Child Support Payments Be Increased in Food Stamp Households by Encouraging or Requiring these Households to Participate in the Child Support Enforcement Program?

With more attention being focused on the critical role that child support enforcement requirements play in income security programs, there is increasing interest in applying these requirements to the food stamp population.

Background No longer a secondary concern of income security policies, the whole issue of child support enforcement now occupies center stage. With recent research documenting the role of both out-of-wedlock birth and marital break-up as primary determinants of poverty, national attention has focused on the responsibility of absent parents (primarily absent fathers) to support their children and keep their families out of welfare dependency.

Since the advent of the federal Child Support Enforcement (CSE) Program in 1975, custodial parents receiving AFDC must cooperate with state efforts to obtain child support. Although similar provisions now also apply to Medicaid, no requirements exist for food stamp recipients. Substantial numbers of non-AFDC food stamp households have children of absent parents without any established child support arrangement. Child support payments for these families would raise their incomes, possibly lift them out of poverty, reduce or even eliminate their need for food stamps, and help contain food stamp expenditures.

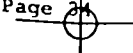
Program Design

As the federal agency responsible for the Food Stamp Program, the Food and Nutrition Service is currently considering several ways of promoting CSE participation among non-AFDC food stamp households. Some options focus on increasing voluntary participation by providing prospective clients with better information and by encouraging caseworkers to make CSE referrals. A mandatory provision similar to that used by AFDC and Medicaid is also being reviewed whereby a custodial parent would need to participate in CSE as a condition of food stamp eligibility.

To assess these various options for FNS, Abt Associates is currently conducting a survey of randomly chosen food stamp recipients from ten local sites — two food stamp offices each in Alabama,

Florida, New Jersey, Oklahoma, and Texas. Together with data abstracted from the case files of CSE participants, this survey will provide information on current patterns of child support among food stamp households, reasons why non-AFDC food stamp custodial parents do not participate, and the potential response of this population to efforts aimed at increasing CSE participation.

To supplement this primary data collection effort, the study involves analyzing extant data on food stamp households and their child support arrangements. These data sources include the Current Population Survey and the Survey of Income and Program Participation as well as food stamp quality control data and the states' automated administrative files.



.....

Findings Abt's final report will assess the benefits and costs associated with different methods of encouraging or mandating CSE participation. For example:

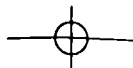
- What is the expected magnitude of child support payments that such households might receive?
- What will the administrative costs of these initiatives be to state and federal agencies?
- To what extent will new eligibility requirements discourage food stamp participation?

Besides analysis of the recipient survey and extant data, research findings will also reflect interviews with state and local program directors, case-workers and supervisors, and client advocates.

For more information, contact Greg Mills at 617/349-2823.

Reports

Final Report on the Potential for Increased Child Support Payments for Food Stamp Recipients – Spring 1994



Can Housing Assistance Be Effectively Combined with Other Support Services to Help Low-Income Families Gain Financial Independence?

.....

In a demonstration called Operation Bootstrap, the federal government has added housing assistance to the traditional mix of welfare services.

Background Responding to criticism that the traditional system stifled initiative and fostered long-term dependency, state and local government agencies experimented throughout the 1980s with a variety of welfare reform efforts. Using various incentives, they developed a range of programs specifically designed to encourage and motivate individuals and families to take advantage of various opportunities and become self-sufficient. On the federal level, programs like JTPA and JOBS offered a combination of education, job training, and employment assistance — even ancillary services like childcare and transportation.

None of these programs, however, has included housing assistance among its standard services. In fact, housing assistance has traditionally been operated as a separate program outside the core welfare system. The Operation Bootstrap demonstration adds federal housing assistance to the service mix.

Program Design

Operation Bootstrap is the second in a series of three Department of Housing and Urban Development (HUD) demonstration programs that combines Section 8 rental assistance with other support services in order to reduce dependency. Established in 1989, Operation Bootstrap essentially repeats the successful structure of its predecessor program, Project Self-Sufficiency. In this arrangement, HUD contributes a special allocation of Section 8 certificates but local Bootstrap projects are responsible for providing other services. These services must include some combination of education and job training as well as childcare assistance, transportation, and personal and career counseling. In addition, HUD requires that all program designs include four key components:

— A Coordinating Body to plan and implement the program with representation from both public and private sectors;

— The support and involvement of the mayor and other chief executive officers from the community;

— Private resources contributed by local business firms, civic organizations, community-based organizations, and other private organizations;

— Public resources contributed by local public agencies and institutions including JTPA, JOBS, Perkins Act vocational education schools and local government.

Within these requirements, local agencies are given considerable latitude to design programs that reflect the particular needs of their own communities.

Research In order to evaluate the results of Operation Bootstrap and effectively share the information with other communities, HUD has contracted Abt Associates to assess the program. The study will document Bootstrap's implementation in local communities, measure participants' progress toward economic independence, and identify effective program elements for modeling in other communities. The overall research plan consists of three interconnected studies: one on administration, one on participant outcomes, and one that provides 10 case studies on selected programs.

For additional information, call Joe Frees at 617/349-2368.

Reports

Documentation of the Results of Operation Bootstrap:

Program Administration Report – December 1992

Study of Participant Outcomes – August 1993

Case Studies of Selected Programs – August 1993

Can Onsite JOBS Services Affect the Quality of Life in Public Housing Developments and Help Residents Become Economically Self-Sufficient?

.....

In an innovative effort to re-build healthy public housing communities, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Health and Human Services have joined forces to create The Economic Empowerment Demonstration (EED) Program. Currently underway, this program tests different ways to integrate local welfare and housing resources in 14 community-level projects.

Background While originally intended to provide transitional assistance to the temporarily poor, public housing units are now filled almost exclusively with multiple generations of the long-term poor.

In its 1990 report to Congress, HUD reported that 90 percent of public housing households had incomes less than 50 percent of median, and over 60 percent had incomes less than 30 percent. Approximately half of all families with children had only one parent present, and there was an ever-increasing proportion of multi-generational residents.

Given their concentration of poverty and apparent isolation from economic opportunity, public housing communities are often highly dysfunctional and have become perfect breeding grounds for an endless cycle of drug abuse and violence.

Attempting to change this pattern, federal authorities have become increasingly committed to empowering low-income families to take control of their lives and participate in the American Dream of economic independence and home ownership. To this end, they are supporting several significant initiatives that rely on community resources for development and implementation. Four programs that are particularly relevant are aimed at modernizing and physically rehabilitating the housing stock itself, encouraging resident management and resident ownership, eliminating drugs and controlling crime, and providing for economic self-sufficiency.

.....

Program Design

The HUD/HHS Economic Empowerment Program combines national and local resources to provide onsite JOBS services to public housing residents. At the community level, it involves the Local Public Housing Authority (PHA), which has overall administrative responsibility for public and assisted housing, the residents of the public housing developments that are the target of demonstration activities, and the local welfare department, the agency responsible for administration of AFDC and the JOBS programs.

The real test in the EED demonstration is whether the local agencies can effectively develop and implement self-sufficien-

cy programs in selected housing developments. Participation preference is given to public housing developments where modernization efforts have been either planned or recently completed under HUD's Comprehensive Improvement Assistance Program (CIAP), and those selected must have a majority population of AFDC recipients.

Drawing primarily on resources available through the state's JOBS program, demonstration projects must provide comprehensive and coordinated programs of education, job training, employment assistance, and support service.

Findings

Abt Associates will document the accomplishments of selected EED projects and assist a joint HUD/HHS task force in assessing how effectively these projects have met their goals of moving participants toward economic self-sufficiency and homeownership.

A four-year study that began in 1992, the evaluation will examine implementation activities at each of the 14 sites, their immediate outcomes, and their effects on selected community indicators. Specifically, it will address four key questions:

1. Does EED increase resident participation in community affairs?
2. Does it increase cooperation and coordination between residents themselves and with other community members?
3. Can EED projects deliver comprehensive services sufficiently to at least potentially affect broad community-based measures?
4. Does EED result in positive change for both individual participants and the larger community?

For information, please call Joe Frees at 617/349-2369.

Reports

.....

Final Report - 1995

Can a Coordinated System of Comprehensive, Continuous Social and Educational Services Improve the School-Readiness of Children and the Economic Self-Sufficiency of their Parents?

.....

Numerous social and educational programs serve low-income children and their families, but their efforts are often brief and rarely coordinated. In 1989, the Department of Health and Human Services began testing for a better alternative.

Background The Comprehensive Child Development Program was authorized by the 1988 Hawkins-Stafford Elementary and Secondary School Improvement Amendment to earlier legislation. Intended to demonstrate the effectiveness of a comprehensive response to the multiple problems of low-income families, the program provides financial assistance on a multi-year basis to projects that:

- encourage intensive, comprehensive, integrated and continuous support services for infants and young children from low-income families;
- enhance children's physical, social, emotional, and intellectual development and provide support for their parents and other family members;
- target services on infants and young families who have incomes below the poverty line and who, because of environmental, health and other factors, require intensive and comprehensive support services to enhance their development.

Program Design

In 1989 and 1990, the Administration for Children, Youth, and Families (ACYF) in the U.S. Department of Health and Human Services (DHHS) allocated 5-year CCDP grants to 24 agencies across the country to provide and coordinate a broad range of services to low-income families.

Located throughout the country, the CCDP sites include universities, hospitals, public and non-profit organizations and school districts. Eighteen are in urban areas and six are in rural areas. Nine serve primarily white families, eight predominantly African-American, six primarily Hispanic and one serves an even ethnic mix. At least one project is situated in each of DHHS's ten regions.

While the CCDP projects include a variety of program models, each is required to meet certain criteria. According to the DHHS Program Announcement for CCDP, the projects must:

- Intervene as early as possible in children's lives;
- Involve the entire family;
- Provide comprehensive social services to address the intellectual, social-emotional, and physical needs of infants and young children in the household;

- Provide services to enhance the parents' ability to contribute to the overall development of their children and achieve economic and social self-sufficiency;

- Provide continuous services until children enter elementary school at the kindergarten or first grade level.

For young children, the mandatory core services include early childhood development programs; screening; immunization, health treatment and referral; early intervention programs for children with or at-risk for developmental delay problems; nutrition services; and childcare services that meet state licensing requirements.

For parents and other household members, CCDP services must include prenatal care; education in infant and child development, health care, nutrition, and parenting; referral to education, employment counseling, and vocational training as appropriate; and assistance in securing adequate income support, health care, nutritional assistance, and housing.

Research Initial findings are currently being prepared and a series of reports will follow.

For immediate information, contact Robert St. Pierre at 617/349-2793.

Can an Intensive Case Management Approach Help Head Start Families Become Self-Sufficient?

.....

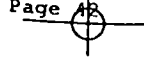
The Family Service Center demonstration projects are currently testing an intensive case management approach by linking adult Head Start family members with services for employment training, literacy and substance abuse prevention and treatment.

Background Head Start provides comprehensive services for education, health, parent involvement and social programs to children and parents from low-income families. Operating on the principle that a child's development is best addressed by a strong, nurturing family, the program has become increasingly aware of such complex and interrelated problems as poor literacy, substance abuse and unemployment. Not only do these problems limit the capacity of families to nurture children properly, but they also often prevent the families from becoming self-sufficient.

Program Design

To confront these issues, the Administration on Children, Youth and Families (ACYF) of the Department of Health and Human Services has provided 65 Head Start agencies with funds to implement Family Service Centers. All of these 3-year demonstration projects are designed to supplement the traditional Head Start approach and increase

the services available to all family members. By developing effective strategies for collaboration between Head Start and other community agencies, their goal is to implement a more intensive case management system for working with families than is possible within the regular Head Start program.



Findings

The FSC demonstrations are expected to result in innovative ways to:

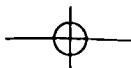
- Detect family problems and identify needs;
- Motivate family members to help themselves;
- Link families with appropriate community services; and
- Support families as they work toward solving their problems.

In its reports, Abt will describe the community collaborations, present key characteristics of the case management models used, and discuss the barriers faced by the projects in implementing the FSC model. In addition, the final report (due in 1996) will present the program's effect on the adults — on their literacy skills, their employment status, their substance abuse and their reliance on public assistance.

For more immediate information, call Janet Swartz at 617/349-2831.

Reports

First-Year Evaluation Results – Fall 1993
Summary Evaluation Report – January 1996



Can a Coordinated Approach to Family Literacy Improve a Child's School-Readiness and a Parent's Literacy and Parenting Skills?

In many states across America, a program called Even Start has enjoyed positive early results.

Background Family literacy programs are predicated on the emerging beliefs that children's early learning is greatly influenced by parents, that parents must develop and value their own literacy skills, and that parents are their children's first and best teachers. Whereas traditional literacy systems have focused on separate remediation programs for adults and prevention programs for children, one current emphasis is on designing programs that treat the family unit.

Program Design

Originally passed in 1965 and amended by the National Literacy Act of 1991, Even Start legislation was intended to:

"...improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program. The program shall be implemented through cooperative projects that build on existing community resources to create a new range of services." (P.L. 100-297, Sec.1051).

Even Start projects must provide participating families with an integrated program of early childhood education, adult basic skills training, and parenting education. The program is designed around the premise that these components build on one another and that families need all three in order to effect lasting change and improve children's school experience.

To be eligible for Even Start, a family must have an adult needing basic skills training and qualified for basic education programs, must have a child under eight years of age, and must live in a Chapter 1 elementary school attendance area.

The U.S. Department of Education began Even Start as a demonstration program that provides school districts with 4-year discretionary grants for family literacy projects. In 1989, 76 demonstration grants totaling \$14.5 million were awarded, and by 1991 the program had expanded to \$49.8 million and 230 projects. In 1992, when funding grew to \$70 million, it became a state-run program with 340 projects serving 20,000 families. Funding is expected to reach \$90 million in 1993.

Findings

Abt Associates prepares annual reports on the status and effectiveness of Even Start. Reports to date indicate that projects have been successfully implemented in many sites nationwide and that Even Start is designing and delivering appropriate services to the intended population. Some of the major findings from small scale random experiments include:

- Even Start has positive effects on children's school readiness (as large or larger than the effects observed in other programs, including Head Start) but not on children's vocabulary;
- Adults who participate are more likely to attain a GED than those who do not. Their functional literacy skills, however, do not seem greatly improved;
- The program increases the amount of literacy materials in participating households. For example, we see increased amounts of reading and play materials in the home;
- Even Start increases parents' expectations for their children's school performance.

For more specifics, contact Robert St. Pierre at 617/349-2793.

Reports

National Evaluation of the Even Start Family Literacy Program:

First Year Report – 1991

Status of Even Start Projects during the 1989-90 Program Year – 1991

Second Interim Report – 1993

Even Start (Prepared for U.S. Dept. of Education for inclusion in the National Assessment of Chapter 1) – May 1993

Two Generation Programs for Families in Poverty - Summer 1993

Can the AFDC and Food Stamp Programs Be Effectively Combined into a Single, More Efficient Income Security Program?

.....

The Alabama Department of Human Resources anticipates a "Yes" answer. Interim findings for the Alabama Self-Sufficiency through Employment and Training Services (ASSETS) Program indicate that streamlined service is a better idea.

Background Although the AFDC and Food Stamp Programs serve an overlapping population and have similar eligibility requirements, they have different rules and benefit delivery systems. Besides confusing clients, these differences often lead to parallel, partially redundant and inefficient administrative systems.

In 1991, Alabama initiated a single system demonstration to consolidate resources wherever possible.

Traditionally, the AFDC and the Food Stamp Programs in Alabama have been very different, beginning with administration. Households receiving only food stamps are served by a different administrative unit and workforce than households who receive only AFDC or AFDC in combination with another program. Income and resources are defined and treated differently for eligibility purposes, and the two programs also have individual reporting, child support enforcement, and employment and training requirements. Finally, AFDC provides cash benefits while the Food Stamp Program issues coupons that can only be used to purchase certain food items.

.....

Program Design

The ASSETS demonstration tests the assumption that consolidation of several elements within these two programs can reduce costs and streamline service. Some of its major innovations include:

- Income, resources and work-related expenses have been simplified and standardized across both programs.
- All benefits are provided in cash (by check).
- Existing AFDC requirements for child support enforcement and employment and training activities now apply to both programs.
- Using a new interactive eligibility system, the same worker determines eligibility for both programs.

Findings

In an interim evaluation of program implementation, Abt Associates discovered that while program consolidation occurred with only minimal disruption to client service, it required more time than initially anticipated. The program's design necessitated a complete restructuring of income support programs as well as associated services. Implementation required the introduction of new policies and procedures, new work organization, new job responsibilities, and new or expanded employment, training and support services.

In future reports, Abt Associates will present findings for the program's administrative cost savings and for its impact on welfare dependency, employment and earnings and child support activity and collections.

The final report is expected in the summer of 1994.

For details, call Alan Werner at 617/349-2832.

Reports

.....

The Effects of Food Stamp Cash-Out on Participants and Food Retailers in the Alabama ASSETS Demonstration - Spring 1993

Interim Implementation and Process Report - Spring 1993

Interim Impacts Report - Summer 1993

Final ASSETS Evaluation Report - Summer 1994

Are Electronic Benefit Transfer Systems More Cost-Effective and More Secure than Paper-Based Delivery Systems and Do They Improve Service?

The first Electronic Benefit Transfer (EBT) Systems replaced paper-based delivery systems on a test basis a decade ago. The systems have shown great promise in improving service delivery without increasing costs.

Background The Food Stamp Program issues benefits in the form of paper food stamp coupons. Cash assistance programs like AFDC and General Assistance issue benefits in check form. These paper-based delivery systems can be costly to administer, burdensome to clients, and prone to error and abuse. About 10 years ago, the Food and Nutrition Service began testing EBT systems and since then several programs have been converted to the automated approach in demonstrations.

Program Design

Food stamp demonstrations of EBT systems are currently operating in Berks County (Reading), Pennsylvania; Bernalillo County (Albuquerque), New Mexico; Ramsey County (St. Paul), Minnesota; and in the entire state of Maryland. All but the original and extended Reading demonstrations serve cash assistance programs like AFDC and are integrated with commercial point-of-sale credit or debit card operations.

All of them are "online" systems. Recipient benefit information is maintained in a central database and

recipients access it via an ATM-like card. Point-of-sale terminals at program-authorized food stores accept these cards and recipients pay for groceries or other items and get cash back. They can also use the cards to withdraw cash from bank ATMs. In each situation, the terminal or ATM contacts the central database to determine if sufficient funds are available. If they are, the recipient's account is debited and the store's or the bank's account is credited. All accounts are electronically settled at the end of the day.

Findings

Results from the Pennsylvania, Minnesota and New Mexico demonstrations are available. In these demonstrations, the EBT systems operated on a fully reliable basis and recipients, retailers and financial institutions all preferred them to the coupon systems they replaced. EBT saved time and operating expenses for all participant groups and incurred fewer instances of fraud.

The downside of the two Reading EBT demonstrations was cost--the less expensive system still cost three times as much to operate as the coupon system. The Minnesota and New Mexico demonstrations achieved cost-effectiveness by sharing costs with other programs and commercial operations and by operating on a larger scale.

For more information, please contact John Kirlin at 617/349-2816.

Reports

Abt prepared the following reports as part of its evaluation of the demonstrations in Reading, Pennsylvania.

Developing an Electronic Benefit Transfer System for the Food Stamp Program - 1985

The Impact of an Electronic Benefit Transfer System in the Food Stamp Program - 1987

The Feasibility of an Off-Line Electronic Benefit Transfer System for the Food Stamp Program - 1987

Implementing an Electronic Benefit Transfer System for the Food Stamp Program: Information for State Agencies - 1990

The Impacts of the State-Operated Electronic Benefit Transfer System in Reading, Pennsylvania - 1990

The Feasibility of a Nationwide Electronic Benefit Transfer System for the Food Stamp Program - 1990

These next reports are part of Abt's evaluation of the demonstrations in New Mexico and Minnesota. All are scheduled for 1993.

Guidelines for Preparation and Review of Online EBT System Design Plans

Guidelines for Preparation and Review of EBT System Acceptance Test Plans

The State-Initiated EBT Demonstrations: Their Design, Development and Implementation

The Impacts of the State-Initiated EBT Demonstrations

Abt's reports on its evaluation of the statewide Maryland demonstration will be available in 1994.

About Abt Associates

Founded in 1965, Abt Associates Inc. is an independent social science research and consulting firm that serves both public- and private-sector clients.

In the public sector, Abt conducts policy research and program evaluations for federal, state and local agencies as well as for international organizations and foreign governments. Research focuses on policies for child and family development, criminal justice, economic development, education, employment, environmental protection, health, housing, and welfare.

With a staff of more than 400 professionals, Abt is headquartered in Cambridge, Massachusetts and has offices in Bethesda, Maryland and Chicago, Illinois.

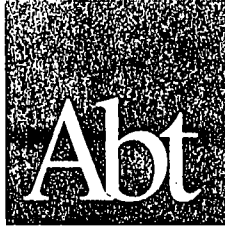


Abt Associates Inc.

55 Wheeler Street • Cambridge, Massachusetts • 02138-1168

4800 Montgomery Lane • Suite 600 • Bethesda, Maryland • 20814-5341

101 North Wacker Drive • Suite 400 • Chicago, Illinois • 60606-7301



Associates Inc.

Abt Associates Research Related to Welfare Reform

Briefing for the staff of the

Office of Income Security Policy

U.S. Department of Health and Human Services

July 7, 1993

**Intensive Employment and Training Services
for AFDC Recipients**

Study	Intervention	Population	Sample Size and Location	Results
National JTPA Study	Classroom training in vocational skills, OJT, job search assistance, basic education	Adult women on AFDC who voluntarily enrolled in JTPA	2106 cases, 67/33 random assignment in 16 Service Delivery Areas (SDAs)	Earnings gains over 30-month follow-up: \$995/yr (29 %) AFDC benefit reduction over 30-month follow-up: -\$250/yr (9 %)
Ohio Evaluation a: JOBS b: Work Choice	a. Skills and needs assessment, basic and post-secondary education and training, job search and job readiness, CWEP b. Mandatory assessment and voluntary work program: 12-month extended Medicaid	a. AFDC clients who are mandatory for JOBS b. AFDC single parents with children under 6	a. 35,000 AFDC clients, 90/10 random assignment in 15 counties b. 6,000 AFDC clients, 60/40 random assignment in one county	Impact results available in December 1993 for four-year follow-up period
AFDC Homemaker-Home Health Aide Demonstrations	4-6 weeks training, followed by up to 12 months subsidized employment as homemaker-home health aide	AFDC recipients who voluntarily applied to demonstrations	9,500 cases, 50/50 random assignment in 7 states	Earnings gain, 2nd post-demonstration year: \$1,449 (49 %) AFDC benefit reduction over 22-month follow-up period: -\$698/yr. (32 %)
Comprehensive Employment Opportunity Support Centers (CEOSC) Program	Intensive case management, education, and employment and training services, child care and transportation assistance	Volunteer single AFDC parents with at least one pre-school child	Approximately 560 cases, random assignment in one site; approximate 900 cases, quasi-experi. design in one site	Impact on AFDC receipt in experimental site, but only after about three years after program entry

MAKING WORK PAY

\$300 threshold.
 710% participation
 ⇒ saturation counties

Project	Intervention	Population	Sample size and location	Results
<i>Child Assistance Program (CAP)</i>	90% earnings disregard to poverty line, then 33 percent	Single-parent AFDC families	4,300 cases, 50/50 random assignment in 3 New York counties	27% impact on earnings over two years (1990)
<i>To Strengthen Michigan Families</i>	\$200 + 20% earnings disregard	All AFDC cases, plus additional 2-parent families	22,000 cases, 50/50 random assignment in 4 Michigan offices	First impact findings due in spring 1994

CHILD SUPPORT

Project	Intervention or Questions	Population	Sample size and location	Results
<i>Child Assistance Program (CAP)</i>	CAP grant based on number of children with support orders	Single-parent AFDC cases	4,300, 50/50 random assignment in 3 New York counties	25% impact on proportion obtaining complete orders.
<i>Avenues to Self Sufficiency through Employment and Training Services (ASSETS)</i>	Extends AFDC child support requirement to applicable food stamp cases	All food stamp and AFDC cases	30,000 cases in 6 Alabama counties (3 treatment and 3 comparison counties)	Process study shows growth in CSE caseload. Impact findings due in 1994.
<i>Potential for Child Support Requirement in Food Stamp Program</i>	How many potential cases? Why not currently in CSE system? What likely results and cost of requirement?	Non-AFDC food stamp cases with children of absent parent	Survey of 400 cases (10 local offices in 5 states); food stamp and CSE data for all NPA food stamp cases in 5 states; CPS and SIPP	Early figures suggest limited potential -- under 300,000 families nationwide.

ADMINISTRATIVE INNOVATIONS

Project	Administrative Intervention	Population/ Program	Location/ Sponsor	Results
<i>Electronic Benefits Transfer (EBT)</i>	Benefits transferred electronically and integrated with point-of-sale credit or debit card operations	Food stamp and AFDC recipients; CSE clients in Maryland	Berks County, PA (FS only); Bernalillo Co, NM; Ramsey Co, MN; Maryland (including CSE clients)	EBT system preferred by recipients, retailers and banks
<i>Alabama Avenue to Self-Sufficiency Through Employment and Training Services (ASSETS) Program</i>	AFDC and Food Stamp Program consolidated into single cash benefits program; case managers handle income assistance and employment and training services	Food stamp and AFDC households and families	Three Counties in Alabama	Food stamp cash-out preferred by recipients, but not by retailers; FS households spent less on food; integrated eligibility found feasible
<i>Pennsylvania Single Point of Contact (SPOC) Project</i>	Income maintenance, education and employment training agency staffs co-located in welfare office; intensive case management with monthly client contact	AFDC adults, targeting those with greatest skill deficits	First tested in 15 counties in PA; now statewide	Co-location and unified intake feasible; leveraging of existing resources for AFDC recipients; development of new services tailored to needs of AFDC clients
<i>Bethel Self-Sufficiency Project (Illinois)</i>	AFDC JOBS Program operated by local community-based organization	AFDC JOBS volunteers	CBO program operated by Bethel New Life, Inc. in distressed Chicago neighborhood	Participation in JOBS higher in CBO program than in state-run program; no impact on dependence or employment after two years



American Public Welfare Association
810 First St., N.E., Suite 500
Washington, DC 20002-4267

FAX TRANSMITTAL COVER SHEET
Faxline: 202/289-6555

TO: Mitchell McKinney
FROM: Rick Ferreira
RE: Welfare Demonstration Waivers
DATE: July 13, 1993

Number of pages including this one: 25

If you do not receive this entire document or have any other problems, call Kelly
at 202/682-0100.

Kathi
For your Files
Mitchell

SUMMARY OF 1992-93 APPROVED AFDC WAIVER ACTIONS

State, Site, Date Implemented	Benefits	Learnfare	Family Cap	JOBS	Immunization and Health Care	Transitional Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
CALIFORNIA (a) Statewide 12/92 (b) Pilot in L Angeles C 1/93	(a) Cut by 1.3% with waiver, 4.5% without waiver, for total of 5.8% since 10/92						(a) Extend 30 and 1/3 with no time limitations	(a) Waive 100-hour rule	(a) The 1.3% benefit cut is pending while awaiting a U.S. District Court decision on statutory grounds; a residency requirement was approved, but has been barred because a U.S. District Court ruled it unconstitutional. (b) Fingerprinting is required as a condition of AFDC eligibility; failure to comply results in ineligibility
GEORGIA (a) Pilot in Muscogee County 1/93					(a) Required for preschool children				(a) Sanctions for failure to comply result in denying the child's portion of the AFDC grant

SUMMARY OF 1992-93 AFDC WAIVER ACTIONS

Site, Date Implemented	Benefits	Learufare	Family Cap	JOBS	Immuniza- tion and Health Care	Transition- al Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
ILLIN (a) 1 waiver project, 5 in various sites 7/94				(a) Lower participation age from 16 to 14; serve noncustodial parents 18-35 who have a child receiving AFDC, are eligible for food stamps, agree to participate for 2 years, and have custodial parent's consent		(a) For AFDC homeless, increase TCC and TMA to 24 months	(a) For AFDC homeless, disregard income up to need standard and increase asset limit to \$3,000	(a) Waive 100-hour, work- history, unemploy- ment, and failure-to- accept-work rules	(a) For AFDC homeless, allow Emergency Assistance for up to 6 months in a 12 month period. Allow two-months of prospective budgeting, with retrospective budgeting thereafter (implemented statewide)
IL (a) Statewide 7/92	(a) Increase by 6.3%	(a) \$25 sanction if children attend less than 80% of classes (good cause exemption)			(a) Increase benefits by \$14 for those receiving prenatal care and by \$20 for health check-ups; families are sanctioned \$25 per child for not adhering to EPSDT schedule				

SUMMARY OF 1992-93 AFDC WAIVER ACTIONS

State, Site, Date Implemented	Benefits	Learnfare	Family Cap	JOBS	Immunization and Health Care	Transitional Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
MICHIGAN (a) Statewide 10/92				(a) Serve noncustodial parents; allow equal access for mandatory & voluntary clients; allow job search before assessment for more than 3 weeks			(a) Continuous disregard of \$200 plus 20% of remaining earnings; exclude children's earnings	(a) Waive 100-hour, work-history, and unemployment rules	
MINNESOTA (a) Pilot for teens in 1 school 6/93							(a) For participating teens, disregard and exclude their income from 185% need standard test; allow 30 and 1/3 disregard		
MISSOURI (a) Pilot in Kansas City 1/93				(a) Voluntary work supplementation for up to 48 months			(a) Increase asset limit to \$10,000; disregard 30 and 1/3 for 48 months; disregard child support paid to family that exceeds grant amount	(a) Waive 100-hour rule	

SUMMARY OF 1992-93 AFDC WAIVER ACTIONS

State, Site, Date Implemented	Benefits	Learnfare	Family Cap	JOBS	Immunization and Health Care	Transitional Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
NEW JERSEY (a) Statewide 10/92			(a) No increase in benefits for additional children born 10 months after applying for AFDC	(a) Require AFDC recipients employed 30+ hours per week to participate in JOBS, if appropriate		(a) 24 months of TMA	(a) Increase disregards for those under age 25, families who have additional children, and JOBS participants who are day care workers	(a) Married families with incomes under 150% of poverty where the man is not the father of the children are eligible to receive benefits	(a) Require all AFDC recipients with a child under age 2 to participate in counseling and vocational assessment (clients with a child over age 2 must participate in JOBS)
ION (a) Statewide 7/93				(a) Allow unrestricted job search; require minor custodial parents under age 16 to participate in basic education; allow full-time (20+ hours) participation in JOBS for parents with children age 1 to 6; serve pregnant women without children who are in OR's Poverty Level Medical program but not AFDC clients					(a) Mandatory JOBS participants may be required to participate in mental health and substance abuse diagnostic, counseling, and treatment programs

SUMMARY OF 1992-93 AFDC WAIVER ACTIONS

State, Site, Date Implemented	Benefits	Learnfare	Family Cap	JOBS	Immunization and Health Care	Transitional Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
UTAH (a) Statewide 3/93				(a) All AFDC parents and children 16+ must participate in JOBS or demo activities; serve noncustodial parents			(a) \$100 and 45% of gross earnings minus the disregard; increase resource limit to \$2000		(a) Demo activities may include family counseling, drug and alcohol treatment, and parenting classes; sanction of \$100 for failure to participate in demo; \$40 per month incentive for those with a high level of participation in demo or with earnings of \$500 per month
VT MONT (a) Statewide 7/94 for majority of components; 7/93 for sec applying to pregnant parenting minors				(a) Allow unrestricted job search; require parents with temporary disabilities to participate in JOBS training or rehabilitation; require parents in the 2nd and 3rd trimesters of pregnancy to participate in JOBS; require all teen parents to attend school or an alternative education or training activity		(a) 36 months of TMA up to 185% poverty level	(a) Exclude parental income for teen parents; disregard JTPA stipends; allow unlimited vehicle disregard	(a) Waive 100-hour, work-history, and unemployment rules	(a) The demonstration project time limits welfare: it requires those without jobs to participate in a subsidized community service job after 30 months on AFDC for single parent families and after 15 months for AFDC-UP recipients

SUMMARY OF 1992-93 AFDC WAIVER ACTIONS

State, Site, Date Implemented	Benefits	Learnfare	Family Cap	JOBS	Immuniza- tion and Health Care	Transition- al Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
VIRGINIA a) Demo in 3 middle schools 9/92	(a) 100% state standard of need								(a) Establishes teams of school personnel to work with families to meet determined goals; families failing to meet attendance, achievement or parental involvement goals get counseling; if family fails to respond, sanctions on benefits will begin, starting at 90% of state level of need

SI ARY OF 1992-93 AFDC WAIVER ACTIONS

State, Site, Implemented	Benefits	Learnfare	Family Cap	JOBS	Immunization and Health Care	Transitional Child Care (TCC) and Medicaid (TMA)	Earnings Rules	AFDC-UP Rules	Additional Information
WISCONSIN (a) Pilot in 6 counties 7/93 (b) Pilot in 3 to 6 counties 7/94 (c) Statewide 7/94 Statewide 7/94	(b) Two-tiered benefits based on residency		(a) Second child born qualifies family for 1/2 of grant increase; no grant increase for third or additional children	(a) First-time parents under 20, their spouses, and noncustodial parents are required to participate in JOBS			(a) Disregard of \$200 and 1/2 additional earnings per month for single and two-parent families (c) \$10,000 asset limit if saved in special resource account; interest on account and withdrawals for education or improving one's employability are disregarded (d) \$2,500 vehicle disregard	(a) Waive 100-hour and unemployment rules	(b) The two-tiered benefit structure is expected to be litigated once it is implemented, as was the case in CA

The logo for the American Public Welfare Association (APWA) features the letters "APWA" in a bold, white, serif font, set against a solid black rectangular background.

AMERICAN PUBLIC WELFARE ASSOCIATION

Kevin W. Concannon, President

A. Sidney Johnson III, Executive Director

Welfare Demonstration Waivers, 1992-1993

Summary

In an effort to keep interested parties informed about the status of waivers granted to restructure the welfare system, we are publishing the following update of an article that was first printed in the *W-Memo* in the August-September, 1992 issue. At that time, six states--California, Maryland, Michigan, New Jersey, Oregon, and Wisconsin--had received waivers under the expedited waiver approval process adopted by the Bush administration. Since then, six more states have had waiver proposals approved--Georgia, Illinois, Minnesota, Missouri, Utah, and Virginia--and California and Wisconsin have received authorization for additional waivers packages. Several of these sets of waivers were approved during the transition period, and HHS has retained the authority to repeal approval by June 30, 1993. The new administration appears poised to continue to allow experimentation in the states the waiver.

In a speech to governors on February 2, 1993, President Clinton addressed the issue of waivers, saying, "My view is that we ought to give you more elbow room to experiment." He recalled that during the campaign he pledged to "approve waivers of experiments that I did not necessarily agree with." Furthermore, he said he would encourage "all of us to work together to try things that are different." In return, he asked governors to "let us measure these experiments and let us measure them honestly--so that if they work, we can make them the rule, we can all adopt things that work. If they don't, we can stop and try something else."

The following information on states' welfare restructuring waivers was summarized from the Terms and Conditions (or waiver agreements) between states and HHS. Section 1115 of the Social Security Act (SSA) authorizes the HHS secretary to waive compliance with specified requirements of the SSA that the secretary judges are likely--via experimental, pilot, or demonstration projects--to assist in promoting the objectives of the AFDC, child support enforcement, or Medicaid programs. Demonstrations must be cost neutral to the federal government and the participating state must agree to a rigorous evaluation of its demonstration project, usually based on an experimental evaluation design.

California

California has received approval for several waiver packages. In July 1992, the California Department of Social Services received approval from HHS for the California Welfare Reform Demonstration Project. It was to be part of a five-year statewide welfare restructuring demonstration project that was contingent upon approval of a referendum on the November 3, 1992 California ballot. The referendum failed so the demonstration was not implemented.

On October 29, 1992, the California Department of Social Services received HHS approval of a second set of waivers (not contingent on the outcome of a referendum) as an alternative to the first set of waivers that needed voter approval. The demonstration period for these waivers is from December 1, 1992 through September 30, 1997. Not all of the provisions can be implemented, however, because the status of one of the changes--the two-tiered benefit structure, or "residency requirement"--was ruled unconstitutional on January 28, 1993 by a federal judge for a U.S. District Court who decided it would discriminate against newcomers. The state is barred from implementing the measure indefinitely. Governor Wilson's administration is appealing the decision.

Project Title: *California Assistance Payments Demonstration Project*

Description of Project Waivers

- The waiver provides for extension of the \$30 and 1/3 income disregard for all eligible families without the 12-month and four-month limitations.
- Families who move to California from another state and have not resided in California continuously for 12 months immediately prior to application will receive an AFDC grant amount equal to the lesser of the amount of aid paid by California or the maximum payment (not counting special needs) of the state from which they moved. (This provision is barred from implementation due to a U.S. District Court decision that ruled it is unconstitutional [see above].)
- AFDC benefits will be provided to eligible unemployed parent recipient families in which the principal wage earner works 100 or more hours per month as long as the family meets all other rules for continuing eligibility (i.e., waiver of the 100 hour rule for AFDC Unemployed Parent cases).

Other Changes Not Requiring Waiver Approval

- AFDC payments for all households will be reduced by 5.7 percent (94.2 percent of the maximum aid payment in effect on September 30, 1992). The state may further reduce the maximum aid payment from 94.2 percent of the September 30, 1992 level for all AFDC cases by up to an additional five percent.

Project Title: *The Automated Fingerprint Image Reporting and Match (AFIRM)*

Lastly, on January 8, 1993, the California Department of Social Services received from HHS approval of the following set of waivers. The project period will last from January 1, 1993 through December 31, 1995. Because the waivers for this project were granted by the Bush administration during the transition period, HHS has reserved the right to withdraw any or all waivers described below by June 30, 1993.

Description of Project Waiver

California will be allowed to expand the existing Los Angeles County General Relief AFIRM project to include the county's AFDC population. The purpose of the project is to apply automated system technology to the AFDC program to prevent, detect and deter multiple case fraud, as is done in California's general relief program.

- Under AFIRM in the AFDC program in Los Angeles County, fingerprinting will be added as a condition of eligibility for adults and minor parents; failure to cooperate with fingerprint requirements will result in ineligibility for that individual. Protective payees will also be required to cooperate with fingerprint requirements; if the protective payee fails to cooperate, the county welfare agency may investigate to determine whether fraud exists.

Georgia

Project Title: *The Georgia Preschool Immunization Project (PIP)*

The Georgia legislature passed a measure which resulted in the Georgia Administration of Human Services receiving a waiver on November 1, 1992 to implement an immunization program for preschool children of families that receive AFDC. The five-year demonstration project will be carried out in Muscogee County with at least 1500 families in the demonstration project, and another 1000 families in the control group. Implementation of this project was to begin January 1, 1993.

Description of Project Waivers

Georgia will apply fiscal sanctions to AFDC families participating in the demonstration project who fail to comply with immunization requirements for preschool children. The sanction will be imposed by removing the need of each non-immunized child from the calculation of the AFDC grant amount. A sanction resulting from the failure to have a child immunized will continue until the child is immunized.

- Heads of households of AFDC families participating in the demonstration will be required to show proof of age-appropriate immunizations or proof that the process of receiving immunizations has begun for all preschool children receiving AFDC.

Illinois**Project Title: *The Multi-Pronged Welfare Reform Demonstration***

The Illinois Department of Public Aid received approval for its set of waivers on January 15, 1993. The four-year project, to be carried out in selected areas of the state, must be implemented no later than July 1, 1994. The five components of the demonstration are the Youth Employment and Training Initiative, the Homeless Families Support Project, the Parental Involvement Project, the Family Responsibility Project, and the Income Budgeting Project.

Description of Waivers

The Youth Employment and Training Initiative will be conducted in two designated high schools in the Chicago area, with a minimum total of 1,000 individuals aged 14 to 20 participating in either an experimental or a control group:

- Illinois will be allowed to lower the JOBS activity participation age from 16 to 14 for those who are enrolled in school and included in their family's AFDC grant. Noncompliance may result in sanctioning under JOBS rules. The state will also be allowed to replace JOBS assessments and employability plans with youth orientation activities for participants in the demonstration.

The Homeless Families Support Project will involve a minimum total of 600 homeless families receiving AFDC from three sites, one each in Cook county, Dupage county and Will county:

- This waiver allows the state to disregard earned income to allow the family to achieve a monthly income up to the level of the state standard of need for the first two consecutive years of employment. After the first two years, earned income disregards will revert to the standard 30 and one-third AFDC disregard.
- The asset limit for participating AFDC families will be increased from \$1,000 to \$3,000.
- The state will lift the current 30-day limit on providing emergency assistance and allow emergency assistance for up to six months in any 12-month period. Federal financial participation will be provided.
- Transitional child care will be extended from 12 to 24 months for families terminated for reason of earned income and without regard to AFDC receipt in three of the six months preceding ineligibility due to earnings or hours worked.
- Transitional Medicaid will be extended from 12 to 24 months for families terminated due to earned income.

The Family Responsibility Project will be conducted in six large local offices, with a minimum total of 2400 families receiving or applying for assistance:

- When determining eligibility for AFDC-U cases, the state will exclude the following: the 100-hour rule; the quarters of coverage requirements; the 30 days of prior unemployment rule; and the failure to accept bona fide offers of employment rule.

The Paternal Involvement Project will be conducted in three sites in Chicago:

- JOBS program services will be provided to noncustodial parents who: are between 18 and 35; are eligible for Food Stamps; have child(ren) receiving AFDC; agree to participate in the project for two years; obtain participation consent from the custodial parent; and have paternity of the child(ren).

The state also received a waiver for an Income Budgeting Project to be conducted statewide, allowing the state to use a two-month prospective budgeting method and to budget retrospectively thereafter.

Other Changes Not Requiring Waiver Approval

- Under the Illinois Consolidated Intake Process, the state may combine the AFDC and Child Support Enforcement intake processes, and allow intake workers of the IV-A agency ask child-support related questions during the IV-A intake interview.

Maryland

The Maryland Department of Human Resources received approval of the following waivers on June 30, 1992. The five-year demonstration project began on July 1, 1992, but sanction of AFDC payments will not become effective until January 1, 1993.

Project Title: *The Maryland Primary Prevention Initiative*

Description of Project Waivers

Maryland will apply fiscal sanctions to AFDC cases which do not comply with specific requirements related to preventive health care and education as follows (Maryland will increase the basic grant for AFDC by 6.3 percent in January 1993):

- Any member of an AFDC family who is pregnant will receive a special needs allowance of \$14 per month over the basic grant for increased nutritional needs of the child if regular prenatal care is received. An additional special needs allowance of \$14 per month will be provided for a pregnant woman in her last trimester with no other children. The special need allowances will not be provided if prenatal care is not received or verified.

- Families with adult recipients and school-age children who receive annual health check-ups will receive a special needs allowance of \$20 per year per person. The allowance will not be provided if the annual health check-up is not received or verified.
- Families that do not meet minimum standards for the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) schedule for pre-school children will be subject to a sanction of \$25 per month for each child in the assistance unit not meeting the standards.
- Families with school-age children who attend school less than 80 percent of the time without good cause will be subject to a sanction of \$25 per month for each child in the assistance unit not meeting this standard. Good cause is limited to medically verified chronic or acute conditions of the child or the child's dependent where a teen parent is involved or the family receives counseling services.

Michigan

Project Title: *To Strengthen Michigan Families*

Michigan's Department of Social Services received approval of the following waivers on August 26, 1992. The five-year statewide demonstration project will begin on October 1, 1992.

Description of Project Waivers

AFDC

- Two-parent families will be eligible to receive AFDC Unemployed Parent benefits without the current work history requirement (i.e., waiver of the 30 day unemployment requirement and requirement that the principal wage earner worked 6 or more quarters in any 13 calendar-quarter beginning within one year prior to application for benefits).
- AFDC-UP eligibility will be extended to otherwise eligible two-parent families when the principal wage earner works 100 hours or more per month.
- The current \$30 and one-third income disregard will be replaced with a continuous disregard of \$200 plus 20 percent of the remainder of earnings.
- All income earned by dependent children will be excluded as both income and resources in determining eligibility of the family for AFDC.

- Allow non-custodial parents to participate in the JOBS program, equal access to the JOBS program for both mandatory and voluntary clients and job search before assessment for periods longer than three weeks.

Medicaid

- Waivers were approved to prevent the diversion of certain funeral related assets to persons not Medicaid eligible and discourage the shifting of resources into irrevocable annuity policies or use by non-client joint owners with the use of a penalty.
- Michigan will also require Medicaid spend-down recipients to meet their spend-down requirement by paying their excess income to the state in the form of a monthly premium.

Food Stamps

- A food stamp waiver was approved that would exclude, as both income and resources, all income earned by dependent children, up to age 19, who are AFDC recipients and students.

Other Changes Not Requiring Waiver Approval

- Require child support agencies to put into place mechanisms to identify those persons with access to health insurance coverage, and to enforce health insurance orders.
- Require non-custodial parents to disclose their child support obligations to employers for mandatory withholding of child support payments.
- Require hospitals to accept and record paternity acknowledgments as part of the birth registration.
- Require Friends of the Court to report child support obligations to consumer-reporting agencies at the time the order is established.
- Allow denial or revocation of professional business or trade licenses for persons who have child support arrearages.
- Include Social Security numbers on application and renewal of Michigan drivers' licenses and license plate tabs.
- Use the Michigan Department of Treasury powers to collect child support arrearages owed to recipients of AFDC.

Minnesota

Project Title: *The Minnesota New Vistas School Demonstration*

On January 15, 1993, the Minnesota Department of Human Service received approval of a three-year demonstration project will begin on June 1, 1993. Because the waivers for this project were granted by the Bush administration during the transition period, HHS has reserved the right to withdraw any or all waivers described below by June 30, 1993.

Description of Project Waivers

This demonstration will operate for pregnant or parenting AFDC recipients who are still in school and who are participating in the New Vistas program. New Vistas is a voluntary program that aims to prevent poverty and unemployment among teen mothers through a partnership among the Minneapolis Public Schools, Honeywell Corporation, social service agencies, and government. It provides a range of education and services, and is expanding to include an apprenticeship component. Demonstration participants will receive training, on the job experience, and a pay check.

- All income earned through participation in the demonstration will be disregarded and excluded from the 185% of the need standard test.
- Participants will be allowed to qualify for the \$30 and one-third earned income disregards even though they earned income from participation in the demonstration and did not have a 12-consecutive-month period of ineligibility after earning such income.

Missouri**Project Title: *21st Century Communities Demonstration Project***

On January 15, 1993, Missouri received waivers from HHS to operate a five-year demonstration project in selected sites in the state, beginning January 31, 1993. Several areas must still be negotiated between the state and HHS--including a final plan outlining how participants will move from supplemented to nonsupplemented jobs, a detailed evaluation plan, and a method for ensuring cost-neutrality. These issues must be resolved by June 30, 1993 in order for the waiver approval to remain in effect. Additionally, because the waivers for this project were granted by the Bush administration during the transition period, HHS has reserved the right to withdraw any or all waivers described below by June 30, 1993.

Description of Project Waivers

- For participating AFDC families, the waiver will change the asset limit to allow the exclusion of the combined value of resources up to \$10,000. Resources exceeding the \$10,000 maximum will be considered available resources subject to the \$1,000 resource limit.

- Child support payments paid directly to the family that exceed the AFDC grant amount will be disregarded when determining eligibility and the amount of benefits.
- The 100 hour rule that terminates AFDC eligibility if the principal wage earner in a two-parent family works 100 hours or more a month will be eliminated for demonstration participants.
- The earned income disregard will be changed so that the state can apply the \$30 and one-third disregards for up to 48 months for demonstration participants.
- The state will establish a voluntary work supplementation component under the JOBS program, increasing the limit on the length of participation from nine months to 48 months. Expenditures cannot exceed the AFDC amount payable to the recipient's family for a 48-month period if the family had no other income. Federal financial participation will be provided.

New Jersey

Project Title: *Family Development Program (FDP)*

New Jersey's Department of Human Services received approval of the following waivers on July 20, 1992. The five-year demonstration project will begin on October 1, 1992.

Description of Project Waivers

- Subject to two exceptions, AFDC benefit amounts will not be adjusted for families in which a child is added to the assistance unit if the child was born: (1) after August 1, 1993 for families which received AFDC for October 1, 1992 and filed an application prior to October 1, 1992 and (2) ten months following the month of application, for applications filed on or after October 1, 1992.
 - Exceptions: (a) benefits will not be reduced for the first born of a dependent child regardless of the date of birth and (b) if an assistance unit leaves AFDC due to earnings, remains employed for at least 90 days, and terminated employment for good cause or an assistance unit leaves AFDC for any reason and remains off AFDC for 12 consecutive months, then children in the unit or children born within 10 months after the month of reapplication for AFDC.
- Families that add additional children as described above will receive an additional earned income disregard applied for each employed member of the family equal to the current law disregard subtracted from 50 percent of the state's AFDC payment standard adjusted for family size, including the newborn children.

- AFDC benefits will be provided to married families in which the husband is not the father of the children receiving AFDC benefits as long as the family income is no more than the higher of 150 percent of the poverty level or the state need standard for the family size.
- All AFDC parents whose youngest child is two years of age and over will be required to participate in JOBS. All AFDC parents of children under age two will be required to participate in counseling and vocational assessment.
- Any participant in the demonstration who fails to participate as required prior to signing the FDP contract will have their AFDC payment reduced by 20 percent for no less than 30 days. Any FDP participant who refuses to cooperate in mandatory JOBS activities will be removed from the AFDC grant for no less than 90 days.
- AFDC recipients who are employed 30 or more hours per week will be required to participate in JOBS, if appropriate.
- JOBS participants who are employed as family day care providers will receive a 50 percent income disregard from earnings.
- Earnings from non-JTPA training programs for JOBS participants under age 25 will be disregarded.
- Provide 24 months of transitional Medicaid coverage for a family made ineligible for AFDC because of increased earnings or hours of work.

Oregon

Project Title: *Oregon JOBS Waiver Project*

The Oregon Department of Human Resources received approval of the following waivers on July 19, 1992. The five-year demonstration is required to begin no later than July 1, 1993.

Description of Project Waivers

- AFDC recipients and applicants with a child (or children) aged one to six may be required to participate full-time (more than 20 hours per week) in JOBS.
- Participation in job search may be required beyond the current eight week and four month limitation for non-exempt AFDC recipients assessed by the state as job ready.
- Require AFDC recipients who are custodial parents under age 16 to participate in basic education on the same basis as custodial parents aged 16 to 18. Medically able

pregnant AFDC recipients under age 20 may be required to participate in basic education on the same basis as non-pregnant parents aged 16 to 18.

- AFDC recipients, who are required to participate in JOBS, may also be required to participate in mental health and substance abuse diagnostic, counseling and treatment programs.
- Provide JOBS program activities and supportive services to pregnant women with no dependent children who are recipients of the Oregon Poverty Level Medical (PLM) program and who volunteer to participate in JOBS but are not AFDC recipients.

Utah

Project Title: *Utah Single Parent Employment Demonstration Program (SPED)*

The Utah Department of Human Services received approval to implement the Utah Single Parent Employment Demonstration Program on October 5, 1992. It is a five-year project that will begin no later than March 1, 1993.

Description of Project Waivers

AFDC and Child Support

- A one-time AFDC diversion payment (not to exceed three times the monthly grant for the household size) will be allowed to meet basic or special needs of AFDC applicants who are not likely to warrant ongoing assistance and who agree to have their AFDC application denied.
- All AFDC parents and eligible children age 16 or older (and not in school) must participate in JOBS or other SPED activities. All participation exemptions for JOBS will be eliminated except for children under age 16. SPED activities may include, for example, family counseling, parenting counseling or classes, drug and alcohol programs and counseling, and weight reduction classes.
- The state will be permitted to reduce monthly benefits by \$100 for failure to meet the SPED participation requirements without good cause and by \$100 for failure to cooperate in child support cases without good cause. The reductions will end when participation requirements are met.
- The earned income disregard will be changed to \$100 and 45% of gross earnings minus the disregard.
- Case managers will be allowed the latitude to decide which eligibility factors to verify in order to streamline the AFDC, Food Stamps, and Medicaid verification process. Those factors that are chosen to be verified will be the same for all three programs.

- The resource limit will be increased to \$2,000 per household.
- Non-custodial parents will be able to participate in JOBS.
- SPED participants involved in a high level of participation and those still on assistance but earning at least \$500 per month will be rewarded with an enhanced monthly grant payment of \$40 per month.

Food Stamps

- The motor vehicle asset exemption will be increased to \$8,000.
- Educational income will be exempted while receiving AFDC and for one year after the family leaves AFDC.
- When the amount of the Food Stamp award is determined, \$90 of the AFDC grant will be excluded for each person participating in full-time self-sufficiency activities or employment; this disregard will be continued for up to one year after a family leaves welfare.

AFDC and Medicaid Transitional Benefits

- JOBS supportive services, activities, and case management will be provided for up to 12 months after a person leaves AFDC.
- Requirements will be eased for obtaining transitional Medicaid and child care benefits; for example, the qualification requirement that clients must have received AFDC in three of the last six months will be eliminated.

Vermont

Project Title: *Vermont Family Independence Project (FIP)*

On April 12, 1993, the Vermont Agency of Human Services received authorization from HHS to implement the following statewide waiver demonstration project. Vermont's legislature still must approve certain parts of the waiver, and it is likely that it will modify some aspects of the project as originally proposed. The major project components will operate from July 1, 1994 through June 30, 2001.

Description of Project Walvers

FIP Pregnant and Parenting Minors Provisions

- Pregnant and parenting minors must attend school or an appropriate alternative education or training activity.

- Pregnant and parenting minors must live either with a parent or in an alternative, approved supervised living arrangement.
- The state will exclude the income of the minors' parents when determining eligibility and benefits for pregnant and parenting minors and their children.

FIP AFDC and AFDC-UP Provisions

Work Requirement:

- After 30 months of receiving AFDC benefits, a single parent with children under 13 will be required to find half-time work or accept a subsidized community-service job. When the youngest child turns 13 the work obligation becomes full time. An unemployed parent in a two-parent family will be required to work after 15 months on AFDC or take a subsidized community service job.
 - The amount of time people have received welfare will begin to be calculated *after* implementing the FIP program.
 - Months on AFDC will be counted cumulatively. The only exception will be a "good time" provision in which, for every 12 months spent off welfare, three months will be added to the number of months a parent has left before being required to work in a community service job. For example: A single mother stays on welfare for 15 months and then goes off it while she works at an unsubsidized job for *at least a year*. If she loses her job, she can go back on welfare for another 20 months before she is required to either get an unsubsidized job or work at a subsidized community service job. If she then stays on welfare for the remaining 16 months, gets an unsubsidized job for *at least 12 months*, but at a later point needs to go back on welfare, she would automatically have three months on welfare before the time limit expires requiring her to work in either an unsubsidized or subsidized job.
- Participants in community service jobs will be paid through grant diversion.
- Participants must look for a job for eight weeks before beginning mandatory participation in a community service job. Those who do not find an unsubsidized job may be required to participate in eight weeks of job search each year, regardless of other job searches in the preceding 12 months.
- Parents who quit, are fired from, or refuse to accept an unsubsidized job or fail to take the community service job will be subject to vendor payments.

Exemptions and incentives:

- Parents with temporary disabilities must participate in rehabilitation and training under JOBS.
- Parents whose youngest child is under age one must participate in JOBS.
- Parents in the second and third trimesters of pregnancy will not be exempt from JOBS (including from the community service job) without a medical exemption.

- Parents will receive 16 weeks of parental leave.
- The state will give parents incentive payments for successfully completing parenting education and other activities. (Details, such as amounts, have not yet been worked out.)

AFDC-UP Rules:

- The 100-hour rule, the 30-day unemployment requirement, and the six-quarter work history requirement will be eliminated.

Income Disregard and Resource Rules (AFDC and Food Stamps):

- Current rules will be replaced with a permanent earned income disregard: (1) parents employed in unsubsidized jobs will be allowed to keep the first \$150 of their earnings plus 25 percent of the remainder before grants are reduced; (2) parents employed in subsidized community service jobs will receive a \$90 disregard.
- Adult family members receiving stipends from JTPA employment and training will have the full amount disregarded with no time limit.
- The state will disregard the assets accumulated from earnings that were previously counted as income when determining continued eligibility for both AFDC and Food Stamps.
- The state will exclude one vehicle, regardless of its value, when determining both AFDC and Food Stamp eligibility.
- The state will disregard incentive payments to AFDC families when calculating Food Stamp benefits.
- The state will provide a \$50 child support pass-through when calculating Food Stamp benefits, as is the case in AFDC policy.

FIP Child Support Provisions:

- Child support payments will go directly to the family; payments exceeding the \$50 pass-through will be counted as income in the month the family receives it.

FIP Medicaid Provisions:

- Transitional Medicaid coverage will continue for 36 months after a family member begins working, up to an income of 185% of the poverty line.

Virginia

Project Title: *Virginia Incentives To Advance Learning (VITAL)*

The Virginia Department of Social Services received approval of the following waivers on September 11, 1992. The two-year demonstration project will operate in three sites--the Falling Creek Middle School in Chesterfield County, the Thomas Boushall Middle School

in Richmond City, and the Lafayette Wynona Middle School in Norfolk City—from September 8, 1992 to September 30, 1994.

Description of Project Waivers

- The demonstration project is for families of children in grades six, seven, and eight who receive AFDC and attend Falling Creek and Thomas Boushall Middle Schools, as well as for those receiving AFDC who attend Lafayette Wynona Middle School and live in the Diggs Town Housing Project.
- As of October 1, 1992, participating families began receiving AFDC benefits totaling 100 percent of the State's standard of need.
- Teams of school personnel—such as the psychologist, the social worker, a guidance counselor, or a teacher—are being established at each demonstration site. These teams will recommend demonstration participant attendance, achievement, and parental involvement goals to the demonstration project coordinator from the IV-A Agency. The project coordinator will then determine attendance, achievement, and parental involvement goals for the family.
- A family who fails to meet demonstration attendance, achievement, or parental involvement goals will receive intensive state-provided counseling services. If the demonstration project coordinator finds that a family of a demonstration participant is unresponsive to the counseling services, the family will have its AFDC benefits reduced to 90 percent of the state's standard of need. Once the family responds to counseling services, AFDC benefits will again be calculated at 100 percent of the state standard of need. However, if the family continues to be unresponsive to counseling services after AFDC benefits have been lowered to 90 percent, then the needs of the caretaker/parent(s) will be excluded when determining eligibility for or the amount of AFDC for the family. In making these findings, the demonstration project coordinator may take into account recommendations by the team at the school or any other relevant information.

Wisconsin

The Wisconsin Department of Health and Social Services has received waiver approval of the following demonstration projects--the Parental and Family Responsibility Demonstration Project, approved on April 10, 1992; the Two-Tiered AFDC Benefit Demonstration Program, approved on July 27, 1992; and the AFDC Special Resource Account Demonstration Project and the Vehicle Asset Limit Demonstration Project, both approved on January 19, 1993.

Project Title: *Parental and Family Responsibility Demonstration Project (PFR)*

Description of Project Waivers

The five-year Parental and Family Responsibility Demonstration project will begin operation on July 1, 1993 in six counties. The project will determine whether providing incentives and opportunities in the welfare system, combined with enforcement of child support orders and sanctions for failure to cooperate, will reduce the teen pregnancy and parenting rates within the project areas. AFDC recipients under age 20 who are first-time parents, their spouses, the adjudicated fathers of their children, and non-custodial parents will be targeted under the demonstration.

- Persons targeted under the demonstration will be assigned to a case manager who will assist the family in developing a comprehensive education, employment, and services plan. Parents will be required to participate in JOBS, including parenting and life skills instruction, which will be included as countable activities under the program. Failure to participate without good cause will result in a sanction until such time as the recipient cooperates with the program requirements. In addition, non-custodial parents of children covered under the demonstration who are under employed or unemployed and are not paying child support may be ordered by the court to participate 40 hours per week in work, JOBS, and parenting and life skills instruction.
- Single-parent and two-parent households will be eligible to keep the first \$200 earned and one-half of additional earnings per month. The spouse of a person participating in the demonstration who is not the natural or adjudicated parent of a child may, at the option of the family be included as an AFDC recipient (waivers were approved to allow the state to consider the needs and income of the stepparent in the AFDC household and eliminate the current 30 day unemployment requirement and 100 hour rule under AFDC-UP). In doing so, the increased income disregards will also apply to him/her.
- Current AFDC policy on benefits for additional children will be modified under the demonstration. The payment amount for demonstration project families with one child will be equal to that paid to those AFDC recipients not participating in the demonstration. The payment increase for demonstration project families into which a second child is born will be equal to one-half the payment increase received by non demonstration project families. There will be no AFDC payment increase for the third or additional children born into demonstration project families.

Project Title: *Two-Tier AFDC Benefit Demonstration Project*

Description of Project Waivers

Beginning July 1, 1994, Wisconsin will operate a three-year demonstration project in Kenosha, Milwaukee, and Racine counties, and up to three additional counties to test the efficacy of implementing a two-tier AFDC benefit system.

- In the demonstration counties, the amount of the AFDC benefits will be equal to the benefit amount available to a typical family of the same size in the prior state of residence for applicants who have not resided in Wisconsin for a least six months and either: 1) apply for benefits in Wisconsin within 90 days after moving to Wisconsin; or 2) apply for benefits more than 90 days but fewer than 180 days after moving into Wisconsin and are unable to demonstrate that they were employed at least 13 weeks after moving to Wisconsin.
- Recipients meeting the above criteria will receive the AFDC benefit amount from the prior state for six months. The AFDC benefit amount will be changed to the Wisconsin benefit amount after six months of residence in Wisconsin. AFDC cases in the demonstration counties which are receiving prior state AFDC benefits who move to a non-demonstration county will have their AFDC payment converted to the Wisconsin benefit amount.

Project Title: *AFDC Special Resource Account Demonstration Project*

Description of Project Waivers

This 42-month demonstration project will operate statewide from July 1, 1994 through December 31, 1997, except for cases assigned to a control group.

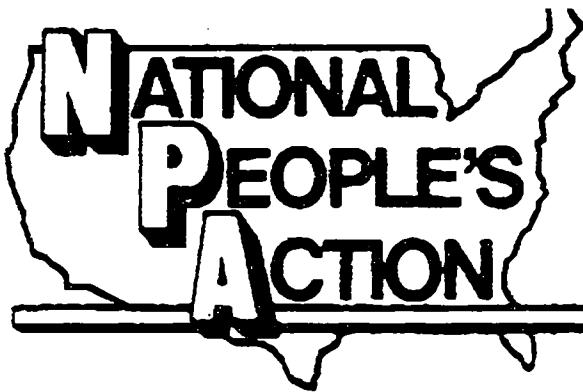
- The asset limit will be increased from \$1,000 to \$10,000, if the money is saved in special resource accounts.
- Interest earned on funds in a special resource account will not count as income if it is kept in the special account or withdrawn for an approved purpose (see below).
- Withdrawals from special resource accounts will not be considered in determining AFDC eligibility and benefits amounts if the funds are used for either: (1) education or training for the parent or a child recipient, or (2) improving the employability of a member of the family. Money that is withdrawn from the special resource account that is not used for either of these purposes will be treated as income, except for up to \$200 per 12-month period if needed for an approved emergency.

Project Title: *Vehicle Asset Limit Demonstration Project*

Description of Project Waivers

This 42-month demonstration project will operate statewide from July 1, 1994 through December 31, 1997, except for cases assigned to a control group.

- The first \$2,500 of the combined equity value of vehicles owned by family members receiving AFDC and AFDC-UP will be excluded when determining eligibility.

NEIGHBORHOODS *First*

F A X M E S S A G E

DATE: 10/18FAX: 202 456 7739TO: KATHI WAYFROM: KARIN EMERY NATIONAL
PEOPLE'S
ACTIONNUMBER OF PAGES (including this one): 5

MESSAGE:

NTIC National Training and Information Center

810 N. Milwaukee Ave. □ Chicago, Illinois 60622-4103 □ (312) 243-3035

To: Kathi Way, Domestic Policy Council

From: Karin Emry, National People's Action

Re: Community-Based Welfare Reform Programs

6/18/93

I'm sorry for the delay in getting this short list of welfare reform projects to you. It was somewhat difficult to sort through all of our community groups across the country for the ones that were doing the type of social service programs you seemed to want to look over. National People's Action groups are normally not about providing services.

Instead, our groups organize to change the system and develop their communities so people can go back to work. Though a large percentage of the low-income people in our network receive public assistance, they would not just see themselves as working on welfare reform; they are working for affordable housing, decent jobs, drug-free communities and good schools.

I think these people's experiences and community development strategies provide very useful building blocks for a welfare reform package. In the "Outreach Campaign" we would certainly want these type of community groups highlighted, along with the more traditional social service type programs listed here.

All these programs have three similarities, and three common philosophies with all of National People's Action's community organizing groups. They are:

1. Community-based--rooted in and (at least in part) directed by community people
2. Comprehensive--they deal with all facets of an individual and provide long-term support
3. "Asset-based"--they focus on the skills, talents, energy and power of individuals instead of their needs

I'm hoping to reach you soon after you receive this fax to discuss this and other related issues with you further. Please feel free to contact me at (312) 243-3035 if you have any questions or comments.

NTIC National Training and Information Center

810 N. Milwaukee Ave. □ Chicago, Illinois 60622-4103 □ (312) 243-3035

COMMUNITY-BASED WELFARE REFORM PROJECTS: NATIONAL PEOPLE'S ACTION "SHORT LIST"

1. Bethel New Life's "Self-Sufficiency Programs"--Chicago, IL

Bethel New Life, Inc. is a church-related community development corporation focusing on its west side Chicago low-income community, of which 65% of the residents are on public assistance and 40% are unemployed. Bethel has developed models of cost-effective community delivery systems and community self-help programs, built on a strong foundation of community-based partnerships with churches, individuals, corporations, foundations and the government. The Self-Sufficiency Demonstration Program targets long-term public assistance recipients; literacy education, job readiness and skill training helps many move from welfare to work.

Bethel New Life's programs are so successful because they encompass the entire individual and build on the participants' skills and motivations to integrate them into the community and the mainstream economy. Many have become licensed day-care providers within the community; others take advantage of homeownership training, creative lease/purchase agreements or sweat equity contracts to move towards buying their own homes. Bethel also runs a transitional living facility, St. Gerard's House, which provides displaced persons with 6-9 months of living space along with job training, GED education, family support services, and counseling. The case management team works with the participants to help them save for a downpayment on an apartment. Currently the Program is assisting 20 young mothers with children into independence.

2. The New Hope Project--Milwaukee, WI

The New Hope Project is a three year demonstration project that offers a real alternative to welfare, unemployment and underemployment. The Project targets people currently on welfare, people who are unemployed but not receiving public assistance, and people working but still poor. It offers a work-based social contract to 600 people in two central city Milwaukee neighborhoods by providing:

- a) Access to jobs in the private sector
- b) Community service jobs if no job can be found in the private sector after 8 weeks
- c) Wage supplements, if necessary to bring family's income above the poverty line
- d) Health insurance and child care subsidies up to 200% of poverty

The new Hope Project shares the goals of economic self-sufficiency with existing state welfare reform efforts, but goes beyond them by guaranteeing access to a job and removing categorizations of who are the poor. Therefore, the Project hopes to get around some of the more perverse disincentives of the current system. The Project contains a critical component of other successful programs in that it is structured to link subsidies to income levels, rather than creating drop-off-the-cliff scenarios when a 6 or 12 month limit is reached.

3. The Northside Community School--Cincinnati, Ohio

The Northside Community School provides an alternative community where AFDC

recipients work towards their GED and receive job training and placement assistance. In this highly personalized and interactive program, students are guided to attend to the educational materials and to take responsibility for their own learning. The community is involved in running the School and supports the students individually in their efforts.

As with the other programs, the Northside Community School is so effective because it deals with the whole individual and provides long-term support. The education program is supplemented with resources for crisis counselling, health resources, day care and other long-term areas of support.

4. Paternal Involvement Demonstration Project--Chicago, IL

This project targets young (18-35 year old) fathers who have been on General Assistance, who are in Earnfare, or who are eligible for Food Stamps, and who have non-custodial children receiving AFDC. Three direct service demonstration sites provide intensive case management and employment and training services to up to 50 young fathers per year. These training services along with parental education services are offered in efforts to increase the fathers' financial and emotional commitments to their families.

Further, the Legal Assistance Foundation of Chicago directs a policy advocacy component of the project in order to increase policy attention to this group of young fathers, and to assure that the lessons learned from the demonstration sites are taken into the policy arena.

The Paternal Involvement Demonstration Project's success is firmly rooted in the following principles: 1) Many young fathers want to be more involved with their families and have strengths that, with some guidance, can be built upon to help them become effective caregivers; 2) the problems they face are intertwined, thus suggesting the need for comprehensive service approaches, not short-term "fixes"; 3) direct service provision and community resource mobilization must go hand-in-hand; and 4) program participants must be involved in every stage of program planning, design, delivery, evaluation, and policy advocacy for they are indeed the "experts" in this arena.

5. STRIVE/Chicago Employment Service, Inc.--Chicago, IL

STRIVE/Chicago Employment Service provides long-term job training, placement and counseling services to people who have had difficulty in the work force. STRIVE targets public assistance recipients, unemployed persons who are not receiving assistance and those without any work experience. The STRIVE program includes education, job training and application skills, and job-retention skills. The STRIVE program includes support counseling and long-term case management. STRIVE has helped over 200 people find employment, with 75% remaining in the work force.

STRIVE's program succeeds for two important reasons. First, its workshop focus is on the work culture. It is clear that the traditional "skills" training is not enough to help some people enter the work force. Second, the program provides life-time support for its graduates. It takes most program participants at least two years to begin to become stabilized in the work force; 60% of the participants lose their first job within six months. On-going follow-up services is critical to help graduates with re-placements, with social service needs, with referrals for further education, and with getting better jobs or promotions.

6. Women's Self-Employment Project--Chicago, IL

The Women's Self-Employment Project offers financial services and micro-business loans to low- and moderate-income entrepreneurial women. WSEP has helped nearly 350 businesses get started since it began in 1986.

The Women's Business Initiative program within Women's Self-Employment Project offers 150 Chicago women receiving AFDC a chance to get self-employment training and begin their own small business, all without losing their AFDC benefits. This twelve-week program uniquely combines entrepreneurial training and technical assistance with peer support among participants. With both individualized and peer group business consultation, the participants complete a comprehensive self-employment business plan. Graduates of the program are eligible for graduated loans. Child care and transportation costs are subsidized while participating and the women are eligible for extended child care and Medicaid benefits for up to one year after leaving AFDC cash assistance.

The Women's Self-Employment Project has found that the transition for welfare to work is possible for even the long-term unemployed if programs focus on the existing talent, energy and skills of welfare recipients instead of looking at them as if they have numerous "needs" to be filled.

May 3, 1993

TO: Kathi Way

FROM: Ann McCormick *AMc*

SUBJECT: List of Contacts

As requested, attached is a draft list of organizations and individuals who should be contacted following announcement of the formation of the Working Group on Welfare Reform, Family Support and Independence. The letters in the margins signify a preliminary cut at the type of contact that would be appropriate -- A's would receive personal phone calls from Bruce, Mary Jo, or David, and B's would receive a detailed letter requesting input and participation. All others would be C's, who would receive a more general letter inviting input. If there are any groups or individuals that you want added, please let me know. Also, your suggestions about the type of contact would also be helpful. We're drafting prototype letters now.

I'm sure Jeremy has already told you and/or Bruce, but since he's out today and I can't check, I just want to remind you that the Steering Committee meetings have been changed from Thursdays to Tuesdays. So the next meeting is tomorrow at 9:30 in room 415F of the Humphrey Building.

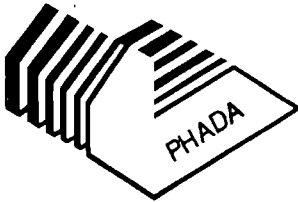
Carol —

— Kathi Way-byi

It was wonderful to get your note.
I really would like to help you and
your team with child care strategies.
It would be an honor to be helpful
and a treat to see you again. Keep
up the great momentum —

All the best,
Marguerite

CORPORATE CHILD
CARE
MANAGEMENT SERVICES



Public Housing Authorities Directors Association

511 Capitol Court, NE
Washington, DC 20002-4937
Telephone (202) 546-5445 FAX (202) 546-2280

May 12, 1993

Ms. Kathryn Whey
Office of Domestic Policy
Old Executive Office Building
17 Street & Pennsylvania Avenue, N.W.
Room 218
Washington, D.C. 20500

Dear Ms. Whey:

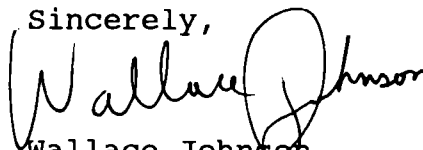
PHADA is a non-profit association representing more than 1,500 public housing agencies from all over the United States. Our membership is dedicated to improving the delivery of services for the residents of our nation's 3,300-plus housing authorities.

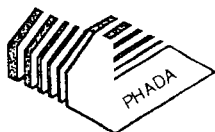
I understand the executive branch will soon formulate a working group to examine the complex issue of welfare reform. I am writing to request that the White House consider including public housing administrators as part of the working group. As professionals working in the field on a daily basis, our members have a number of ideas how to empower the poor and provide additional incentives for low-income individuals to seek employment.

In addition to this request, I would like you to include PHADA on any distribution list of materials you may be circulating to concerned parties. You may forward that documentation to me at the address noted above. PHADA would also be interested in submitting formal testimony to the working group if and when you conduct public hearings.

Please do not hesitate to contact me should you have any questions concerning this request. Thank you very much for your consideration in this matter.

Sincerely,

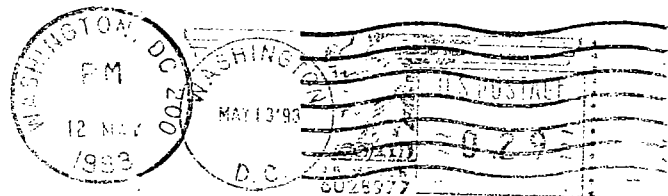

Wallace Johnson
Executive Director

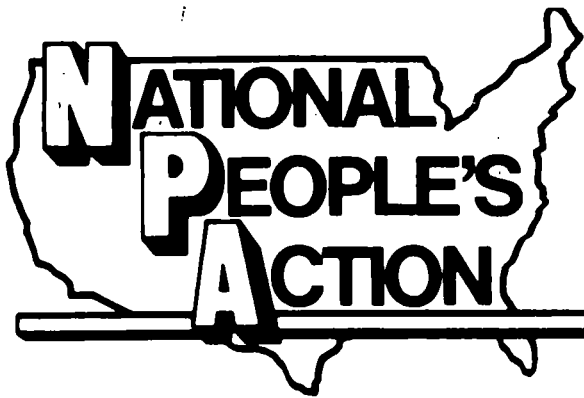


**Public Housing Authorities
Directors Association**

511 Capitol Court, N.E.
Washington, DC 20002-4937

Ms. Kathryn Whey
Office of Domestic Policy
Old Executive Office Building
17 Street & Pennsylvania Ave. N.W.
Room 218
Washington, DC 20500





Advocates

NEIGHBORHOODS *First*

April 23, 1993

To: NPA Welfare Leaders

From: Karin Emry, NPA

Re: Follow-up to NPA meeting with Kathi Way

Thank you for making the meeting with Kathi Way, Special Assistant to the President for Domestic Policy, such a successful and productive meeting! The meeting was just the beginning of National People's Action's powerful and vocal role in the welfare reform package.

Enclosed is some information on the Earned Income Tax Credit, the issue that Kathi Way asked for your comment on at the end of the meeting. I thought this background material might be helpful if you want to send her some feedback on the Earned Income Tax Credit. The Earned Income Tax Credit is designed to raise the working poor out of poverty, but the Administration is still fighting so it doesn't get cut by Congress. You can send your comments to:

Kathi Way
Assistant to the President for Domestic Policy
Old Executive Office Building Room 218
17th and Pennsylvania Ave. NW
Washington, DC 20500

I'm also enclosing the follow-up letter and list of NPA representatives that Linda Ray and I sent Kathi Way this week to remind her of the **new NPA Welfare Advisory Committee she won out of our meeting!** If there is any changes you think need to be made or if you have any comments on the material, please call me here at (312) 243-3038. We will contact each of you as soon as we get a response. Thank you again for making the meeting such a success!

If you have any further questions or comments, please feel free to contact our staff, Karin Emry, at National People's Action, (312) 243-3035. All of us can be reached through the National People's Action headquarters. We look forward to discussing with you, at your earliest convenience, some of the logistics of the Advisory Committee with the Working Group. We hope that you would recognize our need as low-income individuals to be provided with any necessary out-of-town transportation and travel costs.

Thank you again for helping make our meeting successful and productive. It is refreshing to work with an Administration that actually listens to the people it is attempting to serve. We look forward to hearing from you soon.

Sincerely,

Linda Ray

Linda Ray

National People's Action representative

**NATIONAL PEOPLE'S ACTION COMMUNITY ADVISORY COMMITTEE
to the Welfare Working Group**

April 23, 1993

<u>Name</u>	<u>Organization</u>	<u>Address</u>
Deborah Darden	Right Alternative Family Service Center	3429 West Hampton Milwaukee, WI 53216 (414) 535-1468
Kathleen Donihee	Hartford Areas Rally Together	660 Park St. Hartford, CT 06106 (203) 525-3449
Yolanda Gonzalez	N e a r N o r t h w e s t Neighborhood Network	1622 N. Wood St. Chicago, IL 60622 (312) 243-3035
Linda Haley	People's Reinvestment in Development Effort	33 N. Lorel Ave. Chicago, IL 60644 (312) 921-0455
Virginia Johnson	Social Development Commission	920 N. 28th St. #301 Milwaukee, WI 53208 (414) 931-8667
Paulette McGregor	Eask Akron Community House	1191 McKinley Ave. Akron, OH 44306-2122 (216) 773-5584
Ida McNeil	Communities United for Action	5159 Holland Dr. Cincinnati, OH 45232 (513) 242-2396
Linda Ray	Social Development Commission	2043 S. 16th St. Milwaukee, WI 53204 (414) 383-9459



AMERICAN PUBLIC WELFARE ASSOCIATION

4.20.93

Dear Kathy -

Thank you for meeting with
us yesterday to discuss the Hague
Convention on Intercountry Adoption.

We look forward to keeping you informed
on the latest development, and, if you're
ready, we'd be pleased to do a de-briefing
for you + others who share your interest
in adoption.

Best wishes

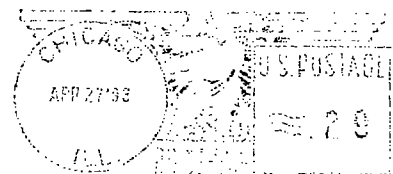
Becky

NATIONAL PEOPLES ACTION

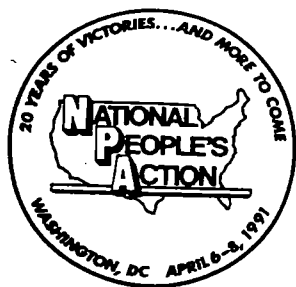
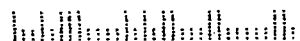
810 N. Milwaukee Ave.

Chicago, Illinois 60622-4103

Address Correction Requested



Ms. Kathi Way
Assistant to the President for Domestic Policy
Old Executive Office Building Room 218
17th and Pennsylvania Ave. NW
Washington, DC 20500





Network Solutions, Inc.

475 Kilvert St., Warwick, RI 02886
401-732-9000 FAX 401-732-9009

April 23, 1993

Ms. Kathi Way
Special Assistant to the President
for Domestic Policy
Old Executive Office Building
Room 218
The White House
Washington, DC 20500

Dear Kathi:

Joe Murray and I enjoyed our meeting with you on Thursday, April 20, 1993. We both appreciated the opportunity to share our concerns regarding "offshore" development of the automated transfer systems as well as our discussions on Federal Financial Participation.

Certainly, anything your office can do to influence the use of tax dollars being expended on U.S. soil will be greatly appreciated by Network Solutions. Allowing us to continue to compete on a level playing field enables companies like ours to develop jobs and have a positive impact on the economy. You readily understood our position and recognized that companies like Network Solutions can help Clinton Administration policies to succeed.

Joe and I both enjoyed talking about "social work" issues and reminiscing about the many similarities in our former careers. We solidly support and endorse the policies being shaped by you and the administration in terms of social policy. We were both very serious in our interest to offer any assistance to you and this administration in helping build a streamlined, well integrated, and more responsive delivery system. Our collective experience would be eagerly and sincerely shared.

Many thanks to Carol Rasco for enabling our meeting to take place. I am grateful to her for having been extremely cordial and helpful on each occasion I have approached her.

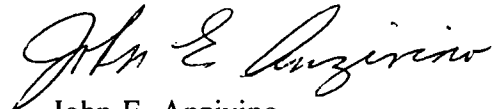
Once again thank you for allowing us time in your busy schedule and for your courteous attention. Joe and I thoroughly enjoyed meeting you and we were impressed by your enthusiasm and your vision on the needs in the human services delivery system.

We hope to hear that your office can influence the expenditures of federal tax dollars and encourage that they be spent in a fashion that can most positively effect the American company and American worker.

Ms. Kathi Way
April 23, 1993
Page 2

In the event you desire to call upon Joe and me to volunteer, officially or unofficially, in a work or advisory group, we have taken the prerogative of enclosing our resumes for your convenience and to confirm that our offer is genuine.

Sincerely,

A handwritten signature in cursive script, reading "John E. Anzivino".

John E. Anzivino
National Marketing Director

JE A/dh
9403D

cc: Carol Rasco
Joseph Murray

JOSEPH F. MURRAY

**85 King Philip Circle
Warwick, RI 02888
(401) 463-6864**

EXPERIENCE

Vice President - Marketing

Network Solutions, Inc. - October 1989 - Present
475 Kilvert Street, Warwick, RI 02886
(401) 732-9000

Responsible for all marketing and sales for the company. Provides consultation to government human services agencies on management, planning, organization, and major systems development.

Associate Director

Rhode Island Department of Human Services - January 1985 - July 1989

Responsible for all support activities to the Department of Human Services including Finance, Systems, Policy Development, Collections, Budget, Training, Child Support, and Grant Management. Also provided to the Director and others, consultation in management of the department.

Director

Department of Social and Rehabilitative Services - August 1983 - January 1985

Cabinet level position responsible for a department providing a wide variety of human services to the poor, the ill, the disabled, the blind, and veterans who live in the state of Rhode Island. Responsible for the efficient administration of an organization of 2,000 employees and a budget of \$.5 billion. Provided leadership within the department, state government and private agencies in focusing activities and resources to meet the needs of the poor and ill. Acted as the primary spokesperson for the Governor to advocacy groups, providers of service, the media, and citizens on departmental programs and the philosophy and intent of the State Administration.

The Department of Social and Rehabilitative Service was divided into four divisions:

1. Medical Services which administers Title XIX of the Social Security Act, with over 100,000 eligible participants Catastrophic Health Insurance Program, Neighborhood Health Centers and

negotiates Rhode Island's prospective hospital reimbursement rate for all 3rd party payers.

2. Social and Economic Services which administers Aid to Families with Dependent Children, Food Stamps, General Public Assistance, Emergency Food and Shelter and a variety of social services to families.
3. Community Services, which administers Vocational Rehabilitation, Services for the Blind and Visually Impaired, Veteran's Affairs (including the Veteran's Home and Veteran's Cemetery) and all departmental planning.
4. Management Services which provides all department-wide support services, including budget, systems design, audit, research, training and operations.

Assistant Director

Management Services, Social and Rehabilitative Services April 1977 - August 1983

From April 1977 through December 1982, responsible for all income maintenance programs including Aid to Families with Dependent Children, General Public Assistance, Food Stamps, Emergency Shelter and Heat. Developed budgets and planning for medical care program for the poor.

During 1979, responsible for the general supervision of Vocational Rehabilitation, Services for the Blind and Visually Impaired, the Rhode Island Veteran's Home, Veteran's Affairs and Social Services.

Administrator - Assistance Payments

April 1971 - 1977

Department of Social and Rehabilitative Services

October 1959 - 1971

OTHER EMPLOYMENT

Attleboro Area Mental Health Clinic 1965 - 1967 - Clinical Caseworker

Provided individual, family, marriage, and group therapy.

Personal Counselling Associates 1967 - 1971 - Clinical Caseworker

Partner in the private practice of social work.

Rhode Island College Graduate School of Social Work - 1985

Visiting Lecturer

EDUCATION

1965 University of Connecticut, Hartford, CT. M.S.W.

1959 Providence College, Providence, RI. B.S. in Business Administration

ADDITIONAL EDUCATION

Public Sector Management Institute, University of Rhode Island
Management Institute, University of Alabama

MILITARY EXPERIENCE

U.S. Marine Corps Reserve, April 1955 - April 1963, Honorable Discharge

ORGANIZATIONS, COMMISSIONS AND BOARDS

Chairman of Blue Ribbon Commission on Medical Costs in Rhode Island appointed by the Speaker of the State House of Representatives.

American Public Welfare Association

Member, National Subcommittees on Income Maintenance, Food Stamps, Medical Management

Member, State Human Service Administrator's Council

National Rehabilitation Association

Kent County Hospital, Inc.

Governor's Commission on Women

Rhode Island Human Services Coalition - Charter Member

Governor's Justice Commission - Supervisory Board

Governor's Advisory Committee on Low Income Energy Assistance

Joint Legislative Committee to Study Residence Requirements - Secretary

Joint Legislative Committee to study Child Support - Secretary

Rhode Island Emergency Management Agency - Advisory Council

Rhode Island College School of Social Work - Field Work Instructor

International Institute of Rhode Island

N.A.A.C.P.

Urban League

Genesis School for Refugees - Incorporator

AGING 2000 - Board of Directors

PAPERS

The Application of Therapeutic Group Techniques with Selected Welfare Recipients with Connors, J. and Moskol, M.

Unpublished research under Title V of OEO 1967

Abortion: The Psychological and Social Aspects

Paper presented at a symposium of priests at St. Joseph's Hospital - 1967

RESEARCH

The Adjustment of Mental Patients Placed from the Newington Veterans' Administration Hospital in Community Setting.

Master's Thesis, University of Connecticut - 1965

The Use of Bender Gestalt as a Diagnostic Tool in Differentiating the Cause of Learning Problems.

Attleboro Mental Health Clinic

JOHN E. ANZIVINO
10 Meadow View Blvd.
North Providence, RI 02904
(401) 353-3648

EXPERIENCE

National Marketing Director

Network Solutions, Inc. - November, 1990 - Present
475 Kilvert Street, Warwick, RI 02886
(401) 732-9000

Provide consultation and market large systems to government organizations, primarily in the area of Child Support, Welfare, Child Welfare, and the Human Services area in general.

Deputy Director

Rhode Island Department of Children and Their Families - March 1990 - November 1990

Participated on a select team of professionals designated by the Governor to evaluate Rhode Island DCF and make and implement recommendations.

Provided leadership as the second in charge of the State Department for Children and their Families numbering 850 employees with an annual budget of \$80 million. This included full responsibility for the department in the absence of the Director. It required a thorough knowledge of the department mandate to the protection of children and the reunification of families and enabling the department to meet its stated goals.

Assistant Director - January 1983 - March 1990

Responsible for the overall administration and supervision of several state department activities, including the IV-D Child Support Enforcement Agency, Fraud Investigations and Prosecution and Collections, Claims, and Recovery activities. This included relationships with the RI Family Court, the state legislature and various advocacy groups.

Planned and coordinated state staff as project director, in the evaluation, development, and implementation of a Child Support system at 90% federal financial participation (FFP).

Provided technical assistance and consultation on Child Support program, policy, procedures, and systems transfer and modifications.

Responsible for developing APDs and RFPs, selecting successful bidders and negotiating with vendors. Participated in all aspects of State and vendor relationship.

Served as an Assistant Director for support activities and services in the Department of Human Services with a budget of \$15 billion and nearly 2000 employees. This position required an understanding of various welfare and service programs delivered by the department and the interrelationship of inter and intra departmental activities as they related to the users of the service and providers of service.

Administrator

Provided leadership and served as a spokesman for RI DHS with various federal agencies, including the Department of Health and Human Services and the U.S. Dept. of Agriculture.

Provided leadership and advocacy for state department and numerous public and private agencies on children's issues, including Child Support Enforcement.

Participated as a member of the RI Legislative Commission for Child Support Enforcement.

Participated in National and Regional forums on Child Support Enforcement as a spokesman and advocate.

Experience with developing contracts with providers and implementing procedure to evaluate and monitor the deliverables.

Responsible for the direct supervision and administration of a statewide child day care agency within the Department of Human Services including both group facilities and in home family care.

Department of Social and Rehabilitation Services

April 1964 - 1972

OTHER EMPLOYMENT

Rhode Island Hospital 1964 - 1966 - Clinical Caseworker

Provided crisis oriented casework.

Guidance Associates 1964 - 1983 - Clinical Caseworker

Individual, family, and marital counseling.

Private Practice 1983 - Present - Clinical Caseworker

Individual, family, and marital counseling.

EDUCATION

1967 Boston College, Boston, MA, M.S.W.
1963 Providence College, Providence, RI, B.A. in Economics

ADDITIONAL EDUCATION

Completed numerous courses and seminars. Attended and participated in various conferences concerning the issues of Welfare and Child Support including system design and system transfer.

MILITARY EXPERIENCE

U.S. Army Reserve, October 1964 - October 1970, Honorable Discharge

ORGANIZATIONS, COMMISSIONS, AND BOARD

American Public Welfare Association - Member
National Child Support Enforcement Association - Member
United Way of America - Budget Allocations
Joint Committee on Homeless and Feeding - Co-Chairperson
Legislative Commission on Child Support - Member
RI Alliance of Social Workers - Member
RI Board of Social Workers - Certified Independent Social Worker
Governor's Task Force on Child Welfare Services
Legislative Commission on Day Care Licensing and Standards
National Association of Social Workers
Academy of Certified Social Workers

Providence College Capital Fund Drive

Travelers Aid Society of RI - Advisory Committee

Diplomate in Clinical Social Work

9304C



cc: Reed
Way

NATIONAL ALLIANCE OF BUSINESS

25th Anniversary of Helping Americans Work

Chairman
Joseph A. Pichler
The Kroger Co.

President
William H. Kolberg

Board of Directors
Leo C. Beebe
K-Tron International, Inc.

Thomas D. Bell, Jr.
Burson Marsteller

Edwin D. Campbell
Coalition of Essential Schools

Bruce Carswell
GTE Corporation

Malcolm B. Chancey, Jr.
Liberty National Bank and
Trust Company

John L. Clendenin
BellSouth Corporation

Hans W. Decker
Siemens Corporation

Kenneth G. Docter
Price Waterhouse

Warren Frelund
NAPIC

Jerome H. Grossman
New England Medical Center, Inc.

Sidney Harman
Harman International
Industries, Inc.

John J. Heldrich
Johnson & Johnson

Wayland R. Hicks
Xerox Corporation

Benjamin Hooks
NAACP

Jerry Jackson
Entergy Corporation

Gary Johnson
Employer National Job
Service Committee

Elton Jolly
OGE of America, Inc.

Glenn R. Jones
Jones Interable, Inc.

Coretta Scott King
The Martin Luther King, Jr.
Center, Inc.

David M. Lawrence
Kaiser Foundation Health Plan

Malcolm R. Lovell, Jr.
National Planning Association

Pedro F. Mata
Grace Cocoa

Jewell Jackson McCabe
National Coalition of 100
Black Women, Inc.

Richard L. Meuselle
Arthur Andersen & Co.

Kenwood C. Nichols
Champion International
Corporation

John D. Ong
The BFGoodrich Company

John E. Pepper
The Procter & Gamble Co.

Bert C. Roberts, Jr.
MCI Communications Corp.

Richard F. Schubert
Points of Light Foundation

John P. Singleton
ISSC

Gary L. Tooker
Motorola, Inc.

Benjamin Tregoe
Kepner-Tregoe, Inc.

Anne-Lee Verville
IBM Corporation

Alan L. Wurtzel
Circuit City Stores, Inc.

Raul Yzaguirre
National Council of La Raza

June 7, 1993

Ms. Carol Rasco
Assistant to the President for Domestic Policy
Executive Office of the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Rasco:

I am delighted to provide you with the enclosed paper, *A Business Approach to Welfare Reform*.

This paper describes some of the issues in our current system of public welfare, outlines the social and economic costs of this system, and suggests a framework for the business community's involvement in its reform. It does not attempt to answer the many questions sure to be discussed during the debate on welfare reform. Nonetheless, the paper raises the issues business believes are essential to welfare reform efforts and discusses how those issues should be addressed. Fundamentally, the paper proposes the need for a business approach to welfare reform, because there can be no comprehensive attempt at reform without employer involvement.

For the past twenty-five years, the National Alliance of Business has worked with business and all levels of government to help citizens with special problems obtain training and jobs. In this, its 25th Anniversary year, the National Alliance of Business is rededicating itself to serving as the nation's catalyst for building an internationally competitive workforce. This mission includes all Americans because we cannot afford to lose the productive talents of any citizen.

Central to this mission, are the Alliance's efforts to improve local welfare-to-work programs and, thereby, our nation's welfare system. NAB comes to this discussion as the only organization representing the role of business in welfare-to-work programs. Much of the Alliance's involvement has been aimed at increasing participation by the private sector in the development of welfare-to-work programs.

Since August 1990, NAB has been the prime contractor to the U.S. Departments of Health and Human Services, Labor and Education for the development and delivery of training and technical assistance to state and local Job Opportunities and Basic Skills Training (JOBS) program operators. This contract has given NAB hands-on experience in implementing welfare-to-work programs at the national, state, and local level. Additionally, through its field offices, the Alliance has also been involved in numerous welfare-to-work projects that entail providing technical assistance to states. Clearly, the Alliance has a great deal of first-hand experience which it will contribute to the formulation of any welfare reform proposal.

Knowing of your deep commitment to providing education and training opportunities that help disadvantaged citizens move toward self-sufficiency, I want to share this paper with you. I hope that this paper will be of use to you in your deliberations about welfare reform. I look forward to hearing your comments and thoughts about this important issue.

Sincerely,

A handwritten signature in black ink that reads "Bill". The signature is written in a cursive, flowing style.

William H. Kolberg
President

National Alliance of Business

**A BUSINESS APPROACH
TO
WELFARE REFORM**

June 4, 1993
Washington, DC



NATIONAL ALLIANCE OF BUSINESS

A BUSINESS APPROACH TO WELFARE REFORM

Executive Summary

Today there is widespread agreement that our welfare system must be improved. Created to address economic problems of the 1930s, Aid to Families with Dependent Children is no longer suited to social conditions of the 1990s. Congress took a major step toward reforming the welfare system with passage of the Family Support Act in 1988. Even so, welfare reform continues to remain high on the public policy agenda.

Growing dissatisfaction with the system prompted President Clinton's campaign pledge to "end welfare as we know it." To fulfill this pledge, the President has outlined several principles that will guide his welfare reform proposal. He would impose time limits on the receipt of benefits, expand the Earned Income Tax Credit, toughen child support, and increase education and training opportunities for welfare recipients.

A comprehensive reform of the welfare system will require a concerted effort by, and the active involvement of, both the public and private sector. Because a strengthened and expanded welfare-to-work program is widely recognized as crucial to reform, the business community must play a critical role in this effort. As a business-led organization involved in welfare-to-work programs nationwide, the National Alliance of Business (NAB) has developed this paper to provide a business approach to welfare reform efforts.

The paper describes some of the issues in our current system of public welfare, outlines the social and economic costs of this system, and suggests a framework for the business community's involvement in its reform. It does not attempt to answer the many questions sure to be discussed during the debate on welfare reform. Nonetheless, the paper raises the issues business believes are essential to welfare reform efforts and discusses how those issues should be addressed. Fundamentally, NAB proposes the need for a business approach to welfare reform because we believe there can be no comprehensive attempt at reform or any expectation of its success without employer involvement.



Background

This approach to welfare reform recognizes that any new or reformed system must be firmly rooted in and connected to the local labor market. Any system of public assistance that is not inextricably bound to local economic conditions and labor needs will face significant barriers in helping to move its participants to productive employment and self-sufficiency.

Reforming the welfare system will be a large and complicated undertaking. It will require addressing issues not only specific to welfare but also related to child care, health care, transportation, housing, job training and education. But if a reformed welfare system does not have at its core assimilating welfare participants into the workforce, it will achieve only limited success. American business should take part in the welfare reform debate to ensure that the redesigned system encourages work and assists participants in becoming productive members of our society.

A brief scan of the current public welfare system reveals four major weaknesses. First, welfare does not reinforce values most Americans believe are important: work, family, individual responsibility, and self-sufficiency. Welfare rules penalize savings, perpetuate dependency, discourage work, and isolate recipients. In short, welfare often rewards failure not success.

Second, welfare often penalizes marriage and underwrites single parenthood. Welfare rules have traditionally imposed a stiff "marriage" penalty: women who marry a man with a job usually exceed AFDC limits on household income and thus lose their benefits. Couples who choose to live together instead of marrying suffer no such loss of income.

Third, much of what the federal government spends on public assistance to the poor is lost in an uncoordinated and inefficient system. Because this money is dispensed through so many separate programs and delivery systems with their own rules and regulations, much of it is swallowed up by an ever expanding bureaucracy for delivering social services, and never reaches the poor.

Finally, and most important from a business perspective, welfare undercuts the incentive to work. The current system is



A Call for Reform

replete with rules and regulations that have the effect of discouraging those who wish to work from doing so. For many, staying on welfare is simply a matter of economics. When cash assistance, medical, transportation, housing, and child care benefits - many of which are cut for those moving off AFDC - are considered, welfare often offers a more stable income than work.

The costs of maintaining the current system must, then, be measured in both economic and social terms. Currently, Washington spends about \$150 billion a year on 75 means-tested programs for the poor. In addition, the indirect costs, in the form of higher taxes to pay for remedial education, emergency medical care, drug treatment, homeless shelters, police, courts, prisons, etc. are an increasing burden on the economy and on our society.

Even more significant, however, are the costs of losing the productive capacity of a large number of our citizens. This is a loss of the productive potential of millions of citizens who cannot, for lack of education and/or skills, compete in a global economy. Nor can these costs be measured simply in economic terms. The costs of continuing with the current system will drain our country of important human resources well into the 21st century.

A general consensus has been formed that there are deep structural flaws in our public welfare system as it currently operates. A closer look at common attitudes about welfare, however, reveals two general and distinct points of view regarding welfare recipients. Recent studies have shown that people generally view welfare recipients in one of two ways: as long-term, or "career," welfare recipients and as temporary, or "transitional," recipients. A focus group study done in California discovered that perceptions of welfare recipients generally determined attitudes about the system as a whole. Those who felt that most welfare recipients were long-term dependents of the system generally had more negative impressions than those who felt most welfare recipients were temporary participants. The significance of these findings is that while many people express general dissatisfaction with our welfare system, what is most objectionable is the long-term



dependency it allows and, at times, encourages. Thus any significant attempt at welfare reform must seriously address the long-term dependency that welfare encourages.

Welfare reform is certain to remain high on the public policy agenda as several reform proposals are being discussed and/or considered. President Clinton campaigned on the promise to "end welfare as we know it." Legislation has not yet been introduced, but the President has indicated the following principles will guide development of his welfare reform plan.

- **First, welfare should be a second chance not a way of life.** Under the Clinton plan, most recipients would have two years after they completed a training program before they would be asked to take a job either in the private sector or in public service. The President would guarantee that welfare recipients do not lose their access to health care and child care by moving into the workforce.
- **Second, every American who works full-time with a child in the home should not live in poverty.** The centerpiece of this proposal is an expansion of the Earned Income Tax Credit (EITC). The EITC is a tax credit for working families with incomes of less than \$22,370 and one child living at home. Under the Clinton plan the income threshold would be raised and the credit would be extended to poor workers who don't have children.
- **Third, federal child support enforcement would be dramatically toughened.** It is estimated that 15 million children have parents who could pay child support but do not. The President proposes having states establish paternity at the hospital and using the Internal Revenue Service to collect unpaid child support. His plan would also establish a national databank to track down deadbeat parents.
- **Fourth, education and training opportunities for welfare recipients would be expanded.** This step would build on the Family Support Act of 1988, which required states to move a portion of their welfare recipients into training programs and jobs.



Business Involvement in Welfare Reform

Under the framework of the Clinton plan, states would be accorded greater flexibility to experiment and design their own approaches to welfare reform. The President has promised to approve waivers to states for welfare reform programs that may not directly reflect the policies of his Administration, provided that there is an honest evaluation of each program.

It is in the interest of all concerned that the business community participate in any reform discussion so as to guarantee that any proposal is premised upon the goal of moving welfare recipients off public assistance and into productive employment. Because any earnest attempt at reforming the welfare system will include efforts to strengthen and expand successful welfare-to-work programs, employers' involvement is critical. Welfare-to-work programs lie at the intersection between social service agencies, education and training services, and the labor market. Meaningful business involvement can improve program efficiency and effectiveness and can significantly increase the chances that program participants will ultimately become independent from public assistance.

Welfare-to-work programs must be incorporated into our national effort to build a world class workforce. At a time when all resources of the nation's labor market must be better utilized to keep pace with global economic competitiveness, preparation of welfare recipients to meet the expanding human resource needs of business is critical. However, employment and training programs for welfare recipients will not be sufficient in and of themselves unless they leverage the interests, perspectives and resources of the business community.

Private sector employers know what job skills are needed in their industries and in their geographic areas. They understand local labor market trends that can help to guide program designs and training content. Just as business has a direct interest in welfare-to-work programs as a means to building a better workforce, so too does the nation need to develop the productive capacity of groups previously considered to be outside the mainstream of our economy to assure an adequate supply of skilled workers. Training welfare recipients to fill job vacancies in the private sector not only makes good social policy - we are dignified by our work - it is sound economic policy. In short,



A Framework for Welfare Reform

Principle 1

the business community has a stake in the success of welfare-to-work. The problems created by chronic unemployment and dependency are well documented. Because these problems demand the use of scarce resources, and because they contribute to social tensions which affect productivity and the general business climate, the public sector should be interested to have business's assistance in solving them.

Long-term welfare dependency and complex labor phenomena are issues too large and important for any one sector of society to address alone. Labor market and welfare issues are no longer just government problems. A public/private partnership based on the principles outlined below would bring the best leadership, resources, and commitment to the table in each local community to address the welfare issue.

Welfare reform should be an integral part of the effort to develop a comprehensive workforce development system that is firmly rooted in local labor market needs and opportunities.

If the United States is to remain competitive in world commerce in the 21st century, we need to invest in building the skills of our current and future workforce, and we must actively engage in partnerships to build a workforce development system that includes all our citizens. We must realize the need for the public and private sectors to collaborate on systems that optimize the full potential of our human resources.

Experts agree that we lack a coherent system for setting human resource goals and priorities at the community level and for linking employment, training, and education programs together with local employers to deliver services efficiently to meet these goals and priorities. A broad-based workforce development system would help to eliminate the inefficiencies in the current use of resources for public assistance and welfare-to-work programs. The system would be characterized by: a common point of intake; individualized assessment of clients to determine their service needs; a form of case management to see participants through the system; and a common system of placement that employers could readily access.



The lack of available resources at the state level has been a barrier to previous welfare reform efforts and to developing effective welfare-to-work programs. State budgets, severely pinched by the recession, have not been able to provide sufficient matching funds to use all of the available federal money. A comprehensive and well-coordinated workforce development system would increase the probability that adequate funding is available at the federal, state, and local level to meet the needs of our current and future workforce.

Another barrier to improved welfare-to-work programs is the lack of coordination between different federal and state agencies and the programs they administer. The result of this is more often than not an incoherent effort between different parts of the system that do not work together toward complementary goals. Welfare-to-work program administrators have expressed a great desire for a more integrated and better coordinated system. Legislative changes would be required to correct some of the problems, but with influence of the private sector, a workforce development system could accomplish much administratively to improve coordination and reduce paperwork. Such a system would provide the context for making decisions about investing in our human resources today for the benefit of our future economic competitiveness.

The crucial components of any welfare-to-work program are education and job training. These components, however, are also expensive. Viewed in the short term these services do not seem to justify their costs. Viewed in the long term as part of an overall effort to build an internationally competitive workforce, they are a wise investment in our future. A comprehensive workforce development system implemented at the state and local level would serve clients more efficiently.

The key component of a workforce development system should be a network of business-led Workforce Investment Councils to be established in every labor market in the country. The Councils would overcome the inefficiency of our current fragmented and frequently duplicative approach to local labor market program administration by overseeing the operation of a more efficient, integrated system of service delivery. In fact, several states have utilized the existing Private Industry Council system to serve this function.



Within a framework of federal and state policy leadership and support, the Councils would negotiate among existing federal, state, and local training and work-related education programs.

A restructured welfare program that is integrated into a larger workforce investment system would provide a more efficient way of moving participants into productive employment. Education and training programs would be responsive to local economic conditions and participants would be provided training appropriate to those conditions. Such a system would allow welfare to return to its intended role of providing participants with temporary assistance as they prepare to enter or reenter the workforce.

Principle 2

Welfare reform should build on the Family Support Act of 1988 to expand education and training programs that help welfare recipients become job-ready and employed.

In 1988, Congress enacted the Family Support Act (FSA), which established a new employment and training program for recipients of AFDC called the Job Opportunities and Basic Skills Training (JOBS) program. The purpose of JOBS is to assure that needy families with children obtain the education, training and employment that will help them avoid long-term welfare dependence. JOBS requires states to set up welfare-to-work programs, to fund the programs by matching federal dollars, and to compel some welfare recipients to participate in these programs. Through these programs, participants receive basic and vocational education, job skills and job readiness training, on-the-job training and community work experience. They are also eligible to receive support services, such as transportation, child care and Medicare up to a year after they complete training.

Perhaps the most significant aspect of JOBS is its emphasis on participant responsibility. JOBS stresses that welfare recipients have an obligation to pursue the opportunities and take advantage of the activities presented to them. One of the shortcomings of the current welfare system is the absence of expectations it places on participants. Only by moving towards a policy which recognizes and rewards participants' efforts to help themselves will we eliminate the long-term nature of public



assistance. To this end, the President's proposal to impose time limits on the receipt of welfare is a step in the right direction. However, without continuing and strengthening this emphasis on mutual obligation, as required under JOBS, time limits will only be partially effective.

The foundation upon which to build welfare reform is already in place. A coordinated, comprehensive welfare system can be constructed with refinements to the existing structures and can become an integral component of the workforce development system. JOBS is the culmination of a great deal of welfare experience and reflects what programs need, such as design flexibility and the encouragement to coordinate with other, appropriate agencies and community-based organizations. In fact, most interested parties believe that the ingredients for a successful welfare-to-work program are contained in JOBS.

Many observers also recognize that the potential for success in an expanded Family Support Act and JOBS program lies in their emphasis on individualized services and assistance. Many of the education and training programs in states, however, are not capable of addressing the unique needs of welfare recipients. Target groups from welfare-to-work programs differ from those that have traditionally been served effectively by education and training programs. When compared with other students in education and training programs, welfare recipients have generally been found to have lower average achievement, lower average motivation, greater need for support services, and a higher incidence of personal problems. Welfare-to-work programs should be designed with the flexibility necessary to address different needs.

Because of welfare recipients' special needs, states and localities have found it necessary to adapt existing education and training programs. Many education providers have found that welfare recipients by and large require more counseling than non-welfare recipients. Others have adapted their established curricula to meet the needs of welfare recipients. In some local education agencies in California, for example, educators decided to create classes expressly for adult welfare recipients. The Job Training Partnership Act (JTPA) is moving toward a system with an assessment process and an array of appropriate services that succeed in matching services to the person. The effort needs to be expanded to include JOBS participants.



Another significant aspect of the JOBS program is its emphasis on providing work experience. Many JOBS programs use Community Work Experience or Work Supplementation not as ends in themselves but as components of a program designed to prepare participants for work. As a component, work experience is a way for the participant to make choices about potential professions, become accustomed to the job readiness skills that a permanent position requires, and to develop additional skills. In addition, the program staff can use work experience as an assessment tool of a participant's training or education needs.

The Family Support Act of 1988, and specifically the JOBS program, lays the groundwork for reforming the welfare system. The Act's emphasis on participant responsibility, the importance it places on the provision of employment and training services to welfare recipients, and its encouragement of employment programs such as Community Work Experience and Work Supplementation, begin to move in the direction of a reformed and improved welfare system.

Principle 3

Public service employment should be evaluated by weighing the benefits it would provide against the costs it would impose.

The idea of mandating some type of work experience is controversial because it inevitably leads to a debate about public service employment. The President has said that under his plan after two years welfare recipients would be asked to take a job in either the private or public sector. Presumably, those unable to find private sector jobs would be placed in some type of public service employment. The questions associated with public service employment are too numerous to be discussed definitively in this paper, yet it is clear that, however well-designed and well-constructed a public service employment program is, it should not be a permanent alternative to unsubsidized private sector employment. Additionally, public service employment should not position welfare recipients against unionized workers, dislocated workers, and existing workers for jobs. In general an effective public service employment program will need to be carefully managed to avoid pitfalls of supplanting or replacing regularly funded private sector jobs. The benefits of public service employment are the



values and habits of work it instills, the sense of participant responsibility it imparts, and the skills and training it provides to participants.

Principle 4

Welfare reform should preserve the flexibility allowed to the states and should encourage state experimentation with their own welfare plans.

The environment for welfare reform experimentation was established by the Family Support Act of 1988 and by the federal government's response to requests from the states for waivers. The states have used this flexibility and made major changes to their welfare systems. For example, Wisconsin has been a leader among states experimenting with welfare reform. Widely known for its Learnfare program, which reduces welfare benefits for teenage truancy, Wisconsin has also proposed a more aggressive child support collection system than the one found in the Family Support Act.

In Ohio, teen parents receive a bonus in their welfare grant for being enrolled in a school program leading to a high school diploma or its equivalent and for meeting monthly attendance requirements. Maryland has proposed cutting benefits for recipients not receiving preventive health care or not keeping children in school. New Jersey is experimenting with denying benefits to mothers if they have additional children. Michigan has abolished its general assistance program, which provided benefits to adults with no children. Recently, Wisconsin became the third state to begin work on a time-limit plan, joining Vermont and Florida. Vermont was granted a waiver from federal rules to proceed with its plan, Florida will submit a waiver request shortly, and the Wisconsin legislature will soon vote on its time-limit proposal.

Much of the progress that has been made on welfare reform has been the result of ideas like these developed, tested, and refined at the state level. Almost every state has some experimental innovative approach in its welfare-to-work program and although many state experiments will be controversial, it is through state flexibility and experimentation that widely acceptable program solutions will be found. Allowing, indeed encouraging, these demonstrations to continue should be a key component of a reformed welfare system.



Principle 5

Welfare reform should preserve the safety net for children and the disabled. Furthermore, steps should be taken to address the root causes of poverty and avert welfare dependency before it begins.

The goal of all welfare-to-work programs should be to help participants find productive employment and become contributing members of our workforce and society. However, programs should not be considered to have failed if all participants in them do not reach this goal. There will still remain a segment of the welfare population which will have great difficulty becoming self-sufficient. There are a number of welfare recipients who cannot work because of age or disability. In the efforts to reform the welfare system it is essential that we not lose sight of our commitment to providing citizens a safety net below which no one is allowed to fall.

Today, the business community is defining its role in public policy by seeking greater involvement in school reform, vocational education, dislocated worker training programs, job-training for the disadvantaged, school-to-work and youth apprenticeship programs. As the business community continues to provide input into these and other critical issues affecting the quality of the American workforce, questions about long-term welfare dependence will be addressed. Many of the flaws of our welfare system today could be corrected by taking action sooner and addressing problems before they occur.

A Role for Business

Although the proposed framework for reform is primarily addressed to public-policy makers, there is a distinct but closely related role for the business community. As detailed earlier in this paper, business has a critical stake in the success of our welfare-to-work system. As this system is further integrated into a workforce investment strategy, the business community's stake becomes even higher and the benefit of having business involved in the design and implementation of welfare-to-work programs is even greater.

Businesses can help ease the transition from welfare-to-work by adopting voluntary "family friendly" policies that recognize the



barriers many welfare recipients face in gaining full-time employment. Many of the hurdles welfare recipients face in maintaining productive employment are only indirectly related to income. AFDC recipients often have child care, transportation, health care and other needs that prevent them from finding and maintaining full-time jobs. Recognizing the interrelationship between these issues and the welfare reform debate is a necessary first step in constructing a more enlightened welfare system. These are issues to be addressed by both the public and private sectors. There are, nevertheless, steps the business community can take voluntarily to remove some of the obstacles welfare recipients face on their path to self-sufficiency.

Many companies, large and small, have begun to adopt policies that provide support for employees struggling to balance family, health, transportation, and other concerns. These concerns are often what keep welfare recipients from maintaining employment. The extent to which businesses can address them will be a critical factor in the success of reformed welfare system.

Additionally, employers have a key role to play at the local, state, and federal levels in the design and implementation of welfare-to-work programs and welfare reform strategies.

At the local level, businesses are often the best predictor of labor market trends and needs. Businesses also know the skills required of the current and future workforce in their industries. The business community can bring this knowledge and experience to the development of effective welfare-to-work programs. Local private sector leaders can serve an important role as outside brokers, or barometers, for public programs related to employment and training. Very often it is the "neutral" business volunteer who motivates public agencies and officials to work more effectively and to coordinate resources more efficiently toward a common goal.

At the state level. Many of the most innovative ideas on welfare reform have emerged from state efforts to restructure their programs. States will continue to experiment with ideas and as such it is at the state level where business can have an impact on overall policy direction. Critical to the success of programs at this level is the ability to coordinate statewide public/private employment and training strategies.



Summary and Conclusions

At a time of limited public resources, coordination among job training and education programs is a critical common sense issue for employers. Welfare-to-work programs should be coordinated with other employment and training resources available for similar population groups. This can be done through comprehensive state-level coordination policies that provide criteria for coordination in the local planning process.

At the federal level. AFDC has been and remains a federally funded program. Overall policy decisions that impact welfare programs will be made in Washington. The business community can make its voice heard as the Administration, the Congress and national organizations frame a redesigned welfare system. Appropriate issues for the business community to raise at the federal level include: increasing incentives for welfare recipients to seek and maintain employment; creating incentives for employers to hire welfare recipients; developing program performance evaluation criteria; and simplifying program requirements.

President Clinton has indicated that welfare reform will be prominent on the domestic public policy agenda. There is nearly universal agreement that the current system has several fundamental problems and serves to perpetuate the conditions it was designed to correct. The question is no longer whether something needs to be done but rather what can be done.

The business community can help to answer this question by advocating policies that have productive employment as their end results. The issues confronted in moving welfare recipients into productive employment are directly related to issues in building a world-class workforce capable of competing in the global economy.

The debate on welfare reform will require that we address many broad issues including the proper role and responsibility of federal, state, and local governments, their relationship with the business community, the reciprocal obligations of those receiving public assistance, and the most appropriate way to empower those in poverty to take control of their own lives.

