

**MANPOWER DEMONSTRATION
RESEARCH CORPORATION
3 Park Avenue, New York, NY 10016
Regional Office:
88 Kearny Street, Suite 1650
San Francisco, CA 94108**

FOR RELEASE: April 12, 1993

**CONTACT: Judith Greissman
TELEPHONE: (212) 532-3200
FAX: (212) 684-0832**

**POSITIVE RESULTS FROM AN INNOVATIVE OHIO PROGRAM
TO KEEP TEEN PARENTS IN SCHOOL**

***Statewide Welfare Reform Uses Financial Incentives
to Boost Attendance and Bring Dropouts Back***

An ambitious Ohio program that uses financial incentives to persuade teenage mothers on welfare to finish school is having early success, according to a new study released today. The statewide program, called LEAP, has attracted national attention because of its large scale – the program has reached about 20,000 teens since 1989 – and its unusual approach: teens' welfare grants are increased when they attend school regularly and are reduced when they drop out or have too many unexcused absences. The new study, based on data about more than 7,000 teen parents, shows that LEAP has had two kinds of effects: It has reduced the dropout rate for teens who were already in school, and has persuaded some dropouts to return to high school or enter programs to prepare for the high school equivalency test (GED). Early evidence also suggests that LEAP has increased the teens' rates of high school graduation and GED receipt. The study includes seven diverse Ohio counties, which cover half the statewide LEAP caseload and include the cities of Cleveland, Columbus, Cincinnati, Toledo, and Canton, as well as rural areas.

LEAP (short for "Learning, Earning, and Parenting") is one of the first large-scale programs that specifically targets teenage mothers on welfare, the group most likely to become long-term welfare recipients. By encouraging and assisting these young mothers to stay in school or go back to school if they have dropped out, LEAP aims to increase the chances that they will graduate and, ultimately, find jobs and leave welfare.

Also, the program is unique because, unlike many other existing and proposed efforts to alter welfare recipients' behavior through financial means, LEAP offers rewards in addition to penalties. Teens can also get help with child care and transportation to school, and are assigned to a case manager who monitors their absences and helps them overcome obstacles to good attendance. A similar program in Wisconsin, known as Learnfare, also requires teenagers on welfare to attend school, but uses only welfare grant reductions to enforce its mandate and initially did not include funding for case managers. Several other states are currently considering variations on the LEAP model.

The report is being released by the Manpower Demonstration Research Corporation (MDRC), a nonprofit social policy research organization that is conducting a six-year evaluation of LEAP for the Ohio Department of Human Services (ODHS).

"This positive interim report card for LEAP has important implications for welfare reform efforts in other states and at the federal level," said Dr. Judith M. Gueron, President of MDRC. "LEAP seeks to address a critical issue: long stays on welfare. Preventing these teen parents from dropping out of school could be an important way to start them on a more positive path."

Targeting Teen Parents

With renewed national interest in welfare reform, policymakers are increasingly turning their attention to teenage mothers on welfare. Although they account for a small proportion of all welfare recipients at any one time, teen mothers are at high risk of long term welfare receipt. Thus, more than half of all current welfare households are headed by women who first gave birth as teens; the costs of welfare, food stamps, and medical care for these families are nearly \$22 billion per year.

A focus on school is critical because, in many cases, the route to long-term welfare receipt begins when teen mothers drop out of school. Their lack of basic skills and educational credentials then prevents them from finding good jobs. In addition, teenage girls (including those not on welfare) who drop out around the time of their first pregnancy or birth account for a large proportion of all female dropouts. Thus, this population is potentially critical to broader efforts to increase school graduation rates, a key goal of national education reform.

The U.S. Congress recognized the importance of this group in the Family Support Act, the major welfare reform legislation passed in 1988. In addition to providing funds for state employment programs for adult welfare recipients, the Act also encourages states to target young

mothers on welfare for services designed to promote self-sufficiency, and specifically to mandate school attendance. However, few states have moved as aggressively as Ohio in implementing this provision.

Early Results

The new report, which tracks teens' school enrollment for one year after they become eligible for LEAP, concludes that the program has had two kinds of positive effects. First, LEAP reduced the dropout rate among the one half of teens who were already in school when they became eligible for the program. Among this group, 61.3 percent of LEAP teens continued in school, compared to only 51.1 percent of teens in a randomly-selected control group that was not in LEAP, a 10.3 percentage point increase (after rounding) in school retention. [These and the results discussed in the next paragraph are presented in two ways – through a chart and a table – at the end of this release.]

Second, LEAP succeeded in persuading some dropouts to return to school. Among this group, 46.8 percent of LEAP teens returned to school at some point during the year after they were identified as eligible for LEAP, compared to 33.4 percent of the control group, a 13.4 percentage point increase. Most recent dropouts returned to regular high schools. However, longer-term dropouts, who tended to be older, were rarely willing to return to high school. Almost all of those who resumed their education entered part-time adult education programs to prepare for the GED test.

In addition to promoting high school retention and persuading some dropouts to return to school, LEAP also improved the attendance of high school students. Among high school enrollees, LEAP teens were absent less than controls. The story was somewhat different for students in adult education programs. While LEAP did induce many teens to enroll in these programs, they sometimes entered programs that were scheduled for relatively few hours per week, and they were often absent. Finally, early evidence suggests that LEAP has increased rates of high school graduation and GED receipt.

Although the early results are noteworthy, the report's authors caution that the story on LEAP is not complete. "In order to achieve its ultimate goals, LEAP will have to set off a long chain reaction, from more regular attendance, to higher graduation rates and, ultimately, to better jobs and departure from welfare" said Dan Bloom, one of the report's authors. "The program's effects on the first links – school enrollment and attendance – are impressive, especially since

LEAP did not attempt to change the school environment. But we don't have the full story on school completion yet because the teens are still young and, more importantly, we don't know whether school effects will translate into higher earnings and reduced welfare down the road." A subsequent report on LEAP will examine whether the teens who responded to the program ultimately earn diplomas or GEDs.

LEAP's generally positive results held up in the widely varying environments represented by the research counties, including large cities and suburban and rural areas. On the negative side, LEAP's effects on some groups of teens – notably longer-term dropouts – were, on the whole, less positive than the overall results. Also, a disturbingly large proportion of teens in high school reported on a survey that they feared for their safety in school, or felt that they were not treated well by staff and other students because they were teen parents. Negative school experiences could affect LEAP teens' willingness and ability to stay in school and make progress toward graduation. LEAP may get a boost in this area from a pre-existing Ohio Department of Education program called GRADS, which offers special classes for pregnant and parenting students in more than 500 Ohio schools.

How LEAP Works

LEAP, which was developed by ODHS even before the Family Support Act was passed, started operating in September 1989 under a federal waiver granted by the U.S. Department of Health and Human Services. It is now being run in all of Ohio's 88 counties. Participation is required of all pregnant teens and custodial parents (usually mothers) under 20 years old who are receiving welfare and do not have a high school diploma or equivalent. County welfare agencies, which are responsible for implementing the program, get school attendance information on eligible teens each month from high schools and programs providing preparation for the GED test.

Teens who attend high school have a bonus of \$62 added to their monthly welfare grant for each month during which they have four or fewer total absences and two or fewer unexcused absences (the attendance rules differ for GED preparation programs, which are usually part-time). Teens who have more than two unexcused absences in a month, or who fail to attend a LEAP intake interview or verify that they are enrolled in school, are "sanctioned" by having \$62 removed from their grant every month until they comply. Those who do not qualify for a bonus, but also do not warrant a sanction, receive their regular grant amount. Teens have several

opportunities to provide evidence of "good cause" for absences that schools report as unexcused, and they may be temporarily excused from LEAP's requirements if they are caring for an infant, are pregnant, lack suitable child care, or for other approved reasons.

LEAP's sanctions and bonuses can dramatically change participants' income. During the study period, a teenager who headed her own welfare case and had one child was eligible for a monthly welfare grant of \$274. A \$62 bonus raised her grant to \$336, while a sanction reduced it to \$212. Thus, a teen who attended school regularly received \$124 more per month more than a teen who was absent without an acceptable excuse.

Because variations of LEAP are being considered in many states, MDRC researchers stressed the distinctive features of the LEAP model. "Policymakers need to remember that LEAP is a package that includes bonuses, sanctions, case management, child care, and transportation assistance," said David Long, who is directing the LEAP study and co-authored the new report. "The results in this report don't speak to the effectiveness of programs that include only part of this package, such as sanctions alone." Long also stressed that preliminary figures show that the LEAP model appears to be relatively inexpensive to operate, costing only about \$300 per eligible teen per year, not including schooling costs.

The Operation of LEAP

In addition to the findings on LEAP's effects, the report found that LEAP was implemented relatively well in the research counties despite early problems in identifying eligible teens and adjusting their welfare grants. Schools were almost always cooperative with the LEAP program, but the process of setting up procedures to monitor teens' attendance each month was complex and reports were sometimes late, especially in big cities. Nevertheless, counties were able to incorporate most eligible teens into LEAP's financial incentive structure. More than 90 percent of teens were scheduled for at least one bonus or sanction during their first 18 months in LEAP. About three fourths earned at least one bonus, and about half were slated for at least one sanction, although administrative problems sometimes prevented these adjustments from actually occurring. Some counties also developed strong case management systems that included home visits, group activities for teens, and LEAP workers stationed in schools.

LEAP has reached a large and diverse population of teens. Most of the teens studied in the report were 17 or 18 years old when they entered LEAP, but about one in four were 16 or younger. About half of the teens were not enrolled in school when they were identified as

eligible for LEAP. The vast majority had never been married, and had only one child at that point.

LEAP's relatively smooth operation is a story in itself. "Although the model seems simple, this is in fact a difficult program to administer," said Long. "It calls for extensive cooperation across large bureaucracies like school districts and welfare agencies and, because LEAP is so unusual, there were virtually no models to build on. Under the circumstances, the counties have done quite well."

Testing LEAP

MDRC's evaluation of LEAP is funded by the Ohio Department of Human Services, the Ford Foundation, the George Gund Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services.

"From the beginning, the State of Ohio has been strongly committed to learning about LEAP's effectiveness in a rigorous way," said Dr. Gueron. "Their willingness to subject their program to the scrutiny of researchers is now providing information that can help not only them but also policymakers in other states and in Washington."

The new report, the second of three planned for the study, is titled *LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents*. The authors are Dan Bloom, Veronica Fellerath, David Long, and Robert Wood.

In order to test the program's effectiveness, teens eligible for LEAP in the seven research counties are compared to a randomly-selected control group that is not subject to LEAP. More than 7,000 teens were studied for the new report. Surveys, school data, LEAP program records, and discussions with small groups of LEAP teens were all used in the assessment. The research counties are: Cuyahoga (Cleveland), Hamilton (Cincinnati), Franklin (Columbus), Lucas (Toledo), Stark (Canton), and two smaller rural counties, Lawrence and Muskingum.

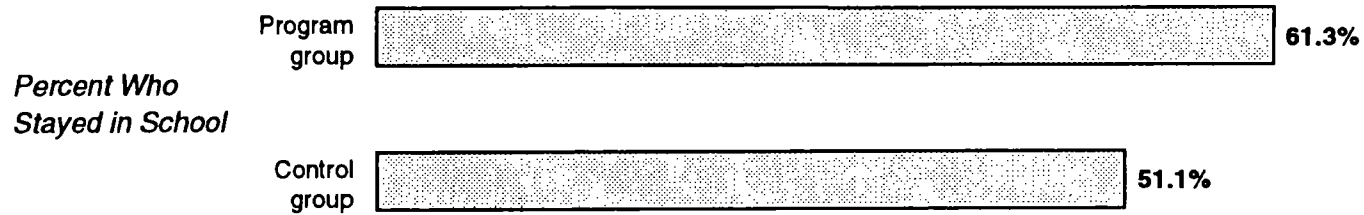
The Manpower Demonstration Research Corporation

Founded in 1974 by the Ford Foundation and a consortium of federal agencies, MDRC designs and studies programs intended to improve the prospects of disadvantaged people. During the past 18 years, the organization has "field-tested" more than three dozen programs for welfare recipients, teenage parents, high school dropouts, and other groups.

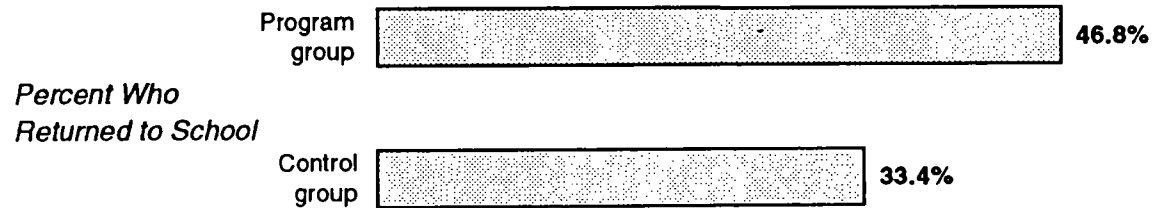
EMBARGOED UNTIL APRIL 12, 1993

OHIO'S LEAP PROGRAM
FIRST-YEAR IMPACTS ON SCHOOL ENROLLMENT

FOR TEENS IN SCHOOL: A DROPOUT PREVENTION EFFECT



FOR DROPOUTS: A DROPOUT RETURN EFFECT



NOTE: Includes enrollment in both junior and senior high schools and in adult education programs that prepare students for the high school equivalency (GED) test.

EMBARGOED UNTIL APRIL 12, 1993

OHIO'S LEAP PROGRAM
FIRST-YEAR IMPACTS ON SCHOOL ENROLLMENT

	Program group	Control group	Difference
<i>For in-school teens:</i>			
Percent who remained enrolled in high school or adult education for at least 10 of the next 12 months	61.3%	51.1%	10.3***
<i>For dropouts:</i>			
Percent who ever enrolled in high school or adult education over the next 12 months	46.8%	33.4%	13.4***

NOTES: *** Indicates that the difference is statistically significant at the 1 percent level.
Rounding may cause slight discrepancies in calculated differences.

LEAP

INTERIM FINDINGS ON A WELFARE INITIATIVE TO IMPROVE SCHOOL ATTENDANCE AMONG TEENAGE PARENTS

Ohio's Learning, Earning, and Parenting Program

MDRC

**Manpower
Demonstration
Research
Corporation**

Three Park Avenue
New York, New York 10016
(212) 532-3200

1669 Bush Street
San Francisco, California 94109
(415) 441-7607

FINAL DRAFT

EMBARGOED UNTIL APRIL 12, 1993

The contents of this draft are for
discussion only and are not for
quotation, publication, or distribution
until April 12, 1993.

LEAP

INTERIM FINDINGS ON A WELFARE INITIATIVE TO IMPROVE SCHOOL ATTENDANCE AMONG TEENAGE PARENTS

Ohio's Learning, Earning, and Parenting Program

Dan Bloom
Veronica Fellerath
David Long
Robert G. Wood

Manpower Demonstration
Research Corporation

April 1993

EXECUTIVE SUMMARY

Ohio's Learning, Earning, and Parenting (LEAP) Program is an unusual statewide initiative that uses financial incentives and penalties to promote school attendance among pregnant and parenting teenagers on welfare, the group most likely to become long-term welfare recipients. LEAP requires these teens to stay in school and attend regularly or, if they have dropped out, to return to school or enter a program to prepare for the GED (high school equivalency) test. By improving the teens' school attendance in the short term, LEAP seeks to increase the likelihood that they will complete school and, in the longer term, find jobs and leave welfare. The program, developed by the Ohio Department of Human Services (ODHS) and operated by County Departments of Human Services (CDHS), has reached more than 20,000 eligible teens since it began operating in mid-1989. LEAP has attracted substantial interest in Ohio, other states, and at the federal level.

This is the second report in a six-year evaluation of LEAP that began in 1989. The study is being conducted by the Manpower Demonstration Research Corporation (MDRC) with funding from ODHS, the Ford Foundation, the George Gund Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services. The report assesses the operation of LEAP and provides early evidence on the program's effects on school enrollment, attendance, and completion in seven Ohio counties that include about half of the statewide LEAP caseload. The evaluation's final report, which is scheduled to be completed by early 1995, will address the program's longer-term impacts.

The LEAP Model

Participation in LEAP is mandatory for all pregnant women and custodial parents (almost all are women) under 20 years old who are receiving Aid to Families with Dependent Children (AFDC) and do not have a high school diploma or GED certificate. This includes both teens who head welfare cases and those who receive assistance on someone else's case (usually the teen's mother).

Under program rules, all eligible teens are required to regularly attend a school or program leading to a high school diploma or GED. This applies both to teens who are in school when they become eligible for LEAP – they must remain enrolled – and to dropouts, who must return to high school or enter an Adult Basic Education (ABE) program to prepare for the GED test. LEAP uses a three-tiered incentive structure to enforce this mandate. First, teens who provide evidence that

they are enrolled in a school or program receive a bonus payment of \$62. They then receive an additional \$62 in their welfare check for each month in which they meet the program's attendance requirements. For teens in a full-time high school, this means being absent no more than four times in the month, with two or fewer unexcused absences. (Absences for which the teen obtains a physician's statement are not counted.) Different attendance standards apply to part-time ABE programs, but the same financial incentives apply.

Second, teens who do not attend an initial LEAP assessment interview (which commences participation in LEAP) or fail to provide proof of school enrollment without an acceptable reason have \$62 deducted from their grant (i.e., they are sanctioned) in every month until they comply with program rules. Similarly, enrolled teens are sanctioned \$62 for each month in which they exceed the allowed number of unexcused absences.

Third, enrolled teens who exceed the allowed number of *total* absences but not the allowed number of *unexcused* absences in a month earn neither a bonus nor a sanction.

Because teens have several opportunities to provide evidence of "good cause" for absences that schools define as unexcused, there is a three-month lag between the month of attendance and the corresponding sanction or bonus; for example, poor attendance in October triggers a sanction in January. Teens may be temporarily exempted from the LEAP requirements if they are in the last seven months of a pregnancy, if they are caring for a child under three months old, if child care or transportation is unavailable, or for other specified reasons.

LEAP sanctions and bonuses can substantially change the income of participants. During most of the study period, a teen living on her own with one child (the most common situation) was eligible for a monthly AFDC grant of \$274. A bonus raised her grant to \$336. A sanction reduced it to \$212. Thus, the total difference in AFDC payments between a teen who enrolled and attended regularly, and one who failed to enroll without a good reason, was \$124 per month.

Each LEAP teen is assigned to a case manager, who is responsible for explaining the program's rules, monitoring the teen's compliance to determine whether a bonus or sanction is warranted, and helping the teen overcome barriers to school attendance. Teens are also eligible to receive assistance with child care and transportation as needed to attend school.

Under Ohio's county-administered welfare system, LEAP is operated by County Departments of Human Services in all 88 of the state's counties. Many aspects of the program's implementation, including the staffing structure and specific responsibilities of case managers, are left to the discretion of counties.

The Policy Significance of LEAP

LEAP is an important initiative for three reasons. First, the program attacks a critical social problem – long-term welfare receipt – by encouraging and assisting teen parents on welfare to stay in or return to school. Recent data show that more than half of all welfare households are headed by women who first gave birth as teens, and that the route from adolescent childbearing to long-term welfare receipt often begins when pregnant or parenting teens drop out of school. This is not surprising given the growing disparity between the earnings of high school graduates and dropouts. In addition, teenagers who drop out at the time of their first pregnancy or birth account for a substantial proportion of all female dropouts, making this population important to broader efforts to increase school completion rates.

Second, unlike most other programs for this population, LEAP operates on a large scale and targets an unusually broad group of teens. It is only the second statewide effort to enforce a school attendance mandate for all teen parents on welfare, including those who are already in school. The first, Wisconsin's Learnfare program, targets all teens on welfare (not just those who are parents), uses only grant reductions, and did not initially include case management. Until recently, most initiatives for teen parents were small-scale programs serving volunteers; welfare agencies rarely targeted programs to this group. The Family Support Act, the major welfare reform legislation passed by Congress in 1988, urges all states to target teen parents on welfare for services and to require school attendance. However, few states have moved as aggressively as Ohio.

Third, LEAP's approach, which uses both financial incentives and penalties to encourage teens to use existing education services, is unique. Programs that seek to change the behavior of welfare recipients through financial inducements have attracted wide attention in recent years, although little is known about their effectiveness. An exception is programs that use the threat of welfare grant reductions to encourage employment and participation in education and employment-related activities. Rigorous evaluations have shown that these programs can be effective for adults, although it is not known how much these impacts were driven by the use of sanctions versus the services that were provided. However, LEAP's use of both financial incentives and penalties, and its application of these inducements to all eligible teens on an ongoing basis, constitutes an important departure from past practices.

The findings from this report, along with results from other ongoing evaluations of interventions for teen parents, will help inform the search for effective policy approaches for this important

population. In the context of these findings, it is critical to note that LEAP, unlike some other existing or proposed "learnfare" strategies, targets only teenage custodial parents, and represents an integrated "package," including both financial incentives and penalties, case management, child care and transportation assistance, and extensive due process procedures that provide opportunities for teens to respond before grant reductions are imposed. Thus, the results do not offer evidence on the effectiveness of other learnfare approaches that include only parts of the LEAP package, such as financial penalties alone.

An Overview of the Findings

LEAP has operated relatively smoothly during its first three years. However, because the evaluation began at the same time LEAP operations commenced, most of the teens in the study experienced LEAP at least partly during the early months of the program's operation, when there were start-up problems and the financial incentives operated least efficiently. Since the evidence suggests that LEAP operations have become smoother over time, the results presented here should be seen as a conservative estimate of the model's potential.

Despite the early implementation problems, LEAP has incorporated most eligible teens into its incentive structure. LEAP staff requested at least one bonus or sanction for 93 percent of eligible teens in the three largest counties in Ohio during the first 18 months after these teens entered the program. Seventy-five percent of eligible teens earned at least one bonus, and 56 percent were slated for at least one sanction (many teens earned both bonuses and sanctions). However, it is important to note that, for several legitimate reasons, teens generally did not qualify for grant adjustments in every month; about half were scheduled for six or more actions over the 18 months. In addition, especially during the early months of program operations, many of the sanctions that were requested by LEAP staff did not actually lead to grant reductions because of administrative problems.

LEAP has also made substantial progress toward its key short-term goal of inducing teens to enroll in or remain enrolled in school. This report's impact analysis, which compares the experiences of LEAP teens (the program group), to those of a randomly selected group of similar teens (the control group), found that the program affected both teens who were already enrolled in school when they became eligible for LEAP, making them less likely to drop out, and teens who were initially dropouts, making them more likely to return to school or enter adult education programs.

Among teens who were already enrolled in school when they became eligible for LEAP (about half of all teens), 61.3 percent of the program group and 51.1 percent of the control group remained

enrolled continuously (or graduated) during the 12 months after entering LEAP. This difference – 10.3 percentage points (after rounding) – represents a statistically significant increase in school *retention*.

Among teens who were dropouts when they entered LEAP, 46.8 percent of program group members and 33.4 percent of controls enrolled in a high school or adult education program at some point during the following 12 months. This 13.4 percentage point impact on school *return* is also statistically significant. Nevertheless, it is important to note that, even with the LEAP incentives and penalties, more than half the dropouts never returned to school during the first year.

The pattern of school return impacts varied depending on how long dropouts had been out of school when they were identified as eligible for LEAP. Among recent dropouts (those who had been out of school less than a year), many of those who resumed their schooling because of LEAP returned to high school. In contrast, among longer-term dropouts, virtually all of those who returned entered part-time adult education programs rather than full-time high schools.

Importantly, these impact estimates include many teens who already met the LEAP eligibility criteria when the program began. When compared with teens who became eligible for LEAP after operations began, these "on-board" teens were more likely to have been out of school a year or more and to have had two or more children at the point they were brought into LEAP. Teens with these characteristics had smaller overall impacts, took longer to respond to the LEAP incentives, and, when they did, were likely to enter adult education programs rather than high schools. In an ongoing program, teens would generally be identified closer to the time they become parents and, as a result, fewer would enter the program as school dropouts or as the parents of more than one child. This, together with the improvement in program operations during the study period, suggests that LEAP's impacts might have been larger if they had been measured for an ongoing program.

In addition to promoting retention in high school and inducing some dropouts to return to these schools, LEAP also improved the *attendance* of teens enrolled in high school. In contrast, program group teens who enrolled in adult education programs attended those programs somewhat *less* than controls. However, because many more program group than control group teens enrolled in adult education programs, the total number of days attended was greater for the program group.

Finally, early evidence on school completion suggests that LEAP's success in promoting high school enrollment and retention may ultimately translate into comparable increases in high school graduation. In addition, the program has already produced a small but statistically significant increase in the proportion of teens taking and passing the GED test. However, the evidence on LEAP's

impact on graduation and GED receipt is necessarily preliminary because many of the teens studied in the analysis were not old enough to have graduated or obtained a GED during the study period. In addition, at this early point in the study, it is unclear whether impacts on school completion will translate into longer-term effects on employment, earnings, or welfare receipt.

The LEAP Evaluation

The LEAP evaluation, which began in 1989, includes a randomly selected group of 12 of Ohio's 88 counties. This report focuses on seven of these counties, which include Ohio's three largest cities – Cleveland, Columbus, and Cincinnati – as well as suburban and rural areas. Although they encompass about half of the statewide LEAP caseload, it should be noted that these seven counties are mostly urban, and therefore underrepresent LEAP teens in rural areas. The seven counties are: Cuyahoga (Cleveland), Franklin (Columbus), Hamilton (Cincinnati), Lucas (Toledo), Stark (Canton), and two smaller, rural counties, Lawrence and Muskingum.

The evaluation uses a random assignment research design to assess LEAP's effectiveness. To implement this design, all teens who were found to be eligible for LEAP in the research counties from the time the program began operating in July 1989 through September 1991 – just over 7,000 individuals in the seven counties – were assigned, at random, to one of two groups: a program group, which was eligible for LEAP's incentives and case management, or a control group, which was not. LEAP staff did not work with teens in the control group or monitor their school absences, and these teens' welfare grants were not adjusted based on their attendance. Also, control group teens were ineligible for payments (other than for child care) or case management from Ohio's Job Opportunities and Basic Skills Training (JOBS) Program for adult welfare recipients. Because teens were assigned to the program and control groups at random, there were no systematic differences between them except for the fact that one group was subject to the LEAP mandate and the other was not. Thus, as the evaluation tracks members of the groups over time, any measured differences between them in school behavior, employment, earnings, AFDC receipt, or other outcomes, can be attributed to LEAP.

This analysis uses a wide variety of data sources – including a survey of a random subset of more than 2,000 program and control group teens, LEAP and AFDC casefiles, records obtained from selected school districts, statewide GED testing data, and discussions with small groups of LEAP teens – to assess LEAP's operations and its impacts on teens' school enrollment, attendance, and

completion during their first 12 to 18 months in the program. The analysis focuses most heavily on the three largest urban counties, where the most complete data were available.

Findings on Program Implementation

One goal of the evaluation is to describe how the LEAP model has been translated into an operating program at the county level, and to examine the key issues that have emerged during the first two to three years of operations. This topic was the primary focus of MDRC's first report on LEAP, and is updated in this report. Key findings include the following:

- **LEAP has operated relatively smoothly during the study period, considering that the program is complex to administer. Not surprisingly, all counties experienced operational problems, particularly during the start-up period.**

The LEAP model requires a variety of complex linkages, within and across agencies, that generally did not exist prior to the program's implementation. For example, monitoring teens' attendance necessitates close cooperation between schools and welfare agencies, and implementing welfare grant adjustments requires coordination across divisions of a county welfare agency. Because the planning period preceding LEAP's implementation was extremely compressed, the research counties were forced to develop these linkages – and to deal with other formidable challenges – under intense pressure, with little relevant experience on which to build.

Given these challenging circumstances, it is noteworthy that all of the research counties were able to begin operations roughly on schedule and that, despite a range of problems, they have managed to identify large numbers of eligible teens, obtain attendance information for most of those in school, and implement large numbers of grant adjustments. Perhaps more important, the counties have made steady progress in addressing the key problems, and operations have become smoother over time. However, as noted earlier, most of the teens who are studied in this analysis experienced LEAP at least in part during the less efficient start-up period.

- **LEAP has reached a large and diverse population of teens. However, identifying eligible teens – particularly those who do not head welfare cases – was quite difficult, in large part because of the limitations of the welfare computer system.**

More than 7,000 teens were identified as eligible for LEAP during the first two years of program operations in the seven counties studied for this report. This was an extremely diverse group, including 18- and 19-year-olds, who were quite likely to have two or more children and to have been out of school for more than a year, and younger teens who had one child and were still enrolled

in school when they entered the program. Overall, about half the eligible teens reported being enrolled in school when they were identified as eligible for LEAP.

The process of identifying the eligible population was more difficult than many expected, in large part because the statewide welfare computer system that was in place for much of the study period did not have the capacity to identify teen parents who did not head welfare cases. Many eligible teens were missed, especially during the early months. Counties developed a number of strategies to address this problem, but it persisted in some counties until a new, highly sophisticated statewide welfare computer system was implemented near the end of the study period.

- **Most of the counties had difficulties processing needed grant adjustments. The severity of this problem varied, depending on the organizational structure of LEAP in each county.**

In developing organizational structures to operate LEAP, counties faced the challenge of integrating diverse functions that are traditionally handled by different parts of a welfare agency. Most of the counties chose to separate the two key LEAP functions – case management and welfare grant adjustment – assigning responsibility for case management to staff experienced in employment or social services programs, and grant adjustment to regular AFDC eligibility workers. Under this structure, LEAP case managers had to use paper forms to request grant adjustments from AFDC workers. Each of these workers was responsible for a handful of LEAP clients in a caseload of 300 or more, and many were barely familiar with LEAP. Especially during the first year of operations, this process did not operate smoothly in several of these counties and, consequently, many teens who did not comply with program rules were not sanctioned. Where LEAP case management responsibility was assigned to AFDC workers directly, this was not nearly as serious a problem.

Once again, this situation has improved over time, as county and state staff have devised new strategies to address the problem. In addition, the implementation of the new statewide computer system has streamlined and largely automated the grant adjustment process.

- **Several counties have gone beyond the requirements of the LEAP model to create a relatively expansive definition of the case management function.**

The LEAP regulations do not define the role of case managers in detail, beyond the basic monitoring and administrative steps necessary to implement the financial incentive system. While a few of the research counties have chosen to define the responsibilities of these staff narrowly, most have attempted to go beyond the basic model to provide proactive assistance to at least a subset of LEAP teens. In a few counties, these efforts have included frequent personal contact with teens,

home visits, outstationing of LEAP staff in schools, group activities, or other measures. In general, proactive case management has been easier to achieve in counties where this role was assigned to more experienced staff. More extensive training was necessary in counties where AFDC workers became case managers.

- **School districts have generally cooperated with LEAP. Still, it often has been difficult for LEAP staff to establish reliable attendance reporting systems.**

Despite the lack of preexisting linkages between county welfare agencies and schools, and the unusual nature of the LEAP model, the vast majority of school districts in the research counties have been willing to supply the attendance information necessary to trigger LEAP's incentives and penalties. However, the process of establishing and maintaining reliable monitoring systems has been extremely complex and time-consuming, and these systems have sometimes functioned poorly. Especially during the early months of program operations, attendance reports often arrived too late to implement the grant adjustments on schedule. Reporting problems have been most severe in large urban areas and for teens attending ABE programs; these programs traditionally served volunteers, and did not always maintain detailed individual attendance records. As with other implementation problems, attendance reporting has generally improved over time, as counties have devised new organizational approaches and school staff have become more familiar with LEAP.

- **Because it provides no education services, LEAP is dependent on the local school environment, which varies across counties and school districts. One particularly important factor in the operation of LEAP is the availability and accessibility of alternatives to traditional high school.**

Many LEAP teens who have dropped out of school have failed in the mainstream education system and are extremely reluctant to return to traditional high schools. For these teens, the availability of education alternatives can be a critical determinant of LEAP's success. In most counties, ABE programs, which help students prepare for the GED test, are the most common alternatives. However, owing to the interaction of state and federal laws, teens under 18 years old are not permitted to enroll in these programs unless they have officially withdrawn from school, and the frequency with which teens are permitted to withdraw varies considerably across school districts. Thus, the menu of available education options differs across counties, as does the involvement of LEAP staff in steering teens toward particular educational choices.

Another important aspect of the local school context is a preexisting Ohio Department of Education initiative known as GRADS (Graduation, Reality and Dual-Role Skills), which funds and

trains home economics teachers to provide special instruction to pregnant and parenting students in nearly 600 Ohio schools. Although GRADS is not formally linked to LEAP (and is also available to teens in the control group), the caseloads and missions of the two programs overlap, and the LEAP and GRADS staff have developed close working relationships in many schools. GRADS has greatly aided LEAP in establishing linkages with schools, and the efforts of GRADS teachers may also contribute to LEAP's ability to encourage teens to stay in school and obtain their diplomas. This, in turn, may bolster the program's longer-term effects on employment and self-sufficiency. Two-thirds of LEAP teens who were attending high school reported that they were enrolled in GRADS.

- **LEAP has largely avoided the legal challenges that initially hindered the Learnfare program in Wisconsin, which includes only grant reductions. It is likely that this has resulted in part from specific aspects of LEAP's design.**

LEAP's inclusion of bonuses and case management in addition to sanctions may make it more acceptable to eligible teens and their families and critics of programs that sanction welfare recipients. In addition, the program's due process procedures, which give teens opportunities to respond before sanctions are taken, have probably avoided numerous erroneous sanctions. However, this lengthy process is also partly responsible for the long (three-month) lag between the teens' attendance behavior and the financial response, which may weaken the ability of the bonuses and penalties to change behavior.

Findings on Bonus and Sanction Rates

The assessment of LEAP operations, which focused on Ohio's three largest counties – Cuyahoga (Cleveland), Franklin (Columbus), and Hamilton (Cincinnati) – shows that the program's incentive structure has incorporated most eligible teen parents. It also indicates that program operations improved over time, which means that teens were exposed to a more efficient and predictable structure during the 1991-92 school year than the one they faced during 1989-90. Specific findings include:

- **The vast majority of teens have been scheduled for at least one bonus or sanction during the time they have been eligible for LEAP. More teens earned bonuses than sanctions.**

LEAP staff requested at least one bonus or sanction for 93 percent of eligible teens in the three largest counties at some point in the 18 months following confirmation of these teens' eligibility for

LEAP.¹ For 100 typical LEAP teens, as depicted in Figure 1, 37 qualified for bonuses only, 18 were scheduled for sanctions only, 38 earned both bonuses and grant reductions, and only 7 did not qualify for either a bonus or a sanction during the 18-month period covered by the study. Among the 38 teens who were slated for both bonuses and sanctions, 14 earned more bonuses, 18 were slated for more sanctions, and 6 qualified for an equal number of each. Thus, overall, 75 percent of teens earned at least one bonus, and 56 percent were scheduled for at least one sanction.

- **Although almost all teens earned at least one grant adjustment, many were not scheduled for large numbers of adjustments during their time in LEAP.**

LEAP staff requested 3.5 bonus payments and 2.8 sanctions per eligible teen during the 18 months covered by the study. About half of the teens were scheduled for six or more grant adjustments during this period. This means that in a typical month more than one-quarter of all teens were slated for bonuses, and about one-fifth were scheduled for sanctions. It is important to note that a substantial fraction of bonuses were for initial enrollment in school, rather than for good attendance.

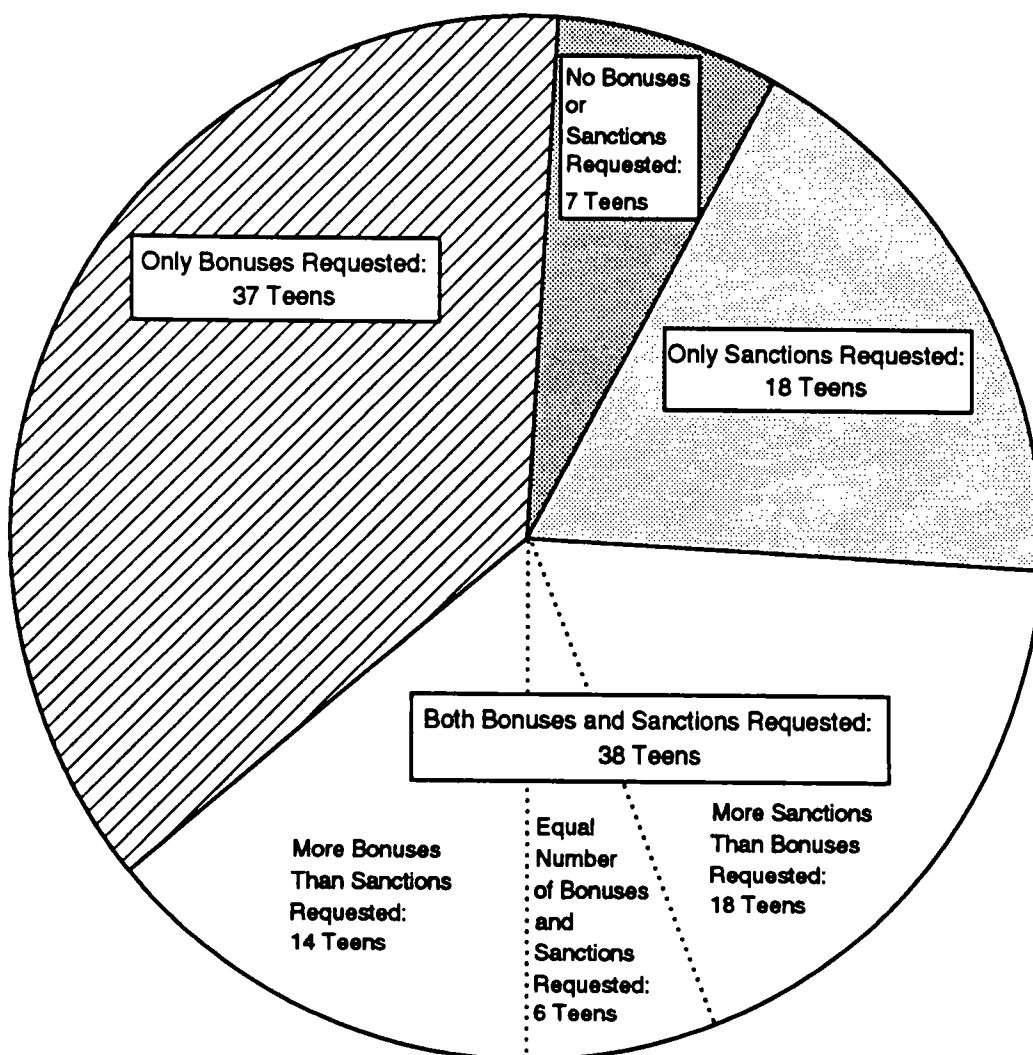
These data suggest that, in a typical month, about half of all eligible teens were not scheduled for either a bonus or a sanction. Aside from administrative problems, there are a number of legitimate reasons why this might occur. First, as noted earlier, teens with large numbers of excused absences in a month may qualify for neither a sanction nor a bonus. Second, about one-third of the teens were exempt at some point; exemptions were more likely to be granted after a 1990 rule change created an exemption for pregnancy (a large fraction of teens became pregnant or had additional children at some point after entering the program). Third, bonuses and sanctions generally do not apply to the summer months, when school is not in session. Thus, one would not expect teens to earn bonuses or sanctions in all of their eligible months.

- **There are important differences across counties, both in the rates of sanction and bonus requests and in the proportion of requested adjustments that actually occurred.**

Among the three counties studied in this part of the analysis, the fraction of teens who were scheduled for at least one sanction during the 18 months following eligibility determination ranged from 50 percent in Cuyahoga County to 64 percent in Hamilton County. Rates of bonus requests

¹This analysis focuses primarily on grant adjustment requests, rather than actual adjustments, so as not to give undue weight to the early operational period, when there was a disparity between the two in some counties.

FIGURE 1
BONUS AND SANCTION REQUESTS FOR 100 TYPICAL LEAP TEENS
WITHIN 18 MONTHS OF ELIGIBILITY VERIFICATION



NOTE: Numbers are weighted averages reflecting 263 randomly selected teens in three counties (Cuyahoga, Franklin, and Hamilton) who were assigned to the program group through November 1990.

also varied. County variation in the percentage of teens earning bonuses and sanctions was affected by a variety of factors including teen behavior, county practices in granting exemptions and responding to noncompliance, and the ability of counties to obtain attendance information.

As described in the previous section, LEAP case managers in most counties are not directly responsible for processing grant adjustments and, in some counties, staff report that adjustments requested by LEAP staff are frequently not applied. The data support this contention, but suggest that the severity of the problem varied by county. Among the three largest counties, the problem was particularly serious in Cuyahoga County, where only about half the requested sanctions were actually processed during the study period. However, there is evidence that the gap between requested and actual adjustments narrowed considerably over time. In addition, as noted earlier, the implementation of a new statewide computer system led to further improvement after the period covered by this study.

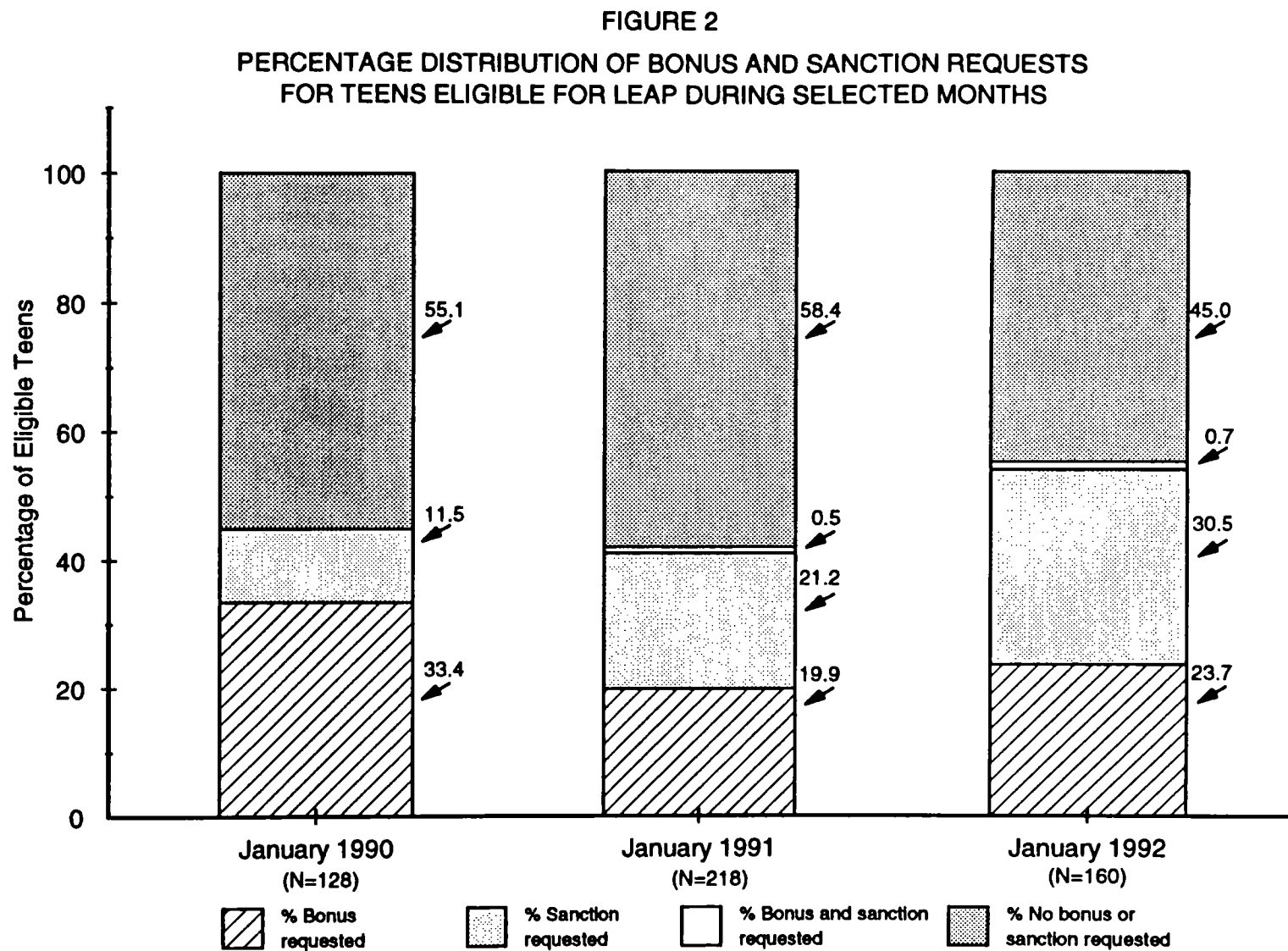
The teens' responses to the survey, which covered all seven counties, suggest that the proportion of teens who were actually sanctioned – which reflects both the patterns of sanction requests and the likelihood that these requests were processed – also varied considerably across the seven counties.

- **Some teens were scheduled for many sanctions and never cooperated with LEAP.**

Thirteen percent of LEAP teens qualified for four or more sanctions and no bonuses during the first 18 months following eligibility determination, and most of these sanctions resulted in grant reductions. This group was made up largely of teens who had dropped out of school more than a year prior to entering LEAP. Clearly, the LEAP model had little effect on the behavior of these teens. However, it is important to note that longer-term dropouts should account for a smaller share of the teens entering LEAP now that the "on-board" group has been brought into the program.

- **There have been important changes in the operation of the financial incentive system over time.**

Figure 2 shows that in January 1990, six months after LEAP started, neither a bonus nor a sanction was requested for more than half the eligible teens in the three largest counties. Sanctions were requested for one in nine teens (less than half of these sanctions were acted upon), while bonuses were requested for one in three teens. Two years later, in January 1992, actions were requested for a majority of teens, the sanction request rate had more than doubled (and most requested sanctions resulted in grant reductions), and the bonus request rate had declined to a level



NOTE: Bonus and sanction rates are weighted to reflect the sizes of the full research samples in Cuyahoga, Franklin, and Hamilton counties. The figures are based on a random sample of 388 program group teens. Not all of these teens were eligible for LEAP in all three of the specified months.

that was lower than the rate for sanctions. The drop in bonus requests is attributable in part to the fact that, during the early months of program operation, bonuses were issued to enrolled teens when the program could not obtain school attendance records (in accordance with program rules). In addition, during these early months, a relatively large fraction of the total caseload was in its first months of eligibility, and teens tend to earn enrollment bonuses fairly quickly upon entering the program.

- **Largely because of the program's unusual design, LEAP's sanctioning rate was much higher than the rates measured in previous evaluations of welfare-to-work programs for adults.**

The proportion of LEAP teens for whom sanctions were requested was more than three times the highest sanction rates MDRC has estimated for mandatory employment and training programs for adult welfare recipients. This result is not surprising because LEAP generally demands a more profound behavioral change than these earlier programs, monitors compliance and applies sanctions more regularly, and provides fewer options for case managers in responding to noncompliance. It may be noted that Wisconsin's Learnfare program and a recent test program for teen parents in three cities have also recorded high sanction rates.

In addition, as shown in Figure 1, more than half of the LEAP teens who qualified for sanctions also earned bonuses. Fewer than one-fifth of teens were slated *only* for sanctions. Overall, more than half of teens experienced a net gain because they earned more bonuses than sanctions; about a third experienced a net loss.

- **Overall, in a survey, about half of eligible teens characterized LEAP as "fair" and a third called it "unfair." Not surprisingly, teens who had been sanctioned had much more negative views of the program than did other teens.**

In responding to the survey, 49 percent of program group teens judged LEAP to be fair, and another 17 percent thought LEAP was sometimes fair and sometimes unfair. Thirty-four percent thought the program was unfair. In small group discussions, some teens seemed to feel that the LEAP rules are fair, but also that there are problems in the application of these rules. For example, teens said they knew of instances in which the grants of clearly noncompliant teens had not been reduced, and they voiced frustration that bonuses and transportation checks earned by good students were often delayed. However, it was not always clear whether the teens who expressed these grievances fully understood the program rules.

Among teens who had been sanctioned by LEAP, the proportion who thought LEAP was unfair exceeded the proportion who thought it was fair. In the group discussions, some teens expressed resentment that they had no choice in whether or not to enroll in LEAP.

- **Many teens report that child care arrangements are critically important to their decisions about school attendance. However, most LEAP teens did not use child care assistance offered by the program.**

When out-of-school teens in both the program and control groups were asked for the main reason why they were not enrolled, lack of suitable child care was cited most frequently. However, when surveyed, fewer than one-fifth of in-school teens in the program and control groups reported using LEAP-funded child care; most relied on their own mothers or other relatives to provide care. (LEAP-funded child care is also available to teens in the control group who attend school.) This low utilization rate is attributable to a number of factors, including teens' preferences for informal care provided by relatives and Ohio rules that restrict reimbursement to certified or licensed providers. It is not clear how these child care utilization patterns are affecting teens' school attendance, although many enrolled teens reported missing school because of child care problems.

Findings on Program Impacts

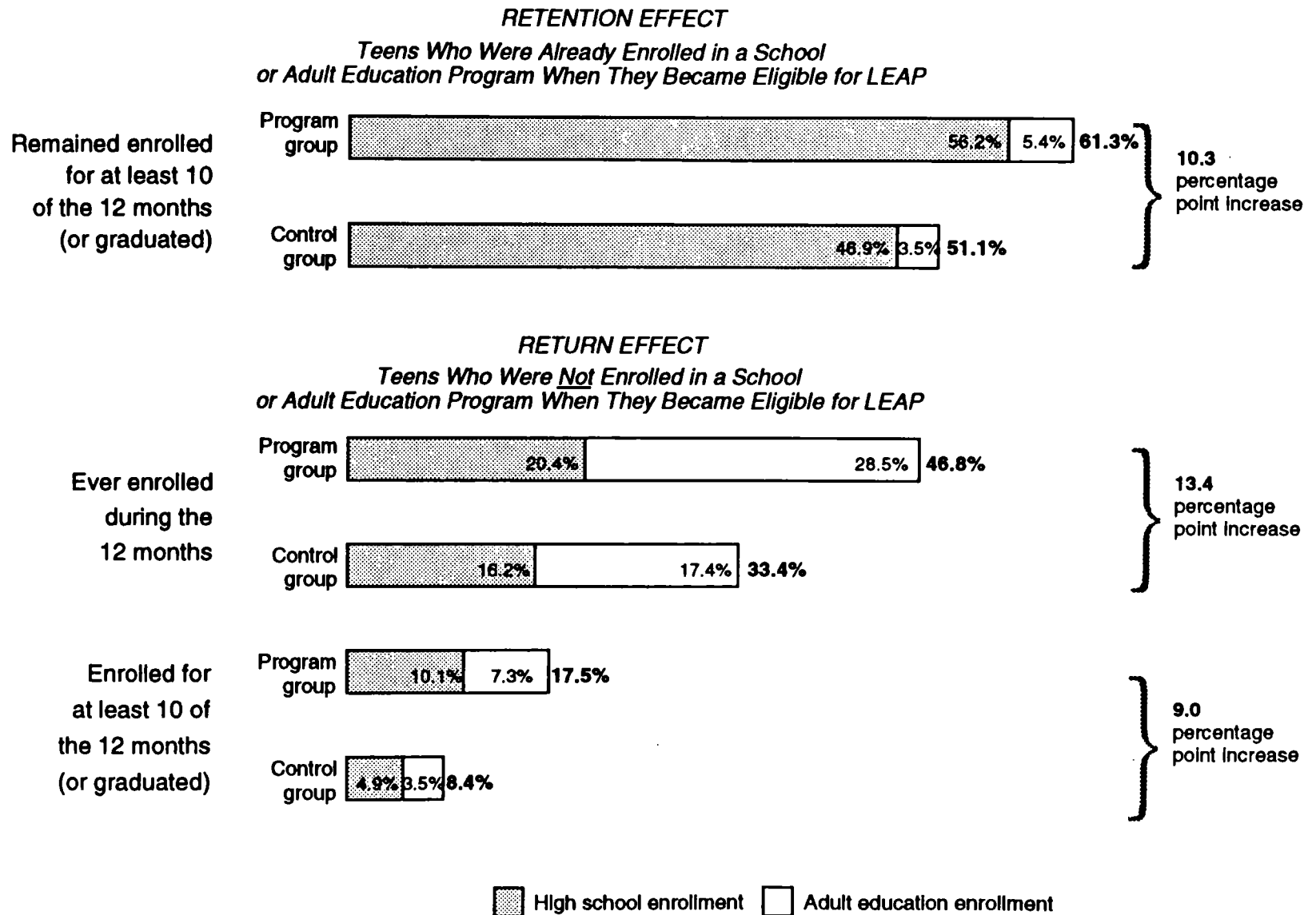
To determine the effects of LEAP on school behavior, the experience of teens who were randomly assigned to the program group was compared to that of teens who were randomly assigned to the control group. The *differences* between the two groups – in terms of enrollment, attendance, and completion – are the impacts of the program. The key results include:

- **LEAP had two important and statistically significant effects on teens' enrollment in high schools and adult education programs: It increased school *retention* among in-school teens and induced many dropouts to *return* to a school or program.**
- **Most teens who were recent dropouts and resumed their schooling because of LEAP returned to high school. Longer-term dropouts who returned almost always entered adult education programs.**

As indicated in Figure 3, 61.3 percent of LEAP teens who were enrolled in a school or adult education program when they became eligible for LEAP reported that they remained continuously enrolled – i.e., enrolled for at least 10 of the next 12 months (allowing that teens may not have been enrolled during summer months) or graduated within the 12-month period. Of their counterparts in

FIGURE 3

LEAP's FIRST-YEAR IMPACTS ON HIGH SCHOOL AND ADULT EDUCATION RETENTION AND RETURN



NOTE: The high school and adult education figures do not always sum to the total enrollment figures. This is true for several reasons, including the fact that teens could have been enrolled in both types of education during the period. Rounding may cause slight discrepancies in calculated differences.

the control group, 51.1 percent were continuously enrolled. This 10.3 percentage point difference (after rounding) is statistically significant. As shown in the figure, most of this impact on retention was concentrated on high school enrollment.

Among teens who were not enrolled when they became eligible for LEAP, a significantly larger fraction of the program group returned to school or entered an adult education program within the first year: 46.8 percent of LEAP teens who were dropouts returned, compared to 33.4 percent of controls. Moreover, many of these dropouts resumed their education very quickly – quickly enough to have been enrolled for at least 10 of their first 12 months in LEAP – as evidenced by the statistically significant 9.0 percentage point increase in the proportion of dropouts who were enrolled for at least 10 months.

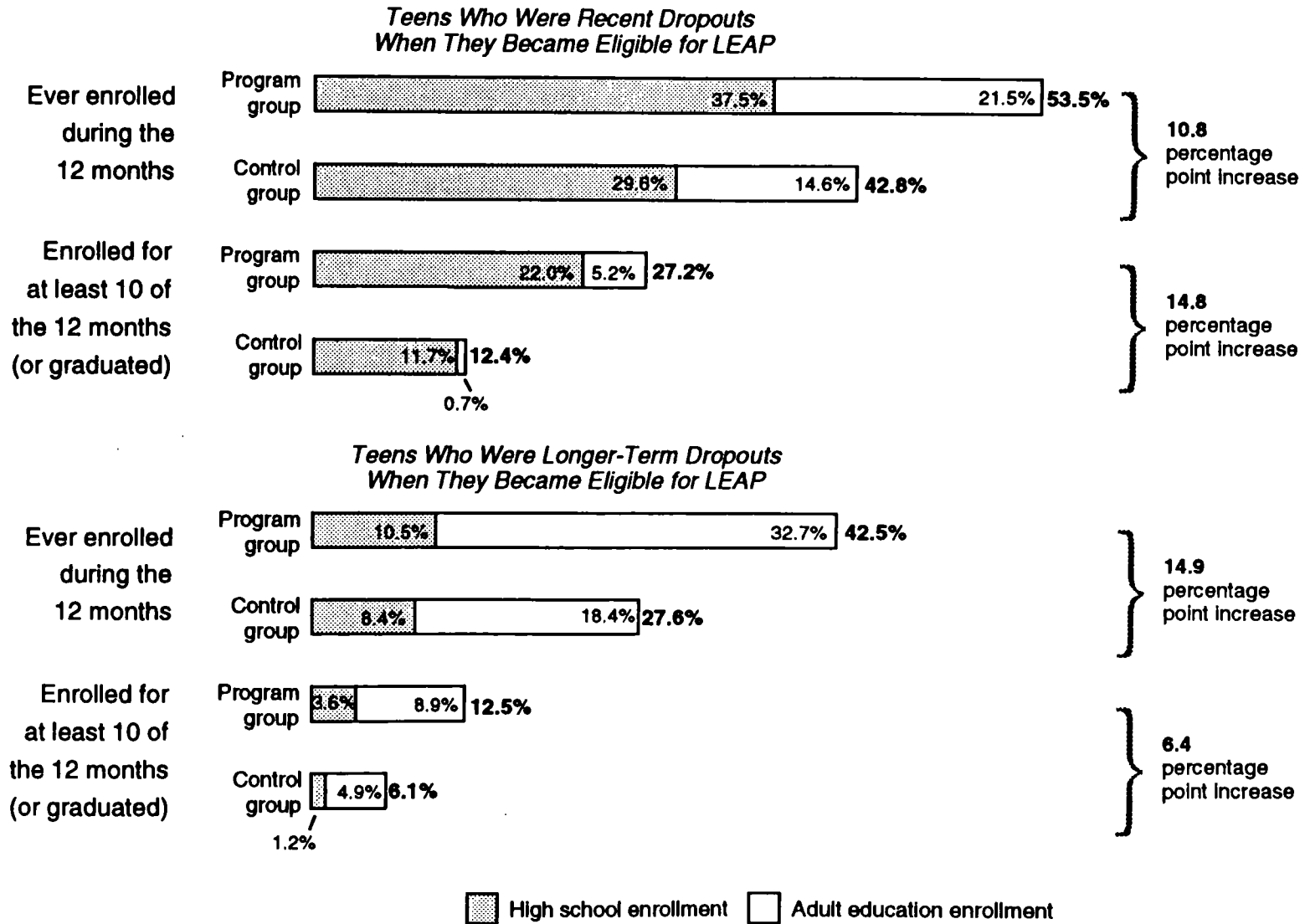
As shown in Figure 4, both the magnitude and the make-up of LEAP's impacts on dropouts depended on how long the teens had been out of school at the time they became eligible for LEAP. Among recent dropouts (i.e., those out of school less than a year), 53.5 percent of LEAP teens returned to school or entered an adult education program within the first year, compared to 42.8 percent of controls; and most of the teens who resumed their education returned to high school. Moreover, more than half of the returnees enrolled quickly enough to record at least 10 months of enrollment during the period. In contrast, 42.5 percent of longer-term dropouts in the program group (i.e., those out of school one or more years) resumed their schooling, compared to 27.6 percent of longer-term dropouts in the control group. In this case, however, teens took longer to respond to LEAP (indicated by the fact that less than one-third of the returnees were enrolled for 10 or more months), and the vast majority of those who returned because of LEAP enrolled in adult education programs, not high schools.

Table 1 presents some of the material above in tabular form, and also shows LEAP's impact on the number of months teens were enrolled in school or an adult education program – a measure that captures both LEAP's retention and return effects. For teens who were already enrolled when they became eligible for LEAP, the program increased their average months enrolled from 7.3 to 8.3 during the first year, a 13 percent improvement that was statistically significant. For dropouts, the increase in months enrolled, from 1.9 to 3.2 months, constituted a 68 percent improvement and was also statistically significant.

- **LEAP's impact on enrollment was significant for most subgroups of eligible teens. However, LEAP appears to have been less effective for older teens and those who had two or more children when they were identified as eligible for the program.**

FIGURE 4

LEAP's FIRST-YEAR IMPACTS ON SCHOOL RETURN FOR DROPOUTS



NOTE: The high school and adult education figures do not always sum to the total enrollment figures. This is true for several reasons, including the fact that teens could have been enrolled in both types of education during the period. Rounding may cause slight discrepancies in calculated differences.

TABLE 1

**LEAP's FIRST-YEAR IMPACTS ON SCHOOL AND
ADULT EDUCATION ENROLLMENT**

Subgroup and Outcome	Program Group	Control Group	Difference
Teens who were initially enrolled in a school or program			
Enrolled (or completed) 10 or more months in (%)			
High school or adult education	61.3	51.1	10.3 ***
High school	56.2	46.9	9.3 **
Adult education	5.4	3.5	1.9
Average months enrolled in or already completed			
High school or adult education	8.3	7.3	0.9 **
High school	7.3	6.6	0.7 *
Adult education	0.9	0.7	0.3
Teens who were initially not enrolled in a school or program			
Ever enrolled in (%)			
High school or adult education	46.8	33.4	13.4 ***
High school	20.4	16.2	4.3
Adult education	28.5	17.4	11.1 ***
Enrolled (or completed) 10 or more months in (%)			
High school or adult education	17.5	8.4	9.0 ***
High school	10.1	4.9	5.2 **
Adult education	7.3	3.5	3.8 *
Average months enrolled in or already completed			
High school or adult education	3.2	1.9	1.3 ***
High school	1.5	1.0	0.5 *
Adult education	1.7	0.9	0.8 ***

NOTES: This table is based on the survey responses of 1,188 teens in the program and control groups. "Completion" refers to high school graduation or GED receipt. A teen who achieved either outcome is counted as "enrolled" or "already completed" for the month of graduation (or GED receipt) and all subsequent months. For example, if a teen was enrolled in month 1, and then graduated in month 4, she is counted as enrolled (or completed) for all 12 months.

The proportion ever enrolled in high school and the proportion ever enrolled in adult education programs may sum to more than the proportion ever enrolled in high school or adult education because teens may have enrolled in both types of education.

Rounding may cause slight discrepancies in calculated differences.

Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

LEAP was most likely to affect teens who were under age 18 when they became eligible for the program (age-specific results are not shown in tables). Teens who were 12 to 15 years old when they started LEAP were enrolled, on average, for 1.8 more months than controls during their first year. Since most of these teens were already in school when they became eligible for LEAP, this difference almost entirely reflects increased retention of teens in junior high or high school. For 16- and 17-year-olds, the impact was similar – 1.5 more months of enrollment – but is attributable both to high school retention and to increased enrollment among dropouts in schools and adult education programs. In contrast, LEAP teens who were 18 or 19, who were quite likely to be dropouts at the point they entered LEAP, were enrolled for only half a month more than controls, and this effect was limited to additional months of enrollment in adult education programs. There was no effect on high school enrollment for these older teens. In addition, LEAP was much more effective for teens who were pregnant with their first child, or had only one child, when they became eligible for the program, than for teens with two or more children.

- **LEAP had a consistent overall impact on enrollment across counties. However, the composition of this impact – i.e., the proportion of the effect that is attributable to high school versus adult education program enrollment – varied substantially, partly owing to school district policies.**

Differences in LEAP's overall impact on enrollment across counties, which were relatively small, reflect differences in county operations – such as grant adjustment performance – as well as in the characteristics of the teens they served. For example, analysis shows that county impacts are correlated with the proportion of teens who experienced grant adjustments in each county.

Overall county impacts reflect effects on both high school and adult education program enrollment. In individual counties, this effect was often concentrated in one type of enrollment or the other. To some extent, these differences appear to reflect school policies in the largest school districts in the counties. For example, in Cuyahoga County, most of the impact was in high school enrollment; this probably reflects the Cleveland Public Schools' policy of not allowing teenagers to enroll in adult education programs until they reach age 18. In contrast, LEAP did not induce dropouts to return to high school in Lucas County, but it had a relatively large impact on adult education program enrollment, partly because during the study period, the Toledo Public Schools more readily allowed younger teens to withdraw from high school to enroll in adult education programs.

- **The impact estimates probably understate the effects that would be found in an ongoing LEAP program because the groups of teens for whom LEAP had slight impacts were larger during the period covered by this study than they will be later in the program's operation.**

When LEAP began, several thousand teens statewide already met the program's eligibility requirements. Many of these teens had more than one child or had been out of school more than a year when they were brought into LEAP. As noted earlier, LEAP had smaller impacts on teens with two or more children, and its effects on longer-term dropouts were delayed and almost entirely reflected enrollment in adult education programs. As LEAP continues to operate, teens should be brought into the program closer to the time they become eligible and, consequently, teens with these characteristics should become a smaller proportion of the LEAP caseload. Thus, the effectiveness of an ongoing LEAP program, especially in promoting high school enrollment, is likely to improve over time.

- **In addition to promoting enrollment and retention, LEAP improved the daily attendance of teens enrolled in high school. Among teens who enrolled in adult education programs, LEAP teens attended less than controls. However, there was still an overall small positive impact on total attendance in these programs.**

Attendance, which LEAP's incentives directly promote, is a crucial link between the program's enrollment impacts and its potential effects on graduation and GED completion. Table 2 compares the attendance of LEAP and control group teens during a typical four-week period during the 1990-91 and 1991-92 school years (the period depends on when a teen became eligible for LEAP). These data provide a "snapshot" of enrollment and attendance at a point in time, just as Figure 2 provided a point-in-time view of aggregate LEAP bonus and sanction requests. As a result, the proportion of teens who are shown to be enrolled in school *at this point* is lower, for both LEAP and control group teens, than in Table 1 or Figures 3 and 4, which all cover *a full year*.

As illustrated in Table 2, LEAP's impact on school retention and dropout reenrollment together translate into a moderately large difference in enrollment during this brief period: 44.7 percent of LEAP teens were enrolled in a school or adult education program compared to 34.0 percent of controls. This would produce a comparable difference in the number of days attended for the program group if LEAP and control group teens *who enrolled* attended at exactly the same rate. In fact, program group enrollees' attendance was slightly better than that of control group enrollees (13.3 days versus 13.0 days). Thus, as shown in the shaded columns, LEAP teens' overall attendance, 5.9 days per teen, was 34 percent (or 1.5 days) better than controls' during the four-week period, a statistically significant difference.

TABLE 2
THE EFFECT OF LEAP ON ATTENDANCE IN SCHOOL AND ADULT EDUCATION PROGRAMS
DURING A TYPICAL FOUR – WEEK PERIOD

Outcome	Program Group			Control Group			Difference in Average Days Attended During the Period				
	Percent Enrolled During the Period	x	Average Days Attended Per Enrollee During the Period	=	Percent Enrolled During the Period	x		Average Days Attended Per Enrollee During the Period	=	Average Days Attended Per Control Group Member During the Period	
High school or adult education program	44.7		13.3		5.9	34.0		13.0		4.4	1.5 ***
High school	30.4		15.2		4.6	24.5		13.9		3.4	1.2 ***
Adult education program	14.3		9.0		1.3	9.5		10.6		1.0	0.3 *

NOTES: This table compares the attendance of LEAP and control group teens during a representative four – week period (at least six months after a teen became eligible for LEAP). It shows the percentage of LEAP and control group teens who were enrolled in high school or an adult education program, and the number of days they attended, during the period; multiplying these two figures gives the average days attended by all LEAP teens (enrolled and not enrolled). The last column shows the difference in average days attended by the two groups.

This table is based on the survey responses of 1,987 teens in the program and control groups.

Figures for average days attended per enrollee are in italics because they include only teens who were enrolled in school (rather than all program and control group members).

The asterisks in the last column indicate that attendance differences were statistically significant (significance levels are indicated as *** = 1 percent; ** = 5 percent; and * = 10 percent).

The next rows of the table show that the overall impact on days attended resulted primarily from LEAP's positive effect on high school attendance. While LEAP's impacts on high school and adult education program enrollment were comparable, the attendance story for enrolled teens was not. Program group teens who were enrolled in high school attended 15.2 days (out of 20 during the four weeks) compared to 13.9 for control group enrollees. However, among teens who were enrolled in adult education programs, LEAP teens attended 1.6 fewer days in the period than their control group counterparts. This suggests that some of the teens who were induced by LEAP to enroll in adult education chose programs that met relatively infrequently or did not attend as regularly as other teens. However, because there were many more program than control group teens enrolled in adult education programs (14.3 percent vs. 9.5 percent), the *total* number of days attended in these programs was larger for the program group (as shown in the shaded columns).

- **Data on the performance of in-school teens indicate that LEAP's impacts on high school enrollment have already translated into more graduations, although it is too early to tell how large this increase may eventually be. LEAP has also led to an increase in the proportion of teens who have passed the GED test.**

School records data collected from Ohio's four largest school districts suggest that, on average, program group enrollees attended school more regularly than control group enrollees and that this difference grew over time. Moreover, 26 percent of an early cohort of LEAP teens who attended school graduated within two years compared to 19 percent of control group enrollees. These are early results, but the differences are statistically significant. LEAP has also led to a small but statistically significant increase in the fraction of teens taking and passing the GED test. Additional data on school completion is necessary because many of the teens in the research sample are too young to have graduated or passed the GED during the study period. However, if these early differences continue in the future, LEAP will result in a substantial increase in school and GED completion.

- **Many teens have negative views of their high school experiences. These perceptions appear to have affected their decisions about enrollment and whether to attend high school or adult education programs.**

LEAP is not the only factor that affects teens' decisions about school enrollment. For example, focus group discussions suggest that aspirations for the future, family and peer pressure, and levels of maturity all affected teens' behavior. In addition, for many teens, the decisions about whether to return to school, and whether to attend high school or an adult education program, appear to have

been affected by their negative experiences in high school before, during, and after their pregnancies. A large fraction of teens saw their high schools as unruly and dangerous, and said they were made to feel uncomfortable because they were parents. These perceptions were less likely to apply to adult education programs.

Policy Issues

These findings represent a positive interim report card for LEAP. They suggest that the LEAP model is feasible to operate, that its incentives have reached most eligible teens, and that the program has made noteworthy progress toward its immediate goal of encouraging teens to stay in or return to school or adult education programs. Given the importance of this group of young mothers, the recent interest in using financial incentives to alter the behavior of welfare recipients, and the fact that other states are considering programs of this type, these findings are timely. Because of this, it is important to reiterate that these LEAP results were measured for a policy package that includes bonuses as well as sanctions, and case management, child care, and transportation assistance in addition to financial incentives. It is not clear that seemingly similar approaches that omit or alter some of these components would achieve the same results. Moreover, although the results to date point to the potential promise of this particular model, several cautionary notes are in order.

Early Results. Most important, the story of LEAP's effects on school graduation and GED completion is not yet complete. Although the preliminary evidence is encouraging, a more complete assessment will have to await the evaluation's final report. In addition, the likelihood that any gains in school completion will translate into labor market impacts and/or reductions in welfare receipt is unknown at this point. It is also important to note that, as a welfare-operated program, LEAP has a limited ability to affect teens' experiences in school, and these experiences undoubtedly influence whether they will stay and whether there are long-run effects on employment. Thus, for example, if high schools are perceived to be inhospitable and dangerous – as they are to many LEAP-eligible teens in Ohio's largest cities – the enrollment results may yield fewer long-term payoffs.

Adult Education Programs. A substantial part of LEAP's effect on enrollment, particularly among older dropouts, is attributable to increased use of adult basic education (ABE)/GED preparation programs. This raises two important issues. First, although LEAP's incentive system implicitly considers a GED to be equivalent to a high school diploma, there is considerable controversy about the value of a GED in the labor market. Second, there is strong evidence that at least some LEAP teens have chosen ABE/GED programs that meet infrequently, and are not

attending regularly. Several policy changes could potentially address this issue. For example, LEAP could require a minimum number of hours of ABE/GED attendance in order to earn a bonus (as some counties have already done), or design its incentives to encourage high school-age teens to choose high school over ABE/GED programs. (Of course, school districts' application of the adult education age requirements also affect the choices facing teens.) Steps such as these might increase high school enrollment and improve attendance in ABE/GED programs. However, they also might decrease the proportion of dropouts who are willing to enroll in the first place, thereby increasing the sanction rate and decreasing the program's impacts on these teens. This might be especially true in areas where there are few alternative high school diploma programs available.

Subgroup Impacts. In designing interventions for this population, policymakers will have to make difficult resource allocation decisions. Fundamentally, they will have to decide whether to target a broad group of teens and spend relatively little on each teen, or target a narrower group and spend more per teen. LEAP represents a broad-coverage approach and has a low cost per teen: the program's direct cost is less than \$300 per eligible teen per year, based on preliminary data (however, this reflects low utilization of program-funded child care due primarily to Ohio day care regulations, and excludes indirect costs resulting largely from increased schooling costs).

Although the program's impact on school enrollment has been positive overall, it has not affected all groups of teens equally. Almost half the teens in the program group would have stayed in or returned to school with or without LEAP (as illustrated by the behavior of the control group). It is the other half whose behavior the program seeks to change. Within this latter group, there appear to be at least three categories of teens: (1) teens who are in school but are in danger of dropping out, (2) teens who are out of school but dropped out relatively recently, and (3) teens who have been out of school for an extended period.

LEAP has been relatively successful in promoting retention among teens in the first group and inducing some teens in the second group to return to high school. However, the program appears to have been less successful with the third group of teens, who tend to be older and are more likely to have more than one child. Teens in this group took longer to respond and, when they did, they rarely attended regular high schools. This relative lack of success was accompanied by a substantial amount of sanctioning. It may be that additional services or different requirements are necessary for this group. The LEAP model provides no such services directly, but services could easily be offered in conjunction with LEAP. A separate study within the LEAP evaluation currently under way in Cleveland is assessing the incremental effects of special services for in-school teens and dropouts

offered in addition to LEAP's incentives. Results will be available later this year.

Ohio's Circumstances. Although Ohio counties have been able to implement LEAP, this has been a challenging process, which was assisted by several special circumstances that might not apply in other states. For example, by the end of the study period, Ohio had a highly sophisticated statewide welfare computer system. Advanced computer capability seems to be vital to operating a program of this type, especially in large urban areas with many eligible teens. Attempts to identify eligible clients, track their attendance, and adjust their grants without automated support are bound to be quite difficult, and the ability of a program to deliver what it promises may be vital to maintaining teens' respect and cooperation. Similarly, Ohio's GRADS program – which offers special classes and services to in-school teen parents – has assisted LEAP's implementation by providing an in-school infrastructure for establishing and maintaining contact with school staff and LEAP students. Just as negative school experiences may hinder LEAP's effectiveness, so positive school-based programs may bolster the strength of LEAP's incentives.

Program Design Issues. Several important implementation issues should be considered before starting an initiative of this type. Anecdotal evidence suggests that it would be difficult to successfully implement a financial incentive program for teens without providing case management. Especially in dealing with this vulnerable population, staff play a vital role by making sure teens understand the program, receive needed support services, and are treated fairly. Initially, financial incentives – specifically, the threat of sanctions – may induce teens to pay attention to staff. Ultimately, however, it may be the way staff present the incentives to teens and the relationships that develop between them that determine how teens will perceive the program. Other issues include:

- **Policies toward repeat pregnancy.** Rates of repeat pregnancy are quite high among LEAP and control group teens (a finding common to studies of other programs as well), and LEAP appears to have smaller effects on teens who have subsequent pregnancies. It is important to carefully consider exemption policies for this group. Originally, LEAP did not automatically exempt pregnant teens (although teens with problem pregnancies could receive medical exemptions). However, after the first year, a pregnancy exemption was added. Many LEAP staff have complained that this exemption sends an inappropriate message about additional pregnancies.
- **Policies for "on-board" eligibles.** In starting a program like LEAP, it may be necessary to consider special policies or different requirements for teens who are eligible for the program when operations begin. In some cases, these teens will have had children and dropped out of school several years earlier, and the imposition of a new mandate requires them to make a profound change in behavior. In an ongoing program, teens learn about the consequences of poor

attendance earlier, often before they drop out; for "on-board" teens, the rules of the game change abruptly several years after the key decisions have been made. These teens are less likely to respond to the incentives, and more likely to incur repeated sanctions.

- **Post-program transition.** LEAP eligibility ends when teens reach age 20 or earn a diploma or GED. Many of the teens still have young children at this point and thus are exempt from mandatory participation in Ohio's JOBS program for adults. This may hinder a smooth transition into further education or training that may be vital to achieving the program's longer-term goals.

At this juncture, LEAP has achieved its primary short-term goals: It has exposed virtually all eligible teens to its financial incentive structure, and it has improved these teens' enrollment and attendance in schools and adult education programs. Its effect on some categories of teens has been small, and its general effectiveness might be improved with certain program changes. Nevertheless, its performance to this point has been impressive. It remains to be seen, however, whether LEAP's ability to induce teen parents to stay in and return to school will produce substantial changes in the proportion of teens who finish school and ultimately leave welfare.

The Manpower Demonstration Research Corporation's evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program is funded in part by a contract with the Ohio Department of Human Services and in part by the Ford Foundation, the George Gund Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services. This is the second report in the evaluation.

Publication and dissemination of MDRC reports is supported by our Public Policy Outreach funders: the Ford Foundation, the Ambrose Monell Foundation, the Alcoa Foundation, and Exxon Corporation.

The findings and conclusions in this report do not necessarily represent the official positions or policies of the funders.