DOCUMENT RESUME

ED 292 997 CE 049 938

TITLE	Work and Welfare. Analysis of AFDC Employment Programs in Four States. Fact Sheet for the Committee on Finance, U.S. Senate.
INSTITUTION	General Accounting Office, Washington, D.C. Div. of Human Resources.
REPORT NO	GAO/HRD-88-33FS
PUB DATE	Jan 88
NOTE	112p.
AVAILABLE FROM	U.S. General Accounting Office, P.O. Box 6015, Gaithersburg, MD 20877 (first five copies: free; additional copies: $2.00 each; 100 or more: 25% discount).
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC05 Plus Postage.
DESCRIPTORS	Agency Cooperation; Comparative Analysis; Day Care; *Demonstration Programs; *Employment Programs; Job Placement; Job Training; Outcomes of Education; *Program Content; *Program Effectiveness; Salary Wage Differentials; *State Programs; *Welfare Services
IDENTIFIERS	Aid to Families with Dependent Children; Massachusetts; Michigan; Oregon; Texas; *Work Incentive Demonstration Program

ABSTRACT

A study examined Work Incentive (WIN) Demonstration programs in four states. The following programs were reviewed: Employment and Training Choices (in Massachusetts), Michigan Opportunity and Skills Training, the Employment Services Program (in Texas), and JOBS (in Oregon). A strict, across-the-board analysis of the programs was difficult because of differences in the way different services were defined in the four programs and because of many gaps and discrepancies in the information available about the individual programs. The Massachusetts and Michigan programs were the most complex, offering multiple services and providers, in contrast to the Oregon and Texas programs, each of which provides one primary service. Massachusetts relied on federal funds to finance only 35 percent of its program, whereas Michigan's was about half federally funded and the Texas and Oregon programs each used a little more than 70 percent federal funds. Comparable percentages of adult Aid to Families with Dependent Children clients were counted as employment program participants in each of the four states. The Texas and Oregon programs emphasized job search, whereas the Michigan and Massachusetts programs stressed education and training activities. All four programs use some services provided by nonwelfare agencies, with Massachusetts making the most use of outside services (usually arranged with performance-based contracts) and Oregon using them the least. Massachusetts was the only state to place a major emphasis on child care (funding child care for clients before and after they find a job). Program staff in the other states frequently urge participants to find care on their own before starting the program. Placement rates were available only for Massachusetts and Michigan (38 and 37 percent respectively), with Massachusetts program completers earning higher average wages than completers of the other three programs. (MN)

United States General Accounting Office

GAO

Fact Sheet for the Committee on Finance, U.S. Senate

January 1988

WORK AND WELFARE

Analysis of AFDC Employment Programs in Four States

GAO

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

Human Resources Division

B-219521

January 5, 1988

The Honorable Lloyd Bentsen
Chairman, Committee on Finance
United States Senate

The Honorable Bob Packwood
Ranking Minority Member
Committee on Finance
United States Senate

In response to your April 22, 1987, request for in-depth information on Work Incentive (WIN) Demonstrations in selected states, we have reviewed such programs in four states. The programs we reviewed were Employment and Training Choices (ET) in Massachusetts; Michigan Opportunity and Skills Training (MOST); the Employment Services Program in Texas; and JOBS in Oregon. These programs, providing employment and training services for participants in the Aid to Families With Dependent Children (AFDC) program, can provide insights into employment service alternatives being considered as part of welfare reform.

This fact sheet includes the results of our review, which we discussed with your office on September 14, 1987. As agreed with your office, this report presents tables analyzing selected program attributes and practices in the following areas: (1) program overview and funding, (2) participation, (3) participant assessment and activity assignments, including the use of employability plans, (4) employment-related activities provided, (5) interaction with other agencies providing services to program participants, (6) child care assistance, (7) case management and caseworker backgrounds, and (8) program results.

In our review, we interviewed state welfare employment program officials, program caseworkers, and officials of other agencies or programs providing services to the AFDC employment programs. Program officials also provided statistical information. A summary of our results follows; the details are presented later.

GENERAL OBSERVATIONS

Although only four states were studied, they illustrate a range of conditions under which a federally mandated employment program would have to operate. The states differed

in AFDC population size in 1985, ranging from about 78,000 in Oregon in 1985 to about 680,000 in Michigan. Texas had a much lower income threshold for the loss of AFDC benefits than the other states. Massachusetts' unemployment rate--about 4 percent in 1986--was the lowest; the other states' rates were close to 9 percent.

A major problem is the lack of consistently defined and collected data to describe program operations and results. As we reported previously,[1] gaps and discrepancies in information about the programs limit comparative analyses.

Program Overview and Funding

Massachusetts' ET and Michigan's MOST are complex programs with multiple services and providers, in contrast with Texas' Employment Services and Oregon's JOBS programs, each of which provides one primary service. Both Texas and Oregon are planning to refocus on more complex, intensive services, but funding constraints may limit substantive changes.

Comparative program funding shows Massachusetts' relatively large financial commitment to its program. While Massachusetts relied on federal funds for only 35 percent of total expenditures in fiscal year 1986 and Michigan depended on federal funds for about half of expenditures, both Texas and Oregon used a little more than 70 percent federal funds. Massachusetts spent much more per participant than the other states for which cost per participant data were available--$1,257, compared with $410 in Michigan and $170 in Texas. Massachusetts spent these funds on relatively intensive education and training services, as well as child care assistance for both program participants and graduates.

Participation and Priority Groups

In fiscal year 1986, comparable proportions of the average monthly adult AFDC caseloads were counted as employment program participants in Massachusetts (20 percent) and Michigan (24 percent), with Texas reporting a smaller proportion (13 percent) and Oregon a considerably larger one (46 percent). However, participation definitions vary between states; Michigan, Texas, and Oregon included some AFDC recipients receiving only minimal services and their participation estimates should be considered as an upper limit. On an annual basis, Massachusetts, Michigan, and Texas all counted between 26 and 30 percent of their AFDC caseloads as participants. About half of Massachusetts and Michigan participants had children under age 6, although the Michigan group may include a higher percentage of men from two-parent households.

Only Massachusetts has formal priorities for serving particular AFDC participant groups, though these priorities include much of

---

[1]Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy (GAO/HRD-87-34, Jan. 29, 1987).

the caseload. State staff said priorities mean special efforts to attract certain groups and the funding of contracts targeted to specific groups, such as Hispanics, pregnant and parenting teens, and long-term welfare recipients.

Assessment and Activity Assignment

In all four states, staff mainly use interviews to assess participants' needs. More sophisticated methods, such as aptitude testing, would be administered by other agencies, such as Job Training Partnership Act (JTPA) service providers. Massachusetts, Oregon, and Texas use some type of plan to define steps leading to employment. These plans do not extensively catalogue these steps, participants' needs, or the services the program will provide. Employment program workers spend about 30 minutes to an hour per client in assessing participants and developing their plans.

Employment-Related Activities Provided

In selecting participant activities, Texas and Oregon emphasize job search. Massachusetts and Michigan place relatively large proportions of participants in education and training activities. Massachusetts' emphasis on long-term services is reflected in its higher spending per participant.

Interaction With Other Agencies

All four programs use some services provided by nonwelfare agencies, such as JTPA or community colleges, though to varying degrees. For example, Massachusetts provides all services except initial assessment through nonwelfare agencies, primarily using performance-based contracts; Oregon's JOBS workers usually provide the program's principal service, job search.

Overall, both AFDC employment program officials and officials of nonwelfare agencies were positive about the relationships between their programs. Officials of Texas' employment program were most likely to feel that nonwelfare agencies were reluctant to take their participants. Officials of Texas agencies serving employment program participants tended to rate AFDC recipients as being less motivated, reliable, and skilled than their other participants. In all states, AFDC recipients generally were thought to have greater transportation and child care needs than other participants.

Child Care Assistance

Massachusetts, where child care is a major emphasis, offers the most comprehensive services, encouraging participants to use program-funded vouchers to pay for care. The program also funds care after participants find a job. Program staff in the other states frequently urge participants to find care on their own before seeking assistance from the program. Program officials in all states cited the lack of available care for infants and toddlers, as well as for all children after school, at night, and on weekends.

Case Management and Caseworker Backgrounds

Oregon JOBS workers had the smallest average caseload of 75 participants per worker. The other programs' caseloads were much larger: an average of 251 participants per worker in Michigan, 391 participants (of which 121 were employment program participants) in Texas, and 567 in Massachusetts. About half the Oregon and Massachusetts caseloads were not active in the programs.

Texas had the lowest proportion of employment program caseworkers with a 4-year college degree. Both Oregon and Massachusetts drew the bulk of their employment program caseworkers from income eligibility or WIN backgrounds; data on caseworker backgrounds were not available for the other programs.

Program Results

Program results cannot be properly evaluated without measures of placement quality, such as job retention and benefits provided, and a suitable methodology to determine if participants would have found jobs on their own. Massachusetts and Texas, the only two states for which placement rates could be calculated, had similar rates, 38 percent (Massachusetts) and 37 percent (Texas). Massachusetts, Texas, and Oregon--the three states for which the information was available--placed similar proportions of participants in full-time jobs, between 65 and 71 percent. The average wage--$5.45--for jobs found in Massachusetts was higher than those in the other programs, $3.76 in Texas, $4.09 in Oregon, and $4.70 in Michigan (though data were available for only a portion of placements in Massachusetts, Michigan, and Texas). In addition, Massachusetts had by far the highest cost per placement ($3,333), reflecting ET's emphasis on long-term services, such as training and education, as well as child care provided for program participants and graduates.

- - - -

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 30 days after its issue date. At that time, we will send copies to other interested parties and make copies available to others who request them. For additional information, please call me at 275-6193.

Franklin Frazier
Associate Director

Contents

TABLES

ABBREVIATIONS

AFDC	Aid to Families With Dependent Children
AFDC-UP	AFDC for Families with Unemployed Parents
DES	Department of Employment Security (Massachusetts)
DPW	Department of Public Welfare
ET	Employment and Training Choices
GAIN	Greater Avenues for Independence
HHS	Department of Health and Human Services
JTPA	Job Training Partnership Act
MOST	Michigan Opportunity and Skills Training
SDA	service delivery area
SSBG	Social Services Block Grant (Title XX)
TDHS	Texas Department of Human Services
TEC	Texas Employment Commission
UP	Unemployed Parent
WIN	Work Incentive Program

WORK AND WELFARE: ANALYSIS OF AFDC EMPLOYMENT PROGRAMS IN FOUR STATES

INTRODUCTION

Welfare employment programs are a prominent feature of current welfare reform proposals. The proposals would require states to provide, and recipients of Aid to Families With Dependent Children (AFDC) to participate in, activities aimed at increasing employability, locating employment, or both. (See app. I for details on the employment programs that are part of several welfare reform proposals). Much of the interest in using this approach to refocus AFDC on promoting independence from welfare stems from state efforts permitted by the Omnibus Budget Reconciliation Act of 1981.

This legislation allowed states more freedom in designing welfare employment programs, most notably by permitting state AFDC agencies to operate the Work Incentive (WIN) program. Although many states continue to operate the WIN program in the old manner (jointly by the state welfare and employment security agencies), the WIN Demonstrations have drawn much attention and have formed the basis for such programs as Massachusetts' Employment and Training Choices (ET) and California's Greater Avenues for Independence (GAIN) programs.

In an earlier report,[1] we provided a national picture of the programs begun as a result of the 1981 legislation. Following that review, the Chairman and Ranking Minority Member, Senate Committee on Finance, requested in-depth information on welfare employment programs in selected states to show how individual programs work and to analyze their operations. The states and programs chosen were Massachusetts' ET Choices, Michigan's Opportunities and Skills Training (MOST), Texas' Employment Services Program, and Oregon's JOBS program. All four programs are based on WIN Demonstrations.

This report presents tables with information on selected program attributes and practices in the following areas: (1) program overview and funding, (2) participation, (3) participant assessment and activity assignment, including use of employability plans, (4) employment-related activities provided, (5) interaction with other agencies providing services to program clients, (6) child care assistance, (7) case management and caseworker backgrounds, and (8) program results. A brief narrative accompanies each table.

---

[1]Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy (GAO/HRD-87-34, Jan. 29, 1987).

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the review was (1) to provide an in-depth look at how an employment program works and (2) to illustrate, by analyzing selected elements of several programs, the variations that can occur within programs under the same legislation.

The states studied were selected, in consultation with the Committee, in order to provide variety in approach, geographic location, and economic bases. We visited all four programs in June and July 1987. During the visits, we conducted structured interviews to gather information from four groups: (1) state officials in the welfare employment programs, (2) local program administrators, (3) program caseworkers, and (4) officials of nonwelfare agencies or programs providing services to the AFDC employment program. Our visits included at least four local program sites in each state, selected for intrastate variations in populations and economic bases. (See app. II for sites and nonwelfare agencies providing services visited during our field work). State program officials also provided statistical information. In addition, to gain a different perspective, we discussed the programs with welfare advocacy groups in each state.

Problems in Obtaining Comparable Data

Obtaining comparable data from the four programs was a difficult, and in some cases impossible, task. Because the federal government requires WIN Demonstrations to report very little data, the programs have independently developed information systems that track different items and define the same items differently. As a result, some of the responses we obtained for the same questions are not strictly comparable, and not all data items were obtained from all of the states. (See app. III for examples of these problems).

Our attempt to obtain participation rates exposed several problems. We asked the states to provide two possible bases for such a rate: employment program registrants, which we hoped would give us a measure of the eligible or mandatory population, and the total number of AFDC cases or adult recipients. However, we found that the people required to register for the programs varied: Massachusetts and Oregon registered or considered registered all AFDC applicants or recipients, even those unable or not required to participate, while Michigan and Texas registered only those AFDC recipients who were required to participate or who volunteered for the programs. (All of the programs require some groups to register or participate, as discussed on pp. 34-35. Required groups are referred to as mandatory, as opposed to voluntary, participants).

A comparable count of participants was also impossible to obtain. Massachusetts counted as participants only those ET

registrants who receive services such as education and training, not those receiving only orientation or assessment. Michigan, as well as Texas (which does not even use the concept of participation), defined participants more broadly to include those receiving any "service," including assessment (and even, in Texas, self-placement). Oregon had the broadest definition, including anyone required to participate in JOBS or who volunteered, even those temporarily exempted from participation. However, Oregon was able to provide the number of participants only on a monthly, not an annual, basis.

It was also difficult to obtain comparable data on participant and AFDC caseload characteristics. We requested data on gender, Unemployed Parent (UP) status (two parents in the home), age, race (or ethnic background), children, education, work history, and welfare use. Texas could provide data on registrants only, not participants. Oregon's data were based on a sample of 20 percent of participants at 13 of 48 local offices and, in some cases, subsamples of this group. Some data items, such as UP status and work history, were unavailable for program participants in some states. Others, such as age and age of youngest child, were available for different categories. Data on past welfare use were based on differing time periods. Education data were available only for the ET participants included in a 2-percent sample of the AFDC caseload and the Texas registrants who were served by the Texas Employment Commission (TEC). (See app. III for data problems in each state.)

Comparable data on a crucial aspect of the programs' operations, the number of participants in different activities, were also difficult to obtain. Texas and Oregon do not track the number of participants in different activities. Michigan tracks them, but cannot provide an annual unduplicated count of participants in each activity, providing only monthly counts. The number of participants receiving child care assistance was available only in Massachusetts, with other states either collecting data only on the number of children receiving care or failing to track employment program participants separately from other recipients of child care aid.

It was also difficult to get comparable data on the accomplishments of the programs. For example, Michigan counts only grant closings and reductions caused by employment, not placements. Since one participant may have more than one grant reduction in a year, these numbers cannot be added to produce total placements. For the same reason, Michigan cannot report the proportion of participants placed who leave AFDC; the other three states can each report the proportion at a different point in time or for a subset of placements. Three of the four states can report the characteristics of the jobs found by only a subset of participants--those placed by certain contractors. And data on job retention are unavailable in Oregon, available for only certain

placements in Massachusetts and Michigan, and available only at 30 days after placement in Texas.

OVERVIEW OF PROGRAMS

The environments in which the programs operate, the approaches they use, and resources available to them suggest the variety of conditions that will affect any new welfare employment program. In terms of approach and services offered, the four programs studied include different degrees of complexity. But the programs that now stress one basic service are seeking to change to a more varied approach. However, they are limited by funding constraints. And in an era of declining federal funding for WIN, adequate funding for more intensive services depends on the state's financial commitment to the program.

Economic and Demographic Factors

The four states in the study differ in many measures that affect their welfare employment programs. For example, operating an employment program becomes more complex the larger the AFDC population. As shown in table 1, Michigan has the largest number of AFDC recipients: 672,600 (7 percent of state population), which is considerably more than Texas' 398,900 (2 percent of its population) despite Michigan's smaller population. Massachusetts has an AFDC population of 236,100; Oregon has a much smaller AFDC population than the other states, 78,300. The large geographical area of Texas compared with that of the other states makes operation of its programs especially difficult. For example, Massachusetts' geographical area is about 3 percent of that of Texas (not shown in table).

Texas' relatively small population of AFDC recipients is related to its low AFDC payment standard of $184 for a family of three. A family with "countable income" exceeding this amount cannot receive cash benefits.[2] This means that even a low-wage job can terminate a Texas family's eligibility for cash benefits. This fact, according to state welfare administrators, makes it hard to justify to the legislature the funding of a more intensive program to prepare people for better-paying jobs. Massachusetts and Michigan have the highest maximums, close to $500, which means that people who find low-wage jobs will not necessarily go off AFDC. Oregon has a maximum of about $400.

Data on the AFDC caseloads of the four states show some differences. A much larger proportion of Michigan's caseload is made up of UP families, which include a male parent. Male recipients are easier to place in jobs because of their greater

---

[2]"Countable income" excludes a standard allowance of $75 per month; child care costs of up to $160 per child; and the first $30 of earnings after the first 12 months of a job; plus, for the first four months, one third of earnings remaining after deductions.

likelihood of work experience. Michigan and Texas have much higher minority (black and Hispanic) populations than the other states.

The unemployment rate in Massachusetts was almost 4 percent in 1986, less than half that of the other states, which were close to 9 percent. The availability of jobs clearly affects an employment program's ability to place participants. In Massachusetts, a shortage of workers forces employers to consider candidates who might be rejected in other states. This factor could make the employment program's task easier. However, a good economy also may mean a more disadvantaged AFDC caseload because more employable people can readily find jobs. But without a more rigorous evaluation, we do not know the extent to which those who found jobs would have done so in the absence of the program.

The wages and types of jobs to be expected by employment program participants are affected by a state's overall wages and employment structure. Michigan's average annual pay is the highest, almost $23,000; Oregon's is the lowest, not quite $18,000. Texas and Massachusetts have similar averages. Massachusetts has a higher proportion of service jobs (28 percent) than the other states, which have about 20 percent; it also has the lowest percentage in government. Texas has the lowest proportion in manufacturing (15 percent); Michigan has the highest (27 percent).

Table 1: Economic And Demographic Factors

	Massachusetts	Michigan	Texas	Oregon
Population (1985)	5,822,000	9,088,000	16,370,000	2,687,000
Poverty rate (1985)	9%	15%	16%	12%
Number of AFDC recipients (1985)	236,100	672,600	398,900	78,300
AFDC recipients as percentage of population (1985)	4	7	2	3
AFDC payment standard[a] for family of three (1987)	$510	$512/$548[b]	$184	$412
AFDC recipients:				
Black	17%	46%	43%	9%
Hispanic	21%	2%	38%	4%
Unemployed Parent	2%	14%	[c]	3%
Unemployment rate (1986)	4%	9%	9%	9%
Average annual pay (1986)[d]	$20,737	$22,869	$19,976	17,857
Per capita income (1985)	$16,380	$13,608	$13,483	$12,622
Employed (1986):[e]				
Manufacturing	21%	27%	15%	19%
Wholesale/retail	24%	22%	26%	25%
Services	28%	22%	21%	22%
Government	13%	16%	17%	19%
Other	15%	12%	22%	15%

Source: Bureau of the Census, Statistical Abstract of the United States, 1987, for total population, welfare receipt, and per capita income; Congressional Research Service, Aid to Families With Dependent Children (AFDC): Need Standards, Payment Standards, and Maximum Benefits for Families with no Countable Income (Sept. 28, 1987), for AFDC payment standards; U.S. Bureau of Labor Statistics, Employment and Earnings, May 1987, for unemployment and job structure; and U.S. Bureau of Labor Statistics, Average Annual Pay by State and Industry (Press release, Sept. 1, 1987), for average annual pay. For sources of data on AFDC recipients, see table 8.

[a]The payment standard is the sum from which countable income is deducted to determine the amount of the AFDC payment for the family. In addition, federal law prohibits the payment of the AFDC benefit if the benefit amount is less than $10.

[b]Michigan has varied shelter maximums. Shown are benefits for Wayne County (Detroit) and Washtenaw County (Ann Arbor).

[c]Not applicable.

[d]Averages provided are for private employees covered by Unemployment Insurance. Data are preliminary.

[e]Percentages may not add to 100 due to rounding.

Program Models and Goals

The four programs studied can be divided into two types: relatively complex, multiservice, multiprovider programs (Massachusetts and Michigan), and programs with one basic service provided primarily by the program (Oregon) or by the program and the Employment Service (Texas). Michigan's program varies in complexity by county. The program models, goals, and administrative structures are shown in table 2.

Although basic program goals are similar--focusing on helping participants find jobs and become self-supporting--the specific types of jobs the programs seek in order to achieve these goals differ. Massachusetts seeks higher paid, full-time "career" jobs for its participants, building these goals into performance-based contracts; the other states generally accept any job paying the minimum wage or more.

Texas and Oregon, which now have programs heavily oriented toward job search, plan modifications or pilot programs to increase the intensity and diversity of program services. Texas plans to shift its emphasis from the number of employment entries to providing more training for harder-to-place participants and more follow-up and support services for program graduates. For better long-term results, Oregon plans an increased emphasis on recruitment of people not required to participate and on long-term services (such as training). The program will be piloted in several sites.

The programs differ in their administrative structures and the division of control between central (or state-level) and local offices. In Massachusetts, central office program administrators set ET policy, leaving local offices some discretion over implementation issues such as staff roles. Oregon local offices must operate within the broad intent of the JOBS program, but may make exceptions to program rules if consistent with that intent. Texas regional offices may have different policies, but their

programs look similar in that they offer the same basic job search services. In Michigan, local administrators have great discretion over the programs. Thus, the complexity of Michigan's program varies by county.

The four programs also differ in the paths participants must follow. In Michigan, income-eligibility workers (those who determine AFDC eligibility and benefit levels) refer AFDC recipients who are required or wish to participate to MOST workers, who assign them to activities and handle support services. In Massachusetts, income-eligibility workers refer AFDC recipients desiring education or training to ET workers; others are referred directly to staff of the Department of Employment Security (DES) for job placement.

In Texas, income-eligibility workers refer AFDC recipients who are required or wish to participate to workers in either the Texas Department of Human Services (TDHS) unit, which administers the employment program, or TEC, depending on the local office. In some local offices, all AFDC recipients who are required to participate go to TEC, while voluntary participants go to TDHS. In others, TEC handles a specific percentage of mandatory participants. Oregon local offices also have flexibility concerning intake procedures. In some offices, income-eligibility workers refer mandatory participants to JOBS workers. In others, the JOBS workers see AFDC applicants first, providing orientation about the program and determining if applicants are required to participate. Then those applicants who are not required to participate and do not volunteer are referred to an income-eligibility worker. According to local officials, this system eliminates confusion for AFDC recipients by reducing the number of caseworkers they must see.

Table 2: Program Models and Goals

	Massachusetts	Michigan
Program name	Employment and Training Choices (ET)	Michigan Opportunity and Skills Training (MOST) program
Model	Multiple services provided by multiple nonwelfare agencies. Program acts as broker to obtain services for participants.	Multiple services provided both by program and nonwelfare agencies. However, program varies by local office.
Goals	Place welfare recipients in meaningful jobs; reduce welfare dependency; save tax dollars. Local offices cited helping participants achieve self-sufficiency.	Help people get off public assistance and become self-sufficient by overcoming barriers to employment and helping them find a job.
Jobs sought for participants	"Priority" or "meaningful" jobs: those that pay $5 or more per hour, last 30 days or more, and are full-time.	At least minimum wage and 30 hours a week. Jobs must be retained for 90 days for placement credit. Caseworkers divided between participants taking any job and taking only jobs leading to self-sufficiency.
Administrative structure	Central office sets policy. Local offices administer, generally following central office guidance although some variations do occur.	Local offices have significant discretion over program content. Variation among sites in terms of policies and services offered.
Intake procedures	Income-eligibility caseworkers, who function as overall case managers, refer recipients needing education or training to ET caseworkers. Other participants may be referred directly to Employment Security for placement. Voucher day care workers arrange child care.	Income-eligibility caseworkers refer mandatory and voluntary participants to MOST caseworkers, who assign them to activities and arrange support services.

Texas	Oregon
Employment Services Program	JOBS
One basic service provided primarily by program staff and Texas Employment Commission (TEC) under contract.	One basic service provided primarily by program staff.
Achieve maximum number of employment entries. Individual regions may aim for higher quality placements.	Assist JOBS participants to become self-supporting.
Many caseworkers aim for the best jobs available to match interest and skills. In reality, hope for full-time job paying at least minimum wage.	Participants must accept any bona fide job offer, including temporary, permanent, full-time, part-time, or seasonal. Must pay wage equal to federal or state minimum wage. (In practice, caseworkers are more flexible.)
State provides general guidance. Administered through regions, which have discretion over program shape. Local offices within the regions, some of which cover huge areas, deliver the program services.	State office sets broad policy and local offices flexible within those bounds. Administered through regional and local offices.
Depending on local offices, income-eligibility caseworkers refer mandatory and voluntary participants either to employment program caseworkers or TEC for employment-related services. Support services arranged by same unit that administers employment program.	Varies by local offices. In some, income-eligibility workers refer mandatory participants to JOBS caseworkers, who arrange terms of job search and any support services provided. In others, JOBS caseworkers are responsible for intake.

Program Expenditures by Source of Funds

A comparison of program funding patterns illustrates differences in resources and state commitments. Massachusetts has the most richly funded program, spending an average $1,257 per participant in 1986 (see table 3). This compares with $410 in Michigan and $170 in Texas. (We note that some definitions of participation include people receiving minimal services, which would dilute the expenditures per participant to some extent.) The cost per Oregon participant could not be calculated because an annual count of participants was not available.

Massachusetts' higher expenditures are related to a number of factors discussed later in the report. ET stresses relatively intensive services, such as education and training. Moreover, ET pays for most of these services, rather than relying on other programs, such as the Job Training Partnership Act (JTPA), to pay for them (see "Program Activities"). Massachusetts also provides more assistance with child care than do the other states, including assistance for program graduates (see "Child Care Assistance"). ET officials feel that the higher costs, which pay for the child care and intensive services, are associated with the higher wages received by ET participants (see "Program Results").

A large state contribution to program resources makes possible Massachusetts' generous funding per participant--state funds accounted for 65 percent of total 1986 program expenditures. Michigan also contributed a substantial portion (slightly less than half) of funds for AFDC recipients in the MOST program. Texas and Oregon contributed less than 30 percent of their programs' expenditures. WIN funds were an important funding source for Michigan, accounting for 44 percent of total expenditures; Texas, 46 percent; and Oregon, 47 percent.

Findings from our earlier study show that Massachusetts and Michigan are exceptions in the proportion of their program budgets provided from state funds and, in Massachusetts' case, its reduced reliance on WIN funds. In fiscal year 1985, three-fourths of the WIN Demonstrations received about 70 percent or more of their funding from the federal government. In that year, WIN funds accounted for over 60 percent of the WIN Demonstration budgets nationally.

Table 3: AFDC Employment Program Expenditures by Sources of Funds (Fiscal Year 1986)

Dollars in thousands

	Massachusetts		Michigan		Texas		Oregon	
Funding source	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Federal:								
IV-A	$6,800	16	$2,429	7	$2,178	24	$2,893	24
WIN (fiscal year 1986)	5,100	12	14,765	44	4,093	46	5,641	47
WIN carried forward[a]	3,100	7	000	0	000	0	000	0
Special project	000	0	000	0	146	2	000	0
Subtotal	15,000	35	17,194	51	6,417	72	8,534	71
State:								
Match for federal	7,600	18	4,070	12	2,497	28	3,520	29
Additional state	20,300	47	12,474	37	000	0	000	0
Subtotal	27,900	65	16,544	49	2,497	28	3,520	29
Local:	000	0	000	0	000	0	000	0
Total budget	$42,900	100	33,738	100	$8,914	100	$12,054	100
Average expenditures per participant (actual)	$1,257[b]		$410		$170		[c]	
Average expenditures per placement (actual)	$3,333		[d]		$457		$810	

[a]WIN funds not expended in 1 year can be carried forward for use in the next.

[b]Massachusetts' average child care expenditure per participant was $510 (41 percent of average expenditures per participant). These figures represent total expenditures averaged over all participants and do not reflect an actual amount per participant who received child care.

[c]Cannot be calculated because total participants unavailable.

[d]Cannot be calculated because total placements unavailable.

PARTICIPATION AND PRIORITY GROUPS

"Targeting"--directing services to specific groups defined by formal priorities--is an important aspect of most welfare reform proposals. In practice, the presence of formal priorities does not mean certain people are served before others. Similarly, the absence of such priorities does not mean all groups are served. Caseworker discretion plays an important role in participant selection. In addition, a program's resources and approach can affect how many and which people participate. Consequently, the profiles of program participants vary from state to state and within a state may diverge from the characteristics of the AFDC population as a whole.

Participation Rates

Monthly average program size in fiscal year 1986 ranged from about 13,000 participants in Oregon to over 50,000 in Michigan (see table 4). The number of participants for the entire year ranged from about 34,000 in Massachusetts to 82,000 in Michigan, with Oregon unable to provide a number. However, the definition of participant varies by state (see app. III for a description of problems in obtaining participant counts and other specific data elements): Massachusetts includes only people receiving services, excluding those receiving only orientation or assessment. Michigan includes those who receive any service, even orientation or assessment. Texas does not use the concept of participation, but was able to provide a count of people who were involved in some type of activity, including assessment and self-placement. Oregon counts anyone required to be in the program or who volunteers for it as a participant.

Comparing the numbers of actual participants in relation to the pool of potential participants is difficult because comparable measures are not available for all programs. We sought to use program registrants as the pool of people from which participants could reasonably be drawn. However, various definitions of registration and states' inability to provide either monthly or annual counts resulted in little comparable data being available. The number of participants can also be compared with the number of adult AFDC recipients in a state. Although the adult AFDC recipient count includes some people who might not be expected to participate (such as the disabled or women with young children), it does give a basis for comparisons across states. In addition, since all four programs include significant proportions of women with young children--the largest group normally not expected to participate--basing a participation rate on the entire AFDC adult caseload is not unreasonable.

Annual rates for three of the states show comparable proportions participating in the programs: 28 percent in Massachusetts, 26 percent in Michigan, and 30 percent in Texas.

Oregon was unable to provide an annual number of participants, thus making computation of an annual rate impossible.

Monthly participation rates drop only slightly in Massachusetts, to 20 percent, and in Michigan, to 24 percent, suggesting that many people are in long-term activities. The Texas participation rate drops considerably more, to 13 percent, suggesting that activities on average are more short term. Oregon has a considerably higher number of participants in relation to its AFDC caseload than the other states--about 46 percent. This rate may be due in part to its treatment of the program as a requirement, not a service. Thus, limited program capacity does not affect participation. However, the comparison with other states is somewhat deceptive because Oregon's program involves some AFDC applicants who were not approved for welfare and are not included in the base of our participation rate. Thus, the rate presented here may be overstated.

We note again, however, that Michigan, Oregon, and Texas include as participants some people who received only minimal services. Therefore, their participation rates should be viewed as an upper limit.

Table 4: Participation Rates (Fiscal Year 1986)

	Massachusetts	Michigan	Texas	Oregon
Adult AFDC recipients:				
Monthly	84,427	220,950	119,032	28,198
Annual	120,000	312,171	173,508	[a]
Employment program registrants:				
Monthly	[a]	215,844	42,679	[a]
Annual	[a]	[a]	85,562	[a]
Employment program participants:[b]				
Monthly	16,513	53,140	15,077	13,060
Annual	34,128	82,333	52,540	[a]
Participants as percentage of registrants:				
Monthly	[a]	25	35	[a]
Annual	[a]	[a]	61	[a]
Participants as percentage of AFDC recipients:				
Monthly	20	24	13	46
Annual	28	26	30	[a]

[a]Not available.

[b]Massachusetts counted as participants those people who received a service such as education or training, not those receiving only orientation or assessment. Michigan included all registrants who participated in any component of the MOST program, including orientation or assessment. Texas counted people who were involved in any program activity, including assessment and self-placement. Oregon included anyone required to participate or volunteering to participate in the JOBS program.

Priorities for Serving AFDC Clients

There has been extensive discussion about whether welfare employment programs should serve certain groups of welfare recipients before other groups. Some research suggests that programs serving AFDC recipients with children under 6 years of age and the more disadvantaged recipients (including long-term welfare users and those with little education or work experience) might produce the greatest benefits in the long run. As a result, welfare reform bills often require targeting these groups or adjusting required levels of performance to account for the greater difficulty of serving disadvantaged, harder-to-serve groups.

Of the four programs, only the Massachusetts ET program reported giving priority to certain groups within the AFDC program, as shown in table 5. These priority groups, however, are so broad they cover almost the entire AFDC caseload. ET's informal priority groups--people on welfare 2 or more years, Hispanics, and public housing residents--are more narrowly defined. The central office staff explained that the target groups are not served before other welfare recipients since ET operates on a first come, first serve basis. Instead, special efforts are made to attract target groups into the program, and some contracts are geared to Hispanics, pregnant and parenting teens, and long-term welfare recipients. In view of this approach to targeting, it is not surprising that none of the Massachusetts local administrators interviewed reported having priority groups. Most ET caseworkers we interviewed said they had no priorities; the remainder had varying priorities.

TEC, which administers part of Texas' Employment Services Program, has an informal policy of serving job-ready registrants first. Since the program's focus is on job search and placement, other registrants would need education and training before they would be ready for this service. Michigan local administrators reported giving high priority to registrants with skills, education, or recent work history or registrants from AFDC-UP families (who are more likely to be men with recent work histories). A major reason for selecting these groups was that they were easier to place in jobs since numbers of job placements determine local office funding. Of the 11 MOST caseworkers who cited priority groups, 8 said they gave priority to registrants from AFDC-UP families. Eight also cited characteristics, such as having older children, few children, or transportation, which would make the participants easier to place.

Although case workers can give priority to certain groups, they can also screen out participation by some people who are not formally exempt. In our previous report, we found that program staff sometimes screened out people who were difficult or expensive to serve or whom caseworkers thought would not be able to find employment.

In each state visited in this study, at least half the caseworkers we interviewed said they screen out participation by some AFDC recipients, placing them in an exempt, inactive, holding, or suspended category. However, those people screened out in one state might be included in another. In Massachusetts, those screened out might have severe medical, family, or motivational problems. Caseworkers might follow up with these people at a later date. Michigan caseworkers screened out those with mental health or medical problems and single parents with several small children. In Texas, those screened out had problems such as low education levels, lack of work experience, or multiple barriers to employment. Such recipients might be served in Massachusetts, because of the greater availability of training and education. Like Michigan caseworkers, those in Oregon and Texas reported screening out people with health problems.

The four programs differed in the extent to which registrants who were currently unassigned would be contacted at a later date. All ET caseworkers said they would follow up with such registrants, at intervals ranging from every month to once a year. Ten of 16 Michigan caseworkers with unassigned cases said they would follow up, at intervals ranging from 1 to 6 months. In Texas, 5 of 11 caseworkers with unassigned cases said they would follow up, usually at 6-month intervals. Information on the extent of follow-up in Oregon was not available.

Table 5: Priorities for Serving AFDC Participants

	Massachusetts	Michigan
State:		
Formal	Women with children 14-18. Volunteer registrants. Parenting teens. Dependents (teenage children of recipients). Two-parent families.	Depends on particular service.
Informal	On welfare 2 or more years. Hispanics. Public housing residents.	None.
Local administrators:	None.	3 cited participants with recent work history, skills, or education; 3 cited AFDC-UP participants as high priority.
Caseworkers:	Most had no priorities; a few had individual priorities, such as most motivated, most disadvantaged, UP, single parents, most job ready.	AFDC-UP; other recipients with job-ready characteristics; some had no priorities.
People screened from participating	7 of 14 caseworkers screen; types of participants mentioned: those with medical, family, or motivational problems.	10 of 17 caseworkers screen; types of participants include those with mental health or medical problems, single parents with several small children.

Texas	Oregon
None.	None.
TEC: Job-ready participants.	None.
Job-ready participants.	3 sites--none; 1 site--participants with recent work history.
Job-ready participants.	Generally, none; one caseworker reported working with the most active participants.
11 of 16 caseworkers screen; types of participants include those with low educational levels, lack of work experience, language barriers, health problems, or multiple barriers; those residing in remote areas or areas without jobs or caring for relatives.	4 of 8 caseworkers screen; types of participants include those with severe or multiple barriers, such as lack of work skills, learning disabilities, mental health problems, poor physical appearance, and the medically and physically disadvantaged.

Characteristics of Participants and AFDC Caseload

Data on the characteristics of program participants indicate the extent to which the states are serving the harder-to-serve (more disadvantaged) AFDC recipients and other groups that might benefit from the programs. Such data are also necessary to interpret program results since a program serving relatively well-educated clients or those with recent work histories would be expected to perform better. However, research shows such clients are more likely to leave welfare on their own, meaning the program would achieve little in true savings.[3]

All programs were able to provide most of the participant characteristics we requested (see table 6). However, the basis for different attributes varied, as shown in appendix III. Our previous report found employment programs often did not collect information on participants. Thus, any new welfare employment program requiring targeting would have to establish uniform methods of defining and surveying characteristics.

As expected, most program participants were women. The highest proportion of men was in Michigan, where men were 23 percent of the AFDC recipients in the MOST program. Oregon also had a relatively high male proportion of 16 percent. When each program's participants are compared with the AFDC caseload in the state, the programs in general tended to serve more male AFDC recipients than the male proportion of AFDC household heads or adults. This was particularly true for Michigan, where men were 9 percent of AFDC household heads.

The most striking difference among the employment program caseloads was in racial and ethnic characteristics. The majority of participants in Massachusetts, Michigan, and Oregon were white (non-Hispanic). Within those three states, Oregon's JOBS had few minorities (17 percent of participants); in Massachusetts and Michigan minorities made up 40 percent of their employment program participants. In contrast, 85 percent of Texas' registrants (the only group for which Texas could report most characteristics) were minorities. Program participants' ethnic composition tends to reflect that of the AFDC caseload except in Michigan, where blacks represent 46 percent of the caseload and 36 percent of MOST participants.

---

[3]See David T. Ellwood, Targeting "Would-Be" Long-Term Recipients of AFDC (Princeton, NJ: Mathematica Policy Research Inc., 1986), pp. 41-44; Daniel Friedlander and David Long, A Study of Performance Measures and Subgroup Impacts in Three Welfare Employment Programs (New York: Manpower Demonstration Research Corporation, 1987), p. 61.

All the states had significant proportions, about one-third to one-half, of participants with children under 6 in their employment programs. Oregon and Texas program participants were less likely to have a child under 6 years old than AFDC recipients in those states; Massachusetts' and Michigan's employment programs have only slightly smaller proportions of women with children under 6 years as in their AFDC caseloads. About half of participants in both Massachusetts' and Michigan's employment programs had children under 6 years of age. Michigan's much higher male and UP percentages suggest that more of the Michigan participants with young children were men from two-parent households rather than single parents, thus reducing the need for child care assistance.

Much of the data needed to assess whether programs are serving the more disadvantaged, harder-to-serve clients are not available. Data on the education of program participants are available for only a small sample in Oregon, a 1987 sample of AFDC recipients in Massachusetts, and, in Texas, only for those who went through TEC. Because of these small samples and diverse sources, comparisons between the states are difficult.

Recent data on work history are available in Oregon and Massachusetts from small samples, but on different bases. And data on welfare history are not available on a comparable basis across the programs.

Table 6: Characteristics of Employment-Program Participants and AFDC Caseloads (Fiscal Year 1986)

All numbers are percentages

Characteristic	Massachusetts ET[a]	Massachusetts AFDC[b]	Michigan MOST[c]	Michigan AFDC[d]	Texas ESP[e]	Texas AFDC[f]	Oregon JOBS[g]	Oregon AFDC[h]
UP	i	2	23	14	j	j	i	3
Male	8	4	23	9	7	3	16	10[k]
Race/national origin:								
White, non-Hispanic	60	60	60	50	15	18	83	82
Black	19	17	36	46	47	43	7	9
Hispanic	20	21	2	2	37	38	4	4
Other	1	2	1	1	2	1	6	4
Unknown	0	0	0	1	0	0	0	0
Number of children								
1	45	38	i	43	36	35	40	50
2	31	37	i	32	32	31	40	29
3+	24	25	i	25	32	34	21	21
Youngest child under 6	53	60	50	58	38	68	34	65
High school degree/GED	38	52	56	60	43[l]	i	52[m]	61
Worked in past 2 years	i	i	i	i	i	i	70	i
Ever worked	62	82	i	i	i	i	i	i
On AFDC less than 2 years in total	54[n]	58[o]	i	i	65[n]	69[n]	23[p]	31[q]

Note: Percentages for groups of characteristics may not add to 100 due to rounding.

[a]Education and work history data based on the ET participants included in a 2-percent sample of AFDC household heads in fiscal year 1987.

[b]Age of youngest child data based on fiscal year 1986 AFDC quality control sample of AFDC families. UP data based on Department of Health and Human Services (HHS) data provided to the Senate Finance Committee. Education and work history data based on a 2-percent sample of AFDC household heads in fiscal year 1987. Other data based on all AFDC household heads at the end of fiscal year 1985.

[c]Age of youngest child data based on a 5-percent sample of MOST participants; other data based on all participants.

[d]Data on race and gender are for all AFDC grantees in June 1986; UP data based on HHS data provided to the Senate Finance Committee; other data based on fiscal year 1986 AFDC quality control sample of AFDC families.

[e]Except education, data are for all Employment Services Program registrants.

[f]Data are for all AFDC caretakers in August 1986.

[g]Data based on a sample of 20 percent of JOBS participants in 13 local offices, which were chosen to be representative of the entire program; in some cases not all the branches were sampled.

[h]UP data based on HHS data provided to the Senate Finance Committee; data on gender, ethnicity, number of children, and age of youngest child based on fiscal year 1986 AFDC quality control samples of AFDC families. Data on education and welfare receipt based on Oregon Department of Human Resources study of 145 AFDC families.

[i]Not available.

[j]Not applicable.

[k]Data on gender based on all adults, rather than one adult per grant, as in the other states.

[l]Education data are for participants served by TEC, who may not be representative of all Employment Services Program participants.

[m]Level of education was unknown for 16 percent of the JOBS participant sample; these participants' education was assumed to be distributed in the same way as the rest of the sample.

[n]Based on records covering the most recent spell on AFDC.

[o]Based on records covering the last 3 years of welfare receipt.

[p]Based on records covering the entire history of welfare receipt.

[q]Based on records covering the last 43 months of welfare receipt.

Mandatory and Voluntary Aspects of the Programs

The major welfare reform proposals call for various degrees of mandatory participation in employment programs, reflecting the debate over the programs' basic nature. As shown in table 7, the four programs we studied illustrate the range of variations in participation requirements. Massachusetts requires registration of all recipients meeting federal requirements for WIN registration (the "WIN-mandatory" categories). However, participation in ET is voluntary. Texas requires those in the WIN-mandatory categories to participate. Oregon and Michigan both have waivers from HHS to expand the mandatory pool beyond the WIN categories. Oregon requires all caretakers with children 3 years of age and over to participate; Michigan extends its requirement to all caretakers of children over 6 months.

In Massachusetts, the ability to attract voluntary participation is crucial. Central and local administrators all reported extensive efforts to market the program to potential participants. In Texas, a considerable effort is made to encourage recipients not required to participate to seek services. The Oregon and Michigan programs, which have proportionately larger mandatory groups, generally do not actively recruit voluntary participants. Michigan's state policy encourages volunteers, but the local offices we visited generally did not actively recruit because they lacked the program capacity. In addition, the degree to which an income-eligibility worker "sells" the MOST program often depends on the relationship between the income-eligibility staff and the MOST staff. In some locations, the two staffs work closely together; in others, they do not.

According to Oregon state-level officials, volunteers are actively encouraged, but local administrators said they did not actively recruit volunteers or did so infrequently. One official said there is no incentive to recruit volunteers because performance criteria are geared toward serving mandatory participants.

States that do encourage volunteers tend to rely on income-eligibility workers to sell the program to their clients. These states also use marketing materials such as brochures, posters, and direct mail letters.

We asked employment program caseworkers for their opinions on which type of program works better, voluntary or mandatory. Their opinions generally were consistent with the program approach being used, though there were exceptions. Workers in favor of a voluntary program cited greater motivation among voluntary participants. Workers favoring a mandatory approach thought a push was needed to bring unmotivated recipients into the programs. In Texas, even though the majority of workers interviewed thought

mandatory programs worked better, the program overall has succeeded in recruiting voluntary registrants.

Mandatory participation or registration requirements imply penalties for noncompliance. Refusal to register or participate in an AFDC employment program without good cause can result in a temporary reduction or interruption of AFDC benefits, termed a "sanction." We obtained information on the number of sanctions imposed in Texas and Michigan. In Texas, the number of sanctions was a small proportion (1.2 percent) of the number of participants. In Michigan, the proportion was larger, but still only 5.6 percent. Oregon research staff could not count the number of people against whom sanctions were imposed in fiscal year 1986. However, they did provide monthly data showing that in June 1986, the number of people under sanction was 19 percent of the number of participants. Program staff reported that there was not much seasonal variation, but the imposition of sanctions is increasing over time. Massachusetts, where only registration is mandatory, does not collect data on sanctions.

Table 7: Mandatory/Voluntary Aspects of Programs

	Massachusetts	Michigan
Mandatory groups	Registration required for WIN-mandatory categories; participation mandatory for no one.	WIN-mandatory recipients, those with children over age 6 months, and a few others normally exempt must participate.
Actively encourage volunteers?	Yes.	State said yes; local offices said no. Number of mandatory participants (due to waiver to include women with young children) keeps caseloads high.
How are volunteers encouraged?	Encouraged by income-eligibility and ET caseworkers, each with own pitch. Sophisticated marketing campaigns through central and local offices. Campaign has different theme each year.	Not applicable.
Percentage of participants who are volunteers	Not applicable	1
Which works better, mandatory or voluntary?	14 caseworkers interviewed. Voluntary (10 caseworkers). More motivated and cooperative; can't motivate through threats; participation seen as positive experience. Mandatory (4 caseworkers). Would increase participation and bring in unmotivated participants and those who are comfortable on welfare.	17 caseworkers interviewed; 1 did not respond. Voluntary (3 caseworkers). More motivated. Mandatory (13 caseworkers). Lack of motivation to volunteer: have to be forced into situation where can see benefits of participating. Helps find recipients with unreported income.
Sanctions imposed as percentage of participants	Unavailable—program does impose sanctions on some people, but does not collect data on them.	5.6

	Texas	Oregon
	WIN-mandatory recipients must participate.	WIN-mandatory applicants and recipients, those with children 3 years and over, and a few others normally exempt, must participate.
	Yes.	State said yes, but local administrators said no.
	Mail out marketing material; recruitment efforts using former participants; signs/posters; income-eligibility workers make pitch	Through orientation process, literature.
	40 for registrants; data unavailable for participants.	2 (monthly).
	16 caseworkers interviewed; 3 did not respond.	8 caseworkers interviewed; 1 did not respond.
	Voluntary (3 caseworkers). Tend to be younger and more motivated	Voluntary (0 caseworkers).
	Mandatory (10 caseworkers). Need the push of the threat of sanctions to get off welfare.	Mandatory (7 caseworkers). Volunteers interested in getting support services, such as car repairs; mandatory program needed to get participants started; volunteers are unrealistic about wages they expect.
	1.2	In June 1986, the number of people against whom sanctions had been imposed was 19 percent of the number of participants.

ASSESSMENT AND ACTIVITY ASSIGNMENT

To provide services, an employment program must first determine a participant's needs. The more services a program offers, the more important such an assessment becomes. The participant's cooperation in choosing services is also essential. Thus, we looked at how programs assess their participants and reach an agreement on activities and services. Because one feature of the welfare reform proposals is an agency-client agreement or contract, we also looked at how the programs formalize the decision on activities selected.

Assessment Techniques

An initial assessment of participants' needs and skills is a basic feature of welfare reform proposals. All the programs we studied assess participants in some way. As shown in table 8, in their assessments, program staff mainly interview participants about work history, educational background, and job interests.

The Massachusetts and Michigan programs also use contractors to assess some of their participants. These assessments are more likely to include aptitude, interest, or educational competency testing. For example, in Massachusetts, ET participants are offered an in-depth assessment called Career Planning, which local offices use to varying degrees. This assessment is intended for participants who do not know what they want to do while in the program. Some Career Planning contractors also provide education or training services; this practice was criticized by a contractor and an advocacy group because contractors providing assessment might try to channel participants into their own services.

In all states, nonwelfare agencies providing services to AFDC employment programs also assess participants to determine if they qualify for their services. Again, these assessments are more likely to include testing than those performed by employment program staff. Thus, a participant could be assessed by (1) a case worker to determine what activity he or she should attend, (2) a contractor to identify activities for those uncertain about their interests, and (3) the agency providing the activity selected.

Not every participant in Massachusetts receives the same ET-sponsored assessment. Most are initially assessed by an ET worker, but some do not choose the more intensive Career Planning activity, and a few could enter a contractor's program directly without even an assessment by an ET worker. In Michigan, policies vary by local office and by individual participant characteristics, including work experience, skills, and goals. In Texas, state officials said policies vary by region; however, officials in all regions we visited reported that all participants would go through the same assessment steps. Oregon participants all receive the same JOBS assessment, though assessments by JTPA may vary.

All programs reassess participants periodically. In Massachusetts and Michigan, reassessment could be triggered by completion of an activity or when a participant has problems in an activity. Oregon participants are reassessed at least every 6 months. In Texas, AFDC recertification seems to be the primary trigger for reassessment, though other factors could result in a more frequent assessment. In most cases, the reassessment appears to be simply a review of the initial assessment.

Table 8: Techniques Used to Assess Participants

	Massachusetts	Michigan
Assessed by program staff?	Yes.	Yes.
Techniques	Interviews and review of work history and educational background.	Interviews and review of work history and educational background. A few caseworkers do interest and aptitude testing.
Nonwelfare agencies assess?	Nonwelfare agencies provide assessment routinely. Program has assessment activity called Career Planning, provided by contract.	Nonwelfare agencies routinely assess; program contracts for special assessments when needed.
Techniques	Interest/aptitude testing, including manual dexterity; personality testing, interviews, review of work history.	Participants may receive interest/aptitude and personality testing through contract or referral. Other agencies providing services routinely use testing for assessments.
Do all participants go through each step?	No--some respond directly to nonwelfare agency marketing; some do not choose Career Planning.	Varies by local office; steps based on participant's work experience, skills, and goals.
Reassessed?	Yes.	Yes.
When?	When participant finishes activity, fails to complete activity, or seems to be spinning wheels.	After completing activity or when experiencing problems while in an activity.
How?	Similar to initial assessment; may include counseling or reevaluating goals and retesting.	Discussion between caseworker and participant; schools may reassess to determine progress.

	Texas	Oregon
	Yes.	Yes.
	Interviews and review of work history and educational background; a few workers checked participants' references; one administered proficiency tests.	Interviews, review of work history and educational background, occasionally interest and aptitude testing and reference checks.
	TEC and JTPA provide routinely; occasionally others.	JTPA does assessment for its own purposes.
	Interview, review of work history/educational background, some testing.	May involve interviews, review of work history and educational background, interest and aptitude testing, personality testing, reference checks, labor market orientation, and career decision-making.
	Depends on individual region's policies. All regions visited did send everyone through each step.	All participants go through the same JOBS assessment. In JTPA programs, varies by SDA.
	Yes.	Yes.
	During recertifications or when changes occur.	Every 6 months, though more frequently in some cases.
	Review initial assessment in light of subsequent changes and progress.	Update forms, assess changes, make adjustments.

Use of Employability Plans

Another feature of welfare reform proposals either requires or allows the states to use an agency-client (that is, participant) agreement or contract (while some versions of welfare reform use the term "agreement," at least one uses the term "contract") specifying the activities the participant will attend and the services the program will provide. Three of the states we studied --Massachusetts, Texas, and Oregon--use employability plans related in concept to the agreements (see table 9). The plans currently used lay out activities and support services for participants; sometimes they include a brief description of skills, work history, or caseworker observations. However, the plans generally are not as comprehensive as the agreements in the proposed legislation; the plans primarily focus on the participant's obligations and include little about the state's agreement to provide services. In addition, the plans do not have the enforcement connotations the proposed agreements imply by formalizing participants' detailed obligations. Only Oregon's plan specifies detailed job search steps and state assistance with support services, explicitly tying the participant's fulfillment of the agreement on activities to continued receipt of public assistance.

In Massachusetts, ET's plan includes employment objective, requirements to meet the objective, steps toward achieving the objective, and support service needs. Samples of plans program staff provided us were filled out in an abbreviated manner. Plans sometimes are completed as the participant moves from activity to activity, instead of being a road map developed when the participant first enters the program. Workers explained that this is because some participants do not have specific vocational goals when they enter the program or may later change their plans; some start with an activity such as education before going on to a more vocationally specific component.

Texas uses an employment assessment form to record the broad steps of the employability plan. The forms usually record the participant's work history and skills, as well as the caseworker's appraisal of appearance and attitude. Another plan, the case service plan, identifies social service needs, such as day care or family planning. One regional office we visited used this plan for recording detailed steps, such as scheduling appointments and job contacts, in meeting employability goals. TEC has its own form for an employability plan, but it includes only places at which the participant intends to seek employment and whether the participant will be in touch with TEC once a week.

Oregon's JOBS program manual describes the Action Plan as a contract. The plan lists items such as the number of employment contacts required per week, applications to be filed, and contacts with the State Employment Division required. Other items include support services arrangements, which the participant must make,

specifying the maximum amount the program will pay. Finally, the participant signs a statement that he or she (1) understands what is required and the possible consequences of not carrying out the activities and (2) agrees to comply with the plan.

Welfare reform proposals would use the agency-client agreement to define the state's obligation to provide services as well as the AFDC recipient's obligation to participate. Therefore, we discussed with program officials what happens when the state cannot provide an activity in the plan. The officials did not consider such occurrences a problem. Texas and Oregon mainly offer job search, which is easy to provide. Because participation in Massachusetts is voluntary, the participant can choose to wait until the activity becomes available or accept a second choice.

In actual practice among the states, however, caseworkers may not include unavailable activities in a plan in the first place. Similarly, disagreement between caseworkers and participants over the plans' contents does not seem to be a problem, perhaps because choices of services are limited or, in the case of Massachusetts, the participants have the final decision. These responses suggest that requiring agency-client agreements would not necessarily ensure that states provide the services participants need. If a type of service was unavailable, the agreement or contract probably would not include it and the state thus would not be required to provide it.

The average amount of time caseworkers reported spending on assessment and development of the employability plan was 30 to 45 minutes per client for most workers in Massachusetts, about 30 minutes in Oregon, and about an hour in Texas. Caseworkers generally felt the plans were useful tools in meeting employability needs. In Oregon, however, JOBS caseworkers said the plans were only as meaningful as the program itself, voicing dissatisfaction with the content of the JOBS program.

Table 9: Use of Employability Plans

	Massachusetts	Michigan
Are plans used?	Yes, employment plan.	No.
What plan contains	Goals, steps in achieving them, support services. Often filled out as each step completed, rather than when participant initially enters program.	Not applicable.
What happens when state cannot provide activity?	Plan could be amended to select another activity, or participant could wait until activity becomes available.	Not applicable.
When caseworker and participant disagree	Usually final decision up to participant. One caseworker tries to refer participant to assessment activity; one lets participants have first choice, but they must accept caseworker recommendation if that does not work out.	Not applicable.
How effective are plans?	Useful for identifying needs, guiding participants, measuring success, and tracking participants. One worker viewed as contract.	Not applicable.
Time spent on assessment and plan	Majority of caseworkers: 30-45 minutes. Range: 15 minutes to 1 hour.	Not applicable.

	Texas	Oregon
	Yes, employability plan.	Yes, JOBS Action Plan.
	Activities, acceptable and unacceptable jobs, expected salary or wages, transportation available, desired work hours, participant responsibilities.	Requirements for participation in job search activities; support service needs; time frames for completing activities.
	Plan could be amended, but education and training usually not included if not available.	Not an issue--primary activity is job search.
	Generally negotiate and are able to reach an agreement.	Disagreement rare; caseworker negotiates with participant, who may discuss with supervisor. Next step would be fair hearing, but used mainly when sanctions applied.
	Very effective in meeting employability needs.	As meaningful or useful as program itself. Caseworkers had complaints about content of program.
	Average: approximately 1 hour.	Average: about 50 minutes.
	Range: 30 minutes to 2 hours.	Range: 30 minutes to 1 hou.

Assigning Participants to Activities

As a matter of policy, in all states but Massachusetts the caseworker, not the participant, has the final decision about what activity the participant will attend. In Michigan, however, state-level officials said this policy is invoked only when the participant does not choose an activity from those available. Oregon state-level administrators said no decision is necessary since job search is mandatory for all participants. In Massachusetts, the choice is left to the participant, a policy which, along with the voluntary nature of participation, is considered a cornerstone of the program. Details of how the programs assign participants to activities are given in table 10.

In practice, differences between the programs in the actual locus of the assignment decision are not as clear-cut as in policy. Although ET workers give participants a choice of activities, they may try to influence decisions, guiding participants away from unrealistic goals, unstable occupations, or programs with bad reputations. In Michigan and Texas, most caseworkers said they have the final decision, but significant numbers said either it is a joint decision or the participant has the final decision. Although Oregon state policy gives the final decision to the caseworker, one-half of the caseworkers we interviewed said they give the participant some input and make the decision jointly. Because of limited services available, however, participants in Texas and Oregon really do not have much choice about activities, regardless of the input they are given.

The programs that serve UP participants generally do not treat them differently from other participants. Michigan cited no difference in treatment. Massachusetts' Department of Public Welfare (DPW) has a formal policy of sending them directly to job placement services based upon the assumption that UP participants are job ready and do not need training or education. However, DPW does not believe this is true and allows UPs to choose services as other participants do. Oregon officials informed us that they do not allow UP recipients to participate in work supplementation because a federal provision excludes from eligibility AFDC recipients who would not have met AFDC eligibility requirements in May 1981. At that time, Oregon did not have a UP program.

In assigning people to activities, Texas and Oregon both emphasize job search. Texas program administrators gave several reasons for this emphasis. Paramount was the lack of funding for purchasing training or education. In addition, these services are often either unavailable, especially in rural communities, or hard for AFDC recipients to use. Increasing program funding is difficult not only because of Texas' budget problems, but also because of the low level of the state's AFDC payment standard, which means relatively low-paying jobs will boost participants off AFDC. Participants may not need expensive training and education

services to qualify for these jobs. Thus, the legislature has little incentive to appropriate money for such services.

Oregon officials said the job search emphasis was to get people into jobs quickly. Education and training are permitted on a limited basis because of a restricted budget, but the program tries to assure that harder-to-place participants have training and educational activities if job search is unsuccessful.

Michigan program officials at state and local levels cited different program emphases. State officials said their program emphasizes job search, but when caseworkers were asked what services they emphasize for their participants, eight said education and five said vocational training. Massachusetts does not emphasize any particular service.

Only Oregon had an activity or sequence of activities mandatory for all participants. All JOBS participants perform job search when entering the program. Those considered hardest to place may later enter education or training. In practice, most participants only receive job search services, with few going on to education and training. Most Texas participants also perform job search. Caseworkers in Massachusetts and Michigan described a variety of common sequences, including job search either before or after other types of services.

Table 10: Assigning Participants to Activities

	Massachusetts	Michigan
Final decision on assignment	Participant--but caseworkers sometimes try to influence decisions.	State policy gives final decision to the caseworker if participant does not choose an activity. Usually the caseworker, but 4 said the participant has the final decision and 3 said it was a joint decision.
UP participants treated differently?	Yes in policy, no in practice; supposed to go directly to DES, but actually go to appropriate ET activity.	No.
AFDC applicants participate?	May participate.	Local office option.
Services differ?	Not eligible for day care unless both parents in ET.	Primarily receive job search.
Activities emphasized	None.	State officials said job search; 8 caseworkers said education; 5 said vocational training; 2 said job search.
Set sequence?	No.	No, though most do job search.
Common sequence	Education, training, job search. Supported work, job search. Various education steps, job search. Job search.	Job club/job search. Job search, then education, training, or CWEP. Education, training, or CWEP, then job search.

Texas	Oregon
Usually the caseworker, but 6 said it was a joint decision.	State policy gives decision to caseworker, but one-half the caseworkers allow it to be a joint decision.
Not applicable.	Not permitted to participate in work supplementation.
No.	Yes.
Not applicable.	Not permitted to participate in OJT.
Job search.	Job search.
No.	Job search for all applicants and recipients.
Job search instruction, actual job search.	Job search.

Policies and Practices on Assignment to Specific Activities

Michigan has more formal criteria for which participants should receive particular services than the other states (see table 11). For example, work experience (work assignment to provide experience or training and develop good work habits) may be required if other employment and training activities are inappropriate or unavailable or if the work experience offered is needed. Job search is required for participants with a baccalaureate degree and may be required for those with a high school diploma or GED (see the Glossary for definitions of all activities).

Oregon allows on-the-job training (OJT), vocational skills training, and education only for hard-to-place participants. However, one caseworker commented that these participants often are not appropriate for OJT positions. A local administrator noted that it is difficult for a participant to meet the hard-to-place criteria and be a viable candidate for skills training. Participants not in the hard-to-place category must continue to meet job search requirements when they seek training. Sanctions (a reduction or interruption of AFDC benefits) are applied to many participants who do not fit into this category when they are in unapproved education or training. For example, in March 1987, there were 2,700 cases against whom sanctions had been imposed; 760 of them were due to unauthorized education or training. In our site visits, officials reported recipients removing themselves from the AFDC grant so they could take training.

Massachusetts encourages placing certain types of participants in specific activities such as education, but has formal requirements only for participants who enter supported work and ET's job development and placement component, which includes job search.[4] Texas has no formal policies about assignment to activities, and most participants receive job search services.

Some welfare reform proposals would compel states to require or offer education for participants without a high school education. Michigan urges that education be considered for those without a high school diploma or equivalent, a policy which seems to be followed at the local level. In Massachusetts, any participant can choose education; those with poor basic skills or without a high school diploma seem to be encouraged to pursue an education. Massachusetts ET workers reported that despite some apprehension, most participants to whom they have recommended education agreed that they needed it. Michigan caseworkers

---

[4]Supported work is subsidized work or training where work standards are gradually increased to those of an unsubsidized job. Support is provided by counselors and peers.

reported some initial reluctance to going back to school, particularly among older participants. However, many caseworkers also noted that once the participants became acclimated to the classroom setting, they felt more comfortable and positive about getting an education.

Table 11: Policies and Practices on Assignment to Specific Activities

	Massachusetts	Michigan
Work experience:		
Policy	No formal policy.	Those for whom other activities are inappropriate or unavailable or who need particular experience.
Practice	Those who need confidence; lack work history or work habits; out of work for a while; have skills and don't need a lot of training.	No recent work experience or work history; participants who are uncooperative.
OJT:		
Policy	No formal policy.	Job-ready participants who lack specific skills or need to update skills.
Practice	Varies widely. Mentioned: those looking at specific occupation, both with and without training, or those who don't want education; decision dependent on what's available; caseworker sends to JTPA and they decide.	Job ready; have high school diploma or GED; previous work experience.
Supported work:		
Policy	On AFDC 2 years or more; unemployed 9 of past 12 months.	Not applicable.
Practice	Most frequently mentioned: out of a job for a long time; lacking confidence and in need of peer support; on welfare a long time; no skills or skills needing updating.	Not applicable.
Vocational skills training:		
Policy	No formal policy.	Those needing retraining, skills upgrading, or training to meet employers' minimum requirements.
Practice	Those with few or no skills; those who request it; those who want a particular trade.	No marketable skills; interest in training in particular areas; usually must have high school diploma or GED.

Texas	Oregon
Service not offered (except for local volunteer programs).	Service not offered, except for local volunteer activities.
Not applicable.	Where used, those placed ranged from the job ready to those needing a recent work history or self-esteem to the hard to place.
No formal policy.	Hard-to-place participants (i.e., 2 of 3 criteria: unsuccessful work search for at least 3 mos.; unemployed 1 yr. or limited work history for 3 yrs.; multiple barriers)
Not available.	Generally hard-to-place participants. However, several CBO workers said it is offered to all participants.
Not applicable.	Not applicable.
Not applicable.	Not applicable.
No formal policy.	Hard-to-place participants.
Those without skills; those who request training.	Generally, those who request it or lack skills. Does not mean job search requirements lifted.

Continued on next page

Table 11—Continued

	Massachusetts	Michigan
Education:		
Policy	Youths and people without high school diplomas or GEDs encouraged to enter education.	Should be considered for participants without high school diploma or GED.
Practice	Those without basic skills, high school diploma, or GED; low reading and writing skills (grade level varies by caseworker).	No high school diploma or GED; those interested in education.
Individual job search:		
Policy	Must be determined job ready: have marketable skills, literate in English, no serious social service barriers.	Considered for those with recent work history and readily marketable skills; required for those with bachelor's degree or higher; may be required for those with high school completion or GED.
Practice	Those with work history and skills; those who are motivated or need to look for a job right away.	Completed another activity; job ready or have recent skills or experience.
Group job search:		
Policy	Same as individual job search.	Same as individual job search.
Practice	Same as individual job search.	Job ready, usually with recent work force connection or skills to offer.
Direct placement:		
Policy	Same as individual job search.	Encourage job ready.
Practice	Same as individual job search.	Job-ready participants.

Texas	Oregon
No formal policy.	Hard to place, where barriers identified.
Those without GED or basic education skills; occasionally participants who request education.	Those without high school education, who are interested, or who need ESL.
No formal policy.	All participants.
Most job ready.	Some caseworkers said all participants; others said only job-ready participants.
No formal policy.	No formal policy.
Majority of caseworkers said all participants except the very job ready; 2 said the very job-ready.	Groups mentioned: those for whom it was feasible to attend group sessions; anyone who is job ready; those without resumes or unfocused on what they want to do.
No formal policy.	Most qualified participants as jobs become available.
Very job ready; one caseworker said least job ready, because they need assistance.	Most caseworkers match participants with job openings as they become available.

PROGRAM ACTIVITIES

The scope of participant activities is a major issue in designing a welfare employment program. Current welfare reform proposals differ in the extent to which states are required to offer specific activities. However, findings from our earlier study suggest the extent to which each activity is used, rather than the number of activities offered, is the main issue. We found that while on paper most WIN Demonstrations nationally offered a wide range of services, including education and training, in practice most participants were only given job search services.[5] The four programs in this review include both the exception to the constriction of services into less intensive activities and the rule.

Another important issue is how services are provided. A concern in establishing employment programs specifically for AFDC recipients is unnecessary duplication of services offered by other education and training systems. In this section, we look at how the four programs provided employment-related activities.

Participation by Activity

On paper, all four programs offer a wide range of employment and training services (see table 12). The exceptions are that only Massachusetts offers supported work; and Texas and Oregon do not offer work experience (though a few regions or local offices in these states have small volunteer programs).

Table 12: Activities Offered by Program

Activity	Massachusetts	Michigan	Texas	Oregon
Work experience	Y	Y	N	N
OJT	Y	Y	Y	Y
Supported work	Y	N	N	N
Vocational training	Y	Y	Y	Y
Education	Y	Y	Y	Y
Individual job search	Y	Y	Y	Y
Group job search	Y	Y	Y	Y
Direct placement	Y	Y	Y	Y

Note: Y = Yes, has activity; N = No, does not have activity.

In reality, according to Texas and Oregon officials, these states' programs provide training or education services to only a few participants. Neither Texas nor Oregon could provide actual numbers of participants by activity. However, Oregon program staff

---

[5] Work and Welfare, p. 69.

explained that all participants are in job search unless they are "suspended" to allow them to take training or some other activity or sanctions have been imposed. Program officials could not provide the number of people in training or other activities, but estimated that it is very small. For example, in a sample of nine local offices, an estimated 4 percent of the JOBS caseload was in education and training, as compared with 50 percent in job search. (Some additional cases that were in sanction status may also have been in education and training.) Texas officials said most of their participants also are given job search services.

Massachusetts and Michigan both provided monthly data on participation in activities. During an average month, a relatively large proportion of participants receive training and education services (see table 13). For example, 20 percent of ET participants and 27 percent of MOST participants received vocational skills training. (Additional ET participants received skills training from community colleges and were included under post-high school education.)

Table 13: Percentage of Monthly Participants in Different Activities (Fiscal Year 1986)

All numbers are percentages

Activity	Massachusetts	Michigan	Texas	Oregon
Orientation/assessment	28	19	a	a
Career planning (detailed assessment)	6	0	b	b
"World of work"	1	b	b	b
Work experience	0[c]	10	b	b
OJT	.4	3	a	a
Supported work	5	b	b	b
Skills training	20[d]	27	a	a
Adult basic education	3	2	a	a
GED/high school	8	20	a	a
English as 2nd language	6	a	a	a
Post-high school	26[e]	a	a	a
Individual job search	15	16	a	a
Group job search	1	9	a	a
Direct placement	a	a	a	a
Other	1	1	a	a

[a]Not available.

[b]Activity not offered.

[c]A small, unknown number of ET participants were in work experience.

[d]Those Massachusetts ET participants classified as in skills

training do not include those in vocational courses at community colleges.

[e]The post-high school activity includes participants in vocational courses at community colleges as well as those in nonvocational community college and 4-year college programs. It also includes those receiving remedial education and GED preparation at community colleges through ET's college voucher program.

Massachusetts: Annual Participation Data

Massachusetts was the only state that could report the number of participants in individual activities on an annual basis (see table 14). In comparing annual participation to monthly data (shown in table 13), the annual percentage of participants in several education and training services drops in relation to the monthly percentage while the annual percentages of participants receiving job search services increases in relation to the monthly percentage. These changes reflect the longer time periods for education and training as well as the number of participants performing job search after completing other components. However, Massachusetts' emphasis on intensive services, such as training and education, is still clear. These types of services composed almost 50 percent of all services (excluding orientation) provided in 1986.

Table 14: Massachusetts: Annual Participation Data (Fiscal Year 1986)

Activity	Number participating	Percentage of total participants
Appraisal, reappraisal	a	a
Career planning	4,972	15
Displaced homemakers	151	0.4
Work experience	0[b]	0[b]
On-the-job training	126	0.4
Supported work	1,822	5
Vocational skills training	4,754	14
Adult basic education/literacy	1,764	5
High school completion/GED	1,807	5
English as a 2nd language	1,043	3
Post-high school	5,798	17
Individual job search	9,556	28
Group job search	667	2
Direct placement assistance	c	c
Other (participant-initiated job search, pre-employment activities)	1,114	3

[a]Cannot obtain unduplicated count since participants may go through

appraisal and reappraisal more than once.

[b]A small, unknown number of ET participants were in work experience.

[c]Direct job placements included in individual job search totals.

Massachusetts: Expenditures for Employment-Related Services

Massachusetts was also the only state providing detailed expenditure data for fiscal year 1986. As shown in table 15, ET spent half of its fiscal year 1986 budget on contracted employment-related services (that is, program activities). Almost one-third of funds for employment-related services was spent on job development and placement; almost one-fourth was spent on training.

Table 15: Massachusetts: Expenditures for Employment-Related Services (Fiscal Year 1986)

Dollars in thousands

Activity	Amount	Percentage of total spent on activities	Percentage of total ET funds
Assessment/ career planning	$1,140	5	3
Education	2,750	13	6
Training	5,120	24	12
Job development/ placement	7,020	32	16
Other[a]	5,580	26	13
Total for contracted services (activities)	$21,610	100	50
Total ET expenditures	$42,900	[b]	100

[a]Supported work, Displaced Homemakers, Youth Transitional Services.

[b]Not applicable.

An additional 44 percent of Massachusetts' total ET expenditures was for support services, primarily child care. The remaining funds were spent on direct administrative costs and program marketing.

How Activities Are Provided

Except for Massachusetts, the program staff provide some employment-related services other than assessment (see table 16). However, they frequently use nonwelfare agencies to provide training and education services. These agencies include other government organizations as well as private entities. Massachusetts provides all services through nonwelfare agencies, with contracts being the predominant funding arrangement, though some participants are referred to nonwelfare agencies at no charge to the ET program. For example, under an interagency agreement, ET purchases some slots in the JTPA program and JTPA provides additional slots at no cost to the ET program.[6] Participants also may receive education through the public schools. Community-based organizations provide some of the education and training. DES, whose staff often are located in the welfare offices, provides job search and placement under contract.

All of ET's contracts are performance based. In the current fiscal year, contractors receive 60 percent of their per-participant payment upon enrollment and the remaining 40 percent upon placement in a job that lasts at least 30 days. All jobs now must be full-time and pay at least $5.00 per hour. Contractors also receive bonuses for each participant whose wages exceed a set amount. In Michigan, contracts are prepared at the local level. Payment is based upon performance, but the outcome measures used can vary.

The extensive interaction between ET and other organizations creates a somewhat tangled employment and training network. Some ET education and training contractors are umbrella organizations, which in turn contract with service providers. For example, employment and training services are provided under contract to ET participants by the 15 Massachusetts Service Delivery Areas (SDAs), which are responsible for delivering JTPA services. Another such contractor is the Bay State Skills Corporation, a partnership (part public and part private) that channels funds to training programs. In some areas, the relationship between ET, the umbrella organizations, and the service providers creates complexity and paperwork burdens for the actual providers. For example, both ET and a local JTPA administrative entity buy slots in one training program. But ET also contracts with JTPA, which may place some of its ET participants in the same program, creating a complex funding pattern. The lack of integration between various systems means

---

[6]Annually, ET and JTPA agree on how many welfare recipients will be served with federal JTPA funds and how many with ET funds in the JTPA program. Over time, JTPA's title IIa funds have decreased, and ET has provided more funds to keep JTPA serving a constant number and proportion of AFDC recipients.

service agencies must write several funding proposals for one program.

In Texas, both the AFDC employment program staff and TEC staff, on a contract and referral basis, provide the main program service, job search. The program exclusively uses nonwelfare agencies to provide OJT, training, or education, obtaining their services on a referral basis. Oregon's program uses both program staff and nonwelfare agency staff to provide all services but education, which is provided only by nonwelfare agencies. JOBS workers are the primary providers of job search activities. Nonwelfare agencies provide services on a referral basis, with the exception of education, where the JOBS program sometimes purchases space in GED classes directly from the provider.

Table 16: How Activities Are Provided

Activity	How activity provided/funding arrangement[a]		
	Massachusetts	Texas	Oregon
Work experience	O/C	b	b
OJT	O/C	O/R	B/R
Supported work	O/C	b	b
Vocational training	O/C	O/R	B/R
Education	O/C	O/R	O/R,D
Individual job search	O/C	B/C,R	B/R
Group job search	O/C	B/C,R	B/R
Direct placement	O/C	B/C,R	B/R

Note: The following letters indicate how an activity was provided:

P = only directly by program staff;
O = only by nonwelfare agencies; and
B = both by program staff and nonwelfare agencies.

The following letters indicate the funding arrangement when nonwelfare agencies are used:

C = contract;
R = referral (at no cost to AFDC employment program); and
D = direct purchase (AFDC employment program pays on one-time basis, e.g., for tuition).

Funding arrangements are predominant arrangements. However, in Texas and Oregon, the predominant arrangement may vary by the local office.

[a]For Michigan, see table 17.

[b]Not applicable.

In Michigan, the MOST program contracts with other public agencies and private providers for assessment as well as employment and training services. As shown in table 17, local office practices vary with regard to which services are offered and how they are provided. However, education is provided mainly by the public school system at no cost to the MOST program. In general, MOST participants are in regular classes with other students, but special classes sometimes are arranged for them.

Table 17: Michigan Activities for Sites Included in GAO Survey

Activity	Sites offering activity	How provided			Funding[a]	
		Program staff	Nonwelfare agencies	Both	Contract	Referral
Work experience	8	7	0	1	1	0
OJT	7	1	5	1	3	5
Supported work	[b]					
Vocational training	8	0	8	0	5	5
Education	8	0	8	0	1	8
Individual job search	7	3	1	3	2	3
Group job search	6	2	3	1	1	3
Direct placement	7	0	3	4	3	5
Total sites visited	8					

[a]Funding arrangements apply only to sites using nonwelfare agencies to provide services. Some sites have multiple funding arrangements.

[b]Not applicable.

INTERACTION WITH OTHER AGENCIES

Using nonwelfare agencies' services is necessary if AFDC employment programs are not to duplicate unnecessarily employment and training services already available. Yet, good relationships can be difficult to cultivate. On the one hand, the employment program, perhaps with little or no money for purchasing services, seeks education or training for its disadvantaged participants. On the other hand, nonwelfare agencies may have performance standards that they must meet and limited openings. We discussed the successes and problems of coordination with officials of both the employment programs and nonwelfare agencies providing services. In Massachusetts and Michigan, we spoke with a variety of nonwelfare agency officials. In Texas and Oregon, our interviews were limited mainly to Employment Security and JTPA officials.

Willingness of Other Agencies to Cooperate With AFDC Employment Program

On the whole, employment program officials felt nonwelfare agencies were willing to serve their participants. Responses about specific programs and types of agencies are shown in table 18. We asked about public and private nonwelfare agencies in general and JTPA and the public schools in particular.

The most negative opinions were expressed in Texas where local administrators and a few caseworkers thought JTPA providers were "fairly unwilling" to serve AFDC participants. Program administrators noted that JTPA standards were too high for AFDC participants to qualify. State officials said JTPA SDAs varied in their willingness, commenting that there is prejudice against welfare recipients, blacks, and Hispanics in the business community, which controls JTPA. Staff in one region said JTPA accepts only the "cream of the crop," making it difficult to place AFDC recipients who often score low on JTPA tests. Three of the local AFDC employment program administrators also thought the public schools were "indifferent" to "fairly unwilling" in terms of cooperation.

Oregon local AFDC employment program staff mentioned that JTPA screens participants and only wants highly motivated participants, so their services are not available to most JOBS participants. Michigan officials also mentioned "skimming" and rejection of participants referred to OJT.

In Massachusetts, where staff at all levels agreed on other agencies' willingness to serve ET participants, this willingness is probably related to ET's ability to pay for these services.

Table 18: Willingness of Other Agencies to Cooperate

	MASSACHUSETTS			MICHIGAN			TEXAS			OREGON		
	State	Local	Casewkrs.	State	Local	Casewkrs.	State	Local	Casewkrs.	State	Local[a]	Casewkrs.[b]
JTPA:												
Very willing	1	3	12	0	8	11	0	1	6	1	2	3
Fairly willing	0	0	2	1	0	3	0	0	5	0	1	5
Indifferent	0	0	0	0	0	0	0	0	0	0	0	0
Fairly unwilling	0	0	0	0	0	0	0	6	3	0	1	0
Very unwilling	0	0	0	0	0	0	0	0	0	0	0	0
Don't know or not applicable	0	1	0	0	0	3	Varies	0	2	0	0	0
Public schools:												
Very willing	1	4	14	1	8	17	1	4	8	1	1	1
Fairly willing	0	0	0	0	0	0	0	0	6	0	1	1
Indifferent	0	0	0	0	0	0	0	2	1	0	0	0
Fairly unwilling	0	0	0	0	0	0	0	1	0	0	0	0
Very unwilling	0	0	0	0	0	0	0	0	0	0	0	0
Don't know or not applicable	0	0	0	0	0	0	0	0	1	0	2	6
Other public agencies:												
Very willing	0	4	11	0	8	10	0	3	9	0	1	2
Fairly willing	1	0	0	1	0	5	0	2	4	1	3	4
Indifferent	0	0	0	0	0	0	0	1	0	0	0	0
Fairly unwilling	0	0	0	0	0	1	0	1	1	0	0	0
Very unwilling	0	0	0	0	0	0	0	0	0	0	0	0
Don't know or not applicable	0	0	0	0	0	1	1	0	2	0	0	2
Private agencies:												
Very willing	0	3	11	0	1	7	0	3	6	0	1	2
Fairly willing	c	0	1	c	3	6	0	0	3	c	1	1
Indifferent	0	0	0	0	0	1	0	2	2	0	0	1
Fairly unwilling	0	0	0	0	0	0	0	0	1	0	0	1
Very unwilling	0	0	0	0	0	0	0	0	0	0	0	0
Don't know or not applicable	0	1	2	0	4	3	c	2	4	0	2	3
Total interviews	1	4	14	1	8	17	1	7	16	1	4	8

NOTE: More than one official may have been present in state and local administrator interviews. The answers reflect these officials' consensus.

[a] Although we did not ask specifically about community colleges, three local administrators cited these organizations as "very willing."

[b] Although not specifically asked, six caseworkers described community colleges as "very willing" and two described them as "fairly willing."

[c] State officials were asked about "other agencies" without distinguishing between public and private.

Problems Other Agencies Experienced With AFDC Participants

We asked nonwelfare agency officials about problems they encounter in dealing with AFDC participants, specifically mentioning little education, few skills, and a lack of motivation. Their responses are shown in table 19. In Texas and Oregon, most respondents mentioned these characteristics. Texas state program officials believe that the state's low payment standards result in an exceptionally disadvantaged caseload, which creates problems for nonwelfare agencies providing services. In Massachusetts, almost half of the officials interviewed cited little education and few skills as problems. However, officials in several nonwelfare agencies said that although these characteristics are present, they do not present problems. The same was true in Michigan, where some nonwelfare agencies said all of their participants had little education and few skills. In Massachusetts and Michigan, officials generally did not see lack of motivation as a problem.

In discussing problems our list did not include, Texas and Massachusetts respondents frequently mentioned the support service needs of AFDC participants as a problem. In Massachusetts, welfare participants were seen as lacking in self-confidence or self-esteem, rather than motivation. Massachusetts nonwelfare agency officials also mentioned the difficulties participants have staying with a training program because of problems with their own health or that of their children and problems with housing.

Table 19: Problems Nonwelfare Agencies Experienced With AFDC Participants

Problem[b]	Number of nonwelfare agencies responding							
	Massachusetts		Michigan[a]		Texas		Oregon	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Little education	5[c]	45	2	20	11	92	3	100
Few skills	5[c]	45	2	20	11	92	3	100
Lack of motivation	2[d]	18	2	20	9	75	3	100
Other:								
Child care	8	73	1	10	6	50	0	0
Transportation	5	45	1	10	6	50	0	0
Lack of self-confidence/ esteem	6	55	0	0	0	0	1	33
Housing	3	27	0	0	0	0	0	0
Family problems-- abuse, lack of support	2	18	0	0	0	0	1	33
Illness, mental health problems, and disability	2	18	0	0	0	0	1	33
No shows/not punctual	0	0	1	10	0	0	0	0
Total respondents	11	100	10	100	12	100	3	100

[a]Officials interviewed at eight of the nonwelfare agencies said there were no particular problems, were unable to separate out the MOST participants from others served, or did not know if problems existed. One who reported "no problems" stated that this was due to their other participants having the same characteristics as the MOST participants. In other words, generally they all have little education and few skills.

[b]Respondents were specifically asked about the first three problems, but volunteered the problems listed under "Other." Therefore, problems in the latter group may have existed for other respondents who did not mention them.

[c]Officials at three additional nonwelfare agencies said this exists, but is not a problem.

[d]Officials at one additional nonwelfare agency said this exists, but is not a problem. Officials at another nonwelfare agency were evenly divided as to whether or not it was a problem.

Comparison of Attributes of AFDC Participants With Those of Other Participants

Nonwelfare agencies serving AFDC participants also have participants from other groups. We asked officials of nonwelfare agencies to compare participants from the AFDC employment programs with those from other groups. Their responses are shown in table 20. On characteristics such as motivation, skills, and reliability, Massachusetts and Michigan nonwelfare agency staff generally thought AFDC participants were the same as those from other groups. In fact, officials of four agencies in Massachusetts thought AFDC participants were more motivated than those in other groups. In Texas, however, nonwelfare agency officials were more likely to rate AFDC participants as less motivated, skilled, and reliable. Again, state program officials believe these responses are due to the relatively disadvantaged nature of their caseload. Two of the nonwelfare officials interviewed in Oregon did not think they had enough direct knowledge of AFDC participants to respond.

Staff of nonwelfare agencies in Massachusetts, Michigan, and Texas generally found AFDC participants equal in comprehension to those from other groups. And staff in all states consistently reported that AFDC participants needed support services, such as child care and transportation, more than those from other groups. In Texas, staff of several nonwelfare agencies said that AFDC participants were in poorer health than those from other groups and were more likely to quit their jobs when public assistance benefits, especially Medicaid, were terminated. Two Massachusetts nonwelfare agency officials also mentioned difficulties in making the transition from welfare to work, particularly when participants only break even financially.

Table 20: Comparison of Attributes of AFDC Participants With Those of Other Participants

	Number of nonwelfare agencies responding							
	Massachusetts		Michigan		Texas		Oregon	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Motivation:								
More	4	36	1	10	2	17	0	0
Same	4	36	7	70	4	33	0	0
Less	1	9	1	10	5	42	0	0
Don't know	2[a]	18	1	10	1	8	3[a]	100
Comprehension:								
More	0	0	1	10	0	0	0	0
Same	9	82	7	70	9	75	0	0
Less	1	9	1	10	2	17	1	33
Don't know	1	9	1	10	1	8	2	67
Skills:								
More	0	0	1	10	0	0	0	0
Same	8	73	6	60	1	8	0	0
Less	3	27	2	20	10	83	1	33
Don't know	0	0	1	20	1	8	2	67
Reliability:								
More	1	9	0	0	0	0	0	0
Same	7	64	7	70	7	58	0	0
Less	2	18	2	20	4	33	0	0
Don't know	1	9	1	10	1	8	3[a]	100
Need for transportation:								
More	10	91	6	60	9	75	2	67
Same	1	9	3	30	2	17	0	0
Less	0	0	0	0	0	0	0	0
Don't know	0	0	1	10	1	8	1	33
Need for child care:								
More	10	91	7	70	7	58	2	67
Same	1	9	2	20	3	25	0	0
Less	0	0	0	0	1	8	0	0
Don't know	0	0	1	10	1	8	1	33
Total respondents	11	100	10	100	12	100	3	100

[a]One respondent could not characterize AFDC participants overall, saying some displayed more of this attribute and some displayed less.

Problems Nonwelfare Agencies Experienced With AFDC Employment Programs

Almost all nonwelfare agency officials we interviewed rated their relationship with the AFDC employment program as successful or very successful. However, we also asked them about problems in dealing with the AFDC employment program, such as the program's referring too many participants to the nonwelfare agency (see table 21). Of the problems we mentioned specifically, they cited most frequently too few referrals from the AFDC employment program to the nonwelfare agency, referrals who were unprepared, and unreasonable expectations on the part of employment program staff about what the AFDC participants could achieve.

In addition to problems we did not list specifically, nonwelfare agency officials in Michigan and Massachusetts cited problems with the performance standards in their contracts: for example, failure to adjust placement rates for harder-to-serve participants or to give credit for outcomes other than employment, such as entrance into further education or training. In Oregon, JTPA officials cited differing goals between JOBS and programs such as JTPA. JOBS is an immediate placement program; JTPA prefers to train for more permanent jobs. JOBS places a 92-day limit on training, which the JTPA official thought is not enough time to train people, especially if they need to improve basic reading or math skills first. (However, one SDA official said the average length of time people spent in training was 7 weeks.) An SDA official put it more strongly, charging that the AFDC program used referral to JTPA as a step in the sanctioning process and not for a positive step toward employability. (As discussed above, only participants meeting hard-to-place criteria are allowed to participate in training and education in Oregon. Others may lose AFDC benefits if they do not continue their job search activities.)

Table 21: Problems Nonwelfare Agencies Experienced With AFDC Employment Programs

Problem[a]	Number of nonwelfare agencies responding							
	Massachusetts		Michigan		Texas		Oregon	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Too many referrals	0	0	1	10	2	17	2[b]	67
Too few referrals	9	82	3	30	5	42	0	0
Referrals who were unprepared[c]	6	55	1	10	5	42	0	0
Lack of communication	1	9	2	20	3	25	1	33
Unreasonable expectations	6	55	3	30	3	25	2	67
Don't know	0	0	0	0	1	8	0	0
Other:								
Placements (who gets credit, what is counted)	2	18	0	0	0	0	0	0
Performance standards[d]	3	27	2	20	0	0	0	0
Paperwork burden	2	18	0	0	0	0	0	0
Eligibility-worker attitudes[e]	2	18	0	0	0	0	0	0
Transportation	0	0	0	0	3	25	0	0
Medicaid expiration	0	0	0	0	3	25	0	0
Lack of integration among systems	1	9	0	0	0	0	0	0
Counting of expense payments as income	0	0	0	0	1	8	0	0
Variations in policy	0	0	0	0	0	0	1	33
Eligibility requirements	0	0	0	0	1	8	0	0
Differing goals, philosophies, and time frames	0	0	0	0	0	0	3	100
Total respondents	11	100	10	100	12	100	3	100

[a]Respondents were specifically asked about the first five problems, but volunteered the problems listed under "Other." Therefore, problems under "Other" may have existed for respondents who did not mention them.

[b]Too many inappropriate referrals.

[c]Participants who did not have proper prerequisites or preparation for the activity to which they were referred.

[d]For example, failure to give credit for outcomes other than placements and failure to adjust performance standards for working with the harder-to-serve.

[e]Two ET contractors complained about welfare income-eligibility caseworkers who discouraged ET participants from training or job placements that they thought would not provide sufficient financial security.

CHILD CARE ASSISTANCE

Child care can be the critical support service enabling an AFDC recipient to participate in an employment program or hold a job. This issue is particularly important in programs such as those in Michigan and Oregon, which require women with young children to participate. And it is equally important in discussions of welfare reform proposals that would also lower the age of children whose parents must participate. Opinions vary, however, as to the magnitude of the need for child care assistance and the extent to which programs cannot meet it. None of the states could provide data on how many people could not participate because of the need for child care. We discussed with AFDC employment program officials and caseworkers (1) the services each program provides and (2) their opinions on the adequacy of these services.

Child Care Assistance Available

The four programs differ considerably in the way they address participants' child care needs, as shown in table 22. Massachusetts (as would be expected because of ET's emphasis on child care) provides the most comprehensive services, spending 41 percent of its total program budget on child care. ET provides assistance primarily through vouchers, though it sometimes places children in slots in the state's income-based contract system--funded in part through the Social Services Block Grant (SSBG)--and will, for a limited amount of time, reimburse participants for sitters. Michigan provides child care money for MOST participants through special needs payments in the participant's welfare grant. Texas provides care only through the state's SSBG-funded system. Oregon reimburses participants for child care expenses of up to $96 per month per child.

Texas and Oregon both require participants to look for unpaid child care before obtaining program child care aid. This practice is to conserve funds. In Michigan, state and local officials said they did not require this, but half of the caseworkers we interviewed said they do require participants to first seek care on their own. In contrast, Massachusetts officials and caseworkers uniformly reported that they have no such requirement. Instead, they strongly encourage participants to use formal sources of care funded by ET vouchers because they feel that these sources are less likely to break down and disrupt training or employment. As a result of this policy, caseworkers in Massachusetts reported that few participants use relatives or friends to supply care, in contrast with other states in which close to or more than half do.

Participants seemed most likely to receive assistance in locating care in Massachusetts. Under contract with the state Department of Social Services, ten private organizations administer the vouchers, providing child care resource and referral services.

Staff of these organizations refer ET participants needing assistance to several different child care providers. Employment program participants receive some assistance in Texas (where the same workers administer the employment program and the state child care system) and the least assistance in Michigan and Oregon.

When child care cannot be found, ET caseworkers usually place the client in inactive status or on a waiting list. In Michigan, most caseworkers would either exempt participants or place them in an inactive status. However, caseworkers said this problem arises infrequently since they believe the majority find care on their own.

Although most Texas caseworkers require registrants without child care to participate anyway, several emphasized they would do so only during school hours. Participation in Texas is mandatory only for people with children 6 or over. Therefore, caseworkers agreed, the ability to schedule activities during school hours minimizes child care problems.

Most caseworkers in Oregon also said they require people who cannot locate care to participate anyway. Three JOBS workers interviewed said participants can find care if they want to; if they do not, it is their own fault. However, two JOBS workers mentioned that they would give a grace period before the job search began or include searching for child care in the activities on the Action Plan. While child care needs can be minimized to some extent by scheduling job search during school hours, the child care issue is more critical in Oregon because of its waiver to require participation of people with children ages 3 to 5.

Massachusetts has standards for child care providers, including teacher-to-child ratios, facility requirements, and teacher qualifications. Child care in Texas is covered under its standards for SSBG contractors. Michigan has no state standards for care purchased using special needs payments, though a few local sites have age requirements for the providers. Oregon has no requirements for providers who receive payment from JOBS program funds.

Massachusetts is the only state continuing program-funded child care after a participant finds a job. Voucher care is extended for a year, during which time the program tries to get the participant into the income-based contract system. Vouchers are extended beyond a year for a small number of participants whose children are in family day care homes, which cannot participate in the contract system. In the other states, former participants with low incomes would be eligible for child care funded through SSBG or state-funded systems.

Michigan and Massachusetts use or train participants as child care providers. Michigan's Department of Social Services uses

participants as providers in Community Work Experience Program (that is, work in exchange for welfare) positions. State officials said, however, this does not work well and is not efficient. Pilot projects to provide training have been somewhat successful, but that success has been limited by the fact that low wages for child care providers hinder participants from leaving AFDC rolls even though they are trained and can get work.

Massachusetts has provided child care training through a supported work program, education, and training contracts and now has one contract for child care training. The DPW support services coordinator thought that past efforts were somewhat successful. A major problem was that participants trained to operate family day care homes often could not meet state standards for the conditions of the home, particularly because many lived in public housing. On the other hand, applicants for child care center jobs must meet high educational standards, thereby making it difficult to train many AFDC recipients for these jobs.

Table 22: Child Care Assistance in the Programs

	Massachusetts	Michigan
Sources of assistance	AFDC employment program; state/Social Services Block Grant (SSBG)	AFDC special needs payments (primary)
Do participants have to seek care before program will help?	No, unpaid arrangements tend to break down or be of low quality.	State and local administrators said no, but half of caseworkers said yes. Administrators said child care is an integral part of program and is a selling point.
How provided?	Voucher (primary), placement in income-based contract slots, reimbursement for babysitters.	Reimbursement through AFDC grant.
Who locates?	Voucher care worker and participant.	Participants, but caseworker will help. Most caseworkers said participants must locate.
Amounts paid	Daily Rates	Special needs payments: Maximum hourly rates
	Full-time / Part-time	Day care center.....$1.25
	Day care center	Provider's home or group home..... 1.05
	Infant..... $24.49-$38.55 / $14.69-$23.13	Participant's own home..... 0.85
	Infant/toddler..... 18.26-32.81 / 10.96-19.69	
	Toddler..... 18.74-30.28 / 11.24-18.17	Maximum per month..... $160.00
	Pre-school..... 13.92-22.80 / 8.35-13.68	
	School age..... 8.86-13.27 / Not applicable	
	Family day care.... $15.96-$21.79 / Not applicable	
	Independent family day care..... $12.47	
	Independent child care..... $1/hour	
Standards care must meet	Centers and family day care systems must be licensed, which requires them to meet teacher/child ratios, facility requirements, and teacher qualifications. Independent family day care providers must be registered, which requires them to meet teacher/child ratios and facility requirements.	No state standards for care funded through special needs payments; 5 of 8 local sites had none; 2 had minimum age of 16 for provider; and 1 had minimum age of 18.
	Independent child care providers must be 16 yrs., though some caseworkers tightened requirements.	

Texas	Oregon
SSBG	AFDC employment program
Yes, to conserve state child care funds.	Yes, budgetary reasons; however, Portland caseworkers and 2 local administrators said no; one said prefers participants to have reliable and consistent care.
Placement in state/SSBG income-based system.	Reimbursement.
Caseworker at 3 sites; participant at 1 site.	Participant, though caseworkers may have lists of providers.
Maximum daily rates Rate group[a] — Full-day — Half-day 0-2 yrs..... $14.21 — $9.24 3-school age (1st grade) 10.28 — 6.68 School age-14 yrs..... 7.28 — 4.73 0-school age..... 12.91 — 8.39 0-14 yrs..... 10.67 — 6.94 [a] Provider must select rate group describing the smallest range of ages that encompasses the ages of all the children the provider serves.	Up to $96 per month per child or provider's usual and customary charge, whichever is less.
Centers are licensed by the state. Workers must be 18, with high school diploma or GED. Family homes are limited to 12 children and must be registered and undergo periodic inspections.	None for care purchased using JOBS program funds.

Continued on next page

77

Table 22—Continued

	Massachusetts	Michigan
Caseworker estimate of use of relatives and friends	Majority thought most participants used formal care. Highest estimate for using relatives or friends was half of caseload.	Caseworkers believe half or more of participants use relatives or friends.
Why participants use relatives or friends	Personal preference, convenience, know the person and feel more comfortable for young children, fear of formal providers, and formal resources unavailable.	Participant preference, feel more comfortable, program funds inadequate for centers.
When participants can't find care	Placed on waiting list or exempted.	Generally exempted or placed in inactive status.
Assistance after finding a job	Vouchers continue for 1 year, though extended under certain circumstances. During year, try to get participants into income-based contract system (SSBG).	May enter state/SSBG system based on income.
Participants receiving child care assistance	31% (monthly average using voucher care)	Not available.
Child care funding:		
Program	$17.4 million	$3.1 million
Percentage of program expenditures	41	15
Other programs	Not available.	Not available.
Use participants as providers?	No.	Yes, CWEP participants are used as providers. Program officials believe does not work well.
Train participants as providers?	Yes, through education and training contracts.	Yes, through pilot projects.
How effective?	Somewhat successful: There are problems for family day care providers in meeting facility standards; participants trained for centers have problems meeting education standards.	Somewhat successful: Low wages for child care workers prevent participants trained from going off AFDC.

78

Texas	Oregon
Caseworkers estimated on average about two-fifths of participants use relatives or friends.	Average estimate of caseworkers was about 60%; answers ranged from 25 to 90%.
Personal preference and convenience	Reasons include convenience, more control, feel safer, only type available. Two caseworkers thought rates limited choices; one thought they made no difference.
Most caseworkers require participation anyway because focus on job search permits scheduling during school hours.	Required to participate anyway. Focus on job search gives scheduling flexibility. Searching for child care sometimes included in Action Plan.
Since care is through state/SSBG system, extended as long as person remains income eligible.	May enter state-run program based on income.
Not available.	Not available.
None.	$214,400
Not applicable.	2
$11.5 million	None.
No.	No.
No.	No.
Not applicable.	Not applicable.

Adequacy of Child Care

Questions about the adequacy of available child care to meet the needs of employment program participants continually arise in discussions about these programs. We obtained program officials' opinions about child care problems in general and the availability of care for specific age groups. (The results are shown in table 23.) Our discussions focused on adequacy in a quantitative sense rather than a qualitative one.

Michigan is the only state where the majority of state and local administrators said available child care is adequate to meet needs. However, state officials said affordable care is not available, and the program's child care is not adequately funded. In Oregon, state officials thought care is inadequate, but three of four local administrators thought it adequate. In Texas, state officials and two of four local administrators reported an inadequate supply of child care. State officials said the SSBG system and Head Start together meet only 10 percent of the need for child care. Massachusetts officials believed care to be inadequate. The result is that many registrants must wait some time before they can participate in ET.

Program officials' opinions on how the lack of care available for specific age groups prevented participation were fairly consistent. Most thought lack of care for children 6 years of age and over prevents participation to a moderate extent at most. However, Texas and Massachusetts staff mentioned the problems of transporting children from school to a child care facility. Officials in Texas and Oregon thought lack of care for children between the ages of 3 and 5 prevents participation from a "moderate" to a "very great" extent. In Michigan, some sites experienced few problems with child care for this age group, while others thought child care needs prevent participation from a "moderate" to a "very great" extent. In Massachusetts, program staff said preschool care is plentiful. In all four states, care for children under the age of 3 usually was described as preventing participation from a "great" to "very great" extent. Massachusetts officials said the shortage of care for toddlers is less acute than that for infants. ET staff believe ET's voucher child care system has helped increase the supply and distribution of child care resources, especially for toddlers.

Problems cited by program officials in all states included a lack of child care slots for children of all ages, for infants and toddlers in particular, as well as for children after school, in the evenings, or on weekends. Michigan and Oregon caseworkers mentioned that amounts paid by the programs are insufficient to find care. And Texas caseworkers at one site said the contract system is too cumbersome. Some providers are unwilling to contract with the state and the state is unable to contract with centers in small towns that have few low-income families. These caseworkers

80

suggested that a voucher system might solve these problems. Texas state program officials and a welfare advocate also suggested that child care for low-income families may be more of a problem than it appears. They believe AFDC recipients are so desperate for work that they will accept a job when they have no source of child care, even if it means jeopardizing their children.

All four programs cited the ability to schedule activities during school hours as a program feature limiting child care problems. In Massachusetts and Michigan, a few training or education facilities have on-site day care.

Table 23: Adequacy of Child Care

	Massachusetts	Michigan
Available care adequate?	No.	State and 5 of 8 local sites visited said yes.
Extent to which lack of child care prevents participation:		
Children 6 and over	State: Moderate extent. Local: Little or no extent.	State: Not applicable. Local: Little or no to moderate extent.
Children ages 3-5	State: Little or no extent. Local: Little or no to moderate extent.	State: Not applicable. Local: Little or no to very great extent.
Children under age 3	State: Great (infants), moderate (toddlers). Local: Moderate to very great extent.	State: Not applicable. Local: Little or no to very great extent.
Problems with child care supply	Not enough day care slots; not enough providers for infants and toddlers; not enough care after school and at odd hours.	Lack of care for young children, especially infants; money paid by program inadequate; number of day care sites insufficient; difficulty finding care at night; lack of transportation to day care.
Factors limiting problems	Scheduling activities during school hours; some schools have on-site day care.	Scheduling activities during school hours; on-site child care in a few locations; one location focused on two-parent families.

82

Texas	Oregon
State said no; 2 of 4 local sites said no.	State said no; 1 of 4 local sites said no.
State: Moderate extent. Local: Little or no to moderate extent.	State: Moderate extent. Local: Some extent.
State: Great extent. Local: Moderate to great extent.	State: Great extent. Local: Moderate extent.
State: Very great extent. Local: Great to very great extent.	State: Great extent. Local: Great extent.
Care unavailable in certain geographical areas; unwillingness of providers to contract with TDHS; certain care unavailable at any cost; some centers will not accept infants; need for care after hours and on weekends; lack of transportation to day care.	Generally: Lack of providers and rates program pays. For children under 6: Lack of transportation to day care; need for care during extended hours; few providers for infant care; can't find care at the rate program pays.
Scheduling activities during school hours.	Scheduling activities during school hours; one office concentrates job search on one day per week.

83

Caseworkers' Opinions on Participants' Need for Child Care Assistance

Caseworker views on participants' need for child care assistance in order to participate diverged somewhat among programs (see table 24). ET caseworkers were more likely to say that large portions of their caseloads needed assistance. Among Massachusetts caseworkers, 65 percent said more than half or almost all participants needed child care in the other states, 38 to 47 percent of workers said the same. These findings correspond with the caseworkers' views on participant preferences for using relatives or friends to provide care, shown in table 23 above. Caseworkers in Michigan, Texas, and Oregon generally believed large proportions of participants used their own informal arrangements, and the predominant reason given was personal preference. In Massachusetts, where child care assistance is readily available and its use encouraged, caseworkers believed participants more frequently chose to use formal child care arrangements.

Almost all caseworkers across states thought the majority of registrants needing assistance received it. However, none of the programs could give us an estimate of unmet need, that is, the number of potential participants who needed child care, but could not get it.

84

Table 24: Caseworkers' Views on Participants' Need for and Receipt of Child Care

Proportion needing child care[a]	Caseworkers responding							
	Massachusetts		Michigan		Texas		Oregon	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
All, almost all	5	36	5	29	0	0	2	25
More than half	4	29	3	18	6	38	1	13
About half	3	21	5	29	1	6	3	38
Less than half	0	0	3	18	5	31	0	0
None, hardly any	1	7	0	0	1	6	2	25
Don't know	1	7	1	6	3	19	0	0
Proportion receiving child care[b]								
All, almost all	8	57	13	76	9	56	7	88
More than half	6	43	3	18	3	19	1	13
About half	0	0	0	0	1	6	0	0
Less than half	0	0	1	6	0	0	0	0
None, hardly any	0	0	0	0	0	0	0	0
Don't know	0	0	0	0	3	19	0	0
Total caseworkers responding	14	100	17	100	16	100	8	100

[a]Caseworkers were asked this question: "We'd like to know how many registrants cannot obtain the child care they need without assistance from the work program or another public source. Approximately what proportion of registrants need child care assistance in order to participate?"

[b]Caseworkers were asked this question: "What proportion of those [registrants] needing child care assistance to participate actually receive it?"

85

CASE MANAGEMENT AND CASEWORKER BACKGROUNDS

Several welfare reform bills require or allow states to assign a case manager to each participant. Depending on the bill, the responsibilities of the case manager may include obtaining and brokering any other services needed to assure participation, monitoring progress, and reviewing and renegotiating the plan or agreement. We looked at the current duties of caseworkers, the number of cases for which they are responsible, and their backgrounds.

We found that in every state most participants are assigned to a caseworker, as shown in table 25. The welfare departments in Massachusetts, Michigan, and Oregon have special staff, rather than regular welfare staff, to perform case management functions for their employment programs.[7]

In Texas, the workers who handle employment services also handle child care and several health-related services, which are grouped under Family Self-Support Services. Moreover, some participants are referred directly to TEC staff, who perform some case management functions such as employment plan development and referral to activities provided by other agencies. But those participants who need support services are referred to TDHS staff.

Caseworkers currently perform the types of functions described in the welfare reform bills. Their duties generally include assessment, employment plan development, referral to activities, monitoring of participants' progress in job search or activities provided by other agencies, and arrangement of support services (such as child care and transportation reimbursement). Texas and Oregon caseworkers also perform some additional functions. In Texas, caseworkers handle several other programs, as mentioned above. In Oregon, caseworkers conduct job search workshops, provide individual job search assistance and work with employers to develop jobs. In Massachusetts, ET caseworkers do not have the major responsibility for child care assistance, which is provided mainly by staff of private voucher management agencies under contract with DPW, rather than by ET workers.

We found that the amount of attention caseworkers can provide to participants is limited by high caseloads. None of the states had official upper or lower limits on the caseloads of employment

---

[7]Under the Massachusetts Department of Public Welfare's new case management system, AFDC financial assistance workers, now called "case managers," are supposed to help AFDC recipients develop a route out of poverty, becoming involved, along with the ET workers, with participants' employment and training activities as well as other services they receive to promote self-sufficiency.

86

program staff. In Massachusetts, the usual practice is to assign one ET caseworker to two AFDC units, which handle about 1,000 people in total. Massachusetts' ET caseworkers had the highest average caseload, 567, of which 292 were active in the program. Texas's Family Self-Support workers had an average caseload of 391, of which 121 were in the Employment Services Program. MOST caseworkers in Michigan had a caseload of 251 participants, or which all were active. It seems unlikely that caseworkers in these states can provide extensive assessment, counseling, and follow-up for such large caseloads. Oregon JOBS caseworkers had much smaller caseloads, averaging 75, of which on average 41 were active. This may be because JOBS caseworkers conduct job search workshops and fulfill job development functions. Even so, in a 1986 program survey of JOBS caseworkers, the most frequent response used to complete the sentence "My job would be a lot easier if...." was "[if] I had more time." The caseload data suggest that if welfare reform proposals intend more interaction between participant and caseworker, the cost in terms of additional caseworkers could be high.

Michigan requires MOST caseworkers to have a bachelor's degree and a social service background. Texas requires a 4-year degree in any subject; 1 year of social work experience can be substituted for 1 year of education. Oregon requires experience and appropriate attitudes and skills, but not education. Massachusetts also requires only experience in related fields.

Virtually all the employment program case workers in every state had a high school degree, and most had some college. Texas had the lowest proportion of workers with a 4-year college degree--about half, as compared with 65 percent in Oregon, 70 percent in Massachusetts, and 99 percent in Michigan. A majority of Massachusetts and Oregon employment program workers came from income maintenance or the regular WIN program before the WIN Demonstrations were established.

Table 25: Case Management and Backgrounds of Employment Program Caseworkers

	Massachusetts	Michigan
Who performs case management functions?	Special work program staff (ET workers) perform work program functions. However, Massachusetts has case managers who perform broader functions and would refer participants to ET workers.	Special work program staff.
Caseworker descriptions of responsibilities	Interview and assess needs, goals, and services; develop employability plan; explain services; enroll and track participants.	Assist participants in completing self-assessment; assign participants to activities; help obtain support services; monitor on as-needed basis.
State guidelines for caseloads?	No.	No.
Average total caseload (active and inactive)	Active: 292 Inactive: 275 Total: 567 (includes some general assistance participants)	Active: 251 Inactive: 0 Total: 251 (includes some general assistance participants)
Range of active caseloads (local office averages)	Highest: 372 Lowest: 106	Highest: Not available. Lowest: Not available.

88

	Texas	Oregon
	Special work program staff. TEC staff also perform some case management functions for some participants.	Special work program staff.
	Interviews, assessments, employability plans, child care assistance, placements, follow-ups, and assistance with health and family planning.	Assessment; help identify and remove barriers; hold job search workshops; monitor; impose sanctions; help with support services; work with employers.
	No.	No.
	Active: Not available.	Active: 41[a]
	Inactive: Not available.	Inactive: 34[a]
	Total: 391 (121 AFDC work program participants)	Total: 75[a]
	Highest: Not available.	Highest: 66[a]
	Lowest: Not available.	Lowest: 19a, b

[a] Based on a sample of local offices.

[b] Some Oregon caseworkers with low caseloads have other duties in connection with JOBS, such as job development.

Continued on next page

89

Table 25--Continued

	Massachusetts		Michigan	
Required education and experience for employment program caseworkers	Entry-level workers must have 2 years experience in social, financial, personnel, or counseling work.		Bachelor's degree, service background.	
Educational background of employment program caseworkers	Less than high school:	0%	Less than high school:	0%
	High school or equivalent:	10%	High school or equivalent:	0%
	2-year college degree:	20%	2-year college degree:	1%
	4-year college degree:	50%	4-year college degree:	99%
	Master's or above:	20%	Master's or above:	0%
Work history of employment program caseworkers	Income eligibility:	35%	Not available.	
	Other social service:	20%		
	WIN:	35%		
	Other employment and training:	10%		
	Other:	0%		

90

	Texas	Oregon
	4-year degree; 1 year of social work experience can be substituted for 1 year of college.	No requirement for degree; need certain amount of experience. Local administrators emphasized need for good attitude, motivation, and people skills.
Less than high school:	.3%	0%
High school or equivalent:	12%	35%
2-year college degree:	38%[a]	0%
4-year college degree:	43%	59%
Master's, or above:	7%	6%
	Not available.	
Income eligibility:		43%
Other social services:		7%
WIN:		43%
Other employment and training:		4%
Other:		4%

[a] Percentage includes anyone with college credit, but no degree.

91

PROGRAM RESULTS

It is difficult to measure the success of a welfare employment program. To measure success, the four programs we studied use (1) job placements or welfare reductions and (2) sometimes, the wages for the jobs participants find. But without a more rigorous evaluation, one cannot tell whether participants who take jobs or leave the welfare rolls would have done so in the absence of the programs.[8] It is thus difficult to use available data to assess and compare the success of different programs.

Another problem is the lack of data about the quality of the placements. Only two states had data on the average wage of all program participants. As shown in appendix III, a broad classification of the jobs found was available for only a subset of program participants in three of the four programs. Data on the proportion of those placed retaining jobs beyond 30 days were either not available or available for a subset of placements.

Job Placements and Wage Rates

The number of program participants who obtained jobs in 1986 (whether through the program or on their own) ranged from 12,870 in Massachusetts, 38 percent of participants, to 19,509 in Texas, 37 percent of participants (see table 26). Texas and Massachusetts were the only states for which rates could be calculated. In Massachusetts, 68 percent of the jobs were full-time; in Oregon, 65 percent; and in Texas, 71 percent. These data were not available for Michigan.

The average wages for the jobs found varied greatly by program. Massachusetts' ET had the highest average hourly wage for program placements, $5.45, followed by $4.70 for Michigan's MOST, $4.09 for Oregon's JOBS, and $3.76 for Texas' Employment Services Program. (However, all states but Oregon provided data based only on a subset of placements.) In contrast, average annual pay for workers in general, as shown in table 1, was highest in Michigan and lowest in Oregon. The data on wage distribution show that Massachusetts had far more former program participants earning $5.00 or more per hour than the other states--38 percent as compared with 11 percent in Texas and 1 percent in Oregon. ET officials tie the higher wages of program graduates to the performance-based contracting system. Oregon's placements seem

---

[8]A study of the ET program by the Massachusetts Taxpayers Foundation estimated that both ET and the economy have reduced the AFDC caseload in Massachusetts. See Massachusetts Taxpayers Foundation, Training People to Live Without Welfare (Boston, Aug. 1987). The Urban Institute is currently conducting an evaluation of ET using a comparison group methodology.

concentrated closely around its average wage of $4.09, and the majority of Texas placements were at wages below $4.00.

The relatively high wages of Massachusetts' ET placements were purchased through higher expenditures: Massachusetts spent over $3,300 for each placement compared with $457 in Texas and $658 in Oregon. As discussed previously, Massachusetts' higher costs reflect the more intensive education and training services provided to many participants as well as generous child care funding, which also includes services to successful program graduates.

Table 26: Job Placements and Wage Rates, 1986

	Massachusetts	Michigan	Texas	Oregon
Number placed in jobs	12,870	a	19,509	18,324
Placement rate (percent)[b]	38	a	37	a
Percentage full-time	68	a	71	65
Average wage	$5.45[c]	$4.70[d]	$3.76[e]	$4.09
Percentage earning hourly wage of:				
Under $3.35	0	1[d]	4[e]	0
$3.35-$4.00	32	a	70[e]	34
$4.01-$5.00	30	a	16[e]	65
$5.01-$6.00	18	a	7[e]	1
$6.01 or more	20	17[d]	4[e]	0
Percentage retaining jobs:				
30 days	85[f]	a	81	a
90 days	a	76[d]	a	a
180 days	82[f]	69[d]	a	a
270 days	a	64[d]	a	a
360 days	a	61[d]	a	a
Percentage of AFDC grant closures lasting:				
90 days	a	76	84[g]	a
180 days	a	69	68[g]	a
270 days	a	64	a	a
360 days	86	61	56[g]	a
Cost per placement	$3,333	a	$457	$658

[a]Not available.

[b]Number of participants finding jobs during the year as a percentage of annual participants.

[c]Data are only for full-time jobs.

[d]Data are only for placements made by contractors, which serve about half of MOST participants.

[e]Based on placements made by TEC, which were 31 percent of all placements.

[f]Based on all DES placements, representing 50 percent of all ET placements. Program staff believe they are representative of all placements.

[g]Fiscal year 1985 data.

94

Job Placements by Occupation

Only Oregon could provide occupational information for all placements. The other states provided data on subsets of their participants, which in some cases may not be representative of all placements. The data supplied by all programs are shown in table 27. Massachusetts' ET had the highest proportion of participants in professional, technical, and managerial jobs, but still placed only 10 percent in that category. Massachusetts also had the highest percentage in clerical jobs, 34 percent, as compared with about 20 percent in Texas and Oregon and 11 percent in Michigan. Massachusetts and Michigan had more placements in the traditionally male categories, such as machine trades, bench work, structural/construction, and packing and handling jobs. In these categories, Massachusetts had a total of 26 percent; Michigan, 29 percent. In comparison, Texas had 9 percent and Oregon, 8 percent. Both Texas and Oregon classified about 50 percent of their placements as service, as opposed to 18 percent in Massachusetts and 27 percent in Michigan. Oregon had the largest percentage of placements in farming, forestry, and fishing (10 percent) and processing materials such as glass, food, or paper (6 percent).

95

Table 27: Job Placements by Occupation (Fiscal Year 1986)

All numbers are percentages

Occupational category	Placements in category			
	Massachusetts[a]	Michigan[b]	Texas[c]	Oregon[d]
Professional, technical, managerial	10	3	3	5
Clerical	34	11	20	19
Sales	4	5	6	e
Service/domestic	18	27	54	48
Farming, forestry, fishing	2	3	1	10
Processing	4	f	3	6
Machine trades	6	22[g]	1	2
Bench work	7	f	6	4
Structural/construction	7	7	2	2
Transportation	2	3	1[h]	f
Packing/handling	6	f	f	f
Helpers and laborers	f	18	f	f
Other	f	1	5	4

[a]Based on all DES placements, representing 50 percent of all ET placements. Program staff believe they are representative of all placements.

[b]Based on placements by MOST contractors, who served about half of program participants in 1986.

[c]Information is for participants finding jobs through TEC, representing 31 percent of total placements.

[d]Information is for all placements.

[e]This category is included in clerical occupations.

[f]Not applicable (the program does not use this category).

[g]Includes occupations described as "Mechanical/repair" and "Production," some of which may belong in categories other than "Machine trades."

[h]Described as "Motor freight transportation."

96

APPENDIX I

WELFARE REFORM PROPOSALS

We analyzed proposed employment program changes in four versions of welfare reform:

-- H.R. 1720, Family Welfare Reform Act of 1987 as reported by the House Committee on Ways and Means. Employment portion called National Education, Training and Work (NETWork) Program.

-- H.R. 1720, as amended by the House Committee on Education and Labor. Employment portion called Fair Work Opportunities Program.

-- H.R. 3200, AFDC Employment and Training Reorganization Act of 1987. Employment portion called Comprehensive Employment and Training Program.

-- S. 1511, Family Security Act of 1987. Employment portion called Job Opportunities and Basic Skills Training Program.

We chose these versions of the proposals to illustrate a range of proposals (see table I.1).

97

APPENDIX I

Table I.1: Welfare Reform Proposals

Element	H.R. 1720: Ways and Means	H.R. 1720: Education and Labor
Participation requirements (people with young children)	People with children under age 3 not required to participate. However, states may be permitted to extend requirement to people with children ages 1 and 2 if appropriate child care is available and guaranteed, and participation is part-time. Those with children ages 3 to 5 may be required only if day care is guaranteed and participation part-time.	People with children under age 3 may not be required to participate under any circumstances, but states must encourage participation by those with children ages 1 and 2 where appropriate day care is guaranteed and participation is part-time. All day care must be "appropriate" and must be provided for children ages 6 to 14 when they are not in school and not otherwise receiving care.
Mandatory participation levels	None.	No mandatory levels. Prohibits use of activity or participation levels as a performance standard.
Priorities/target groups	First priority to volunteers from families (a) with teenage parents or with parent under 18 when first child born; (b) receiving AFDC continuously for 2 or more years; and (c) with children under 6.	First consideration given to those who actively seek to participate, whether mandatory or voluntary. States shall make "special efforts" to serve the three groups identified by Ways and Means, plus families with a parent who has not been employed during previous 12 months, lacks high school education, or has special educational needs, and families with older children in which the youngest child is within 2 years of being ineligible for assistance.
Administration	Federal: HHS. State: AFDC agency.	Federal: DOL. State: Governor chooses between welfare agency, employment security agency, or other state agency.
Financing	Funded as entitlement. Education and training receive 65-percent federal share. Administrative costs, including case management, receive a 50-percent federal share. Child care and other work-related expenses matched at rate at which assistance payments matched.	1988—$650 million authorized for program expenses, of which $150 million is for child care when appropriation levels exceed $200 million. 90-percent federal match to 1986 WIN allocation. Then, education, training, child care, and other supportive services matched at 80 percent; other costs, including administrative, matched at 70 percent.

98

APPENDIX I

H.R. 3200	S. 1511
People with children age 6 months and over.	People with children age 3 and over and, at state option, ages 1 and 2, must participate.
By end of first year, 15 percent of caseload must participate, increasing incrementally to 70 percent at the end of the 9th year. For teen parents and other teens, 80 percent by end of third year.	None.
Number of members of high priority groups placed in school or jobs after FY 1989 affects funding allocations. Groups include (a) those who have not completed high school or its equivalent, (b) unwed mothers with children under 3, (c) recipients under age 22.	To obtain a higher federal funding rate, programs must spend 60 percent of funds on participants who (a) are receiving or applying for benefits and have received benefits for any 30 of the preceding 60 months; (b) are custodial parents under age 22 without a high school education and are not enrolled in high school; (c) are parents in a UP family.
Federal: Establishes Office of Work Programs within HHS' Office of Family Assistance. State: AFDC agency.	Federal: HHS. State: AFDC agency.
Funded through appropriation; $500 million authorized for fiscal year 1988. Up to amount spent in fiscal year 1987, federal matching rate based on effective matching rate for that year (estimated to average at about 79 percent). Over amounts spent in fiscal year 1987, federal matching rate is 50 percent.	90-percent federal share up to $140 million. Then, 60-percent federal share for expenditures beyond state share of appropriated funds. Costs of assessments, case management services, and contract development and administration, receive a 50-percent federal share. Rate drops to 50 percent in all cases if more than 40 percent of nonfederal share provided in kind or less than 60 percent spent on target groups. Child care matched at Medicaid rate.

Continued on next page

99

Table I.1—Continued

Element	H.R. 1720: Ways and Means	H.R. 1720: Education and Labor
Assessment and agency/client agreement	States required to assess education, skills, and employability and negotiate an agency/client agreement specifying activities and other participation terms as well as services the state is committed to provide.	Similar to Ways and Means. Assessment of educational needs must include testing. Participant given up to 10 days to review agreement.
Case management	Required to assign case manager to arrange or broker services and monitor progress.	Same as Ways and Means.
Program services	State must make available high school or equivalent education, remedial education, ESL, specialized advance education, group and individual job search, skills training, job readiness activities, counseling and referral, job development and placement. Must offer two of the following: OJT, work supplementation, CWEP, and other training and education activities. May require job search for applicants and at other times.	Services shall include job search, education, training programs (job readiness, job skills, OJT, work experience), necessary support services, counseling and referrals, job development, placement, and follow-up. May include transitional employment, work experience, and work supplementation. Education must be offered first, where plan identifies it as a need. May require job search for applicants and at other times.
High school education	Participants lacking high school education must be offered opportunity to participate in activities addressing these needs. No other activities can be permitted to interfere with this component.	Participants without high school education must participate first in an appropriate education program. No other activities may be allowed to interfere.
Child care and other work-related expenses	States must provide or reimburse for day care: $175/month for children age 2 or over, $200/month for infants under age 2. Up to $100/month for transportation and other work-related expenses or $200/month if participant must travel 100 miles or more (each way per day) to activity.	Does not address provision or reimbursement of child care. Does require states to assess adequacy and appropriateness of child care and sets aside $150 million for child care improvements after appropriations reach $200 million.

APPENDIX I

H.R. 3200	S. 1511
States may develop employability plans for recipients.	Required to assess education and employment skills and may develop employability plan. States may require individuals to negotiate and enter into contracts reflecting participants' obligations and states' commitments for services.
No provision.	States may assign a case manager responsible for obtaining and brokering services needed to assure participation.
Services states may offer include those authorized under WIN or WIN Demonstrations, CWEP, work supplementation, job search, or work demonstration programs. States may require applicants to participate in job search.	State may make available high school or equivalent education, remedial education, ESL, post-secondary education, OJT, skills training, work supplementation, CWEP, job search. job readiness training, and job development, placement, and follow-up. May require job search for applicants and at other times.
In families required to participate, caretaker relatives and anyone at least age 16 but less than 19 without a high school education may be required to enter a high school or GED program.	States may require certain custodial parents under age 22 without a high school education to participate in education activities.
Child care, transportation, and other necessary assistance must be provided.	Federal government reimburses child care up to limit of $160/month per child. Other work-related expenses up to amount of initial earned income disregard.

Continued on next page

101

Table I.1--Continued

APPENDIX I

Element	H.R. 1720: Ways and Means	H.R. 1720: Education and Labor
Transition benefits	Child care available to working families for 6 months after leaving AFDC, on an income-based scale of payments. Medicaid extended to working families for 6 months.	Does not address this section.
Job referrals	May not require participants to accept jobs resulting in net loss of income, including insurance value of health benefits to family.	No participant must accept a job paying less than the minimum wage. Establishes supplementary program to make up difference between wages and benefits lost for 1 year for participants accepting such jobs.
Performance standards	Developed within 1 year of enactment. Will include extent to which priority groups are targeted, intensive services are tailored to individual needs, volunteers emphasized, placement and education completion expectations for priority groups are met, and program results in job retention, as well as case closings, educational improvements, and placement in jobs with health benefits. Must also consider effectiveness of employment program in producing welfare savings and the effect of unemployment and other economic factors on program results.	Final standards developed within 2 years of enactment. Include measurement of success in enabling participants to achieve self-sufficiency and reducing welfare costs; measurements of placement rates, wages, job retention, education improvements, and placements with health or child care benefits; recognition of difficulties of serving participants with greater employment barriers; and recognition of differing conditions between the states.

102

APPENDIX I

H.R. 3200	S. 1511
Child care available for families with income less than 150 percent of federal poverty line, which received AFDC within the past 3 months, but are ineligible because of increased earnings, and pay at least 10, but no more than 90 percent of the cost.	Child care remains available to families whose eligibility for benefits has lapsed if they have received benefits in 3 of 6 preceding months. Available for 9 months after last receipt of benefits and for a total of 9 months in the preceding 36-month period.
	Medicaid available for up to 9 months. After 4 months, income-based coverage where families' gross earnings less child care expenses are not more than 185 percent of poverty line.
Jobs must be at least minimum wage.	May not be required to accept a job resulting in net loss of income, including food stamps and insurance value of health benefits, unless state makes up difference in supplementary payments.
After 2 years, funding allocation formula takes into account relative efficiency of placing potential long-term recipients in jobs lasting at least 6 months.	Developed within 5 years of enactment. Based, in part, on studies of program implementation and cost effectiveness of various state approaches for serving long-term recipients.

103

APPENDIX II

DETAIL ON SITE VISITS

MASSACHUSETTS

Locations: State-level offices--Boston; local offices--Grove Hall, Cambridge, New Bedford, Southbridge

Nonwelfare Agencies:

Department of Employment Security (central office, Boston)
Office of Training and Employment Policy (state-level JTPA, Boston)
Bay State Skills Corporation (Boston)
Dimock Community Health Center (Roxbury)
La Alianza Hispana (Boston)
SCALE, Somerville Public Schools (Somerville)
Employment Resources, Inc. (Cambridge)
Office for Job Partnerships (JTPA-New Bedford)
McKinnon Training Center (Southbridge)
Massachusetts Job Training Inc. (Worcester)
Elm Park Center (Worcester)

MICHIGAN

Locations: State-level offices--Lansing; local offices--Wayne County (Detroit, four sites: Hamtramck, Jefferson/Algonquin, Lincoln Park, Romulus), Jackson, Oscoda, Kalkaska, Crawford

Nonwelfare Agencies:

Ross Learning Inc.
Wayne County Community College
Downriver Community Conference (JTPA)
JTPA-City of Detroit
Salvation Army
Jackson Business Institute
Goodwill Industries-Project NOW
Jackson MESC (Employment Security Commission)
Jackson Community College
Kalkaska MESC

TEXAS

Locations: State-level offices--Austin; regional offices--Austin, Houston, Edinburg, Abilene

104

APPENDIX II

Nonwelfare Agencies:

TEC, state office--Austin
TEC, regional offices--Austin, Houston, Edinburg,and Abilene
Texas Department of Community Affairs (JTPA), state office--Austin
JTPA-Houston, Edinburg, Abilene
Neighborhood Centers, Inc. (Houston)
Women's Employment Education Service (Edinburg)
Day Nursery of Abilene

OREGON

Locations: State-level offices--Salem; local offices---Portland, Lebanon, Springfield, and Bend

Nonwelfare Agencies:

JTPA-state office
Oregon Consortium (JTPA-Albany)
Community Services Consortium (JTPA-Corvallis)

105

APPENDIX III

PROBLEMS IN OBTAINING COMPARABLE DATA ON EMPLOYMENT PROGRAM PARTICIPANTS

	Massachusetts	Michigan
Employment program registrants	All AFDC household heads, including those disabled, ineligible, and with infants, register for ET.	All AFDC recipients who are mandatory for MOST and all volunteers register for MOST. An annual total of registrants is not available.
Employment program participants	"Participants" are those who receive a service such as education or training, not those receiving only orientation or assessment.	"Participants" include all registrants who participate in any MOST component, including orientation and assessment.
Participant characteristics: Source of data	Education and work history data based on a random sample of 2 percent of AFDC recipients in fiscal year 1987; other data based on all fiscal year 1986 participants.	Age of youngest child based on a 5-percent sample of MOST participants; other data based on all participants.
Participant characteristics:		
Regular vs. UP	Cannot distinguish regular from UP.	Available.
Age	Available but cannot be broken out into desired categories.	Available.
Age of youngest child	Available but cannot be broken out into desired categories.	Available.
Education	Available only for fiscal year 1987 2 percent sample.	Available.
Work history	Available only for fiscal year 1987 2 percent sample.	Not available.
Past welfare use	Only latest spell on AFDC is known.	Not available because system shows only date of last event, which could have been an adjustment only.
Number of participants in each activity	Cannot break out community college attendees by type of education, such as remedial, GED, or vocational.	Cannot provide annual unduplicated count.

106

APPENDIX III

Texas	Oregon
All AFDC recipients who are required to participate and all volunteers are considered registered.	Everyone applying for AFDC is considered registered.
This term is not normally used. Were able to generate a count of individuals involved in any activity, including assessment and self-placement.	"Participants" include anyone required to participate in JOBS or volunteering to participate, except those sanctioned. This includes those who are temporarily exempted for medical or other reasons. An annual unduplicated count was not available.
Not available for participants; provided (except education) for all registrants.	Based on a 20-percent sample of 13 (and in some cases fewer) of 48 local offices. Some data based on a subsample of 133 cases.
Not applicable (Texas does not have UP program).	Cannot distinguish regular from UP.
Available.	Available but cannot be broken out into desired categories.
Available.	Available.
Available only for participants in activities provided by TEC in 1985.	Available.
Not available.	Available.
Based on last 3 years.	Based on client's entire history of welfare receipt.
Not available.	Not available.

Continued on next page

107

APPENDIX III

Continued	Massachusetts	Michigan
Expenditures by service	Available.	For fiscal year 1986, expenditures classified not by service, but by outcome. Over half of contract expenditures are for contracts with more than one outcome, making them impossible to classify by service.
Number of people sanctioned	Information not available.	Know how many grants closed or reduced due to sanctions but not number of people against whom sanctions are imposed.
Number of people receiving child care aid	Available on a monthly basis for voucher care only.	State tracks total number of recipients of child care payments in AFDC grant, but cannot tell how many are MOST participants.
Caseload	Count only those scheduled to enter active component, not those who are only registered. But some of those counted are currently inactive.	Count only active MOST registrants.
Number of placements	Available.	Count only grant closures and grant reductions due to employment, not placements. Grant reductions cannot be added to produce an annual count because one person may have several grant reductions in a year.
Proportion of those placed who leave AFDC rolls	Not known; know only percentage of placements in "priority jobs" (full-time and paying at least $5/hour) off AFDC after 60 days.	Not known because do not know total number of placements.
Wages and characteristics of jobs found	Characteristics known only for the 50 percent of placements obtained through the Employment Service.	Wages and job characteristics available only for contract placements, which are 40 percent of all placements and probably not a representative sample.
Job retention	30-day and 180-day retention rates available for DES only; 1 year for JTPA only.	90-day retention rate available for contract placements only.

108

APPENDIX III

	Texas	Oregon
	Available.	Cannot break out contracted services, support services, local administration, and central administration.
	Know only number of sanctions, not number of people against whom sanctions are imposed.	Cannot obtain unduplicated count.
	Can provide count only of children, not participants receiving aid.	Not available.
	Includes all people classified as participants. Do not know what proportion is inactive.	Based on sample of 9 local offices; includes both active and inactive participants; can tell what proportion inactive.
	Available.	Available.
	Known at some point within 3 months of employment.	Known after 180 days.
	Wages and job characteristics known only for the 31 percent of placements obtained through the TEC.	Available for all participants.
	Known only for 30 days after entering employment.	Information not available.

109

GLOSSARY

Assessment	Process to determine a participant's employment and education background and service needs.
Career planning	In-depth assessment, including testing and other techniques, used in Massachusetts for certain participants such as those who are uncertain about the activity they wish to attend or have barriers to employment.
Direct placement assistance	Job developer in program or at Employment Service tries to match client to jobs and refer him or her directly to employer.
Education	Instruction, including --remedial and Adult Basic Education (ABE)--instruction to raise basic reading and math skills; --GED/high school--instruction leading to a high school diploma or its equivalent; --English as a Second Language (ESL)--instruction to provide English-language skills to those participants for whom English is not their native language; and --post-high school--nonvocational instruction provided in a college or community college.
Group job search	Groups of participants receive training in job search techniques and, under an instructor's supervision, identify and contact potential employers.

Individual job search	Participant looks for employment, sometimes with requirement of reporting to program staff the number of employers contacted.
On-the-job training	Training placement, usually subsidized, in which participants are hired by employers and work while being trained.
Orientation	Session at which participants or prospective participants learn about their obligations to participate (if any), and program services offered.
Supported work	Subsidized work experience or training in which work standards are gradually increased to those of an unsubsidized job. Support is provided by counselors and peers.
Vocational skills training	Occupationally oriented skills training usually provided through classroom instruction.
Work experience	Two basic types: Community Work Experience Programs (CWEPs)--Experience or training provided through work in public or private nonprofit agency in return for AFDC benefits; hours usually determined by dividing AFDC grant by minimum wage. WIN work experience--Work in public or private nonprofit agency to develop basic work habits and practice skills; state sets hours.
"World of work"	Massachusetts activity to help displaced homemakers prepare for employment and training services. The activity includes career assessment and planning, employment counseling, goal setting, decisionmaking, and job search techniques.

*U.S. G.P.O. 1987-201-749:60210

Requests for copies of GAO publications should be sent to:

U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877

Telephone 202-275-6241

The first five copies of each publication are free. Additional copies are $2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.