

# **Big Cities and Welfare Reform**

## **Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change**

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## Preface

This is the first report of the Project on Devolution and Urban Change, a multidisciplinary longitudinal study of welfare reform in four large urban counties and their major cities —Cleveland, Los Angeles, Miami, and Philadelphia. The welfare changes signaled by the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) had been under way in some form, and in some locations, in nearly every state before they became the law of the land. But before PRWORA, time-limited benefits, mandatory participation in programs emphasizing a rapid transition from welfare into a job, and increased financial incentives for working were almost never tried in major urban areas.

Reasons for the reluctance to innovate in urban areas are obvious. The sheer size of big cities' welfare caseloads and the concomitantly large numbers of welfare agency staff located in multiple, sometimes far-flung, offices have posed difficult management and implementation problems. In addition, the welfare rolls in large urban areas disproportionately comprise long-term dependent persons who face multiple employment barriers. Moreover, they are more likely to be people of color and immigrants and to encounter discrimination in the labor market. Finally, big cities have not benefited uniformly from economic recovery and expansion, and job opportunities for those with few skills often remain limited.

Arguably, then, welfare reform's most consequential test is taking place in the nation's big cities. How are states using the new flexibility granted under PRWORA? How are welfare agencies in the cities implementing the new policies? What will be the long-term effect of these new policies on poor families with children, the communities in which they live, and the institutions that assist them? The Project on Devolution and Urban Change is an ambitious attempt to integrate the findings of the project's implementation, ethnographic, institutional, neighborhood indicator, and impact studies to answer these and other questions.

This first report draws on interviews and focus groups conducted with welfare agency officials and line staff, on observations of staff-client interactions, and on ethnographic interviews and focus groups with welfare recipients themselves. It tells a story that is at odds with both the dire predictions of reform's opponents and the sweeping behavioral changes promised by its advocates. Big cities have changed welfare's message from one of entitlement to one of temporary help, and have put in place welfare-to-work programs that emphasize quick entry into the labor force. Welfare recipients themselves support welfare reform's focus on getting recipients off welfare and into work, although many worry continuously about the effect of the new policies on those unable to find jobs.

While there are many similarities, there is also considerable policy variation from city to city. For example, Los Angeles and Philadelphia both impose a two-year time limit on welfare without work. But Philadelphia is gearing up for a large community service employment initiative, while Los Angeles officials, at least to date, have eschewed this course of action. Cleveland and Miami are planning special services for recipients with serious employment barriers. But they define this population in different ways and offer them a different sequence of services.

Despite the sites' early accomplishments, much remains to be done. And much remains to be seen: Will the labor market be able to provide jobs for the majority of welfare recipients before they reach their time limits? Will those recipients who are entitled to receive transitional child care and health care coverage — benefits that are intended to palliate the effects of low-wage employment — receive them? If not, will recipients who are unable to find work be placed in community service jobs of last resort? What criteria will caseworkers use to grant extensions of, and exemptions from, the time limits? In short, under devolution, will the states maintain a “social safety net” under the poorest residents of their great cities? The Urban Change study is uniquely equipped to inform policymakers, program practitioners, and others about the unprecedented rewards and risks of welfare reform in the metropolis.

Judith M. Gueron  
President

## Acknowledgments

This report could not have been completed without the full cooperation of the people whose work and lives are most directly affected by welfare reform: the welfare administrators and line staff members at the four Urban Change sites, and the welfare recipients at those sites who are participants in the ethnographic study. We thank both groups for sharing with us their experiences, expectations, hopes, and fears.

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Nola Healy Lynch skillfully edited the report. Robert Weber carefully read drafts for clarity as well as orthography. Stephanie Cowell ably executed the final word processing.

The Authors

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# Executive Summary

## I. Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 revolutionized welfare policy. Ending Aid to Families with Dependent Children (AFDC) — the 60-year-old federal cash welfare program for poor families — the act granted unprecedented authority and responsibility for public assistance policies and programs to the states, established a new form of aid known as Temporary Assistance for Needy Families (TANF), which provides funds to the states via block grants, and placed a five-year lifetime limit on federally assisted cash benefits for most families. States were permitted to exempt from the federal time limit no more than 20 percent of their average monthly caseloads and also faced increasingly stringent requirements to place more welfare recipients into jobs or work preparation activities. In the aftermath of PRWORA, states have further “devolved” much of the responsibility for welfare to local welfare agencies and other entities.

Congress enacted PRWORA and President Clinton signed it out of the profound conviction that the existing welfare system was a failure, but without much prior research to suggest what the likely effects of the new law’s provisions might be. PRWORA’s proponents expected the changes to spur policy innovation, lead more families to become self-supporting, and encourage marriage while discouraging out-of-wedlock births. The law’s critics predicted dire effects on poor families and the neighborhoods in which they live — more poverty, hardship, homelessness, domestic violence, and crime.

The fundamental premise underlying the Project on Devolution and Urban Change (Urban Change for short) is that the effects of PRWORA — whether positive, negative, or mixed — will be felt with special intensity by residents of the nation’s big cities, where long-term welfare recipients and other poor people are increasingly concentrated and employment opportunities are often limited. The Urban Change project is a five-year, multicomponent study of PRWORA’s implementation and of its effects on poor families with children, the communities in which they live, and the institutions that assist them. The study is taking place in four of the nation’s largest urban counties — Cuyahoga, Ohio (which includes Cleveland); Los Angeles, California; Miami-Dade, Florida; and Philadelphia, Pennsylvania. These counties (also referred to as the study’s sites) were selected to represent a mix of older Northern industrial cities and younger Sunbelt cities, with different local economies, welfare grant levels, and ethnic mixes. All four counties, however, account for a disproportionate share of the TANF recipients in their respective states. Table 1 describes the study’s principal features, while Table 2 summarizes key characteristics of the study sites.

The study is being undertaken by the Manpower Demonstration Research Corporation (MDRC), a nonprofit, nonpartisan organization that develops and evaluates interventions designed to improve the self-sufficiency and well-being of economically disadvantaged populations, in cooperation with researchers from other institutions at or near the study sites. The project is supported by a consortium of 11 foundations, which are listed at the front of the report.

**Table 1**  
**The Project on Devolution and Urban Change**  
**Key Features of the Project**

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**Goal**

To understand how state and local welfare agencies, poor neighborhoods, and low-income families are affected by the changes to the income support system in response to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

**Locations (sites)**

Four large urban counties: Cuyahoga (Cleveland, Ohio), Los Angeles, Miami-Dade, and Philadelphia

**Time frame**

1997–2001

**Project components**

The *Ethnographic Study* illuminates the effects of the changes by chronicling, in depth and over time, how approximately 40 welfare-reliant families in each site cope with the new rules and policies.

The *Implementation Study* describes both the new welfare initiatives — rules, messages, benefits, and services — that are developed at the state and local levels and the experiences of the local welfare agencies in putting these new initiatives into practice.

The *Individual-Level Impact Study* measures the impacts of the new policies on welfare, employment, earnings, and other indicators of individual and family well-being, using administrative records for countywide samples of welfare recipients and other poor people and an in-person survey of a subset of residents of high-poverty neighborhoods.

The *Institutional Study* examines how the new policies and funding mechanisms affect nonprofit institutions and neighborhood businesses.

The *Neighborhood Indicators Study* assesses changes in statistical indicators that reflect the social and economic vitality of urban counties and of neighborhoods within them where poverty and welfare receipt are concentrated.

**Distinctive features**

*Its urban focus.* The project examines the impacts of welfare reform in America's big cities.

*Its neighborhood focus.* All five components of the project will focus especially on residents of high-poverty neighborhoods, the public and nonprofit agencies that assist them, and the effects of welfare reform on the stability and vitality of their communities. Findings will also be reported at the county level.

*Its effort to integrate findings across the components.* The goal of the project is to bring multiple data sources and methodologies to bear in answering the questions of interest. The results of the separate studies are intended to illuminate, clarify, reinforce, and otherwise complement each other.

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**Table 2**  
**The Project on Devolution and Urban Change**  
**Demographic and Welfare-Related Characteristics of the Study Sites**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Total population, 1997	1,386,803	9,145,219	2,044,600	1,451,372
Percentage of state population living in county, 1997	12.4	28.3	14.0	12.1
Ethnicity (%), 1990 <sup>a</sup>				
Hispanic	2.2	37.8	49.2	5.6
Black, non-Hispanic	24.7	10.5	19.1	39.3
White, non-Hispanic	71.6	40.8	30.2	52.1
Other, non-Hispanic	1.5	10.8	1.5	3.0
Percentage foreign-born, 1990	5.6	32.7	45.1	6.6
Unemployment rate (%), 1997	4.8	6.8	7.1	6.8
Percentage living in poverty, 1993 estimates	18.1	23.8	25.4	26.5
Average monthly number of AFDC/TANF cases in county, 1997	38,049	294,502	39,454	73,586
Percentage of average monthly state AFDC/TANF cases living in county, 1997	21.7	35.0	25.3	42.7
Maximum monthly TANF grant for 3-person household living in county, 1997	\$341	\$565	\$303 <sup>f</sup>	\$403
Ranking of state's maximum TANF grant among the 50 states (highest to lowest), 1997	32	6	36	22 <sup>g</sup>
Administration by state or county				
Grants	State	County	State	State
Welfare reform initiative	County	County	State/local coalition	State

NOTES: <sup>a</sup>Percentages by ethnicity come from MDRC calculations using 1990 census data. Percentages may not total 100 because of rounding.

This report, the first from the project, centers on case studies of the four sites. These case studies contain information from two of the project's components: the implementation study, which explores welfare agency policies and practices, and the ethnographic study, which centers on in-depth interviews with welfare families living in poor neighborhoods at the sites. Although the data for this report were collected approximately 10 to 20 months after the passage of PRWORA and the story has continued to unfold since that time, many of the issues and dilemmas identified in the early round of research are ones with which the sites are still grappling.

## II. Findings in Brief

- **The study found that within a relatively short time — and typically with little prior experience in putting major pre-PRWORA reforms in place — the welfare agencies in these counties made significant strides in communicating a new welfare message, changing over to a work-first approach, mandating participation in welfare-to-work services, and designing new institutional structures.**

Before the passage of PRWORA, many states had experimented with welfare policies and programs, but they generally tested these initiatives in relatively small jurisdictions. Cities rarely had the resources to require all recipients to participate in their welfare-to-work programs, which were geared mostly toward building human capital gradually through education and job skills training, not toward early entry into the labor force as emphasized by PRWORA. (Thus, of the Urban Change sites, only Los Angeles County had operated a mandatory, work-first-oriented welfare-to-work program before the 1996 federal legislation.)

In the face of these challenges, the Urban Change sites advanced on several fronts. Considerable effort went to ensuring that recipients heard the new message that welfare is only temporary and that they needed to find a job. All the sites adopted a work-first approach, usually requiring recipients to engage in job search before they could enter other work preparation activities. (To date, however, other work-first activities — work experience and community service jobs — have not been widely implemented, although Philadelphia is gearing up for a large community service employment program.) The sites began requiring all recipients except those specifically exempted by law to take part in welfare-to-work activities. And Cuyahoga and Miami-Dade Counties developed new institutional structures for carrying out their welfare reform initiatives.

- **Much remained to be done, however, in terms of changing the culture of welfare agencies, sharpening and clarifying welfare's new messages, developing and carrying out plans for dealing with especially disadvantaged recipients, enhancing job placement efforts, ensuring ongoing benefits for former recipients who have made the transition to low-wage employment, and improving recipients' ability to keep jobs and to move up to better ones.**

The sites generally adopted a first-things-first approach, preparing at the outset for services recipients would need first and deferring planning for services that recipients might encounter later in their welfare tenure. In late 1997, when most of the field research for the implementation study was conducted, it appeared that many welfare agency officials were just beginning to think about the upcoming challenges. Los Angeles County was something of an exception in this regard; having already made the transition to a mandatory work-first model, welfare administrators there were in a somewhat better position to think about next steps than their counterparts at the other sites.

Clearly, many challenges lay ahead. For one thing, many details of the welfare changes remained unclear to both line staff members and recipients. In particular, staff did not communicate clearly to recipients the tradeoff between supplementing low earnings with welfare and conserving months of eligibility for a time when the need might be greater, or the fact that recipients might remain eligible for Food Stamps, Medicaid, and child care if they left welfare for employment. Other issues demanding administrators' attention included: dealing with multiproblem recipients, strengthening the welfare agency's labor market connections, and helping recipients move not just off welfare but out of poverty.

- **To date, the sites have not seen a fraying of their “social safety nets.”**

The real test of the ability of the new policies to protect the nation's poorest citizens, and poor children in particular, will come with the imposition of time limits — or the next economic downturn. The sites' post-PRWORA sanctioning practices have generally not been much more punitive than their pre-PRWORA counterparts, although recipients in Miami-Dade County have been sanctioned more frequently. Moreover, while welfare diversion efforts were just getting under way at the time of the research visits, their purpose was to provide emergency cash aid and services to families that might otherwise go on welfare, not to create roadblocks to the application process.

- **The participants in the ethnographic study were in favor of many of the welfare reform provisions but expressed anxiety about their consequences.**

Respondents believed that work requirements would prod people to take the necessary steps to self-sufficiency and would help root out those who were undeserving of welfare assistance. At the same time, however, these recipients were concerned about PRWORA's decreased emphasis on education, about their ability to supervise their children adequately while working, and about what would happen when they reached their time limits. Many were also fearful that they would not be able to find jobs at wages sufficient to meet their monthly expenses.

The next section of this Executive Summary discusses some of the policy options open to the states and the choices made by the Urban Change sites. The final section elaborates on the key findings summarized above.

### **III. Devolution of Authority and Policy Choices of the Urban Change States**

A principal goal of PRWORA is to move welfare recipients into jobs. Toward that end, the act imposes stringent requirements that increasing percentages of TANF recipients either work or participate in activities geared toward their getting jobs quickly, rather than in education and job skills training. PRWORA further seeks to affect various aspects of recipients' reproductive, marital, and parental behavior, explicitly stating that among the goals of TANF are to "prevent and reduce the incidence of out-of-wedlock pregnancies" and to "encourage the formation and maintenance of two-parent families." (Accordingly, it mandates penalties for recipients who do not comply with child support enforcement efforts.) PRWORA also terminated many federal benefits for immigrants and allows states to end TANF assistance to legal immigrants who arrived in the United States before August 1996, when the legislation was signed. It places a five-year ban on TANF and most other federally funded, means-tested benefits for many families arriving after August 1996, unless they meet narrow exemption criteria; states may use their own moneys to provide cash assistance to these recent immigrants. (Federal legislation passed in 1998 reinstated Food Stamps eligibility for children under 18 who were lawfully admitted before August 1996.)

Under AFDC, states had received open-ended federal funding for welfare expenditures, but it came with many regulations attached. States could deviate from these regulations only by obtaining waivers to do so. Under PRWORA, in contrast, each state receives a federal block grant in a fixed amount that depends on the state's pre-TANF allocation; that allocation, in turn, was tied to the size of the state's AFDC caseload and the level of spending per recipient. Because the block grant amounts are related to past spending levels, and national welfare caseloads declined by 30 percent between January 1993 and September 1997, most states have experienced a substantial windfall (that is, they have gotten much more funding under the block grants than they would have received under the old AFDC system). PRWORA's provisions further require states to maintain their own spending at 80 percent of their former spending level (75 percent if the state meets specific work participation requirements); these are the maintenance-of-effort funds.

Together, the federal block grants and the states' maintenance-of-effort funds add up to unprecedented amounts of money for states to spend on behalf of poor families. And they have unprecedented freedom to decide how to spend it. Thus, states can run programs that are so different from "welfare as we have known it" as to be unrecognizable, or they can use their former AFDC and welfare-to-work programs as a framework on which to build incrementally. States can place whatever time limits they choose on the receipt of aid, decide which families should receive extensions to or exemptions from the time limits, or use their own moneys to pay for families that have been on the rolls more than five years, sidestepping the federal time limit altogether. They can add extra steps — and roadblocks — to the application process and restrict eligibility for benefits, and they can offer services and payments that will enable families to avoid going on welfare. They can increase or reduce welfare grants, determine how much of recipients' earnings to disregard (that is, not count) in calculating benefit amounts, and even replace welfare benefits with wages paid in return for work or with noncash assistance. States can change the mix and amount of welfare-to-work and other services for current recipients and add new services for former recipients and other families who constitute the "working poor." And they can impose "sanctions" (that is, financial penalties) of any amount, including the entire grant, on recipients who lack "good cause" reasons for noncooperation.

The Urban Change states have responded to this flexibility in different ways. Some of their key policy choices are summarized in Table 3. Of particular note are the following:

**Table 3**

**The Project on Devolution and Urban Change**

**Key Policy Choices of the Sites, as of October 1997–January 1998**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
<b>Time limits</b>				
Lifetime limit on cash welfare for most families	3 years <sup>a</sup>	5 years (adults only)	4 years	5 years
Work-trigger time limit <sup>b</sup>	None <sup>c</sup>	18 or 24 months <sup>d</sup>	None	24 months
Interim-termination time limit <sup>e</sup>	None	None	36 months in a 72-month period for certain recipients; 24 months in a 60-month period for other recipients <sup>f</sup>	None
Safety net features tied to time limit	None	Child's portion of grant is maintained after parent reaches time limit	Possible continuation of benefits for children through protective payee for up to 1 year; hardship extensions of time limit for up to 1 year	None
Start date of state's lifetime limit	October 1997	January 1998	October 1996	March 1997
<b>Eligibility</b>				
Earned income disregarded in determining continuing eligibility and grant amount	\$250 of income earned in a month plus 50% of the remainder for 18 months	\$225 of income earned in a month plus 50% of the remainder	\$200 of income earned in a month plus 50% of the remainder	50% of income earned in a month
Provide TANF and Medicaid to qualified immigrants who came to the U.S. before August 1996	Yes	Yes	Yes	Yes
Provide cash and medical assistance during first 5 years in the U.S. to qualified immigrants who came to the U.S. on or after August 1996	No	Yes	No	Yes



**Table 3 (continued)**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
<b>Welfare-to-work programs</b>				
Hours per week of participation required for single-parent families	30	32	20	20 (after 2 years)
Exemptions from participation requirements	Single parents with a child less than 6 months old	Parents caring for infant under age 1; teen parents attending school; disabled; elderly; specified caretakers; pregnant women whose pregnancies preclude work; those with good cause as determined by the county; recipients under age 16, or under age 19 if in school	Single parents with a child less than 3 months old; individuals eligible for Supplemental Security Income (SSI) due to age or disability; caretakers for disabled family members (added in 1998)	Single custodial parents caring for a child under age 1 (for maximum 12 months in lifetime); parents/caretakers caring for a child under age 6 for whom child care is not available; recipients under age 18 pursuing high school diploma or GED; those with verified disabilities that prevent them from working
<b>Personal behavior</b>				
Family cap <sup>g</sup>	No	Yes	Yes <sup>h</sup>	No
Penalties for recipient's noncooperation with child support enforcement efforts	Subject to 3-tier sanction <sup>i</sup>	25% grant reduction	Subject to 3-tier sanction <sup>i</sup>	Individuals ineligible for cash assistance, or family's grant reduced by 25%, whichever is higher <sup>k</sup>
<b>Child care for recipients</b>	Children under 13 are eligible for child care subsidies, extended on a sliding-scale fee basis	Subsidized care guaranteed for children under 11. County will provide child care for children 11–12 years of age provided there is sufficient funding.	Children of welfare recipients receive child care priority	Children under 13 whose parents are participating in an approved activity. Child care also provided to enable parents to accept or continue employment.

(continued)

**Table 3 (continued)**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
<b>Transitional benefits</b>	Medical coverage for 1 year; for families who leave welfare because of increased earnings, child care for children under 13 for 1 year or until income exceeds 150% of the federal poverty level	Up to 1 year of medical coverage; subsidized child care for 2 years or until family's income exceeds 75% of state median	Up to 1 year of medical coverage; 2 years of subsidized child care for a family that leaves welfare because of increased earnings	For individuals who leave welfare because of increased earnings: 6 months of medical coverage regardless of income; up to 1 year of medical coverage and child care for households whose earned income is at or under 185% of the federal poverty level

NOTES: <sup>a</sup>After receiving benefits for 36 months, a family is ineligible for 24 months. After that period, if the county determines that good cause exists, the family may be eligible for an additional 24 months of assistance. As of July 1998, Cuyahoga County had not established the criteria for extending welfare receipt for the additional 24 months.

<sup>b</sup>The work-trigger time limit is a period of time after which clients must work in order to receive cash assistance.

<sup>c</sup>Ohio's state plan stipulates that recipients participate in state-defined work activities once they are able to engage in work, or once they have received assistance for 24 months. Ohio, however, has been emphasizing the three-year time limit in which participants can continue to receive benefits as long as they fulfill the requirements in their Self-Sufficiency Contract.

<sup>d</sup>Welfare-to-work activities are generally limited to 18 months for new applicants and 24 months for ongoing recipients.

<sup>e</sup>The interim-termination time limit is a time limit on welfare receipt that results in the termination of cash assistance but is shorter than the lifetime limit.

<sup>f</sup>Recipients who qualify for the 36-out-of-72-month time limit are custodial parents under age 24 who have not completed high school or have no work experience and long-term recipients (defined as those who have received assistance for at least 36 of the last 60 months).

<sup>g</sup>A family cap entails the partial or full denial of cash benefits to a child conceived while the mother is on welfare.

<sup>h</sup>The policy provides "limited" additional benefits to children born within 10 months of initial welfare receipt: 50 percent for the first child, and no benefits for each child thereafter.

<sup>i</sup>In Cuyahoga, the first instance of noncooperation results in the removal of cash benefits (for the entire family) and possibly Food Stamp benefits (for the adult) for one month or until cooperation is obtained, whichever is longer. For the second instance of noncooperation, the sanction lasts for three months or until cooperation, whichever is longer. For any subsequent instances, the sanction lasts for six months or until cooperation, whichever is longer. Those adults who are sanctioned three or more times may also be ineligible for Medicaid.

<sup>j</sup>In Miami, the entire family is subject to the following sanctions: The first instance of noncooperation results in the loss of cash assistance until the individual has complied for 10 working days; the second instance results in the loss of cash and Food Stamps until the individual has complied for 30 days; and the third and subsequent penalties result in the loss of cash and Food Stamps for a minimum of three months. Benefits are reinstated after the individual complies for 10 working days after the three-month penalty period.

<sup>k</sup>The 25 percent penalty has been implemented only for "child-only" budgets.



1. Three states have adopted both lifetime limits and shorter, intermediate time limits on welfare receipt. Both California and Pennsylvania, for example, have five-year lifetime limits and also “work-trigger” time limits that require recipients to work after 24 months in order to continue receiving cash assistance.
2. A critical feature differentiating California’s plan from those of the other states is that when the household reaches either the work-trigger or the lifetime limit, only the adult’s share of the grant is eliminated.
3. All four states have considerably liberalized their earned income disregards, excluding at least half the earnings of recipients who have found employment when calculating the welfare benefits for which they may be eligible.
4. The states have instituted different provisions aimed at regulating recipients’ personal behavior. California and Florida, for example, seek to curb out-of-wedlock childbearing through “family caps,” which limit or bar increases in the assistance grant for single mothers who give birth to children conceived while they are receiving welfare.
5. All the state plans include the provision of subsidized child care, along with federally mandated transitional Medicaid, for former recipients who exit the welfare rolls for jobs that are low-paying or do not offer health insurance. In addition, the plans in Los Angeles and Miami-Dade Counties provide for education and training services for recipients who become employed, to allow those placed in low-level jobs to upgrade their skills and positions.

#### **IV. Key Findings to Date**

The four Urban Change sites have adopted different policies and have confronted distinctive issues in implementing their welfare reform initiatives. It is possible, however, to identify a number of cross-cutting themes, challenges, and concerns.

##### **The Policy Process and Its Results**

- **Three of the Urban Change states have passed down to the localities some of the decision-making authority granted to them under PRWORA.**

Pennsylvania is the exception: All Pennsylvania Department of Public Welfare district offices adhere to uniform statewide policies. Although Florida’s welfare system is also state-administered, localities are required to create specially constituted agencies, known as WAGES (Work and Gain Economic Self-Sufficiency) Coalitions, which have significant authority to develop and implement their own welfare reform programs within state guidelines. In both Ohio and California, welfare-to-work programs are operated by the counties, and counties receive their al-

locations from the state in the form of block grants, an arrangement that gives the localities further decision-making power.

- **The Urban Change sites have not, so far, used their policy-making authority to impose a draconian regime on their poorest citizens.**

So far, the worst fears of PRWORA's critics have not materialized in these sites. The Urban Change states instituted their welfare reform policies during a period of considerable prosperity, and they have not slashed benefits and services to create a "race to the bottom." They have not drastically curtailed eligibility; indeed, by liberalizing their earned income disregards, they have maintained continuing eligibility for working people whose grants would have been terminated under the previous rules. They have also preserved TANF benefits for most immigrants.

The arrival of time limits constitutes a major test of the effects of welfare reform on disadvantaged families. Another test may come if many low-wage employees are thrown out of work when the next recession strikes. At that point, states' welfare rolls would likely expand again, and the costs of benefits and services would grow, placing new pressures on state treasuries depleted by lower tax revenues.

### **New Players Inside and Outside the Welfare Agencies**

- **Welfare reform has brought new organizations and actors to the fore.**

In several sites, there have been important changes in the key players. The local WAGES Coalitions in Florida have already been cited. Miami-Dade County also provides the best example among the Urban Change sites of the privatization of welfare services. New performance-based contracts let by the local WAGES Coalition posed difficulties for smaller nonprofit service providers, who could not maintain operations under the new terms. Lockheed Martin IMS, a for-profit company, was able to handle the financial responsibilities, and was awarded the largest provider contract; it then subcontracted with approximately 30 community-based organizations, which supply most of the actual services.

In Cleveland, the Cuyahoga County Board of County Commissioners saw PRWORA changes as an unusual opportunity to redesign the county's human service delivery system from the ground up. The commissioners turned to a private consulting firm, McKinsey & Company, for help in planning the reorganization of the existing welfare department, and one of the McKinsey consultants was appointed to head a new agency created to serve the county's TANF caseload. Welfare reform in Los Angeles has seen the emergence of agencies providing domestic violence counseling, substance abuse treatment, and mental health services as potentially important players in the policy-making process.

- **Creating new administrative and organizational mechanisms has proved time-consuming and has sometimes diverted energy from the provision of services.**

In Miami-Dade County, the time needed for the development of the WAGES Coalition and the establishment of collaboration with other key agencies delayed the implementation of many services. The full range of services and supports envisioned in the local plan became available to recipients 15 months after the program officially began — and just nine months before clients would begin to reach the first time limit. While Cuyahoga County’s reorganization of its human services department may well improve services to recipients in the longer term, it has also meant that top administrators have had to concern themselves not merely with service provision but also with the logistics of agency transformation.

Philadelphia, in contrast, has benefited from organizational stability in implementing the new policies. The administration has not changed, and there has been no reshuffling of the major players.

### **A Focus on the Critical First Steps**

#### **The Time Limit Message**

- **Staff in Cuyahoga, Miami-Dade, and Philadelphia Counties have delivered a new message about welfare to recipients: welfare is time-limited.**

Welfare staff in these counties sought to communicate similar messages to recipients: “Welfare won’t always be there for you.” “Your clock is ticking, whether you believe it or not.” “An entry-level job is better than no job.” “We are here to help you.” (When the Los Angeles research visit took place, the welfare department had not begun to inform recipients systematically about the new time limits, since agency personnel had just completed a draft of the county’s welfare reform plan.)

The specific information about time limits that welfare agencies have chosen to convey is likely to add force to the “welfare is temporary” message in two ways. First, staff have emphasized the time limits that recipients will reach first rather than the lifetime limits — in Philadelphia, for example, staff underscore the fact that recipients must find a job within two years, not that they can receive welfare for a total of five. The recipients interviewed for the ethnographic study understood fairly accurately the length of the time limit that welfare agency officials and line staff had stressed.

Second, line staff said that they rarely, if ever, mentioned the possibility of an extension of or exemption from the time limits. Indeed, some staff members were adamant that they should not discuss these possibilities because doing so might give recipients “false hope” that they would be among the select few to escape the cutoffs.

#### **Work First**

- **The welfare-to-work programs in Cuyahoga, Miami-Dade, and Philadelphia Counties have all adopted a work-first emphasis.**

The pre-PRWORA welfare-to-work programs in these three counties had encouraged recipients to strengthen their educational and vocational skills before seeking jobs. (Los Angeles County had adopted a work-first emphasis in the early 1990s.) Since PRWORA, welfare-to-work activities for most recipients have generally begun with participation in either individual or group job search activities. (The latter, often known as job clubs, are operated by the welfare department, other public agencies, and nonprofit and for-profit organizations.) Education and training remain program options at all four sites, but in general, these activities are reserved for people who have been unsuccessful in finding a job through the initial job search component.

- **So far, work first has not meant extensive use of work experience as a pre-time limit program activity.**

To date, unpaid work experience has not emerged as a salient welfare-to-work activity across the sites, although it has been used as a follow-up to job search in Cuyahoga and Miami-Dade Counties. In the past, Los Angeles County welfare officials actively resisted developing a large work experience component, reasoning that this would suggest to employers that recipients are unable to hold unsubsidized, private-sector jobs. There are indications that the importance of work experience may increase as recipients who have been unable to find jobs hit work-trigger time limits; holding work experience or community service positions will enable them to retain their welfare benefits. This is particularly true in Philadelphia, where intensive planning for a community service job program is under way.

### **Increased Participation**

- **All recipients except those specifically exempted by law are now required to participate in welfare-to-work activities.**

Largely because of funding constraints and capacity issues, the pre-TANF welfare-to-work programs in Cuyahoga, Miami-Dade, and Philadelphia Counties were nominally mandatory but effectively voluntary — that is, they mostly enrolled recipients who actively sought out the education, training, and supportive services the programs offered. Los Angeles County's program also lacked the resources to serve everyone and focused mainly on recipients who had been on welfare three years or longer; for these individuals the program was truly mandatory, and sanctions were imposed for noncompliance.

The cash windfalls resulting from the decline in the states' TANF caseloads have made new resources available to the Urban Change sites. And the prospect of having large numbers of families reach their time limits with no other source of income has created pressures on the counties to engage their entire caseloads in welfare-to-work activities.

- **Bringing so many recipients into their welfare-to-work initiatives has been a major challenge at all sites.**

By the time of the implementation research site visits, Cuyahoga and Philadelphia Counties

had brought most of their recipients into their welfare-to-work programs and had assigned them to an activity — a massive feat, considering the positions from which the sites had started. In Philadelphia, recipients were phased in within nine months; once called in, they began to participate in job search almost immediately. Philadelphia avoided long waits for assignment by referring recipients to individual job search when group job search openings were unavailable. The site succeeded in coordinating the support services, staff effort, and recipient cooperation needed to reach the agency's goal of having recipients complete an initial job search activity by the end of 1997, although post-job search services offered to participants were limited. In Cuyahoga County, the process of engaging the full caseload was more hurried: officials felt it was important to familiarize clients with the new rules and engage them in welfare-to-work activities. Thus, the welfare agency called them in en masse over a two-month period to meet with welfare-to-work program staff.

In Miami-Dade County, about half the recipients had been brought into WAGES a year after the beginning of the WAGES program. Senior staff estimated that 15,000 recipients were waiting to begin job club at the time of the implementation research in October 1997; delays resulted in part from the fact that a relatively small number of employment staff members were responsible for leading the week-long employment preparation workshops. A further problem in Miami-Dade was that the state's computer system was not equipped to identify all people for whom participation would be mandatory.

The process of expanding the welfare-to-work program to engage the entire Los Angeles County caseload in welfare-to-work activities had yet to occur at the time of the implementation site visit. Officials estimated, however, that enrolling some 150,000 TANF recipients in such activities would require doubling the size of the county's welfare-to-work program.

- **Only Miami-Dade County appears to have consistently sanctioned recipients at a substantially higher rate than before PRWORA.**

Florida and Ohio have enacted sanctioning provisions that allow a family's entire grant to be eliminated from the beginning of its receipt of welfare. In Miami-Dade County, staff commented on the much greater speed and frequency with which sanctions were imposed after the advent of welfare reform. Ethnographic study respondents, too, were more likely than their counterparts in the other sites to say that they had been sanctioned; they frequently complained that they were penalized for missing appointments of which they had not been notified. In Florida, the family's entire grant, not just the portion attributable to the noncompliant individual, may be cut unless the adult designates someone else to receive payment on behalf of her children, and the Food Stamp allotment may be eliminated as well.

In Cuyahoga County, it appears that for a relatively brief period additional sanctions were imposed in response to the welfare-to-work program call-in. Both staff and clients were also very much aware of a provision of Ohio's welfare reform legislation that, while technically not a sanction, had the same effect: it made recipients who quit a job without good cause, along with their families, ineligible for welfare for three months. Paradoxically, this provision may have militated

against the state's work-first message by making recipients less willing to take jobs they were not sure they could keep.

Pennsylvania also permits full-family sanctions, but only after the head of the household has been on welfare for 24 months. Staff in Philadelphia indicated that sanctioning, which was infrequent at that site before PRWORA, has not increased since. Conversations with agency staff in Los Angeles suggested that, as in the past, sanctions would be used to enforce participation but would not be emphasized more than they had been (new rules were not yet in effect).

## **Challenges and Tasks for the Future**

### **Continuing Administrative Needs**

- **Roles and responsibilities of staff members continued to need clarification.**

Various observers have commented on the new role of income maintenance staff under welfare reform: they must deliver the new welfare message to recipients, identify clients' problems, help clients resolve the problems, and encourage recipients' work efforts. These new responsibilities, however, are added to the workers' traditional job tasks of determining applicants' initial eligibility and grant amounts correctly and adjusting grants as recipients' circumstances change. At the time of the site visits, not only did income maintenance workers report that painstaking attention to eligibility was as critical as ever, but central office officials and income maintenance office directors also reported almost uniformly that keeping eligibility and grant amount error rates low remained an important priority for them.

- **A number of staff members remained confused about the new rules and procedures and expressed a desire for additional training.**

This confusion generally concerned detailed implementation issues such as which month a policy was slated to go into effect or how to carry out a certain procedure on the computer. Although agency administrators sometimes maintained that line staff had received an adequate amount of training, the workers themselves often declared otherwise. The confusion of staff members frustrated the ethnographic respondents in the four counties and sometimes led to a counterproductive "wait-and-see" attitude.

- **To establish the target dates for time limits, welfare agency staff can use automated data to count the number of months a person has received welfare within their state, but not in other states.**

A state's ability to enforce its own time limits depends on welfare agency staff members' ready access to information about a household's prior receipt of welfare in all jurisdictions of the state. Staff in all sites have access to automated data systems containing this information, although the systems are not always user-friendly.

Enforcing the federal five-year limit, however, will require access to a national database of welfare receipt in all states — a database that, at this writing, does not exist. Field research indicates that local welfare office staff do try to ascertain whether a new applicant for assistance who reports that she came from another state was previously receiving welfare in that state. They verify that the applicant’s case in the state she used to live in has been closed before opening a new case. An explicit purpose of this practice is to prevent “double-dipping,” or receiving welfare from more than one jurisdiction; it is unclear, however, whether prior receipt in other states is being counted against recipients’ time limits.

### **Planning the Next Steps**

- **Three of the Urban Change sites planned initiatives to divert applicants from welfare.**

Cuyahoga, Los Angeles, and Miami-Dade Counties all had plans to make one-time payments available to eligible applicants to help them avoid going on welfare — Miami-Dade’s plan provides for emergency services and jobs as well as cash aid — but had not yet begun to implement these plans. Diversion at these sites does not appear to be aimed at placing additional road-blocks in the path of welfare applicants.

- **Three of the Urban Change sites had begun to plan for hard-to-serve recipients.**

As more readily employable recipients leave the welfare rolls, many of those left behind will be the so-called hard to serve — those facing significant barriers to steady employment. The fact that states can exempt only a limited proportion of the caseload from the federal time limits (and must pay for cases that exceed these time limits using their own funds) makes it important that states give new attention to these clients. Figuring out what services an individual needs in order to acquire and sustain employment is a further challenge, especially because she may face multiple, interrelated difficulties — including, for example, poor basic skills, a limited work history, and depression — that call for a multifaceted intervention.

The welfare-to-work plans of all sites acknowledge that some welfare recipients face major obstacles to employment and need special services to overcome them. At the time of the field research, Philadelphia had not developed initiatives targeted toward the hard to serve.

Miami-Dade County’s implementation plan for WAGES established a client profiling program, which classifies recipients into categories based on their previous work experience, education level, and length of time on assistance. Clients are considered hard to serve if they have significant barriers to employment, including limited or no work history, substance abuse problems, mental health issues, and a criminal record. WAGES Coalition contracts stipulate that the agencies that provide services have both a longer period and a higher per capita budget to work with these clients than they have for less disadvantaged recipients.

In both Cuyahoga and Los Angeles Counties, special services are planned for domestic violence victims, substance abusers, and those with mental health problems. In both locales,

agencies have received contracts to serve recipients who fall into these categories; these recipients may be required to enter treatment either in addition to or as an alternative to regular welfare-to-work activities. Both sites are also planning to institute screening protocols and to train staff on how to identify people with mental health, substance abuse, and domestic violence issues. However, it remains to be seen whether recipients will be willing to identify themselves as suffering from one of these conditions, all of which carry a good deal of social stigma. Thus, the extent to which needy recipients will actually use available treatment resources is uncertain.

- **Two of the Urban Change sites had embarked on major job development initiatives.**

To help recipients find jobs, welfare agencies must deal with the demand side as well as the supply side of the picture by strengthening their connections with local employers. When the site visits took place, Miami-Dade County was planning an aggressive outreach campaign to major employers and industries, including the airline and hospitality industries. Local welfare offices held job fairs, hotlines were established to inform businesses of the financial incentives associated with hiring welfare recipients, and the local paper provided extensive coverage of local welfare-to-work activities. Los Angeles County was planning to expand the job development activities already begun under its pre-PRWORA welfare-to-work program. The other two sites had not yet developed plans for intensive placement efforts.

In all four counties, many of the employment opportunities are far from the higher-poverty areas where most recipients live. Cuyahoga County welfare officials have secured funding from the state to develop a pilot project linking central-city residents to suburban jobs. The need for similar initiatives is evident in the other sites as well. Developing new public transportation routes, extending the hours when public transportation operates to facilitate night-shift and weekend work, and devising van transport and carpool systems may be necessary to address the geographic mismatch between people and jobs.

- **Three of the Urban Change sites planned to provide special job retention and/or skills upgrading services.**

Placing a former welfare recipient in a job is unlikely to ensure either that she will be able to keep the job or that she will be able to progress to higher pay. Many recipients who find jobs lose them very quickly, often because of situational problems (such as unstable child care arrangements) or because of interpersonal difficulties at the workplace. After recipients have used up their available time, it will no longer be possible for them to turn to welfare for assistance if they become unemployed. Follow-up counseling provided after recipients go to work may enable them to avert the crises that lead to job loss, or, if that loss is inevitable (or after it has occurred), to move quickly into new positions. Postemployment education and training can help former recipients upgrade their job skills and move out of the low-wage labor market into better-paying, more secure employment.

The Los Angeles County plan for postemployment services is the most comprehensive; it calls for welfare-to-work program case managers to provide counseling centered on job retention and rapid reemployment for recipients who lose their jobs while they remain on assistance and for a year thereafter. Both the Los Angeles and Miami-Dade County plans also include postemployment education and training to enable recipients to upgrade their skills and move beyond entry-level employment. Cuyahoga County will make available moneys intended to help recipients secure and maintain employment when confronted with unexpected emergencies or substantial work-related expenses. How these plans will play out in practice is a subject for future research.

- **In general, the sites have not focused on issues related to respondents' personal lives.**

PRWORA emphasizes provisions to promote marriage, reduce out-of-wedlock childbearing, and encourage parental responsibility for their children. These goals have not been a focus of the Urban Change sites, however. Their welfare agencies appear to have translated the “personal responsibility” part of the act’s name as an obligation to work and to assist child support enforcement efforts.

Changing recipients’ conduct in other areas is a much lower priority. Thus, although California and Florida have imposed family caps, front-line workers are not routinely expected to refer recipients to public health clinics for contraceptive assistance. Line staff do not generally inquire about parenting practices or provide recipients with information about parenting programs; indeed, they often lack training about how to approach these sensitive areas.

### **Remaining Uncertainties**

- **At the time of the site visits, welfare staff at all levels were concerned about how recipients would fare when time limits fell due, but the sites had not yet enunciated policies concerning what would happen at that point.**

Welfare and welfare-to-work officials and line staff members at all sites were worried about what would happen when time limits arrived. They cited the difficulties of placing large numbers of people in jobs and expected a substantial proportion of recipients to reach their time limits without having any means of support. They also believed that the most disadvantaged recipients and their children would fare the worst in the new world of welfare reform.

Critical open questions are how officials will respond if large numbers of recipients reach the time limits without employment and how policies will be carried out by line staff; MDRC will examine their resolution in subsequent reports. One possibility is that extensions of work-related and interim-termination time limits will be granted en masse. This is the course Miami-Dade initially plans to pursue; its long-term strategy remains undetermined. Another is that staff will attempt on a case-by-case basis to distinguish the “deserving” from the “undeserving” poor and will grant extensions (or exemptions) to some but not others; if this should be the case, it will be important to examine how staff exercise their discretion.

Still another scenario calls for the large-scale creation of public service jobs. At the time of

the site visits, none of the counties was contemplating creating community service jobs on a large scale, although Philadelphia has subsequently moved much further in this direction. The state, the mayor's office, and a Philadelphia-based foundation have announced an initiative to create 3,000 community service positions in a variety of for-profit and nonprofit organizations. These jobs, which will be six months in length and pay the minimum wage, will be designed specifically for recipients with little or no prior employment experience. Los Angeles County was not planning to address its need for community service employment until a few months before recipients reached their work-trigger time limits in late 1999.

Finally, the late 1990s version of welfare reform may come in for further revision at both the federal and the state levels.

### **Recipients' Responses and Expectations**

- **Recipients have grasped the message that welfare is time-limited.**

It should be said, however, that some recipients expressed doubt about whether public officials would "really let children go hungry" if their mothers could not find work by the time they reached their limits.

- **Recipients often did not understand important elements of welfare reform: the value of "banking time," the expanded earned income disregards, and transitional benefits.**

Staff members told researchers that they advised recipients with other sources of support to consider forgoing welfare assistance, especially in months when they would receive only a small supplemental check, and instead to store up their months of eligibility until they really needed the aid. MDRC researchers were unable to determine how strongly this part of the message was emphasized: most ethnographic study respondents did not appear to grasp the concept of banking time in this way.

As noted previously, all four Urban Change states have substantially bolstered the financial incentives for recipients to work by increasing the amount of money that recipients can earn before their welfare grants are reduced (that is, the earned income disregard). Ethnographic study respondents in Philadelphia did understand that they could keep half of their earnings if they worked part time (although they were uncertain how full-time employment would affect their welfare benefits). The enhanced disregard — in conjunction with job search requirements, awareness of the time limits, and other factors — may have made them more willing to apply for and take part-time, minimum-wage, and outer-ring suburban jobs. (However, these recipients often did not believe they could sustain their jobs once they had reached their lifetime limits and could no longer receive supplemental benefits.) Recipients in the other three sites exhibited less knowledge of the income disregards, although in each of them the new earned income disregard is substantially more generous (if somewhat more complicated to explain) than Philadelphia's.

Finally, the ethnographic findings indicate that recipients have very limited knowledge of the transitional child care and Medicaid benefits for which they may be eligible when they leave welfare for work. Administrators realize that staff need to explain the benefits more clearly, and

that better procedures are needed for ensuring that when a welfare recipient gets a job and her cash case is closed, her household continues to receive the other kinds of assistance to which it is entitled.

- **Both individual circumstances and social/economic factors influenced recipients' views of welfare reform and their own prospects.**

Except for Cuyahoga County, the counties in which the Urban Change study is being mounted have had higher unemployment rates than the nation as a whole since the mid-1990s; in 1990, all but one of the neighborhoods in which ethnographic study respondents resided had poverty concentrations of at least 30 percent. As a result, residents of these neighborhoods have often been both physically isolated from jobs and socially isolated from networks of jobholders.

From the fall of 1997 through the spring of 1998, respondents in Cuyahoga County, where unemployment rates were generally at least two percentage points lower than in the other sites, appeared quite optimistic across the board. Cleveland respondents generally assumed that they would find living-wage employment before they reached the time limit. But most did not have a clear sense of how they would go about finding jobs with adequate pay.

Ethnographic study sample members in Los Angeles County (including Mexican-born immigrants, most of whom had lived in the United States for some time) were generally very bleak about their own prospects as well as those of their children. (Unemployment rates in Los Angeles County averaged 6.8 percent in 1997 and ranged between 6.2 and 6.5 percent in the first half of 1998.) Unaware that they would keep all but the adult portion of their welfare benefit upon reaching the time limit, some recipients believed that they and their children might well become destitute.

Unemployment in Miami-Dade County averaged a very high 7.1 percent in 1997, and ranged between 6.5 and 7.3 percent in the first six months of 1998. Respondents interviewed in the winter of 1997 through the spring of 1998 were generally very anxious and depressed about their ability to find work. Recent immigrants were more optimistic in this regard than more settled immigrants or native-born African-Americans.

In the late summer of 1997, respondents in Philadelphia County, where the unemployment rate averaged 6.8 percent in 1997, saw the city's lack of jobs as a real problem, and generally predicted catastrophic effects for welfare recipients living in their own neighborhoods and elsewhere in the city. Yet many had high hopes for themselves — especially younger recipients with little work experience. These respondents often pointed to job opportunities in the suburbs as evidence that jobs were indeed available, if they could find a way to get to them.

- **Respondents in Cuyahoga, Miami-Dade, and Philadelphia Counties generally reported positive attitudes toward the job search requirements.**

Ethnographic respondents often said that they approved of mandatory job search because they believed it would “smoke out” others who were less deserving of assistance than themselves and either force them to work or purge them from the rolls. In this regard, many respondents seemed to hold the same critical views of welfare recipients as does the general public, although

their own personal experiences with friends and neighbors on welfare generally did not support such negative opinions. The respondents reported that, with hardly an exception, most people they knew well were “exceptional” rather than “typical,” deserving as opposed to undeserving. Conversely, the women often assumed that people they didn’t know so well acted irresponsibly and were neglectful mothers.

Some recipients at these three sites also felt that the requirements would give them the extra push they felt they needed to do what they had wanted to do for a long time: find a job that could sustain their family and give them some hope of upward mobility.

Los Angeles County respondents, in contrast, tended to view the job search requirements negatively because they or their friends had been unsuccessful in finding jobs through the county’s mandatory job search component.

- **Many recipients in the ethnographic study were upset by cutbacks in opportunities to combine welfare with long-term schooling.**

Some clients eloquently expressed their opinion that what they saw as a “one-size-fits-all” work-first model was shortsighted and would have very bad long-term consequences for recipients’ earning capacity. The majority expressed strong doubts that many of their welfare-reliant neighbors could find work at a living wage without additional education and training.

- **Recipients held mixed views about the effects of the reforms on their children, but were generally concerned about how their children would be supervised.**

Younger respondents and respondents with more limited employment histories tended to be more positive about the effects of reform on children. These recipients believed that if they worked, they would be able to provide their offspring with both better role models and more material goods, and that their children’s self-esteem would increase correspondingly.

Older recipients, those with more years of prior employment, and more established immigrants were sometimes more cynical. Not only did they doubt whether the jobs would be there, they also questioned whether their families would be better off materially if they worked. Even so, these women still desperately wanted to find living-wage employment rather than to continue to rely on welfare, and they wanted their children to see them working.

Finally, recipients were worried about whether their school-age children would be adequately supervised if they went to work. Few women contemplating full-time work knew of affordable after-school, weekend, or summer programs for children aged six to 12. For older children, some respondents believed that their ability to prevent school truancy and other undesirable behavior (such as delinquency, gang activity, and sexual activity leading to pregnancy) would be impaired by the time constraints associated with full-time work. The quality of child care was also a concern to the women, and some worried that their children would be abused by child care workers.

- **Ethnographic study respondents’ actions in the wake of welfare reform**

**varied considerably.**

In Miami-Dade and Philadelphia Counties, where time limits were fast approaching, some respondents were participating in job club or individual job search, and some had already done so and had made serious efforts to find employment through these activities. Others were actively looking for work on their own, and still others were trying to enroll in or complete training programs before the time limits were imposed. Finally, some had done nothing to seek employment or training, although most were aware that they would have to begin to do something in the not-too-distant future.

Work requirements were only vaguely understood by Los Angeles ethnographic respondents, who had not yet met with welfare agency staff to learn about the new rules. In Cuyahoga County, where the time limits were still far off, few respondents were actively seeking work or training.

In sum, ethnographic study participants' conversations with interviewers reflected a mix of high hopes and deep fears — hopes that they could provide their children with better lives through living-wage employment and fears that they would be unable to manage the pressures inherent in combining solo childrearing with low-wage employment. Though, in general, those with more experience in the system were more pessimistic about their own prospects and perceived more potential problems than the relative newcomers to welfare, it was quite common for the same respondent to express both hopes and fears in a single interview. Nearly all respondents wanted to be employed and off welfare, but even the most optimistic among them perceived combining full-time work with single motherhood as daunting. Although some recipients said they would manage to weather the reforms and be better off as a result, a great many predicted catastrophic effects for their neighborhoods and cities.

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These findings from the Urban Change study paint an early portrait of welfare reform as experienced by welfare agency staff members and recipients. Subsequent rounds of implementation and ethnographic research will fill in and expand this picture, while quantitative data from administrative records, client surveys, and other databases will provide more conclusive evidence about how poor people and their communities fare under welfare reform — who benefits and who is left behind.

## Chapter 1

# Welfare Change and Urban Change

## I. Introduction

On August 22, 1996, President Clinton signed landmark legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which fundamentally changed the character and administration of cash aid for poor families with children. The President and Congress thereby ended the 60-year-old Aid to Families with Dependent Children program (AFDC), under which the federal government had helped support poor families. In its stead, the Act instituted a new, time-limited form of federal aid known as Temporary Assistance for Needy Families (TANF). The Act also replaced the open-ended funding to the states that had existed under AFDC with capped block grants, and it gave the states broad flexibility to design new policies and programs for their public assistance caseloads. The President and Congress did all this out of a profound conviction that the existing welfare system was not working, but without evidence about the potential effects of the radical changes they were setting in motion.<sup>1</sup>

Developed in response to this momentous and controversial shift in social policy, the Project on Devolution and Urban Change (Urban Change for short) is a five-year, multicomponent study of the implementation of PRWORA and of its impacts on poor families with children, on the communities in which they live, and on the institutions that assist them. The overarching goal of the study is to understand how welfare reform unfolds in urban areas: what policies and programs are put in place, what difference these new policies make in the lives of poor Americans, and why various outcomes occur. The study, which began in 1997 and is slated to end in 2001, is being mounted in four large urban counties (often referred to here as “sites”): Cuyahoga County, Ohio (encompassing Cleveland); Los Angeles County, California; Miami-Dade County, Florida; and Philadelphia County, Pennsylvania.<sup>2</sup> These locations were selected to represent a mix of older Northern industrial cities and younger Sunbelt cities, as well as a mix of state-administered and county-administered welfare systems. Table 1.1 describes the study’s principal features.

As residents of large urban areas, the TANF recipients in the Urban Change study are not representative of all TANF recipients, urban, suburban, and rural. Unemployment rates in big cities are typically higher than those of the nation, state, and larger metropolitan regions in which they are located. The implications of the changes in public assistance may be different in areas where the local labor market has a greater supply of jobs for low-skilled people.

The study is being undertaken by the Manpower Demonstration Research Corporation

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<sup>1</sup>A glossary defining many of the terms used in this report appears at the end of the document.

<sup>2</sup>Throughout, the report refers to the counties and their principal cities interchangeably, although Cuyahoga County includes 58 separately incorporated communities in addition to the city of Cleveland, Los Angeles County includes 87 such communities besides Los Angeles, and Miami-Dade County includes 29 such communities besides Miami. Philadelphia County and the City of Philadelphia share the same boundaries.

(MDRC), a nonprofit organization that develops and evaluates interventions designed to improve

**Table 1.1**

**The Project on Devolution and Urban Change**

**Key Features of the Project**

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**Goal**

To understand how state and local welfare agencies, poor neighborhoods, and low-income families are affected by the changes to the income support system in response to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

**Locations (sites)**

Four large urban counties: Cuyahoga (Cleveland, Ohio), Los Angeles, Miami-Dade, and Philadelphia

**Time frame**

1997–2001

**Project components**

The *Ethnographic Study* illuminates the effects of the changes by chronicling, in depth and over time, how approximately 40 welfare-reliant families in each site cope with the new rules and policies.

The *Implementation Study* describes both the new welfare initiatives — rules, messages, benefits, and services — that are developed at the state and local levels and the experiences of the local welfare agencies in putting these new initiatives into practice.

The *Individual-Level Impact Study* measures the impacts of the new policies on welfare, employment, earnings, and other indicators of individual and family well-being, using administrative records for countywide samples of welfare recipients and other poor people and an in-person survey of a subset of residents of high-poverty neighborhoods.

The *Institutional Study* examines how the new policies and funding mechanisms affect nonprofit institutions and neighborhood businesses.

The *Neighborhood Indicators Study* assesses changes in statistical indicators that reflect the social and economic vitality of urban counties and of neighborhoods within them where poverty and welfare receipt are concentrated.

**Distinctive features**

*Its urban focus.* The project examines the impacts of welfare reform in America's big cities.

*Its neighborhood focus.* All five components of the project will focus especially on residents of high-poverty neighborhoods, the public and nonprofit agencies that assist them, and the effects of welfare reform on the stability and vitality of their communities. Findings will also be reported at the county level.

*Its effort to integrate findings across the components.* The goal of the project is to bring multiple data sources and methodologies to bear in answering the questions of interest. The results of the separate studies are intended to illuminate, clarify, reinforce, and otherwise complement each other.

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the self-sufficiency and well-being of economically disadvantaged populations, in cooperation with researchers from other institutions in or near the study sites.

This report, which centers on early implementation and ethnographic findings from the four sites, is the first of several publications slated to emerge from the Urban Change study. This chapter sets the stage for the remainder of the report. It examines the main provisions of PRWORA as these affect families receiving welfare, cites some of the choices and challenges facing welfare agencies, and takes note of the various predictions about what the impacts of welfare reform will be. It then discusses the rationale for a study of welfare reform in big cities and describes the report's data sources and contents.

## **II. The New Law in Brief**

The 1996 legislation abolished three federally assisted programs: AFDC, which provided cash benefits to poor families; the Job Opportunities and Basic Skills Training (JOBS) Program, established in 1988, as the employment, training, and education program for AFDC recipients; and Emergency Assistance (EA), which provided short-term aid to families with children in crisis situations. In their stead, it established TANF, whose very name expresses the intention that welfare assistance be considered temporary. The Act places a five-year lifetime limit on federally assisted cash benefits for most families — both adults and their dependent children — and authorizes states to impose shorter time limits if they so choose. While states may grant exemptions from the federal time limit, the number of exempted families may not exceed 20 percent of the average monthly caseload in the state.

Policy and programmatic developments at the four Urban Change sites need to be understood in terms of the key changes made by PRWORA. This section briefly summarizes the Act's main provisions, particularly the aspects of the legislation that are most directly related to financial assistance to needy families. It is worth noting, however, that the Act also makes substantial changes in many other programs that assist poor people, including child care, child support, Food Stamps, and Supplemental Security Income (SSI); the Act also greatly restricts benefits to legal immigrants. The Urban Change study will examine these as they affect the families in the study.<sup>3</sup>

### **Financial Arrangements and Devolution of Authority**

Under AFDC, states received open-ended federal funding for benefit payments, at “matching” rates that were inversely related to the states' per capita income. States were required to pay a percentage of benefit costs that ranged between 22 percent and 50 percent in 1996, as well as 50 percent of administrative costs. Federal funding for AFDC came with many strings attached. Uniform federal regulations determined, for example, who was eligible for assistance, how income and resources were to be treated, what basic services and activities would be available to

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<sup>3</sup>Some states are also making other major changes that are not in direct response to PRWORA but may be highly salient to welfare recipients (for example, requiring that Medicaid recipients enroll in health maintenance organizations).

JOBS participants, and which families qualified for assistance under the AFDC-Unemployed Parent program. States could deviate from the regulations only if they received special waivers. In the years immediately preceding the passage of PRWORA, the Department of Health and Human Services (DHHS) granted waivers to 43 states so that they could experiment with new policies and programs for welfare recipients.

In contrast, under the new funding provisions established by PRWORA, states are entitled to receive federal block grants in a lump sum amount in federal fiscal years 1997 through 2002.<sup>4</sup> The amount of block grant funding each state is eligible to receive depends on the state's pre-TANF federal allocation for AFDC benefits and administration, JOBS, and Emergency Assistance. That allocation, in turn, was tied to the level of spending per recipient and the size of the caseload. Because the block grants are tied to past spending levels, while national welfare caseloads declined by 30 percent between January 1993 and September 1997, most states have experienced a substantial windfall (that is, they have gotten much more funding under the block grants than they would have received under the old AFDC system). The Act's maintenance-of-effort provisions require the states to maintain spending at at least 80 percent of their former spending level (or 75 percent if the state meets the federal work participation rates, discussed below).

Together, the federal block grants and the state maintenance-of-effort funds mean that most states have unprecedented amounts of money to spend on behalf of poor people. And they have unprecedented freedom to decide how to spend it. Thus, states can determine how to allocate their TANF block grants between cash benefits and services. Within broad federal parameters, they are free to set eligibility standards and work program requirements.<sup>5</sup> They can also determine how much of recipients' earnings to disregard in calculating benefit amounts; establish "diversion" programs to keep families from going on aid; institute "family caps" (that is, eliminate or curtail grant increases for additional children born to mothers on welfare); mandate participation in substance abuse treatment; impose "sanctions" (that is, financial penalties applied to recipients who lack "good cause" reasons for noncooperation) of any amount, including withholding the entire grant; and sanction recipients if they have not obtained the proper immunizations for their children, or if the children do not attend school regularly.

Indeed, the federal government's ability to exercise control over the states is explicitly limited to the imposition of financial penalties — reductions in the TANF block grants — on states that use their block grants to pay the welfare benefits of families that have exceeded their time limits, that fail to meet work program participation requirements established in PRWORA, or that otherwise do not abide by certain regulations. States that can afford not to comply fully with PRWORA have even greater freedom. There are few constraints on how states spend their maintenance-of-effort funds, apart from the requirement that these be spent on a broad range of services that are "reasonably calculated" to accomplish the purposes of the block grants and on behalf

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<sup>4</sup>The five-year federal time limit for recipients already on the rolls started on the date the states implemented their block grant program.

<sup>5</sup>For example, while federal legislation does not allow states to use TANF funds to support households without a minor child, states may set more narrow eligibility criteria.

of families with children that are income-eligible for TANF (including those that would be

eligible if they had not exceeded their time limits). This means, for example, that states can, if they choose, use state moneys to pay for families that have been on the rolls more than five years.

In a sense, PRWORA consolidates and dramatically extends the decision-making power that the federal government had given to states under AFDC waivers. And many of the policies being implemented under PRWORA — including time limits — had previously been implemented under state welfare waiver experiments. But states generally implemented changes in a limited number of areas under their waivers. PRWORA empowers them to change everything at once.

This new abundance of funding and of options for spending that funding is largely the result of a strong national economy. If the country were to experience a recession and unemployment rates and welfare receipt were to rise significantly, states would face a very different, potentially much less pleasant set of choices. Since the amount of a state's block grant remains fixed whether its caseload rises or falls, and is not adjusted for inflation or recession, states would have to decide whether to deny aid to some eligible families, reduce benefits, restrict services, or devise other ways of stretching their block grant dollars.<sup>6</sup>

### **Work Effort and Personal Behavior**

Table 1.2 presents key PRWORA provisions regarding recipients' work behavior and personal conduct. The Act states, "It is the sense of the Congress that . . . each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities." Accordingly, Congress enacted much more stringent work and participation requirements than had existed under JOBS. To meet these requirements, states would need to engage a larger percentage of their caseloads in their welfare-to-work programs than they have in the past. This will mean major changes in the welfare agencies and in the jobs of their line staff members.

PRWORA further specifies the activities that states can count to meet the participation requirement. Under JOBS, most state welfare-to-work programs had been oriented toward increasing welfare recipients' human capital rather than toward moving clients immediately into employment.

Accordingly, the programs generally had steered recipients into adult basic education classes (aimed at increasing basic reading and computational skills) and into classes to prepare for the General Educational Development (GED, sometimes known as "high school equivalency") test. Evaluations indicated, however, that many education-focused JOBS programs had been less effective in increasing recipients' earnings and reducing their receipt of welfare than programs that incorporated a strong emphasis on early entry into the labor market — what came to be known as a "work-first" approach (Riccio, Friedlander, and Freedman, 1994). Congressional dissatisfaction with the results of the education-focused programs is reflected in the fact that PRWORA limits the number of recipients who can satisfy their participation require-

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<sup>6</sup>For the period of fiscal years 1997–2001, states experiencing high unemployment or an increase in Food Stamp participation may request federal matching funds from a special \$2 billion contingency fund. To receive this funding, however, they must maintain 100 percent of their fiscal year 1994 spending.

**Table 1.2**

**The Project on Devolution and Urban Change**

**Work-Related and Behavioral Provisions in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996**

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**Minimum participation rates and hours of work required**

Fiscal Year	Single-Parent Families		Two-Parent Families	
	Rate (%)	Hours/Week <sup>a,b</sup>	Rate (%)	Hours/Week <sup>c</sup>
1997	25	20	75	35
1998	30	20	75	35
1999	35	25	90	35
2000	40	30	90	35
2001	45	30	90	35
2002 and after	50	30	90	35

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**Allowable activities**

Single-parent families must participate for at least 20 hours per week in one or a combination of the following activities. Two-parent families must participate in these activities for no fewer than 30 hours per week. Activities specified are:

Unsubsidized employment

Subsidized private sector employment

Subsidized public sector employment

Work experience

On-the-job training

Job search and job readiness (for up to 6 weeks<sup>d</sup> total per individual, and for not more than 4 consecutive weeks)

Community service

Vocational education training (up to 12 months per individual, and for no more than 30 percent of the individuals participating, including teen parents in fiscal year 2000 and after)

Provision of child care services to an individual participating in community service

For the remaining hours participants may engage in the above or any of the following activities:

Job skills training directly related to employment

Education directly related to employment (only for those without a high school diploma or GED)

Satisfactory high school or GED program attendance (only for those without a high school diploma or GED)

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(continued)

**Table 1.2 (continued)**

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**Allowable activities (continued)**

Only teen heads of household can fulfill the participation requirement in a given month by maintaining satisfactory attendance at secondary school or the equivalent (regardless of the number of hours) or by participation in education directly related to employment for at least 20 hours per week.

Postsecondary education cannot be counted toward the participation requirement, unless it can be deemed to fit under the rubric of vocational education training.

**Behavioral provisions**

States must sanction a family's benefits by at least 25 percent for noncooperation in establishing paternity or obtaining child support.

States may expend federal TANF dollars to assist unmarried minor mothers only if teens are living with their parents or in another adult-supervised setting and are attending school (if they have not already attained a high school diploma or equivalent).<sup>e</sup>

States may not expend federal TANF dollars to assist fugitive felons, those convicted of drug-related felonies, or probation or parole violators.

States may require school attendance or participation in substance abuse treatment programs; or they may establish other provisions to regulate recipients' behavior.

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NOTES: The table also reflects changes made to PRWORA through the enactment of the Balanced Budget Act of 1997.

<sup>a</sup>Single parents with a child under six must participate at least 20 hours a week in all years.

<sup>b</sup>Minimum average number of hours of work per week each month.

<sup>c</sup>The minimum number of hours required of two-parent families may be met by a combination of effort between the two parents. Two-parent families receiving child care subsidies must meet a 55 hour per week work requirement.

<sup>d</sup>This may be extended to 12 weeks if the state qualifies as a "need state" due to high unemployment or an increase in Food Stamp participation.

<sup>e</sup>The state agency can waive the residency requirement if it determines that a waiver is in the best interest of the minor child.

ment through activities aimed at human capital development. The activities that count toward meeting the TANF participation requirements generally involve not preparation for work but work itself — subsidized or unsubsidized employment, paid or unpaid community service jobs, other unpaid work experience positions for individuals with limited work histories, or on-the-job training.<sup>7</sup>

The Act seeks to affect various aspects of recipients' personal behavior as well as their work behavior. The language of the law explicitly states that among the goals of TANF are to "prevent and reduce the incidence of out-of-wedlock pregnancies" and to "encourage the formation and maintenance of two-parent families."<sup>8</sup> Toward these ends, states can be penalized if they do not enforce the Act's child support provisions or its residence and school attendance requirements for minor mothers.

Among the most controversial aspects of the law have been its restrictions on aid to legal immigrants who have become citizens.<sup>9</sup> PRWORA allows states to terminate TANF benefits to immigrant families who arrived in the United States before PRWORA was signed and places a five-year ban on TANF and most other federally funded, means-tested benefits for those arriving thereafter.<sup>10</sup> (States may, however, use their maintenance-of-effort funds to provide TANF to immigrants arriving after PRWORA's enactment.) The Act also ended Food Stamps and Supplemental Security Income (SSI) for most legal immigrants.<sup>11</sup> Since then, Congress has restored SSI benefits to immigrants residing in the United States before August 22, 1996, who are (or become) disabled or blind, or who were already receiving SSI benefits. Congress also restored Food Stamps to children as well as to elderly and disabled immigrants.

### **III. Choices and Challenges Faced by Welfare Agencies**

Under PRWORA, states can opt to transform radically the nature of their assistance to poor people. They can add extra steps — and roadblocks — to the application process and restrict eligibility for benefits. They can reduce welfare grants and place whatever time limits they choose on their clients' receipt of aid. They can even end cash aid altogether, offering instead subsidized work, benefits such as child care or transportation assistance, or various kinds of social services. Alternatively, with their TANF windfalls they can raise benefit levels, increase the range and intensity of welfare-to-work and other services for current recipients, and expand existing

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<sup>7</sup>The lawmakers' wish to see welfare recipients at work quickly is evident in the provision that parents or caretakers receiving TANF who are not already working (or exempt from the work requirements) are subject to community service employment after two months. However, the Act allows states to opt out of this requirement.

<sup>8</sup>It is worth noting that the Act establishes bonuses for the states that are most successful in decreasing the number of out-of-wedlock births while also reducing the abortion rate.

<sup>9</sup>Illegal immigrants have never been eligible for welfare.

<sup>10</sup>Certain categories of immigrants are exempt from the five-year ban. These include: refugees, those receiving asylum because of persecution or a well-grounded fear of persecution, entrants from Cuba and Haiti, and U.S. armed forces members, veterans, and their families.

<sup>11</sup>Some states have used state funds to provide food assistance for some groups of immigrants who lost Food Stamp benefits.

services or add new ones for the working poor; they can also put the money into a “rainy-day” fund against a possible economic downturn.

### **Choices**

One of the most critical choices states face is whether to impose time limits, and if so, of what type. There are three types of time limits a state can impose. The three are not mutually exclusive; a state may impose one, two, or all three limits. One kind of time limit is a lifetime limit on receipt of assistance. As noted above, nothing in PRWORA stops states from continuing to support families that have exceeded the federal time limit using their own maintenance-of-effort funds. In most states, however, state legislators have been as eager as their counterparts in Congress to see their welfare rolls reduced and have seen lifetime limits as a useful instrument for achieving this end.<sup>12</sup>

A second kind of time limit is what might be called a “work-trigger” time limit. This kind of time limit requires welfare recipients to be working in order to continue receiving assistance; those who are not employed in an unsubsidized job when they reach the time limit or who refuse to accept a community service position will have their grants terminated. PRWORA stipulates that states must require recipients to engage in work (as the state defines it) after 24 months on the rolls. The Act does not impose a penalty for noncompliance, but states may find work-trigger time limits useful for spurring recipients to look for jobs.

Finally, a third type of time limit might be called an “interim-termination” time limit. Such a time limit prevents recipients from receiving welfare for more than a specified number of months in any given period (such as three years out of five). The given period may or may not be the same as the lifetime limit. When recipients have reached this interim limit, their cash benefits are terminated, whether or not they have found employment, although the potential remains for them to go back on welfare at some future point.

Different types and lengths of time limits may pose different challenges for states. Shorter time limits of all types obviously create greater pressures on welfare offices to help people find jobs quickly. States with work-trigger time limits must decide whether or not to create community service employment positions for recipients who have been unable to find unsubsidized employment within the specified time.

States will also need to develop a process for granting exemptions from, or extensions to, the time limits they set.<sup>13</sup> They will need to decide, first, how to strike a balance between “front end” and “back-end” exemptions. States may never want to start the time clock at all for some people because they are judged incapable of self-sufficiency. Granting an exemption at the outset for such people (front end) frees up space in welfare-to-work programs for recipients who are presumably more capable of employment and self-support. But it is not so clear that states can readily identify recipients who are incapable of employment before having them look for work.

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<sup>12</sup>In fact, 20 states have instituted lifetime limits that are shorter than the federal five-year limit.

<sup>13</sup>This discussion owes much to a forthcoming MDRC paper by Dan Bloom that synthesizes the research findings on time-limited welfare.

States may opt to limit initial exemptions, anticipating that clients will look actively for work if they believe that their aid depends upon a job search. In this case, some recipients deemed hard to employ may indeed find jobs. But others will reach their time limits without work. At that point, states will have to decide which of these individuals should be exempted from benefit termination, and for how long (back end). (Thus, recipients could receive relatively short-term extensions of their time limits, or they could be permitted to receive welfare indefinitely.)

### **Challenges**

Whatever specific time limits and policies regarding exemptions they adopt, state and local welfare agencies will face more general challenges.

**Moving people into jobs.** The first of these challenges is moving large numbers of recipients into jobs, to ensure that they do not reach their time limits without any other source of income. If recipients are to understand the importance of work and the reality of the time limits, then *welfare agency staff members must deliver a very different message* than the one they gave to clients in the past. This new message — one that emphasizes the temporary nature of assistance and the responsibility of parents to support themselves and their children — must be communicated clearly, consistently, and with considerable urgency. The ability of welfare agency staff to do this may well depend on a general change in the culture of welfare offices. Staff members whose jobs consisted largely of determining recipients' initial and ongoing eligibility for assistance (a major concern under AFDC, when states were financially penalized for excessive error rates) must now focus as well on moving recipients off the rolls.

To move large numbers of welfare recipients into jobs, *welfare agencies also must deliver a greater variety of services, and on a much larger scale* than has been the case in the past. Through either the agencies themselves or other provider organizations working under contract, the staff must offer welfare-to-work services such as job club and occupational skills training and support services, like child care, which enable recipients to participate in welfare-to-work activities. But as agencies confront the necessity of working with hard-to-serve as well as more employable recipients, it is likely that they will need to refer these clients to providers of mental health, substance abuse treatment, domestic violence, and other kinds of services with which welfare staff have had only occasional dealings in the past. Staff will need guidelines and training on assessing recipients' service needs; the services provided must be adequate to meet the need and must be available in a reasonable time.

To find jobs for recipients, *welfare agencies also must strengthen their connections with local employers.* To do this, the agencies may expand the number of staff members charged with job development and placement. Job developers may find their task easier if tax incentives are available to employers who hire new employees off the welfare rolls.

**Helping people keep their jobs or find new ones.** Initial placement in a job is unlikely to be enough for many recipients. The research literature confirms that many recipients who find jobs lose them very quickly. (See, for example, Herr, Halpern, and Wagner, 1995; Hershey and Pavetti, 1997.) In the past, welfare assistance has been available as a backup for recipients cycling in and out of employment; under TANF, however, after recipients have reached their lifetime lim-

its, the assistance will no longer be offered. Follow-up services are likely to be needed after recipients go to work, first to help them keep a job, and then, if they lose one job, to allow them to move quickly into a new position.

**Encouraging people to work and helping them escape poverty.** To the extent that agencies are concerned with lifting recipients out of poverty as well as getting them off welfare, the welfare offices need to counsel recipients who have gotten jobs about the various forms of income assistance to which they may be entitled. These include the Earned Income Tax Credit, Food Stamps, transitional Medicaid, and the Children's Health Insurance Program. The agencies may also help former recipients upgrade their job skills so that they can move out of the low-wage labor market into better-paying, more secure employment.

**Preserving a safety net.** Finally, even with the best possible services and in the most favorable economic conditions, some recipients will never be able to get or hold on to unsubsidized jobs. States will need to decide whether to exempt some of these recipients from time limits altogether or to create paid public service jobs or other kinds of subsidized employment (for example, sheltered workshops or supported work) for others.

#### **IV. The Effects of Welfare Reform: An Open Question**

##### **Hypotheses About Effects**

As might be expected given the broad changes described above, the passage of PRWORA has been accompanied by considerable disagreement about how states and localities will respond to the devolution of social policy-making authority and about what effects the new approach will have on poor peoples' lives. Supporters of the legislation anticipate that the new environment will spur innovation that will enable more poor families to become self-supporting, thereby reducing long-term public spending on social welfare programs. In this scenario, states will enforce the new work requirements, and these requirements will induce more welfare recipients to seek and find jobs. Their earnings (especially in the short term, when combined with the relatively generous income disregards that many states are providing) will presumably enhance the resources of poor communities; furthermore, when parents support their families through work, they are likely to present good role models to their children, families, and communities. Proponents also expect that, over time, fewer babies will be born to unwed mothers, and they also expect to see other positive changes in attitudes and behavior.

Others envision a much bleaker scenario. They fear that states will implement draconian initiatives (by making the application process difficult and cumbersome, for example, or by imposing short time limits and heavy sanctions) or that welfare recipients will be unable or unwilling to make the behavioral changes PRWORA calls for. Opponents of the law predict that those who do not comply with program regulations and are sanctioned, or those who reach the time limit without finding jobs, will be left destitute. As a consequence people will lose their homes and have to move into overcrowded quarters; they may take their frustrations out in domestic violence, and they may turn to illegal activities for cash. If recipients become more depressed or stressed because of the work requirements and/or because they have been cut off aid without finding em-

ployment, their parenting abilities may suffer. And the communities in which they live may become more rundown and crime-ridden.

In a third scenario, both kinds of effects are likely to occur: some subgroups of recipients may do well under welfare reform, moving into and holding on to jobs that enable them to improve their standard of living, while other subgroups may be made worse off because they cannot find or keep a full-time job with adequate pay. The net effect on the communities depends on the relative magnitude of these disparate results.

What actually happens to individuals and communities will likely depend on four sets of factors: (1) the characteristics of the recipients and the decisions they make; (2) the employment, wage, and related conditions in the local setting; (3) the specific TANF policies established by states and localities; and (4) the extent to which welfare staff put these policies into practice.

All else being equal, recipients who are better educated, have more work experience, and do not face other obstacles to jobholding — such as language barriers, chronic family problems, or substance abuse — will be in a better position to comply with the participation requirements and to find jobs. Recipients can also be expected to do better in localities marked by low unemployment, an ample supply of jobs for low- and moderately skilled workers, and well-developed public transportation systems. Another important characteristic of a locality is the supply, quality, accessibility, and affordability of child care.

Welfare policies and their implementation also make a crucial difference in the impact of reforms on individuals and their communities. The length of the time limits, the exemption policies, the activities that satisfy work and participation requirements, the stringency of sanctions, the availability of community service jobs, the generosity of income disregards, the supply of transitional child care for working recipients, and the existence of family caps head a long list of policy choices that can affect how recipients respond and what the outcomes will be. Tied in with the policies themselves is how these policies are actually implemented — the clarity with which welfare agency staff deliver messages about the new welfare environment, the extent to which they put in place policies that are on the books, the timeliness and adequacy of the services that welfare agencies make available to help their clients move toward self-sufficiency.

### **Large Urban Areas as the Crucible of Welfare Reform and Its Effects**

However welfare reform eventually plays out, the fate of recipients living in large urban areas will be critical in determining the impact of the new devolution policies nationwide. In recent decades, poverty and other social problems have become increasingly concentrated in central cities; by 1991, central cities included close to half the nation's poor (Wilson, 1996). If the new approach triggers dramatic changes in public assistance programs, it is the residents of large urban areas who will feel the impacts — positive or negative — in greatest numbers.

One of the key challenges big cities and their counties face is the concentration of poverty and welfare receipt within their borders. In 1993, the counties containing America's 10 largest

cities were home to 14 percent of the national population, yet had 22 percent of all welfare recipients.<sup>14</sup> This disparity has been exacerbated over the last several years. A recent study of large cities and urban counties (Katz and Carnevale, 1998) found that in 15 of the 23 places studied, the decline in the cities' welfare caseloads and poverty rates between 1994 and 1997 was slower than the corresponding declines in their states' caseloads and poverty rates. (As discussed more fully in Chapter 2, this was true of all four of the Urban Change sites; their rates of caseload decline ranged between 48 and 78 percent of the rates of decline in their respective states.) This means that over time, increased proportions of these states' welfare populations have become concentrated in the states' biggest cities — a fact that tends to broaden the political divide between state legislators from the big cities and those from suburban and rural areas.

In terms of recipients' characteristics, environmental conditions, TANF policies, and the extent of implementation, the big cities are disadvantaged on several counts. The personal characteristics of poor people living in the cities suggest that many of them will face difficulties. Immigrants are much more likely to live in big cities than in rural areas; their treatment under the legislation has already been noted. Long-term welfare recipients are also disproportionately concentrated in big cities. These are the recipients who have had the least success in securing employment or otherwise getting off welfare, and they are the most likely to be negatively affected by participation requirements and time limits.

Even in the healthy U.S. economy of the late 1990s, the majority of job growth has occurred in the suburbs rather than in the central cities, and cities have suffered from higher rates of unemployment than their surrounding areas. In particular, in many urban areas, employment prospects for workers with little education have either declined sharply or failed to keep pace with employment for better-educated workers. For example, Kasarda (1995) found that during the 1980s, Philadelphia lost 55,000 jobs in industries that had low-skill opportunities and gained 40,000 jobs for workers who had attended college. In the same period, the City of Los Angeles experienced a 50 percent increase in the number of jobs held by college graduates, but only 15 percent growth in jobs held by those without a high school diploma. Bernstein (1997) has broken down unemployment rates in 20 cities by gender, race, age, and educational level. His findings suggest that unemployment is especially high for the populations most likely to turn to welfare and to be affected by welfare reform. Thus, more than one-fifth of African-American women with less than a high school degree were unemployed in 1994–96, and over one-third were underemployed, a category that includes not only the unemployed but also those working part time who want to work full time, those who want to work but are discouraged by their inability to find jobs, and those who are neither working nor seeking employment, but who want to work and have looked for a job in the last 12 months.

Increasing employment and reducing welfare receipt among inner-city residents may therefore depend in large part on their securing access to more plentiful jobs in the suburbs. This, in turn, requires that adequate public transit (or paratransit) systems be in place, and that agencies charged with helping recipients find employment keep them informed about job opportunities in

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<sup>14</sup>Weir, 1998, pp. 10-11; calculated from the *Quarterly Public Assistance Statistics, FY 1992-93*, Washington, D.C.: U.S. Government Printing Office, 1995.

suburban areas. Access to job information may be especially important for inner-city welfare recipients, whose social networks are less likely to include stably employed neighbors who can act as informal sources of job referrals (Wilson, 1996).

At the same time, the size of their welfare caseloads, large often unionized bureaucracies, and aging physical plants create implementation challenges for public agencies administering welfare programs in big cities. It is especially notable that in implementing their pre-TANF waiver plans, some states exempted large urban areas from coverage, “effectively excluding them from the early innovation that took place in other parts of the state” (Katz and Carnevale, 1998, p. 16).

Thus, understanding how welfare reform unfolds in the big cities is crucial to understanding the future of poor families in this country. The Urban Change study results represent the scenario that will be the reality for hundreds of thousands of poor women and children.

## **V. Urban Change Data: Sources and Limitations**

This report reflects the efforts of two groups of researchers, MDRC staff members who collected implementation data in site visits and ethnographers who interviewed families in 12 neighborhoods in the counties of the study.

### **The Implementation Data**

The information on program implementation comes principally from interviews and observations conducted by MDRC staff members during visits to the Urban Change sites. Although the report draws on data from visits occurring from early 1997 on, the bulk of the data were collected during week-long visits to each site that took place between late October 1997 and January 1998.

All these visits followed the same general pattern, although there were some variations from site to site, as Appendix Table A.1 indicates. During the visits, the researchers typically interviewed highly placed administrators from the welfare agency’s central office, the head of the county’s welfare-to-work program, the supervisors of each of the three local welfare offices in which the implementation field research effort is concentrated, and the supervisors of the welfare-to-work offices geographically linked to the three welfare offices. (Sometimes income maintenance and welfare-to-work functions were handled by the same agencies and sometimes by different ones; sometimes the two functions were in the same location and sometimes not.) The researchers conducted focus groups in local welfare and welfare-to-work offices with line staff members who were primarily responsible for determining initial or ongoing eligibility for financial assistance (often referred to by their pre-TANF titles, “income maintenance workers” or “eligibility workers”) and who were charged with carrying out welfare-to-work program functions (referred to as “employment staff,” “employability workers,” and “JOBS workers”).<sup>15</sup> Between five and eight staff members typically participated in each focus group.

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<sup>15</sup>In addition, state welfare reform programs had sometimes created their own titles for workers, as noted in Chapters 3-6.

The MDRC staff members also observed client–staff interactions in such activities as orientations, intake interviews, and welfare-to-work program assessments. Finally, although the ethnographic study is the principal source of the information about recipients contained in the report, the implementation researchers also, where possible, conducted focus groups with clients who were at the welfare offices.

Aside from data collected during the site visits, the case studies are also based on welfare agency documents and other written materials.

### **The Ethnographic Data**

The ethnographic data come from multiple, in-depth, semistructured interviews with TANF families from three neighborhoods in each of the four Urban Change sites. The study plans to follow each family for three to five years, with extensive annual interviews and regular interim updates on the status of the women and their children.

The neighborhoods are described in Table 1.3. Almost all of the chosen families are served by the local welfare offices where the implementation research was conducted. Appendix B contains maps of the four counties, showing the neighborhoods from which ethnographic respondents are drawn and the geographic areas covered by the welfare offices.

In each neighborhood, roughly half of the families were recruited through referrals from a wide range of service providers and grassroots community organizations. To reach respondents who were not connected to such neighborhood institutions, the other families were recruited by asking the initial respondents for the names of friends or acquaintances who were not, to their knowledge, receiving services from these institutions. Both types of referrals were followed up selectively, to ensure that roughly half of the women selected in each neighborhood shared characteristics typical of short-term welfare recipients (more work experience, shorter welfare histories, better educational credentials, and fewer children) and half had characteristics that typify long-term welfare recipients (little or no work experience, longer welfare histories, low levels of education, and more children).

Initial in-depth interviews took place between October 1997 and March 1998 in Cuyahoga County, between December 1997 and March 1998 in Miami-Dade County, between February 1998 and April 1998 in Los Angeles County, and between July and October 1997 in Philadelphia. Each woman was interviewed in her home between two and five times at the outset; total interviewing time ranged between two and six hours per respondent. A brief update interview was conducted with each woman at least quarterly; that interview was more extensive if the respondent had moved from welfare to work in the interim. When the respondent agreed, the conversations were tape-recorded and transcribed; when taping was not possible, the interviewer made extensive field notes based on notes taken during the interview.

### **Limitations of the Data**

The limitations of both the implementation and the ethnographic data need to be borne in mind. The story the implementation data tell is focused on the public agencies charged with oper-

ating welfare and welfare-to-work programs. Although in all four sites these agencies have contracted with other organizations — public, private nonprofit, and for-profit — to provide a wide range of services to welfare recipients, resource constraints made it infeasible at this juncture to interview personnel and observe operations at the contract agencies.

Much of the information about line staff members and their interactions with clients is based on what was said in staff focus groups, rather than on direct observation or quantitative data. Consequently, the data can most accurately be viewed as presenting staff members' subjec-

**Table 1.3**  
**The Project on Devolution and Urban Change**  
**Neighborhoods in the Urban Change Counties**

Neighborhood	Ethnicity of Respondents	Poverty Level in Census Tracts
Cuyahoga County		
Detroit Shoreway	White	Moderate
East Cleveland	African-American	Moderate
Glenville	African-American	High
Los Angeles County		
Boyle Heights	Mexican-American	High
Tracts in the City of Long Beach	Mexican immigrant	High
Westmont-West Athens	African-American	High
Miami-Dade County		
Liberty City	African-American	High
Little Haiti	Haitian immigrant	High
Hialeah	Hispanic <sup>a</sup>	Low <sup>b</sup>
Philadelphia County		
Kensington	White	Moderate
Germantown	African-American	Moderate
North Central	African-American	High

NOTES: A neighborhood's level of poverty is defined as moderate when 30–39 percent of its residents are living at or below the federal poverty level, and high when 40 percent or more of its residents are living at or below the federal poverty level.

<sup>a</sup>The ethnographic sample in Hialeah is composed mostly of Cubans and Central Americans, but also contains families from other Caribbean countries and from countries in South America.

<sup>b</sup>Hispanic residents living in poverty in Miami-Dade County tend to live in neighborhoods with mixed levels of income. The Hialeah area was selected to allow adequate representation of Hispanic families receiving TANF.

tive accounts of their experiences in implementing change. The ethnographic data are also subjective.

How generalizable the data from both studies are is an open question. In each welfare office, it was possible to conduct focus groups with only a small number of staff members, and there is no way of assessing how representative their views were.<sup>16</sup> Similarly, the respondents in the ethnographic study are few in number, and their attitudes and behavior may not be fully typical of those of a larger sample of welfare recipients. Still, the variety of opinions or perspectives — and sometimes substantial unanimity — expressed by both staff members and recipients is both interesting and revealing.

A final consideration is that the implementation and ethnographic data were not collected at the same times, as Figure 1.1 shows. In Cuyahoga the ethnographic data were collected both before and after the implementation visit; in Los Angeles and Miami-Dade Counties they were collected later than most of the implementation data; and in Philadelphia the ethnographic data were collected first. This means that in this report the correlation between what the interviewed staff say and what the study's recipients hear, and vice versa, may be further affected by differences in time.

This report focuses primarily on the implementation of welfare reform at the four study sites approximately 15 months after the passage of PRWORA. The differences in progress at the sites is an important story in itself, and the data presented here establish a baseline for tracking subsequent events. The programs have changed considerably since the study began, however; although this report attempts to outline and foreshadow subsequent developments, it does not purport to be fully up to date. Some important new initiatives, such as grants from the U.S. Department of Labor to support training and work preparation activities, could not be covered here; they will be discussed in later reports. In general, however, as welfare agencies change their policies and practices and as recipients respond to those changes, the issues and dilemmas identified in the early round of research remain in the forefront.

### **The Urban Change Report**

Like this chapter, Chapter 2 is introductory in nature. It highlights and compares key features of the counties, their public assistance populations, and their welfare reform plans.

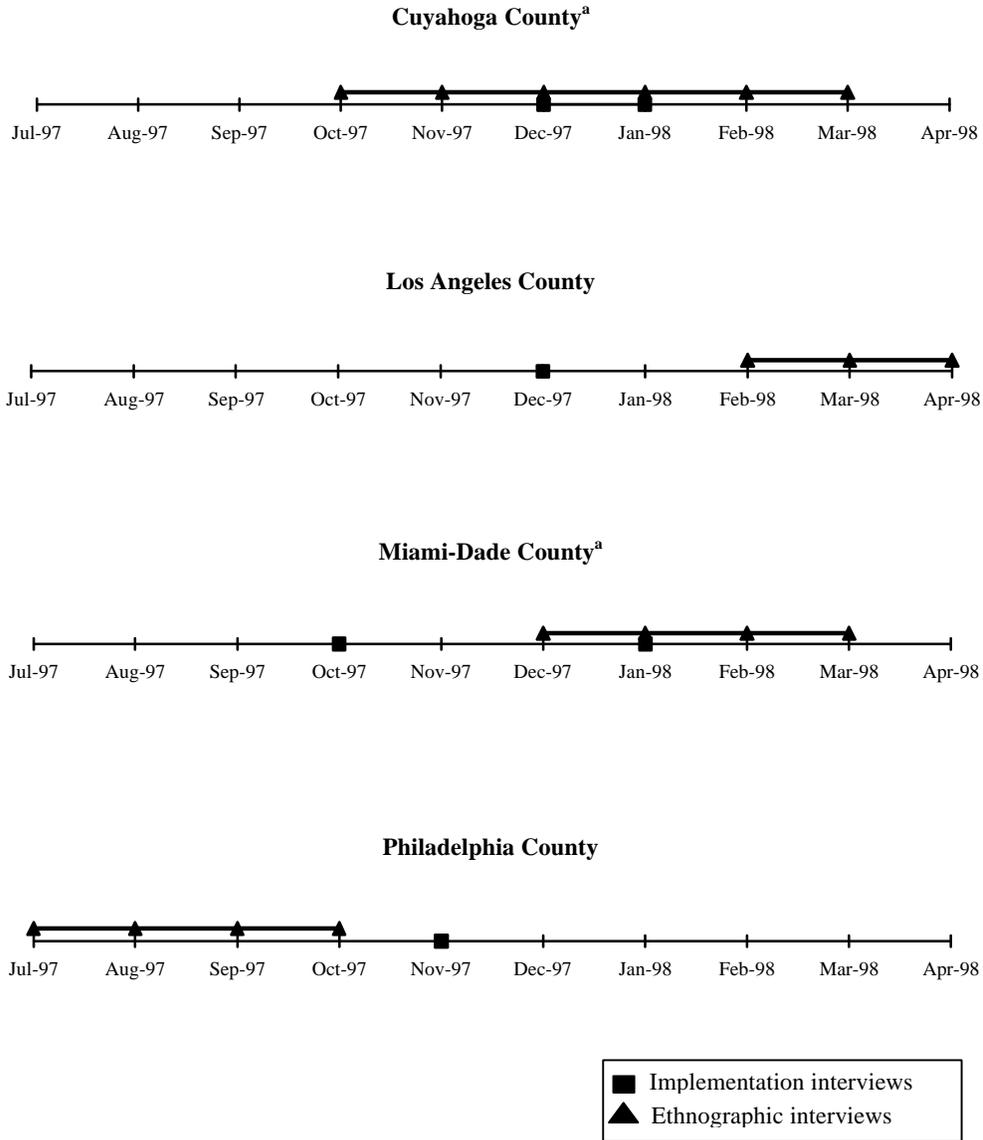
The heart of the report, Chapters 3 through 6, consists of case studies of the early unfolding of welfare reform in each of the four Urban Change sites. This evolution is considered from the perspectives of three major groups of actors: key welfare agency administrators who bear overall responsibility for implementing the new policies (and in some cases for designing them as well); welfare agency line staff, who translate the new policies into practice in their interactions with recipients; and the recipients themselves, who are affected by the changes and must find ways to cope. Each case study had multiple authors, usually different for each site, and it seemed nei-

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<sup>16</sup>Staff surveys to be conducted over the next few years as part of the implementation study will provide data on the opinions and behavior of a larger, more representative sample of welfare and welfare-to-work line staff at each of the four sites.

ther advisable nor necessary to seek to overlay a uniform, homogenized style on the

**Figure 1.1**  
**The Project on Devolution and Urban Change**  
**Implementation and Ethnographic Interviews, by Site**



NOTES: The dates for data collection shown in the figure represent the time period in which the majority of the data in this report were collected. The implementation team made additional visits to sites and after the initial in-depth interview, the ethnographic team conducted brief update interviews with each respondent at least quarterly. The researchers on both of these studies continue to collect data on an ongoing basis.

Statewide lifetime limits on the receipt of cash assistance began in October 1997 in Cuyahoga County, January 1998 in Los Angeles County, October 1996 in Miami-Dade County, and March 1997 in Philadelphia County.

<sup>a</sup>MDRC's implementation team conducted field research in one additional service center in both Cuyahoga and Miami-Dade Counties in January 1998 so that centers studied would better correspond with the ethnographic neighborhoods in those sites.

authors' own voices. Nonetheless, the case studies unfold according to broadly similar plans and address a common set of questions:

- What are the basic elements of the state and county TANF plans?
- To what extent had the plans been implemented at the time the research was conducted?
- What were the key messages that welfare agency staff were seeking to deliver to recipients?
- What implementation issues had been faced at that point, and what challenges appeared to be looming in the future?
- What did recipients understand about welfare reform; what were their attitudes, hopes, and concerns; and what were they doing in response?

Chapter 7 summarizes the main cross-cutting themes related to the implementation of the sites' welfare reform plans and recipients' responses to them as these emerge from the case studies. It also identifies the major operational issues to be followed up in later reports.

## Chapter 2

# The Urban Change Study Sites

This chapter further sets the context for the case studies by providing an overview of the Urban Change study sites. First, the chapter examines salient demographic characteristics of the four counties. It then discusses the counties' welfare caseloads, as well as trends in those caseloads. In the third part of the chapter, the focus shifts to key features of the welfare reform initiative in each location. The information is organized in tables that facilitate comparisons across sites, so that it is possible at a glance to identify areas of similarity among the sites, along with ways the sites differ.

### **I. Demographic Characteristics of the Urban Change Counties**

The counties participating in the Urban Change study are among the nation's largest in terms of population. Table 2.1 shows the number of people living in these counties in 1997, as well as other demographic characteristics of the study sites. According to 1990 population estimates, Los Angeles County was the most populous county in the United States; Miami-Dade, Philadelphia, and Cuyahoga Counties ranked tenth, twelfth, and seventeenth, respectively.<sup>1</sup> In 1990, Los Angeles and Philadelphia were the largest cities in their states. (The City of Cleveland proper was eclipsed in size by Columbus, and Miami by itself is a smaller city than Jacksonville.)

In terms of population trends, however, the counties were on different trajectories. Both Miami-Dade and Los Angeles Counties were among the fastest-growing counties in the country; between 1980 and 1990, the populations of each increased by almost one-fifth. During the same period, both Cuyahoga and Philadelphia Counties were among the fastest-shrinking counties: each lost about 6 percent of its residents.

The populations of all four counties are marked by substantial ethnic diversity, but they differ in the specific ethnic groups mix. In Cuyahoga and Philadelphia Counties, non-Hispanic blacks and whites together made up 96 and 91 percent, respectively, of the counties' populations in 1990. Los Angeles and Miami-Dade Counties, in contrast, were home to large numbers of both native-born Hispanics and immigrants from Spanish-speaking countries, as well as immigrants from many other nations: almost one-third of Angelenos and 45 percent of Miamians were foreign-born, according to the 1990 Census. In Los Angeles, the single largest group of people counted as Hispanic are of Mexican origin; substantial numbers of people also come from Central America. Miami-Dade's older Hispanic population is predominantly Cuban; its more recent Hispanic arrivals come from all over the Caribbean, as well as Central and South America. Miami also has a large Haitian immigrant population, many of whose members speak primarily Haitian Creole.

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<sup>1</sup>Three of these counties — Philadelphia, Cuyahoga, and Los Angeles — were among the country's most densely populated as well.

**Table 2.1**

**The Project on Devolution and Urban Change**  
**Demographic Characteristics of the Study Sites**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Total population, 1997	1,386,803	9,145,219	2,044,600	1,451,372
Percentage of state population living in county, 1997	12.4	28.3	14.0	12.1
Ethnicity (%), 1990 <sup>a</sup>				
Hispanic	2.2	37.8	49.2	5.6
Black, non-Hispanic	24.7	10.5	19.1	39.3
White, non-Hispanic	71.6	40.8	30.2	52.1
Other, non-Hispanic	1.5	10.8	1.5	3.0
Percentage foreign-born, 1990	5.6	32.7	45.1	6.6
Unemployment rate (%), 1997	4.8	6.8	7.1	6.8
Percentage living in poverty, 1993 estimates	18.1	23.8	25.4	26.5

**SOURCES: All Sites:** Bureau of Labor Statistics, “Local Area Unemployment Statistics,” Bureau of Labor Statistics Web site, August 1998; Hall and Gaquin, 1997; U.S. Census Bureau Web site, January 1998: “Estimated Number and Percent of People of All Ages in Poverty by County: 1993” – California (Table A93-06), Florida (Table A93-12), Ohio (Table A93-39), Pennsylvania (Table A93-42); by state (Table A93-00); U.S. Census Bureau, Population Division, “Estimates of the Population of Counties: Annual Time Series, July 1, 1990, to July 1, 1997,” U.S. Census Bureau Web site, March 1998.

NOTE: <sup>a</sup>Percentages by ethnicity come from MDRC calculations using 1990 census data. Percentages may not total 100 because of rounding.

Unemployment rates in the four counties varied considerably. In 1997, unemployment was especially low — at 4.8 percent, a tenth of a percentage point lower than the national average — in Cuyahoga County, which shared in the economic revival that swept many Midwestern areas in the mid-1990s. Unemployment rates were considerably higher in the other three areas (6.8 percent in Los Angeles, 7.1 percent in Miami-Dade, and 6.8 percent in Philadelphia Counties). Moreover, countywide statistics mask substantial differences among areas within the counties — inner-city versus suburb, for example.

Unemployment rates are one gauge of economic well-being; another is the percentage of the population living in poverty. In 1993, when the national poverty rate was 15 percent, poverty rates in the four counties ranged between 18 and 27 percent.

## **II. Welfare Caseload Characteristics and Trends**

The data in Table 2.2 indicate that a major challenge facing welfare administrators in all four sites is the size of their welfare caseloads. Indeed, the TANF caseload in Los Angeles County is larger than that in any other county in the nation (including the five counties comprised by New York City put together). The four Urban Change counties account for a disproportionate share of all TANF recipients in their respective states. Philadelphia represents an extreme in this respect: it is home to 12 percent of all Pennsylvanians but to 43 percent of the state's TANF cases. The disparity is less marked but nonetheless substantial in the other counties.

The AFDC/TANF caseloads in all four counties declined between 1994 and 1997. But in all four locations, they declined less than the caseloads in other parts of the state. This means that, as is true in many large urban counties, the percentage of the states' welfare recipients living in the Urban Change study sites has increased over the past few years. Given the disproportionate concentration of poverty among people of color in the United States, it is not surprising that in comparison with the total population in the Urban Change sites, the welfare rolls in these localities have higher percentages of African-Americans and Hispanics.

While relatively low rates of TANF caseload decline and large concentrations of nonwhite recipients are characteristics shared by all four Urban Change sites, the sites differ in many other ways. Benefit levels, for example, differ substantially among the four states.<sup>2</sup> California's benefits were the most generous; the maximum monthly welfare grant for a family of three in Los Angeles County, \$565, is 86 percent larger than the grant received by a family of comparable size in Miami-Dade County; Florida's benefits are the lowest among these four states. This disparity means, among other things, that, in the presence of similar earned income disregards, households will become ineligible for welfare at a lower level of earnings in Miami-Dade than in Los Angeles County. It also suggests that, as a group, applicants for TANF aid in Florida may

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<sup>2</sup>To some extent, Food Stamps, which are set at the same level nationwide, offset the disparity in welfare benefit amounts.

**Table 2.2**

**The Project on Devolution and Urban Change**

**Welfare Caseload and Program Characteristics, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Average monthly number of AFDC/TANF cases in county, 1997	38,049	294,502	39,454	73,586
Percentage of average monthly state AFDC/TANF cases living in county, 1997	21.7	35.0	25.3	42.7
Rate of decline in number of county AFDC/TANF cases, 1994–1997 (%)	19.7	4.6	28.0	8.5
Decline in number of county AFDC/TANF cases as percentage of state decline, 1994–1997	68.6	73.9	78.3	48.3
Maximum monthly TANF grant for 3-person household living in county, 1997	\$341	\$565	\$303 <sup>a</sup>	\$403
Ranking of state’s maximum TANF grant among the 50 states (highest to lowest), 1997	32	6	36	22 <sup>b</sup>
Ethnic composition of AFDC/TANF recipients (%) <sup>c</sup>				
Hispanic	3.2	53.3	42.1	14.7
Black, non-Hispanic	47.0	24.8	53.0	68.3
White, non-Hispanic	48.4	14.3	4.3	12.0
Other	1.4	7.7	0.6	5.1
Administration by state or county				
Grants	State	County	State	State
Welfare reform initiative	County	County	State/local coalition	State
Name of state administering agency	Ohio Department of Human Services	California Department of Social Services	Florida Department of Children & Families, Department of Labor and Employment Security, and State WAGES	Pennsylvania Department of Public Welfare



Table 2.2 (continued)

Characteristic	Cuyahoga County	Los Angeles County	Miami-Dade County	Philadelphia County
Name of local administering agency	Cuyahoga County Department of Entitlement and Employment Services <sup>d</sup>	County of Los Angeles Department of Public Social Services	Florida Department of Children & Families, Department of Labor and Employment Security, and Dade-Monroe WAGES Coalition	Pennsylvania Department of Public Welfare
Name of state welfare reform initiative	Ohio Works First (OWF)	California Work Opportunity and Responsibility to Kids (CalWORKs)	Work and Gain Economic Self-Sufficiency (WAGES)	The Road to Economic Self-Sufficiency through Employment and Training (RESET)
Date welfare reform initiative approved by governor	July 2, 1997	August 11, 1997	May 16, 1996	May 16, 1996

SOURCES: **Cuyahoga:** Cuyahoga County Department of Entitlement and Employment Services; Cuyahoga Work & Training; Ohio Department of Human Services, *Chronology of Welfare Reform in Ohio*, undated; Ohio Department of Human Services, *Temporary Assistance for Needy Families (TANF) Program State Title IV-A Plan*, September 1997. **Los Angeles:** California Department of Social Services; California Department of Social Services, *The California Temporary Assistance Program (CalTAP) Detailed Program Description*, 1997; California Department of Social Services, *Fact Sheet: Eligibility and Benefits*, July 1998; County of Los Angeles Department of Public Social Services; County of Los Angeles Department of Public Social Services, *CalWORKs "Passport to Success,"* February 1998; County of Los Angeles Department of Public Social Services, *Draft of CalWORKs Implementation Plan*, December 1997. **Miami-Dade:** Florida Department of Children and Families; General Bill SB1662: Welfare Reform/WAGES Program Timeline, 1996; WAGES State Board of Directors, *WAGES Statewide Implementation Plan: Section 5 - State Plan for Temporary Assistance for Needy Families*, submitted September 1996. **Philadelphia:** Pennsylvania Department of Public Welfare; Pennsylvania Department of Public Welfare, *Questions and Answers Regarding the Temporary Assistance for Needy Families Program in Pennsylvania*, submitted January 1997. **All Sites:** Committee on Ways and Means, Table 7-47, 1998; Katz and Carnevale, 1998.

NOTES: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>The maximum TANF grant for a three-person household in Miami-Dade is based on the shelter expenditure. For an expenditure of \$50.01 and up, the maximum grant is \$303; for an expenditure of \$.01 to \$50, \$258; and for an expenditure of \$0, \$198.

<sup>b</sup>Ranking is based on the state's highest grant level — \$421 — not on the county's highest grant level.

<sup>c</sup>Percentages may not total 100 because of rounding.

<sup>d</sup>In January 1998, the Department of Entitlement and Employment Services was divided into Cuyahoga Work & Training and Cuyahoga Health & Nutrition. Cuyahoga Work & Training assumed responsibility for administering the local welfare reform program.

have fewer resources and be less capable of working than their California counterparts, since there is less to be gained from going on welfare there.<sup>3</sup>

The locus of administration is another important respect in which sites differ. Philadelphia and Los Angeles Counties offer the simplest examples. In Pennsylvania, welfare benefits and welfare-to-work programs are administered by a state agency, the Pennsylvania Department of Public Welfare; staff in all local welfare offices in Philadelphia and in the central administrative office are state employees. In Los Angeles County, benefits and programs are administered by the County of Los Angeles Department of Public Social Services, under the broad oversight of the Board of Supervisors of the County of Los Angeles, the county's governing body. But in Miami-Dade and Cuyahoga Counties, the situation is more complex. In both counties, welfare benefits are administered by the state agency (the Florida Department of Children & Families and the Ohio Department of Human Services, respectively). However, responsibility for the operation of the welfare-to-work initiatives has shifted to other agencies, which have been in flux, as discussed in Chapters 3 and 5.

Table 2.3 examines various features related to the financing of welfare reform in the four states, including the amounts of the state block grants and the level of maintenance-of-effort funding each state is obligated to provide. (The data pertain to funding for TANF only, not to the child care block grants and maintenance-of-effort requirements included in PRWORA.) The table also shows that in both California and Ohio, counties received their allocations from the state in the form of block grants, an arrangement that gives the counties considerable discretion in spending these moneys.

### **III. The TANF Plans in the Study Sites**

Important aspects of the sites' TANF plans are shown in Tables 2.4 through 2.9.<sup>4</sup> In Philadelphia, Department of Public Welfare officials, who, as noted above, are state employees, did not have to develop their own plan. The remaining counties developed separate plans, which conform with the basic parameters of their states' TANF plans but also contain county-specific provisions.

#### **Time Limits**

One of the most critical ways in which state plans differ is the time limit on benefit receipt, shown in Table 2.4. Both California and Pennsylvania have adhered to the federal lifetime limits on aid: families in Pennsylvania and adult recipients in California can get welfare for a total of 60 months (not necessarily consecutive). However, both states have also established work-trigger time limits

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<sup>3</sup>In the past, the availability of Medicaid to welfare recipients constituted an incentive to go on welfare and remain on the rolls even in low-grant states, since many low-wage jobs do not offer health insurance — a special concern for mothers of young children. This situation has now changed as poor children have increasingly been covered under the Children's Health Insurance Program. It is worth noting that under AFDC, eligibility for welfare had automatically conferred eligibility for Medicaid; this is no longer true under PRWORA.

<sup>4</sup>It is worth pointing out that these plans may change over time.

that specify that after 24 months (18 months in the case of new applicants to

**Table 2.3**  
**The Project on Devolution and Urban Change**  
**Funding Under Welfare Reform in the Study Sites**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Rate at which state matched federal funding under AFDC, 1994 (%)	39.2	50.0	45.2	45.4
Estimated TANF block grant to state, 1998	\$728 million	\$3.7 billion	\$577 million <sup>a</sup>	\$719 million
Maintenance-of-effort level required of state, 1994 <sup>b</sup>	\$417 million	\$2.9 billion	\$396 million	\$434 million
Are state funds devolved to counties in the form of block grants?	Yes	Yes	No <sup>c</sup>	N/A
County matching or maintenance-of-effort requirement	County's expenditures must equal welfare expenditures during calendar year 1996	County's expenditures for benefits, work activities, supportive services, and Food Stamps must be at least equal to those in fiscal year 1996–1997	None	N/A

SOURCES: **Los Angeles:** California Department of Social Services, *Fact Sheet: County and State Partnerships*, August 1998. **All Sites:** Administration for Children and Families, Department of Health and Human Services, *Estimated Fiscal Year 1997 State Family Assistance Grants Under P.L. 104–193*, September 1997; Administration for Children and Families, Department of Health and Human Services, *State Maintenance-of-Effort Levels Required Under P.L. 104-193*, December 1996; Committee on Ways and Means, Table 8-18, 1996.

NOTES: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>In fiscal year 1998, Florida received a supplemental grant of \$14,546,765. The basic TANF block grant is \$562,340,120.

<sup>b</sup>The reported amounts reflect the 80 percent level of effort that states must maintain to receive their full block grant allocation.

<sup>c</sup>Each district receives an allocation from the state based on its implementation plan. Part of the funds go to the WAGES Coalition for administration and contracting. The other part flows directly from state agencies to district agencies.

**Table 2.4**  
**The Project on Devolution and Urban Change**  
**Time-Limit Provisions, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Lifetime limit on cash welfare for most families	3 years <sup>a</sup>	5 years (adults only)	4 years	5 years
Interim-termination time limit <sup>b</sup>	None	None	36 months in a 72-month period for certain recipients; 24 months in a 60-month period for other recipients <sup>c</sup>	None
Work-trigger time limit <sup>d</sup>	None <sup>e</sup>	18 or 24 months <sup>f</sup>	None <sup>g</sup>	24 months
Exemptions from lifetime limit	Child-only cases; other criteria not yet established	Child-only cases; specified caretakers; elderly; disabled; those incapable of maintaining employment; Cal-Learn participants	Child-only cases; elderly or disabled individuals	Child-only cases; other criteria not yet established
Start date of state's lifetime limit	October 1997	January 1998 <sup>h</sup>	October 1996	March 1997
Date first applicable time limit goes into effect	October 2000	Late 1999	October 1998	March 1999
Safety net features	None	Child's portion of grant is maintained after parent reaches time limit	Possible continuation of benefits for children through protective payee for up to 1 year; hardship extensions of time limit for up to 1 year	None

(continued)

**Table 2.4 (continued)**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Automated capacity to track prior welfare receipt				
Within state	Yes	Yes	Yes	Yes
In another state	No	No	No	No

SOURCES: **Cuyahoga:** Ohio Department of Human Services, “Public Notice of the State of Ohio’s Temporary Assistance for Needy Families (TANF) Program,” *The Plain Dealer*, August 22, 1997; Ohio Department of Human Services, *What Welfare Reform Will Mean to the People of the State of Ohio*, July 1997. **Los Angeles:** California Department of Social Services, *Fact Sheet: California’s Welfare-to-Work Plan*, January 1998; County Welfare Directors Association of California, *California Welfare Reform: Summary of the Provisions of AB1542 and AB1008*, August 1997; Legislative Analyst’s Office, *CalWORKs Welfare Reform: Major Provisions and Issues*, February 1998. **Miami-Dade:** Committee on Ways and Means, Table 7-44, 1998; Florida Department of Children and Families; Florida Legislature Conference Committee on Welfare Reform CSSB 1662, *A Plan to Reform Welfare in Florida: Work and Gain Economic Self-Sufficiency (Summary)*, May 1996. **Philadelphia:** Pennsylvania Department of Public Welfare, *Pennsylvania’s Temporary Assistance for Needy Families Program Clarification of Key Issues*, comment period: January 17–March 2, 1997; Pennsylvania Department of Public Welfare, *Questions and Answers Regarding the Temporary Assistance for Needy Families Program in Pennsylvania*, submitted January 1997; Pennsylvania Department of Public Welfare, *Temporary Assistance for Needy Families State Plan*, submitted January 1997.

NOTES: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>After receiving benefits for 36 months, a family is ineligible for 24 months. After that period, if the county determines that good cause exists, the family may be eligible for an additional 24 months of assistance. As of July 1998, Cuyahoga County had not established the criteria for extending welfare receipt for the additional 24 months.

<sup>b</sup>The interim-termination time limit is a time limit on welfare receipt that results in the termination of cash assistance but is shorter than the lifetime limit.

<sup>c</sup>Recipients who qualify for the 36-out-of-72-month time limit are custodial parents under age 24 who have not completed high school or have no work experience and long-term recipients (defined as those who have received assistance for at least 36 of the last 60 months).

<sup>d</sup>The work-trigger time limit is a period of time after which clients must work in order to receive cash assistance.

<sup>e</sup>Ohio’s state plan stipulates that recipients participate in state-defined work activities once they are able to engage in work, or once they have received assistance for 24 months. Ohio, however, has been emphasizing the three-year time limit in which participants can continue to receive benefits as long as they fulfill the requirements in their Self-Sufficiency Contract.

<sup>f</sup>Welfare-to-work activities are generally limited to 18 months for new applicants and 24 months for ongoing recipients.

<sup>g</sup>With a few exceptions, Florida requires that recipients be immediately involved in work activities (broadly defined to include activities such as job search, vocational education and training, and subsidized employment).

<sup>h</sup>California’s five-year time limit started January 1, 1998. Los Angeles County’s work-trigger time limit (18–24 months) begins when applicants or recipients sign their welfare-to-work plans, as of April 1, 1998.

welfare in California), the head of a household cannot receive welfare unless she is also working at least 32 hours a week in California, and the entire family is ineligible for assistance unless the household head is working 20 hours a week in Pennsylvania.<sup>5</sup> In both states, community service employment components may help some recipients who have abided by the rules but have been unable to find employment by the time they reach this limit.

The other two states have not placed time limits on the receipt of welfare without work, but their lifetime limits are shorter than California's and Pennsylvania's. Recipients can receive benefits for 36 months in Ohio, with the possibility of an additional 24 months after a mandatory 24 months off the rolls. The lifetime limit in Florida is four years. Florida also has two interim-termination limits: long-term recipients (those on aid for 36 out of the past 60 months) can get aid no more than 36 months in any 72-month period, while other recipients can receive welfare for no more than 24 months of 60. Across the states, child-only cases and cases in which the household head is elderly or disabled are the principal categories of exemptions from the time limits.

PRWORA provided that the federal five-year time limit on benefits would go into effect when the Department of Health and Human Services approved a state's initial TANF plan and the state chose to begin drawing down the block grant. The TANF plans of Florida and Ohio became effective in October 1996, California's plan became effective in November 1996, and Pennsylvania's in March 1997. Although California recipients became subject to the federal lifetime limit in November 1996, the state's own five-year welfare time limit did not go into effect until January 1998. Thus, the State of California will have to use state funds to pay for the fifth year of welfare costs for individuals who began receiving welfare during 1997 and remained on the rolls four years after the state time limit went into effect; it cannot charge these costs against its TANF block grant allocation.

The first time limit to go into effect in the study sites is Florida's two-year interim-termination limit on benefits for more employable recipients who were on welfare continuously since October 1996; this time limit hit in October 1998. Pennsylvania's 24-month work-trigger limit on welfare without work will hit in March 1999, and Ohio's 36-month time limit will begin to be applied in October 2000. It is more difficult to say just when California recipients' 18- and 24-month time limits on welfare without work will first go into effect, because the countdown begins only after an individual has completed three weeks of job club without finding a job and has subsequently gone through assessment and signed a welfare-to-work plan. The best guess is that the limits will be reached during the last quarter of 1999.

A critical feature differentiating California's plan from those of the other states is that when the household reaches either the interim time limit on welfare without work or the five-year lifetime limit, only the adult's share of the grant is eliminated. In this way, the CalWORKs program preserves AFDC's basic goal of aiding poor children; but, as discussed in Chapter 4, the provision creates new pressures for county welfare agencies.

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<sup>5</sup>In California, the 18-month time limit for applicants may be extended by six months if the county determines that the extension is likely to lead to unsubsidized employment, or if conditions in the economy are such that jobs are unavailable.

A state's ability to enforce a time limit depends on welfare agency staffs' having ready access to information about the household's prior receipt of welfare in all jurisdictions of the state. In this way, if a family moves from one locale to another, its time on welfare in both places can be counted. In all the Urban Change sites (with varying difficulty), welfare agency staff can use automated data to count the number of months a case has received welfare within the state. Enforcing the federal five-year limit, however, will require access to a national database of welfare receipt in all states — a database that, at this writing, does not exist.<sup>6</sup>

### **Eligibility**

Table 2.5 deals with aspects of eligibility determination at the sites. Three features of the table bear special mention. First, all four sites have liberalized their earned income disregards (that is, the amount of earnings not taken into account when the welfare benefit is recalculated after a client has found employment). Pennsylvania's disregard — 50 percent of all earned income is disregarded in calculating ongoing welfare eligibility — is less generous than those of the other sites (although much more generous than the previous \$30 and 1/3 disregard under AFDC), but conceivably easier for recipients to understand.

Second, all four states have opted to continue TANF benefits for immigrant families who arrived in the United States before the signing of PRWORA. California and Pennsylvania are using state maintenance-of-effort moneys to pay for cash and medical services for later arrivals. Neither Florida nor Ohio has opted to support recent immigrants using state funding.

Finally, three of the state plans (not Pennsylvania's) provide for welfare diversion — that is, the provision of up-front payments that can enable applicants to avoid welfare. Only one site had begun to implement these provisions before the main research site visits.

### **Welfare-to-Work Programs**

Table 2.6 describes various features of the welfare-to-work programs in the study sites at the time of the principal implementation research visits.<sup>7</sup> Consistent with the provisions of PRWORA, in all the sites, these programs are meant to spur recipients to enter employment as quickly as possible (that is, the programs have a “work-first” or “labor force attachment” emphasis). At all sites except Los Angeles County, the emphasis represents a significant change from the focus of the welfare-to-work programs that preceded PRWORA: these had encouraged recipients to strengthen their educational and vocational skills before seeking jobs (that is, they had a “human capital development” approach). Largely because of funding constraints and capacity issues,

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<sup>6</sup>Field research at the Urban Change sites indicates that local welfare office staff do try to ascertain whether new applicants for assistance who report that they came from another state were previously receiving welfare in that state. They verify that the applicant's case in the state she used to live in has been closed before opening a new case. (Feminine singular pronouns are used in this report because the majority of adult welfare recipients are women.) An explicit purpose of this practice is clearly to prevent “double-dipping”; it is unclear, however, whether prior receipt in other states is being counted against recipients' time limits.

<sup>7</sup>In this discussion and throughout the report, the term “welfare-to-work” is used to refer broadly to activities sponsored by public agencies that are aimed at moving welfare recipients into employment (for example, job search, education, training, and work experience) rather than to the more specific Welfare-to-Work funding enacted by Congress in 1997.

the pre-TANF welfare reform programs in Cuyahoga, Miami-Dade, and Philadelphia

**Table 2.5**

**The Project on Devolution and Urban Change**

**Eligibility Provisions of Welfare Reform Initiatives, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Gross income limit for determining applicants' eligibility	Not to exceed \$630 per month for family of three	Net nonexempt income not to exceed minimum basic standard of adequate care <sup>a</sup>	Not to exceed 130% of federal poverty level	Not to exceed 185% of standard of need
Asset limit for applicants	None	\$2,000	\$2,000	\$1,000
Assets disregarded in determining applicants' eligibility	All	Home of residence; vehicle valued at up to \$4,650	Home of residence; vehicle valued at up to \$8,500; cash value of life insurance	Home of residence; one motor vehicle regardless of value; educational savings; cash value of life insurance
Earned income disregarded in determining continuing eligibility and grant amount	\$250 of income earned in a month plus 50% of the remainder for 18 months	\$225 of income earned in a month plus 50% of the remainder	\$200 of income earned in a month plus 50% of the remainder	50% of income earned in a month
Provide TANF and Medicaid to qualified immigrants who came to the U.S. before August 1996	Yes	Yes	Yes	Yes
Provide cash and medical assistance during first five years in the U.S. to qualified immigrants who came to the U.S. on or after August 1996	No	Yes	No	Yes
Means of diversion from enrollment in program	Up to \$1,000 per year to help with one-time urgent needs	Up to 3 months of aid payment in a lump sum. Families are eligible for Medicaid and child care during diversion. Not implemented as of December 1997.	Up-front emergency services, one-time cash assistance, and emergency employment. Not implemented as of October 1997.	No plans to implement

**Table 2.5 (continued)**

SOURCES: **Cuyahoga:** Cuyahoga County Department of Entitlement and Employment Services; Cuyahoga Work & Training; General Assembly of the State of Ohio, *Substitute House Bill Number 408*, October 1, 1997. **Los Angeles:** California Department of Social Services, *Fact Sheet: California's Welfare-to-Work Plan*, January 1998; County of Los Angeles Department of Public Social Services; County Welfare Directors Association of California, *California Welfare Reform: Summary of the Provisions of AB1542 and AB1008*, August 1997; Legislative Analyst's Office, *CalWORKs Welfare Reform: Major Provisions and Issues*, February 1998; *Senate Floor Committee Analysis AB1542*, 1997. **Miami-Dade:** Florida Department of Children and Families; Florida Legislature Conference Committee on Welfare Reform CSSB 1662, *A Plan to Reform Welfare in Florida: Work and Gain Economic Self-Sufficiency (Summary)*, May 1996; Florida Senate Bill SB1662, 1996. **Philadelphia:** Pennsylvania Department of Public Welfare; Pennsylvania Department of Public Welfare, *Cash Assistance Handbook: Appendix A-1*, 1997; Pennsylvania Department of Public Welfare, *Temporary Assistance for Needy Families State Plan*, submitted January 1997. **All Sites:** United States General Accounting Office, *Welfare Reform: Many States Continue Some Federal or State Benefits for Immigrants*, July 1998.

NOTES: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>The net nonexempt income of an applicant is determined by excluding \$90 of earned income for each employed person and adding the result to the family's other unearned income.

**Table 2.6**

**The Project on Devolution and Urban Change**

**Welfare-to-Work Provisions, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Pre-welfare reform				
Program emphasis	Human Capital Development	Labor Force Attachment	Human Capital Development	Human Capital Development
How mandatory was program as implemented?	Largely voluntary	Mandatory for some recipients, voluntary for applicants	Largely voluntary	Largely voluntary
Post-welfare reform				
Program emphasis	Labor Force Attachment	Labor Force Attachment	Labor Force Attachment	Labor Force Attachment
How mandatory is planned program?	Mandatory	Mandatory	Mandatory	Mandatory
Hours per week of participation required for single-parent families <sup>a</sup>	30	32	20	20 (after 2 years)
Exemptions from participation requirements	Single parents with a child less than 6 months old	Parents caring for infant under age 1; Cal-Learn participants; disabled; elderly; unspecified caretakers; pregnant women whose pregnancies preclude work; those with good cause as determined by the county; recipients under age 16, or under age 19 if in school	Children under 16; single parents with a child less than 3 months old; individuals eligible for Supplemental Security Income (SSI) due to age or disability; caretakers for disabled family members (added in 1998)	Single custodial parents caring for a child under age 1 (for maximum 12 months in lifetime); parents/caretaker caring for a child under age 6 for whom child care is not available; recipients under the age of 18 pursuing high school diploma or GED; those with verified disabilities that prevent them from working

(continued)

**Table 2.6 (continued)**

**SOURCES:** **Cuyahoga:** Cuyahoga Work & Training; Ohio Department of Human Services, “Public Notice of the State of Ohio’s Temporary Assistance for Needy Families (TANF) Program,” *The Plain Dealer*, August 22, 1997. **Los Angeles:** California Department of Social Services, *Fact Sheet: California’s Welfare-to-Work Plan*, January 1998; County of Los Angeles Department of Public Social Services, *Los Angeles County CalWORKs Plan*, January 1998; County of Los Angeles Department of Public Social Services, *CalWORKs “Passport to Success,”* February 1998; *Senate Floor Committee Analysis AB1542*, 1997. **Miami-Dade:** Florida Department of Children and Families; Florida Senate Bill SB1662, 1996. **Philadelphia:** Pennsylvania Department of Public Welfare; Pennsylvania Department of Public Welfare, *Temporary Assistance for Needy Families State Plan*, submitted January 1997.

**NOTES:** For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>Hours reported are minimums at the start of each welfare-to-work program. The minimum number of hours in Miami-Dade and Philadelphia Counties is less than the federal requirements of 25 hours in fiscal year 1999 and 30 hours in fiscal year 2000.

Counties had largely served clients who actively sought out the services they offered; although technically participation was mandatory, those recipients who participated effectively did so on a voluntary basis. In the post-PRWORA era, in contrast, recipients' participation in job club or other welfare-to-work activities is planned to be mandatory at all sites, and noncompliance may be met by sanctions. All sites except Philadelphia also require nonexempt recipients to engage in welfare-to-work activities for a set number of hours per week from the outset of their welfare tenure: the weekly participation requirement ranges from 20 hours in Miami-Dade to 32 hours in Los Angeles County. In Los Angeles and Philadelphia Counties, single parents with children under one year of age are exempted from the participation requirement; in Cuyahoga County, single parents with children under six months old are exempt; and in Miami-Dade County, single parents with children three months or younger are not required to participate.

### **Behavioral Provisions**

The Urban Change sites have also instituted different provisions aimed at regulating recipients' personal behavior. As shown in Table 2.7, two states, California and Florida, seek to curb out-of-wedlock childbearing through "family caps," which limit or bar increases in the assistance grant for single mothers who give birth to children conceived while they are receiving welfare. California provides no grant increases for additional children; Florida's statute allows half the prescribed increase for the first additional child and no increases for second and subsequent births. All the states except for Ohio permit sanctions if recipients' children do not attend school regularly or do not have the proper immunizations.

Finally, the sites have generally strengthened the sanctions they impose on recipients who do not cooperate in efforts to establish paternity and get child support for their children. At the same time, two have eliminated the AFDC provision that required states to exclude the first \$50 of child support moneys collected from income that is counted against the recipient's grant.

### **Support, Postemployment, and Transitional Services**

All the sites provide child care and transportation assistance (bus passes, for example) for welfare-to-work program participants (see Table 2.8). All of them also make available counseling and/or substance abuse treatment for recipients who need them. Finally, all the counties can make payments to recipients to defray the cost of work-related expenses.

The plans in Los Angeles and Miami-Dade Counties also call for special services for recipients who become employed, both while they remain on welfare and thereafter. These postemployment services emphasize education and training to allow those placed in entry-level jobs to upgrade their positions and increase their incomes.

All the site plans include the provision of transitional benefits to recipients who exit the welfare rolls for jobs. As required under PRWORA, these services include extended Medicaid coverage for up to a year. (In Philadelphia, six months of medical care is provided regardless of income, and up to one year of medical care is available for households with earnings at or below 185 percent of the Federal Poverty Income Guidelines.) In addition, subsidized child care is provided for at least one year for households that fall below a specified income threshold.

Finally, Table 2.9 summarizes the essential elements of each site's plan and serves as a general reference. In the four chapters that follow, the implementation process is considered from the separate perspectives of welfare agency personnel and recipients in each site.

**Table 2.7**

**The Project on Devolution and Urban Change**

**Behavioral Provisions of Welfare Reform Initiatives, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Existence of family cap <sup>a</sup>	No	Yes	Yes <sup>b</sup>	No
Sanctions if children do not attend school	No	Yes	Yes	No <sup>c</sup>
Sanctions if children not immunized	No	Yes	Yes	No <sup>c</sup>
Penalties for recipient's noncooperation with child support enforcement efforts	Subject to 3-tier sanction <sup>d</sup>	25% grant reduction	Subject to 3-tier sanction <sup>e</sup>	Individuals ineligible for cash assistance, or family's grant reduced by 25%, whichever is higher <sup>f</sup>
\$50 child support disregard	Eliminated	Preserved	Eliminated	Eliminated in state plan, but state court temporarily barred change effective May 1, 1997

SOURCES: **Cuyahoga:** Cuyahoga County Department of Entitlement and Employment Services; Cuyahoga County Department of Entitlement and Employment Services, *Ohio Works First Provisions: Phase I*, October 1997; National Governors' Association Center for Best Practices, *Summary of Selected Elements of State Plans for Temporary Assistance for Needy Families*, November 1997; Ohio Department of Human Services, *What Welfare Reform Will Mean to the People of the State of Ohio*, July 1997. **Los Angeles:** California Department of Social Services, *Fact Sheet: California's Welfare-to-Work Plan*, January 1998; County Welfare Directors Association of California, *California Welfare Reform: Summary of the Provisions of AB1542 and AB1008*, August 1997; "Governor Pete Wilson 1997 State of the State Address: Welfare Reform Becomes a Reality," press release, February 1997. **Miami-Dade:** Florida Department of Children and Families. **Philadelphia:** National Governors' Association Center for Best Practices, *Summary of Selected Elements of State Plans for Temporary Assistance for Needy Families*, November 1997; Pennsylvania Department of Public Welfare; Pennsylvania Department of Public Welfare, *Summary of Public Comments on the TANF State Plan*, comment period: January 17–March 2, 1997.

NOTES: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

<sup>a</sup>A family cap entails the partial or full denial of cash benefits to a child conceived while the mother is on welfare.

<sup>b</sup>The policy provides "limited" additional benefits to children born within 10 months of initial welfare receipt: 50 percent for first child, and no benefits for each child thereafter.

<sup>c</sup>Although sanctions for school attendance and immunization are included in the state plan, regulations

have not been developed for these provisions.

(continued)

**Table 2.7 (continued)**

<sup>d</sup>In Cuyahoga, the first instance of noncooperation results in the removal of OWF benefits (for the entire family) and possibly Food Stamp benefits (for the adult) for one month or until cooperation is obtained, whichever is longer. For the second instance of noncooperation, the sanction lasts for three months or until cooperation, whichever is longer. For any subsequent instances, the sanction lasts for six months or until cooperation, whichever is longer. Those adults who are sanctioned three or more times may also be ineligible for Medicaid.

<sup>e</sup>In Miami, the entire family is subject to the following sanctions: The first instance of noncooperation results in the loss of cash assistance until the individual has complied for 10 working days; the second instance results in the loss of cash and Food Stamps until the individual has complied for 30 days; and the third and subsequent penalties result in the loss of cash and Food Stamps for a minimum of three months. Benefits are reinstated after the individual complies for 10 working days after the three-month penalty period.

<sup>f</sup>Twenty-five percent penalty has been implemented only for “child-only” budgets.

**Table 2.8**

**The Project on Devolution and Urban Change  
Support and Postemployment Services, and  
Transitional Benefits, by Site**

<b>Characteristic</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Support services				
Child care	OWF recipients with children under 13 are eligible for child care subsidies, extended on a sliding-scale fee basis	Subsidized care guaranteed for CalWORKs children under 11. County will provide child care for CalWORKs children 11–12 years of age provided there is sufficient funding.	Children of WAGES participants receive child care priority	Children under 13 whose parents are participating in RESET. Child care also provided to enable parents to accept or continue employment.
Transportation support	Yes	Yes	Yes	Yes
Counseling	Counseling may be an alternative work activity if necessary	Substance abuse, mental health, and domestic violence services provided. Recipients may temporarily be excused from work requirements.	Substance abuse and mental health services may be provided if necessary for a participant to secure or retain a job	Substance abuse treatment required if assessment indicates that a drug or alcohol problem is a barrier to employment
Other	Retention and contingency services are available to help participants meet an emergent need or to achieve or maintain self-sufficiency	Help with work-related expenses (books, tools, work clothes) is offered	If needed for employment or training, assistance can be provided to help purchase tools and/or uniforms	Special allowances for supportive services can be made for items such as: clothing, tools, equipment, books and supplies, and test fees
Postemployment services	None as of January 1998	Employment counseling; education and training while participants remain on welfare and for up to 12 months thereafter	“Bootstrap services” — job-related education or training to upgrade skills — for up to 2 years after participants leave the WAGES program	None as of November 1997

(continued)

Table 2.8 (continued)

Characteristic	Cuyahoga County	Los Angeles County	Miami-Dade County	Philadelphia County
Transitional benefits	Medical coverage for 1 year; for families who leave OWF because of increased earnings, child care for children under 13 for 1 year or until income exceeds 150% of the federal poverty level	Up to 1 year of medical coverage; subsidized child care for 2 years or until family's income exceeds 75% of state median	Up to 1 year of medical coverage; 2 years of subsidized child care for a family that leaves welfare because of increased earnings	For individuals who leave welfare because of increased earnings: 6 months of medical coverage regardless of income; up to 1 year of medical coverage and child care for households whose earned income is at or under 185% of the federal poverty level

SOURCES: **Cuyahoga:** Cuyahoga County Department of Entitlement and Employment Services, Ohio Works First brochures for clients; Ohio Department of Human Services, "Public Notice of the State of Ohio's Temporary Assistance for Needy Families (TANF) Program," *The Plain Dealer*, August 22, 1997; Ohio Department of Human Services, *What Welfare Reform Will Mean to the People of the State of Ohio*, July 1997. **Los Angeles:** County of Los Angeles Department of Public Social Services, *CalWORKs Child Care Implementation Plan*, July 1998; County of Los Angeles Department of Public Social Services, *CalWORKs Domestic Violence Supportive Services Program Implementation Plan*, April 1998; County of Los Angeles Department of Public Social Services, *CalWORKs Mental Health and Substance Abuse Supportive Services Implementation Plan*, April 1998; County of Los Angeles Department of Public Social Services, *CalWORKs "Passport to Success,"* February 1998; County of Los Angeles Department of Public Social Services, *Toward Self-Sufficiency: CalWORKs Post-Employment Services Implementation Plan*, August 1998; County Welfare Directors Association of California, *California Welfare Reform: Summary of the Provisions of AB1542 and AB1008*, August 1997; *Senate Floor Committee Analysis AB1542*, 1997. **Miami-Dade:** Florida Legislature Conference Committee on Welfare Reform CSSB 1662, *A Plan to Reform Welfare in Florida: Work and Gain Economic Self-Sufficiency (Summary)*, May 1996; Florida Senate Bill SB1662, 1996. **Philadelphia:** Pennsylvania Department of Public Welfare; Pennsylvania Department of Public Welfare, *Cash Assistance Handbook*, February 1997; Pennsylvania Department of Public Welfare, *Questions and Answers Regarding the Temporary Assistance for Needy Families Program in Pennsylvania*, submitted January 1997; Pennsylvania Department of Public Welfare, *Summary of Public Comments on the TANF State Plan*, comment period: January 17–March 2, 1997; Pennsylvania Department of Public Welfare, *Temporary Assistance for Needy Families State Plan*, submitted January 1997.

NOTE: For Cuyahoga, Los Angeles County, and Miami-Dade, there are both state and local TANF plans. For Philadelphia, there is only a state plan.

**Table 2.9**

**The Project on Devolution and Urban Change**

**Distinctive Features of Welfare Reform Initiatives, by Site**

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**Cuyahoga County**

Welfare reform in Ohio is characterized both by a shift to a work-first approach and by further devolution of authority from the state to the county level.

Local political officials have played a major role in shaping Cuyahoga County's welfare reform initiative.

Welfare reform in Cuyahoga County has meant substantial changes — still ongoing — in agency configuration, staff functions, and office locations.

**Los Angeles County**

California's welfare reform law includes, for adults only, a work-trigger time limit of 18 or 24 months and a five-year lifetime limit; because children can receive TANF after these time limits expire, the time limits entail a reduction in benefits, not the termination of assistance.

A work-first-oriented JOBS program, known as Jobs-First GAIN, was started in the early 1990s, and the county's recent welfare-to-work initiative builds on this.

The welfare reform plan adds a diversion component, postemployment services, and special services directed toward victims of domestic violence and individuals with substance abuse and mental health problems.

**Miami-Dade County**

Florida has enacted one of the shortest time limits in the country — cash assistance for the entire family is ended after two years of continuous receipt (three years for more disadvantaged recipients) — and one of the earliest to hit as well, with the first recipients reaching a time limit in October 1998.

Florida has taken an unprecedented step for a state-administered welfare system by devolving responsibility to the local level through the creation of local WAGES Coalitions responsible for the development of implementation plans for each district.

The diversity of Miami-Dade, with the highest percentage of foreign-born residents of any U.S. metropolitan area, poses challenges for those seeking entry-level employment who are not bilingual.

Based on their education and employment histories, most recipients are assigned to one of three "profiles," which determine the services they can receive and the level of payment to service providers.

**Philadelphia County**

Pennsylvania's welfare system is state administered. Welfare administrators in each county were instructed to follow the same state plan.

After receiving cash benefits for two years, recipients must work or participate in a work activity 20 hours a week to maintain eligibility for their families; after receiving cash benefits for five years, the entire family loses cash assistance.

In order to make the rules regarding earnings significantly easier to understand — and to allow recipients to keep a larger share of their benefits when employed — 50% of earnings are disregarded in determining grant levels.

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## Chapter 3

### Cuyahoga County: A River of Change

From my understanding, for your entire life you can never sign up again [after reaching the time limit]. I think that's a little bit rough, because just because now you're having a hard time doesn't mean 10 years down the road you're *not* going to be having a hard time. . . . I like the time limits, because that kind of motivates you. You've only got so much time.

An ethnographic study respondent

#### **I. Introduction**

Named for the river that runs through it — the Mohawk called it Cahagaga, which means “crooked river” — Cuyahoga County is the most populous of Ohio's 88 counties, with nearly 1.4 million residents in 1997. The county, whose principal city is Cleveland, has undergone tremendous revitalization and change in recent years. Cleveland was historically an industrial and transportation center, and with the decline of its factories, it became known as a “rust-belt” city. In recent years, the growth of the county's service sector has spurred a major economic revival; service-sector institutions (universities and hospitals, for example) employ nearly one-third of the county's workers and are projected to provide jobs for more than 315,000 people by the year 2000. The county's unemployment rate dropped from double digits in the early 1980s to 4.8 percent in 1997, just under the national average.

There is a second side to the economic success story in Cuyahoga County. In 1994, more than one-third of the county's residents lived in Cleveland, and almost 30 percent of Cleveland's residents lived in poverty. While the poverty rate has increased both in the county as a whole and in the City of Cleveland over the last twenty years, Cleveland's poverty rate has consistently been approximately double that of Cuyahoga County (29.7 and 14.5 percent, respectively, in 1994).<sup>1</sup> Poverty disproportionately affects African-American citizens, who make up 25 percent of the county population but account for nearly half of Cleveland's residents. Because over a fifth of Ohio's Temporary Assistance for Needy Families (TANF) population lives in Cuyahoga County, the county's success in moving recipients from welfare to work is important to the success of welfare reform in the state as a whole.

The welfare reform narrative that was taking shape in Cuyahoga County in early December 1997, when MDRC conducted most of the early implementation research there, in reality entailed two separate stories. The first was one of changes being made within the county's existing welfare agency, known as the Department of Entitlement and Employment Services (DEES), to

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<sup>1</sup>Poverty rates are based on 1994 estimates, not actual census data (Coulton and Guo, 1996).

bring its policies and practices into closer alignment with federal and state welfare reform legislation. The second was one of planning for an entirely new welfare agency concerned exclusively with TANF recipients, to be known as Cuyahoga Work & Training (CW&T), as well as for other major modifications to the county's human services delivery system. These sweeping changes, which were intended both to respond to the immediate needs of the 27,000 TANF recipients facing work requirements and, over time, to meet the needs of all county residents in need of help, were slated for implementation over the course of 1998. Consequently, only the central elements of this restructuring are described in this report.

At the time of MDRC's principal data-gathering visit, upper-level DEES administrators were aware of the impending restructuring. But a number of decisions had been reached only a short time previously, and many details remained to be worked out. County officials also wanted to wait until the head of CW&T had been appointed before going public with the news. (This happened later in December.) For these reasons, line staff members in the income maintenance and JOBS offices had not yet been systematically informed about the proposed organizational changes. As one senior official put it, "Now [line staff] don't know where things are except via the rumor mill, which is active." Thus, the attitudes and behavior of line staff members described in this chapter reflect only minimal awareness of the large-scale changes that were about to take place.

The chapter also relies on ethnographic interviews, conducted mostly between October 1997 and March 1998, to examine what the changes to date have meant in the lives of welfare recipients. The ethnographic findings are based on the responses of 19 women living in three low-income neighborhoods in Cuyahoga County. The residents of two of these neighborhoods are primarily African-American, and the third neighborhood has mostly white residents.

Three key themes resonate through the chapter:

- **Welfare reform in Ohio is characterized by a shift to a work-first approach and by further devolution of authority from the state to the county level.** Ohio lawmakers have given a new direction to welfare-to-work initiatives. The focus of these efforts has changed from human capital development, with its concomitant emphasis on participation in education and job training, to a work-first approach, in which job search is the first activity for most recipients. Moreover, although public assistance in Ohio is administered by the counties, the state welfare agency, the Ohio Department of Human Services (ODHS), had authority in the past over county agencies. With the coming of welfare reform, ODHS has devolved to the counties full responsibility for the administration and implementation of welfare-to-work programs.
- **Welfare reform in Cuyahoga County has meant substantial changes in administrative arrangements, staff functions, and office locations.** To respond to the new mandate, Cuyahoga County has twice, within a two-year period, reconfigured the county human services agency. Staff roles are also being reorganized: the formerly separate functions of eligibility workers and welfare-to-work line staff will be combined into a single case manager position, allow-

ing a client to interact with just one caseworker on most aspects of her case. Finally, services will be delivered in neighborhood family service centers, some in the same locations as the former welfare offices, some in new locations.

- **Local political officials have played a major role in shaping Cuyahoga County's welfare reform initiative.** In Cuyahoga County, welfare reform has been a top priority of the three-member Board of County Commissioners, elected officials who have policy-making and fiscal authority over the county. The commissioners have been the driving force behind the administrative restructuring, and the neighborhood centers and integrated case manager positions reflect their vision of the optimum service delivery structure.

This chapter is divided into eight sections. After this introductory section, Section II examines Ohio's pre-TANF welfare reform legislation, which included elements that were later to appear in the federal legislation, as well as Cuyahoga County's responses to this early policy shift, while Section III carries the story of legislative and administrative change forward into early 1998. Section IV considers the new messages of welfare reform that Cuyahoga County administrators and line staff have sought to impart, as well as what recipients have heard and understood of these messages. Section V surveys both policies and practices with regard to the welfare-to-work program, support and transitional services, and sanctioning; it also presents recipients' views on these topics. Section VI looks at some of the administrative issues the county will face in developing a new and effective organizational structure, while Section VII discusses the challenges Cuyahoga County will confront in providing employment for its TANF recipients, from the perspectives of administrators and clients. Section VIII, the conclusion, reviews some of the issues that lie ahead as the county moves forward in implementing welfare reform.

## **II. The Story Before TANF**

Welfare reform has deep roots in Ohio. Along with the state's frequent policy changes, Cuyahoga County's welfare agency has undergone several efforts at reorganization over the last decade. Developments in the county need to be understood in historical context. Figure 3.1 presents a timeline of major developments at the state and local levels.

### **HB 167: OhioFirst**

In August 1995, Governor George Voinovich signed into law HB 167. Known as Ohio-First, this pre-TANF welfare reform initiative laid the groundwork for the state's post-TANF legislation. To implement a number of the act's provisions, at the same time Ohio had to seek a waiver of AFDC rules from the U.S. Department of Health and Human Services (DHHS).<sup>2</sup>

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<sup>2</sup>Ohio was operating three initiatives under waivers at the time the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was enacted: OhioFirst; the Learning, Earning, and Parenting (LEAP) program; and the Families, Children, and Communities of Opportunity initiative. Begun in 1989, the LEAP program is a statewide initiative that employs financial incentives in an attempt to increase school enrollment and attendance among pregnant teenagers and custodial teenage parents on welfare. Participation is manda-

(continued)

Implementation of OhioFirst began December 1, 1995; those provisions that required federal waivers took effect July 1, 1996. OhioFirst included the following provisions:

- **A 36-month time limit.** The legislation provided that AFDC recipients who were participating in JOBS could receive cash assistance for a maximum of 36 months out of any 60-month period; exemptions were allowed for certain hardship cases. In granting the waivers, however, DHHS stipulated that AFDC cash assistance could not be terminated at the end of 36 months unless the recipient was employed, and it placed the burden on the state to secure jobs for the unemployed.
- **An emphasis on self-sufficiency.** OhioFirst expressed the legislature's intent that welfare be viewed as a temporary expedient, not as a way of life, and that the mission of state and county welfare agencies shift from issuing benefits to supporting recipients' efforts to obtain employment and attain self-sufficiency. The legislation specified that employable AFDC recipients had to participate in the JOBS program and to take part in assigned JOBS activities (which could include job club, community work experience, subsidized employment, or education) as a condition of receiving benefits.
- **A self-sufficiency contract.** At application or redetermination of welfare eligibility, all individuals aged 18 and older were required to sign a contract outlining the steps they would take to become self-sufficient. (These might include looking for work or establishing paternity for their children so that the father would be responsible for support payments.) They were also required to abide by the terms of the contract, which could include mandatory participation in the JOBS program or enrollment in high school or a General Educational Development (GED) program.

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tory for all pregnant and parenting teens under age 20 who are receiving AFDC/TANF and do not have a high school diploma or GED. Teens who provide evidence of school enrollment receive a \$62 bonus, and their welfare grant is increased by \$62 each month in which they meet the school attendance requirements. Those who do not attend an initial LEAP assessment interview or who fail to verify school enrollment have their welfare check reduced by \$62 a month until they comply; they are also sanctioned \$62 for each month in which they exceed the allowed number of unexcused absences from school. MDRC conducted an eight-year evaluation of the original LEAP program's implementation and impacts (Bos and Fellerath, 1997).

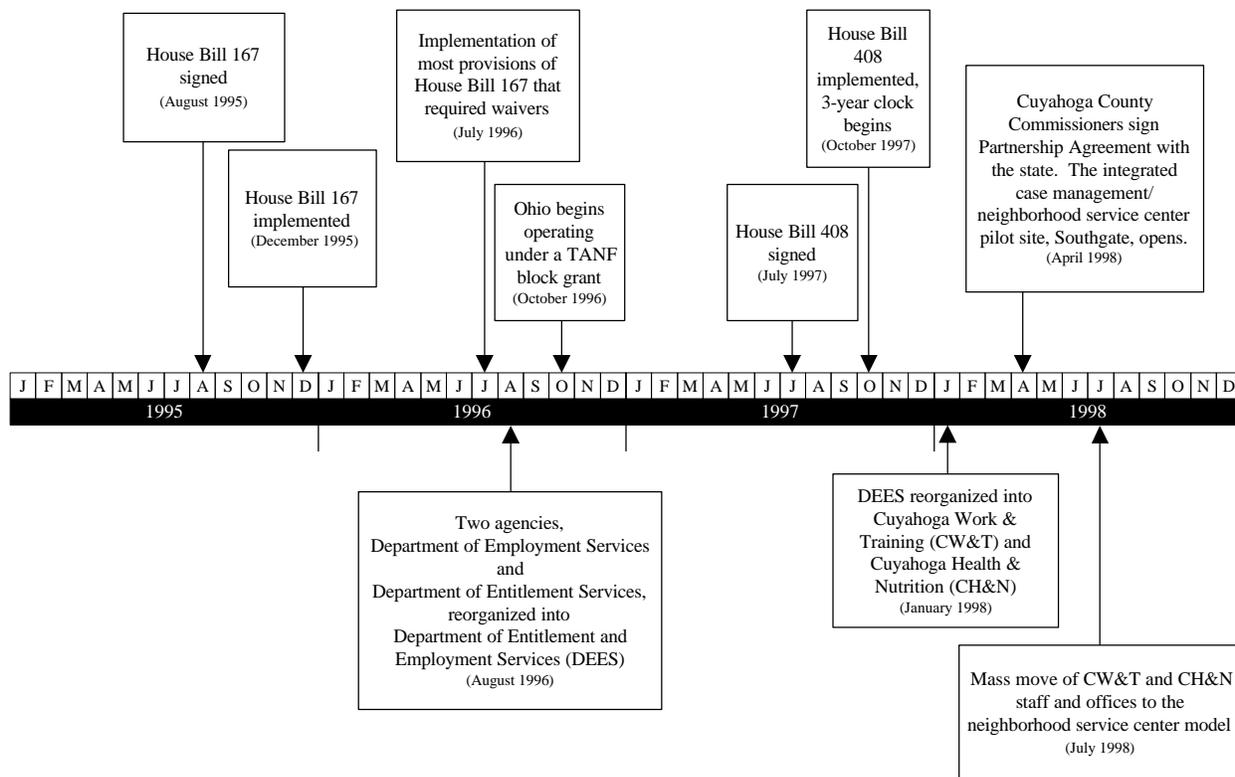
The 1995 waiver expanded on the original LEAP waiver by increasing teens' options for complying and by modifying the schedule of bonuses and sanctions. It specifies that if an appropriate educational activity cannot be found for a teen aged 18 or older, she can fulfill her participation requirement by enrolling in the JOBS program. The waiver also adds a \$62 bonus for successful completion of each grade (except grade 12) and a \$200 bonus for receipt of a high school diploma or GED. A teen who receives six consecutive months of sanctions loses all cash benefits for herself and her children.

The Families, Children, and Communities of Opportunity waivers were a public-private partnership which cashed out AFDC and Food Stamp benefits for use as wage supplements.

- **Full-family sanctions for noncooperation with JOBS.** After a participant's first failure to cooperate with the JOBS requirements, the entire family, not just the noncompliant individual, lost cash assistance (but not Food Stamps or

Figure 3.1

**The Project on Devolution and Urban Change**  
**Key Events and Policy Changes in Cuyahoga County**



Medicaid).<sup>3</sup> This full-family sanction was progressively longer for each subsequent instance of noncompliance.

- **Ineligibility for job quits.** If an individual quit a job without good cause, the entire family became ineligible for cash aid for six months but could receive Food Stamps and Medicaid.
- **Financial incentives to work.** To make working more appealing financially, the legislation substantially increased the amount of earned income that eligibility workers were to “disregard” in determining continuing eligibility for aid and in calculating the welfare benefits of recipients who became employed. Ohio legislators increased the disregard to the first \$250 of earnings plus one-half of the remainder for the first 12 months of employment.<sup>4</sup>

### **Cuyahoga County’s Responses to HB 167: The Integration of Employment and Entitlement Services**

Over the last decade, Cuyahoga County has tried out different ways of organizing and managing the delivery of services to welfare recipients. HB 167 prompted another shift in administrative arrangements.

Means-tested assistance programs and welfare-to-work initiatives fall within the purview of the Cuyahoga County Department of Human Services (CCDHS), an umbrella agency that is also responsible for child support enforcement and for administering services for children and families and for adults and senior citizens. Until 1991, AFDC eligibility and JOBS functions were addressed within the same CCDHS department.

Between 1991 and mid-1996, the two sets of functions were divided between two departments. Front-line workers known as eligibility specialists in the Department of Entitlement Services were responsible for determining initial and ongoing eligibility for AFDC, general assistance (until 1995, when Ohio terminated the program), Medicaid, Food Stamps, emergency assistance, and other services. The Department of Employment Services served people—including welfare recipients—who were eligible to participate in training programs funded under the federal Job Training Partnership Act (JTPA) and was also responsible for operating the LEAP program, arranging child care payments, and coordinating the provision of JOBS services.

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<sup>3</sup>The initial legislation called for children to lose Food Stamps and Medicaid benefits when their parents were sanctioned. Child advocacy and other organizations protested this provision, and the law was changed to allow children to retain these benefits.

<sup>4</sup>Other features of HB 167 are noteworthy. The act moved to strengthen two-parent families by eliminating the requirements that married two-parent households have a substantial work history in order to be eligible for assistance and that AFDC-U households be employed less than 100 hours a month. To remove other obstacles to employment, it also allocated additional child care funding and allowed recipients to keep vehicles valued up to \$4,500 (up from \$1,500). Moreover, AFDC and Healthy Start clients in seven of the state’s largest counties (including Cuyahoga) were required to enroll in a health maintenance organization (HMO).

The county's JOBS program was limited in scope and capacity, however. As of mid-1996, only a fraction of the JOBS-mandatory caseload was participating — largely in education and training services, and largely on a voluntary basis — and waiting lists for program openings were often nine months long. Line staff members of the two agencies worked out of different offices and had little contact with each other.<sup>5</sup>

With the passage of HB 167, the Board of County Commissioners began to think about reuniting eligibility and welfare-to-work services administratively. In mid-1996 the Department of Entitlement and Employment Services (DEES) was created, and a new director was named. In the director's view, two principal considerations spurred this action. First, Cuyahoga County's AFDC and Food Stamp caseloads were shrinking, and the commissioners hoped to effect greater staff efficiencies (and, ultimately, a reduced staff complement) by merging the two departments. Second, the new emphasis on employment in the state legislation underscored the need for better communication and coordination between eligibility and JOBS workers.

Progress in organizational restructuring was slowed, however, by the new DEES administrators' uncertainty about what both federal and state welfare reform would ultimately entail and their reluctance to make structural changes that might not be best suited to implementing whatever was finally decided.<sup>6</sup> DEES also contracted with outside agencies to operate an initial job club component. Even so, because of slot limitations, only new applicants for assistance were immediately referred to JOBS; those on the rolls remained largely untouched by the participation requirements contained in the new legislation.<sup>7</sup>

In retrospect, it seems safe to conclude that the merger of Entitlement and Employment services did not achieve the goal of improving communication within the new agency. Perhaps the agency did not receive a fair, or long enough, test — within a year and a half, the administrative structure was shaken up once more. Still, the merger did not result in smooth relations between eligibility workers and JOBS program staff members. For the most part, the two groups of workers continued to be located in separate offices and, as documented later in this chapter, they remained largely uninformed about and suspicious of each other.

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<sup>5</sup>DEES staff worked out of six local income maintenance offices and an additional downtown office that handled only those initially applying for assistance. Until 1992, applications were processed only at this downtown office; cases accepted for assistance were then transferred to an "ongoing" unit at one of the six local income maintenance centers, depending on the zip code in which they lived. Between 1992 and 1995, intake was also performed at two local offices; the plan was that the remaining local offices would also eventually take on this function. JOBS staff members were headquartered at a single downtown location.

<sup>6</sup>After PRWORA was enacted in August 1996, Ohio submitted a plan to the U.S. Department of Health and Human Services to continue operating its existing initiative, including the approved waivers, with only those changes that were necessary to bring it in line with the federal legislation. But it was also generally expected that in its 1997 session the Ohio General Assembly would pass new welfare legislation to conform to the federal law, although the specific provisions of such legislation remained uncertain.

<sup>7</sup>There was also debate within DEES about starting people quickly in JOBS, since doing so would trigger the start of their time limit under HB 167.

### **III. The New World of Welfare: Post-TANF Legislative and Administrative Changes**

#### **HB 408: Ohio Works First**

**New provisions regarding participants.** On October 1, 1996, Ohio began receiving the new federal welfare block grant, triggering the start of the five-year federal time limit on aid.

Ohio opted to enact new welfare reform legislation to conform with PRWORA provisions, and in July 1997, Governor Voinovich signed HB 408, known as Ohio Works First (OWF).<sup>8</sup> (The term “OWF” is now applied not only to the legislation but also to the TANF assistance category, so that TANF recipients are known as OWF recipients.)<sup>9</sup> Implementation of Ohio Works First — which signaled the start of the state’s time limit on benefit receipt — began on October 1, 1997.

HB 408 replicated and expanded upon some of the main provisions of the earlier legislation:

- **36-month lifetime limit.** TANF recipients who fulfill their self-sufficiency contract and work requirements can receive benefits for 36 months. After this period, cash benefits end, and families cannot receive cash assistance for at least two years. If families need additional assistance after the two-year interim period, they may receive another two years of cash benefits if they show good cause.<sup>10</sup>
- **Strong work requirements and a work-first emphasis.** All OWF participants who are heads of single-parent households, except for those with infants under six months old, are immediately required to work or to participate in work-related activities for at least 30 hours a week; for two-parent households, the requirement is 35 hours a week.<sup>11</sup> The law specifies three types of work activities. For the first 20 hours of the 30-hour-a-week requirement, it permits only *federally allowable activities* (unsubsidized or subsidized employment, work experience, on-the-job training, job search, or vocational educational training). Up to 10 additional hours (five hours for two-parent families) may be

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<sup>8</sup>OWF’s major changes included: requiring that recipients participate in 20 hours of work activity per week; counting educational activities as welfare-to-work participation only if the activity was related to employment or vocational education; and barring most immigrants from receiving Food Stamps or cash assistance.

<sup>9</sup>This chapter adopts local nomenclature, and the terms “OWF” and “TANF” are used interchangeably. Also used interchangeably are the terms “eligibility specialist” and “income maintenance worker.”

<sup>10</sup>Cuyahoga County will establish guidelines for determining good cause in 1999.

<sup>11</sup>According to some knowledgeable observers, a major purpose of the demanding work requirements was to smoke out individuals working off the books while collecting welfare; they might be able to conceal their employment under less strenuous requirements.

spent in *developmental activities* (including adult basic education and GED classes, postsecondary education, and counseling related to employment).<sup>12</sup> Finally, up to 20 percent of a county's caseload — including families with children under the age of one, victims of domestic violence, those with substance abuse or mental health problems, and others temporarily unable to participate — may be placed in *alternative work activities*. Individuals in this category are expected to engage in activities specified in their self-sufficiency contracts (which may include counseling and treatment), but they are not subject to the 30-hour-a-week requirement.<sup>13</sup>

- **Longer-term financial incentives.** The first \$250 of income earned in a month and one-half of the remainder of earned income continue to be disregarded in calculating the assistance grant, but HB 408 increases the period during which this disregard is applied from 12 to 18 months.

HB 408 departed from the earlier legislation in other ways.

- **Creation of the Prevention, Retention & Contingency program.** The Prevention, Retention & Contingency (PRC) program replaces the Family Emergency Assistance program. It is designed to enable families with one-time, urgent needs to avoid welfare altogether or to remain employed. Counties were required to have PRC programs in operation by October 1, 1997; these programs are funded out of the counties' TANF allocations. The Ohio Department of Human Services provided the counties with guidelines that counties could either adopt or modify to meet their local needs; counties are free, however, to define eligibility standards, types of services covered, and assistance limits for the use of PRC funds.<sup>14</sup>
- **Expanded eligibility.** Eligibility for cash benefits is now based only on a person's monthly income; personal assets are no longer considered in determining eligibility.

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<sup>12</sup>There are limitations on the extent of participation in postsecondary education: after an individual has participated in this activity for 10 hours a week for approximately two years (1,040 hours), only five hours a week of the activity can be counted as satisfying the work requirement.

<sup>13</sup>Families, including victims of domestic violence and single parents with children under one, are automatically excluded from calculations of federal participation rates, even if they are not in the alternative work activity category.

<sup>14</sup>The state guidelines specify that prevention services should be provided to individuals to divert them from cash assistance and help them reach self-sufficiency. Retention services are designed to allow employed adults to remain employed. Contingency services target emergency needs of families. PRC funding can be used to cover the following general categories of expenditures: shelter (rent, deposits, utility bills, moving expenses); transportation (car payments and repairs); household items (necessary appliances); home repairs; short-term education; counseling; clothing; job-related expenses (tools); and job retention services.

- **Mandatory cooperation with child support enforcement.** If a parent does not cooperate with the Child Support Enforcement Agency (CSEA), the entire household's assistance grant is sanctioned.

**A new relationship between the state and the counties.** In addition to making changes in the treatment of TANF recipients, HB 408 transforms the basic relationship between the state and county departments of human services. The state formerly controlled much of the activity of the county agencies through rules and guidelines. The new legislation gives the latter more responsibility for planning and managing welfare reform and greater flexibility in the use of funds for these purposes. The Partnership Agreement, which must be signed by ODHS and by each county's Board of County Commissioners, is the primary vehicle for structuring and formalizing this change. The Partnership Agreement describes the county's plan for the design and administration of its OWF and PRC programs; it also includes a set of negotiated performance goals that the county will be expected to meet. All counties must have signed a Partnership Agreement with the state by January 1, 2000; Cuyahoga County's Partnership Agreement became effective in April 1998.

With the increase in decision-making authority, counties also get increased spending freedom. After the Partnership Agreement is signed, the county receives funding from the state as a single block grant, rather than through the eight categorical funding streams that existed previously. Under the block grants, therefore, funding is more flexible than in the past.<sup>15</sup> Counties can benefit from the new financial arrangements in other ways. If a county meets or exceeds the performance measures related to participation rates, error rates, service integration, and other objectives specified in its Partnership Agreement, or if it achieves caseload reductions, it is eligible to receive a bonus. If the county spends less than its allocated amount, it can retain 50 percent of the unspent money for later use. ODHS cannot impose financial penalties on the counties for failing to meet performance standards; any federal penalties are borne jointly by the state and the counties at fault. Counties must maintain spending based on what they spent on welfare programs during calendar year 1996.

### **Cuyahoga County's Role in Shaping the State Legislation**

The Cuyahoga County Welfare Reform Council was jointly established in October 1996 by the Federation for Community Planning (a nonprofit group that conducts research, planning, and action projects about health and welfare issues), the county commissioners, and a large number of human service agencies (including DEES, representatives of grassroots organizations, citizen advocacy groups, health organizations, churches, and other community groups). Its primary goals were to educate people about the new welfare reform policies, include the public in planning and action to address local issues, and influence the state's welfare reform plan through advocacy.

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<sup>15</sup>In addition, in the past, ODHS entered into contracts with other state agencies to provide services to the county welfare programs. Under HB 408, counties will develop their own contracts with these service providers.

Council members believed their influence was important, both in increasing the flexibility accorded to the counties under HB 408 and in shaping several legislative provisions:

- **Expanded lifetime limit.** The governor initially supported a five-year lifetime limit, while members of the Ohio House proposed a shorter limit. The three-year limit, with a possible “good cause” 24-month extension after an obligatory 24 months off of assistance, was the compromise position that ultimately prevailed.
- **Broadened Medicaid coverage.** Children younger than 19 years old are now covered if their parents’ income level is below 150 percent of the federal poverty line.
- **Transportation planning.** Welfare Reform Council members successfully pressed for the establishment of a state planning committee to address issues associated with moving people to jobs. HB 408 mandates ODHS to allocate funds (up to \$5 million in fiscal year 1998 and \$5 million in fiscal year 1999) to county departments of human services for transportation for OWF participants; these funds are to be taken from the OWF appropriations that remain unspent because of caseload reductions.

The council was, however, unable to persuade the legislature to make other changes it sought. These included allowing participation in basic education to satisfy the 30-hour-a-week requirement; guaranteeing child care to working poor families beyond the 12-month period for which families are eligible for transitional child care; and establishing the maintenance-of-effort level at 100 percent of the state’s 1994 expenditures on AFDC, rather than at the 80 percent level required under PRWORA.

The passage of HB 408 completed the Cuyahoga County Welfare Reform Council’s official role. In its final report, the council listed many accomplishments in addition to influencing the state legislation. These included issuing a report of recommendations regarding the implementation of PRWORA; conducting research with former and current welfare recipients; and supplying information on welfare reform legislation.

### **DEES’s Plans for Implementing Welfare Reform**

In January 1997, two new members of Cuyahoga County’s three-member Board of County Commissioners — including one who had been a leading advocate of welfare and children’s issues in the state legislature — took office. The Board of County Commissioners appointed a new deputy county administrator, who had previously headed the Alcohol and Drug Board, to head the Department of Human Services. The board also asked the new DEES director to prepare a plan for implementing welfare reform in Cuyahoga County; in May 1997 he presented a draft of that plan to the deputy county administrator.

Integrating the roles of eligibility and JOBS staff was a key feature of the DEES plan. In deciding to adopt this approach, DEES officials were mindful of the experience of other Ohio counties that had followed this path and reported positive results.<sup>16</sup> Integration also served practical needs: DEES officials were well aware that if the county was to meet federal and state participation mandates, ongoing recipients as well as new applicants had to take part in welfare-to-work activities. They were equally cognizant that there were not enough JOBS workers — only 70 in December 1997, 20 of whom were new hires — to handle the entire ongoing caseload. Training the much larger complement of eligibility specialists — who numbered some 438 in December 1997 — to perform JOBS-related functions was a potential solution to this dilemma.

The DEES plan outlined other major changes. It included an initial job search component to spur job seeking and employment among recipients who could easily find jobs, as well as to identify those who needed additional services to become employable. It also called for the intake of new OWF applicants to take place only at the central office, where JOBS staff and other workers responsible for coordinating daycare components were located. Finally, it specified a set of initiatives to be handled through contracts with various organizations. These initiatives entailed providing specific services (such as job placement and intensive services) to specific subgroups of the welfare population.

### **Enter McKinsey & Company: A Broader Vision of Change**

For the commissioners and the deputy county administrator, who regarded the implementation of the TANF changes as an unusual opportunity to redesign the county's human service delivery system from the ground up, the DEES plan did not go far enough. They favored a decentralized approach in which welfare offices were integrated with other community agencies. And they believed that a separate agency dedicated to OWF recipients would give additional focus and clarity to the new mission of welfare reform. They set the DEES plan aside and turned outside the agency for a fresh take on organizational design.

In October 1997 the Board of County Commissioners signed a three-year contract with the consulting firm of McKinsey & Company, Inc., to help board members translate their vision of service delivery into a concrete plan. The McKinsey team analyzed statistical data on client demographics; undertook an in-depth review of specific client cases; conducted interviews with line workers and supervisors, clients, and representatives of community organizations; observed client-staff interactions; analyzed welfare reform efforts in other jurisdictions; and researched the Cuyahoga County job market. The McKinsey group presented a draft of the plan to the Board of County Commissioners in early November.

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<sup>16</sup>In an MDRC evaluation of the JOBS program in Columbus, Ohio, JOBS-mandatory AFDC recipients were randomly assigned to integrated case management, traditional case management, or a control group that received income maintenance but no welfare-to-work activities. Over a two-year follow-up period, clients in the integrated case management group had significantly higher rates of participation in their assigned activities and significantly lower rates of welfare receipt than clients in the traditional case management group. Employment rates and earnings for clients in these two groups were similar (see Brock and Harknett, 1998).

In one important respect, the McKinsey plan resembled the DEES version: it entailed the creation of a new integrated case manager staff role which combined eligibility and welfare-to-work job functions. In other ways, the McKinsey plan departed sharply from the DEES recommendations and moved in the direction favored by the commissioners. Its key proposals included: reorganizing DEES into two agencies, providing social services in neighborhood centers, assessing clients' needs early in the process, and improving measures of performance.

**Reorganization.** As of January 1998, DEES was to be reconstituted into two agencies, to be known as Cuyahoga Work & Training (CW&T) and Cuyahoga Health & Nutrition (CH&N).<sup>17</sup> In December 1997, a former McKinsey staff member was named as general manager of CW&T, while the former DEES director was named director of CH&N. The heads of both agencies were to report to the Deputy County Administrator for Human Services.

The plan calls for CW&T to serve the county's OWF caseload, with the objective of promoting recipients' efforts to gain employment. Accordingly, CW&T case managers are to be known as "self-sufficiency coaches." Initial estimates are that each self-sufficiency coach will work with about 80 cases.

CH&N will focus on serving child-only TANF cases, working-poor recipients of Food Stamps and/or the Children's Health Insurance Program, and the elderly or homeless — that is, those who are not eligible for OWF and are not subject to the 36-month time limit. Specialists will handle approximately 250 cases. CH&N's major goals include promoting the use of available health and nutrition services in the community, providing specialized health care services, and supplying both agencies with information technology services.

Although initially CW&T will focus on current OWF recipients, the expectation is that the agency will eventually also assist former OWF recipients who have joined the ranks of the working poor and are still receiving transitional benefits such as Medicaid. This means that both CW&T and CH&N staff are slated to coordinate delivery of Food Stamps and Medicaid for different clienteles.

This agency reorganization is not necessarily permanent. The McKinsey planners noted that the two separate agencies might be combined again at some later date.

**Neighborhood-based services.** Staff at the six local income maintenance offices as well as at the downtown income maintenance office and the JOBS office will be redeployed. Both CW&T and CH&N services will be delivered by staff of the two agencies posted at 11 neighborhood family service centers. (Some of these centers may be in the same buildings as the former welfare offices.) These neighborhood centers will also house staff members from other public and nonprofit agencies, such as the state employment agency, the child support enforcement agency, a daycare referral service, and agencies providing mental health and substance abuse treatment. (Indeed, one county commissioner envisioned that the centers might accommodate child care facilities or the offices of city council members.) The hope is that, ultimately, these neighborhood cen-

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<sup>17</sup>Names for the new agencies were chosen in early 1998.

ters will lose their welfare office stigma and become places where all county residents will feel free to go when they need help; centers will offer direct assistance or referrals for job training and placement, daycare, mental health services, educational services, and so on.<sup>18</sup>

**Early assessment.** Based on a review of a sample of Cuyahoga County welfare cases and on an investigation of practices adopted in other counties and states, the McKinsey & Company planners identified early and thorough assessment of client needs as important to successful outcomes.

**Improved performance.** The McKinsey plan identified as a key capability for the new agency the ability to develop and monitor the performance of agency staff and contractors in achieving positive outcomes for clients, and it proposed using outcome-based performance measures as a basis of compensation. It also noted the role of client data in informing policy development.

#### **IV. Communicating the New Welfare Message**

While the McKinsey planning team was at work, DEES was trying to get out the word about welfare reform to recipients. This section describes the agency's efforts, the main messages that staff reported conveying, and what recipients understood of the new welfare rules.

##### **Efforts to Inform Recipients**

DEES tried to communicate the new welfare reform message to recipients in many ways. ODHS cooperated by including with each recipient's welfare check the image of a clock and information about how many of her 36 months she had left. The state agency also prepared public service announcements for airing on the radio and on cable television stations.

DEES staff made presentations on welfare reform at community forums, and the agency established two hotlines — one for recipients and one for prospective employers — that received extensive media coverage. Welfare staff also called recipients and offered to answer their questions. Large signs in the waiting areas of the income maintenance centers reminded recipients that their clocks were ticking, and applicants at the downtown office watched an introductory video on welfare reform.

Face-to-face redetermination interviews were still another setting in which workers could explain the new rules to recipients, and agency administrators regarded these interviews as critical for getting the message across. As one income maintenance center director explained, "A lot of clients don't read the newspaper; they are not paying attention. The face-to-face is important — the worker says, 'This means you.'" Eligibility specialists were instructed that, beginning October

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<sup>18</sup>Officials recognize that if this is to happen, line staff members must treat the people who come to the offices with dignity and respect. Toward this end, beginning around 1993, welfare agency staff were instructed to refer to public assistance recipients as "customers." This usage never took firm hold, however, and at the time of the implementation research visit, many workers continued to refer to recipients as "clients."

1, their redetermination interviews with clients should last one hour, so that they would have enough time to explain the rules carefully and recipients would have the opportunity to ask about rules they did not understand. According to this schedule, by the end of March 1998 (six months after the clock started ticking), all clients should have had the new rules explained to them in person. Issues associated with this effort are discussed in a later section.

### **What Staff Say**

County officials were keenly aware of federal and state pressures to reduce the welfare rolls, and they wanted DEES staff to deliver a strong message about getting off assistance. One senior DEES official summarized what the agency wanted line staff to convey to recipients:

Your clock is ticking whether you believe it or not. . . . We are here to work with you and find ways for you to be able to support your family, after that date [October 1, 2000, when people continuously on the rolls since the time limit began are to be cut off] or before. Because you only have 36 months in your lifetime, the time to take public assistance is when you most need it. The economy is good today. You can go out and find work, even if it is an entry-level job. Don't use a month when you don't need it. You will need it later when the economy is bad.

The intended message to recipients, then, consisted of several elements: (1) time limits are real; (2) this agency is here to help you; (3) get a job now, while the economy is thriving; (4) an entry-level job is better than no job; and (4) bank your time — that is, decide month by month whether you need assistance now or can save it.

New applicants, in contrast, were to be introduced to the concept of welfare prevention: “The message we want to get out there is, ‘What can we give you today so you can stay off of assistance?’”

Eligibility specialists and JOBS workers, asked what message they tried to communicate to recipients, said that they mainly stressed the time limits.<sup>19</sup> As one JOBS staff member reported, “The main message is that there is a three-year limit on welfare.” An eligibility specialist conveyed a similar message: “The first thing we tell them now is that you have 36 months, and the object is to be self-sufficient.”

The possibility of an extension to or exemption from the time limits was definitely not part of the program message. As a county commissioner commented, “We don't even discuss exemptions [from the time limits], because then families will think they're the ones [who will get the exemption].” Most staff members interviewed said that they never told recipients that their time lim-

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<sup>19</sup>Observations of client-staff interactions, however, suggest that staff members' communications about the time limits could leave room for confusion in recipients' minds. During an intake interview, for example, a JOBS staff member did not explain to an applicant that her clock would continue to tick every month during which she received cash assistance, including months spent in a job training program. And during a redetermination interview, an eligibility specialist informed a recipient about the exemption from the participation requirement for mothers with children under six months of age but did not indicate that the mother's time limit would continue to be in effect.

its might be extended. One who did mention this possibility nonetheless stressed the rarity of the event: “I have told people about the time-limit extension, but I tell them that it is extremely rare, like for a battered woman living in a shelter. I tell them there is little chance for them to be exempted.”

Staff also reported that they discussed with recipients the possibility of banking time. Some staff members indicated that if clients were eligible for only a small cash grant, they usually counseled them not to take the cash assistance — thereby stopping their OWF clocks — and instead to bank their time until they really needed the money. Respondents in staff focus groups provided several examples of the advice they gave to clients:

I tell them, “Look at it like a savings [account], don’t use it up all at one time, so you know you can come back . . . because when you use it up, it’s gone.”

If the check is reduced, I tell them they should just get Food Stamps and medical [benefits]. They’ll get an increase in Food Stamps that offsets the drop in the check.

I tell clients that . . . if they become employed at some point they can bank their time. If their check is only around \$20, they may not want to take it. . . . Somewhere down the road they may need a full check.

Along with the messages about time limits and banking time, many staff members believed it was important to make sure recipients understood the new and more stringent sanctioning policies and the fact that quitting a job without good cause could lead to a six-month period of ineligibility for aid.

### **What Recipients Have Heard**

Ethnographic study respondents learned about welfare reform in many ways. Some heard about it through official sources — their caseworkers, mailings included with their assistance checks, and flyers posted at the welfare offices and other locations. Some learned about the new rules on the television and radio, or read about the changes in the newspapers. Friends and family members were another important source of information; their versions sometimes paralleled, sometimes contradicted the messages conveyed by more official sources. The respondents’ confusion about several key welfare reform provisions must be understood in the light of the incomplete and sometimes inconsistent information they had received.

All the respondents interviewed as part of the ethnographic study were aware of OWF and were familiar to some degree with the major welfare changes. The information included with their welfare checks may have been a particularly effective reminder. As one respondent reported:

They remind you every time they send you anything, a little reminder, you know. You’re into your sixth month. You have so many months left. So it really motivates you to have to do something, because once it’s over, it’s over.

Although welfare recipients knew that a lifetime limit on welfare receipt had been imposed, and most knew that it was three years in length, they were much less certain about exactly what the time limit meant or how it would work. In some cases, respondents believed that after they had used up their 36 months, their children would continue to receive a reduced benefit. (Said one respondent, “Welfare is going to be like unemployment — you gotta find work. If you don’t find work, you’ll just get a check for the kids until you find a job.”) Some welfare recipients were not convinced that the time limits would be permanent.

Others did not seem to be aware that after three years they can receive two more years of benefits if they show “good cause.” According to one respondent:

I just got a letter from welfare telling me I used up five months of my 36. They’re giving you a statement. But then on the statement it says that you might be eligible for more time after your time is up. And I don’t understand this. ’Cause they stressed 36 months.

Another recipient expressed similar confusion:

You’re supposed to get it for three years out of a five-year period. [Question: “Is that forever?”] I don’t know. Somebody says that it’s forever, but if they say three years out of a five-year period, it doesn’t sound like it. It sounds like you could go back on after five years. I don’t know. I really don’t know.

Related to these recipients’ understanding of time limits is their perception of when and how people would be dropped from the welfare rolls. Several women expressed concern that they could be cut off at any time before the three years had been used. One woman believed that she would be cut off welfare without warning someday. She said that every month since October 1997 she has worried about and wondered whether she would receive another check. Another woman believed that she had already been cut off as a result of welfare reform.

And now that you have 36 months to be on the system, as far as the money is concerned, you might qualify for emergency money, and you’re better off saying you don’t want it until it’s like the ultimate emergency. But in my case, if it were an ultimate emergency, I don’t get anything, because I used the whole 36 months up. [Question: “I don’t understand. If the reform started October 1, how could you have used up all your time?”] That’s what I asked [my eligibility specialist]. She said that they counted back from this date, and added this date, and I don’t get anything. . . . She said that I had used my 36 months up.

This respondent’s initial remarks reflect her basic grasp of the concept of banking time, as does the comment of another recipient:

You waste your three years and that’s it. You get a job, you cut yourself off welfare. Say in six months you lose the job you can go back on and collect. You have something to fall back on.

Still, the confusion exhibited by the first respondent may also help to explain why some staff members perceived clients as reluctant to follow the advice they received about banking time. The incentive to store time for an “ultimate emergency” is greatly reduced if recipients believe that their cash assistance can be terminated at any time, even if they have not used up the 36 months of benefits allotted to them.

## **V. Welfare-to-Work Services, Supports, and Sanctions**

The work-first emphasis of OhioFirst, PRWORA, and Ohio Works First call for a different set of welfare-to-work services than had existed before welfare reform. This section first explains the sequence of activities and services that was initially developed and then examines issues associated with the early implementation of the changes. It also discusses changes in the service sequence envisioned under Cuyahoga Work & Training. Attention then turns to other elements of the treatment: support services, transitional services, and sanctioning. Clients’ responses to several aspects of the new initiative are interwoven through the discussion.

### **The Sequence of Welfare-to-Work Services**

**The initial plan under DEES.** The planned sequence of welfare-to-work services for applicants and recipients, as of late 1997, is diagrammed in Figure 3.2.

- **Intake interview.** People applied for cash assistance at the main welfare office located in downtown Cleveland, or, until early 1997, at either of two local offices.<sup>20</sup> Intake workers conducted an orientation that stressed OWF’s time limits and the welfare-to-work, child support enforcement, and self-sufficiency contract provisions. Applicants had to sign a self-sufficiency contract to be accepted onto the rolls. Those who were required to participate in the JOBS program were given an appointment for a JOBS assessment.
- **Redetermination interview.** Adults in ongoing cases met with their eligibility specialists at least once every six months to review their continuing eligibility for welfare. Recipients were interviewed about their job skills and potential barriers to employment. Based on this assessment, eligibility specialists developed a self-sufficiency contract for each client to sign; a new contract was to be negotiated each time the client came in for redetermination. Because JOBS staff and capacity were limited, however, eligibility specialists did not refer most ongoing JOBS-mandatory cases to JOBS. Most of these recipients did not see a JOBS worker until a massive call-in was instituted in late 1997, as discussed below.

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<sup>20</sup>Centralized intake was instituted in 1997. Because applicants needed to obtain a form verifying that they had cooperated with the child support enforcement agency before they could be accepted onto welfare, and because that office was also located in downtown Cleveland, DEES officials reasoned that it would not necessarily be more convenient for people to apply for aid at a local income maintenance center. The county commissioners preferred that intake be conducted at the local offices.

- **JOBS assessment.** Those referred to JOBS were reassessed and required to sign a second self-sufficiency contract, which differed in a few particulars from the first one. Being the parent of an infant was the only grounds for exemption from the participation requirements.<sup>21</sup>

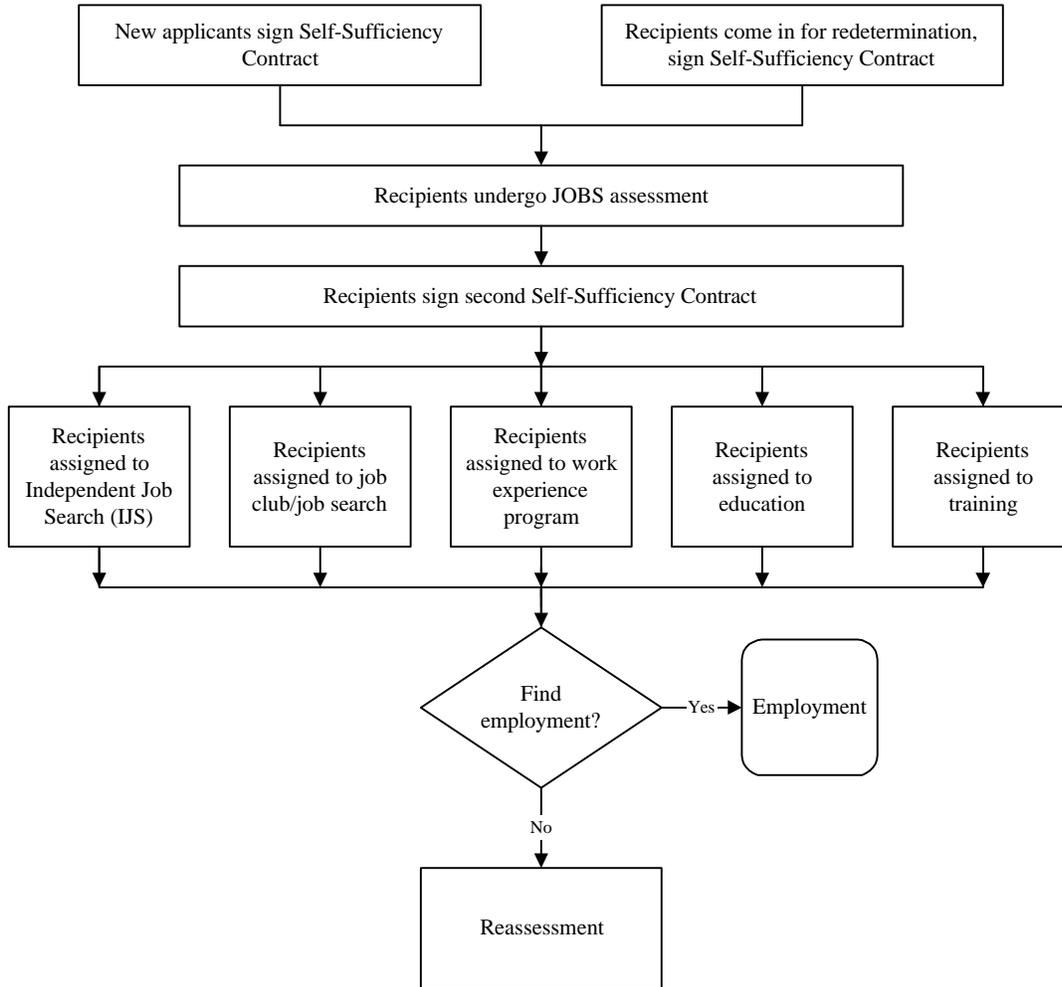
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<sup>21</sup>JOBS workers complained of the lack of exemptions for disability; one JOBS supervisor spoke of a recipient with full-blown AIDS who had not been exempted from participation.

Figure 3.2

The Project on Devolution and Urban Change

Flow of Participants Through the OWF Program Under DEES in Cuyahoga County



SOURCE: Cuyahoga County Department of Entitlement and Employment Services.

After assessment, clients could be assigned to one of several options:

- **Independent job search (IJS).** Although this was not a formal program component, clients judged to be ready and able to secure jobs on their own were sometimes assigned to this activity. If they proved unsuccessful in finding a job, they were then reassigned to another component.
- **Job club/job search.** Job clubs were conducted both by DEES staff and by contracted agencies. Job club participants spent two weeks learning specific job search skills (such as résumé writing) and were also expected to contact employers and go on job interviews. They could participate in this activity for up to 12 weeks a year.
- **Work experience.** The Work Experience Program (WEP) served two main purposes. The first was to teach recipients with little or no work experience the attitudes and behavior needed for successful employment. The second was to demonstrate work readiness and give recipients a reference they could present to prospective employers. WEP assignments were usually limited to six months and entailed unpaid work at nonprofit organizations, which supervised the recipients and evaluated their progress.
- **Education.** Clients without a high school diploma or a GED could take adult basic education, GED preparation, and high school completion classes for up to five hours a week. Up to 1,040 hours of postsecondary education (that is, 52 weeks at 20 hours per week) could be counted toward meeting the federal work requirement.
- **Training.** Recipients with reading and math scores at the eighth-grade level or higher could attend employment-related training classes for up to 2,080 hours (52 weeks at 40 hours per week). JOBS staff referred such clients to JTPA, and JTPA staff members were responsible for helping recipients get into the training programs in which they were interested.

**Proposed service modifications under CW&T.** While the new CW&T plan envisioned a major organizational overhaul, it made relatively few changes in the services that clients were slated to receive. Two plan features are worth particular note.

First, the context as well as the content of services is important, and many activities that formerly took place at the downtown DEES office or at other locations will occur at the neighborhood family service centers. Intake is one example: when a prospective recipient comes to a center, a person responsible for screening will direct her either to a CW&T self-sufficiency coach or to a CH&N specialist located there. Child support enforcement, Children and Family Services, and state employment service staff, along with representatives of mental health and substance abuse agencies, will also be available at the centers; ultimately, CW&T officials intend to operate job clubs in the local sites as well. Thus, on-site service delivery, in conjunction with the integrated case manager approach, may significantly change the experience of being on welfare.

Second, the initial assessment is likely to become a more important part of the process. CW&T officials reason that as the most readily employable recipients move into jobs, the welfare caseload will increasingly comprise individuals with substantial barriers to employment. These barriers must be understood for the agency to serve clients effectively. Thus, the self-sufficiency coach will conduct an hour-long “holistic assessment” of each client, during which not only her job readiness but also her needs in such areas as housing, medical care, clothing, food, family functioning, substance abuse, and social support will be ascertained.

At this juncture, it is not clear whether a heightened role for assessment will mean that large numbers of recipients are referred to various kinds of social services (such as substance abuse treatment) in place of work activities.<sup>22</sup> It also remains to be seen whether focusing staff attention on clients’ nonemployment needs will blur the strong work-first message of the state’s welfare policy. The answers rest in part on the extent to which the assessment interviews uncover matters that recipients have previously been unwilling to disclose. The eligibility specialists’ experience in attempting to use extended redetermination interviews to learn more about clients’ problems suggests a clear need for staff training about how to probe into sensitive areas.

### **Client Services in the Fall of 1997: The Issues**

Two DEES initiatives taken during the fall of 1997 illustrate some of the implementation challenges that CW&T administrators and line staff could expect to confront, and the issues that CW&T’s training efforts would need to address.

**Extended redetermination interviews.** The first initiative was the decision to extend redetermination interviews to an hour (from about 20 to 25 minutes), so that the eligibility specialists would have enough time to explain the new rules to recipients. DEES officials also viewed the longer meetings as an opportunity for staff to involve clients in discussions about their situations and the choices they would have to make, and thereby to learn more about the barriers they faced. As a means to the end of better client service, administrators generally sought to encourage more personalized relationships between workers and recipients; as one official put it, “We expect workers to establish relationships with the customer so that the customer feels comfortable talking about their situation. If a client is relaxed, maybe she will reveal information that will help the worker understand the client’s situation. . . .”

Direct observation and the responses of staff focus groups suggest that the goals of the extended redeterminations were elusive. First, there is evidence that not all of the eligibility workers understood that they were expected to explain the rules. Thus, one eligibility specialist complained: “Now we are supposed to schedule our clients for an hour, but it doesn’t take an hour. We have to read the contracts word for word, even though a lot of our clients are able to read for themselves. While they are reading, we could be doing something else.”

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<sup>22</sup>In this regard, it is noteworthy that Cleveland Cares, a program within the nonprofit Center for Families and Children, has received contracts from the Cuyahoga County Community Mental Health Board and the Drug and Alcohol Addiction Services Board to provide diagnostic assessment, information and referral, and case management to OWF recipients who may need mental health and substance abuse treatment services, and to provide training on these issues to CW&T staff.

Second, there appeared to be substantial variation in the thoroughness with which eligibility specialists explained the new regulations. For example, during one redetermination interview that was observed, the staff member raced through the reading of the self-sufficiency contract with the client, rarely checking whether the client really understood what she was about to sign. The interview took 30 to 35 minutes, including the time needed to photocopy some documents. Another eligibility specialist spent 55 minutes with the client, carefully going through the self-sufficiency contract with a highlighter, giving the client ample time to read the document, and answering her questions.

Third, even when they were clearly explained, the rules could lose some of their impact when workers expressed their own uncertainties and doubts about them. It was striking that the second eligibility specialist was not only diligent in explaining the rules but also forthright about the limits of her own knowledge. With regard to the time limits, for example, she commented: “I’m not saying to you that this will never change. I’m only telling you what they’re telling me.” With respect to the work requirement, she said, “I don’t want to be real specific, because they haven’t been specific with me.”<sup>23</sup>

Fourth, the advice that the workers gave staff about how to respond to some of the new provisions contradicted other legislative priorities. For example, their counsel about the penalty to be imposed on recipients who quit jobs voluntarily could run counter to the work-first emphasis of welfare reform:

Don’t just jump on something [a job] because of the 36-month limit. Look at the benefits and chances for promotion, how quickly can the hourly rate change, what are their rules about transportation and time. . . . Don’t get panicked before you take a job, because the job sanction [sic] has changed.

Because of the 36-month time limits, don’t run out and get a job. . . . Make sure the job is one you can stick with. You interview the boss as much as he interviews you. I wouldn’t want to see you quit. You’ve got some time [to make a good employment choice].

Staff members frequently asserted that they had not received adequate training either on the new rules or on managing the extended interviews. Eligibility specialists at one office said that at the group training session they attended on HB 408, the trainers read the provisions to them verbatim and instructed the workers not to ask questions because they didn’t have answers. Otherwise, the only training line staff received came from their supervisors, who briefed them on specific provisions that came to the supervisors’ attention. Asked in a focus group how they coped in the absence of training, the eligibility specialists chorused, “Trial and error.”

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<sup>23</sup>Some of the respondents in the ethnographic study reported that their caseworkers had told them that they had not yet been trained in the new system. The ethnographic interviews suggest that there were disparities among welfare offices and among welfare agency staff in the amount of information and communication between line staff members and recipients.

Workers also felt hampered by the fact that no regulations governing the Prevention, Retention & Contingency program yet existed. And some commented that other regulations seemed to change from one day to the next — “You can’t keep up with it,” reported one eligibility specialist.<sup>24</sup>

Perhaps most fundamentally, while some staff felt comfortable talking with clients and assuming responsibilities akin to a counselor’s, others felt unprepared for the job. As one eligibility specialist put it:

Sometimes we don’t know what the administration expects us to explain to each person. They’re expecting us to be more than what we are. They’re trying to make us social workers, family planners, accountants — all kind of things that we’re not. We’re eligibility specialists.

How well the extended interviews helped staff learn more about recipients’ personal circumstances and problems is uncertain. The eligibility specialists’ task was likely hampered by not having received training on how to conduct the interviews or a structured interview protocol to guide their questions. The McKinsey & Company planning team recognized that additional training for staff and systematic, holistic assessment of recipients were both important needs to be tackled as the departmental reorganization moved forward.

**The JOBS call-in.** DEES extended its existing contracts with various providers for job training, placement, and retention services, but service expansion did not take place until late 1997; until then, there was a significant shortage of program slots for recipients facing participation requirements. With time limits ticking away, however, DEES officials wanted to engage as many recipients as possible in a JOBS component. With an eye, too, toward meeting the mandated federal and state participation rates, they also wanted to determine just what recipients were doing, so that they could find out about — and count — previously unreported employment or volunteer work (which could be considered work experience). The agency therefore instituted a massive call-in of recipients who were not already in a JOBS component, scheduling some 900 to 1,100 recipients a week to come to the central JOBS office. Each client met one on one with a JOBS worker for about an hour, during which the worker explained the new rules; workers then referred clients who were not employed at all to job club or to a work experience position, depending on their skills and employment histories.

Typically each staff member saw four or five recipients a day, and workers were sometimes called on to work weekends. The volume of cases was taxing. As one JOBS staff member commented, “It’s not quality anymore, it’s quantity.” Also stressful was the fact that JOBS workers were dealing with a different sort of recipient than they were accustomed to: these clients had less education and more barriers to employment, and they were at the JOBS office because they had to be, not because they wanted to be. The responsibility of telling recipients what they didn’t want to hear was another source of strain:

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<sup>24</sup>When the interviews took place, Ohio had just changed the rules regarding full-family sanctions of Food Stamps.

The thrust of our jobs has changed from being employment and training advisers on how to get off of welfare to being the shock troops of welfare reform. Clients may have gotten a letter saying these are the changes, and the eligibility workers may tell them. But we are the ones who sit down with them and say, “You have to do 30 hours per week, you can’t fulfill the requirement with GED classes, you can do community service.” We are the ones who shock them and deal with their unhappiness.

Eligibility specialists were called on to post sanctions for clients who did not show up for the JOBS call-ins, and the call-ins probably contributed to the surge in sanctioning reported by the eligibility workers. Some clients were reportedly confused by the process. An eligibility specialist recalled that one client, believing that the agency must have made a mistake, was sanctioned for failing to come in for a Saturday appointment.

### **Recipients’ Reactions to the Welfare-to-Work Services**

When queried about the new program services, ethnographic study respondents clearly understood the importance of work. They knew, too, that community service could fulfill the work requirement, although some were opposed to the notion of working without pay. But they displayed little understanding of some of the essential details, such as the number of hours of program participation required or the possibility of meeting at least part of their participation requirement through enrollment in educational activities.

As noted previously, some respondents had not yet been scheduled for their redetermination interviews, at which the new rules were to be explained to them. Others had been through redetermination and signed self-sufficiency contracts. But they were not always clear on what these contracts meant. One woman, for example, showed the ethnographer the contract she had signed, saying that she had never read it but “just sort of glanced at it.” She said that her caseworker had given her a quick summary of what it entailed but had not gone into detail. The respondent told the interviewer that the big problem with the DEES forms is that they have “big words” that many recipients can’t read or understand. Another respondent, asked by the ethnographer to explain the self-sufficiency contract, said, “Actually, I’ve never read it. It just more or less says that if you find work, that you’ll work.”<sup>25</sup>

Respondents were dissatisfied with the program’s new emphasis on work and the decreased attention given to educational activities. They found this orientation inconsistent with the agency’s push for recipients to attain lifelong self-sufficiency. Several clients expressed their opinions on this score:

It’s good to cut off welfare, but people should be given schooling before they’re put to work. . . . [Otherwise, they’ll only be able to get a minimum wage job, and]

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<sup>25</sup>Welfare staff were aware that not all clients read the self-sufficiency contracts. Said one worker: “They are just conditioned to do what we ask them. . . . They sign forms without reading them, even when you suggest that they read it. They are conditioned to believe they have no choices.” Another reported: “Most of them sign the papers and keep on going. They didn’t read them 10 years ago, they don’t read them now.”

How's a minimum wage job gonna help? You'd need to work two weeks just to pay your rent.

It's crummy. They just stick people out there and don't give you an education. You have to work paycheck to paycheck [that is, earn a subsistence living].

I don't think that you should get a job that gets you nowhere, you should get training for a job that will get you somewhere. Let's say I lose a job, I'm back on [welfare] again. But if I get training, I don't ever have to go on [welfare] again.

### **Supportive Services and Transitional Benefits**

OWF participants in welfare-to-work activities can receive transportation assistance (money to purchase a bus pass) as well as child care. Participants with children under the age of 13 are eligible for subsidized child care; the amount of the subsidy varies with a family's income. They may also be eligible for PRC payments to enable them to get or keep a job.

At the time of the implementation visit, DEES administrators believed that the supply of child care slots in Cuyahoga County was sufficient to meet the current demand, but they acknowledged that the situation might change over time, as more recipients began participating in welfare-to-work activities. They also recognized potential problems related to the availability of infant care and of child care outside of traditional daytime work hours. County officials planned to increase the child care supply by contracting with an agency to train 100 OWF recipients as home child care providers.

Former welfare recipients continue to be eligible for transitional benefits after they have become employed.

- **Medicaid.** Eligibility continues for one year after cash assistance ends.
- **Subsidized child care.** Families who earn enough to leave OWF are eligible for transitional child care assistance for 12 months, or until their incomes exceed 150 percent of the federal poverty level.

It is unclear whether staff members made systematic efforts to tell recipients about the availability of transitional benefits, although they sometimes did so in response to a specific query.

One eligibility specialist recalled that while he was closing a recipient's case, she mentioned that she only needed medical coverage. "She said she didn't want to do this [get OWF benefits] because she was employed and she liked it. My client said, 'I don't want to get back with this system . . . all I want is medical.' So I explained transitional Medicaid to her."

Many line staff members were aware of the value recipients placed on ongoing assistance with health care costs. As one eligibility specialist observed, "A lot of clients are saying 'I just need medical for my kids.' That's the biggest concern they have, over the 36 months [that is, the time limit]." Indeed, most recipients who were interviewed for the ethnographic study or participated in client focus groups spoke with great feeling about the importance of health care coverage. As one put it, "Health care is more important than money or Food Stamps."

Recipients also expressed concern about having to take a job that did not include medical coverage for their children. Those who were aware of transitional Medicaid were uncertain of its duration. In one client's view, "The medical, I think they give you a couple of months, but they don't give you a long time." In contrast, another stated, "You have 36 months to receive cash assistance, and there is no time limit for your health care. . . ." Other ethnographic study respondents seemed completely unaware of the extended Medicaid provisions. Said one, "They want you to work, but there aren't enough benefits from most jobs. The pay is not the most important thing, it's the medical benefits for my children." It seems plausible that some recipients' concerns would have been alleviated — and they would have been more willing to take low-paying jobs — if they had been informed about the availability of transitional Medicaid.

Respondents were also worried about being unable to obtain or afford child care. Moreover, some of the women worried about leaving their young children in daycare situations that they were not certain were adequate or safe. One respondent, for example, said that she wanted her children to be able to talk before they went to daycare, so that she could find out about any problems. Another respondent, a resident of Cleveland's predominantly white west side, told the interviewer that the welfare agency wanted her to use a daycare center on the largely African-American east side of the city. Her objections included the center's distance from her home, her difficulty in reaching there, and the fact that she didn't know any of the people who would take care of her daughter there.

### **Sanctions**

Full-family sanctions — that is, elimination of the entire family's cash benefit, not just the portion of the grant attributable to the individual who fails to comply with OWF requirements — are a key element of Ohio's welfare reform policy. There are three separate tiers of sanctions:

- **First instance of noncompliance.** The family loses cash assistance, and the head of household may also lose Food Stamps for one month or until compliance, whichever is longer.
- **Second instance of noncompliance.** The family loses cash assistance, and the head of household may also lose Food Stamps for three months or until compliance, whichever is longer.
- **Third and subsequent instances of noncompliance.** The family loses cash assistance, and the head of household may also lose Food Stamps for six months or until compliance, whichever is longer. When a family is placed on a third-tier sanction, the adult responsible for the sanction may not be eligible for Medicaid. The third-tier sanction is also imposed when a recipient quits a job without good cause.

One aspect of the full-family sanctions deserves mention: because the sanction eliminates the welfare grant altogether, any month during which a family is under a sanction does not count against the 36-month time limit. Thus, while full-family sanctions may be highly effective punish-

ments, they may not induce recipients to participate in job search, work experience, education, or other activities that, in the judgment of program staff, would benefit them.

Some eligibility specialists and JOBS staff members reported that after OWF went into effect, they felt pressured by their supervisors to impose sanctions more frequently and more swiftly, and that their own discretion in this area had been severely curtailed.<sup>26</sup> As a JOBS worker put it, “It is getting less and less personal.” In particular, staff members said that although the “voluntary quit” sanctions had been on the books for some time, they had rarely enforced them until the fall of 1997.

The ethnographic study respondents said that they had become more aware of sanctions, and some had experienced them. A number of women asserted that after welfare reform began, sanctions were applied more quickly and for a broader range of reasons. Clients identified a long list of reasons for sanctioning, including falsifying information, failing to report information, not attending JOBS activities, and not cooperating with child support authorities.

Their discussions of penalties, however, centered primarily on the period of ineligibility imposed for not accepting a job offer or quitting a job — a penalty they regarded as unfair. As one woman commented: “Even if there were problems with a job, or the people at the job, and it just didn’t work out — if you take a job and then quit, you lose your benefits. You have no choice.”

Although the women generally knew of the sanctions, they seemed unaware of many of the provisions. For example, respondents did not seem to know that each infraction carries progressively more severe penalties, or that they could avoid being penalized for refusing a job offer or quitting a job if they had an acceptable reason for doing so. Clearly, there was much room for improvement in the communication process.

## **VI. Equipping Staff and Systems for Change**

Moving toward a new administrative structure will entail a number of challenges for the CW&T leadership. They will need to create a cooperative, cohesive work force of former eligibility specialists, JOBS workers, and child care eligibility workers — staff members traditionally separated by differences in orientation and background, and a fair degree of mutual misunderstanding and tension. They will need to provide training to staff members to make them effective in their new roles as self-sufficiency coaches. And they will need the support of a more effective management information system than currently exists. This section briefly discusses these challenges, as well as some of the plans under way to meet them.

### **Creating a Cohesive, Well-Trained Staff**

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<sup>26</sup>It is unclear whether senior DEES officials intended to limit staff discretion in this way. One upper-level manager told the researchers, “We expect them to use good judgment in terms of when to apply sanctions.”

**Tensions between eligibility and JOBS staff members.** A number of factors have made for tension between eligibility and JOBS staff members. The education levels of the two groups are different: JOBS staff members are expected to have a four-year college degree, preferably with additional experience in the provision of social services; eligibility workers are considered qualified if they have a high school diploma and two years of clerical experience. Paradoxically, JOBS staff are less well paid.

Perhaps the greatest problems for the two sets of staff members, however, are their lack of personal contact and their limited understanding of each other's roles. As a JOBS worker said:

I think the relationship could be improved if we talked face to face instead of on the phone or through the computer. The problem is we don't know each other.

An eligibility worker complained:

We don't have enough complete information about what JOBS is doing. . . . We are sending these people [that is, welfare recipients] into the desert. . . . I don't know exactly how they go to JOBS or what happens.

Not having a clear sense of what the other party was supposed to do, each side complained that the other was not doing its job properly and was uncooperative. As an eligibility specialist and a JOBS worker, respectively, put it:

We wouldn't have OWF if they [JOBS] had been doing their jobs. . . . I have a chip on my shoulder about JOBS. . . . They are hard to get a hold of . . . they don't return my calls. . . . I find their attitude berating.

My problem is that I have to play JOBS worker and IM worker with my IM worker. They ask *me* questions that *they* should know. There are data the IM workers should be entering [into CRIS-E, the computer system], but are not.

**Training for the new roles.** One staff member suggested that common training sessions would help heal these inter-staff tensions. It seems especially plausible that the tensions will largely dissipate once both former eligibility specialists and former JOBS workers engage in training to become self-sufficiency coaches. Staff members will have much to learn from each other as they begin carrying out their new job responsibilities, which incorporate both old sets of job functions.<sup>27</sup>

Training will present its own challenges, however. In particular, trainers will need to address former income maintenance workers' anxieties about taking on "social work" responsibili-

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<sup>27</sup>Preliminary findings from the first of the neighborhood service centers, opened in April 1998, indicate that, in fact, the new self-sufficiency coaches have frequently relied on their colleagues' experience to supplement formal training sessions and to help them learn the job functions with which they were unfamiliar. This peer training helped them gain new respect for co-workers with different backgrounds. As a supervisor at the agency commented: "The former income maintenance staff have been very good at being teachers and mentors. There's a very good team concept that's been the most gratifying success. That was my hope."

ties that are more open-ended and less well defined than the tasks to which they are accustomed. Training will be further complicated by the fact that about 20 of the JOBS front-line workers in December 1997 were newly hired and came mostly from community-based organizations (rather than from the ranks of income maintenance workers, as is common in other locations). Thus, these employees lack experience not only with JOBS but also with the eligibility-related functions of income maintenance workers. CW&T may have to institute special efforts to prepare these workers for their new positions.

**Additional training on the new program messages and philosophy.** Welfare agency officials acknowledged that some workers were less effective than they might be in communicating the new messages of welfare reform. For one thing, the officials suspected that not all staff members believed that the time limits would be enforced and that recipients would actually be cut off of assistance. Said one, “We have to convince staff that time limits will come . . . and that public assistance recipients can work.”<sup>28</sup> Officials also noted that some line staff did not understand the income-boosting effects of the enhanced earned income disregard and were continuing to tell people not to take low-paying jobs. Training, they anticipated, would be helpful in this regard: “After workers see the math and see people are better off, they’ll stop telling people not to take that \$6 per hour job.”

Training sessions may also be helpful in addressing staff members’ confusion and reservations about OWF’s work-first orientation, and which may interfere with their ability to deliver the program message effectively.<sup>29</sup>

### **Developing an Effective Management Information System**

Cuyahoga County welfare officials have been frustrated by the lack of an automated data system capable of producing accurate management reports. Ohio’s statewide system, known as the Client Registry Information System–Enhanced (CRIS-E), has been useful for determining eligibility and calculating benefit amounts correctly. But it is widely acknowledged to be inadequate for recording progress in program activities and employment placements — information that is essential if program operators and managers are to implement welfare reform successfully. A par-

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<sup>28</sup>Staff focus group discussions suggest that the officials’ suspicions on this score were justified. Asked what would happen to recipients who had not found jobs by the time they reached the time limit, one income maintenance specialist recalled that general assistance recipients had been terminated and suggested that the same thing would happen to OWF recipients. Others demurred, arguing that the presence of children in OWF families made the situation different. The director of an income maintenance center expressed the same uncertainty, saying, “Like many of our clients, I don’t believe that after three years there will not be a safety net out there, beyond the 20 percent [permitted to be exempt from the time limit under PRWORA]. I tell people there won’t be, with a lot of conviction.”

<sup>29</sup>An eligibility specialist, for instance, expressed the opinion that education or training participants should receive special consideration. She predicted that the requirement would adversely affect recipients enrolled in education or training and cited an illustrative case: “You’ll have people . . . working at [low-paying jobs]. The level of frustration [will increase], they’ll feel boxed in. . . . One of my clients is in a nursing program. She has to comply with the 20 hours [requirement]. . . . There should be a provision for [people like her]. She called me last week, and she failed her first class after getting As and Bs [in the past].”

ticular problem is that CRIS-E does not incorporate data from the agencies that provide job placement and other contracted services to the welfare agency.

ODHS has begun to develop a new system, known as the Integrated Case Management System (ICMS), which is to be integrated with CRIS-E. Progress on this front has been slow, however. At the time of the implementation visit, county officials were considering the creation of a new and separate system — a costly and ambitious undertaking, but one which, they hoped, would produce the timely management information essential to the success of their effort.

## **VII. Stable Employment: The Ultimate Challenge**

Despite Cuyahoga County's low unemployment rate and the likelihood of continuing job growth over the next few years, staff and clients alike expressed concern about the ability of the county's labor market to absorb so many welfare recipients within a three-year period.

One problem is that many recipients lack the skills for the jobs that are available. Many, too, have been out of the work force for extended periods. As one county official explained:

It will be a challenge to understand the [hard-to-serve families]. Sixty-six percent have been on welfare for three years or longer. What are the challenges they face, the strengths they have that can be used to overcome the challenges? Also, how can we have the business community take a risk on hiring these families? The easiest to serve, we don't have to do anything and they'd get off welfare.

CW&T planned to contract with outside agencies to provide assistance to hard-to-serve recipients and to place them in jobs.

Another problem is that many of the higher-paying jobs that welfare recipients could hold are located in surrounding suburban areas, far from where most recipients live — the City of Cleveland itself. The county has planned to implement a number of pilot projects to address this spatial mismatch. Strategies for addressing the county's transportation issues include bringing Cleveland residents to the suburbs for jobs; helping OWF participants obtain driver's licenses; and developing a database linking information on employment openings, child care, and transportation to help participants plan their work commutes. The local transit agency is a principal partner in these endeavors.<sup>30</sup>

The county is aware of the need to interest local employers in hiring OWF recipients. DEES's Employer Relations office, slated to continue under CW&T, is responsible both for responding to employer inquiries and for actively reaching out to inform them of the ways in which DEES can assist them. As an incentive, the county is marketing the federal tax credit available to employers who hire long-term welfare recipients; the credit may be an amount up to \$3,500 during the first year of em-

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<sup>30</sup>In addition, the county commissioners have pledged to support only new business developments that are accessible by public transportation.

ployment and up to \$5,000 during the second year. The agency's Employer Relations unit also maintains a database of exceptionally job ready recipients that it uses to market clients to employers.

The ethnographic interviews in Cuyahoga reflect respondents' mixed feelings about the impact of welfare reform on their lives. As noted above, recipients found many welfare reform provisions unclear or at odds with the goal of lifetime self-sufficiency. Their belief that they should have greater freedom to participate in education and training has already been cited. They also voiced concern that recipients had to have a job, regardless of whether it was a good job or one that would lead to long-term employment. Said one respondent:

I have no problem with the rules, just the way they are implementing the rules. They really scared a lot of people. . . . They're making people have jobs that people don't want to do. People are scared into [working in] bad factories that don't give people insurance or that the environment is not good or even healthy to be in, and there's so many factories like that.

Despite these reservations, many recipients saw welfare reform as an opportunity, or an extra push, that would help them end their dependence on a system that they regarded as demeaning and in which it was difficult to make ends meet. The following comments are representative:

I want to do better. I'm not mad about welfare reform. All the years I've been saying that I want to get up and do something, I want to do something. And I keep saying, . . . Well, you ain't doing it, you got to get up and go about yourself.

It will change my life. Help me to get off my butt and get a job. Welfare ain't worth it. I don't want to deal with it. I want money and it's nobody's business where it goes.

In general, the women believed that in three years they would be off welfare, in adequate, if not good, jobs. But while they expressed confidence that they would be all right, they were concerned that other recipients would fare less well, as the following comments illustrate:

I guess it all depends on everybody's personal situation. 'Cause me personally, three years will be enough for me, but it might not be enough for somebody else. There were some people that was on welfare that was just abusing it. Then you got some who really need it.

For me, it [welfare reform] will make it better. The other half, I think it will make it worse. They're just used to that source of income, they've been on there so long, they got used to it.

Asked about their long-term career plans, respondents listed a range of jobs and careers: cosmetologist, beauty shop owner, corrections officer, nurse, teacher, dietitian, kindergarten teacher, secretary, receptionist, customer service representative, and computer worker. But they did not seem to have a clear sense of how they were going to accomplish their goals. They cited numerous barriers to finding and keeping a job, including problems with transportation and child

care and their lack of education and training. While these concerns may not be a consequence of welfare reform, the time limits and work requirements may instill a new sense of urgency.

## **VIII. Looking to the Future**

Welfare reform in Cuyahoga County is an evolving story of transition and change. As the county moves toward full implementation of OWF and toward a major organizational redesign, it will face many challenges, including the following:

- **Handling the logistics of agency transformation.** Many steps are associated with implementing the new organizational design. Staff from the income maintenance, JOBS, and child care offices will have to be recruited for, or assigned to, CW&T. They will require training for their new integrated case management roles, and they will need to develop relationships with new groups of colleagues and new groups of recipients in 11 new locations. All this will take planning, and it will take time. The training of the CW&T and CH&N staff was scheduled for the fall of 1998, and the procurement of properties to serve as the permanent neighborhood service centers is targeted for completion by late 1999.<sup>31</sup>
- **Meeting the staffing challenge.** CW&T's staffing needs over time are difficult to predict. On one hand, the county's TANF caseload has been steadily shrinking. On the other hand, officials envision that CW&T staff will continue to work with former recipients who remain eligible for such benefits as Food Stamps and Medicaid. Over time, it may make sense to transfer some working-poor families onto the CH&N caseload in order to keep self-sufficiency coaches' caseloads manageable.
- **Clarifying what "work first" means.** As has been indicated, most DEES line staff members understood the basics of OWF. But they had not received adequate training about the interplay, and sometimes the inherent tensions, between a work-first approach and other important OWF policies, such as the sanctions for voluntarily quitting a job and the reduced emphasis on education. It was therefore difficult for staff members to convey the more complex aspects of the work-first message to recipients as well as for recipients to understand and act upon them.

It remains to be seen whether CW&T's early assessment will identify large numbers of recipients as needing treatment for mental health problems, substance abuse, and domestic violence. It is also an open question how sending clients for treatment will affect OWF's work-first message. Some people facing severe barriers to employment may need to participate in treatment before they can engage in work-related activities. But there is an inevitable risk that some of these

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<sup>31</sup>Early indications are that the site is succeeding in meeting this ambitious schedule.

recipients will use up weeks, or even months, of their 36-month time limit in activities that will not advance their job-related skills or job prospects. If possible, officials may want to require recipients to participate in treatment and in work-related activities at the same time.

In summary, Cuyahoga County officials and welfare administrators have embarked on a challenging and ambitious agency reorganization exactly when time limits on welfare receipt make the smooth implementation of this reorganization critical. While the venture is risky, there is real reason for optimism, on at least three counts. First, CW&T is the result of much reflection and planning. Second, implementation plans suggest an administrative ethos that is both careful and “can-do.” And third, consistent with the Board of Commissioners’ vision, CW&T will be poised to serve not just the needs of welfare recipients but also those of the working poor. Making that vision a reality is the task ahead.

## Chapter 4

# Los Angeles County: Getting CalWORKs to Work

I would prefer to work, and stop dealing with them, deal with them on an every blue moon basis. It does not make you happy or proud that you are on it. It is a stepping stone. It pushes you more so to get out there and get [a job] if that is what your mind is calling for. If your mind ain't on it, you ain't going to do it.

An ethnographic study respondent

## I. Introduction

The visitor to Los Angeles County — especially one who drives its freeways — is inevitably struck by the county's size. It stretches over about 4,000 square miles; the City of Los Angeles alone is so large that Boston, San Francisco, Minneapolis, Cleveland, Pittsburgh, St. Louis, and Milwaukee could all fit within its borders. According to the Census Bureau, in 1997 the county's 88 cities and unincorporated areas were home to 9.1 million people, making it the most populous county in the United States as well.

Despite media images of Hollywood glamour and Beverly Hills affluence, Los Angeles County's poverty rate in 1993 — 23.8 percent — was 8.7 percentage points higher than the national average. The County of Los Angeles Department of Public Social Services (DPSS) is the largest county-operated welfare department in the nation.<sup>1</sup> The size and diversity of the caseload and the size of the agency itself make implementing welfare reform in Los Angeles County an enormous undertaking. A few facts and figures illustrate the challenge:

- In August 1997, DPSS counted 779,043 TANF recipients in 271,994 cases, of which approximately 189,000 were headed by an adult.<sup>2</sup> Los Angeles County's TANF caseload was larger than that of any *state* except New York (and, of course, California).
- Over 40 percent of these recipients did not speak English as their native language. (Over three-quarters of them spoke Spanish, and substantial numbers spoke Armenian, Cambodian, and Vietnamese.)
- With an annual budget of over \$3 billion in 1997, DPSS had a workforce of some 9,700 staff members, mostly in its 24 eligibility district offices and five

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<sup>1</sup>The agency is responsible for the administration of Temporary Assistance for Needy Families (TANF), General Relief, Food Stamps, Medi-Cal (California's Medicaid program), and In-Home Supportive Services (IHSS) for the elderly and disabled. Protective services for children are handled by a separate department.

<sup>2</sup>The August figure for the total number of cases is lower than the number shown in Table 2.2 because the latter presents the average monthly number of cases throughout 1997.

welfare-to-work program regional offices. (The eligibility offices are known as BAP, or CalWORKs, and the welfare-to-work offices are called GAIN offices.<sup>3</sup>)

California's TANF plan was approved by the U.S. Department of Health and Human Services in December 1996. Like many other state plans, it was designed to enable the state to obtain TANF funds rather than to set forth detailed welfare reform policies and programs. Eight months later, the state legislature enacted California's welfare reform legislation, known as California Work Opportunity and Responsibility to Kids (CalWORKs). CalWORKs devolves considerable decision-making authority to the counties. DPSS, in an intensive process that engaged a wide variety of stakeholders, took the lead in developing Los Angeles County's welfare reform implementation plan. The agency then submitted this plan for approval both to the state Department of Social Services and to the Los Angeles County Board of Supervisors, the county's highest body of elected officials, which oversees all county operations, approves budget allocations, and appoints and removes agency directors. Figure 4.1 presents a timeline of these and other milestones.

When the principal implementation study site visit took place in mid-December 1997, a draft of the county plan had just been given to the Board of Supervisors. Local office staff members were still unfamiliar with its details, and the agency had not yet taken systematic steps to deliver the new CalWORKs message to recipients. Much had to be accomplished by April 1, when the state legislation mandated that counties begin enrolling all nonexempt applicants for assistance in welfare-to-work activities, and even more by December 31, 1998, when all nonexempt recipients were supposed to be enrolled. Nonetheless, the contours of the plan and the challenges that putting the plan into action presented were already clear by the end of 1997.<sup>4</sup> These are the main subjects of this chapter.

During the implementation study research visit, MDRC staff members conducted interviews with key CalWORKs and GAIN administrators. They also visited three BAP offices and three GAIN offices, where they interviewed office directors and led focus groups of line staff members. In addition to staff perspectives, the chapter also explores recipients' understanding of welfare reform and their early responses to it, as revealed principally in the ethnographic interviews, and also in client focus groups conducted by implementation researchers. The ethnographic data in this report are based on the responses of 17 women in three low-income Los Angeles neighborhoods — the first heavily populated by Mexican immigrants, the second by U.S.-born

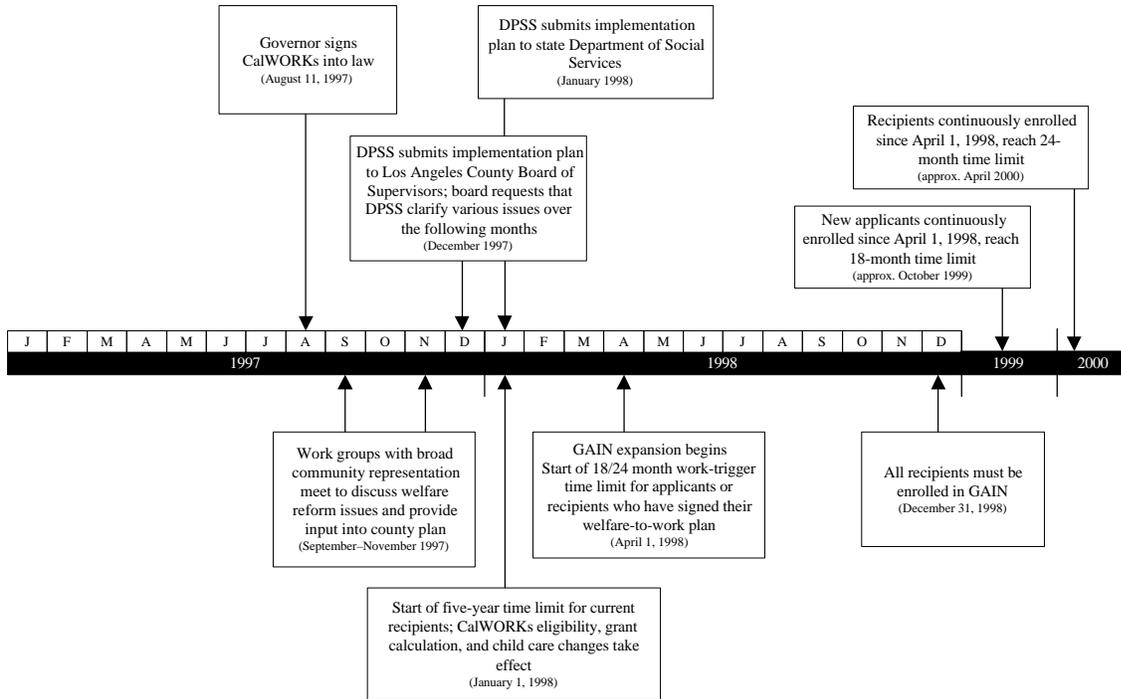
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<sup>3</sup>A word on nomenclature: Under AFDC, income maintenance offices were known as BAP (Bureau of Assistance Payments) offices, while welfare-to-work program offices were known as GAIN (Greater Avenues for Independence) offices. GAIN was California's JOBS program. Under TANF, eligibility offices are officially known as CalWORKs offices, while welfare-to-work program offices have retained the GAIN appellation. At the time of the implementation research site visit, however, DPSS staff used the three terms "eligibility office," "BAP office," and "CalWORKs office" interchangeably, and that is the usage adopted in this chapter.

<sup>4</sup>The budget was also known. DPSS's budget for CalWORKs administration and services in fiscal year 1997-1998 was approximately \$390 million; Los Angeles County funds amounted to \$15 million of this figure. Around 60 percent of the total figure (\$233 million) was budgeted for welfare-to-work services, child care, mental health services, and substance abuse services.

Mexican-Americans, and the third by African-Americans. The interviews took place between February 1998 and April 1998, when CalWORKs implementation was just beginning.

**Figure 4.1**  
**The Project on Devolution and Urban Change**  
**Key Events and Policy Changes in Los Angeles County**



The timing may help explain a principal finding of the ethnography: recipients knew little about the most basic elements of welfare reform.

The chapter is divided into eight sections. Section II deals with pre-CalWORKs developments that are important for understanding the direction of welfare reform in Los Angeles County. Section III briefly describes the processes of enacting the state legislation and of developing the county plan; it then summarizes critical features of that legislation. Section IV considers the new message that DPSS is seeking to deliver to welfare recipients, the means and barriers to effective communication, and the messages that recipients have actually received. Section V examines the services that DPSS hopes will move most welfare recipients into jobs, as well as the use of sanctions for enforcing and monitoring recipients' behavior. Section VI addresses the challenge of preparing staff and management information systems for welfare reform, while Section VII deals with the plans related to helping recipients find and keep jobs and move up the career ladder. Section VIII briefly recapitulates the key issues that DPSS confronts in implementing its welfare reform initiative.

It is important to keep in mind five fundamental facts about Los Angeles County's welfare reform plan:

- **The plan includes two kinds of time limits for adults.** The first is a five-year lifetime limit on receipt of benefits. The second is a "work-trigger" time limit: after 18 months (for new applicants for aid) or 24 months (for those already on the rolls when the program was put in place), recipients must be working at least 32 hours a week to continue receiving aid. If they have not found unsubsidized jobs by that time, they must work in community service positions. Since DPSS has been reluctant to develop a large-scale community service component, helping recipients secure employment will present a major challenge for the agency.
- **The plan preserves a safety net for children.** As noted in Chapter 2, a distinctive feature of California's welfare reform legislation is that when a household reaches either of the state's two time limits, only the adult's share of the grant is terminated; children in the household continue to be eligible for TANF as well as for Medi-Cal. This means, for example, that the average grant for a family of three is reduced by about 20 percent. Thus, the time limits signal a reduction in benefits, not their termination altogether. One implication is that California households may be spared the worst effects of the welfare cutoffs predicted by critics. On the other hand, unless most recipient families can earn enough to become ineligible for welfare altogether by the time they reach their time limit, the State of California must pick up the tab, since assistance to children in these families cannot be funded under the federal block grant beyond the five-year point.
- **The plan builds on the county's work-first-oriented GAIN program.** This pre-TANF program, known as Jobs-First GAIN, continues as the cornerstone of the county's welfare-to-work services. But officials estimate that engaging

the entire eligible population of TANF recipients in GAIN will require doubling the program's size. This means the program will face significant challenges in setting up shop and hiring, training, and supervising new staff, as well as in developing and monitoring contracts for additional slots with outside service providers.

- **The plan adds new strategies aimed at fostering both short-term and long-term self-sufficiency and at serving new populations more effectively.** The welfare reform plan calls for DPSS to operate a diversion program which makes lump-sum payments available to applicants who could thereby avoid going on welfare altogether; the agency is also expected to offer postemployment services to recipients who enter the workforce. The plan also gives unprecedented attention to services to victims of domestic violence and to other groups of welfare recipients considered hard to serve.
- **Although no fundamental shifts in staff functions are envisioned, DPSS officials regard changing the culture of the eligibility offices as a major challenge.** Under CalWORKs, eligibility workers will continue to be responsible for handling the financial aspects of a client's case, while GAIN workers will retain responsibility for welfare-to-work functions. But DPSS officials envision a more integrated system than has existed in the past: they see eligibility and GAIN workers cooperating as team members and aspiring toward the same goal of moving recipients into the labor force. To achieve their goal, DPSS officials are planning to launch a major training initiative, to refurbish the eligibility offices, and to place GAIN and eligibility staff in the same locations.

## **II. The Story Before CalWORKs**

California instituted a number of pre-TANF welfare reform initiatives, some of which have been incorporated into CalWORKs. For example, the Cal-Learn program, enacted in 1993 and effective the next year, is a statewide demonstration program aimed at encouraging teen parents receiving welfare to earn a high school diploma or its equivalent and to become self-supporting. The program includes case management services, assistance with child care and with transportation costs associated with school attendance, and bonuses and sanctions based on school progress. Under CalWORKs, the program has been expanded to include 19-year-olds who wish to continue in Cal-Learn and who are attending school full time. (Formerly, it included only teens 19 years old and younger.)

Another critical development involved a series of changes to California's Aid to Families with Dependent Children (AFDC) eligibility and payment regulations that began in late 1992 and came to be known as the "Work Pays" program. One of the most important of these changes, ef-

fective in September 1993, was the extension of the “\$30 and 1/3” earned income disregard.<sup>5</sup> Before Work Pays, this disregard applied only to money earned during the first four months of a recipient’s employment; the new initiative extended the disregard indefinitely. This meant that AFDC could serve as a long-term income subsidy for working-poor households. It also enabled welfare-to-work program staff to sell recipients the idea that working part time or full time, even at the minimum wage, would leave them better off financially than just collecting a welfare check.

Developments in the Los Angeles GAIN program in the years immediately preceding the enactment of CalWORKs are especially important for understanding the course of welfare reform in Los Angeles. During the early 1990s, DPSS decided to change GAIN from a program emphasizing basic education to one with a strong work-first orientation.<sup>6</sup> (See Weissman, 1997, for an account of this transition and Freedman, Mitchell, and Navarro, 1998, for preliminary findings on participation patterns and first-year impacts.) In the new Jobs-First GAIN program, both GAIN staff (known as GAIN Services Workers, or GSWs) and contracted providers encouraged quick job entry for all participants, even if the jobs were low-paying and even for participants who did not speak English. The central program component promoting this goal — one to which almost all participants were referred as their first activity — was a three-week job club, available in all the major languages spoken by recipients and conducted by staff of the Los Angeles County Office of Education (COE) under a contract with DPSS. In addition, job developers stationed at the five GAIN regional offices helped participants find employment. Program administrators, GAIN staff, and job club providers used outcome measures specified in performance-based contracts — especially the number of job placements — as the principal gauge of the program’s success.

Basic education and training remained available, but they were mainly reserved for those who completed job club without finding employment. GAIN staff urged recipients to acquire more education and training *after* they found jobs; as one GAIN regional director put it, the program’s message in this regard was, “Get a job, go to night school, and get a better job.” Work experience — a component in which recipients worked without pay at a public- or nonprofit-sector job to learn work attitudes and behavior — was little used. GAIN officials believed that a large work experience employment component would contradict the message they wanted to deliver that GAIN participants could get and hold private-sector jobs. (Wage subsidy programs and other incentives to employers were not developed for the same reason: GAIN officials did not want to stigmatize GAIN participants or suggest that they are less competent than employees not drawn from the welfare rolls.)

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<sup>5</sup>Under the \$30 and 1/3 rule, in calculating the grant amount for recipients who became employed, the eligibility worker first subtracted, or “disregarded,” the first \$90 of earnings, to allow for work-related expenses, then disregarded the next \$30 of earnings, and finally disregarded 33 percent of earnings over the initial \$120. The amount that remained was then subtracted from the “standard of need” for a household of a given size.

<sup>6</sup>This decision was partly a response to an MDRC evaluation of GAIN in six California counties during the 1980s and early 1990s; results showed that the county that had been most effective in increasing employment and decreasing welfare receipt (Riverside County) had adopted a strong work-first approach. (See Riccio, Friedlander, and Freedman, 1994.) Even before MDRC’s reports were published, however, GAIN administrators and staff expressed frustration with the education-centered approach. They believed that many recipients wanted jobs, not more schooling — many recipients had done poorly in school in the past and did not want to return to the classroom — and that GAIN was not helping them to secure employment. For an account of Los Angeles GAIN’s transformation to a work-first model, see Weissman, 1997.

Participation was mandatory for all those who were referred to the program. GSWs followed up quickly on nonparticipants and used the threat of sanctions to induce them to rejoin program activities, and sanctioning rates were high — about one-third of all single parents in Jobs-First GAIN were sanctioned during the first year after joining the program (see Freedman, Mitchell, and Navarro, 1998). In the pre-TANF era, however, Los Angeles County GAIN did not have the resources to serve all those who were required by law to participate (i.e., most recipients whose youngest child was age three or older). Instead, officials decided to concentrate on recipients who had been on welfare at least three years of the last five.

This focus shifted in the spring of 1996, when GAIN began to serve not only long-term recipients but also a limited number of short-term recipients and recent applicants. The change accelerated with the implementation of a pilot program, known as the GAIN Applicant Program (GAP), in 11 of the 24 BAP offices. GAP entailed the delivery of GAIN services to new applicants for assistance. GAIN workers were assigned to the BAP offices rather than the GAIN regional offices. At the BAP offices, they made a presentation about GAIN to new applicants for assistance while they were waiting to be seen by eligibility staff. After the presentation, those who were interested could volunteer for GAP. If their grant was approved, they were then assigned to job club/job search.

Both the work-first philosophy of GAIN and its principal features — a central role for job club; a residual role for education, training, and work experience; use of job placements to measure success; a strong job development function; and an emphasis on enforcing participation — have been incorporated in Los Angeles County's CalWORKs plan. CalWORKs also includes two central elements of the GAP model: the collocation of GAIN workers in eligibility offices (working only with new applicants, at this time) and the provision of welfare-to-work services soon after applicants have joined the welfare rolls. However, while GAP was voluntary, CalWORKs requires all applicants and recipients who are not exempt to participate in GAIN.

### **III. The New World of Welfare**

#### **Developing the State Plan**

Enacting welfare reform legislation in California was a lengthy, complex, and highly politicized process. After a good deal of debate and an active lobbying campaign by the counties, the legislature and the governor reached agreement. Governor Pete Wilson signed Assembly Bill 1542, creating the CalWORKs program, on August 11, 1997.

#### **Local Autonomy**

The legislation gave the counties a great deal of flexibility in designing their local CalWORKs programs. While counties are required to follow a plan that has been certified by the state Department of Social Services and adheres to certain guidelines, they had significant autonomy in deciding on a number of important features: the number of hours individuals are mandated to participate in welfare-to-work activities; the activities that meet those participation requirements; the age of the infant needing parental care and other “good cause” reasons that exempt

parents from participation; the nature and number of community service jobs to be offered; how child care services are delivered; and what agencies will provide which CalWORKs services.

CalWORKs also redefines the fiscal relationship between the state and the counties, to the considerable benefit of the counties. The counties receive state and federal funding for CalWORKs administration and welfare-to-work services as a single block grant and are authorized (within certain guidelines) to determine how these moneys will be spent. At the same time, the county's costs are capped at 1996-1997 spending levels for employment services, Food Stamps, and CalWORKs administration. Thus, the state assumes the responsibility for fully funding county expenditures that exceed the 1996-1997 amount. The new provisions also permit counties to roll over unspent 1997-1998 and 1998-1999 funds into subsequent years until July 1, 2000, a maneuver that had previously been difficult to accomplish. Counties that do not meet federally required outcomes must share equally with the state any penalties that are levied. However, counties reap 100 percent of the savings attributable to recipients' leaving the program because of employment lasting six months, sufficient earnings, and having been diverted from entering the welfare population. These savings must be reinvested in the CalWORKs program, unless the funds are not needed to meet the federal maintenance-of-effort requirement.

### **Creating Los Angeles County's Plan**

DPSS officials undertook an intensive, three-month effort to involve the community at large in developing the welfare reform plan for Los Angeles County. The agency established 14 work groups and held 12 community planning forums to explore a number of core issues and to make policy recommendations that would be incorporated into the plan. Nearly 1,000 individuals representing a cross-section of the county's stakeholders — welfare recipients, advocacy organizations, public agencies, private-sector businesses, organized labor, faith-based groups, substance abuse treatment and domestic violence victim service agencies, other not-for-profit organizations, and educational institutions — participated in the work groups, and 500 more attended the community forums. Focus groups with recipients were conducted as well.

DPSS prepared a draft implementation plan that was a basic blueprint for welfare reform in the county. The agency presented this plan at two public forums and in mid-December submitted it to the Board of Supervisors. Because of objections to the plan's lack of detail and clear job creation strategies, the Board of Supervisors approved only the portion of the plan necessary to comply with the requirement that a plan be submitted to the state Department of Social Services the next month. The board also required DPSS to prepare more detailed plans for implementing various welfare reform provisions.

### **Basic Elements of Los Angeles County's Welfare Reform Policy**

CalWORKs significantly changed state welfare policies in many areas, including not only the addition of time limits and new welfare-to-work provisions but also eligibility criteria, grant calculations, support services, and sanctions.

Table 4.1 summarizes the major elements of Los Angeles County's welfare reform initiative. The table distinguishes between statewide policies enacted as part of CalWORKs and policies

developed by Los Angeles County. Most of these policies went into effect January 1, 1998, except

**Table 4.1**

**The Project on Devolution and Urban Change**

**Selected State and County Provisions of the New Welfare Laws  
Implemented in Los Angeles County**

<b>Topic Area</b>	<b>State Provisions</b>	<b>County Provisions</b>	<b>Comments</b>
Time limits			
Length	18- to 24-month work-trigger time limit on receipt of benefits and welfare-to-work services without employment. Parents not employed at 18–24 months must perform community service.		The county may extend the 18-month limit by 6 months if this is likely to result in unsubsidized employment or if no jobs are available
	5-year lifetime limit on cash assistance for adult portion of grant		
Exemptions from 60-month limit	Child-only cases; parents caring for ill or incapacitated family members; parents/caretakers over age 60; specified nonparent caretakers; disabled; those incapable of maintaining employment as determined by counties; Cal-Learn participants		Months in which welfare grant is fully offset by child support payments do not count against the time limit
Welfare-to-work services	Job club/job search, followed by assessment and creation of individualized welfare-to-work plan. Continued job search, along with work-related education and training, work experience, and community service employment, also available.		
Participation requirements			
Hours required	Single parent: 20 hrs/week as of January 1998, 26 hrs/week by July 1998, and 32 hrs/week by July 1999. (Counties have option of increasing requirement to 32 hrs/week prior to July 1999.) 35 hrs/week for 2-parent families.	32 hrs/week for single-parent households	

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(continued)

**Table 4.1 (continued)**

<b>Topic Area</b>	<b>State Provisions</b>	<b>County Provisions</b>	<b>Comments</b>
Adults exempted from participation requirements <sup>a</sup>	Disabled; persons of advanced age (not defined); specified nonparent caretakers; individuals caring for other household members who are ill; pregnant women whose pregnancies preclude work; parent caring for infant under 6 months old (3 to 12 months old at county discretion); <sup>b</sup> those with good cause as determined by the county	Parent with primary responsibility for care of an infant under 1 year old <sup>c</sup>	Domestic violence victims may be deferred from work requirements and time limits if working endangers parent or children
Support services for those on welfare			
Work incentives	First \$225 of earnings in a month plus 50% of each additional dollar of earnings are disregarded		
Child care	Subsidized care guaranteed for CalWORKs children under 11	Provides care for CalWORKs children 11–12 years of age if there is sufficient funding	
Transportation	Where public transit services are unavailable, establishes priority for enhancement of transportation services for welfare-to-work purposes	Subsidizes transportation needed by participants to take part in welfare-to-work activities, transport children to and from child care, and secure employment	
Transitional benefits for those who leave welfare due to employment	Subsidized child care for 2 years or until family's income exceeds 75% of state's median income  Up to 1 year of postemployment services (case management, job retention, human capital development services)  Up to 1 year of Medi-Cal coverage		Possible extension of child care subsidies if funding is available

(continued)

**Table 4.1 (continued)**

<b>Topic Area</b>	<b>State Provisions</b>	<b>County Provisions</b>	<b>Comments</b>
Eligibility	<p>Net nonexempt income not to exceed minimum basic standard of adequate care<sup>d</sup></p> <p>Property limit of \$2,000 per household, excluding home</p> <p>Value of automobile increased to \$4,650</p> <p>Proof of children's school attendance</p> <p>Proof of children's immunization</p> <p>Diversion initiative: counties may give up to 3 months of aid payment in a lump sum to eligible applicants who use money to avoid the need to apply. Families are eligible for Medi-Cal and child care during diversion.</p>	<p>Diversion plan not yet approved</p>	<p>Limit raised from \$1,500. Matches asset limit in Food Stamp program.</p>
Family cap	<p>Family cap effective August 1, 1997, before CalWORKs enacted</p>		
Sanctions	<p>Noncooperative parent is removed from grant for longer period for each consecutive sanction</p>		<p>Sanctions are the same as under AFDC</p>
Immigrant provisions	<p>Provides cash and medical assistance to immigrants, regardless of when they came to the country. State funds pay for immigrants who arrived after August 1996 and do not qualify for federal assistance.</p>		<p>California established state-funded program to provide Food Stamps to legal immigrants who came to the U.S. before August 1996 and are either under 18 or nondisabled persons 65 or older</p>

(continued)

#### Table 4.1 (continued)

SOURCES: *Assembly Bill 1542*, 1997; California Department of Social Services, *Fact Sheet: Time Limits and Exemptions*, July 1998; California Department of Social Services, *Fact Sheet: Welfare-to-Work and Supportive Services*, December 1998; County of Los Angeles Department of Public Social Services; County of Los Angeles Department of Public Social Services, *CalWORKs "Passport to Success,"* February 1998; County of Los Angeles Department of Public Social Services, *CalWORKs Child Care Implementation Plan*, July 1998; County of Los Angeles Department of Public Social Services, *Los Angeles County CalWORKs Plan*, January 1998; County of Los Angeles Department of Public Social Services, *Toward Self-Sufficiency: CalWORKs Post-Employment Services Implementation Plan*, August 1998; County Welfare Directors Association of California; County Welfare Directors Association of California, *California Welfare Reform: Summary of the Provisions of AB1542 and AB1008*, August 1997; Department of Health and Human Services, *State Welfare Waivers: An Overview*, August 1998; "Governor Pete Wilson 1997 State of the State Address: Welfare Reform Becomes a Reality," press release, February 1997; Legislative Analyst's Office, *CalWORKs Welfare Reform: Major Provisions and Issues*, February 1998; *Senate Floor Committee Analysis AB1542*, 1997; Staff of the California Legislature, *From Welfare to Work: A Briefing Paper on CalWORKs*, July 1997; United States General Accounting Office, *Welfare Reform: Many States Continue Some Federal or State Benefits for Immigrants*, July 1998; Weissman, 1997.

NOTES: <sup>a</sup>Child-only cases, children under 16 years of age, children aged 16–18 years who are in school, and Cal-Learn participants are exempt from participation.

<sup>b</sup>Once this first exemption is applied, the mother is exempt for three months for subsequent births, or for up to six months at the option of the county.

<sup>c</sup>For subsequent births, Los Angeles County has opted to exempt mothers from participation for six months.

<sup>d</sup>The net nonexempt income of an applicant is determined by excluding \$90 of earned income for each employed person and adding the result to the family's other nonearned income.

for the family cap, which became effective August 1, 1997, and the welfare-to-work services, which are to be phased in over the course of 1998.<sup>7</sup> (The table does not include CalWORKs provisions that simply mirror specific provisions of PRWORA, such as those regarding denial or sanctioning of benefits for noncompliance with child support enforcement efforts.)

Several provisions of CalWORKs are worth noting.

**Time limits.** As noted above, CalWORKs has no time limits on aid to children and two types of time limits for nonexempt adults. The first is a *five-year lifetime limit* that began January 1, 1998, for recipients already on welfare at that time, and upon approval for welfare for those joining the rolls thereafter.<sup>8</sup> Because California's five-year time limit went into effect slightly more than a year after the federal time limit, part or all of the cost of the fifth year of aid for those on the rolls before January 1998 will be covered by state funds. The second is an *interim "work-trigger" limit* of 18 months for new applicants and 24 months for current recipients.<sup>9</sup> This interim limit is the length of time adults can receive assistance and post-job club welfare-to-work services before being required to work 32 or 35 hours a week in unsubsidized employment or a community service job. This time limit becomes effective when the individual has completed job club or job search unsuccessfully, gone through assessment, and signed a welfare-to-work plan.

**Welfare-to-work services.** CalWORKs calls for program participants to progress through job club/job search into assessment (where a welfare-to-work plan will be jointly crafted by the recipient and her case manager), and from there into continued job search, work-related education and training, community service employment, and/or job placement. This sequence of activities is described in greater detail in Section V.

**Participation requirements.** The state requires adults in single-parent families to participate in work or approved education or training activities for 20 hours per week as of January 1998, 26 hours by July 1998, and 32 hours as of July 1999. However, counties have the option of requiring up to 32 hours per week before July 1999, and Los Angeles County has exercised that option. An adult recipient in a two-parent family is required to participate for at least 35 hours per week.

The state legislation requires mothers of children one year old or older to participate but gives counties discretion to exempt parents of children between three and 12 months of age. Once

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<sup>7</sup>The family cap was actually enacted in 1994, and California had been waiting for a federal waiver to implement it. The passage of federal welfare reform made the waiver unnecessary, and this provision went into effect before the other changes.

<sup>8</sup>Child-only cases, Cal-Learn participants, and five categories of adult recipients are exempt from the five-year time limit: those caring for ill or incapacitated household members; persons 60 years of age or older; certain non-parent caretakers of dependent children; recipients of aid under the State Supplementary Payment Program (SSP, which provides state-funded cash assistance to assure a minimum income level for recipients of federal Supplemental Security Income benefits), In-Home Supportive Services, State Disability Insurance, or Worker's Compensation Temporary Disability; and a residual category of others deemed compliant but unable to participate.

<sup>9</sup>The county may extend the 18-month limit by six months if the extension is likely to result in unsubsidized employment, if the county is experiencing high unemployment, or if employment is unavailable in the local labor market.

this first exemption is applied, the parent is exempt for three months for subsequent births, or for up to six months at the option of the county. Los Angeles County has opted for the maximum exemption period under both circumstances.<sup>10</sup>

**Transitional benefits.** CalWORKs provides recipients who find jobs with postemployment services, including case management and services aimed at promoting job retention and wage progression. Other supports for work include transitional child care and Medi-Cal (described in Section VII).

**Eligibility.** CalWORKs authorizes counties to create diversion programs. These programs attempt to divert applicants from the assistance rolls by offering payments as a “crutch.” For those who stay in the applicant pool, receiving welfare is contingent on three factors: assets, income, and meeting certain behavioral requirements. Thus, for a household to receive assistance, preschool-age children must have the appropriate documented immunizations, and children in first through twelfth grades must attend school regularly.<sup>11</sup>

**Earned income disregard.** CalWORKs increased the amount of earned income that can be disregarded in calculating the welfare benefit from the first \$30 and one-third of the remainder to \$225 and one-half of the remainder. This change, along with other changes in grant calculation procedures, strengthens the incentive for recipients to obtain full-time jobs.

**Maximum family grant.** California instituted a family cap program on August 1, 1997, just before CalWORKs was enacted. Under its provisions, grant levels are frozen at the current household size and do not increase as a result of additional births that occur 10 or more months after a family has begun receiving aid.

**Sanctions.** These are unchanged from the sanctions under AFDC. The sanction for failing to comply with program requirements is the removal of the adult portion of the grant. The length of the sanction is increased as follows: the first sanction lasts until the participant complies with the requirement; for the second instance, the sanction lasts until compliance or for three months, whichever is longer; and for any subsequent instances, the sanction lasts until compliance or for six months, whichever is longer. Counties must issue vouchers covering at least rent and utility payments to families in which an adult has been sanctioned for three consecutive months.

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<sup>10</sup>Other groups exempt from the participation requirement include: children under 16 years of age and children ages 16 through 18 who are in school; individuals participating in Cal-Learn; those with a medically verified disability expected to last more than 30 days; persons who are of advanced age; nonparent caretakers with primary responsibility for caring for a child who is either a dependent of the juvenile court or a child at risk of becoming a ward of the court; persons caring for a household member who is ill; a pregnant woman whose pregnancy precludes participation; and other individuals whom the county agrees cannot participate. In addition, recipients may be temporarily excused from participation if child care for a child age 10 or under is unavailable.

<sup>11</sup>These new requirements mean new responsibilities for eligibility workers, who will be trained to read immunization records and medical statements to determine whether the necessary immunizations have been obtained, and who must also monitor school attendance. At the time of the site visit, it was not yet clear whether sanctions would be imposed for all children not attending school regularly, or only for older children. Adequate attendance is defined as having nine or fewer absences per attendance period indicated on the report card; if there are more than nine absences, the DPSS worker must call the school to see if these were excused or explained.

**Immigrant policies and services.** Under CalWORKs, legal immigrants in Los Angeles County, as in the rest of the state, continue to be treated like citizens for purposes of determining eligibility for cash and medical assistance, but they are treated differently under the Food Stamp program. California has aimed to redress in part federal policies concerning immigrants by establishing a state-funded Food Stamp program to provide Food Stamps to legal immigrants who came to the U.S. before August 1996 and are either under 18 years of age or nondisabled persons 65 or older. This state-funded program provided Food Stamps to 56,000 of the estimated 151,700 immigrants in California whose federal benefits were terminated.

Additionally, in keeping with its commitment to providing services to victims of domestic violence, CalWORKs gives benefits for up to six months to immigrants who are victims of domestic violence and who are eligible for special residency under the federal Violence Against Women Act (VAWA). This provision targets women who have initiated the process of gaining citizenship but are prevented from completing it because they have ended the relationship with their legal sponsor when that person is also the perpetrator of abuse.

#### **IV. Communicating the New Welfare Message**

##### **What the Message Is**

Los Angeles County's Draft CalWORKs Implementation Plan states concisely the message the agency is seeking to deliver to recipients:

Commencing April 1, 1998, new CalWORKs applicants must have a profoundly different experience than that of welfare recipients in the past. They must encounter a welfare system that speaks in one voice and delivers a clear message: "Your responsibility is to get a job, so that you will not continue to need public assistance. Our responsibility is to do everything possible to help you do that. The cash assistance you will receive is temporary. It is intended to sustain you and your children while you are trying to secure employment. It is not an alternative to employment."

It is perhaps unfair to make too much of what is clearly not a final version of the plan. It remained to be seen what would be emphasized in staff training and what, in turn, staff would relay to recipients. Still, it is evident that the message contains three main themes: (1) welfare recipients must seek employment; (2) DPSS will assist them in this effort; and (3) welfare is temporary.

It is also worth pointing out what is left out of the message as stated in the plan. First, other desired behavioral changes — e.g., avoiding additional out-of-wedlock births, monitoring children's school attendance — are not mentioned, strongly implying that these are secondary to the goals of work and self-sufficiency. Second, the time limits are unspecified; in fact, at the time of the site visit, the agency had not decided just what should be said about this topic. As one high-level official explained, "If you tell me I've got five years, I can straighten out in five years, it's not going to impact me that much. . . . I'm not sure how to get the message across that five years

isn't that long a time." Third, there are no references to community service jobs, the possibility of exemptions from the time limits, or the fact that aid to recipients' children will be continued even after the adults have reached their time limit. Given the primacy that DPSS attaches to recipients' efforts to gain employment, it is unclear how much emphasis the agency will give to informing clients about policies that might undercut such efforts. Although GAIN staff have tried to communicate the "work pays" theme to participants for several years, the message also does not mention the expanded income disregard.

### **Getting the Message Across**

New applicants for assistance and recipients coming in for their annual redetermination were hearing what one CalWORKs office manager termed a "brief spiel" on welfare reform and on the new time limits. Officials planned, however, to rely on a series of mailings as the main avenue for communicating the new message to those already on the rolls, although as of mid-December 1997, most of these mailings had yet to go out. There were several reasons for spreading the word via mailings rather than depending mostly on eligibility or GAIN workers.

For one thing, although the CalWORKs message is essentially the one that GAIN staff have been delivering since the program adopted a work-first approach (with the important addition of time limits), that message is less familiar to eligibility staff. Eligibility workers' jobs have not required that they motivate recipients to seek work or help them find jobs. DPSS reasoned that to function effectively in their new roles, these workers would need additional training and other forms of preparation; the agency's strategy for bringing them up to date with welfare reform is discussed later in this chapter. By the time of the implementation study site visit, though, eligibility staff had not yet received training on a wide spectrum of CalWORKs policies and practices — not just time limits and self-sufficiency but also the provisions that, a month later, would affect eligibility determination and grant calculations.<sup>12</sup>

Another important reason that eligibility workers could not explain reforms to clients is the impersonal nature of encounters between most eligibility workers and the recipients. To enable BAP office staff to deal with the volume of cases, cases of recipients without earned income are "banked" or "maxed." That is, a specific case is assigned to a unit of workers, rather than to an individual caseworker or case manager; a unit of six people may handle 2,500 to 3,000 cases. "Banking" has proved to be a viable way of keeping the paperwork on a case up to date. But it also means that a recipient who wants to find out about her status vis-à-vis the new welfare rules (or anything else) may speak to a different person each time she calls. And she may hear different things from different people.

In the absence of training, the degree to which eligibility workers were seeking to convey the new message to recipients seemed to vary from one BAP office to another, depending in part on the initiative taken by local office managers (or, conversely, on their degree of caution) in ask-

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<sup>12</sup>At the time of the site visit, GAIN staff also had not yet received special training about what to tell recipients about time limits. Many GAIN workers seemed to be familiar with the general thrust of welfare reform, although some acknowledged that they were fuzzy about the details.

ing their staff to deliver the new message before having received the official word on what they were supposed to say.<sup>13</sup> Eligibility workers' knowledge of the new rules also varied. It became apparent through focus groups conducted with eligibility workers that when workers did seek to convey information to recipients, they were sometimes wrong. For example, one worker, asked what she told recipients about the time limit, replied, "I heard it starts in January, so that is what I tell them — 'Come January, you have two years to find a job.'" (In fact, as noted above, the two-year limit begins when a client signs her welfare-to-work plan following job search and assessment.) Another said that she tells clients, "AFDC is not a way of life anymore, the way you were accustomed to. Go to school and try to get some kind of training. Go to work." The worker, along with two of her colleagues who also said that they encourage recipients to go to school, seemed unaware that education is no longer emphasized by GAIN.

### **What and How Recipients Have Heard About the New Rules**

At the time of the implementation research visit, before the message about welfare reform had officially gone out to clients, some eligibility workers expressed uncertainty about whether recipients understood the new rules. Said one, "They are unclear about the rules. *I am unclear.*" The ethnographic data indicate that the eligibility workers' doubts were justified. In all three neighborhoods in the study, some respondents knew much more about welfare reform than others, and those interviewed later in March generally knew more than those who had been interviewed in December. As a rule, although the respondents grasped some of the key concepts of welfare reform, they were confused about important particulars.

For example, most respondents were broadly aware that welfare had become time-limited, but many did not know how the time limits work. Many were unaware that they could continue to receive welfare after two years if they were employed in an unsubsidized or community service job. One immigrant from Mexico who gave thoroughly confused information about the time limits was evidently conflating the TANF and Food Stamp rules. As the interviewer noted:

The respondent explains that if an individual has worked for 10 years in the United States, then that individual is eligible to receive TANF for five years, but if she has not worked 10 years, then she cannot receive public assistance. The respondent stresses that there is a five-year limit on public assistance, but those individuals cut off after this time may become eligible for public assistance again if they work for 10 years after being cut off. She also believes that the assistance her youngest son receives will be cut off after five years.

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<sup>13</sup>Researchers found that as early as May 1997, eligibility workers in some offices were encouraged by the office director to spread the word about time limits and to communicate to recipients that eligibility staff were there to assist them in achieving self-sufficiency. At that time, however, neither the state legislation nor the county plan had been developed. In December, one BAP office director told the researchers that she herself had not yet received the county's implementation plan and could not explain to her staff how it would work; consequently, she did not yet expect staff to discuss the time limits with clients: "Until we get material to implement, we don't do much," she explained. The director of another eligibility office, in contrast, made concerted efforts to keep her staff abreast on the new rules, and staff at that office appeared to have a better idea of their new roles and responsibilities.

None of the respondents, in fact, seemed aware that the time limits apply only to the adult(s) in the family.

Similarly, all the interviewed women living in two of the neighborhoods of the ethnographic study knew that CalWORKs contains a work requirement. But only one could explain the requirement accurately. And while some recipients seemed aware that people on assistance can continue to receive a check if they have a job, no one could say just how this works or how long it will last. One respondent, asked what she knew about the new rules, replied:

God, I really don't know what the new rules are. I've heard so far — I don't know, 'cause I haven't received anything yet — but I've heard that supposedly they are going to make us work now. Or if you have a good excuse not to go to work, like, let's say, right now that I'm going to school, I need to have at least 32 hours a week.

This answer clearly shows her awareness of the 32-hour-a-week participation requirement. Pressed about specifics, however, she was able to add little — and what she did add was largely speculative:

Now they're going to make it harder. Now, it's gonna be like, once you start working and you lose your job, probably if you lose your job, they'll probably help you out for a little while. But then you have to get off welfare again. But, if you leave your job, then you can't get back on welfare at all.

Furthermore, respondents did not have a clear understanding of the range of allowable work activities in GAIN.

The ethnographers did not ask respondents about plans to seek exemptions either from work requirements or from time limits, and there was little spontaneous mention of this topic. The data that were collected do not indicate whether the women were even aware of the possibility of getting such exemptions. Several respondents said that welfare recipients with children under two years of age are exempt from work requirements or participation in GAIN. This notion is mistaken: women with children under age three were exempt under the old rules, while under the new system, in Los Angeles County women with children under one year old are not required to participate.

Women living in the immigrant neighborhood had heard a number of different stories and recounted different scenarios about what would happen to immigrants. (Only one respondent from the other two neighborhoods was aware of any specific regulations concerning immigrants.) Most of the women in this neighborhood asserted — incorrectly — that welfare reform primarily affects undocumented immigrants.<sup>14</sup> But they also feared that they would be deemed ineligible for aid if they were not citizens or did not become naturalized. In addition, they expressed concern about having to repay benefits if they applied for legal status or citizenship.

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<sup>14</sup>As noted in Chapter 1, undocumented aliens have never been eligible for cash assistance.

Respondents listed in order of importance the sources of their information about welfare reform. These were: (1) the TV news, (2) newspapers, (3) word of mouth (mostly from family members, but also from friends and neighbors), (4) official letters from DPSS or GAIN, and (5) other sources (community organizations, flyers, and DPSS staff). Communications with DPSS caseworkers clearly ranked low on the list. Several respondents wondered why their caseworkers had changed so often, or why they were not assigned to a particular worker, as they had been in the past. Most of the respondents said that they see a welfare worker only once a year (when eligibility is redetermined). Many also reported that it has become more difficult to talk to workers since DPSS instituted the banked eligibility units. In general, the women said that the team approach at DPSS had led to longer response times when they had a question or problem that needed resolution.

## V. Welfare-to-Work Services, Supports, and Sanctions

The participant flow for applicants and recipients is depicted graphically in Figure 4.2. In considering the sequence of welfare-to-work services, it is useful to distinguish three categories of such services: those available before the 18- or 24-month time limit, those available after that time limit, and those available to recipients who find employment (whether before or after the time limit).

### Services Available Before the 18- or 24-Month Time Limit

**Applicant diversion.** DPSS planned to implement its diversion program in September 1998. Under the state regulations, counties may give lump-sum grants to eligible individuals if such assistance will help the individual maintain or obtain employment and keep her from applying for assistance. Families are also eligible for Medi-Cal and child care during diversion. If a diversion participant nonetheless finds it necessary to go on welfare, counties recoup the payment by reducing the amount of the assistance grant or by reducing her five-year lifetime limit on aid.

**Referral to GAIN for all nonexempt applicants.** Beginning April 1, 1998, new applicants for welfare who have been approved for assistance are to be immediately enrolled in GAIN unless they meet the criteria for exemption from welfare-to-work program participation (see above). As noted previously, to handle these new participants, DPSS is placing GAIN staff and services in all 24 CalWORKs offices.

**Referral to GAIN for nonexempt recipients.** Beginning April 1, 1998, all nonexempt recipients not participating in GAIN will receive letters scheduling them for orientation. By state law, all such individuals must be enrolled in welfare-to-work activities by December 31, 1998. The plan is for GAIN staff stationed at the GAIN regional offices to work with those already participating in GAIN.

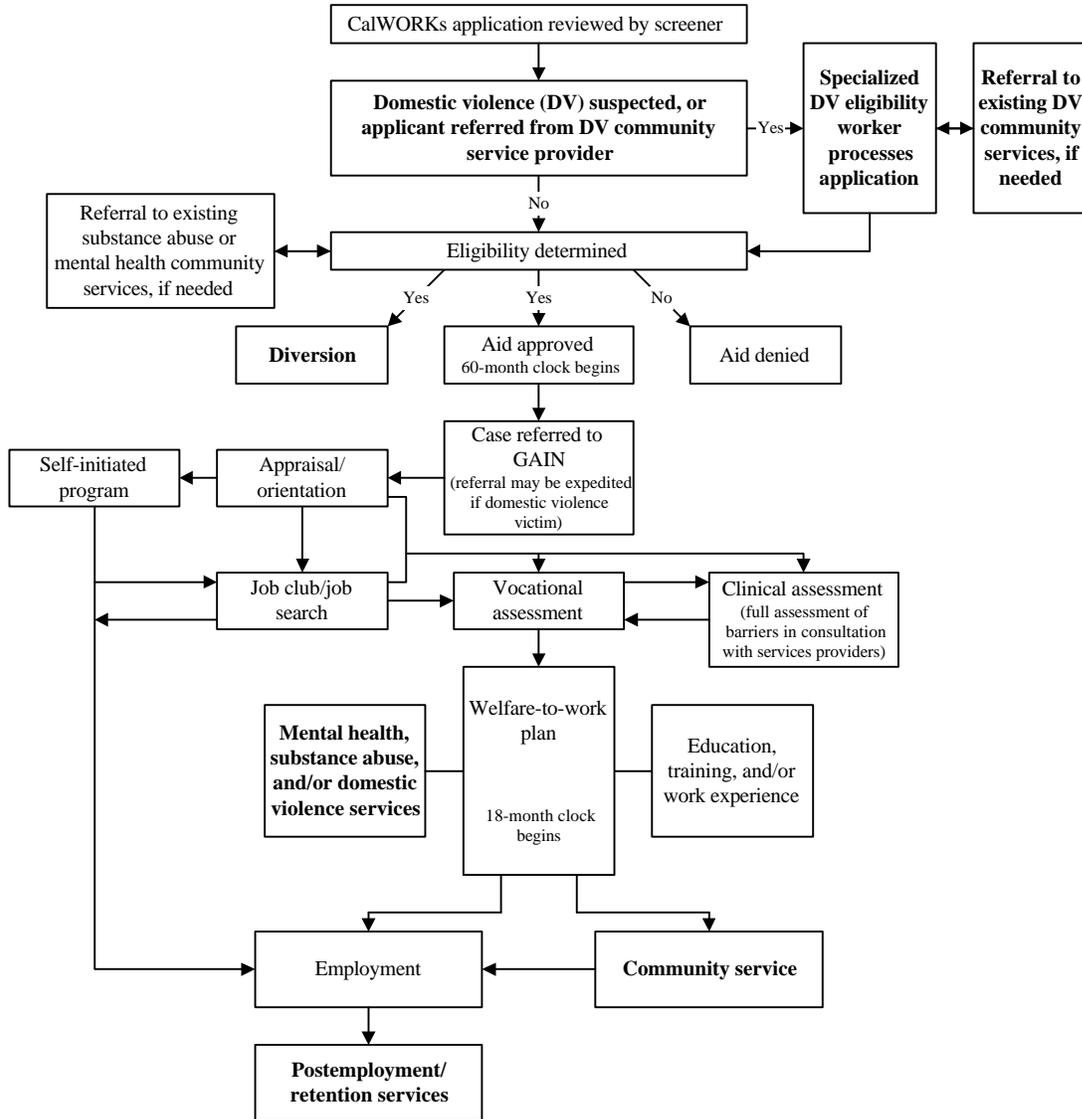
**GAIN Orientation.** A six-hour motivational session is conducted by staff of the Los Angeles County Office of Education (COE). The session explains what will happen in the job club and introduces the idea that individuals who want to improve their circumstances must learn to set and meet goals.

**Appraisal.** A brief one-to-one meeting between the recipient and the GAIN Services Worker (GSW) immediately follows the GAIN Orientation. At this point, the GAIN worker decides whether the client will be required to participate in CalWORKs activities. Under GAIN, the exemption criteria were straightforward, with little room for staff discretion, and the same is generally expected to be the case under CalWORKs. Most nonexempt participants are referred

**Figure 4.2**

**The Project on Devolution and Urban Change**

**Flow of Participants Through the CalWORKs Program in Los Angeles County**



SOURCE: Adapted from County of Los Angeles Department of Public Social Services, "CalWORKs Participant Flow," December 1997.

NOTE: Components initiated with CalWORKs are in boldface type.

directly to the three-week GAIN job club/job search component. Recipients may, however, be excused from job club participation if they are already in a full-time education or training program, if they are identified as having substance abuse or mental health problems, or if they are victims of domestic violence. Those with substance abuse, mental health, or domestic violence problems may be referred directly to treatment providers, as discussed below.<sup>15</sup>

**Job club/job search.** This component is at the core of the CalWORKs welfare-to-work activities. It consists of one week of classroom instruction in job-seeking skills, followed by two weeks of intensive supervised job search. While job club participants are expected to take the initiative in developing their own job leads, they are assisted in their employment search by GAIN job developers, whose work is discussed in Section VII.

**Vocational and clinical assessment.** A one-day vocational assessment conducted by an outside provider is usually the next step for recipients who do not find a job during job club/job search.<sup>16</sup> The goals of the assessment are to determine what services would improve the participant's chances of obtaining a job and to formulate an individualized welfare-to-work plan. The assessment counselor reviews the benefits of employment with the client, analyzes her basic skills and work history, and administers a test to determine her vocational interests and skills. Test and interview results are then matched with occupational opportunities, and the counselor and client jointly identify obtainable vocational goals and the barriers to achieving those goals. The assessment is tailored to the needs of each participant and could also include further screening to identify alcohol or other substance abuse treatment needs, mental health issues, domestic violence problems, or other barriers to employment. Identification of any of these problems would lead to a separate clinical assessment by a specialized provider. The GAIN worker uses the results of the assessment process to develop the recipient's welfare-to-work plan, which specifies the activities in which she will participate — activities that are meant to assist her in overcoming barriers to employment and in getting off aid.

Along with the possibility of a second rotation through job club, post-assessment services include education, skills training, and work experience.

**Education and skills training.** Although California's welfare reform initiative has a work-first orientation, education and training delivered before the 18- or 24-month time limit will, in the words of the GAIN chief, continue to have a "residual role," and one that is also likely to be small.<sup>17</sup> An array of providers offers basic education and vocational training in Los Angeles

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<sup>15</sup>One GAIN regional director sought and obtained permission from the county for her staff to send recipients who needed only a quick brush-up of their job skills to very short training programs instead of to job club, because, as one of her staff members commented, "When we see [clients] with a skill, it's silly to send them to [a minimum-wage job]." It remained to be seen how widely this practice would be adopted, and whether it would spread to the other GAIN offices.

<sup>16</sup>The one-day assessment has been extended to a day and a half.

<sup>17</sup>MDRC's evaluation of the Jobs-First GAIN program indicates that only about 6 percent of single parents on AFDC who attended GAIN Orientation participated in either education or training during the first year thereafter. This is partly because many of the recipients had found employment or otherwise left GAIN (sometimes because of a sanction) before reaching assessment and assignment to a subsequent activity. (See Freedman, Mitchell, and Navarro, 1998, Table 3.)

County. Local Private Industry Councils, Regional Occupational Programs, and community college districts receive CalWORKs funding outside of the county's allocation to make these services available to welfare recipients.

**Work experience.** Like its earlier counterpart under AFDC, the work experience component under CalWORKs will involve short-term placements with public or private nonprofit organizations, with the goal of providing recipients with on-the-job experience to build their confidence and improve their work habits. How large this component will be under CalWORKs is uncertain.<sup>18</sup>

### **Services Available After the 18- or 24-Month Time Limit**

The CalWORKs legislation requires that community service employment positions be made available to recipients who have reached their 18- or 24-month time limit and for whom the county determines there is no job available. Community service assignments may last up to three years. While accepting a community service position allows the adult recipient to retain her portion of the welfare grant, time in community service counts against her five-year lifetime limit.

Few of the specifics of community service employment in Los Angeles County have been worked out. Both the scale of the component and how it will work in practice (e.g., whether positions will be paid or not, what kinds of jobs will be offered) remain open questions. Moreover, DPSS is not required to give the Board of Supervisors a detailed plan for the component until July 1999 — just a few months before some will reach the 18-month time limit. By that point, agency officials should have a much clearer idea of how many slots will have to be created. Furthermore, the absence of a detailed plan may also increase the pressures on both staff and recipients, inducing more clients to find unsubsidized jobs, and more quickly. On the other hand, if officials are unduly optimistic in believing that only a small percentage of the caseload will need community service jobs (one DPSS administrator put that proportion at no more than 10 percent), then a last-minute scramble to create and fill the positions can be predicted.

### **Postemployment Services**

Postemployment services aimed at improving job retention and at helping those in entry-level jobs move up the job ladder are available to employed CalWORKs recipients. Former recipients who are earning enough to no longer qualify for cash aid may receive postemployment services for up to 12 months. These are discussed in greater detail in Section VII.

### **Supportive Services**

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<sup>18</sup>As noted previously, the work experience component under AFDC was small in scale. Only about 600 of the county's 2,000 work experience slots — which have generally been in schools, nonprofit organizations, county offices, and the Social Security Administration — were filled at any one time, by General Relief as well as AFDC/TANF recipients.

DPSS has traditionally provided three types of supportive services to GAIN participants engaged in work-related activities: child care, transportation assistance, and one-time special payments for work-related expenses. These services continue to be offered under CalWORKs.

**Child care.** Under state law, subsidized child care is guaranteed for CalWORKs participants' children age 10 and under; DPSS intends to offer it to 11- and 12-year-olds as well, if funding is available, and to 13-year-olds who are judged incapable of self-care.

The provision of child care under CalWORKs differs in important ways from the process under AFDC. The state legislation replaces eight preexisting child care programs for AFDC recipients — which had different eligibility requirements, payment structures, forms, and rules — with a single, three-stage child care program. Stage 1, which may last up to six months, provides child care for recipients upon enrollment in job club/job search. Stage 2 begins when the family's work and/or child care situation becomes stable; it can last for no more than two years after the mother's cash aid is stopped. Stage 3 incorporates recipients who have found work and left welfare, as well as households in the diversion component, into the state's child care system for the working poor, in which families are eligible for subsidized care until their income exceeds 75 percent of the state median income. (By this standard, a family of three could have an annual income of up to \$30,036 in 1997 and receive subsidized care.) These stages are meant to be imperceptible to recipients, so that when a family makes the transition from Stage 1 to Stage 2, it will continue to receive subsidized child care services without disruption. Specialized resource and referral agencies will administer child care for all CalWORKs participants, subject to DPSS monitoring during the first two stages. CalWORKs payments will be made directly to the child care providers, rather than to recipients in the form of vouchers, as was the case under AFDC.

At the time of the implementation research visit, DPSS officials could only speculate about whether there would be an adequate supply of child care slots. For one thing, in the past, the majority of welfare recipients have preferred to use unpaid child care, typically supplied by relatives. Whether that care would continue to be available, and to what extent, remained open questions. A study that DPSS commissioned from the RAND Corporation suggested that while the aggregate supply of child care would be sufficient through 1998, there would not be enough care available for the children of night- and weekend-shift workers, sick children, infants, or special-needs children.

**Transportation subsidies.** Under CalWORKs, DPSS will continue to subsidize costs, as needed, for transportation to welfare-to-work activities, child care, employment interviews, and the workplace.<sup>19</sup> The plan calls for the reassessment of participants' transportation assistance needs as they continue in welfare-to-work activities; transportation assistance could also extend to persons participating in postplacement services.

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<sup>19</sup>The subsidy may cover parking fees, mileage, or public transportation fares and may be issued in the form of cash, checks, or bus tokens or tickets. Additional transportation supports that were being explored were the use of computer software to generate bus route information for recipients and the creation of an innovative car purchase assistance program.

**Work-related expenses.** DPSS will make a one-time payment for items such as uniforms, work clothes, books, and/or tools that are needed to enable recipients to make the transition to employment.

### **Services for Recipients with Special Problems**

The education, training, and work experience components of CalWORKs are intended to address the needs of recipients whose employment barriers include limited ability to speak English, inadequate basic skills, limited vocational skills, and little or no work experience.<sup>20</sup>

What is new and different about the county's CalWORKs plan, though, is the attention it gives to recipients with mental health, substance abuse, and domestic violence problems. Identification of these problems could occur at several points in the flow of recipients through CalWORKs activities: at the initial application for assistance; at the appraisal that follows GAIN orientation and immediately precedes entry into job club/job search; or at the vocational and clinical assessments that follow job club/job search for all participants who are not yet employed. The plan calls for DPSS to train certain eligibility and GAIN staff members at each office on domestic violence issues; it also notes the possibility of collocating clinical and vocational assessment staff in the CalWORKs offices.

It is unclear whether individuals identified at application or appraisal as having substance abuse, mental health, or domestic violence problems will be required to participate in job club/job search activities; to date, this has been an area of significant staff discretion. Some domestic violence victims may be placed immediately in job club, so that they can gain employment and financial independence from abusive partners. This would be consistent with the general CalWORKs philosophy that the labor market is the best determinant of employability and that hard-to-serve recipients will be those who are unable to find a job through job club participation. It seems likely, however, that other domestic violence victims, as well as those needing mental health or substance abuse services, may be excused from job club participation and permitted to meet their "work" requirement through participation in counseling and other services. DPSS plans to work with the extant pool of agencies providing such services, which will have to expand their offerings and make them available to a new clientele.

### **Sanctions**

CalWORKs participants can be sanctioned for a number of reasons, including failure to return required forms, noncooperation with child support enforcement efforts, fraud, and non-compliance with GAIN.

Under CalWORKs, the steps in the sanctioning process for GAIN noncompliance, as well as the sanctions themselves, will remain the same as they were before TANF. GSWs recommend a sanction on the GAIN computer system, which automatically closes the individuals' GAIN case.

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<sup>20</sup>Studies by learning disability advocacy organizations suggest that serious learning disabilities may affect large proportions of TANF recipients and substantially reduce their prospects for self-sufficiency. The education activities specified in the plan may be insufficient to address these disabilities, however.

This action automatically prompts the eligibility worker to send a Notice of Action letter to the participant informing her of the sanction. The Notice of Action for the first sanction includes a form that explains how to avoid the sanction. If the recipient signs and returns a declaration of intent of future compliance, she is called back into GAIN; otherwise the sanction is imposed until she agrees to cooperate. The second sanction recommendation results in a reduction of the grant for three months or until compliance, whichever is longer; the third sanction results in a reduction for six months or until compliance. At every turn, recipients have a 30-day period to comply before the sanction is imposed, and they can appeal to a state hearing process. In all instances, the family's grant is reduced only by the noncompliant adult's share.

If the past is any indication of the future — as appears likely in this regard — then two predictions can be made. First, GSWs will continue to use their judgment about when to stretch the rules. (Eligibility staff, in contrast, claim that they have little discretion in responding to GAIN workers' requests for sanctions.<sup>21</sup>)

Second, although GSWs indicate that they do not want to sanction participants — “Most of us don't get up in the morning and think ‘I'm going to sanction 10 people today,’” said one — sanctions will continue to be an important means of enforcing participation. Some GSWs believe that sanctions defeat their purpose, which is to find participants employment, and they tend to view sanctioning as a last resort. As one GSW put it, “Sanctioning is the last thing we want to do — we give them many chances to comply.”<sup>22</sup>

However, GSWs also see sanctions as a useful tool for gaining cooperation. Some report that after the first sanction, many people get into job club and find a job. Moreover, the threat of a sanction also helps GSWs find out that some noncompliant recipients are actually employed. If this is the case, GSWs can help the client secure transitional benefits — and they can also count the client's employment as a job placement toward their monthly targets.<sup>23</sup>

### **Recipients' Perceptions of GAIN**

Obviously, none of the participants in the ethnographic study had yet participated in the full CalWORKs service sequence, but they displayed various degrees of familiarity with the counterparts of these services under GAIN. Thus, for example, about half were aware that GAIN includes a job club component, but most had only limited direct experience with it. Asked whether GAIN helps participants find a job, one respondent replied:

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<sup>21</sup>Beginning in 1998, GAIN workers will be able to impose sanctions themselves rather than relying on the eligibility staff to perform this function. The GSWs' ability to take immediate punitive action will likely add power to their message but may impede their efforts to build positive relationships with participants. Deregistration and sanctioning processes may also change significantly as a result of the collocation of GAIN staff and services at all CalWORKs offices.

<sup>22</sup>Some staff say that they try to contact participants before recommending a sanction; others do not.

<sup>23</sup>A GAIN regional director estimated that 40 percent of all job placements are when recipients, upon facing a sanction, acknowledge that they are working. (The automated system does not distinguish job placements that become known to staff members in this way.)

No, not that I know of, I guess, unless you go to that GAIN program, but I've never been to that, so I don't really know how that works. Some people say that it's not really a school. They help you fill out applications or something like that. But that's it. It's up to you to go out and find a job.

Another woman had not participated in job club but questioned whether it would be useful for her, since she already knew how to fill out an application and go for job interviews.

The majority of the women were aware of the existence of job training programs and believed that training was important. As one mother of three put it: "If you have no skills, what are you going to end up with? You will end up with that \$5.00 [an hour] job or that factory job." Like a number of other women, however, she did not know that training was included in the CalWORKs plan.

Only one respondent expressed awareness of the procedures for getting child care. In all of the interviews in which child care was mentioned, it was discussed in relation to the women's fears of leaving their children in the care of strangers.

Fewer than half of the respondents indicated awareness of DPSS sanctioning practices; a couple of these had previously been sanctioned for nonparticipation in GAIN.

## **VI. Equipping Staff and Systems for Change**

Effecting the changes described in the previous sections will pose challenges on both the welfare-to-work and the eligibility fronts. Implementing welfare reform effectively also requires a responsive management information system. This section deals with Los Angeles County's plans in the areas of staffing and data systems.

### **Expanding GAIN**

For GAIN staff, the new elements in the CalWORKs plan are the existence of time limits and the development of postplacement services; otherwise, they are already imbued with the work-first and self-sufficiency values that CalWORKs seeks to promote. In other respects, too, GAIN's current mode of operation is consistent with DPSS officials' vision of how CalWORKs as a whole should function. While GAIN staff are expected to be both firm and flexible in enforcing the rules, they are also expected to be welcoming, encouraging, and courteous toward recipients. From the program's inception, too, GAIN offices have been designed to be client-friendly and to have a professional, motivational atmosphere. Waiting areas have comfortable chairs and are decorated with plants and artwork; staff work spaces have sleek modular furniture; and conference rooms are bright and cheerful, their walls lined by motivational posters (e.g., "What lies behind us and what lies before us are tiny matters compared to what lies within us"; "Even if you're on the right track, you'll get run over if you just sit there"). All this is also consistent with DPSS officials' vision of how CalWORKs as a whole should operate.

For GAIN, the primary challenge CalWORKs presents is that of rapid expansion. In the past, GAIN served no more than 45,000 recipients at any given time. The new law requires it to

engage almost 150,000 recipients in welfare-to-work services over the nine-month period between April 1 and December 31, 1998, as well as to provide new postemployment services. This expansion will necessitate a dramatic increase in the GAIN staff complement, and the plan calls for the program to recruit and train some 400 new GSWs — a challenge in itself.<sup>24</sup> Along with the GAIN staff slated to join the 24 eligibility offices,<sup>25</sup> some existing GAIN offices will get new staff (for example, one office with 47 GSWs planned to add another 67 GSWs to its employee roster), and three new GAIN offices will be opened.<sup>26</sup>

Expanding GAIN, it should be noted, will entail an increase not just in staff directly employed by the program but also in the capacity of the agencies with which GAIN contracts for services. For example, to avoid large backlogs of recipients waiting to enter job club/job search, the County Office of Education must deploy additional staff to conduct this activity, find suitable facilities, and otherwise prepare for the influx of new participants.

### **Changing the Culture of the Eligibility Offices**

For eligibility workers, the challenges posed by welfare reform are very different. Eligibility workers will still be expected to handle the financial aspects of cases — to determine initial and ongoing eligibility for assistance and to calculate grant amounts correctly. But DPSS officials say that if welfare reform is to be successful in Los Angeles County, the mind-set of eligibility workers, and the culture and environment of the eligibility offices that shape that mind-set, must undergo a fundamental transformation.

Line staff in the CalWORKs offices are organized into several units. Intake units determine initial eligibility for aid, Redetermination units conduct group sessions at which recipients' continuing eligibility for welfare is established, Approved units oversee cases without outside income once they have been accepted for aid, and Specialized units handle cases with earnings and unearned income as well as recoup overpayments. In all these units, workers' interactions with recipients have been largely hurried and impersonal; in none of them have workers been expected to motivate recipients to seek employment or to help them find jobs. Moreover, the very environment of many eligibility offices is uninspiring — often shabby, with walls in need of a paint job, and unmatched, worn-looking furniture. In some offices, eligibility workers interview recipients through Plexiglas shields.

As some of those interviewed pointed out, eligibility workers' behavior is largely the legacy of the separation of income maintenance and social service functions that took place in 1972, when eligibility workers were instructed not to delve into recipients' personal problems. Now DPSS officials are seeking to encourage very different attitudes and behaviors on the part of eligi-

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<sup>24</sup>As in the past, GSWs' performance will be assessed on the basis of the number of job placements they make, with placements in the double digits expected each month for each worker.

<sup>25</sup>DPSS will also relocate all non-GAIN personnel now stationed in these offices to expand the space available for GAIN staff and services.

<sup>26</sup>Over time, however, as the caseload now served in the GAIN offices leaves welfare and as new applicants continue to receive GAIN services at the CalWORKs offices, it is not clear that GAIN offices will continue as free-standing entities. Ultimately, GAIN may become fully integrated and co-located with eligibility services.

bility staff. Asked what message she wanted workers in her office to convey to recipients, the director of one eligibility office replied:

I want them to convey that they really do care about participants and to be sensitive to them. I also want them to be able to present themselves so that they can be role models for participants. I want them to try to be resourceful about providing recipients what they need to be self-sufficient.

Officials have planned a number of measures for inducing these changes. The first is training. The DPSS CalWORKs implementation plan specified an elaborate training agenda unfolding over the course of a year (although with most of it scheduled for completion by April 1998). The training includes not only sessions on implementing the new CalWORKs rules but also on the dynamics of change and the change process, how employees can coach and counsel recipients and work with them as partners, and how staff can reach their goals, especially when under pressure. Staff are also slated to receive training on domestic violence, substance abuse, and mental health, with especially intensive training provided for staff members who have specific responsibilities for working with recipients confronting these issues.<sup>27</sup>

DPSS also plans to make funds available to CalWORKs offices to make their environments more appealing for welfare recipients and staff alike. As the draft plan submitted to the Board of Supervisors stated, “A key tenet of our main mission in DPSS is to provide services in an environment which fosters a positive and responsive experience for the clientele served and which supports our staff’s professional development.” The improvements are slated to begin with the remodeling of all lobbies and will eventually include the staff work areas as well.

Finally, DPSS officials hope that the collocation of GAIN and eligibility staff will imbue the eligibility offices with a sense of GAIN’s mission, which is now the mission of CalWORKs as a whole, and will lead to greater cooperation between the two groups of workers. Until now, what GAIN workers do has been unclear to some eligibility workers; as one eligibility office director put it, “All our staff knows is that the client is supposed to go over there to GAIN; they don’t know about job clubs or motivation.”<sup>28</sup> GAIN workers are more familiar with eligibility workers’ tasks — many of them were previously on the eligibility side themselves — but have very limited contact with individual workers. (Most of their “communication” is handled through automated messages.) The traditional tension between eligibility and GAIN workers has been exacerbated by differences in pay scales (with monthly salaries for eligibility workers starting between \$1,831 and \$2,437 and those for GSWs between \$2,032 and \$2,960); educational requirements (eligibility workers need only an associate’s degree, while GSWs must have a

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<sup>27</sup>GAIN staff will receive some of the same training on domestic violence, substance abuse, and mental health problems as eligibility workers. In addition to these training initiatives, DPSS is planning to encourage continuing education for staff through a tuition reimbursement program. Also, in support of the changing eligibility functions, a classification study may result in the upgrading of eligibility roles.

<sup>28</sup>It is worth noting that DPSS is also planning to open a “model one-stop welfare-to-work center” that will house eligibility and GAIN staff; a job club/job search facility; a child care resource and referral agency; and alcohol treatment, drug treatment, and mental health services. DPSS hopes that this center will become a showplace for visitors from all over the country.

bachelor's degree); office environments; and even appearance (eligibility workers do not have a dress code, while GAIN staff must wear suitable business attire). Officials believe that collocation — along with a more pleasant physical setting — will lead to improved relations and to better coordination. Their ideal is a team in which, as one high-level administrator put it, “Eligibility [staff are] almost there to support the GAIN worker, to make sure the grant is correct. Eligibility is almost like the assistant to the GAIN worker, [who is] the director of the case.”

### **Revamping Management Information Systems**

DPSS currently uses several computer systems, including MEDS (the Medi-CAL Eligibility System) and two separate systems for eligibility and welfare-to-work related functions. IBPS (the Integrated Benefit Payment System) calculates benefits and issues checks, while GEARS (the GAIN Employment Activity and Reporting System) tracks most welfare-to-work related data, such as start and end dates for each component as well as employment information.<sup>29</sup>

DPSS plans to bring on line a new eligibility system — the Los Angeles Eligibility Automated Determination, Evaluation, and Reporting (LEADER) system. LEADER will essentially replace IBPS, automating the grant determination process and updating and more fully integrating several eligibility systems. It will not, however, integrate the eligibility and welfare-to-work systems, which will continue to transmit information to each other overnight. GAIN staff in the CalWORKs eligibility offices will have access to both systems, and this should facilitate the exchange of information.

A major question facing Los Angeles County, like all jurisdictions, is how to track cumulative time on welfare within the county, state, and country as a whole — a necessity in order to implement the 60-month lifetime limit on aid to adults. Administrators indicated that DPSS will track time on welfare within California using the state's MEDS system. To track time on aid in other states, DPSS will rely on participants' self-declaration and on phone calls made by eligibility staff to workers in other states.

Overall, administrators and staff viewed their management information system as less than adequate, particularly in the context of welfare reform. Those who were interviewed about this topic tended to agree that the current systems do not allow them to work as quickly as increasing demands require and do not enable them to gain access to all the information they need.

## **VII. Stable Employment: The Ultimate Challenge**

Since 1993, when the Los Angeles GAIN program began focusing on rapid job entry, its job placement rate has increased substantially. Between July 1994 and June 1997, 92,000 GAIN

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<sup>29</sup>Monthly reports generated from the GEARS database allow tracking of job placements at a specific point in the service flow (e.g., orientation, job club, or vocational training), retention at six and 12 months, and sanctions their status. GEARS does not, however, track attendance in various components. The performance-based contract under which the County Office of Education (COE) operates job club/job search requires that COE provide DPSS with monthly reports on participants' attendance and progress.

participants found jobs. An evaluation of the program's impacts indicates that Jobs-First GAIN made a substantial difference compared with what welfare recipients would have accomplished on their own, producing large employment and earnings gains and moderate to large reductions in AFDC/TANF expenditures during the first year of follow-up for the study (Freedman, Mitchell, and Navarro, 1998).

Even with this substantial record, DPSS has set high hurdles for itself. While the state has not specified quantitative goals for counties to meet, the draft plan that DPSS submitted to the Board of Supervisors proposed two criteria by which the agency would gauge the success of CalWORKs during the program's first 15 months of operation (April 1, 1998-June 30, 1999): (1) moving 60,000 participants into employment and (2) ensuring that 75 percent of those who get jobs are still working after six months.

This section deals with the measures that DPSS has instituted to help meet these challenges and briefly describes the area's low-wage labor market. It then turns to welfare recipients' own expectations about their futures.

### **Job Development and Placement**

Job development and job placement have been and will continue to be central to Los Angeles County's welfare-to-work efforts. Job development units are located in each of the five GAIN regional offices, and the plan is for job developers to be stationed in each of the 24 CalWORKs eligibility offices as well by the beginning of 1999. The job developers' duties include activities aimed at creating job placement opportunities for GAIN participants and working with GSWs to match participants with job openings.

Presenting GAIN as a no-fee employment agency that could send employers screened and competent workers, job developers over the years created a network of hundreds of private-sector employers, mostly small and mid-sized establishments. To reach out to private-sector employers, they have hosted job fairs, become active members of the Chamber of Commerce in their areas, and conducted a regional welfare-to-work summit bringing together employers in a particular area to build awareness of GAIN.

GAIN has also implemented a number of measures to facilitate the flow of information between employers and job seekers. These include posting job openings identified through the job search workshops on a database linked to all GAIN offices and creating a Los Angeles GAIN Internet website that provides information on GAIN services and allows employers to post job openings directly with GAIN. The program also entails collaborating with the California Employment Development Department (the state labor department) to gain access to information and to develop special projects — e.g., a new computerized job bank, Cal Jobs, which will be placed in all CalWORKs eligibility offices.

### **Postemployment and Transitional Services**

The main purpose of postemployment services is, in the words of the GAIN program division chief, "to overcome the shortcomings of a work-first approach." Before the passage of

PRWORA, GAIN's primary concern was to place recipients quickly in entry-level jobs, even if these jobs did not last very long and did not pay enough to enable recipients to get off welfare. Indeed, the indefinite extension of the \$30 and 1/3 earned income disregard meant that AFDC could serve as a long-term income supplement for low-wage workers. In fact, most people placed in employment by GAIN remained on the welfare rolls because they secured jobs at wages too low to eliminate their need for public assistance and/or because they were able to obtain only part-time employment.

Because, in the new world of welfare reform, moving participants off of public assistance (not merely placing them in jobs) is the yardstick of success, DPSS has planned an ambitious set of postplacement services. These are aimed at both job retention and wage progression and would be available to all employed recipients for as long as they continue to receive benefits, as well as to former recipients who leave welfare because of employment for up to 12 months after their cash aid is terminated.

One such service is extended case management. In the past, GAIN staff severed their relationship with recipients once the latter found jobs; under CalWORKs, the GSWs can continue to provide recipients with counseling aimed at job retention and at helping recipients find new jobs if they lose the positions in which they were initially placed. In addition, the plan calls for GAIN workers to encourage clients who get jobs to apply for the Earned Income Tax Credit when they file their tax returns, and for GAIN job developers to assist participants in filling out the necessary paperwork.<sup>30</sup>

DPSS is also encouraging the implementation of skills training for entry-level workers that would be conducted to the employer's specifications and during regular work hours. As DPSS officials envision it, such training would produce dual benefits: it would allow workers to move up the career ladder, and it would open up positions for others who are just starting out. In addition, officials speak of opportunities for enrollment in adult basic education and GED classes; instruction in life skills (e.g., budgeting, time management, and stress management); one-to-one mentoring through linkages with existing volunteer groups; and services providing treatment for substance abuse, mental health problems, and domestic violence. To realize these goals, DPSS will need to develop postemployment services in collaboration with a range of stakeholders, including employers, JTPA-funded training programs, community colleges, adult schools, Regional Occupational Programs, and faith-based institutions.

At the time of the site visit, very little in the way of postemployment services had actually been developed, and planning itself was mostly in an embryonic stage. One pilot project that appeared to hold promise, however, was an initiative aimed at upgrading the skills of 2,000 former recipients employed in hospitality, food service, and retail sales that was being jointly developed between one GAIN regional office and one of the eight local Private Industry Councils with which

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<sup>30</sup>An important role in informing clients about the Earned Income Tax Credit and about other benefits to which they are entitled can also be envisioned for those eligibility staff in the CalWORKs offices who deal with cases of recipients with earnings. Although these workers' current functions are largely limited to grant determination, their regular contact with recipients places them in an ideal position to provide counseling about these and other services.

DPSS collaborates on an ongoing basis. If the project proves effective, DPSS hopes to replicate it using welfare-to-work funding from the U.S. Department of Labor.

Other supports aimed at easing the transition from welfare to work and at increasing the payoff of taking a low-wage job include transitional child care and Medi-Cal. As noted in Section V, recipients who leave the rolls for employment are eligible for subsidized child care for two years and may receive subsidies beyond that period if funding is available and their incomes do not exceed 75 percent of the state median income.

As required under PRWORA, transitional Medi-Cal provides up to 12 months of coverage at no cost to CalWORKs families whose earnings make them ineligible for cash aid.<sup>31</sup> The Los Angeles Department of Health Services and DPSS have worked together in an effort to enroll all families eligible for transitional Medi-Cal; toward this end, they have mailed information on the program to discontinued CalWORKs cases and targeted former recipients receiving Stage 2 child care benefits.

Finally, the plan calls for mental health, substance abuse, and domestic violence services to be made available to recipients and former recipients who are employed.

### **Are There Enough Jobs?**

DPSS analysts report that there is a strong correlation between the size of the Los Angeles County welfare caseload and the unemployment rate. The county's welfare reform policies and plans should therefore be set in the context of its economic and labor market conditions.

Los Angeles County's economy is improving, with an average unemployment rate of 6.8 percent in 1997, well below the 7.9 percent of 1995 and the 9.8 percent of 1993. DPSS indicated that a steady 8 percent unemployment rate appears to be the threshold for lowering its caseload. But its rate of job growth — estimated at 1.3 percent annually between 1994 and 1996 — lags far behind the estimated 5 percent job growth rate that would be required to absorb the massive influx of welfare recipients. The size of the labor market and the rate of job growth will be critically important to DPSS's success in placing well over 100,000 able-bodied adults in jobs.

Even in a relatively healthy economy, however, many jobs available to welfare recipients are likely to pay the state minimum wage of \$5.75. This is widely considered to be insufficient to support a family in Los Angeles County, where the cost of living is estimated to be about 25 percent higher than the national average. DPSS projects that full-time employment at a wage of about \$7.82 an hour is needed for a family of three persons to become ineligible for public assistance — an estimate that heightens the importance of the postemployment services the agency has proposed to deliver.

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<sup>31</sup>Over the next few years, Los Angeles County will decide whether or not to make transitional Medi-Cal available as well to those persons who have reached the 60-month lifetime limit on cash assistance without finding jobs, provided that they accept community service positions.

In addition to the questions of job availability and wage levels, welfare recipients may have to find ways of dealing with the large distances they may have to travel between the communities where they live and those where most of the jobs are. Transportation issues are likely to loom large, especially for recipients who do not own or have access to cars.

Under these circumstances, it is not surprising that some administrators and line staff expressed doubts about whether there would be enough jobs to move all CalWORKs participants into employment. When asked what percentage of participants would still be unemployed at the end of their 18- or 24-month time limit, staff estimates varied widely between 10 and 70 percent. Those interviewed often stated that many of the recipients left jobless at that point would likely be illiterate or otherwise difficult to employ. The recipients who are left without work and the kinds of help they may need will definitely challenge the welfare workers charged with placing them in community service jobs.

### **Participants' Expectations and Actions**

Some DPSS line staff members questioned whether recipients were taking welfare reform seriously. One commented, "Clients say, 'You tell me this, but I can guarantee this will not happen.'" Another, asked if she had perceived changes in clients' attitudes and concerns, replied, "There haven't been any changes because it hasn't hit them yet. They don't expect welfare reform to happen. They think it will stay this way." Some staff members also anticipated that recipients would find ways of getting around the rules; as one put it, "There will always be loopholes, there always have been, and many customers play that role, to fall into exemptions."

What recipients themselves had to say, both in focus groups conducted at the welfare offices by implementation team members and in interviews in their homes conducted by the ethnographers, both refutes and supports such views. The following discussion distinguishes between recipients' *attitudes* toward welfare reform and their *behavioral responses* to it.

**Respondents' attitudes.** Judging from what respondents had to say about welfare reform and the strength of their sentiments, they seemed to be taking the changes very seriously indeed. Their responses indicate a mixture of attitudes.

Seven of the 17 women in the ethnographic sample viewed welfare reform as a generally positive step. One respondent, for example, felt that the work requirement would be good because it would get her out of the house and distract her from her personal problems. She also seemed convinced that DPSS would act benevolently, taking recipients' problems into account and working with the clients if necessary, rather than simply cutting off their grants:

They want to see you make an effort to get a job, or to study to get ahead. I don't think that they will cut you off welfare. They themselves will send you to study, so that you can see other people and so that inside of you you'll feel the desire to get ahead. . . . And that's what they want, for women to go out to work to better themselves along with other people, for them to have more friendships so that they can learn other points of view.

More typically, the individuals who felt that welfare reform is positive simply believed that for themselves, working would be much better than receiving welfare. Some came to feel this way because they were frustrated with “the system” and tired of having to answer to their welfare worker about their earnings, their bills, and other areas of their lives. As one woman who had been on welfare for five years (and had been unsuccessful in finding a job through GAIN) put it:

I would prefer to work, and stop dealing with them, deal with them on an every blue moon basis. It does not make you happy or proud that you are on it. It is a stepping stone. It pushes you more so to get out there and get [a job] if that is what your mind is calling for. If your mind ain't on it, you ain't going to do it.

The majority of the women in the ethnographic study, however, were not optimistic about the impending changes and expressed great concern and even anger.<sup>32</sup> Many respondents — especially the African-American and Mexican immigrant women — felt that welfare reform is unfair. One reason was that the few who had previously completed a formal job preparation program, such as GAIN or JTPA, were disappointed both with the content of the program — which they described as teaching how to fill out a job application and how to dress for an interview —and with the results. They felt that participating in the program had not improved their employment prospects. Indeed, women in all three Los Angeles County neighborhoods did not place a great deal of faith in GAIN; at least two respondents who were engaged in other job training programs had sought them out and enrolled in them because they believed the programs would be better preparation for the labor market than would GAIN.

For the most part, however, the women worried about what the reduction in assistance would mean for the well-being of their families; even respondents who felt positive about the welfare changes had reservations on this score. Based on their experiences with current or past jobs, the majority of respondents questioned their ability to find well-paying employment and therefore wondered whether they would be able to provide adequately for their families without cash aid. One woman put it this way:

I would *much* rather work than receive welfare. [But] I wouldn't want to take a \$5.00 [an hour] job. It'd be the same [amount of income] as sitting home and getting welfare . . . and it's harder because you need to pay for transportation, you gotta get child care, you have to buy lunch. It comes out more expensive than just being home. . . . People that are making \$4.75, \$5.00 an hour, how can they afford to do it?

Indeed, five of the women interviewed stated that neither working a minimum-wage job nor receiving welfare provides enough by itself to adequately provide for their families. They said that

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<sup>32</sup>The same concern characterized members of the focus group just described. When asked what they thought would happen as a result of welfare reform, participants opined that welfare reform would bring an increase in crime, violence, homelessness, children's suffering, and foster care placements. Even the participants who thought that welfare reform was good for them and for their children did not cite a single positive outcome for the communities in which they lived.

they would be able to support their families only if they could retain public assistance benefits after they got a job.

The possibility of no longer being able to rely on welfare for a large part of their income was a source of great anxiety for most of the women interviewed. They feared not being able to pay the rent and other bills, not having enough food for their families, and being forced to take jobs that pay poorly or that exploit them.

Over half of the respondents worried most that their children would suffer. In this regard, their biggest concern was finding reliable, high-quality child care. In particular, many of the women mentioned the difficulty of finding child care that would meet their part-time or evening work schedules. A recurring concern, too, was that their children would fall into the hands of abusive daycare workers, about whom many respondents had heard frightening stories. As a result, many expressed discomfort about leaving their children with strangers. Even more troubling than their inability to find a good child care center was their fear of being unable to provide their children with the constant supervision they believe the children need, given the poor living conditions in their neighborhoods. One woman expressed her fear that, without her constant care, her children might be lured into the traps of life on the streets (i.e., drugs, crime, violence, etc.); some women were also afraid that their children would become victims of crime.

The respondents' concerns illustrate how badly they need correct information about CalWORKs. Their anxieties and pessimism might have been allayed in some measure had they known that they *would* be able to combine welfare with a low-paying job for a considerable length of time, that welfare benefits to their children would not be terminated even after they themselves were no longer eligible, and that CalWORKs would also help them find and pay for child care.

**Recipients' behavior.** Contrary to the cynical expectations expressed by some staff members, no respondents appeared to be looking for loopholes — ways to get themselves exempted from the time limits and work requirements so that they could remain at home. Few were even aware that such exemptions exist.

In one sense, however, the DPSS caseworkers who doubted that welfare recipients were talking welfare reform seriously had a point: the actions of about half of the respondents (eight of the 17) did not seem to reflect a sense of urgency about the impending changes.

Four of the 17 women had jobs — all part time — at the time they were interviewed; but three of these four had been working for at least two years. There was no indication that their work effort was a response to concern about being cut off of assistance. One of these four, a 29-year-old Mexican-born but U.S.-raised mother of three, was working part time at a discount department store; her welfare check fluctuated from month to month, depending on her earnings. She was trying to get enough hours at the store to exempt her from GAIN participation, but so far with no success. She was also trying to switch from the night shift to the day shift. As she explained:

With my job, I'm not happy with my hours. I've been trying to transfer to days. They keep saying, "Oh, there's no hours. There's no days." Sometimes I do feel

like quitting. Especially now that I'm working only a few hours. I'd like to look for a day job because no matter where you start out, it's like \$6.00 an hour. I want to see if I can get a day job because it would be better for me. I could spend more time with the kids. It is hard when you're one parent [and] you have to sleep in the daytime. In the daytime you also have to pick up your kids, help them with their homework, fix the food, spend some time with them . . . there are times when I'm tired. . . . In a way, I'd like to go to GAIN because they said that they could prepare you for a better job . . . and [name of store] isn't a better job! At [name of store], you'll end up staying in the same place. There really isn't much opportunity to go up.

To further her chances of getting a day job, she had submitted applications at a food processing plant and a warehouse, and had also applied to be a school crossing guard. Ideally, she would like to return to school to become a nursing assistant but is concerned that the training would take too long.

Another respondent, a Mexican-American mother of three, was not working at the time of the interview but had enrolled in a JTPA training program to learn medical office skills. She was prompted to do so by her awareness of the two-year time limit, her belief that DPSS would do little to prepare welfare recipients to enter the labor force, and her fear that she would lose her benefits without having any other options. As she put it:

Before, I think they used to help you with training — at least people say they did. And I felt like I never took advantage of any of that. And now that it is gone I started thinking, "They're not going to help you in *any* way and I am going to be off [assistance] and out of luck." So I thought that I needed to hurry up, get some type of training and get back in there. I don't want to be in a position where they say, "You have two months . . . and we're cutting you off."

Another woman was enrolled in a nursing training program because, as she explained, she did not want to be on public assistance for the rest of her life (not, apparently, realizing that even if she did want to stay on welfare, it would no longer be possible to do so). Finally, one respondent, who had previously been the co-director of a daycare center, was actively pursuing starting her own child care business.

Ten of the women were neither working nor in training at the time of the interview. Of these, two had recently submitted job applications (one as a school cafeteria aide, the other with the U.S. Postal Service). Although many of the remaining eight women were considering entering training, and most had thoughts about the kind of work they would like, they were not pursuing either of these options actively. Their plans for the future usually did not have firm dates attached to them.<sup>33</sup> As one of the ethnographers observed, some of them seemed immobilized: fearful of being cut off of assistance and pessimistic (based on prior experience) that welfare-to-work pro-

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<sup>33</sup>The women in the African-American neighborhood in particular had very little contact with the labor market; many of them seemed to have withdrawn from work and school to raise their children.

grams would help them, yet fully aware that their low earnings would not enable them to support their families.

## **VIII. Looking to the Future**

As this chapter has sought to make clear, welfare reform in Los Angeles County presents enormous implementation challenges on multiple fronts. In review, four such challenges stand out.

**Engaging the entire caseload.** Some 150,000 participants must be enrolled in welfare-to-work services in the nine months between April 1, 1998, and December 31, 1998. This task will require a substantial expansion of DPSS staff, as well as of both welfare-to-work and support services provided by other agencies. It will also entail the large-scale provision of new kinds of services for recipients whose barriers to employment include substance abuse, mental health problems, and domestic violence.

**Finding the jobs.** California Employment Development Department data indicate that as of June 1997, just over 1 million Californians — 300,000 of whom live in Los Angeles County — were unemployed. At the same time, employment increased by 97,700 jobs between June 1997 and June 1998 in Los Angeles County. Welfare recipients will be competing for entry-level jobs with high school and college graduates entering the workforce; they will also be handicapped by the fact that much of the job growth will occur beyond the borders of the low-income communities in which most recipients reside. And if they lose out in the competition, then DPSS may have to operate a much larger community service employment component than officials would like.

**Developing effective postplacement services.** DPSS's placement record suggests that assisting participants to get a job that will allow them to earn enough to be ineligible for cash aid is an even bigger challenge than placement in the first job. Creating postemployment services that support progressively better wages will be a special challenge because such services are new. As a high-level DPSS official put it, "[A critical issue is] the uncertainty as to whether or not we will be able to help people achieve self-sufficiency by developing great postemployment services. If this isn't the case, we will be developing a great underclass."

**Building new partnerships.** As one administrator summed it up: "You can have the best plan in the world, but without input, you may not be able to implement." Bringing together a wide range of stakeholders inside and outside the department is critical to the success of the entire effort. Eligibility and GAIN workers, other public agencies, County Office of Education staff, Private Industry Councils, the business community at large, treatment providers, community colleges, welfare and immigrant advocacy organizations, the media — all have a stake in the outcome of welfare-to-work programs. And all want a voice in the process.

## Chapter 5

# Miami-Dade: The Implementation of WAGES

The new changes are long overdue. Nothing wrong with asking people to do something for their benefits. The changes are beneficial, it will just take a while to put them in place.

DLES worker

### **I. Introduction**

Miami-Dade County in south Florida is one of the most diverse metropolitan areas in the country. With a population of nearly 2.1 million people, the county has the highest proportion of foreign-born residents of any U.S. metropolitan area, primarily from the Caribbean and Latin America. Its economy, driven by the service and trade sectors, continues to grow, creating approximately 16,500 new jobs annually.

At the same time, 25 percent of its population lived in poverty in 1993. Miami-Dade has consistently had one of the highest unemployment rates among major U.S. metropolitan areas, with 7.1 percent of the population unemployed in 1997. In September 1996, approximately 47,000 families were receiving cash assistance, and 170,000 families were receiving Food Stamps.<sup>1</sup> In addition, more than 60 percent of cash recipients live in subsidized housing.

The State of Florida was ahead of the curve in its plans for welfare reform. Work and Gain Economic Self-Sufficiency (WAGES) was enacted in May 1996, prior to the federal legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, August 1996). The state law emphasizes work and responsibility by providing financial incentives, while imposing time limits on welfare receipt and more stringent sanctioning policies. The program is jointly administered by the Economic Self-Sufficiency Services division of the Department of Children and Families (DCF) and the Jobs and Benefits division of the Department of Labor and Employment Security (DLES).<sup>2</sup>

This chapter describes the first year of implementation of the WAGES program in Miami-Dade. It highlights the policy changes administered under WAGES, the structural and management changes required to implement them, and the reactions of staff and clients.

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<sup>1</sup>Virtually all families receiving cash assistance also receive Food Stamps.

<sup>2</sup>Throughout the report, DCF and DLES are used to identify the agencies and their staffs, even though only one division in each agency is responsible for the implementation of WAGES.

MDRC conducted implementation research in October 1997 and January 1998, including interviews with key administrators at both DLES and DCF central offices. Three service centers within Miami-Dade were selected for the research. At these centers, interviews were conducted with local service center supervisors from both DLES and DCF; focus groups were held with line staff from both agencies as well as with clients; and observations were made of client–staff interactions.<sup>3</sup> (See Appendix Table A.1.)

For the ethnographic research, 43 women were interviewed: 24 Hispanics,<sup>4</sup> 16 African-Americans, and 3 Haitians.<sup>5</sup> The respondents were residents of one of three neighborhoods: a Hispanic neighborhood of low poverty; an African-American neighborhood of high poverty; or a Haitian immigrant neighborhood of high poverty. The first round of ethnographic interviews occurred primarily between December 1997 and March 1998, approximately 10 months before Miami-Dade County’s first cutoff of benefits.

Throughout the research, three major themes appeared:

- **Experiment in governance.** An explicit goal of PRWORA was to devolve responsibility for the implementation of cash assistance programs from the federal to the state level. Florida has taken an unprecedented step among state-administered welfare systems by further devolving responsibility to the local level through the creation of local WAGES Coalitions. This new governance structure fundamentally alters how decisions are made, policies implemented, and success measured at both the state and local levels. The implications of these changes are still evolving as traditional agencies and new entities struggle to define their own roles and responsibilities while helping people move from welfare to work.
- **Communication and comprehension.** Central to the success of any welfare reform effort is the effective communication of new rules and procedures as well as comprehension of the changes on the part of staff and clients. With the numerous policy and procedural changes implemented over time, staff have been overwhelmed with information. The basic messages that work is necessary and benefits are temporary are being conveyed by staff and understood by clients. However, the intricacies of policies, particularly those that benefit clients as they move from welfare to work, have not been explained well by staff or understood by clients.
- **Agency collaboration.** The WAGES program formalizes the collaboration between DCF and DLES. However, each agency brings its own culture, mis-

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<sup>3</sup>In January 1998, MDRC staff also conducted field research in a fourth service center, which more closely corresponded to the neighborhoods of the families in the ethnographic study.

<sup>4</sup>The term *Hispanic*, rather than *Latin* or *Latino*, is the term used locally by both Hispanics and non-Hispanics.

<sup>5</sup>The Hispanics were recruited through job clubs, and thus were already active participants in the welfare-to-work system. The African-American and Haitian women were recruited through referrals from community agencies.

sion, and standards to the venture. While not caused by welfare reform, unresolved issues and tensions between the agencies are heightened by the new collaboration. The result is confusion and miscommunication as both entities continue to struggle to define their roles and responsibilities, build relationships with new partners, and attempt to meet new demands and performance measures.

As Figure 5.1 indicates, some policy changes had been enacted prior to the implementation of the WAGES program, signifying policy changes that were already in the process of being implemented.<sup>6</sup> Most important, the state legislature specifically prioritized the policy changes so that those that saved the state money, such as time limits, would be implemented first and those that cost the state money, such as increased asset limits, would be implemented later.

This chapter will provide an overview of Florida's welfare policies and administrative structures immediately prior to the 1996 reforms (Section II) and outline the state's plan in response to PRWORA and the local adaptation in Miami-Dade County (Section III). The heart of the chapter (Section IV) will describe the messages that are being conveyed by administrators and staff about the new welfare program and the messages actually being heard and understood by clients, as well as examine the program activities that were planned, and those that were actually implemented, during the first year. Finally, Section V will examine the changes in administrative structures within the key agencies, Section VI will turn to challenges for employment, and Section VII addresses challenges for the second year of implementation.

## **II. The Story Before TANF**

To appreciate the magnitude of the changes under WAGES, it is important to understand previous welfare policies. Prior to WAGES, Florida operated a statewide welfare-to-work program, known as Project Independence (PI). Established in 1987, the program aimed to increase the employment of AFDC (Aid to Families with Dependent Children) recipients.<sup>7</sup> Florida was one of the first states to require single parents with children over the age of three to participate in welfare-to-work activities. The program model was a mixture of work first and education and training. Administered by the Department of Health and Rehabilitative Services (HRS),<sup>8</sup> the program had all participants attend an orientation and assessment, where they were categorized as either job ready or not job ready. The job-ready participants then moved into independent job search and job club activities. The not-job-ready group went through a further assessment and then moved into basic education,<sup>9</sup> postsecondary education, training,<sup>10</sup> or job club (Kemple and Haimson, 1994).

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<sup>6</sup>For administrative purposes, they were incorporated into the WAGES state plan.

<sup>7</sup>With minor changes, Project Independence became Florida's Job Opportunities and Basic Skills Training (JOBS) Program in 1989.

<sup>8</sup>In 1996, HRS was divided into the Department of Health and the Department of Children and Families (DCF). The latter has maintained responsibility for cash assistance programs.

<sup>9</sup>Basic education includes adult basic education, GED preparation, and English as a Second Language.

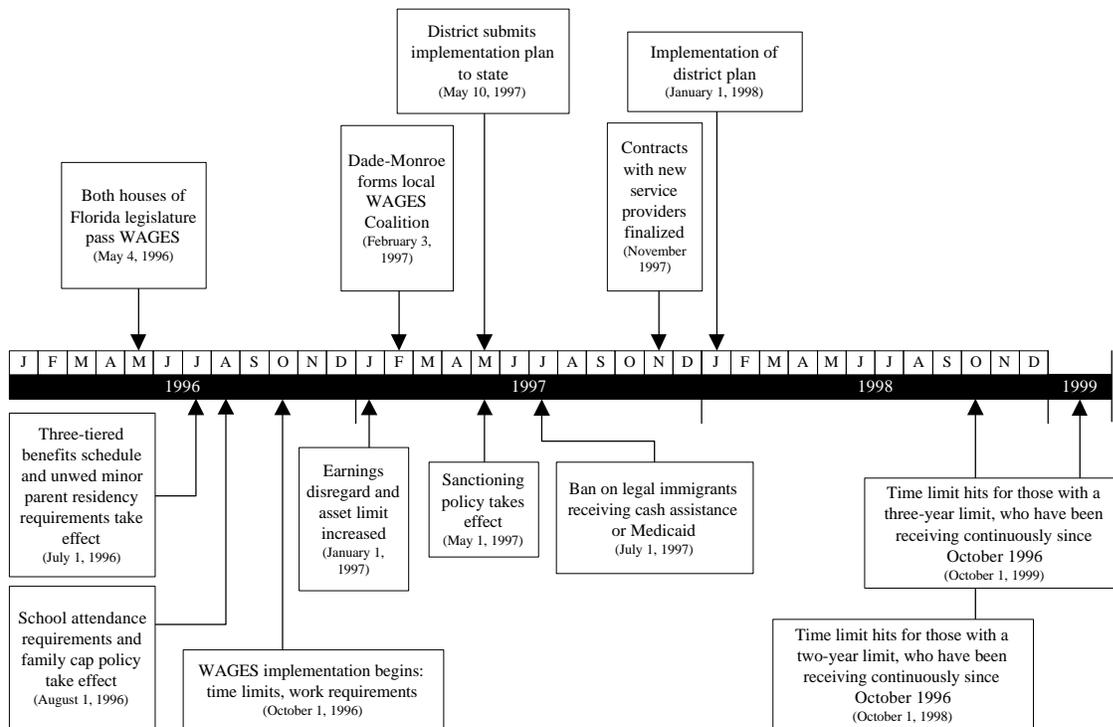
During the first few years of implementation, the program was considered a work-first model. The majority of its participants were identified as job ready, so the program's efforts fo-

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<sup>10</sup>Training includes classroom-based vocational education or occupational skills training, on-the-job training, customized training, employment preparation, community college, and work experience activities.

Figure 5.1

**The Project on Devolution and Urban Change  
Key Events and Policy Changes in Miami-Dade County**



cused on job search, job clubs, and placements. However, there were a number of changes in the latter years of the PI program that, in essence, shifted the focus toward a human capital development model with an emphasis on education and training.

First, there were several major economic changes between July 1990 and August 1991, including a 33 percent increase in Florida's unemployment rate (from 6.1 to 8.1 percent) and a 25 percent increase in the state's AFDC caseload (from approximately 140,000 to 175,000). This sudden economic downturn affected the state budget and ultimately many components of Project Independence. Most important were restrictions on the availability of child care, particularly for those in longer-term services, such as education and training. This lack was significant because mandatory registrants with young children could be exempted from participation requirements if child care services were not available. In addition, the state imposed a hiring freeze, which prevented the program from increasing its own staff to meet the growing demand for services.

In an attempt to reduce the PI caseloads in 1991, the job-readiness criteria were modified to classify more participants as not job ready, thus allowing more people to enroll in education and training. Also, staff were allowed to give first preference to those who volunteered for PI; as a result lower priority was given to enforcing the mandatory participation requirements. Finally, in July 1992, HRS subcontracted the responsibility for staffing and operations to the Department of Labor and Employment Security, but retained administrative responsibility and policy-making authority over the program (Kemple, Friedlander, and Fellerath, 1995).

All of these changes transformed PI into a predominantly voluntary, education- and training-focused program. These experiences influenced Florida's waiver demonstrations and the creation of the Family Transition Program (FTP) in 1993.<sup>11</sup> FTP was piloted in Escambia and Alachua Counties. The new program built upon the PI model by strengthening the work-first philosophy and greatly expanding the resources for child care. In addition, FTP established time limits, financial work incentives (such as an enhanced earned income disregard), and learnfare provisions, which require school attendance for children. Many of these policies became the foundation for the WAGES program.<sup>12</sup>

### **III. The New World of Welfare**

The passage of WAGES created one of the most ambitious welfare reform efforts in the country. The state plan's goal is to "emphasize work, self-sufficiency, and personal responsibility while meeting the transitional needs of program participants who need short-term assistance toward achieving independent, productive lives." At the same time, the plan allows a high degree of local flexibility in the planning and implementation of the program.

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<sup>11</sup>In the 1990s, prior to the federal welfare reform of 1996, Florida experimented with its welfare program through a waiver process with the federal government.

<sup>12</sup>See Bloom, Kemple, and Rogers-Dillon (1997); Bloom, Farrell, Kemple, and Verma (1998); and Bloom, Farrell, Kemple, and Verma (1999) for a more detailed description of the FTP program and a discussion of the program's impacts.

## **The State Plan**

The state plan was submitted to the U.S. Department of Health and Human Services on September 20, 1996, and was determined to contain the required elements on October 8, 1996. The plan went into effect on October 1, 1996, signaling the beginning of “the end of welfare as we know it” in Florida.

The plan outlines the most significant changes under WAGES, namely, time limits, work requirements, sanctions, financial incentives, and support services. The state plan imposes a time limit on welfare receipt of 24 cumulative months during any 60-month period, after which cash benefits are terminated. However, the state recognized that recipients who have been on the rolls for longer periods will need more time to become self-sufficient. Therefore, recipients who have received welfare for 36 of the last 60 months have a 36-month cumulative time limit within a 72-month period. In addition, there is a lifetime limit of 48 months for both groups.

The plan also outlines a work-first model of service delivery and specifies a range of activities that satisfy the participation requirements, including: unsubsidized employment; subsidized private-sector employment (such as wage supplementation, on-the-job training, and tax credits); subsidized public-sector employment; community work experience; job search; job readiness assistance; and limited vocational education and job skills training.

To create a mandatory program, the plan imposes sanctions for noncompliance that increase with subsequent infractions. The penalties are imposed on the entire family and result in a loss of cash and Food Stamp benefits.<sup>13</sup> Clients are able to appeal sanctioning decisions through the same recourse procedures in place prior to WAGES. However, the time allowed to respond to a sanction has been shortened from 21 to 10 days.

In determining the size of the cash grant, the plan increases the amount of assets a person can have and still apply for welfare and generously expands the disregard on earned income, by ignoring the first \$200 earned in a month and then 50 percent of the remaining earned income. The plan also allows for one-time financial assistance to applicants to divert them from the welfare rolls. To help achieve the goal of economic self-sufficiency for recipients, the state plan also specifies additional funding for child care, both for participants in WAGES and for the “working poor,” and provides transitional Medicaid and education and training services for participants after they are employed.

Both the federal and state laws outlined specific policy objectives in the areas of out-of-wedlock births and teen pregnancy. By and large, Florida turned to preexisting programs to reduce teen pregnancies and out-of-wedlock births, primarily through education and health agencies.<sup>14</sup> Some contracts were awarded locally for new teen pregnancy prevention programs. Under

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<sup>13</sup>As described in Section IV, children of compliant parents may continue to receive cash and Food Stamp benefits through a protective payee in certain circumstances.

<sup>14</sup>For example, ENABL (Education Now and Babies Later) is a public-private partnership designed to prevent teen pregnancy through abstinence counseling, and the State Department of Education offers the Healthy Start Program, a teenage pregnancy prevention program.

WAGES, a family cap policy has been introduced: only half the previous increase in benefits is provided for the first additional child conceived while the mother is receiving benefits, and no additional benefits are allowed for subsequent children.

In addition, the state law mandates other related provisions, including sanctioning for non-cooperation with the Child Support Agency and requiring school attendance and immunizations for children. Finally, the plan establishes the parameters for managing the new program by mandating the collaboration between the Departments of Children and Families and Labor and Employment Security, as well as by defining the broad guidelines for establishing local WAGES Coalitions.

While the state established broad parameters in policy changes and activities, it also afforded localities a tremendous amount of flexibility in the design and implementation of programs. The flexibility has manifested itself in the creation of local WAGES Coalitions in each district,<sup>15</sup> with a mandate to design a local implementation plan for WAGES and to have on-going policy-making authority.

### **Miami-Dade WAGES Coalition**

As a first step in the implementation of WAGES, each district had to establish its Coalition. In district 11, which encompasses both Miami-Dade and Monroe Counties, the creation of the new WAGES Coalition was complicated by the preexisting bureaucracies involved in welfare reform and related efforts.

The preexisting Jobs and Education Partnership (JEP) Board<sup>16</sup> presented the most significant challenge to the creation of a new and independent WAGES Coalition. In every district except Dade-Monroe, the JEP Boards assumed the functions of the WAGES Coalition. However, many in Miami were critical of the JEP Board and doubtful of its abilities to implement WAGES. As a senior DCF official noted, "If WAGES was going to be something different, you needed a different Board." One of the most influential parties was Miami-Dade County Mayor Alex Penelas, who urged the creation of a new independent entity in response to two community concerns. First, the advocacy community was concerned that the JEP Board, whose broad emphasis on workforce development did not focus especially on welfare-to-work policies, might not pay adequate attention to welfare reform and its implementation. Second, the Miami-Dade Chamber of Commerce was concerned about the lack of business representation on the JEP Board and had placed welfare-to-work on its agenda as a major issue for the coming years. Penelas reasoned that the WAGES Coalition would be more successful if it was independent from the JEP Board and included more representatives from the advocacy and business communities.

By February 1997, five months after the beginning of the WAGES program, a compromise was achieved. The WAGES Coalition, with its 38 members, would remain independent from the JEP Board, but all the members would be invited to sit on the JEP Board. The compromise

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<sup>15</sup>The state is divided into 15 districts by DCF for the delivery of services.

<sup>16</sup>The JEP Boards were established in 1992 in each district to coordinate workforce development activities, including job training and education programs.

recognized the lack of business involvement on the JEP Board, while building on its employment, training, and educational service network. With their leadership roles in striking this compromise, Mayor Penelas and Willie Ivory, President of the JEP Board, became interim co-chairs of the WAGES Coalition. DCF was selected by the WAGES Coalition to be its interim administrative and fiscal agent.

### **Plan Development**

The first major task of the Coalition was to develop a district plan,<sup>17</sup> outlining an implementation strategy for the WAGES program. The state law established some general parameters, but districts were allowed to design their own plans for implementation. The WAGES Coalition borrowed staff from both DCF and DLES to support the Coalition and design the district's plan. A working group of senior staff from both agencies hammered out the details of the plan. Early in this process, key differences emerged between the two agencies. DLES staff wanted to "push the envelope" with the plan and take advantage of the flexibility and creativity the state plan offered. On the other hand, DCF staff who were assigned to craft the Coalition's contracts with service providers wanted to stay close to the detailed instructions from the state. There was also some concern that DCF staff took the lead in the development of the plan, while most of the changes would be implemented by DLES.

Throughout the spring of 1997, the Coalition held community forums to garner feedback about the proposed implementation plan. Participants in the forums usually included current and former welfare recipients and representatives from citywide and community-based organizations that would be directly affected by the changes. Several organizations, including the Urban League, the Human Services Coalition, and Florida Legal Services, Inc., submitted formal comments and recommendations to the Coalition. Many credit these organizations with influencing the Coalition's increased attention to support services.

The district's final plan was sent to Tallahassee<sup>18</sup> on May 10, 1997, almost eight months after the beginning of the WAGES program. The plan incorporated two significant innovations: client profiling and performance-based contracting.

**Client profiling.** The first major innovation was a plan to profile recipients into categories, which would become the basis for the types of services provided, the selection of service providers, and payments for services. Most recipients would be assessed and classified into one of the following profiles:

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<sup>17</sup>Separate plans were developed for Miami-Dade and Monroe Counties because of the stark differences in their welfare populations and available resources. For the purposes of this report, references to the district plan refer to the Miami-Dade County plan.

<sup>18</sup>The state plan also called for the creation of a State WAGES Board to oversee the implementation of WAGES. The local WAGES Coalitions are accountable to the State Board.

- **Profile A.** These clients (As) are considered most readily employable, having a recent work history and marketable skills. Service providers are contracted to work with As over a one-year period. Profile A clients were estimated to make up 30 percent of the caseload.<sup>19</sup>
- **Profile B.** These clients (Bs) are considered moderately employable, but in need of vocational education or training. Service providers are contracted to work with Bs over a two-year period. Profile B clients were estimated to make up 25 percent of the caseload.
- **Profile C.** These clients (Cs) are considered to have significant barriers to employment, which may include a limited or nonexistent work history, substance abuse problems, mental health issues, or a criminal record (such clients are otherwise known as the hard to serve). Service providers are contracted to work with Cs over a three-year period. Profile C clients were estimated to constitute 45 percent of the caseload.

Additional profiles and services were established for particular populations. Disabled or incapacitated clients are identified as Profile Ds and were to be referred to the Division of Vocational Rehabilitation; those participants who had found employment during their initial job search are identified as Profile Es and were to be provided with limited case management functions from DLES; and teen parents are identified as Profile Fs and were to be served by other programs through the Dade County Public School district and are given case management by DLES.

Each client profile has a corresponding budgeted amount, ranging from \$800 for As to \$5,400 for Cs, which is spent over the contract period for each client. The rates were established based on the going rate among other providers of similar services. Each profile also has a corresponding contract period (one year for As, two years for Bs, and three years for Cs).

**Performance-based contracting.** The second major innovation in the district plan was the design and implementation of a performance-based contracting system. While the state plan mandated that contracts under WAGES be performance-based, Miami-Dade has been the leader in putting this into practice. The district fundamentally reshaped the philosophy behind performance-based contracting. Previous contracts had been issued for specific services, such that recipients with multiple needs were referred to multiple agencies for assistance. The district's new plan was to contract out people, not particular services. With the client profiling system, the district was able to establish contracts with providers to be responsible for a certain number of A, B, or C clients. Contracted service providers would be responsible for providing, or coordinating, all of the services required to move a participant from welfare to work.

In addition, the contract awards are paid on a performance basis. Each service provider receives some of the contracted award when the participant enrolls and earns the rest at specific

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<sup>19</sup>DCF's estimates of the percentage of clients in each profile were based on characteristics of the October 1997 caseload.

benchmarks. The Coalition purposely designed the contracts so service providers would receive the last 30 percent of the payment at job placement (20 percent) and at eight-month job retention (10 percent). Although each profile has an associated contract period, service providers can work with clients for as long as they wish, but will be paid only when benchmarks are reached.

Initially, there was much resistance to performance-based contracting. First, service providers were not equipped to serve a “whole” client, as the old contracting rules had influenced service providers to specialize in particular areas, such as job readiness or counseling. Second, many smaller nonprofit providers could not maintain their operations under the changed payment schedules. This dilemma drew the attention of large for-profit organizations, such as Lockheed Martin IMS and America Works, which are able to assume the financial responsibility of performance-based contracting and serve as a central coordinating agency for other providers.

#### **IV. Programs and People in Transition**

During the first year of implementation, both staff and clients had to adapt to the new welfare reform environment. New policies were put in place, new players were brought to the table, new messages were conveyed, and new frustrations were experienced. While there have been many successes in the process, there are also challenges to address during the second year of implementation.

##### **Main Messages**

Overall, the program has been successful in conveying two main messages about the new welfare reform program: work is necessary and benefits are temporary.

From senior DLES and DCF officials to the front line staff, the primary goal and message is that WAGES is about getting a job. As a DLES worker noted, “Previously the message was education, then work. . . . Now it is work first.” Initial meetings with clients at both DCF and DLES stress the requirements of work and participating in work activities. However, beyond basic information about program requirements, there are few messages about the types of jobs clients should accept. Training materials teach workers to “encourage immediate job entry even at low wages,” but the implementation study found little indication that this message is passed on to clients.

The other main message staff are conveying to clients is that time limits are real and clients must take them seriously. At redetermination meetings beginning in October 1996, staff began telling clients how much longer they had on assistance. At WAGES orientation, this message about the limits to benefits is again made. DCF and DLES directors and line staff said they counseled clients about “banking their time” and using benefits only when needed.

Although staff are conveying the message about time limits, they are skeptical about the timetable for imposing the limits because of the poor job market in Miami-Dade and the slow pace of implementation. In October 1997, approximately 3,500 recipients were scheduled to hit the time limit the following year. A DCF director states, “They will extend cutoffs a bit because of the

job market, but the cutoffs will happen,” and a DCF worker said, “[I] don’t believe the time limits will be enforced. It would be unfair because the government hasn’t done what it’s supposed to do.” Several staff were aware of and commented on the WAGES Coalition’s legislative committee’s proposal for a wholesale extension of the time limits because of the high unemployment rates in Miami-Dade, which had received extensive media coverage. However, staff never discuss their doubts with clients or the possibility of “hardship exemptions,” which are available for people who reach the time limits without a job. As one DLES worker said, “You don’t tell them about that [extensions]. If so, they will sit and wait for that.”

However, more specific messages about particular provisions or advice to clients regarding behavior were not observed. Both DCF and DLES staff made a clear distinction between *telling* clients about changes and *talking* to clients about how to deal with the changes. They emphasized that their role as a provider of information is to educate clients to make decisions for themselves. They reasoned that one objective of welfare reform is to get clients to take personal responsibility, which includes dealing with policy changes. One DLES worker recounted a typical conversation with a client: “You are responsible for your life. The federal government is not responsible for you. If you can’t care for yourself or your children, it is not the government’s responsibility. It is your responsibility. People always say, ‘Well what am I supposed to do?’ I tell them I can’t tell you what to do with your life.”

Clients are hearing the same two primary messages about work and temporary benefits. In a client focus group, a Hispanic mother of two commented, “Since reform, getting a job is a new message. They never encouraged us to do anything before.” An African-American mother stated in a focus group, “When I started WAGES, [they] told us that we have two years.”

However, as a DCF worker noted, “Clients may understand the new rules, but acceptance is another thing.” Overall, clients do believe the work requirements because they, or people they know, have been sanctioned for not participating. However, since nobody has been cut off assistance yet, many clients don’t believe time limits will happen. According to one DLES worker, “They don’t believe it. Some of them [clients] were in PI, now WAGES. They all think something else would soon be put in place.” There is also confusion about the time-limit policy, as noted by a DCF director. “When I asked her [a client] what she will do a year from now, she said, ‘What do you mean a year from now? I thought welfare reform was for immigrants only.’” Other clients were confused about the different time limits for people, as illustrated by several focus group participants who believed that “long-term recipients had less time than people new to the system.”

Furthermore, staff consistently said they inform clients about banking their time, but as one DCF worker said, “I have never had anyone turn down a check.” A DCF director says, “This is a hard sell because clients don’t believe welfare won’t be there a year from now.” And a DLES worker noted that “almost all clients stay on assistance and keep some benefits in fear that they will lose all benefits if they show they can get by with just some.”

Clients heard about changes from their caseworkers, as well as from friends, neighbors, newspapers (including Spanish media), and community organizations, such as housing agencies and schools. Both DCF and DLES made efforts to hold community forums to educate people about the changes. However, these multiple sources of information may explain some of the confusion and denial seen in clients.

## Welfare-to-Work Program Model and Philosophy

The following reactions to welfare reform are typical.

A 29-year-old African-American welfare recipient said:

I don't have a problem with it [welfare reform]. Everybody on welfare needs to work now. . . . So, it's time for everybody to get a job.

A DCF worker put it this way:

Welfare reform was inevitable. The government made a mistake, and now they're trying to clean it up somewhat. It has to be done. There are some people who really need it and others abusing the system. In order to clean it up, the good will suffer along with the bad. Nobody likes change, but who knows? . . . You can't just have people saying, "I won't get a job because the government will give me help."

And a DLES worker commented:

It makes me feel good that fewer people are hanging out on the street corner when I drive to work. I see people actually go to work.

Many staff at both DCF and DLES believed in the philosophy behind the changes in the welfare system. The increased attention on employment and elimination of benefits as entitlements were particularly appealing elements of the new plan. However, others were very concerned about the swiftness with which the changes were happening, particularly for those deemed hard to serve, and they also recognized the need for education and training if clients were to attain economic self-sufficiency. Clients generally had a positive reaction to the philosophy behind the changes but also a pragmatic fear about how they would cope without work or welfare.

**The hard to serve.** "Welfare reform has really meant a reform in government and a change in our jobs. Now we help those we can," said a senior DLES official as she expressed her concern that the really disadvantaged are not being helped. "There is a problem with the policy itself," said another DLES worker. "Nothing should be black and white. There should be a gray area. I am concerned for people who will fall in the cracks."

Miami-Dade has taken great interest in developing plans to address the hard-to-serve population. In March 1997, almost 24 percent of its caseload, or more than 10,000 recipients, had been receiving assistance continuously for the past 50 months. Furthermore, 43 percent of the caseload had been assigned a three-year time limit. Compared to other districts in Florida, Miami-Dade has one of the most disadvantaged caseloads in terms of education level, work history, and length of time on assistance.

Through the profiling system, Miami-Dade is able to identify hard-to-serve recipients. The system will provide these clients with more intensive case management and other services, such as

mental health counseling, life skills training, and substance abuse counseling, to address the multiple barriers to employment.

**The role of education and training.** As a DLES director attested, “Education and training is a necessary component for clients to achieve self-sufficiency.” A DCF director agrees: “Education is the leading factor in getting people off the rolls.”

Many staff members encourage participants to take advantage of education services once they are meeting the 20-hour work requirement. While staff understand and implement the reform’s new work-first messages and provisions, there is still a strong sense that to become economically self-sufficient, participants need to obtain basic education and training skills. As one DLES worker said, “We do impress that education is the key and to develop yourselves vocationally.” Another service center has offered clients community work positions in the service center so they could satisfy the 20-hour-per-week work requirement and go to school.

Based on the experiences of Project Independence, the state drastically reduced the role of education and training in welfare reform. However, with the flexibility afforded to the Coalition, Miami-Dade incorporated education and training into its implementation plan. One of the primary services for those recipients classified as Profile B is vocational education and training. Basic education, such as adult basic education, preparation for the GED test, or English for Speakers of Other Languages, can be done in conjunction with a work activity or after job placement.

**Clients’ perspective.** The ethnographic research reveals what appears to be a distinctive split in attitudes about welfare reform, particularly the work requirements, within the Hispanic sample, based on differences in former work experience and length of residency in the U.S. For example, a 42-year-old Hispanic woman, who had worked less than two years in her life, felt that the job search requirements were just:

I think it’s a good thing that they are making us work, because you know, you get used to staying in your house and never learning about the outside world, *te embruteses* [you become dull], you know.

On the other hand, another Hispanic woman, who has worked for more than six years in her life and has been in this country for more than 10 years, had a different perspective on this requirement:

It’s all a joke because, you know, when you go out there we’re not supposed to tell that we’ve been on welfare for like eight years, but when the boss asks what you’ve done for the time, you’re supposed to make up some story. For what? They just let you go when they don’t need you anymore, they get rid of you and then what are we supposed to do?

With her longer residency and work history in the U.S., the second woman more closely approximates the attitudes and cynicism expressed by the women in the African-American sample, as well as an understanding of the disappointments experienced by many low-skilled job seekers, as further described by a 39-year-old African-American woman:

For me, it's for the better. I understand it. The only thing I'm not with is if you can't get a job. . . . They give you a time limit to get a job. . . . It takes time. These days it's not what you know, but who you know.

### **Program Structure: Client Flow**

While the overall message and goals about this new welfare environment were being conveyed, the services and activities were still in the process of being implemented. The district plan established a basic flow of program elements for recipients and applicants, as diagrammed in Figure 5.2. The following section is divided into two parts: a description of the district's plan for client flow and a description of what was actually being implemented one year after the start of the WAGES program.

**Client flow: The plan.** All applicants for and recipients of cash assistance are required to participate in the WAGES program, except those eligible for Supplemental Security Income (SSI).<sup>20</sup> Individuals with children under the age of three months are temporarily exempted from participation, as are minor children under the age of 16.<sup>21</sup> Most participants follow the same course of activities.<sup>22</sup>

- **Work registration.** At the initial eligibility or redetermination meetings with DCF staff, every client is sent to DLES to “work register” for welfare-to-work activities as a condition of eligibility. At registration, recipients are also scheduled for orientation.
- **WAGES orientation.** At this step, recipients are told about the rules and responsibilities under the WAGES program, including work requirements, sanctioning, and support services. They are assigned a DLES caseworker and are required to begin the independent job search. Orientation can be done both individually or in groups, depending on the service center, and lasts anywhere from 30 minutes to four hours. At times, service centers have scheduled mass orientations of up to 100 people to accommodate the large numbers of people required to begin the process.
- **Independent job search (IJS).** Each participant is required to meet with a minimum of 16 employers over a two-week period. Forms are provided for each participant to log contacts and their outcomes, such as an interview or job offer. Clients are told the contacts will be verified and are informed of the penalties for not completing the search or providing false information.
- **Employment preparation workshop (job club).** If the participant has not found a job after IJS, she is enrolled into a group job club, called an employ-

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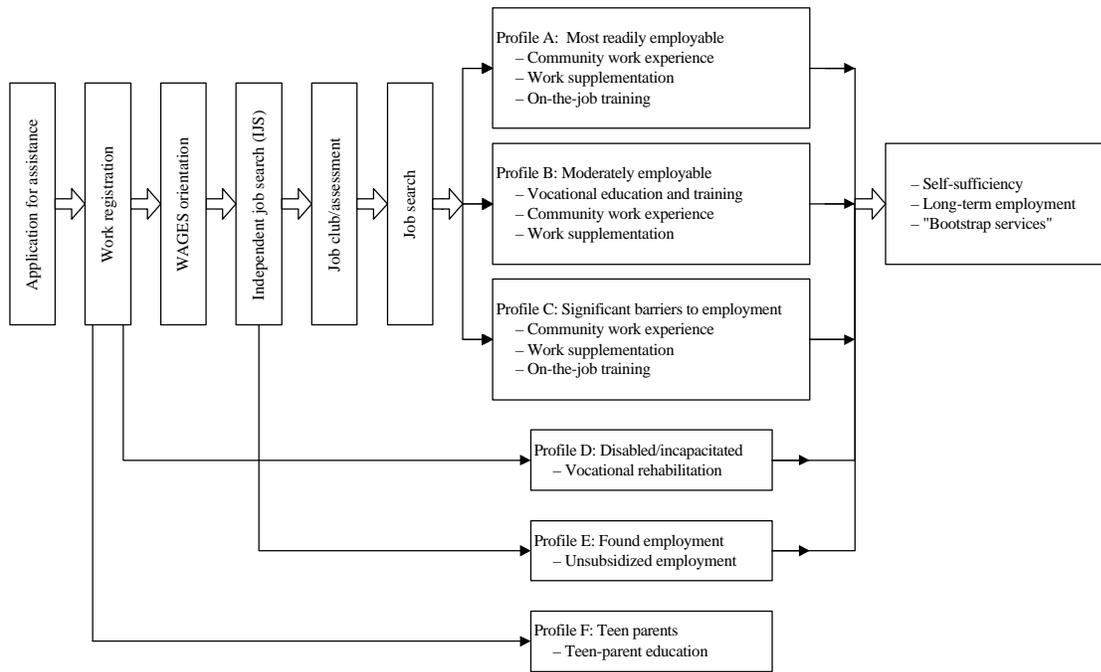
<sup>20</sup>Individuals caring for disabled family members were added as an exempt group in 1998.

<sup>21</sup>Children are required to attend school.

<sup>22</sup>Profiles D (disabled/incapacitated), E (found employment after independent job search), and F (teen parents) are identified and referred to providers much earlier in this process and do not follow the same program flow.

ment preparation workshop. The workshop lasts one week for participants

**Figure 5.2**  
**The Project on Devolution and Urban Change**  
**Flow of Participants Through the WAGES Program in Miami-Dade County**



SOURCE: Adapted from Dade and Monroe Counties WAGES Coalition, "WAGES Participant Flowchart" for Dade County, WAGES Coalition Service Delivery Plan for Dade and Monroe Counties, May 1997.

with a high school diploma and two weeks for those without a high school diploma, although these are not hard-and-fast rules. It begins with an assessment of skills and education levels. The curriculum includes: appropriate work attitude, job search techniques (including how to fill out an application and prepare a résumé), and mock job interviews. Participants are required to attend from 9:00 A.M. until 4:00 P.M. every day and to dress as if they were going for a job interview. Sessions usually end at noon to provide participants time to continue their job search and to have interviews with potential employers. Job clubs are conducted by DLES staff, many of whom had similar responsibilities under Project Independence.

- **Continued job search and referrals to service providers.** If the participant still does not find employment after the job club, she is instructed to continue her individual job search. A meeting is scheduled with a contracted service provider to do a further assessment and determine her client profile classification (A, B, or C). Client profile classifications are based on work history, basic work skills, education, English-language competency, and length of time on assistance. Based on the profile classification, the participant is referred to a particular service provider.

Once referred to a provider, the participant begins a core activity, such as work experience, work supplementation, on-the-job training, customized job skill training, vocational education and training, or unsubsidized employment. The core activities meet the state definitions of allowable activities to meet the 20-hour-per-week participation standard. Once participants are meeting the work requirement, they qualify for overlay services, such as intensive case management, substance abuse treatment, education, English-language training, and support services. Each service provider can determine how these activities and services will be structured.

**Client flow: The practice.** The district developed a very ambitious plan, and getting all of the pieces in place has taken considerable time. Florida's WAGES program officially began on October 1, 1996. The Dade-Monroe WAGES Coalition finalized its membership in February 1997. The Coalition's plan was sent to Tallahassee in early May 1997. Contracts with service providers were finalized in November 1997, more than a full year after the beginning of the program and, more important, the recipients' time-limit clocks.

By October 1997, approximately half of the caseload had begun participating in WAGES. Much of the delay in enrolling the caseload has been associated with glitches in the computer system, which had not been recalibrated to reflect the change in exemption criteria from having a child under three years to having a child under three *months* of age. Senior administrators were aware of the delays but contend that they are not a cause for panic. "It is not as if we have had nothing. We are going from something to something bigger. We are providing services while the new system is being put in place."

At the same time, the client profiling system still existed only on paper, and just a few temporary contracts had been signed with current service providers. The small number of providers limited the availability of services to clients and altered their flow through the program. Both

DCF and DLES officials knew there were major backlogs in bringing people into the system; they estimated that 15,000 clients were waiting to begin job club.

The client flow was consistent with the district's plan through the completion of the job clubs. However, in the absence of service contracts, there were few providers to send clients to. Senior DCF officials discussed community work experience (CWE), on-the-job training (OJT), and work supplementation as possible options to send clients to after job club. However, senior DLES officials said that all participants were being referred to CWE positions and that no OJT or work supplementation positions had been created. This was consistent with feedback from DLES staff and clients: "If you don't have a job after the job club, you will work for free," said one job club participant, and a DLES director referred to CWE as "a holding period before permanent employment or training."

CWE positions were developed independently at each service center, and positions were usually sought with the county parks department, local schools, and some nonprofit providers. Clients participating in CWE were required to work 20 hours per week in exchange for their cash benefits. It was clear there were not enough CWE positions for all the participants who were assigned to the activity. Those participants without slots were not required to participate in any other activity.

### **Contracting Out**

As previously mentioned, the new performance-based contracting system was one of the hallmarks of the district's plan. However, operationalizing the system took longer than expected, requiring interim contracts with service providers while the new system and contracts were being finalized. As the implementation of WAGES moved forward, the district awarded "bridge contracts" to ongoing service providers, while the new contracts were being designed and awarded. The bridge contracts were a mixture of cost reimbursement and performance-based contracts. Organizations such as the Dade County Public Schools, Home Builders Institute, and South Florida Employment and Training Consortium received contracts for services, such as vocational training, intensive case management, TABE (Tests of Adult Basic Education) testing, and job development. Some contracts served as demonstrations for potential future funding, such as the Beacon Career Institute's contract for life skills and vocational training for hard-to-serve recipients. Aside from TABE testing (funded for 5,000 participants), the bridge contracts provided services for fewer than 2,000 participants. By October 1997, most of the available slots with these providers had been filled. Senior DCF officials said the contractors had complained about the low education and skill levels of WAGES participants compared to the clients under PI, who were primarily volunteers and were better motivated to participate.

The new contracts were being finalized in November 1997. To select new service providers, a subcommittee of the WAGES Coalition had issued Requests for Proposals (RFPs) in four areas: Employment Services/Vocational Training, Adolescent and Community Pregnancy Prevention, Community-Based Pregnancy Initiative, and Occupational and Educational Assessment Services. Overall, the RFPs totaled about \$20 million. Two contracts, totaling approximately \$15 million, were awarded to Lockheed Martin IMS for assessments and the majority of employment services, including vocational training, support services, and case management. One of the Coali-

tion's selection criteria was a demonstrated knowledge of the community. Lockheed, as an outside organization, partnered with more than 30 community-based organizations to provide a variety of services, such as case management, job placement, and assessments. This arrangement allowed smaller organizations, which did not have the cash reserves to handle the financial constraints of performance-based contracting, to work under the auspices of Lockheed.

Contract awards were based on caseloads of different profile classifications and targeted geographic areas. For example, the City of Miami Community Development Department was awarded a contract to serve 200 Profile As, 350 Profile Bs, and 200 Profile Cs, roughly within the geographic boundaries of the city. All of these contracts are performance-based, with partial payment when a client enrolls, payments at benchmarks of the participants' performance, and the final 30 percent held for job placement (20 percent) and job retention (10 percent). Retention has been specifically defined as employment for at least 26 weeks, at the minimum wage, for at least 32 hours per week, with no more than two employers over the past eight months.

Payments to contracted service providers were established by canvassing the rates of current service providers. Explained a senior DCF administrator, "No one knew how to calculate unit cost figures. They pulled together a group of experts from DCF, DLES, JEP, and some community-based groups. [The] JEP figure of \$2,500 a year per person was taken as the middle figure; it was radically cut for the [Profile] As and expanded for the Profile Cs."

Contract management was a highly charged political issue at the end of 1997. The local plan designated DCF as the fiscal and administrative agent for the program, thus precluding the agency's bidding on any of the service contracts. The DCF district administrator wanted to relinquish the administrative role. As a first step, DCF identified other entities capable of taking over the contract management function. A public battle ensued between the DCF administrator, the WAGES Coalition, the County Commissioner's Office, and the County Mayor's Office. The DCF administrator wanted the county to assume the contracts, and eventually all administrative responsibility, while the WAGES Coalition wanted to increase its own staff to eventually take over the responsibilities. By December 1997, it was decided that the United Way, a WAGES Coalition member, would assume the fiscal agent responsibilities temporarily.

### **Support Services and Transitional Benefits**

Both the state plan and the district plan provide a series of support services for WAGES participants. Based on the experiences of the previous welfare-to-work program, Project Independence, child care has received close attention from the state. The state has committed to spend the majority of the TANF windfall money on child care for WAGES participants, as well as subsidized care for those making the transition from welfare to work.<sup>23</sup> Metro-Dade Child Development Agency is the contracted agency to handle child care arrangements, through a combination of voucher and direct provider payments. Staff members agree that there are plenty of child care slots available, although there have been reported delays of up to three weeks in scheduling ap-

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<sup>23</sup>As noted in Chapter 1, block grants under TANF are tied to past spending levels. As national caseloads have declined, most states have experienced a substantial windfall in terms of the amount of federal funding received relative to the size of the state's caseload.

pointments with the agency. The state plan also provides continued Medicaid coverage; transportation assistance; and funds for uniforms, books, and other such work-related expenses.

Overall, clients were pleased with the support services they actually received. A few complained they did not receive enough tokens to complete the IJS or that they had to take a bus at six in the morning to drop their children off at daycare and get to job club on time. “If they could keep these child care arrangements that had been made while in job club, it would be a lot easier to keep a job,” said one job club participant; her confusion about what services are available was typical.

As noted, the state plan outlines a series of transitional benefits available to clients when they first begin working, including earned income disregards, transitional Medicaid, and subsidized child care. However, comments from clients in focus groups and during the ethnographic interviews made it clear that these messages were not getting through.

A focus group participant commented, “In another state, I could receive benefits for six months after I got a job. They helped me help myself. Here, if you find a job, you’re off, no benefits.” And another client said, “If you get a part-time job, you can get Food Stamps. If you get a full-time job, Medicaid and Food Stamps get cut off.”

The women in the Hispanic sample of the ethnographic research consistently believed that once they became employed they would lose their TANF checks. As a group, their understanding of what would happen to their other benefits — especially Food Stamps and Medicaid, all aid to their children, and transportation and child care subsidies — was partial at best. Not a single informant had a clear, well-informed picture of this issue. Some thought that they could keep their child care subsidies after getting a job, that they would retain their Medicaid (either for their children only or for themselves as well) if the job did not offer health insurance, and/or that their Food Stamps would continue if the job was low-paying. No one, however, knew about the duration of these transitional benefits. Other informants had no idea about the rules concerning transitional benefits.

A 28-year-old Hispanic mother has one base of limited information from which she is operating:

I think that when you find a job, if you don’t have benefits you can keep Medicaid, at least for the children. I don’t know if I’m going to be able to keep my children’s child care or not. They [the caseworkers] are not clear themselves.

Another Hispanic woman, who at 37 has been in the U.S. 10 years and is the mother of two children, is among those who have no idea about what will happen:

I don’t know what’s going to happen. Nobody really knows. Whether you keep your Medicaid, child care, bus pass. Nobody knows. I hear one thing from somebody and another from another. Sometimes I rather not hear anything and just wait.

### **Sanctioning**

In exchange for the array of services and supports, clients are subject to a new set of sanctioning rules, which went into effect on May 1, 1997. At that time, all recipients were pardoned of all prior sanctions, so everyone started on a fresh page. Sanctioning occurs when participants fail to meet their obligations, such as not keeping an appointment with either DCF or DLES staff, not attending job club, or not completing their independent job search.

For WAGES, there is a three-tiered sanctioning policy, which is applied to the entire family. The first penalty results in the termination of cash assistance for the entire family and no compensating increase in Food Stamps<sup>24</sup> until the participant complies with the requirement. The second penalty is termination of *both* cash and Food Stamp assistance for 30 days. The third penalty is termination of cash assistance and Food Stamps for a minimum of three months.

In certain circumstances, children of noncompliant parents may continue to receive cash and Food Stamp benefits through a protective payee during the second and third sanctioning periods. In fact, if a parent does not identify a protective payee, caseworkers are required to refer the case to Family Safety and Preservation (another division within DCF) to review the case.

Imposing a sanction requires close coordination between DCF and DLES staff. If a participant fails to attend job club, for example, the DLES worker notifies the client in writing about the possible sanction. If the recipient does not respond within three days, DLES sends an alert to the participant's DCF caseworker through the interface between the two departments' computer systems. Once DLES has requested a sanction, DCF imposes the sanction on the grant. Lifting a sanction follows the same procedure; if, for example, an individual has been attending job club and is back in compliance, DLES staff will send another alert to DCF staff to have the sanction lifted. It is DLES's responsibility to determine when a participant is back in compliance.

Overall, staff like the new sanctioning policies. They say the policies demonstrate to clients "that we are serious." A few staff also say it has been a good way to "smoke out" people who are already working but are not reporting income to the department. According to one DLES director, "A lot of sanctions become placements because we find out they are working under the table."

Not only are sanctions stiffer, but staff say they have been sanctioning people at much higher rates than in the past. When asked how many sanctions DLES staff had imposed in the past month, workers at one service center said "hundreds," although they also said the department does not emphasize sanctioning and there are no sanctioning quotas. Many of the sanctions have been imposed for clients' failure to keep appointments with caseworkers or to attend orientation.

Some recipients expressed their frustration with the new sanctioning policy. For example, one African-American mother said:

They cut you off. They have no understanding. They don't want to hear it. There is

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<sup>24</sup>Normal procedures allow for an increase in Food Stamps when cash assistance is reduced or eliminated. However, when the decrease in cash assistance is due to a penalty for noncompliance, Food Stamps are not increased.

nothing you can do.

Focus group participants were particularly annoyed that they had been sanctioned for missed appointments. Said one woman:

I had simultaneous child support enforcement and job club appointments. What do I do? I'd get sanctioned either way for missing the appointment.

Another commented:

I got an appointment on Veterans Day, when the office was closed. They told me it was my responsibility to call back.

Furthermore, some clients did not understand the actual penalties under the sanctioning policy, as demonstrated by this focus group participant:

The first time you get sanctioned, you have to do 10 days volunteer here and you get sanctioned for 10 days. The second [sanction], you get reported to child abuse. The third time, you have your children taken away or you go to jail.

Several of the women in the ethnographic sample had been sanctioned for failing to comply with the job search requirement. Six of the Hispanic women reported that they felt their worker had sanctioned them either out of neglect or intentionally.

As an example of sanctions resulting from a caseworker's neglect, a Hispanic woman who had recently been sanctioned for missing an appointment with her caseworker said:

I had recently moved, and the letter [for the appointment] had been sent to the other address, but that apartment building is a mess, people take your mail, it's ridiculous. Anyway, I never got it, so they reduced my money. It took them a month to get it back to normal.

A more personal basis for sanctioning was reported by another Hispanic woman:

This caseworker just didn't like me, she would question me in such a rude way. Like telling me that I should get a job and stop being a burden on the state. It was really hell with her. She sanctioned me a couple of times for not getting back to them in time, when she hadn't even told me about stuff I had to do. I finally complained and they changed her.

### **Microcosm of Change: Immigrants' Provisions**

While these policies and procedures were being put in place, legal immigrants were experiencing the implementation of the planned federal cutoffs of Food Stamps and Supplemental Security Income (SSI). With the diverse population in Miami, the federal changes had a profound effect on operations in Miami-Dade; DCF officials estimated that more than 70,000 legal immigrants would be affected by the cutoffs, many of them older immigrants on SSI. Many staff and

administrators have commented that the handling of the cutoffs of legal immigrants has had a lingering effect on clients and staff.

**Changes in policy.** Under PRWORA, most legal immigrants were barred from receiving SSI or Food Stamps until they became citizens. TANF benefits were also restricted. PRWORA gave states the option to provide federally funded cash assistance to current immigrants (those who came to the U.S. prior to August 22, 1996). New immigrants (those who entered the U.S. on or after August 22, 1996) were barred from receiving federally funded cash assistance during their first five years in the country, and after that at the state's option. Certain immigrants were exempt from these regulations, including refugees, asylees, and permanent residents with 40 qualifying quarters of work.

The State of Florida began to put the new federal policy into place in September 1996. The overall strategy was to encourage qualified immigrants to become naturalized citizens, resulting in a huge backlog at Immigration and Naturalization Services (INS) of nine months to a year to be naturalized. Over the next year, the state changed the policy and implementation procedures four times. At issue was developing a system that would allow legal immigrants to keep benefits as long as possible, while being administratively feasible. At one point, the governor became directly involved, promising that no legal immigrants would lose benefits before August 1997. At that point, the state had already begun to stop benefits to legal immigrants as they came in for their redetermination meetings, so additional procedures were established both to reinstate benefits for the remaining few months before the August deadline and to repay the benefits terminated prematurely.

In July and August 1997, mailings — printed in English, Spanish, and Haitian Creole — were sent to all non-citizens about the changes in Food Stamps and information on how to become a naturalized citizen. Nearly 55,000 non-citizens in Florida were terminated from Food Stamps in September 1997.

**Reprise from the state and federal governments.** There was tremendous outcry from advocacy groups about the implementation of the policy, particularly as it affected elderly immigrants, and about the lengthy backlogs at INS. In response, the State of Florida instituted the Bridge program in September 1997.

The Bridge program was designed to provide temporary Food Stamp assistance for those who met the eligibility criteria: age 65 or older, a resident of Florida prior to February 1997, and in the process of becoming a citizen or seeking an exemption. Florida purchased approximately \$11.6 million worth of Food Stamps from the federal government to provide assistance to those eligible for the Bridge program. The program was funded for one year. To implement the program, DCF generated a list of potentially eligible individuals and mailed them information and an application for the program. In Miami-Dade County, approximately 17,000 applications were mailed, 5,600 applicants had cases reviewed, and 2,100 families had benefits restored.

Enacted partly in response to political pressures and negative publicity, the Balanced Budget Act of 1997 restored SSI and guaranteed Medicaid eligibility to all non-citizens who were in the U.S. and receiving SSI benefits as of August 22, 1996. In June 1998, the President signed

legislation that also restored federally funded Food Stamps to legal immigrants who were elderly, disabled, or under age 18, and who came to the U.S. prior to August 22, 1996. Persons who entered the U.S. after August 22, 1996, remain ineligible for most federally funded benefit programs.

Preliminary reaction from the community has been cautious. Some of the large food banks in Miami-Dade were expecting the worst when the Food Stamp benefits were eliminated. Thus far, these organizations have not seen a drastic increase in need or change in their services. Many attribute that to the assistance of friends and relatives, as well as to smaller-scale initiatives, like food drives at local churches. In fact, one DCF service center in a predominantly immigrant neighborhood opened a makeshift food distribution center in March 1997, with donations from the State Department of Agriculture. The center closed the following November. Many of those involved in the delivery of food feel that once the informal means of support — from friends, families, and churches — are withdrawn, larger organizations will feel the impact of the policy.

**Ramifications of the new policy.** The community's experiences with the implementation of the immigrant provisions have had a lasting impact on how staff and clients view welfare reform overall. For DCF staff, the immigrant provisions have taken their toll on morale. In offices with large numbers of immigrants, staff cried with their clients as they informed them of their loss of eligibility. There were also isolated incidents of violence against caseworkers by distraught immigrants who had been notified of the cutoffs. Even in other service centers, the see-saw procedures and implementation strategies have confused and frustrated staff.

For clients, the implementation and 11th-hour reprieve sent a message to some clients that "when push comes to shove, they won't cut us off." Even though more than 55,000 people did lose benefits, many highlight the federal government's reinstatement of benefits and the Bridge program as indications that they do not have to take the WAGES time limits seriously. "They think there is going to be an extension. They think it will be like [what happened with] the immigrants," said one DLES worker.

## **V. Changes in Administrative Structure**

At the heart of these welfare reform efforts are hundreds of staff from the two primary agencies, DCF and DLES. Both agencies have distinct cultures, missions, and standards. This section describes the pre-TANF changes within each agency, the agencies' new roles and responsibilities under WAGES, and the effect of WAGES on their workloads, performance standards, sense of job security, training procedures, and degree of discretionary authority. The key to the implementation of WAGES is the collaboration between the agencies. Yet, thus far, confusion, tension, and a lack of communication between the agencies threaten the further implementation of WAGES.

### **Pre-TANF Changes**

Prior to the passage of WAGES, DCF launched its Life Zones project in Miami-Dade and Monroe Counties. The project is an attempt to reorganize the way services are offered to be

based on geography rather than type of program. The counties have been subdivided into 11 Life Zones, with each zone manager responsible for coordinating all the DCF services in his or her area, including Children and Adult Services in addition to Economic Services. Senior DCF staff contend that the Life Zones arrangement will work well with the WAGES program and will help provide a continuity of service after people stop receiving cash benefits.

In 1992, HRS (now DCF) subcontracted the Project Independence program to the Jobs and Benefits division of DLES. The switch was mostly cosmetic, and the HRS state office still maintained administrative and policy control over the program. It was as if one part of the DCF organizational chart had been lifted and moved over to DLES, including the funding for the program. Because DLES has to be recertified as the subcontractor for the PI program each year, there has been no incentive for DLES to fully integrate the PI program into its operations.

WAGES has formally established DLES as the provider of welfare-to-work programs. The challenge is now to integrate the associated staff into the broader DLES system. Concerns have been voiced about this from many quarters. On the one hand, most of the rest of the workers in the DLES system are not familiar with or knowledgeable about the welfare population and their needs. For example, lead DLES staff in local offices have been reassigned from other parts of the agency, such as Unemployment Insurance. On the other hand, DLES is the employment agency for the state; as a senior DLES official said, "It's our business to get people jobs."

### **Roles and Responsibilities Under WAGES**

**Department of Children and Families.** DCF's primary responsibility is to determine applicants' eligibility for cash assistance, as well as for Food Stamps, Medicaid, and Refugee Assistance. TANF cases represent approximately 11 percent of DCF's total caseload. The agency has about 900 front-line staff, known as public assistance specialists. The department has a statewide goal of employing 60 percent of TANF recipients by the time their time limits expire. Since 1994, Miami-Dade has seen a 28 percent drop in TANF cases, but, according to one DCF director, "Caseloads are going down, but not because of anything we are doing." In addition, quality control and error rates are still important performance measures; goals are set at correct eligibility and benefit calculations for 95 percent of TANF cases and 92 percent of Food Stamp cases. While many believed that error rates would decrease in importance when other goals of welfare reform were put in place, a key DCF staff member pointed out that "the federal government still sets the standards and we still have to meet them." Another staff member said, "Workers who care about their jobs care about that [error rates]."

The number of policy changes and continuing reinterpretations from Tallahassee have made staff feel overworked. "Our staff are screaming about the number of changes that keep coming down," said one DCF director. Their increased workload can also be traced to their having to verify additional information during eligibility determination, such as child support enforcement, school attendance, and work registration. Still, the primary reason for the increased workload is sanctioning. Staff in one office reserve Monday mornings to clear all of the alerts from DLES, which usually total between 300 and 400. In terms of staff discretion in decision-making, staff emphatically said no: "We do everything by the book." In fact, key DCF staff noted that one reason for the development of the profiling system was to make service delivery "even more systematic and objective."

Furthermore, there appears to be substantial movement of workers between offices, as well as internal reassignment, such as workers trading caseloads. These shifts added to the confusion about the new policies. One woman participating in the ethnographic research lamented:

Just when you think this person [the caseworker] knows you, and you can develop a rapport with them, they change them. The whole thing starts again and the information is sometimes different from one to the other.

The movement between offices has some staff members worried about the stability of their jobs. Said one DCF worker, “The way welfare is going, they will have to create jobs for us, too, because a lot of us will be unemployed. Will they create jobs for us in WAGES, or will we go into the welfare line, too? DCF will lose jobs because caseloads are dropping because of the alien policy.”

Training for DCF staff has taken a top-down approach. Local service center directors attend an annual training session and are in turn responsible for training their staff in new procedures. In most service centers, staff meetings are held at least once a month. In between staff meetings, staff are deluged with memos from Tallahassee and the central program office about policy changes. Directives are almost always effective immediately, and staff usually have no specific training in their implementation. Furthermore, many policy changes are revised after their release. The memos are organized by date, not by topic, so when staff members want to check on a new rule or procedure, they have to thumb through several three-ring binders to find it. The staff manual has not been updated in over a year. Each service center has a specialist on staff who is responsible for clarifying and helping staff interpret new policy changes. However, many staff admit to proceeding by trial and error. This was particularly true of the non-citizen provisions for the elimination of Food Stamps. The vast majority of staff interviewed in focus groups commented that there was not enough training and that it was making them look bad in front of clients. According to one DCF worker, “Clients are not listening because workers have gone through so many changes. As you consult your memos and screen and talk to your supervisor, they think you don’t know what you are doing.”

According to one DCF director, the daily work of DCF staff has not changed much: “They expected staff reorganization — thought staff would become more oriented toward social work than eligibility payments. But unfortunately pretty much everything has stayed the same.”

**Department of Labor and Employment Security.** DLES staff are in charge of the welfare-to-work activities. With a staff of about 250 assigned to WAGES, the goal of DLES is to place 30 percent of the clients who started job club in employment before the October 1998 time limit. The key difference between the DLES and DCF goals is that DCF can count those who find employment on their own, while DLES is more focused on measuring whom they have actually assisted in finding employment. DLES has been hiring new staff since the state’s hiring freeze was lifted, and the agency has been able to eliminate the 10 percent vacancy rate it had been operating under. For DLES staff, “The new presence by Lockheed has created fear among staff that they will be losing their jobs,” said a senior DLES official. Lockheed Martin has been recruiting among DLES staff to work on WAGES. As one DLES worker stated, “They [the WAGES Coalition] should have gotten more [DLES] workers instead of providers [contracted service providers].”

The changes under WAGES have overwhelmed DLES staff, primarily because of the sharp increase in their caseloads. Senior DLES staff estimated the PI caseload before TANF at about 9,000. The WAGES caseload was originally 33,000. Some DLES staff feel like they are “herding cattle” and do not have enough time to spend with clients. Said one DLES worker:

You used to be able to take care of the client, really assess, get them started, push them to look forward. . . . We used to take the time and ask the clients what they need and give it to them. We really kept track of them. We knew them and they knew us. Now we don’t help them. We push them to do something they don’t really understand.

Unlike DCF staff, many DLES staff comment on having “wiggle room” in implementing policies. As one DLES worker said, “They make the rule, but you can add to it, subtract from it, as long as you don’t break it.” Many said that they used their discretion in individual circumstances, such as extending the time frame for completing the independent job search or encouraging clients to get a doctor’s note to be exempted from participation. One DLES worker said, “I usually give them 10 days. I have had clients who have come in to comply and can see that they are sick, really sick. I tell them to come back. I don’t impose the sanction right away.” Another worker chimed in, “That is not supposed to be done. She does it out of her heart.”

Like their counterparts at DCF, DLES directors receive centralized training. Most service centers conduct monthly workshops for staff on new policies and procedures, in addition to weekly staff meetings. DLES staff have also been inundated with memos from both DLES and DCF central offices. Finally, DLES central office staff participate in weekly conference calls with Tallahassee and all the other districts to discuss new policy changes.

### **Confusion and Tension**

While each agency has had to address its own changes, the key to welfare reform is their ability to collaborate. Senior officials and front-line staff commented that relations between DCF and DLES were “strained.” Some local offices have been able to maintain good relations between the staffs, but overall there is a clear “us versus them” mentality. The success of WAGES depends on their collaboration, but the implementation research found little evidence of collaboration between these agencies. It appears that each department focuses on its own responsibilities with little attention to the connections between the agencies. For instance, senior DCF staff noted that they maintained attention to error rates because it is “their [DCF’s] responsibility, not DLES’ or the Coalition’s.”

There also has been confusion over both of the agencies’ roles under WAGES. For example, during focus group discussions with DLES staff, several comments were made to the effect that DCF sends them clients who should be exempt from participation. One DLES worker commented, “If they don’t let a pregnant woman get on the airlines after seven months, why do they require a woman who’s nine months pregnant to go to orientation?” Some DLES staff were not aware that the determination of exemptions was now their responsibility.

Furthermore, there has been tension between the agencies about who is actually better suited to move people from welfare to work. As a DCF director said, “If you are really going to have clients become self-sufficient, the person with the real authority over them is the one with the check. The WAGES [DLES] worker can only impose a sanction.” Another DCF director said, “Maybe the Lockheed people will be better at getting them jobs. I don’t see WAGES [DLES] finding people work; they don’t hurry. Maybe Lockheed will hurry because they are private and because they get paid for placements.”

One of the major problems has been a lack of communication between the two entities. At the senior levels, both DCF and DLES have commented that they are not aware of changes the other agency is making until it “trickles up from clients.” This lack of communication perpetuates the lack of understanding between the two agencies on their roles and need for collaboration. While the local supervisors interviewed often claimed that relations between the departments were good — highlighting joint building meetings and monthly parties — line staff almost always characterized the relationship as poor. Rarely did staff from one agency even know staff from the other agency, even though they were co-located in the same building. “I never talk to DLES staff,” said one DCF staff person. “Our computers are the only ones that talk to each other, and they don’t even do it that well.”

Several workers in both agencies suggested joint training sessions as a way to promote collaboration, meet other staff members, and understand each other’s roles. “We’re going to learn their system, they’re going to have to learn our system. Until then, we are destined for failure,” commented one DLES worker. Furthermore, in a state-administered system, communication is further complicated by state-level directives. One DCF worker complained, “Clients may get information before staff do. . . . Tallahassee put notices in welfare checks [i.e., immunization provisions].”

Caught in the middle is the WAGES Coalition. The Coalition is charged with the implementation of the WAGES programs, but all sides agree that authority has yet to be used or formally challenged. The Coalition spent much of its first year getting its house in order, hiring staff, and selecting service providers, while both DCF and DLES moved forward with implementation. This absence of the Coalition during the first year and its impending involvement in the second year have added to the confusion of staff and clients. “The WAGES Coalition is not clear. We are not sure right now what to tell clients about what they can look forward to because it was not explained to us,” commented a DLES worker.

## **VI. Stable Employment: The Ultimate Challenge**

“The economy is good, but there are not enough jobs for low-skilled people,” reports a DCF director. Staff, officials, and participants often cite the job market in Miami as the biggest challenge to successfully moving people from welfare to work. The unemployment rate was 7.1 percent in Miami-Dade in 1997. Miami-Dade County creates approximately 16,500 new jobs annually, of which only a portion are suitable for people with the work histories and education levels of most welfare recipients.

### **Obstacles to Employment**

Several issues complicate the employment situation in Miami-Dade. First is the worker’s need to be at least bilingual in Spanish and English to obtain even entry-level positions. The language barrier is a particular concern for job seekers in the African-American and Haitian communities, where there are limited resources for learning Spanish.

Another issue is transportation. As in many other metropolitan areas, Miami-Dade’s suburbs are growing more rapidly and are more economically prosperous than the central city, and low-cost access to these suburbs for those who do not have cars is limited. Some staff commented on neighboring Broward County’s lower unemployment rate (4.7 percent) and creation of 23,300 new jobs each year, making employment possibilities more plentiful for welfare recipients seeking work.

Above all, line staff from both agencies were concerned that clients’ lack of skills is the largest barrier to finding employment. As one DLES worker said, “We used to encourage people to get skills first, go to school or learn a trade. Now we have to get people employed. It’s a problem because we know there are people who are not going to get employed because they don’t have the skills.” At one DLES office, only seven out of 135 clients passed a test of basic skills, and in another office, only 63 out of 484 scored at the seventh-grade level or higher on the TABE test.

“Our clients do not have the skills to go out and find decent jobs,” commented a DLES worker. Staff members estimate that anywhere from 50 to 80 percent of recipients will not find employment before their time expires. Said a DCF director, “A lot of people will reach the end of the time limit without a job — it’s late getting the Coalition piece in. Next October isn’t enough time for people eligible for deep-end services to have gotten them.”

However, there are varying ideas as to what will happen when the time limits expire. Many DCF and DLES directors believe that many people are working off the books now, so when they lose their welfare checks, they will find some way to survive. However, line staff from both agencies predict chaos, stating that crime rates will go up and staff will increasingly fear for their safety. “Hungry teenagers will go hungry for one or two days and then go and mug someone,” commented a DLES worker. “There will be chaos. Those people will go to Legal Service, sue the government. I don’t want to be here,” said a DCF worker. In addition, many staff speculated that the time limits would be extended, but as a senior DLES official noted, “An additional 12 months to a client is not going to make a big difference.”

Even with this pessimistic outlook, several large companies headquartered in Miami-Dade, such as American Airlines and Burger King, have made pledges to hire welfare recipients. Both the WAGES Coalition and several of the region's Chambers of Commerce have begun to focus attention on how to connect people to the labor market and create new jobs. Through the media and local business associations, outreach efforts have been made by the WAGES Coalition to inform employers about the incentives, such as tax credits and training programs, to hire people from the welfare rolls.

### **Respondents' Attitudes**<sup>25</sup>

The best word to describe the reaction of the Hispanic sample to the new welfare regulations is "anxiety." The more recently arrived immigrants are the most optimistic that they will find a job and be able to sustain their family without government help. The more established immigrants are more critical, worried, and pessimistic about the upcoming year. A 31-year-old mother of three, who is originally from Honduras, exemplifies the more optimistic perspective of the more recently arrived immigrant: "I just don't see that they're going to take away the benefits from the children. They won't do that. When they see that these children are needy, they won't do that." A 35-year-old Hispanic woman, who has been in the U.S. longer than the first respondent, had a much more critical perspective: "They expect you to go out and support your family on \$5.15 an hour, no benefits, no Medicaid. They think there's crime now, wait and see in a couple of years. They'll see what happens."

Among the African-American women, there seems to be a sense of hopelessness and despair regarding the time limit. Several of these women report noticing confusion and frustration among the caseworkers at the welfare office. Others complain of having to wait for hours to see a caseworker after arriving on time for an appointment. Some of the women have to leave the office before their appointment in order to pick up their children from daycare centers. As a result, they are sanctioned for not making the appointment.

A few of the African-American women also mentioned being involved themselves or witnessing others in some form of physical altercation with their welfare workers. In these women's opinions, there has been an increase in the physical or violent expression of frustration in the welfare offices since the introduction of welfare reform. None of the Hispanic women reported this kind of behavior, nor did they complain about long waits in the welfare offices.<sup>26</sup>

**Economic need.** Whenever children were present during ethnographic interviews, observation of their behaviors and interactions revealed an overwhelming reliance on television for entertainment. Few toys were in evidence.

Many mothers spoke of how difficult it is to tell their children that they have no money to buy things and how difficult it must be for their children to accept their statements. A few respondents commented on their children's awareness of their state of poverty. Children were acutely

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<sup>25</sup>This section relies on information provided exclusively from the ethnographic study.

<sup>26</sup>This may be a cultural difference between the African-American women and the Hispanic women, or it may reflect the functioning of two different welfare offices.

aware of how little money the family has and which bills are due. Mothers and children know they lack what many other families have.

**Work experiences of clients.** Of the 24 women in the Hispanic sample, 21 have been actively looking for work or doing voluntary hours and/or training. As of this writing, five women from this sample have found some kind of work, although none of them knows how long her job will last. They fear they are in temporary jobs and that they will need to return to welfare within a couple of months. Those who are working — with the exception of one woman who believes she got a lucky break by getting a job with benefits, relatively good pay, and day hours — are unhappy with jobs they describe as boring, monotonous, and under rude management. Within the Hispanic sample, six women so far are known to have been involved in informal job experiences to supplement their TANF benefits. These women have cleaned houses or offices, worked in cafeterias, and done baby-sitting.

Two of the African-American women have secured jobs at the time of this writing, although 12 of the 16 women interviewed revealed they were involved in odd jobs or work on the side. A 29-year-old single mother lives in a private home that is impeccably furnished with expensive leather furniture, among other things. Even though she receives welfare benefits, she is a licensed cosmetologist who works regularly at a beauty shop that employs seven other beauticians. She is an intelligent, healthy-looking woman, who appears to be self-assured about life and in control of her destiny. She seems impatient with the welfare reform regulations, especially the aspect that involves going to WAGES work-preparedness classes. She feels that she does not need such classes, even though she admits that “some of the information is useful.” She felt that the time spent complying with WAGES regulations infringed on her ability to work at the beauty shop. She eventually had the owner accompany her to the welfare office to explain her situation, and the caseworkers showed some flexibility. She apparently reports her income to the welfare office routinely. One of the few African-American women in the sample with any college experience makes floral arrangements and sells them for extra income, especially during holiday seasons.

**Support from family and friends.** For those women lucky enough to have family in the Miami area who can and want to help, another source of money has been relatives. Usually such aid is inconsistent and minimal, but those who have it say it’s better than nothing. For example, a 36-year-old single mother despises welfare and its associated stereotypes to the point where she voluntarily left the rolls and survives on assistance from her father (a longshoreman, who is active in her life) and her network of close friends and relatives, who provide reciprocal help to one another as needed and as available. Her son also “does hair” at home and helps contribute to their survival. In the past she has worked as a telephone sex worker, office manager, and political campaign worker.

**Health and well-being.** Six of the Hispanic respondents are receiving psychological treatment as well as medical treatment. The psycho-emotional symptoms they reported included lack of appetite, crying, losing patience with their children, worrying constantly, and feeling a sense of hopelessness. A few of the African-American women reported serious physical ailments, including cancer and diabetes.

A consistent theme found among the women from the Hispanic sample was a sense of

hopelessness, lack of self-esteem, and feelings of depression. The degree to which these were evident varied, but all the women felt a lack of control over their lives and the lives of their children. It remains unclear to what extent this personal, emotional element is considered or dealt with by welfare caseworkers. A sense of hopelessness, lack of self-esteem, and feelings of depression were also common among the African-American women. The difference is that they expressed their frustration in angrier terms than did the Hispanic groups.

**Child care.** Child care was the women's main concern. Several recipients believed that while they were looking for work, welfare would continue to provide subsidized child care, but that once they found work, they would have to pay for their children's care out of their own pocket. This prospect was distressing to some recipients, especially those who have no family or other social network of friends to help care for their children while they work. One mother of two children is particularly distraught at the thought of leaving her two young girls with a stranger while she is at work. A couple of mothers told of rumors and their own fears that their children would be abused by child care providers who were strangers. One mother feels that once her child care benefits are cut off, she is not going to be able to get a job that will pay enough to cover both her expenses and adequate child care.

The difficulty of actually collecting the daycare subsidy greatly frustrated one African-American woman, who is an intelligent, confident, and articulate woman, now working for her father's construction business:

I heard them say that they would put my child in daycare. Let me tell you about that. The catch to that was when I started working, I called my [caseworker] and asked about daycare for my child. When I went for an interview, I got hired that Friday. I asked my worker that Monday morning about daycare. He told me I would have to come in, fill out a request for change form, make an appointment, and it would take about three weeks. You have to basically wait another month before they can give you daycare for your child.

One African-American woman who has been actively job hunting and finding occasional day jobs confirmed other mothers' worst fears. Her daughter reported that the child care center bus driver had molested her. This mother attempted to press charges, although the police had warned her the case would pit the child's word against the bus driver's. The mother said she did not know the man, so she had no reason to accuse him falsely. The child is in therapy, and the man continues to drive a busfull of children to child care. The child's mother worries that the bus driver may molest more children.

**Philosophy of welfare reform.** Within the Hispanic sample, opinions varied concerning the value of welfare reform. Again, a division between more established and more recently arrived immigrants emerged. The immigrants with the longest U.S. residency, although generally perceiving the changes as containing the seeds of something positive, tended to be the most critical of the manner in which change was carried out. For example, a 37-year-old Hispanic mother who has lived in the U.S. for more than 10 years and has more than seven years' work experience, says:

I think it's a good idea, you know. It's good to be motivated and to push yourself, but there are not jobs. What are we supposed to do then? They should at least leave the Medicaid and Food Stamps for the kids, that's the least they can do.

In contrast, a more recently arrived immigrant from Cuba has a different perspective:

I just want to find a job so that I can pay back to the government everything they have given me. I think they've been good to me, so I want to pay back.

Virtually all the Hispanic women want to work and get off welfare. One woman put it this way:

You think I like coming into that [welfare] office, being looked down upon, asked a million private questions, made to feel like some inferior citizen, and then give me a meager \$360? No! You know, I rather have a job that I put in my time, and I get my money for that time. What I do with that is my business.

The women would much prefer to have a job and a weekly paycheck to give them and their children a better, more independent life. Their different expectations are affected by their experiences in the work world as much as by their experiences with the welfare system. More recent immigrants hold the hope of getting work and getting ahead. This is why most of them came to the U.S. Several of the more established residents have had some of the same dreams shattered by the realities of their experiences in the U.S. workforce.

The African-American women have a somewhat different perspective. Overall they expressed frustration and resentment toward the welfare system and welfare reform. Generally speaking, these respondents see the new welfare system as replete with red tape, strictly enforced regulations, and an inability to meet their basic living needs or help them find work. One African-American, who looks much older than her 39 years, talks of returning to school for her GED and doing better things in life. She says:

You can't live off welfare. It's hard and it's a hassle. The caseworkers seem hostile. It is very difficult and almost impossible to live a decent life on public assistance. There's no way. Welfare is a stop sign [that puts] limitations on life.

Another woman, who is unemployed and living off odd jobs and help from family and friends, adamantly asserts: "AFDC [was] like an addiction, a drug."

Nevertheless, many of the African-American women support the philosophy of welfare reform to the extent that it moves them toward independence. As one woman put it:

I feel it's going to help me. And I want to get out of the system anyway. I'm burnt out of it. When I go to class today, I'm going to see about going for my GED and do something. I'd rather be working hard and getting a paycheck, save money. I like working. You can get more money, you can strive for things like cars and a nice house.

## **VII. Looking to the Future**

As the end of the first year of implementation drew to an end, there remained policies and procedures that had still not been implemented, although the first wave of recipients would reach their time limits in October 1998. Furthermore, based on the experiences of the first year, there will be several implementation challenges to be addressed as the administration of the WAGES program proceeds.

**Management information systems.** Staff and officials at all levels complain about the management information system (MIS). Each agency has its own MIS; DCF uses the statewide FLORIDA system to determine and track eligibility for cash assistance and Food Stamps, and DLES uses the WAGES system (renamed from the JOBS system) to track participation in welfare-to-work activities. From the state and district perspectives, the computer systems do not track the program elements necessary to measure success. For example, neither system can determine where there are backlogs of recipients waiting for orientation, job club, or work experience slots. The systems do capture most of the information, but it cannot be aggregated into a reportable form. A task force of representatives from both key agencies and programmers in Tallahassee has begun working to modify the systems to provide the relevant information in a timely and reportable manner. In addition, there is no “clock” built into the systems to automatically tell a caseworker how much longer a recipient has until she reaches her time limit. This must be done manually based on the dates of clients’ receipt of benefits.

From a local office perspective, the interface between the two systems is poor. Both staffs complain that alerts to impose or lift sanctions are not done in a timely manner and express concerns that some alerts are getting lost in the system. Some staff also commented on the frequency of changes in the system, making it difficult to input the correct information. For example, some staff had inadvertently coded people as if they had been referred to the Coalition service contractors before the contracts were in place.

Issues for the second year will focus on tracking participants in activities and as they are referred to service providers. The district plans to provide computer terminals and access to the DLES system for all the contracted service providers. Providers will then be responsible for maintaining records and data about participation and attendance.

**Hardship exemptions.** Another challenge is the implementation of the hardship exemption policy. The state plan allows for hardship exemptions from time limits<sup>27</sup> for 10 percent of the population in the first year of implementation, 15 percent in the second year, and 20 percent in subsequent years. In April 1998, policies were developed to implement the hardship exemptions. The policy outlined two major sets of criteria clients must meet to be eligible for consideration: diligent participation, which translates into having no more than one sanction, and extraordinary barriers. The latter category includes a wide variety of barriers, including inability to obtain child care (because of cost, distance from work, or availability), medical incapacity, caring for a disabled family member, a local labor surplus, previous felony convictions, and unavailability of transportation or other support services. In addition, the policy calls for the creation of community review boards to hear grievance complaints from recipients denied exemptions.

Since staff did not mention the possibility of exemptions or extensions during the first year of implementation, clear and quick communication of this new policy will be important so clients will understand their options. Furthermore, staff should explain the interaction between extensions and time limits, in that recipients will draw further on their 48-month lifetime limit with the extension. Finally, while DCF officials believe that there are enough extension slots available for those who qualify and will have hit the time limit in October 1998, officials are already concerned about the shortage of extension slots for the next wave of recipients to face the time limit in October 1999.

**Procedures for implementing the time limits.** The first group of participants, which DCF estimates to number 3,500, will have hit their two-year clock in October 1998. While the hardship exemption policy is one step in this implementation, additional plans are required: specifically, ensuring that recipients who are still eligible for Food Stamps and Medicaid receive those services and that the administration is easy for both staff and clients. In addition, communication about the availability of these services and of community-based assistance will be crucial. Given clients' lack of understanding of the complexities of the current policies and the belief of some that "time limits won't really happen," the agencies' handling of the first group of cutoffs will set the tone for future terminations of benefits.

**Evaluation of service providers and contract management.** Most new contracts went into effect in December 1997. All contracts are renewed annually, so the Coalition will have the opportunity to evaluate their effectiveness. Critical to that evaluation will be the success of the profiling and referral system. Are people being profiled correctly and obtaining needed services? Again, data collection and the tracking of participants' progress with the service providers will be another key element of the evaluation. Furthermore, if DCF continues its push to relinquish its fiscal and administrative responsibilities, contract management will again surface as an issue. Finally, questions will inevitably arise about the arrangements between Lockheed Martin IMS and its subcontractors. There are potentially several lessons to be learned about the impact of performance-based contracting on the implementation of welfare reform and the role of nonprofit and for-profit entities.

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<sup>27</sup>The exemption is an extension of the time limit, not an exemption from participation.

**Agency collaborations and changing political dynamics.** The collaboration among DCF, DLES, and the WAGES Coalition has been tenuous during the first year of implementation. However, the interagency tensions were not restricted to Miami-Dade. Amid growing concerns about DLES's ability to work with disadvantaged populations, in April 1998 the state legislature removed DLES as the provider of front-end services (and job search, orientation, and job club) in the WAGES program. Each local WAGES Coalition now has the opportunity to select its own provider for these services. In Miami-Dade, Dade County Public Schools and Miami-Dade Community College were awarded the contract for front-end services. The transition was to take place on October 1, 1998. The question remains what effect these new entities will have on the collaboration required for successful implementation of WAGES.

Added to this changing dynamic is the increased presence of other entities involved in welfare reform, workforce development, and economic development, including the County Mayor's Office, the County Commissioners, and the JEP Board. The county has applied for federal funds for an Empowerment Zone in Miami-Dade, and the JEP Board will be the likely recipient of the Welfare-to-Work money from the U.S. Department of Labor. Finally, all of these political dynamics in Miami-Dade County would be proceeding against a backdrop of a newly elected governor and pending changes in senior staff, providing new opportunities for another fundamental shift in welfare reform policies.

## Chapter 6

# Another Philadelphia Story

You know what is sad? They say your children want to be like you. My children don't want to be like me. They want jobs; they don't want Food Stamps. I always wanted to be like my mother. She always worked. I'm not a welfare child.

Philadelphia welfare recipient

### I. Introduction

Despite a downtown resurgence in recent years, Philadelphia remains beset by high poverty, a high concentration of welfare recipients, and high unemployment:<sup>1</sup> Over one-quarter of the city's 1.5 million residents live in poverty; when welfare reform began in 1997, the city was home to 12 percent of the state's population but 43 percent of the state's welfare caseload; and the unemployment rate has remained consistently at 1.3 to 2.6 percentage points above the rates for both the state and the nation since 1991, creating a challenging environment for initiatives designed to move thousands of welfare recipients to work.

In May 1996, a few months before the federal legislation was passed, Pennsylvania's welfare reform legislation (Act 35) was signed into law. On March 3, 1997, the new state and federal policies went into effect across the state. New time limits, work requirements, financial incentives to combine work and welfare, and job search mandates form the core of the state's welfare initiative. These critical new policies require staff to send new messages to recipients, take on new responsibilities, and offer new services. This chapter describes the changes the Philadelphia welfare offices implemented during the first year of the new policies, the successes and obstacles welfare officials encountered as they made these changes, and the challenges that remain. The chapter also describes how much information recipients have about these changes, how they feel about the changes, and what they are doing in response.

As welfare reform has unfolded in Philadelphia, three changes stand out:

- **Shift to a work-first philosophy.** Philadelphia shifted the focus of its welfare-to-work program from human capital development to work first. The work-first philosophy emphasizes rapid attachment to jobs. To that end, Pennsylvania state law mandated that recipients participate in the welfare-to-work program until they find a job and that they spend the first eight weeks in the program looking for work. Adopting a work-first philosophy meant that eligibility and employment staff began sending the message that recipients need to get a job rather than enroll in education or training.

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<sup>1</sup>“Philadelphia” refers to both the county and the city (which cover the same geographic area).

- **Work requirement after two years of benefits.** Staff sent the message that after 24 months of receiving cash benefits, recipients will have to work 20 hours a week to remain eligible for benefits. For those on the rolls continuously since March 1997, this time limit hits in March 1999. Allowable work activities at 24 months include unsubsidized or subsidized employment, on-the-job training, or unpaid work at a nonprofit or government agency. There is considerable uncertainty about how volunteer or unpaid positions and community service jobs will be created and documented and about how exemptions will be granted for recipients who fail to meet the work requirement.
- **Expansion of employment specialists' responsibilities.** Day-to-day responsibilities changed for all line staff, most dramatically for the employment specialists, whose responsibilities now include informing recipients about the new rules, running job search workshops, and monitoring participation in job search. In a continuing role that has expanded, employment specialists refer recipients to outside providers for education, skills training, and job search services.

This chapter examines the early implementation of welfare reform in Philadelphia. Section II describes Pennsylvania's system before Temporary Assistance for Needy Families (TANF). Section III lays out the basic elements of the Pennsylvania welfare reform initiative and provides background information on the Philadelphia welfare system. Section IV discusses changes in the messages staff members gave to recipients. Section V looks at the services provided, and Section VI reviews staff roles. Sections IV–VI also present the messages recipients heard and recipients' views of services. Section VII describes how welfare recipients and staff perceive recipients' employment prospects, and Section VIII summarizes the challenges that face the program in the coming years.

The data for this chapter are drawn from interviews conducted with senior officials in Philadelphia's central welfare office and with district administrators and line staff in three welfare offices. MDRC staff also observed group orientations, job search workshops, and individual meetings between staff and recipients. Most of these interviews and observations took place in November 1997, eight months after the state's welfare reform initiative started and 16 months before the first group of recipients was to reach the two-year work requirement. (See Figure 6.1, which provides a timeline of the welfare policy changes.) Data on recipients' views are drawn from semi-structured, in-depth interviews with approximately 35 welfare recipients in three target communities, interviewed in their homes between July and October of 1997. In addition, in two of the welfare offices focus groups were conducted with recipients who had attended job search workshops.

## II. The Story Before TANF

### Services

Welfare reform in Pennsylvania introduced important discontinuities from previous programs and policies. Unlike some other states, Pennsylvania had not piloted work-first or time-

limit policies through federal waivers from the Aid to Families with Dependent Children (AFDC) rules. Before TANF:

- There were no time limits on receipt of cash benefits.
- Mothers with children under three years of age were exempt from participation in welfare-to-work activities. Exempted individuals also included those with disabilities or who cared for a disabled household member.
- Welfare-to-work services consisted primarily of referrals to education and training programs. These essentially voluntary services with limited slots served only a small percentage of recipients. Recipients were not required to look for work as a condition of benefit eligibility, and job search services were not a key part of the welfare-to-work service options.
- Financial incentives for working were limited.<sup>2</sup>

For the vast majority of recipients, the welfare system offered income support but neither demanded participation in employment and training (welfare-to-work) activities nor imposed time limits. The small scale of the welfare-to-work program limited recipients' demand for child care and other support services.

### **Staff**

Prior to welfare reform, two types of line staff interacted with applicants and recipients and thus carried a substantial burden for implementing welfare reform policies at the ground level. First, as is still the case, eligibility staff determined eligibility for benefits and handled other income maintenance functions. The vast majority of line staff fell into this group. In Philadelphia, eligibility staff were separated according to whether they determined eligibility for new applicants (intake staff) or dealt with recipients (ongoing staff).

Second, prior to welfare reform, a small cadre of employment staff<sup>3</sup> handled requests for education or training and managed payments for child care, transportation, books and supplies, and other allowable support service payments.

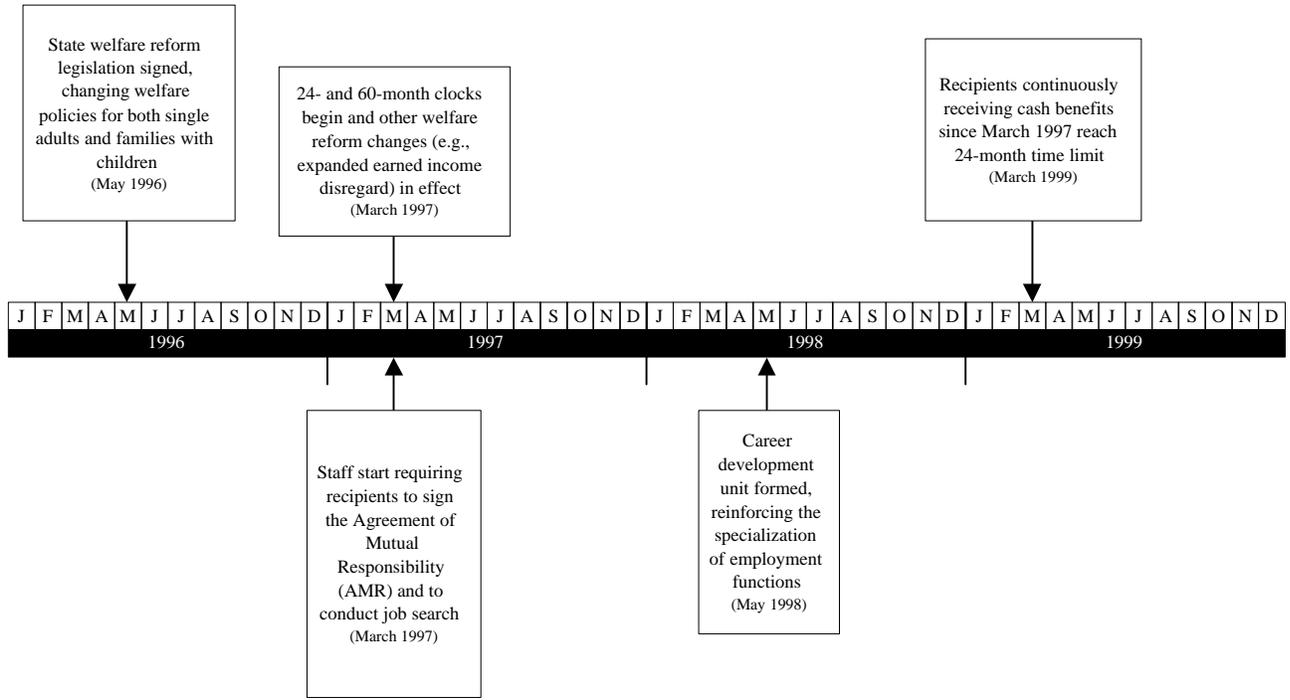
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<sup>2</sup>Under the old (AFDC) rules, a \$90 deduction was allowed for work expenses. Then \$30 and 1/3 of the remaining earned income were disregarded in determining the benefit amount during the first four months of work. The \$30 disregard continued for an additional eight months. After the incentive was applied, a deduction was allowed for child care, subject to a maximum of \$175 per month for each child two years of age or older when the recipient worked full time; \$150 per month for each child two years of age or older when the recipient worked part time; and \$200 per month for each child under age two, regardless of whether employment was full time or part time.

<sup>3</sup>Before TANF, these staff were known as Employment and Training Program (ETP) staff.

Figure 6.1

The Project on Devolution and Urban Change  
Key Events and Policy Changes in Philadelphia County



### **III. The New World of Welfare**

#### **The State Plan**

The most significant changes involved the demands made on recipients, the incentives and supports the welfare department provided, and the threat of eventual loss of benefits. The welfare application process remained the same, and monthly benefit levels did not change — a Philadelphia family of three (with no outside income) remained eligible for \$403.<sup>4</sup>

**Two- and five-year time limits.** After receiving cash benefits for 24 months, recipients must work or participate in a qualifying work activity for an average of 20 hours a week in order to continue receiving benefits. The maximum time that recipients can receive welfare altogether is five years (60 months).<sup>5</sup>

**Initial job search.** The new employment and training program in Pennsylvania (officially known as the Road to Economic Self-Sufficiency through Employment and Training — RESET) emphasizes a work-first approach, views any job as a good job, and assumes that the best way to achieve self-sufficiency is to develop good work habits and skills that will lead to better jobs over time. The newly instituted job search requirement applies this approach, pushing everyone to look for a job. Only after recipients complete their initial job search are they referred to training, English as a Second Language (ESL), GED classes, or other activities.<sup>6</sup>

**Agreement of Mutual Responsibility (AMR).** All adult recipients must sign the agreement that lays out the steps recipients will take toward supporting themselves and explains what the welfare department will provide in return. The AMR typically includes activities such as attending a job search workshop or actively looking for a job.

**Mandatory participation for a broad target group.** The employment and training program was significantly expanded because the new law limited exemptions and welfare officials took the participation mandate seriously. Individuals are exempt from participation in job search if they are the single, custodial parent of a child under the age of 12 months (this exemption is limited to a total of 12 months for each recipient). In addition, parents of children under six are excused from participation if child care is unavailable. Individuals with a verified physical or mental

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<sup>4</sup>There were some modifications in the types of income and assets that are counted in determining eligibility (see Table 2.5 for a description of these changes).

<sup>5</sup>“Child-only” cases, in which the children receive cash benefits but the adult caretaker does not, are not subject to either the two-year work requirement or the five-year lifetime limit for cash benefits. In addition, 20 percent of the caseload will be exempted from the five-year time limit.

<sup>6</sup>Recipients can participate in education or training as long as those activities do not interfere with their job search. One concession the state made was to allow individuals who were enrolled in education and training when the law was implemented to continue in those activities without having to participate in job search.

disability are also exempt.<sup>7</sup> Finally, individuals under 18 are exempt from job search, but they must be enrolled in high school or a GED program.

**Increases in support services.** The state provides money for child care, transportation, and a modest clothing stipend during job search to permit recipients to look for work actively. This means that the state spends more on child care and other support services than it had previously.

**Financial incentives to work.** Changes in the earned income disregard significantly simplified the rules regarding earnings and were designed to make employment more attractive by allowing recipients to keep a larger share of benefits when employed. Instead of the complicated, less generous formula that changed over time, 50 percent of income is disregarded in determining eligibility as long as a recipient has earned income.<sup>8</sup>

**Other changes.** While federal welfare reform included provisions concerning teen pregnancy, the state has not pushed the county welfare offices to implement new programs in this area. Eligibility staff did ask questions about teen mothers' living arrangements (teen mothers can live on their own only in extreme circumstances), and they verified the school attendance only of children age 16 and older. There has been no change in immunization provisions.

### **The Philadelphia County Assistance Office**

Pennsylvania has a state-administered system in which welfare administrators in each of the state's 67 counties, including Philadelphia, were instructed to follow the reform plan developed by the state. As one Philadelphia administrator put it, "The instructions come from Harrisburg. We have some leeway, but what we have to do is the same for everyone [across the state]."

The Philadelphia County Assistance Office includes 19 district offices. Each office serves recipients who live within defined geographic boundaries. The implementation research focuses on three offices that serve the neighborhoods targeted for the ethnographic research. (See map in Appendix, Figure B.4.)

### **Gearing Up for Welfare Reform**

**Expanding employment staff responsibilities.** Welfare reform involved increased staffing to handle new activities. Some services (for example, job search/job club services) were contracted to other organizations. Employment staff also took on new responsibilities such as leading group orientations, running workshops, and tracking participation. To accommodate the increased

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<sup>7</sup>Exempt individuals are required to participate in work or a work-related activity when the condition ceases. Exempt individuals are still subject to the five-year time limit unless they receive a hardship exemption. At this point it is not known which recipients will receive hardship exemptions.

<sup>8</sup>Two other important changes that affect low-income families occurred at around the same time. First, the health care system changed for all Medicaid recipients, who were required to enroll in one of four HMOs. This change, implemented in February 1997, was intended to improve access to primary care and decrease reliance on hospital emergency rooms. Second, beginning in early 1998, payment of Food Stamps and cash assistance changed to an electronic benefit transfer system (EBT) in which recipients access benefits at automated bank machines and at stores that are equipped to accept the cards.

workload for employment staff, a few ongoing eligibility caseworkers became employment specialists in some offices.<sup>9</sup> (Employment specialists receive special training but were hired based on the same criteria as eligibility staff.)

Even after welfare reform, employment specialists constituted only 15 to 20 percent of staff in each office. In 1998, across Philadelphia, there were 194 employment specialists, 805 eligibility staff, and 120 people in training.

A job search pilot project that ran before March 1997 started changing interactions between some employment staff and welfare recipients even before welfare reform was implemented. Shortly before the implementation of welfare reform (February 1997), a group of employment staff reported that they were more likely to stress the notion of achieving self-sufficiency than they had been a year earlier. They said they encouraged recipients to take advantage of education and training options that would be curtailed once the reforms took effect.

**Staff training.** Starting before the reforms were implemented, staff received training to help them understand, communicate, and implement the new rules. Training was spread over a number of months. During the first year, staff received a total of seven to eight days of training. One district administrator acknowledged that “more training in all areas would be helpful” and another said “staff run the gamut in how well they understand the new rules.” The third specifically noted that staff needed more training in the areas of interviewing techniques and treating recipients with sensitivity.

One office excelled in the process for selecting, training, and motivating the employment specialists. Managers handpicked staff for their ability to relate to recipients, for their skill in facilitating group sessions, for their upbeat personality, and for their ability to make decisions on their own. Employment specialists met with supervisors twice a week for a couple of months to talk about how things were going. Supervisors observed staff-recipient interactions, and then provided staff with feedback. Changes were made in response to staff members’ suggestions (for example, group orientations were held in one room, and one-on-one meetings in another). Good communication among staff members helped them to do a better job: “We do a lot of talking among ourselves. If I have a particular problem and someone else has had it before, we’ll let each other know.” The motivation and commitment of the employment staff were evident in their innovations. They started a (nonmandatory) job club where recipients in independent job search get together halfway through the process to talk with each other about what is working (or not) and to share information on job leads. They also started a small job development effort so that during their one-day job search workshops they can hand out up-to-date job listings.

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<sup>9</sup>This chapter uses the term “employment specialists” to cover all staff involved in employment and training functions. This term includes staff known as RESET, TANF, and employment specialists. In most cases, RESET referred to the former ETP staff. TANF referred to the ongoing caseworkers drafted for the employment role. There was often little distinction in the functions of RESET and TANF staff, although they could be in different units with separate supervisors. They performed some of the same functions (such as running orientations and workshops). TANF staff, however, were also able to handle eligibility functions since they had recently been ongoing caseworkers.

#### **IV. Communicating the New Welfare Message**

In February 1997 the welfare department mailed notices to recipients informing them of the new rules. On March 3, 1997, the two- and five-year time limits started for those on assistance at the time. The five-year lifetime limit for receiving cash assistance and the interim, two-year limit on welfare without work started on the same day.

March 3, 1997, also marked the start of the switch to a work-first program. Staff began to give a different message to recipients, and the welfare agency implemented a work-first mandate.

Eligibility and employment staff who interact with welfare recipients bear much of the responsibility for informing recipients about time limits, financial incentives, and available services. Conveying new messages is an important part of implementing the new welfare policies. The overall message that line staff deliver to welfare recipients is "Get a job." Cosmetic changes in welfare offices reinforce the new emphasis on employment through posters and signs (for instance, "Work experience is the best training"; "A job or better a career"), as well as bulletin boards with job listings.

##### **Time Limits**

**Changes in the messages staff give to recipients.** Starting in March 1997, staff made a concerted effort to let clients know that eligibility for cash benefits is limited. Numerous signs in the waiting room and meeting rooms announce "The clock is ticking," and this message is reinforced by staff. One district administrator reported that among his main responsibilities was making recipients understand that time limits are real. In his view, a lot of recipients don't think that *they* will be cut off. He pointed out, "This is what the law is, and it's a popular law."

Although staff mentioned the five-year maximum limit on welfare, they emphasized the two-year interim time limit. Staff said they admonish recipients that "you must be working 20 hours within two years." In an orientation, one worker stated that "welfare is now a 24-month program" and described the rules as follows: "Welfare is limited to two years, but you can get a three-year extension if you work 20 hours a week."<sup>10</sup>

Staff members said that in talking to recipients they do not mention activities other than getting a job that would allow recipients to keep benefits at 24 months. Staff do not mention options such as community service jobs or volunteer activities that might satisfy the work requirement. Privately, some staff thought such options would eventually become available ("I don't know how they're going to get all these people into employment without it"), but they had not received any information about these alternatives during the first year of implementation.<sup>11</sup> In ad-

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<sup>10</sup>Details associated with the time-limit rules were sometimes discussed. One intake staff mentioned that TANF eligibility is transferable from state to state, "so you can't get five years here and then five years in New Jersey." It is unknown whether staff will actually track time limits across states. Information about welfare receipt in another state is documented via a handwritten note, whereas computing the length of receipt in Pennsylvania is an automated process.

<sup>11</sup>Plans for transitional jobs have since become available, and these are discussed in Section VII.

dition, while staff may list exemption categories, they do not generally tell *individual* recipients that they may be granted an exemption.

The concept of exemptions is potentially complicated. Recipients with a verified physical or mental disability are exempt from the job search requirement and the two-year work requirement. This exemption does not, however, stop recipients' five-year clock from running. There was some confusion on this point, as some staff thought that recipients exempt from job search would *not* be exempt from the two-year work requirement. In addition, staff commonly assume that 20 percent of the caseload will be exempt from both the two- and the five-year limits.

Because each month in which any cash benefits are received counts toward the lifetime limit, some staff said they tell recipients about the option to "bank" their time on welfare if they are eligible only for a partial check. During one orientation session observed by researchers, staff counseled recipients: "Welfare is like a bank account. In the event you need to come back, you want some left. You need to change the way you use welfare — only when you really need it. Try to save some of your time." It is not clear whether this concept was reinforced during subsequent staff-recipient meetings.

**The messages recipients hear.** The recipients in the ethnographic interviews were universally aware that the welfare system had changed. These recipients generally said they first learned of the changes through television and newspaper accounts and from their friends and relatives, rather than from the welfare department.

Many recipients recalled that their first official notification from the welfare office regarding the changes came in a letter during the winter of 1996–97. This letter informed them that their benefits would be time-limited beginning on March 3, 1997, and that they would learn more in their biannual face-to-face interview with their caseworker.<sup>12</sup> Most recipients had already been called in for this interview by the time they were interviewed in the summer and fall of 1997. These recipients said their caseworker explained the new rules when they signed the AMR, which they referred to by various names, including "self-sufficiency contract" and "personal responsibility contract."

Recipients all knew there were both two- and five-year time limits. Their understanding of the two-year limit was generally accurate. In fact, many knew the exact date they would reach the two-year limit (March 3, 1999).<sup>13</sup> Their knowledge about the five-year limit was generally not accurate. One mother told us she couldn't figure out the relationship between the two- and five-year time limits:

The only new rules that I see that they have now is that . . . you can't be on welfare no longer than five years. A total lifetime, five years. And, she told me two years for myself. And I can't figure it out . . . how they got from five years to two years.

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<sup>12</sup>Some respondents claimed they had not received any official notification. Given the difficulty with delivering mail to many of their addresses, this was entirely possible.

<sup>13</sup>This assumes they had received cash benefits continuously since March 3, 1997.

Another recipient thought the five-year time limit meant that welfare would be abolished for “everyone, forever.” She said, “As far as I understand it, in five years, there’s gonna be no welfare, period.” Several other recipients said the new rules meant they had to get off in two years, but after five years had elapsed they could reenroll for another two years: “Two years out of every five, that’s all you can get.” One recipient had a somewhat more complex understanding of the two- and five-year time limits but incorrectly assumed that the five-year limit did not apply to mothers of younger children as it did to those with older children:

[There are a] bunch of new rules. You . . . got five years to be on it. You have to find work, no more schooling. If you have children under a certain age, they will extend [the five-year limit] for a couple of years, or whatever, but basically it is just “get off and hurry up, you got five years.” That is the new rules.

A small minority of recipients in the ethnographic sample did understand both the two- and five-year limits accurately. In general, these clients also reported an unusually positive relationship with their caseworkers, which suggests one of several things. First, sympathetic caseworkers might have been willing to work harder to make sure their clients understood the new rules. Second, recipients with sympathetic caseworkers may have been able to absorb the new message more easily than recipients who viewed their caseworkers as uncaring. Or, third, recipients who were cooperative and responsive and more likely to understand the new rules elicited more sympathy and attention from their caseworkers.

Very few respondents knew that if they exited welfare in less than five years, they could bank those benefits for later use. One recipient, however, who did understand “benefit banking” described it as follows:

My caseworker told me . . . [if I get a job, I should go off completely] in order for [me] to save something, like if [I] get laid off or something, [I] still can rely on that . . . welfare [time I didn’t use before]. You can rely on that like if you get laid off and you don’t have no money. You could go back on welfare and you get the money [you still had coming because] you told them to take [you completely] off and save [the time] for you. If you’d worked and kept getting a check, you won’t have nothing to rely on [after five years]. If you get laid off, you won’t have nothing.

Focus groups conducted with recipients who had just completed job search workshops show what recipients hear when the messages are fresh in their mind. The term “welfare reform” brought to mind the notions “temporary” and “five years.” At least one recipient was knowledgeable about the 24-month work requirement: “We have two years to find a job; now it’s down to 13 months.”

There was, however, some misunderstanding of the new rules among focus group respondents. For instance, one participant thought a family cap had been instituted so that “after you have two children you don’t get any more benefits.”<sup>14</sup>

## **Employment**

**Changes in the messages staff give to recipients.** Employment may always have been the goal for the employment and training staff, but, as one district administrator noted, “The focus on employment as the end product is different than it used to be — it has more urgency.” Eligibility workers view communicating the employment message as part of their job, but one that is secondary to determining benefit eligibility. As one intake worker commented: “We are still in IM [Income Maintenance] mode. We try to do what we were trained to do. After [determining eligibility], we focus on the employment stuff. It is not a smooth transition.”

The work-first philosophy assumes that reaching self-sufficiency is best achieved by getting a first job, then a better job, and then moving up while participating in the labor force. During a focus group with the researchers, one staffperson articulated the message: “It won’t come all at once. A part-time job may lead to another and eventually to a career.” Few staff, however, said they provide guidance about the types of jobs recipients should take. There was little discussion about the value of taking a minimum-wage job versus waiting for a better job, or starting with a part-time job and gradually working toward full-time employment.

**The messages recipients hear.** The focus groups with job search workshop participants confirm that a new message about employment in the general sense was conveyed. In response to a question about what message their caseworkers were trying to get across, participants responded: “You got to get a job”; “Time is basically up and you have to work to survive.” A participant noted that “the new rules encourage people to think about how they are going to find work.”

## **Financial Incentives**

**Changes in the messages staff give to recipients.** In an effort to promote employment, the state welfare reform initiative included a generous financial incentive: 50 percent of a recipient’s earned income is disregarded in calculating benefit amounts for as long as she is employed. Central office staff noted that this simple formula is easy to explain. While a few staff said they tell recipients about the 50 percent disregard and show them how it works, it seems that many staff members did little to promote this financial incentive to recipients. During orientations and one-on-one meetings that the researchers observed, explanations of the earned income disregard were brief. One intake staff member made the insightful comment: “Staff are not doing as good a job as we should be in getting [out] the message that clients can still maintain benefits [if they work] due to the 50 percent disregard. Clients are not sure if they get a job and make ‘X’ amount of money, what happens to their benefit amount.”

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<sup>14</sup>The law in neighboring New Jersey does include a family cap, and some recipients may have heard about it on the radio or television.

**The messages recipients hear.** Most ethnographic recipients' descriptions of the rules regarding the earned income disregard showed that they generally understood what would happen to their benefits if they took a part-time job, but they were unclear as to how a full-time job would affect their benefits. Many recipients were concerned that getting full-time work would mean they "made too much money" to be eligible for any benefits at all. Despite the fact that the implementation research showed that caseworkers did not explain the policy very clearly in the orientation sessions, recipients may have understood much about the new rules because the new policy was very simple and required no changes over time. One recipient's account was typical:

If you get a part-time job and you make like \$400 a month, they take \$200. That's all they want [is] about half of what you make, 'cause you got a part-time job. If you got a full-time job, I don't know how they go about that. [I think] they'll cut my cash but give me the stamps, [that's what my caseworker] said.

## **V. Welfare-to-Work Services, Supports, and Sanctions**

### **Initial Goals of the Work-First Program**

When the Pennsylvania welfare reform initiative began, the immediate goals of the welfare department were to "see every TANF client as soon as possible to give them as much lead time as possible [to get a job]." Thus, implementation in the first year focused on making sure that all recipients signed the Agreement of Mutual Responsibility (AMR), were informed about the new rules, and began their initial job search.<sup>15</sup> Staff reported that by the end of November 1997 (nine months through the first year), they had achieved these goals and that the vast majority of recipients (not including the exempt group) had gone through an initial job search activity. Although an administrator at one district office reported that "lots of people are coming up with disabilities," this did not seem to be the case at the other two offices.

Four of the recipients in the ethnographic sample reported that they were seeking disability exemptions from the job search requirement during the summer and fall of 1997 (three of them from one office), and one of these hoped to be exempted from the two-year work requirement as well. Generally, those who wanted exemptions from job search were suffering from temporary disabilities such as back injuries. The sole respondent hoping for an exemption from the two-year limit had severe mental and physical health problems and had been trying for over a year to get on SSI. Most clients were not thinking about trying to seek exemptions during the summer and fall of 1997. Furthermore, only those recipients who were seeking disability exemptions seemed to know that such exemptions were even available under the new law. These clients told interviewers that they had learned of the possibility of exemption from their caseworker.

Most recipients were aware that mothers with children between 12 and 36 months of age, who had been exempt from work and training requirements under past welfare-to-work programs,

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<sup>15</sup>These activities mark the start of the RESET employment and training program.

are no longer exempted under the new plan. But they did not necessarily understand that mothers with children under 12 months remain exempt.

### **Preparing for the Job Search**

The following paragraphs describe each step in the process for learning about the new rules and beginning a job search (see Figure 6.2) — namely, the Agreement of Mutual Responsibility (AMR), orientation, and the first job search assignment.

**Agreement of Mutual Responsibility (AMR).** Intake and ongoing eligibility staff introduced the new welfare policies at application or redetermination interviews and started the AMR.<sup>16</sup> The AMR lays out steps the recipient will take to reach self-sufficiency and explains what the welfare department will provide in return (see Figure 6.3). This agreement is updated when recipients are assigned to their first activity and at various points thereafter. The penalty for not completing and signing an AMR is a sanction of the noncooperative adult's portion of the

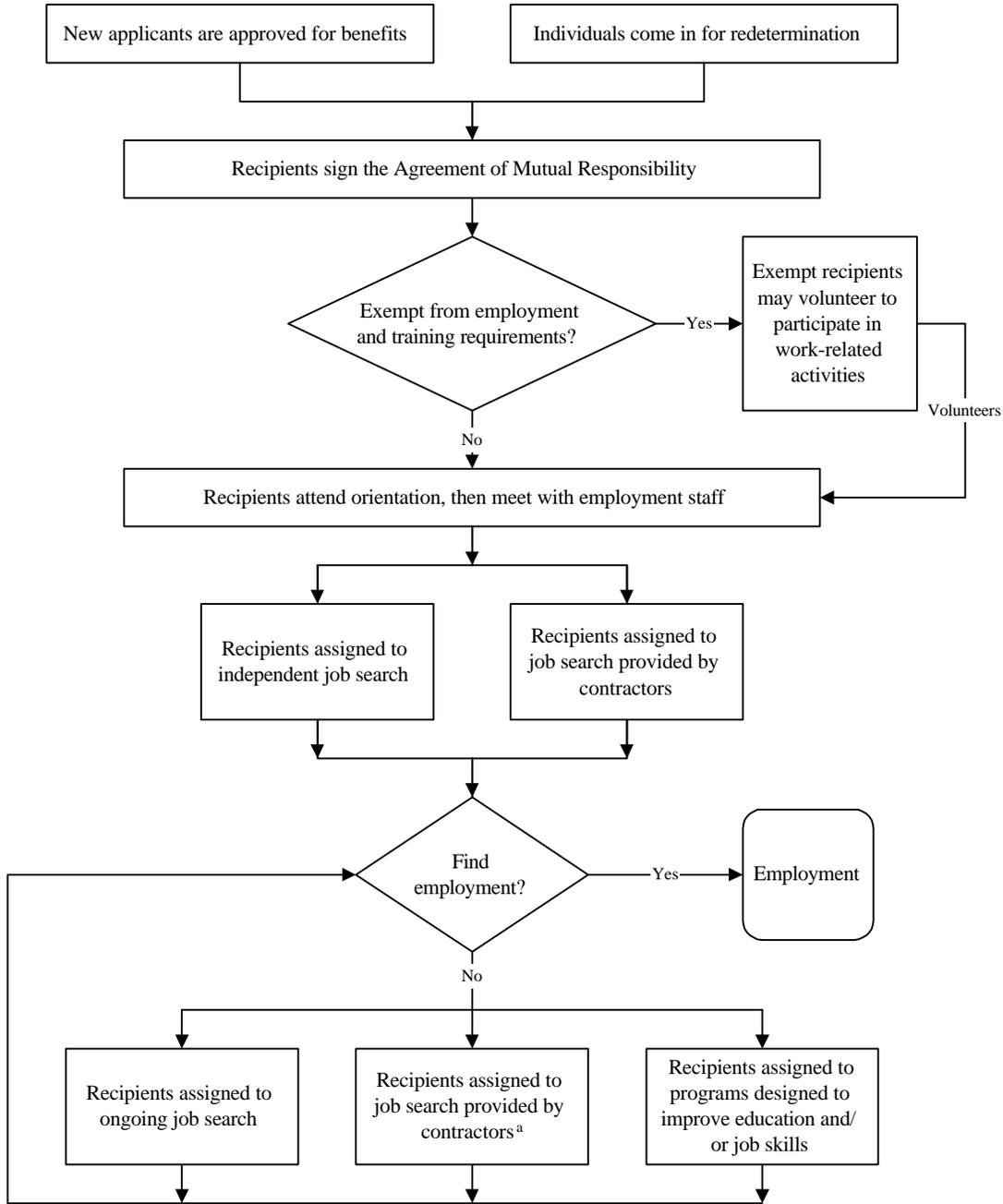
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<sup>16</sup>Individuals receiving benefits when implementation began started the AMR at their first redetermination interview after March 3, 1997. Redeterminations occur every six months, so an individual should have started the AMR and been referred to services within six months after implementation, although this took longer in some cases.

Figure 6.2

The Project on Devolution and Urban Change

Flow of Participants Through the RESET Program in Philadelphia County



SOURCE: Pennsylvania Department of Public Welfare.

NOTE: <sup>a</sup>Recipients may receive job readiness and job search training from a provider only one time.

### Figure 6.3

#### The Project on Devolution and Urban Change

#### Description of the Agreement of Mutual Responsibility (AMR)

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The four-page AMR form begins by laying out recipients' responsibilities:

- "...you may receive a cash benefit...for a total of only 5 years (60 months) in your lifetime....Include steps in your plan that will help you get a job or take part in a work activity for an average of at least 20 hours per week...."

This is followed by the welfare department's responsibilities:

- "Provide temporary financial help.... Help YOU set goals and decide what steps YOU need to take to reach those goals. Identify resources available from the county assistance office as well as from the community...."

The heart of the AMR is the "Plan for Self-Sufficiency" which consists of:

- **Recipient's goals** (e.g., to complete my independent job search requirements and find a job).
- **Steps to achieve goals.** Choices under Work/Work-Related Activities include: "Actively look for a job"; "Attend a job search workshop"; "Contact your caseworker to review your job search activities."
- **Agency action** (e.g., child care, transportation, and clothing allowances of \$xx for the period from \_\_\_\_\_ to \_\_\_\_\_).

There is a space for recipients to complete the statement, "My goal is to be able to support myself and my family by," with a date (month/year) and then a space to sign the form.

The last page of the form lists penalties for such things as: refusing to complete the AMR, not cooperating with the requirement to seek support and/or establish paternity, and not complying with work requirements.

The AMR describes recipients' rights:

- "Prior to your benefits being reduced or discontinued, you have the right to request a review of your case to determine if you had good cause for not complying.... You have the right to request a fair hearing if you disagree with our decision."

It explains the term "good cause," used multiple times in the agreement:

- "Good cause will be considered if the reason for not completing ... your Plan for Self-Sufficiency is beyond your control. Examples of good cause are lack of appropriate child care, sub-standard conditions at the job, or need to care for a disabled or ill person."

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SOURCE: Adapted from Pennsylvania Department of Public Welfare, "Agreement of Mutual Responsibility" form, February 1997.

grant. Recipients and staff were supposed to work together to develop the plan but, judging from the cases researchers observed, recipients had little input into the process. Staff members voiced concerns on this issue: “We’re supposed to have an individualized agreement with the client. But a lot of it involves putting numbers of people into slots”; “We face heavy time constraints so we cannot really complete a *mutual* agreement.”

Consistent with staff perceptions, participants in the ethnographic study generally viewed the AMR as “just another piece of paperwork,” and with few exceptions, they did not have strong positive or negative reactions to it:

My caseworker, he explained it to me. He just said, “We have to fill out this paper called Planned Sufficiency.” And you fill out the papers, saying . . . What are your goals? What is your career? Where do you see yourself five years from now [in terms of a] career? And you just give them the paper. That’s it. It’s just saying that you’re planning on having a job.

Another respondent described the AMR in this way:

We had to make an agreement that we had to get a job within two years and be off of welfare. You had to agree to it. If you didn’t, they cut everything. You had to sign the paper and that was it. It was in April.

**Orientation: Learning about the new rules.** After meeting with an eligibility staff member, individuals attended an orientation to learn about the new policy and rules.<sup>17</sup> During the early implementation period (March through November 1997), many recipients attended orientation in groups, although by December most offices had gone through their entire pool of cases, and the number of new applicants was small enough that the majority of orientations were one-on-one.

Orientations typically lasted 30 minutes to an hour and were led by employment specialists. These sessions consisted of a description of the rules (such as the 24-month work requirement), an explanation of the requirements (such as signing the AMR or looking for a job as the first activity), a list of the support services (child care, transportation, and a clothing allowance), and the work incentive (the 50 percent earned income disregard).

**The first job search assignment.** Immediately after the orientation, employment staff members met recipients and determined whether they would either (1) spend eight weeks in independent job search (IJS) looking for work on their own or (2) receive job-readiness and job club services from a contracted provider.<sup>18</sup> The decision mainly depended on the availability of slots with the job search contractors. Each office had a specific number of contracted job search slots they were expected to fill each month. If slots were available, employment staff were supposed to fill them first to be sure the welfare department met its contractual agreements.

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<sup>17</sup>In order to increase orientation attendance, two of the three offices scheduled recipients to attend an orientation session on the same day that they met with a caseworker to review their eligibility for benefits.

<sup>18</sup>Job search contractors are known as “Rapid Attachment” providers.

Job search contractors were required to accept everyone the welfare department sent to them, and welfare staff did not send only the most employable recipients to the providers.<sup>19</sup> In fact, staff indicated that recipients who were very “job ready” (that is, recipients with a high school diploma) might be more likely to be sent to IJS.

There were approximately 14,000 slots per year (1,430 slots in any given month) with 19 different contractors.<sup>20</sup> Because of the limited number of slots, IJS was the first activity for most recipients.

### **Conducting the Job Search**

**Independent job search.** Recipients in IJS were instructed to contact at least five employers per week and to log all contacts. Recipients in IJS attended a one-day workshop at the welfare office before beginning their job search.<sup>21</sup> Workshops in all offices followed the same curriculum, which included such topics as identifying skills, resolving barriers to employment, completing job applications, interviewing, and keeping a job. Such a wide array of topics meant that material was covered quickly, and much of the session consisted of lecturing or reading directly from the guide. Some employment staff felt the workshops were too brief and wished they had had more training for leading these sessions.

The workshop facilitators whom the researchers observed varied in their presentation skills and styles, but all were positive and encouraging. One told the participants:

People feel they have no skills because they haven’t worked in a long time. But raising kids and surviving take skills. Look at the skills you possess.

Another said:

Don’t be discouraged if you get an interview but don’t get the job — it’s getting you ready for the next interview and the next job.

They also tried to help participants be realistic about their options. One staff member told a woman who was expecting to get a particular job:

Your first job will not be a dream job. You can’t put all your apples in one basket.

**Job search contractors.** The job search contractors typically provided four weeks of job readiness training and four weeks of job club. They were allowed to keep individuals for an additional 90 to 100 days, and welfare staff said that the providers tend to retain participants because the job search contractors have performance-based contracts and receive additional money when

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<sup>19</sup>One district administrator noted that job search contractors complained about having to work with recipients who have very low educational levels or who do not speak English.

<sup>20</sup>Referral goals of individual providers ranged from about 400 slots per year to 2,000 slots per year.

<sup>21</sup>Additional workshops (including some for Spanish speakers) were held at the central office building. By the end of 1997, after the ongoing caseload had gone through job search, the district offices rarely held their own workshops.

they place individuals in jobs. The providers, many of whom the welfare department had contracts with prior to welfare reform, had to adapt to the work-first model. This meant changes for them, as many had previously focused on building vocational skills or upgrading educational skills.

Welfare staff in Harrisburg selected the providers (through a competitive bidding process) and administered the two-year, performance-based contracts. In a desire to attract providers to serve specific ethnic populations, Philadelphia administrators made a special effort to publicize the contract opportunity to Hispanic and Asian providers.

**Support services.** Welfare reform in Pennsylvania meant increased funding for support services. During their eight-week job search, recipients received payments for transportation (\$138 to cover two months of transportation), clothing (\$75), and child care (payments depend on whether the care is center-based, family daycare, or care by relatives or friends).<sup>22</sup> According to many staff, the availability of child care slots has not been a barrier to participation in job search. Some staff use support services as a monitoring tool. They authorize payments for only four weeks at a time so that recipients must return to the welfare office to get another four weeks.

**Recipients' views of job search.** By late summer and early fall of 1997, the majority of recipients in the ethnographic sample had already been through their orientation session and had been placed in one of the two types of job search, which recipients almost universally referred to as "job training."

One respondent described the process this way:

[After you sign your AMR] they put you on the job search for eight weeks. They pay your monthly train fare and they give you \$75 to get new clothes to look for a job. Ha ha ha. (Like new clothes are going to get you a job.) If you don't have no prior work experience they put you in a school to teach you how to make an application or résumé. They give you eight weeks [of child care and train fare], and you have to fill out their papers — where you went, the name of the company, address, the telephone number, in case they want to verify it. The rule was that you had to go out five days a week and each day you had to make an application, they don't care where it was, the Taco Bell, whatever.

Some recipients had not been asked to participate in a job search activity, though they were not clear about why not. One mother reported:

I never went to the job-training program. They never told me to do it. I think they wanted the ones . . . who have kids in school. I called to see if I [c]ould go through, and they said I was not eligible because my kids were too young. [Her youngest child was two.]

Clients knew that if a job resulted from job search, they could not refuse the employment without good cause. As one recipient said, "[The welfare office] told [me] anything that came

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<sup>22</sup>In Pennsylvania, staff are not supposed to advocate specific types of care.

along [I] had to take it.” Though this requirement made some women hesitant to look for work in the outer suburbs, where they would have lengthy commutes, others seemed willing to search for jobs in these locations despite the commute.

Finally, the vast majority of mothers were not aware that they could claim child care benefits if they found part-time work, and could claim medical and child care benefits if they found a full-time job.

**Related changes in the welfare bureaucracy.** One of the complicating factors for women in the ethnographic sample was that, in Philadelphia, changes in the way cash and Food Stamp benefits were disbursed changed dramatically (as the state moved to electronic benefits transfer), and families had to move from traditional Medicaid to an HMO. All these changes occurred as the women were being called in to sign their AMR. The women tended to view all these changes as part of the reform. As one woman complained:

As far as I understand in five years no one will be on welfare. If it were up to me I wouldn't be on it anyway. It is more of a hassle being on it than not being on it. Problems with medical card, you got to fight with the [insurance company if you want to be seen]. . . . You have to go to the bank [to get your welfare benefits], you have to do the direct deposit [and use a bank card to get it out. You also] use the card instead of getting Food Stamps, which means you have to go to a major store.

Recipients typically attributed unpleasant incidents with caseworkers to welfare reform as well (though most remembered unpleasant incidents with caseworkers prior to the reforms). For example, several said one new feature of the welfare office was that their caseworker had accused them of working off the books:

The last time I went, I had a new caseworker. He didn't have my chart. He said everything in my chart was wrong. We had to write everything over. He kept saying, “You look familiar. Have you worked in the supermarket? Or a candy store?” It was like he was trying to set me up. I never did so.

### **Making the Job Search Mandatory**

According to one welfare administrator:

Before, the concept of “mandatory” was more like “voluntary.” The challenge now is that we have the same universe and we must be working with [all recipients] all the time.

Sanctioning cases for failure to conduct a job search generally fell to employment staff.<sup>23</sup> But, despite the change to a truly mandatory job search, sanctions were not relied on to get re-

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<sup>23</sup>Eligibility staff sanctioned cases for other reasons. For instance, at each redetermination, ongoing workers send a form to the school to verify that each child 16 or older is enrolled and attending school. If not, an AMR

(continued)

ipients to comply. Rather, staff sent messages of “conciliation.” When recipients missed an orientation or job search workshop, they were given another chance to comply. And before beginning the formal sanctioning process, staff sent a letter informing them that their attendance is a condition of eligibility and giving them at least 12 days to respond. Recipients who eventually cooperated were not sanctioned. Staff reported that most responded to the letter within the time allotted.

Some employment specialists claimed that when the job search requirement was first implemented, a few recipients tried to figure how they could get around the requirements (for example, by copying names of employers from the phone book onto the job search log). Instead of being quick to sanction, staff said they pointed out that “whether you get a job or not welfare is going to end”; one staff member said he would extend the job search period but not the money for child care or transportation. Among employment specialists researchers spoke with, estimates of the number of cases sanctioned between March and November ranged from one in total to 10 per month.

The state welfare reform regulations increased the severity of sanctions. During the first 24 months, for a first offense individuals lose their share of cash benefits for 30 days, and Food Stamps are not increased; the second offense warrants a 60-day loss of benefits; and the third offense results in a permanent loss. After 24 months, the entire family is subject to these penalties.

### **Continuing After the Job Search**

After conducting an initial job search (either on their own or in a program provided by a job search contractor), recipients without jobs had two options: (1) they could continue on their own in an independent job search or go to a job search contractor if they had not already been sent to one as their first activity, or (2) they could get education or training services.

Ongoing caseworkers met with recipients every six months for redetermination, and they referred recipients without jobs to an employment specialist.<sup>24</sup> In the early implementation period, employment staff paid less attention to following up with recipients after job search than they did to making sure that all recipients went through job search. As a result, it was relatively easy for recipients who completed job search without a job to fall through the cracks and not be assigned to another activity, which could include continued job search. And many recipients were reported to be in continued job search for months after their initial search period.

Beginning late in 1997, staff started to pay more attention to recipients who had completed job search without getting a job. Part of the reason for the shift was that since few recipients were being referred to services after job search, the state was not meeting its contract with the Private Industry Council (PIC) — the largest contractor with the welfare department to provide education and skills training for recipients. The PIC had slots for 2,600 welfare recipients per

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must be completed, and the child must either return to school or work 20 hours a week. If the child does not comply within 30 days, the case is sanctioned (the child is taken off the grant).

<sup>24</sup>An earlier plan called for ongoing caseworkers to take responsibility for referring recipients to other activities after job search. But, by early 1998, this function was assigned to employment specialists.

year.<sup>25</sup> PIC providers were guaranteed a flow of referrals, which dried up when all recipients went to job search first. Thus, to meet the state's contract with the PIC, the Philadelphia leadership renewed the emphasis on getting recipients into training. To facilitate the referral process, PIC stationed a staffperson at each welfare office to help recipients begin the paperwork. Recipients were then sent to a central PIC location for the standard three-day PIC assessment.

In early 1998, a special initiative was undertaken to make sure all recipients (who were not exempt or working) were engaged in some activity. Employment specialists searched the records and called in recipients without a job who were not participating in any activity.<sup>26</sup> Many of this group were referred to the PIC for vocational skills training. It was unclear, however, whether those referred to the PIC got accepted and, if they did, whether they attended the program.

Despite the state's switch to a work-first model, education and training continue in the mix of services available to recipients. In fact, one of the goals cited in the Pennsylvania TANF plan was to "break the cycle of dependency through education."<sup>27</sup> Nonetheless, changes occurred in the education and training programs, as well as in the messages welfare staff sent about education and training.

Because of welfare reform, the PIC agreed to work with a broader group of recipients, including the hardest to serve.<sup>28</sup> The PIC relaxed its requirements (it lowered the reading-level requirement to a fourth-grade level). Other changes the PIC made to accommodate the state's welfare initiative include adding work requirements, restricting training to 12 months, adding six months of postplacement counseling, and increasing hours of participation to meet the federal requirements.

Although education and training services are still available, recipients who are not exempt must now seek work as their first activity.<sup>29</sup> This requirement does not preclude recipients from participating in education and training at the same time that they participate in job search. However, education (GED and ESL classes) and vocational skills training were among the main alter-

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<sup>25</sup>Also, in 1998, the state issued "Community Solutions" contracts, which provide another option for recipients who complete their initial job search without a job (2,705 recipients will be served through this program). Community Solutions services include job search, case management, job placement, and postplacement services.

<sup>26</sup>Staff said that they would give recipients another chance to attend this meeting, but those who failed to meet with an employment specialist would be sanctioned.

<sup>27</sup>The Pennsylvania TANF plan laid out six goals of the new law: (1) promote personal responsibility, (2) move recipients into jobs, (3) provide work incentives and supports, (4) break the cycle of dependency through education, (5) strengthen families and support children, and (6) simplify program administration. Commonwealth of Pennsylvania, Temporary Assistance for Needy Families, State Plan. Submitted by the Pennsylvania Department of Public Welfare.

<sup>28</sup>One of the most intensive training options that continues under RESET is the Single Point of Contact program (SPOC). SPOC, administered by the PIC, is a 12-month program designed to provide individuals who have multiple barriers to employment with services necessary to overcome those barriers. SPOC includes vocational skills training, work experience, and job readiness/job search activities.

<sup>29</sup>Individuals between 18 and 22 years of age without a high school diploma or equivalent may fulfill the work requirement for a maximum of 24 months by pursuing a high school diploma or high school equivalent. Recipients who were participating in education or training in an approved plan when welfare reform began were allowed to continue.

natives for recipients when they completed job search without finding jobs. One employment worker commented on the change: "I had a client yesterday who didn't read, write, or speak English. In the past we would have sent her to ESL first, now because of TANF we have to send her to job search."

Messages about education and training have not been clearly relayed to recipients. Senior officials wanted staff to send the message: "Get a job first . . . continue your education to improve your job." Some staff did say they encouraged recipients to combine school and work. But, during orientation sessions researchers observed, staff did not mention that education and training services were allowable activities. It is therefore likely that recipients learned of these options only after a failed job search, when they met with employment staff to discuss service options.

Several staff members voiced concerns about the discrepancy between the value they place on education and the new message given to recipients: "I know you are supposed to tell a young person that they should get a job, when you know that the best thing out there is for them to get an education."

Education and training can count toward meeting the work requirement for only up to 12 months during the first 24 months, so a recipient who participates in education and training for more than 12 months must meet the work requirement by also participating in another work-related activity (such as getting a job).<sup>30</sup> This rule has been misunderstood by some to mean that recipients can pursue education or job skill training for only 12 months.

## **VI. New Roles and Views in a Changing System**

### **Changes in Staff Roles**

The focus on employment and the participation mandate added a new dimension to staff members' roles and responsibilities:

Welfare reform requires an absolute change from staff. They are becoming employment counselors and motivators . . . as opposed to just "maintenance technicians." This has increased their workload.

**Employment staff.** Predictably, the employment and eligibility staff were affected differently by welfare reform. Since March 1997, employment specialists assumed the responsibility for getting recipients through the initial job search. Making job search mandatory increased the scale of the employment and training program.<sup>31</sup> Some ongoing caseworkers were selected to become employment staff; for this group, switching from the income maintenance to the employment side changed their job dramatically. Whereas eligibility staff follow well-defined procedures and guide-

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<sup>30</sup>If an employed person remains eligible for cash assistance and continues in education or training, the welfare department will provide special allowances for transportation and child care.

<sup>31</sup>In an office with more than 3,000 TANF cases, one district administrator estimated that "when TANF started, there were only about 250 cases receiving special allowances for education and training . . . the increase has been astronomical." Under welfare reform, he expects 1,000 people to be participating in an activity.

lines to avoid making subjective decisions, the employment role is less routinized, as staff need to pay attention to individual situations and use more discretion in applying guidelines.

Employment staff reportedly enjoyed their new responsibilities, especially leading workshops and having more time to work one-on-one with recipients:

[My job] changed a lot. . . . It is much more fulfilling. We all were drudgery case-workers. The job is now what we came into social services for. We really get to touch a client. There are some true results that come out of what we do. Before, all people cared about was getting another check. Now we do one-on-one. We talk about why the client went on welfare and why they are still on welfare and we help them work through it.

**Ongoing and intake caseworkers.** Eligibility remained a priority for ongoing and intake workers. Central administrative staff confirmed, “We have not relinquished anything.” District administrators reported that the primary concern of the income maintenance staff continued to be the correct calculation of benefits.

Nonetheless, eligibility workers took on added responsibilities, and they also felt that they had more social work responsibilities. Eligibility staff reported that their postreform interviews took longer and that the content of the discussions had changed. Eligibility workers were often the first welfare officials to explain changes to recipients, and subsequent interactions continued to involve more discussions about employment. Although they did not conduct an in-depth assessment, they did develop recipients’ self-sufficiency plans and had opportunities to counsel recipients on the advantages of banking benefits and on changes in the earned income disregard rules. Their job is still “to get the precise details, but they also help clients to make choices.”

Ongoing workers have about 200 to 300 cases (not all of them TANF recipients).<sup>32</sup> Overall caseloads have decreased, but staff now have additional responsibilities for TANF cases involving longer interviews, more frequent contact, and new documentation requirements. Ongoing caseworkers who had more employed recipients on their caseload (the earned income disregard enables some employed recipients to remain eligible for benefits) saw an increase in their workload owing to an increase in the number of cases that needed adjustments to the benefit amounts.

**Effects on recipients.** Though long-term recipients had experienced high caseworker turnover in the past, they generally believed the turnover had become even more rapid and that the number of caseworkers assigned to them had grown. One respondent said, “[Now] you never have the same worker. It seems like you always have a different worker.” Another said, “Yeah, you don’t never stick with the same worker. Every time I go there I have a different one.” Yet another reported, “I have three different [caseworkers] now, but it doesn’t seem to work because it’s just more confusing.” This apparent increase came about because each recipient now had to see an employment specialist as well as an ongoing caseworker. None of the respondents in the

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<sup>32</sup>Caseload figures are estimated because cases are assigned to caseworkers on a point system. Each case is allotted a certain number of points that represent the time and effort needed to service the case. Caseloads are measured by the total number of points, rather than the number of cases, assigned to a caseworker.

study realized that this was the reason why they could potentially see a different “worker” each time they went to the welfare office. Though clients did not generally view caseworker turnover as problematic in and of itself, most claimed that each new person they interacted with at the welfare office told them “a different story.” Some recipients said they were hesitant to “believe any of the changes are real” until the staff at the welfare office “get the story right.”

As Pennsylvania moves forward, it is likely that staff roles and responsibilities will continue to adapt to the increased workload. The state at one time considered integrating the eligibility and employment functions. However, at this point, Pennsylvania is reinforcing the specialization of the employment staff.

### **Management Information Systems**

The importance and difficulty of monitoring recipients’ participation in activities increased as the scale of the employment and training program grew. District administrators placed importance on accurately recording participation data because it was the only way their offices received credit for participation. However, limitations of the management information system and late receipt of the data from the job search contractors made accurate and timely data entry difficult, and this process was viewed by at least one district administrator as an area needing improvement. Job search contractors in the first year sent hard copies of attendance records, which were then manually entered by employment staff into the data system, a very labor-intensive task. Ultimately, the contractors should be able to send this information electronically.

### **Staff Views of the Changes**

Line staff support has aided Philadelphia’s effort to transform its welfare system. In general, staff feel that welfare reform is long overdue.

I’ve always said the welfare system needed to be revamped. When I first started, I found it exciting to interact with clients and try to help, but as time went on it has gotten to the place that a lot of them don’t care. They abuse the system. They abuse us. A lot of them have the potential to work but they just don’t want to. Reform should have started long ago. I applaud President Clinton. I don’t know how it will come out. I can only do my part to explain to them the benefits [of work]: You can get a house, a car, maybe you can send your kids to college. You have to think “I can do better.” You can’t live off of this [welfare].

According to one district administrator, staff originally felt the reforms were “mean spirited” and “anti-poor,” but staff views changed over time. Staff feel positive about the help provided to recipients, and they feel that it’s good for recipients to take steps toward self-sufficiency:

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<sup>33</sup>One district administrator admitted that some staff resent recipients because they feel that they “come to their job; they also have kids and bills to pay. It’s hard to accept that the person on the other side doesn’t go to work.”

All some clients needed was a little boost, someone to tell them they could do better. You have to set some goals for yourself, you have to have a beginning. If your parents aren't instilling these things into you, someone else has to help you move on.

One employment specialist pointed to the positive aspects of the changes after hearing about individuals' successes:<sup>34</sup>

A lot of people were challenged, were introduced to [job search] providers, learned new things about themselves, developed new self-respect. One lady called . . . she's working at a job and just got a raise. She's a success story — we are giving her a whole new way of life, a way of thinking. . . . TANF is working for some people. A lot of people are getting jobs, a lot aren't. But we can't forget about the ones whom TANF is benefiting.

Not all staff feel so positive about the changes. Even those who think recipients should take responsibility for themselves feel that some are not ready. Staff mentioned aspects of job readiness that recipients lack, such as the ability to complete an application form, arrive on time for appointments, and dress appropriately. They feel the welfare department does not provide enough preparation in these areas. Language issues were noted in one district as an obstacle for recipients. Some staff continue to believe that education and training provide the best routes to self-sufficiency and that a high school diploma and sufficient training are necessary if recipients are to compete with workers recently laid off from good jobs. Others worry that recipients who get jobs will not be able to keep them or that they will find only short-term jobs.

An employment specialist reported that the time frame is too short ("We are trying to rectify a grave problem in two years"), and others noted problems with having the time-limit clocks start for the entire ongoing caseload on the same day. They fear having to cut people off: "It will be cold to say, 'It's the law.'"

Staff and managers fear welfare reform will lead to privatization of the functions performed by staff. They have gotten the message, "If you can't do this job well, other people can." Staff feel that state officials are "sabotaging us personally because they want to privatize our jobs."

A central office staff member acknowledged that workload issues affect staff views: "Staff are not philosophically opposed to the premise of welfare reform. But it is an overwhelmingly heavy burden."

These concerns point to challenges that line staff and senior policymakers must address. Two overarching questions remain: Will recipients be able to get and keep jobs? and What will happen when the two-year work requirement hits on March 3, 1999?

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<sup>34</sup>Intake staff reported that they don't get to see the successes, because they typically don't have contact with recipients after they are approved for benefits.

## Recipients' Views of the Changes

**Overall views of welfare reform.** By and large, women felt that welfare reform was positive. They accepted the mainstream public's view that many welfare recipients were wastrels and frauds, having "baby after baby across the generations with nobody working, not the great-grandmother, the grandmother, the mother, or the daughter," to quote one respondent:

Well the old rules, I think . . . the old rules are just like, some people took advantage of it. It's just like they did not have [motivation. They said,] "Well, I can sit here and just [get] welfare." Where, now, they have to get up and do something. You know, . . . I do see a difference. You know, maybe it's for the best. To get some of these people the incentive to get up and start doing things.

Yet none of these respondents sees herself as typical, and all go to great lengths to distinguish their characteristics from those of this stereotypical wastrel. One recipient said:

I'm not the stereotypical welfare recipient, I don't allow myself to fall into that trap. And I am not one of [them]. That is what I am trying to get out of. Like I said, I just use the system to stay home to take care of . . . my child [while she is younger and not in school].

Another explained how she was different from others on welfare because she had a "decent" upbringing: "I was raised that you are supposed to do it on your own, you are not supposed to collect charity." Furthermore, few have any friends or close relatives who they think fit this stereotype.

Recipients who attended focus groups (in the welfare offices after job search workshops) predicted both positive and negative effects of welfare reform. On the negative side, one person expressed the view that "welfare changes are just another systematic way of putting poor people out onto the streets." Participants noted the difficulty of getting jobs that allow them to be self-sufficient: "How are people going to pay the rent? The new rules are going to make it hard for the stores." "The two-year limit where you must be working at least 20 hours is difficult at this time. People are being laid off who have worked for a long time." Participants believed crime and violence would rise if people lose welfare: "In discussing it with my neighbors, they are under the impression that they will cut off welfare completely. If they did that, the city would go crazy."

But, on an individual level, focus group participants viewed the changes positively: "Welfare reform is about change to being able and productive; a willingness to make this change. It's about turning your life around and achieving your goals in life. . . . The changes make it hard for people but are also a good thing. It helps build self-esteem." "I don't think they should eliminate welfare, period, because there are people who need it. But me, I am able to work. I am not blind, crippled, crazy."

**"Check writing" versus casework.** Some women view welfare reform positively because they think their caseworkers must now provide them with concrete help in finding work rather than simply "writing us checks" (that is, determine benefit eligibility). Most women have wanted

to get a job, but they feel the welfare department has done little to help them in this regard. Before, “It was just a check, not any help getting a job.” The younger recipients and those with little substantial work experience in the formal sector responded positively to the fact that they felt they had now been promised more casework. In their view, the new rules meant that caseworkers were going to help “get us jobs — good jobs.” Older women and women with more work experience were not as likely to buy the new message in this regard. They typically viewed their caseworkers’ promises of additional services with skepticism. Some described the changes in this regard as “just more hassle.”

A focus group participant who had attended a job search workshop in the welfare office appreciated the services and supports provided by the welfare staff. More important, participants noted that the requirement to look for a job and attend the workshop motivated them:

Being here at job club is something new and something different. I have been on welfare for about 10 years. This is the first time I have had to come to a workshop to find a job. I wish it had happened 10 years ago. . . . If I didn’t have to come here I wouldn’t be here. I would just wait every Monday and get my check. Person like me, I was thinking that a job would come knocking on my door.

**Education and training provisions.** In the summer and fall of 1997, the majority of women understood that education and training were not initially available. But most had not heard of the training opportunities available after job search. And many were particularly worried that the new restrictions on training would make it impossible for recipients to successfully move from welfare to work. Women in the ethnographic sample had these things to say:

Welfare reform [is] not giving us no trade or doing anything to benefit [ourselves] for the year 2000 when they are going to take all of these people off. There’s going to be more crimes and everything.

Welfare said, “Don’t go to school, go to work.” They are just dangling you out there without any training. They not even offering no jobs. No employer is going to say, “Well, we will hire you, no experience necessary.” The welfare office is not helping out at all, they are just saying “go do it.” They are just raising the crime and they don’t even realize it. . . . How can you say, “Just go to work”? Tell me, what am I going to put on this application . . . to make these people hire me if I have no schooling?

Another mother recounted how her office had made a list of employment opportunities, but with her lack of skills she was not eligible for the jobs. She said, “They have a whole lot of job opportunities like [an] employment billboard, but for most of them you need a high school diploma or some kind of certificate or something.”

**Work and family functioning.** When women were asked how going to work might affect their family life, nearly every one of them raised two points. First, the women spoke at length about the benefits they expected work would bring their children. Mothers were worried that their welfare status hurt their children’s self-esteem, their standing with their peers, and their future as-

pirations. As one mother quipped, “Maybe if he sees I can make it then he will see that he can make it, too.” Mother after mother told us something like the following: “My son can tell his friends that his mother is working now. She’s not sitting at home waiting for the mail. She’s working. He can feel proud of that.” Recipients told stories of how their children were ridiculed at school for their mothers’ welfare status. They believed that children whose mothers worked, even at low-level jobs earning low wages, faced fewer schoolyard taunts. To offer three more examples:

I think it does something to the kids. They can say, “Mom . . . work[s] very hard to support me.”

I think it will make my family life better. It’s . . . set[ting] an example for my children.

The kids will be better because they will get more used to being around other people. Right now they hate for me to leave.

In addition, the majority of mothers felt working would make them better parents, although some would disagree. Many women mentioned the boredom they experienced “just sitting at home.” Ironically, side jobs and other responsibilities didn’t leave them much time to sit at home, but they were certainly home more often than they would have been if they worked full time. Some women felt that if they could find a way to get out of the house and into the workplace, maybe they could get some of their own needs met, “could come home a more fulfilled person,” and thus better meet their children’s needs. When one mother was asked what she would lose by going to work, she quipped: “Nothing. Lose some weight. I gotta lose some weight. That is what I think I will lose. I need to go to work so I can get the hell out of this house.” Another said: “I will not be sitting home. I will have something to do during the day. It keeps you out of trouble.”

**Advantages of work.** The following statements show how strong were the women’s assumptions about the benefits that would accrue to them through welfare reform, and the work that would result. When the women were asked, “What are the advantages of the new system?” they responded as follows:

Working has advantages. You feel good about yourself, you are making your own money, you can do that overtime, you start that bank account, you can go shopping for more clothes, more perfume . . . more shoes, get your hair done, get your nails done, buy them kids that nice Christmas that you want them to have. You can pay them bills.

It’s more . . . what I want for the kids. I want them to have stuff. I don’t want them to be dirty and bummy and [have] people talk about them.

People will look at you differently. You would gain your self-respect. You would have a sense like you belong. People can say, “Well, I pay my taxes,” and you can say, “Well, I pay my taxes, too.” I just got a self-worth of pride and when I moved

on the block it was like “I am so glad I live on a block with folk that work” so that they will know how it is to go to bed at night.

However, this rosy portrait of work was not shared by all, especially not by the women with past experience in the formal labor force. Whereas younger women with less labor force experience assumed that the jobs they would get pay a living wage and would improve their financial situation, more experienced women generally believed that their financial situations would be worse when they left welfare for work. When these mothers were asked what they thought they would gain by going to work, they typically responded, “Nothin’,” and when they were asked what they would lose, they answered, “Me.”

**Child supervision.** Mothers also worried about the effects that less parental supervision would have on their children. They were cognizant of the fact that even if their children were in school or daycare, a low-wage job might well require them to work hours other than those the school or daycare center offered:

I could have had a job working from 6 in the morning to 12. Who is going to take my daughter to school at 6 in the morning? No child care center does that. Them programs ain’t no good.

Even those women who thought they could get jobs during school hours worried about the logistical problems involved in dropping kids off at schools that began at 8:30 when they themselves had to be across town promptly at 9:00. Picking children up after school ended was even more problematic, and after-school programs were, in their view, scarce and prohibitively expensive. As one mother said, “My kids are in school. Okay, after school who is going to come and get them and keep them? [The after-school programs] want to charge . . . welfare ain’t paying for that.” Most mothers of older children worried about school attendance, drug use, and sexual activity among their unsupervised teens. Generally, mothers of school-age children had no idea what they would do with their kids during the summer break. Mothers of preschoolers knew they had to find a way to draw on kin and neighbors to handle these logistical difficulties, and many felt they did not have access to the social resources necessary to accomplish the task. The majority of the mothers of grade-school children generally felt that working meant their children would be unsupervised for at least part of the day, even though they knew that this situation could lead to criminal charges of neglect and thus to a loss of custody:

I want to work. . . . My son is 10 now and my daughter is five. I probably won’t be able to find reliable child care, but I am going to try to make it work any way that I can. If I got to work while they are in school and my son can just keep his sister at home until I get home things will work out. I got to [go to work]. I can’t worry about “Oh, the kids is home alone,” somebody is not going to take care of them or whatever.

Later in the same conversation, this mother expressed her fears about leaving her five-year-old in the care of her 10-year-old while she was at work, and she harshly condemned others who did so:

Some mothers don't give a darn, leave the kids in the house by themselves, fend for yourself while I go to work 9 to 5. You know what I mean. But you can't do that this day and age. I couldn't live with myself if something was to happen to one of them kids. As much as they get on my nerves, they are my world. You got the home alone stuff, [neighbors] snitching and telling [the Department of Human Services (DHS)]. I am not getting into no trouble for no nonsense like that, going to jail for leaving those kids alone. [But] then you find a babysitter and she want to charge you [so much] and you are working to pay her . . . then she is not taking care of your child right. Or she will say she is coming and don't show up. You try to drop the kids there and she won't open the door. Oh, girl, I have been through it, and it is all around child care, that is why most of the time I stayed home.

Beyond the availability of child care, mothers were also worried about its quality. These worries, they said, were what kept them out of the labor force under the old system:

I couldn't go to work because I didn't have a babysitter. I tried, trust me, I tried. This lady was keeping my baby and I was living with my grandmother then and I always send four Pampers — always. And it was one day that I went to pick him up, dropped him off and went to pick him up, came back early, and when I picked him up, she just handed him to me and the four Pampers was still in there. She never changed him. He was soaking wet. . . . She would do this all the time, and then his behind got so raw, this awful diaper rash and I was, like, oh my goodness, and you know you are trying to work?

Since the women were generally unaware that they were eligible for transitional child care benefits, most assumed they would have to find a way to pay for daycare themselves once they found work. One recipient said, "It would be a rough struggle for awhile. Just certain things my kids wouldn't be able to have because I would have to take half that money and pay a babysitter."

## **VII. Stable Employment: The Ultimate Challenge**

Among the biggest challenges for the future of Pennsylvania's welfare reform initiative is the ability of recipients to get and keep jobs. Although staff acknowledged that individuals were finding jobs, they were pessimistic about recipients' employment prospects. Among other barriers to employment, staff listed the limited availability of jobs and recipients' poor skills, lack of discipline, and unfamiliarity with how to behave in the work world.

**The availability of jobs.** Staff at all levels and all welfare offices complained about the lack of available jobs. According to staff, many of the available jobs are low paying and/or short term. One staff member theorized that jobs often last only three to four months so that employers do not have to pay benefits. More generally, staff noted that the major challenge of implementing welfare reform in Philadelphia is "finding decent jobs. You can find all sorts of minimum wage jobs but not decent jobs where you can actually support yourself."

Staff mentioned recent layoffs at large Philadelphia employers. With the loss of a large number of higher-skilled jobs, welfare recipients are forced to compete with more experienced and more skilled people.

An additional obstacle to employment mentioned by staff is that most of the jobs are located in outlying areas. An intake worker commented on employment opportunities in the suburbs: “That’s like saying to some clients, ‘There’s a job in California for you.’ There’s a fear of even traveling from one part of the city to another.” Other staff agreed that transportation is a barrier to employment, and one employment specialist estimated that 95 percent of the recipients do not drive.<sup>35</sup>

Pessimism about job opportunities comes at a time when the Philadelphia economy has stabilized. One welfare district administrator noted that “probably now is the best employment period over the last two decades in the Philadelphia area.”

**Other barriers to employment.** Staff at all three offices mentioned recipients’ attitudes as barriers to employment: “They don’t take having a job as important. That is something they have to learn.” Staff also raised the matters of discipline and general job preparedness in discussing recipients’ ability to get and keep jobs: “Clients have to change their life — to learn to get up every day, and not call in sick because they are tired. It takes discipline to keep a job.” The in-house job search workshops address aspects of job retention (punctuality, dependability, and appearance). Nonetheless, some consider the current orientation and one-day job search workshop insufficient: “We need professional people trained to help recipients on how to compose themselves. The clients are not getting enough preparation.” Staff expressed concerns about basic preparation for jobs — like how to dress appropriately: “A lot of people don’t own clothes for business” or know what’s appropriate, as they may have “never seen their caseworkers dress professionally.”

One office director suspected that racism is another barrier to employment: “Racism is out there, and virtually all of the population in this office is black. I wonder if people are perceived as not being able to do the jobs because of that.”

The list of barriers that compound recipients’ problems in securing employment also included: lack of fluency in English, educational deficiencies, age (“Take the case of someone who is 52 with very little education. Even if this person got an education, no one would hire her”), social support (“Sometimes recipients are smart but don’t have the resources to get and keep a job. They don’t have a support system”), drug abuse, and limited subsidized daycare slots.<sup>36</sup>

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<sup>35</sup>Bus schedules were provided to welfare offices, and the regional transportation authority provided detailed information on which buses or trains to take and the estimated travel time from various urban neighborhoods to suburban employment areas. (The estimated travel time for most commutes was 45 to 90 minutes each way.)

<sup>36</sup>While staff did not think lack of child care was a problem for recipients in job search or other activities, it could be that when recipients go to work, child care needs intensify as parents need more reliable care at different hours, for more hours in the day.

**Community service jobs.** An effort to create transitional jobs may help recipients increase their chances of finding employment. Although community work experience was not initially available for recipients, plans are under way to add community service jobs, as an option for welfare recipients who have hit the two-year time limit or who have completed job search but have not yet found jobs. In June 1998, the state, city, and Pew Charitable Trusts announced an initiative to create 3,000 short-term, part-time jobs (over three years) for welfare recipients.<sup>37</sup> These temporary jobs (no longer than six months) will pay minimum wage for an average of 25 hours of work per week (recipients will retain eligibility for Medicaid and payments for child care). Jobs will be created in a variety of for-profit and nonprofit organizations. The purpose of these transitional jobs is to provide recipients who have little or no employment experience with the skills necessary to obtain full-time, unsubsidized jobs. The plan calls for participants to spend an additional 10 hours per week in job readiness training, skills training, and job search, and to have staff who will monitor participants' progress, document their job readiness, and assist them in finding permanent jobs.

## **VIII. Looking to the Future**

### **Employment Prospects**

Staff thought only 30 to 50 percent of recipients would have a job at the two-year limit. Staff acknowledge that more people will get jobs at some point, but if those jobs are short term, recipients could still end up without a job at the two-year mark.

One worker expressed the view that "closer to March 1999 [when the first group of recipients hits the two-year limit] many mothers who wouldn't think about a McDonald's job now will take it." But many people will be looking to find a job once the time limit nears, and one district administrator predicts, "There won't be enough of even bad jobs to go around."

Respondents to the ethnographic interviews predicted that there would be mayhem on March 3, 1999, when the first cutoff will occur:

I know that you are only allowed on it for so long now, five years or something, or two years. That is crazy. I tell you when that does happen there is going to be a lot of violence, there is going to be a lot of stealing, there is going to be wars, deaths over this, there is going to be so much bad things happening. They think there is a lot of drug addicts now and hookers and people living on the streets homeless, they are going to be more. They are going to be more because people ain't going to be able to live, they are not.

Some recipients predicted disaster because the available jobs do not pay a living, or "decent," wage.

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<sup>37</sup>Funding for this effort will come from the state's federal TANF block grant, the city's federal welfare-to-work funds, and the Pew Charitable Trusts.

The experiences of the ethnographic respondents who had been in job search were not encouraging. Many of the women had completed the program and had filled out 40 or more applications, and the majority did not get a single call back. One woman said: “[Job search] didn’t do [nothing] for me, what did it do? Nothing! Still ain’t got a job and they still are going to put you off of welfare, so it didn’t do nothing for me.” Since these women universally believed their welfare caseworkers would call employers to check that they had actually applied, they fully complied with this requirement and had actually applied for jobs.

Some of the younger and less experienced women, who had expected help from the welfare department in preparing for and finding work, were disillusioned by job search. As one put it,

[I thought] they were going to send me to school to help me get this [skill] but they ain’t do [nothing].

Some women felt that jobs were available to them, but only in the outer suburbs. The time and cost involved in commuting to these jobs would be too great, many felt. This mother’s reaction was typical:

There are jobs out there, [but] they are far out like King of Prussia, Willow Grove [large suburban shopping malls]. You got to have a car. If you catch the bus, a Transpass cost like \$30 a week to go to King of Prussia . . . half your pay go toward travel. . . . That’s why you got to get a job paying \$9 to \$10 [an hour] to help make up for that and there are none like that for someone like me.

The majority of women did know of some job opportunities in their neighborhoods, but many said that most jobs were in the informal sector, which paid less than minimum wage and could not count toward the 20-hour work requirement they had to meet to avoid participating in job search:

Are there jobs in this area? Yeah, like being a barmaid or something like that. . . . You can get paid under the table like that.

Another mother said that though she thought she could get a job in the informal sector, her skills were not adequate for jobs on the books:

[You can get a job at] steak shops, pizza shops, some of these stores here. Right here where I live, some of them pay half of their employees on the books and [half] under the table. Most jobs are [off the books] anymore, unless [it’s] a grocery store or Kmart’s or Wal-Mart’s or stuff like that. But then these big stores don’t want anybody without a high school diploma.

The majority of the recipients felt they were not qualified for the jobs they saw advertised in the welfare office and in the newspaper in which even low-level jobs required either a high school diploma or relevant work experience. Unskilled women were quickly disappointed. Some felt they would have to lie to prospective employers about their past work histories in order to get a job and that they would have to find people to act as references and to verify the falsified work histories:

Like this job down here they are supposed to be hiring for nurses' assistants, dealing with the elderly, being companions for the elderly. They want you to fax them a résumé. Now what the heck am I going to put on the résumé? I was on public assistance for the last 10 years and worked off and on for a temporary agency? You know it's kind of hard. You got to make up stuff. And then you gotta . . . get references.

Other women pointed to the severe job shortages that have long plagued Philadelphia's inner city:

There is some people that been looking . . . they talking about you got eight weeks to find a job, and there is some people that been looking for jobs for eight months. It's not just one person looking for a job, it is 20 and it is only one job to be filled. Now if 20 people got the same qualifications for that job, but only one goin' get hired.

The recipients who participated in focus groups held more varied views about their prospects for getting a job. They rated their ability to get a job on a scale of 0 (they think it is going to be very easy) to 100 (it will be very difficult), and responses ranged across the scale.

The most pessimistic participant rated herself at 90. She thought it would be very difficult to get a job because she had a criminal record, no high school diploma, and limited work experience: "I still need some more training to develop my skills in order to find jobs. I don't know how to get to King of Prussia. I've never been out there."

Several participants put themselves at the scale's midpoint (50). One noted: "I know I want a job, and I can motivate myself to get a job. I need skills." Another said: "I'm just getting myself on my feet. I was living in a shelter for nine or 10 months. I have a baby and a six- and a seven-year-old. . . . I haven't really worked since 1994."

On the other end of the spectrum, rating themselves 30 or lower, were participants with at least a high school education or training in a trade.

### **Enforcing the Two- and Five-Year Limits**

In March 1999, the first group of recipients will hit the two-year work requirement. According to central office staff, the initial uproar from advocates abated because they have seen that people are not getting cut off the rolls and that more recipients are working. But they caution that "[the criticism] will pick up as the two years roll around." At the end of the first year, staff at all levels were still waiting to hear about two key aspects of the two-year time limit: (1) what activities will count as work-related, allowing individuals to retain benefit eligibility, and (2) how the "good cause" provision for not working will be implemented.<sup>38</sup>

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<sup>38</sup>There was also confusion about whether the 20 percent hardship exemption would apply at the 24-month point and uncertainty about which individuals would be included in this exemption.

Many staff in different positions and different offices were not convinced that the time limit would actually be enforced. They could not accept the idea that the state would leave poor children without cash assistance. “You can’t throw that many people out on the street at the same time,” said one employment specialist. She believes the time limit was legislated to “light a fire under people and get them moving” but that the state will not enforce the limit. Staff in the central and local offices felt that public service jobs would be available to prevent substantial numbers from losing their cash benefits. Others felt a lawsuit or waiver would prevent the state from enforcing the time limit.<sup>39</sup>

If the five-year limit is enforced, one staff member predicted that there would be recipients who “beat the system.” When time limits take effect, “they understand that if children move on to another household [for instance, if they go to live with another relative who is not a TANF recipient] after five years they buy more time.”

One staff member believed that the time limit will be enforced because the state is putting out so much money for child care and transportation up front. Regardless of their personal beliefs, staff members said they tell recipients that the time limit will be enforced.

Most recipients were generally of two minds about whether the time limits would really be enforced. On the one hand, they believed the state was very serious in its promise to end welfare. On the other, they couldn’t imagine where all the jobs would come from, and they couldn’t believe the state and federal government would “sit by and do nothin’” while families whose head could not find employment suffered. In the context of a city that had been losing jobs for years, most recipients simply couldn’t imagine how the state’s plan could be accomplished successfully:

You can’t be on welfare no more than five years. How they going to take you off welfare when they don’t do anything to help you find a job? How are you going to eat if they take you off of welfare and you can’t be on welfare no more than five years and you don’t have no kind of income? How is they going to take you off of welfare? How they going to take you off if you can’t find employment? So what you going to do, sleep in the welfare office with them?

### **Implementation Challenges**

We have only been in it eight months and have come far. We have done a 180 [degree turn] with staff. We’ve come a long way. Staff realize the change in what their job is and that it is a change for clients. We have a long way to go.

As with any major new policy, implementation has to occur in phases. During the first year of implementation in Philadelphia, staff began sending new messages about time limits and employment, and the employment and training program accomplished a huge shift from being a vol-

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<sup>39</sup>This view was partly based on experience. For example, the part of the welfare law that limited benefit amounts of new Pennsylvania residents to the amount paid in their former state is not being enforced pending a lawsuit. Also, the county received a waiver from implementing the work requirement associated with Food Stamps.

untary program with an emphasis on education and training to one that requires job search as a first activity for a large segment of the caseload.

As the first time limit in March 1999 approaches, the following challenges for welfare officials become more urgent:

- **Expanding options after job search.** The state has begun several initiatives to expand options after job search. Many recipients have been referred for services as staff have worked to meet their contractual agreements with the PIC. It is not clear, however, that there will be sufficient slots, especially in programs serving recipients with many barriers to employment. Staff know that “in the first eight to 10 months, they will place the easiest people. [Now] they are coming to people who don’t have education or work experience.”
- **Strengthening the “work pays” message.** Despite the seeming simplicity of the earned income disregard rules, recipients only partly understood that they could now mix work and welfare and be better off financially. In addition, staff have not communicated clear messages about the availability of transitional child care and medical care, two concerns that often discourage recipients from looking for work. Many recipients do not appear to understand that they are eligible for these benefits when they become employed.<sup>40</sup>
- **Developing case management services.** Expectations about the roles and responsibilities of the line staff, particularly employment specialists, have changed tremendously as a result of welfare reform. A senior official noted, “We need to help clients make a wise choice, not just make a referral.” As the options available to recipients for education, training, job search, employment counseling, and work experience expand, assisting recipients to access appropriate services to suit their needs becomes more difficult. At the end of the first year, staff felt unprepared to help clients deal with the numerous programmatic and personal barriers they face. Recognizing the new demands welfare reform has placed on staff, the department acknowledges it needs to provide additional training on case management skills and employment counseling and to provide clear instructions about the new rules and regulations.
- **Improving systems for monitoring recipients’ progress.** The large numbers of recipients nearing the two-year limit means that staff need an efficient system for tracking participation in services and work activities. Timely informa-

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<sup>40</sup>Plans are under way to change the process for obtaining child care. Under the “Child Care Works” plan, expected to be implemented in 1999, the welfare department will handle child care for recipients during job search. Once they receive their first paycheck, the Local Management Agency (a nonprofit agency with a contract with DPW to administer child care subsidies funded by TANF) will handle the child care arrangements. Extended medical coverage is available for families who lose cash assistance owing to employment. Children not covered by Medicaid can get health care if the family income is below a certain level. Advocates, however, are concerned that not all who are eligible are enrolled.

tion is necessary for caseworkers to monitor recipients' progress toward self-sufficiency. The welfare department could improve the participation data in its management information system by having contracted service providers send participation data electronically, but it has not yet acted on these plans.

- **Helping recipients retain jobs.** Experience shows that many recipients who obtain jobs keep them for only a short period. This presents another challenge to the success of welfare reform. One caseworker lamented the lack of retention services: “There is nothing in place for those who lose a job. . . . There is no concerted effort to follow up on them and help them to keep a job.”
- **Implementing the two-year work requirement.** Thousands of families are at risk of losing cash benefits when the two-year time limit hits. Although recipients expressed confusion about the five-year limit, they generally understood the two-year work requirement. Details associated with implementing time limits had not been communicated to staff or recipients. Like welfare administrators in other states, Pennsylvania’s welfare officials are trying to balance the need caseworkers and recipients have for clear information about how time-limit extensions and exemptions will be implemented against a desire not to undercut the central message that the time limit will be enforced. It is a “lose-lose” proposition whichever way the state turns. If it publicizes its policies, it courts the risk of undermining the job search efforts of recipients if they incorrectly believe they can qualify for an extension and not look for work. If the state does not communicate its policies ahead of time, it keeps the pressure on recipients to find jobs, but it risks confusion when it begins to implement the policies at the moment the time limit becomes effective. And, of course, if it grants most people exemptions or extensions of the time limit, it runs the risk that future time limits will not have credibility. There are many difficult decisions associated with implementing a time limit, but two fundamental issues stand out:
  1. **Outlining criteria for exempting recipients and/or granting extensions of the time limit.** This involves clearly defining and communicating the circumstances that fit the “good cause” reasons for not finding employment.
  2. **Defining what counts as an allowable “work” activity at the 24-month point.** Open questions include whether the state will credit volunteer jobs at nonprofit organizations, whether they will expand the definition of work to include education or training activities, and whether sufficient community service jobs will be created to ensure that recipients who have played by the rules but have been unable to find employment are not cut off the rolls.

Pennsylvania enacted significant changes in the welfare rules. As a result, welfare offices across Philadelphia have successfully conveyed a new message, and they have put in place a new

approach to helping welfare recipients become self-sufficient. In the first year, the program emphasized job search and rapid entry into the labor force. The focus on employment infused staff-recipient interactions, especially those of the recently commissioned employment specialists. At the end of the first year, among staff there is a mix of support for the policy goals and concern about the ability of recipients to find jobs before the time limit. Among recipients there is a mix of relief that welfare is finally changing and disbelief that the state will really enforce the time limit.

## Chapter 7

# The Progress of Welfare Reform in the Cities

Most of the implementation and ethnographic data for this report were collected from 10 to 20 months after President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The four Urban Change sites had implemented the changes to varying degrees by that time. The story is an evolving one, and additional changes both in the welfare offices and in the lives of families have occurred since this initial data collection effort. Nonetheless, agencies and families face largely the same challenges now as they did in late 1997 and early 1998.

In assessing what has changed, and how much, it is essential to ask, “Compared to what?” This chapter addresses this issue with respect to several standards of comparison. It then examines how recipients have responded to welfare reform — their hopes, fears, and actions.

### **I. Actual Changes Versus Changes Permitted Under PRWORA**

The large majority of welfare recipients interviewed for the ethnographic component of the Urban Change study knew that the welfare system has fundamentally changed, viewed the changes as a significant departure from the old system, and believed that time-limited welfare would be implemented in some form. Yet the states have not completely dismantled their old AFDC systems to build new organizational structures, nor have they hired all-new personnel. The changes being put in place by county and welfare agency officials in Cuyahoga County are perhaps the most far-reaching among the four sites. But although these involve the establishment of new multiservice offices and the integration of income maintenance, welfare-to-work, and child care eligibility functions in new case management positions, most of the people who will fill these positions were formerly employed as AFDC or JOBS workers. At most sites, titles and responsibilities may have changed, but the faces remain the same, all the way up the organizational ladder.

From a policy perspective, it is worth noting that, so far, the worst fears of PRWORA’s critics have not come true at the Urban Change sites. The states in which the study’s counties are located have not used their new freedom to shape policy to impose a draconian regime on their poorest citizens. They have not engaged in a “race to the bottom” by slashing benefits and services. They have not drastically curtailed eligibility; indeed, by liberalizing their earned income disregards, they have maintained continuing eligibility for working households whose grants would have been terminated under the previous rules. They have not eliminated TANF benefits

to legal immigrants who were in the United States before August 1996, and California and Pennsylvania use state funds to provide assistance to immigrant families arriving after that time.<sup>1,2</sup>

The late 1990s have seen considerable prosperity. Unemployment rates are relatively low, and states have unprecedented amounts of money to spend on behalf of poor families. The real test of the extent to which welfare reform leaves the poor without a safety net will be the next recession, when many low-wage employees will lose their jobs. At that point, states' welfare rolls will likely expand again, and the costs of benefits and services (including community service employment components in states that offer them) will grow, placing new pressures on state treasuries that will already have been depleted by lower tax revenues.

A second test will come with the imposition of time limits. How officials will respond if large numbers of recipients reach these time limits without employment, and how policies will be carried out by line staff, are critical open questions, and MDRC will discuss these issues in subsequent reports. One possibility is that extensions of the time limits will be granted en masse. Another is that staff will attempt on a case-by-case basis to distinguish the "deserving" from the "undeserving" poor and will grant extensions (or exemptions) to some but not others; if this is the case, it will be important to examine how staff exercise this discretion. Still another scenario calls for the large-scale creation of public service employment jobs. And the late 1990s version of welfare reform may come in for further revision at both the federal and the state levels.

## **II. TANF Versus AFDC**

### **New Policies and Programs**

TANF may be more like AFDC than some had hoped or feared, but the federal welfare system has been transformed in many ways. The most radical of these transformations is, of course, the addition of time limits, along with the new message about the temporary nature of welfare that has gone out to recipients. Other changes make TANF more like a beefed-up AFDC system: an effort to engage almost all recipients, including those considered hard to serve, in welfare-to-work activities; a work-first emphasis and a concomitantly weaker emphasis on education and training; in some cases much stronger sanctions for recipients who don't follow the rules; and stronger work incentives. The welfare-to-work component under TANF, in particular, resembles what the JOBS program under AFDC might have looked like had JOBS had a work-first orientation and had it been funded at a high enough level to require all recipients to participate.

These individual elements of welfare reform, and recipients' responses to them, merit separate discussion. At the outset, however, two general points should be made. First, in focus group discussions conducted with income maintenance and welfare-to-work line workers, and

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<sup>1</sup>To some extent, the courts have enjoined states from imposing more severe measures: a federal district judge, for example, barred Pennsylvania from setting a lower level of benefits for families coming to Pennsylvania from other states.

<sup>2</sup>It is also possible that immigrants have left welfare because of fears that welfare receipt will compromise their attainment of U.S. citizenship.

occasionally when researchers observed their interactions with recipients, a number of staff members at most sites indicated confusion about some of the rules and procedures they were charged with implementing. (This confusion was rarely about the big themes of welfare reform but rather about such specific implementation issues as which month a policy was slated to go into effect or how to carry out a certain procedure on the computer.) Conversations with line staff members also indicated that in training sessions, different supervisors had on occasion given workers in their units somewhat different information.<sup>3</sup> Although agency officials and welfare and welfare-to-work program office directors sometimes believed that line staff had received an adequate amount of training, the workers themselves often felt otherwise.

For the ethnographic respondents in Cuyahoga, Miami-Dade, and Philadelphia Counties, staff confusion was clearly a central concern. Recipients said that staff members were confused and that they contradicted each other. Clients received more mixed messages from various staff members than in the past in part because they interacted with more of them — not only the eligibility workers with whom they had dealt previously but also welfare-to-work program staff. Their sense that staff members were uncertain about the rules led many recipients to feel frustrated and some to adopt a wait-and-see attitude; the latter said they were waiting until the welfare office “gets its story straight” before determining just how they should respond to the reforms. In the context of time-limited benefits, confusion that produces a wait-and-see attitude among clients is clearly counterproductive for both parties.<sup>4</sup>

Second, across the four sites, few of the ethnographic respondents exhibited an adequate understanding of the basic changes in welfare and how they are applied. Most respondents had learned about welfare reform from their friends, their neighbors, or the media, as well as from the welfare agency.<sup>5</sup> For many immigrants in Miami-Dade and Los Angeles Counties, Spanish and Creole radio stations and newspapers played a special role. These competing streams of information may help to explain the great confusion found among recipients.

Clients’ knowledge about the new rules varied dramatically within each county as well as from one county to another. An analysis of interviews with ethnographic respondents in Philadelphia shows that recipients’ level of understanding was positively related to the quality of their relationships with their caseworkers. Miami-Dade recipients were also more likely to understand the rules the longer they had lived in the United States, the more time they had spent on welfare, and the more fluently they spoke English (even though Spanish-speaking recipients had ready access to Spanish-speaking welfare staff). In Los Angeles, Mexican immigrants were somewhat less clear on the new rules than either Mexican-Americans or African-Americans, although very

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<sup>3</sup>This happens because most sites have made use of a “train the trainer” model, whereby unit supervisors receive training from the central office and are then charged with training the workers in their units.

<sup>4</sup>Other changes that are not directly related to welfare reform — for example, requirements that Medicaid recipients enroll in health maintenance organizations, along with the new immigration rules — have added to the general climate of confusion. Recipients often reported feeling “hassled” by the sheer number of changes they were experiencing simultaneously.

<sup>5</sup>Welfare office mailings and staff played a less important role in informing recipients in Los Angeles County than in other sites, because the County of Los Angeles Department of Public Social Services had barely begun its information dissemination campaign when the ethnographic interviews took place; for this reason, Los Angeles respondents knew less about the new rules than their counterparts in the other sites.

few of the immigrant families were newly settled in the United States. What accounts for the broad range of clients' grasp of the rules in Cuyahoga County is unclear.

**Time limits.** In all four sites, welfare officials want to make clear that welfare is now temporary. Exactly what welfare agencies have chosen to convey to recipients about time limits gives added force to this message, in two ways. First, staff emphasize intermediate time limits — the limits that recipients will hit first — rather than lifetime limits. Thus, in Philadelphia, staff stress that recipients must find a job in two years, not that they can receive welfare for five. It was too early to determine what CalWORKs fliers and line staff would say about the time limits, but top welfare officials in Los Angeles County clearly wanted to stress the 18- and 24-month limits on welfare without work rather than the five-year lifetime limit for adults.

Second, line staff say that they rarely, if ever, mention the possibility of an extension of or exemption from the time limits. Indeed, some staff members were adamant that exemptions and extensions should not be discussed; in their view, talking about the very existence of these provisions would give recipients “false hope” that they would be among the few to escape the cutoffs. In Cuyahoga, recipients are told that they must be off the rolls in three years, not that they have the possibility of receiving aid for five years. (Actually, Ohio Works First is billed as providing three years of assistance, followed by a two-year hiatus, followed by a possible “good cause” extension for two more years.) Although Cuyahoga County workers cited the possibility of an extension more often than their counterparts in the other sites, those who did so were in the minority and stressed that extensions would rarely be granted.

The recipients interviewed for the ethnographic study generally understood fairly accurately the time limits that welfare agency officials and line staff wanted them to know about. Their understanding was clearer in Philadelphia and Cuyahoga than in Miami-Dade (where there are different limits for different types of recipients) or in Los Angeles County (where information concerning the reforms was very limited at the time the data were collected). It should be said, however, that some clients expressed doubt about whether public officials would “really let children go hungry” if their mothers could not find work.

Many welfare staff members say that they also talk about “banking time” — the idea that recipients with other sources of support should forgo the welfare check when possible and store up the unassisted months until their need for such aid is more acute. However, implementation researchers were unable to determine how strongly this part of the message has been emphasized. Many of the ethnographic study respondents did not appear to understand this concept. In fact, the advantages of “saving for a rainy day” may be more apparent to recipients if that rainy day is explained in the context of the number of months a recipient may get welfare *during her entire life*, rather than merely over the next 18 or 24 or even 36 months. That is, if a recipient believes she can get welfare only for a brief period, she may feel that she would be better off taking all that she can during that period, even if she collects only a few dollars in cash benefits each month.<sup>6</sup>

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<sup>6</sup>This is particularly true if she values the continuation of her Medicaid benefits and assumes these will be lost when she goes to work. As discussed in greater detail below, clients were seldom aware that they could collect transitional Medicaid benefits when they left welfare for work.

It is also possible that the value of banking time will become more clear to recipients after they have found a job, rather than when they have no other significant income source. Line staff indicated that they were more likely to advise recipients to bank their time when the recipients had earnings or other sources of income that entitled them only to a small supplemental grant.

**Welfare-to-work activities.** In general, the welfare-to-work initiatives at the Urban Change sites differ from the sites' pre-TANF JOBS programs in both emphasis and scale. Before welfare reform, the JOBS programs at all sites except Los Angeles County were strongly focused on human capital development (that is, education and training). (In the early 1990s, Los Angeles County had changed the emphasis of its welfare-to-work program from education to immediate employment, even if the jobs recipients found were low paying or part time.) The rapid conversion to a work-first approach is one of the most notable differences between the old and new orders in both Miami-Dade and Philadelphia.<sup>7</sup> Cuyahoga, too, changed to a work-first approach when the Ohio state legislature first passed welfare reform legislation. The new administering agency, Cuyahoga Work & Training (CW&T), includes a detailed assessment of each recipient by a case manager as the first step. This change is too recent to assess whether it is compatible with a work-first approach. At the other three sites, "work first" generally means "job search first." Welfare-to-work activities in Los Angeles, Miami-Dade, and Philadelphia begin with assignment to either individual or group job search activities.

The participants in the ethnographic study sometimes talked at length about how the "check-writing" function of the welfare office had changed to a "job-getting" function. However, respondents' expectations about the level of assistance their local welfare office would provide them in terms of actually finding work varied. In Philadelphia, younger respondents and those with little work experience thought that welfare staff would be responsible for helping them find good jobs; older women and those with more work experience did not share this belief. Cuyahoga and Miami-Dade respondents did not assume that welfare staff would assist them in finding employment; some Miami-Dade recipients felt that "the system" held unrealistic expectations regarding work, especially given what they perceived as their very limited options in the labor market. In Los Angeles, respondents often said that previous experiences with GAIN, either their own or those of others they knew, made them skeptical that the welfare department would offer them help in finding jobs, though many felt it should do so.

Perhaps surprisingly, given the clear wish of Congress to see welfare recipients working, a work-first approach has not translated into extensive use of unpaid work experience as a component in the sites' welfare-to-work programs. Work experience has been a key element of the program model in only two of the four urban counties — Cuyahoga, in its pre-CW&T phase, and Miami-Dade. In the past, Los Angeles County welfare officials have actively resisted developing

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<sup>7</sup>In two work-first sites — Los Angeles and Miami-Dade Counties — welfare-to-work program staff were both more aware of this shift and more favorable toward it than their counterparts on the income maintenance side. In their focus group responses and interactions with recipients, some eligibility workers still talked about encouraging recipients to go to school, and others expressed the view that recipients needed more education to be employable. Welfare-to-work program staff, however, are responsible for directing recipients' activities, and they have generally accepted the work-first model. (In Miami-Dade, welfare-to-work staff urged recipients to enroll in education and training above and beyond the 20 hours of other required work activities.)

a large work experience component, reasoning that this would suggest to employers that many recipients are unable to get or hold unsubsidized, private-sector jobs.

At all sites, education and training remain options for clients; in Los Angeles, Miami-Dade, and Philadelphia Counties, they are typically used for some of the recipients who do not find employment in job search.<sup>8</sup> For their part, Cuyahoga, Miami-Dade, and Philadelphia recipients in the ethnographic study generally understood — and were upset by — cutbacks in opportunities to combine welfare with long-term schooling. Some clients eloquently expressed their opinion that what they saw as a “one-size-fits-all” work-first model was shortsighted and would have very bad long-term consequences for recipients’ earning capacity. The majority expressed strong doubts that many of their welfare-reliant neighbors could find work at a living wage without additional education and training, and they predicted catastrophic effects on their neighborhoods and cities if unskilled recipients were to be forced off of welfare and remained unemployed or found only very low-wage employment. Interestingly, many respondents in Cuyahoga County and some in Philadelphia County as well optimistically predicted that they themselves would manage to find employment at a livable wage.

Other respondents in Philadelphia and recipients in Miami-Dade County were less sanguine about their own prospects. Los Angeles County respondents were also pessimistic. They attributed their pessimism not to limitations in education and training opportunities (which had been in effect since Los Angeles changed to a work-first model in the early 1990s) but to the new time limits and benefit cutoffs. A few cited the fact that they had already been through job search and job club over the past few years and had had the experience of submitting 40 or 50 applications and not getting a single call back.<sup>9</sup>

**Broad participation.** In the pre-TANF world, none of the sites had enough financial resources to enroll more than a fraction of their eligible cases in JOBS. This meant that the JOBS programs in Cuyahoga, Miami-Dade, and Philadelphia Counties operated on a nominally mandatory but effectively voluntary basis — that is, they mostly enrolled people who wanted to receive the education, training, and supportive services JOBS offered. When Los Angeles County’s GAIN program switched to a work-first model in the early 1990s, it decided to focus on recipients who had been on welfare three years or longer; for these individuals the program was truly mandatory, and sanctions were imposed for noncompliance.

The cash windfalls resulting from the decline in the counties’ TANF caseloads made it possible for the Urban Change sites to serve many more recipients than previously in their welfare-to-work initiatives — and the prospect of having many recipients reach their time limits with no other source of income makes it imperative that they engage their entire caseloads, except for recipients specifically exempted by law. (In Los Angeles County and Philadelphia, for example, single mothers with children under a year old are exempted from participation; in Cuyahoga, single parents are required to participate when their youngest child is six months old; and in Miami-Dade the single parent must participate when the child reaches three months of

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<sup>8</sup>Subsequent implementation research will investigate the extent to which these components have actually been utilized.

<sup>9</sup>Ethnographic work conducted after the initial interview round had been completed indicates that such experiences have become common in the other sites as well.

age.) Though they were not asked directly, recipients in the ethnographic study did not spontaneously express any knowledge of exemptions from any of the mandated activities in any of the sites. The few Philadelphia residents who were aware of these exemptions from the participation requirements appeared to be suffering from quite serious short- or long-term disabilities; these individuals had been informed about exemptions by welfare office staff.

Bringing so many recipients into their welfare-to-work initiatives has been a major challenge at all sites, and they have addressed it in different ways. In Philadelphia, for example, recipients were phased in over a nine-month period; but once clients were called in, they began to participate in job club or independent job search almost immediately. Upon application for aid or redetermination of ongoing eligibility, clients were scheduled for an orientation on the new welfare laws, at the end of which they were assigned to a job search activity. What made this all feasible and avoided long waits for assignment was that the site made extensive use of individual job search as well as group job clubs, so that when job club openings were unavailable, staff had another option to which they could refer recipients.<sup>10</sup>

The process of engaging previously unserved recipients in JOBS was less orderly in Cuyahoga and Miami-Dade Counties. (The process had yet to occur in Los Angeles County at the time of the implementation site visit.) In Cuyahoga, DEES officials felt it was important for recipients to become engaged in JOBS activities as quickly as possible. Rather than wait for them to reach their redetermination dates, the agency called them in en masse over a two-month period to meet with JOBS workers. This procedure placed considerable strain on the JOBS staff and, according to staff reports, it proved confusing for some clients and resulted in numerous sanctions. Despite these implementation issues, by the time of the implementation research site visits, Cuyahoga and Philadelphia had brought most of their recipients into their welfare-to-work programs and had assigned them to an activity — a massive feat, considering the positions from which the sites had started.

In Miami-Dade, about half the recipients had been brought into WAGES a year after the state legislation was passed. One reason for the delay was that relatively few JOBS staff members were responsible for leading a week-long employment preparation workshop; this made for sizable backlogs of recipients waiting to enter that component. A further problem in Miami-Dade was that not all mandatory participants could readily be identified on the state's computer system, which had not yet been adjusted to reflect the fact that recipients were exempt from work requirements if their youngest child was under three *months* old; the system still indicated that mothers with children under three *years* of age were exempt.

**The hard to serve.** The welfare-to-work plans of all sites acknowledge that many welfare recipients face major barriers to employment and need special services to overcome these barriers. In Miami-Dade, the hard to serve are identified on the basis of such criteria as education level and length of time on assistance. In Cuyahoga, CW&T includes inquiries about alcohol or drug addiction and mental health as part of the assessment. In Los Angeles County, three categories of individuals considered hard to serve have largely captured administrators' attention: those

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<sup>10</sup>In deciding where to assign clients, workers sought, first, to fill slots with contracted job club providers.

with domestic violence, mental health, or substance abuse problems.<sup>11</sup> The welfare agency has contracted with providers to serve recipients who have these problems and may require that such clients enter treatment, either to supplement or to substitute for regular welfare-to-work activities. At this juncture, however, welfare staff in Los Angeles depend largely on clients' willingness to identify themselves as belonging in that group; because each of the problems carries a good deal of social stigma, the extent to which needy recipients will actually use the available treatment services is uncertain.<sup>12</sup>

**Sanctions.** Under the new Ohio and Florida statutes, sanctions were much stiffer, eliminating the entire grant rather than just the portion attributable to the noncompliant adult. (In Florida, the Food Stamp allotment is eliminated as well.)<sup>13</sup> In Miami-Dade, a substantial increase in sanctions was primarily attributable to noncompliance with the welfare-to-work activities. Elsewhere, sanctioning patterns did not appear to differ dramatically from sites' pre-PRWORA practices, although Cuyahoga County staff believed that the JOBS call-ins had led to a temporary upswing in sanctions. The new emphasis on sanctions and related grant reductions was an aspect of welfare reform that some site staff tried to communicate very clearly to recipients.

Recipients participating in the ethnographic study were aware of sanctions for nonparticipation in welfare-to-work activities in all four counties. They knew that they had to attend group orientation sessions and fulfill individual or group job search requirements. Some respondents thought they would be sanctioned if they turned down an offer of employment. It should be emphasized, however, that although recipients knew that sanctions would be imposed, they did not always understand the precise nature of the sanctions (for example, whether the adult portion of the grant or the full grant would be eliminated, or how long the sanction would last). In Miami-Dade, where sanctioning occurred most frequently, sanctioned recipients often said they had been sanctioned for missing appointments of which they had not been informed. In addition, many recipients commented on the swiftness with which sanctions were being imposed.

**Work incentives.** At all sites, the state legislatures have liberalized work incentives — the possibility of receiving a supplemental grant while working at a low-wage job and/or the transitional benefits available to those who leave the rolls for employment. All sites disregard at least half of a recipient's earnings in computing her ongoing eligibility for aid, all provide at least one year of transitional child care for working-poor parents, and all provide one year of transitional Medicaid for those who qualify.<sup>14</sup> These benefits, especially in conjunction with the

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<sup>11</sup>Individuals with learning disabilities may make up another large group of recipients with substantial employment barriers. They have not seized the attention of welfare officials, however, perhaps because educational remediation is generally downplayed under PRWORA, perhaps because strong interest groups on their behalf have not emerged in the welfare reform planning process.

<sup>12</sup>Recipients may be especially reluctant to acknowledge having one of these problems if they believe that doing so will endanger their custody of their children.

<sup>13</sup>Full-family sanctions are now authorized in Pennsylvania as well, but only for households who have been on welfare for 24 months.

<sup>14</sup>The disregard covers the first 18 months after work begins in Cuyahoga County. The disregards in the other sites apply to any month in which the recipient is employed. According to welfare officials, child care slots and subsidies were generally adequate to cover those currently on the rolls and participating in welfare-to-work activities. Whether there would be sufficient funding available to provide subsidized child care for those moving into low-wage employment — especially for those working evening or weekend shifts — was much less certain.

Earned Income Tax Credit (EITC), are more generous than what was offered in the past. Ironically, though, the very liberality of the benefits creates a potential conflict for recipients with earnings: Should they remain on assistance and maximize their incomes by collecting a supplemental welfare grant, or should they go off the rolls, thereby banking their time but living under reduced circumstances?

In any event, the ethnographic data suggest that the “work pays” message has not yet reached many recipients. In Philadelphia, ethnographic participants’ accounts show that most of them clearly understood the increased earned income disregard, that is, that they could keep half of their earnings if they worked part time. What they were not so sure about is what would happen to their cash, Food Stamp, Medicaid, and child care subsidies if they took a full-time job, and they feared that full-time employment would put them over the income limit for receiving any cash or in-kind benefits at all. Recipients exhibited less knowledge of the income disregards in Miami-Dade and Cuyahoga, and very little knowledge at all in Los Angeles County. Yet in each of these counties, the new earned income disregard is more generous than Philadelphia’s (although somewhat more complicated to explain).

In general, it was too early to observe what recipients would actually do in response to the disregards. It is notable, however, that in Philadelphia — where recipients understood the disregards clearly, viewed them favorably, and thought them generous — the earned income disregards did seem to be affecting clients’ behavior. In combination with time limits, quotas for job applications, and other factors, the disregards seem to have contributed to Philadelphia recipients’ willingness to apply for and take (in the rare circumstance that they were offered them) part-time, minimum-wage, and outer-ring suburban jobs (generally in fast-food establishments) — positions they said they might have thought impractical under the old \$30 and 1/3 rule or unworkable as full-time jobs. Respondents did not, however, generally believe they could sustain their families with these jobs once the additional help from the welfare office ran out, as it would once they had reached their lifetime limits. Even in this county, however, respondents’ lack of awareness of transitional child care and Medicaid, as well as of recent expansions in Medicaid eligibility for poor children, reduced the potency of the incentive.

Ethnographic respondents in Cuyahoga, Los Angeles, and Miami-Dade Counties were generally unaware of transitional child care and Medicaid benefits or of expanded Medicaid eligibility. Some recipients in Cuyahoga County said that they had asked welfare staff about the availability of such benefits and had received unclear or inconsistent answers, while others received clear and accurate responses. In Los Angeles, clients had yet to meet with their caseworkers to hear about the new rules, and thus had not had the opportunity to ask questions regarding these benefits. Respondents in Miami-Dade did not report having asked their caseworkers about such benefits. These findings raise questions about how clearly staff have communicated the availability of incentives and benefits to recipients, an issue reprised later in this chapter.

### **New Organizations and Interagency Relationships**

The coming of welfare reform has brought a major change in the players in Cuyahoga and Miami-Dade Counties.

The Cuyahoga County Commissioners turned to a private consulting firm, McKinsey & Company, Inc., for help in the redesign of the county's Department of Entitlement and Employment Services. McKinsey's work informed the commissioners' decision to reconfigure the subagencies responsible for providing cash assistance and social services to county residents, and one of the McKinsey consultants was appointed to head the agency charged with providing cash aid and self-sufficiency services to TANF recipients.

In Florida, welfare reform has created new entities to oversee program development and implementation. In an unprecedented move for a state-based welfare system, Florida's state welfare reform legislation charged local WAGES Coalitions with the development of local implementation plans and ongoing management and oversight of the county WAGES programs. In Miami-Dade, the WAGES Coalition comprises representatives from the Department of Children and Families, the Department of Labor and Employment Security, the county mayor's office, employers, advocacy groups, and other organizations.

The privatization of welfare services has been much discussed. The involvement of Lockheed-Martin IMS and other for-profit firms in Miami-Dade is the prime example of this phenomenon among the Urban Change sites. The implementation of performance-based contracts was the major force behind the emergence of these new players in Miami; these contracts posed difficulties for small nonprofit service providers, who could not handle the changes in payment schedules and maintain operations. This dilemma attracted large nonprofit and for-profit entities who were able to handle the financial responsibilities. In Miami-Dade, Lockheed Martin IMS was awarded the largest provider contract; it then subcontracted with the smaller agencies to actually provide services.

### **What Has Not Changed**

Other aspects of life under TANF bear a marked similarity to their counterparts under AFDC. In particular, role divisions between income maintenance and welfare-to-work staff have remained fairly stable; income maintenance workers' jobs remain largely focused on eligibility-related issues; and welfare staff across the board remain more concerned with recipients' work behavior than with their personal conduct.

**Role divisions.** Three of the four sites have kept the fundamental distinction between income maintenance and welfare-to-work staff that existed under JOBS. (In Miami-Dade, these two sets of staff were employed by two different state agencies.) Only in Cuyahoga are officials planning to create a new case manager staff position that combines income maintenance and welfare-to-work functions (Philadelphia officials contemplated the idea but rejected it, partly because too much retraining would be involved).

At most sites, the tension between income maintenance and welfare-to-work program staff that antedated PRWORA remains in force. It is possible that this tension — the result of lack of understanding of each other's work and workloads, differences in credentials and salaries, and other factors — will lessen over time with co-location and other changes.

**Eligibility focus.** Various observers have commented on the new role of income maintenance staff under welfare reform and their importance in delivering the new welfare message to

recipients, identifying clients' problems and helping them find solutions, and encouraging their work efforts. Less noticed is the fact that new responsibilities in no way replace the old ones of determining applicants' initial eligibility and grant amounts correctly and adjusting these as recipients' circumstances change. Moreover, there is little evidence that central office officials or income maintenance office directors place any less emphasis on eligibility workers' traditional job tasks. At the time of the site visits, for example, these officials almost uniformly reported that keeping error rates low remained an important priority for them.

Welfare administrators have responded to the problem of how to introduce new goals and emphases into the eligibility offices in different ways, each with advantages and drawbacks. One strategy is to create specialized roles; for example, in Los Angeles County, some workers will receive intensive training to work with domestic violence victims.<sup>15</sup> This approach increases the likelihood that the new messages will get through to recipients; but it is also likely that business will be conducted more or less as usual by nonspecialized staff.

A second strategy, employed in Cuyahoga and Philadelphia Counties, brings change to all eligibility workers by broadening their job descriptions to include the new tasks of explaining welfare reform to recipients and providing support and encouragement.<sup>16</sup> It may be very difficult for income maintenance line staff to change their style of interaction with recipients from one that is well specified and routine to one that is personalized and responsive to individual circumstances. Further, the new job functions of both eligibility and JOBS workers are added to tasks that many workers already find demanding and time-consuming.

At the time of the implementation research visits, income maintenance staff generally felt they had not received adequate training for changes in their jobs. One example of this was the edict from the central office in Cuyahoga County that income maintenance staff were to extend their redetermination interviews with recipients from about 20 minutes to an hour, so that staff could explain the new rules to clients and learn more about their problems. The workers, however, received little guidance about what to say; some confessed to the researchers that they were unable to fill the allotted time. Under such circumstances, it is not surprising that eligibility staff spend most of their time doing what they have always done and what they feel most familiar with.<sup>17</sup>

Whether agencies opt for the specialist or the generalist approach, the early experiences of the Urban Change sites suggest that "culture change" in the income maintenance offices may be slower in coming than officials would wish. Change may be impeded by the continuing emphasis on eligibility workers' traditional functions, along with the lack of adequate preparation for their new ones. Along with training, line staff may benefit from the formulation of perform-

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<sup>15</sup>All eligibility workers in Los Angeles County are slated to receive some training on this topic.

<sup>16</sup>As certain eligibility specialists become "self-sufficiency coaches" in the new Cuyahoga Work & Training agency, their job will change much more radically.

<sup>17</sup>If staff are to be effective in their new roles, they also need to know about other agencies and programs to which they can refer recipients for services. The researchers found that when a directory of such resources existed, there was sometimes only a single copy for each income maintenance office, kept in the private office of an office administrator.

ance standards enabling their supervisors to judge how well they are doing all the things — new and old — that are expected of them.

**Work ethic versus personal morality.** Despite the emphasis in PRWORA on marriage and the family, the welfare agencies — from top officials to line staff — have not tended to pay much attention to respondents’ personal lives, except as clients’ behavior poses barriers to getting jobs or affects the staff’s work or recipients’ grants. The welfare agencies appear to have translated the “personal responsibility” part of the Personal Responsibility and Work Opportunity Reconciliation Act into an obligation to work and support one’s family; changing recipients’ conduct in other areas is a much lower priority.

Thus, although laws affecting two of the four sites have imposed family caps, front-line workers are not expected to refer recipients to public health clinics for contraception advice; while in sites that require children to be immunized and to attend school regularly, line staff do not inquire about parenting practices or provide recipients with information about parenting programs. In fact, line staff generally lack training about how to approach these sensitive areas. As in the past, at the level of worker-client interactions, some potential social work issues become translated into clerical procedures — boxes to be checked on a form or adjustments to be made on a grant.

### **III. Changes to Date Versus Challenges to Come**

The challenges that welfare agencies face of communicating the new messages, engaging their caseloads in welfare-to-work services, changing the emphasis of these services, and forging new organizational arrangements are all antecedent to two larger, distinct challenges: helping large number of recipients to find jobs and assisting them to move not only off the welfare rolls but also out of poverty. At the time the field research was conducted, it appeared that at three of the four sites, agency officials and others were devoting most of their attention to the former set of challenges and had given much less thought to the others.

Thus, for example, neither Cuyahoga nor Philadelphia had a major job creation initiative in place that would assist people in getting unsubsidized employment. And while Florida’s WAGES legislation acknowledges the need for services that help welfare recipients in low-wage jobs acquire new skills and climb out of poverty, initiatives to develop such services had not yet been developed.

Creating new administrative and organizational mechanisms has proved especially time-consuming and has diverted energy from the provision of services. Thus, in Cuyahoga County, two major reorganizations of the welfare agency have taken up much of the time and attention of high-level administrators. In Miami-Dade County, the development of the WAGES Coalition, coupled with the necessary collaboration with other key agencies, delayed the implementation of many services while the Coalition got its house in order. The full range of services and supports envisioned under WAGES did not become available to recipients until 15 months after the program officially began — and nine months before clients would begin to hit the time limit.

Los Angeles County was something of an exception in this regard. Although the county welfare agency faced the challenge of massive expansion, it enjoyed certain advantages over the other sites: it had already made the transition to a work-first model before either federal or state welfare reform was implemented; officials saw no need to make sweeping changes in the administrative arrangements; and the welfare-to-work program included an active job development component. Los Angeles County welfare administrators were therefore in a somewhat better position than were their counterparts at the other sites to think about next steps — moving more people into jobs and out of poverty.

**The hard to serve.** Acknowledging that many recipients will have difficulty getting and keeping jobs without substantial additional services is an important first step; figuring out what services an individual needs to acquire and sustain employment is a further challenge. This is especially so because hard-to-serve individuals may face multiple, interrelated difficulties — they may, for example, have poor basic skills *and* limited work histories *and* face domestic violence issues *and* be depressed — that call for a multifaceted intervention. Particular conditions at a site may generate special difficulties in finding recipients work — thus, for example, Miami-Dade’s largely bilingual labor market puts African-Americans who do not speak Spanish at a disadvantage.

**Job development.** At the time of the site visits, only Los Angeles and Miami-Dade Counties were contemplating major job development initiatives, through outreach to major employers and industries (such as the airline and hospitality industries in Miami) and through expansion of the job development activities initiated under GAIN in Los Angeles County. The other two sites had not yet developed plans for intensive placement efforts.

**Transportation initiatives.** In Cuyahoga County, where employment opportunities are largely located far from the central city and thus from most recipients’ homes, welfare officials secured funding from the state to develop a pilot project that would link central-city residents to suburban jobs. The need for similar initiatives is evident in the other sites as well. In Miami-Dade and Philadelphia, officials recognize that many of the available jobs are in nearby counties and are difficult to reach for those without cars. And given the physical size of Los Angeles County, a car is often a necessity there as well.<sup>18</sup> Developing new public transportation routes, extending the hours when public transportation operates to facilitate night-shift and weekend work, and devising van transport and carpool systems may be essential if the counties are to address the geographic mismatch between people and jobs.

**Postemployment services.** If experience is any guide, most welfare recipients are likely to get jobs at low wages. Many will have trouble keeping those jobs because of situational problems (such as a child’s illness or child care arrangements that fall through) or because of interpersonal difficulties at the workplace.

The Urban Change sites have planned to respond to these difficulties in various ways. The Los Angeles County plan for postemployment services is the most comprehensive; it calls for welfare-to-work program case managers to provide counseling centered on job retention and

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<sup>18</sup>In a recent survey, about 46 percent of GAIN participants reported using public transportation to get to the GAIN regional offices and activities.

rapid reemployment for those who lose their jobs, for as long as recipients remain on assistance and a year thereafter. Both the Los Angeles and Miami-Dade County plans also include postemployment education and training to enable recipients to upgrade their skills and move beyond entry-level employment. Cuyahoga County will make available Retention and Contingency funds — special payments intended to help recipients secure and maintain employment when confronted with unexpected emergencies or substantial work-related expenses. How these plans will function is a subject of future research.<sup>19</sup>

**Transitional benefits.** All the counties' plans make transitional child care and Medicaid available to eligible recipients. These benefits, combined with Food Stamps and the Earned Income Tax Credit, and with income disregards for families still receiving welfare, can be important income supports for households with low-wage employment. But the ethnographic findings indicate that many recipients are unaware of many of the benefits that may be available to them after they get a job. Program staff need to do a much better job of explaining the benefits, and the counties need to develop procedures for ensuring that households receive the transitional benefits to which they are entitled when they leave welfare for work.

**Community service employment.** States and communities will have to decide whether recipients should be cut off welfare if they comply with all requirements but are nonetheless unable to find employment when they reach their time limits (especially the interim time limits on welfare receipt without work). If they are not cut off, then extensions of the time limits and community service employment are ways for the state to maintain a social safety net for these households. At the time of the site visits, none of the welfare agencies had planned a large-scale service employment component. Los Angeles County was not planning to address its need for community service employment until a few months before recipients reached the earliest work-trigger time limits; agencies may find themselves having to scramble if more recipients than anticipated need such jobs. Philadelphia has moved further in this regard. The state, the mayor's office, and a Philadelphia-based foundation have announced an initiative to create 3,000 community service positions in a variety of for-profit and nonprofit organizations. These jobs, which are six months in length and pay the minimum wage, are specifically meant for recipients with little or no prior employment experience.

It is too early to tell how recipients will do under welfare reform. This is the central question of the Urban Change study, and the study will contain measures from many sources — including administrative records, surveys, ethnographic interviews, and neighborhood indicator statistics — that bear on the effects of reform. But welfare and welfare-to-work officials and line staff members at all sites were worried. They cited the difficulties of placing large numbers of people in jobs and expected a substantial proportion of recipients to reach their time limits without having any means of support. They also believed that those left behind would be the most disadvantaged recipients who, with their children, would fare the worst in the brave new world of welfare reform.

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<sup>19</sup>It may not be realistic, for example, to expect large numbers of single mothers to work full time and then attend education and training classes.

#### **IV. The Responses of Recipients**

The ethnographic data, drawn from families living in 12 neighborhoods across the four counties, offer the unique opportunity to get a sense not only of the messages welfare recipients were hearing but also of how they were responding to the welfare changes. What recipients said and did was shaped not only by their individual circumstances but also by the social and economic contexts of the neighborhoods and areas in which they lived. Except for Cuyahoga County, the counties in which the Urban Change study is being conducted have had higher unemployment rates than the nation as a whole since the mid-1990s; all but one of the neighborhoods in which ethnographic study respondents resided had poverty concentrations of at least 30 percent in 1990. As a result, residents of these neighborhoods have often been both physically isolated from jobs and socially isolated from networks of jobholders.

Many ethnographic study respondents in Cuyahoga County live in neighborhoods where two-family homes are the most common. To outside observers, the neighborhoods do not appear impoverished, but locals recognize them as among the most troubled and dangerous within the county. In Los Angeles County, where most of the housing stock is relatively new, the neighborhoods selected are made up primarily of small, single-family homes whose facades sometimes conceal interiors subdivided into several apartments and garages that may serve as rental units. All of the Los Angeles neighborhoods had poverty rates of more than 40 percent, and local residents consider them undesirable and dangerous. In Miami-Dade, two of the three neighborhoods chosen had poverty rates exceeding 40 percent; respondents lived either in small, single-family homes or large, public housing buildings. The African-American neighborhood selected for the Miami ethnographic study has had a long history of disadvantage and racial unrest; the Hispanic and Haitian neighborhoods have been ports of entry for new, mostly poor immigrants while remaining home to more settled immigrants who remain too poor to move to better neighborhoods. Although only one of the Philadelphia neighborhoods from which ethnographic study sample members were drawn had a poverty rate of over 40 percent, all three have a large number of dilapidated and abandoned row houses, vacant and boarded-up storefronts, and empty lots.

Of course, not all welfare recipients living in the United States live in neighborhoods with these kinds of disadvantages. But the responses to welfare reform that the ethnographic respondents shared with interviewers may be reflective of those of a significant fraction of welfare-reliant families living in similar contexts within urban regions in the nation. Families in such neighborhoods are arguably the most at risk under the new welfare rules. This concluding section focuses on the clients living in these specific urban settings — what they thought and felt about the changes in welfare and what they were doing in response.

**Time limits and jobs.** In hours of conversation with interviewers, respondents often talked at length about their attitudes toward the time limits that the federal and state government had imposed on their receipt of benefits, and about how they expected to fare under those time limits.

The unemployment rate in Philadelphia County averaged 6.8 percent in 1997, falling to 5.8 to 6.2 percent in the first half of 1998. Ethnographic respondents there saw the city's lack of jobs as a real problem, and they generally predicted catastrophic effects for welfare recipients living in their own neighborhoods and elsewhere in the city. Yet most had high hopes for them-

selves. The most optimistic respondents were generally younger recipients with little work experience. These respondents often pointed to job opportunities in the suburbs as evidence that jobs were indeed available, if they could find a way to get to them.

Unemployment in Miami-Dade County averaged a very high 7.1 percent in 1997 and ranged between 6.5 and 7.3 percent in the first six months of 1998. Respondents interviewed in the winter of 1997 through the spring of 1998 were generally very anxious and depressed about their ability to find work. Recent immigrants were more optimistic in this regard than more settled immigrants and native-born African-Americans.

Ethnographic study sample members in Los Angeles County (including the Mexican-born immigrants, most of whom had lived in the United States for some time) were generally very bleak about their own prospects as well as those of their children. (The unemployment rate in Los Angeles County averaged 6.8 percent in 1997 and ranged between 6.2 and 6.5 percent in the first half of 1998.) Unaware that they would keep all but the adult portion of their welfare benefit upon reaching the time limit, some recipients believed that they and their children might well become destitute.

From the fall of 1997 through the spring of 1998, respondents in Cuyahoga County, where unemployment rates were several points lower than in the other sites, appeared quite optimistic across the board. The unemployment rate averaged 4.8 percent in 1997 and ranged between 3.9 and 4.9 percent during the first six months of 1998. Cuyahoga respondents generally assumed that they would find living-wage employment by the time they reached their time limit. But most did not have a clear sense of how they would go about finding jobs with adequate pay.

**Job search requirements.** Despite a wide variety of opinions about what time limits would mean for them and their communities, respondents in Cuyahoga, Miami-Dade, and Philadelphia Counties generally reported positive attitudes toward the job search requirements, albeit for very specific reasons.

First, respondents often said they approved of the requirements because they felt the new requirements would “smoke out” others who were less deserving of assistance than themselves and either force them to work or purge them from the rolls. In this regard, many welfare recipients seemed to hold the same critical views of welfare recipients as does the general public, although their own personal experiences with friends or neighbors on welfare generally did not support these negative opinions. Virtually everyone these women knew well was “exceptional” rather than “typical,” unusually deserving as opposed to undeserving. At the same time, these women assumed that people they didn’t know so well “sell their baby’s Food Stamps for crack,” “don’t care about feeding their children,” or leave their kids at home while they are “out, running the streets, you know, doing drugs and partying and all that.” They largely viewed welfare reform as positive because they believed the reforms would identify those who were undeserving, whom they disapproved of as strongly as many of their working- and middle-class counterparts.

Second, some respondents believed they would be able to find “decent” living-wage jobs, either through the welfare office or on their own. Finally, some of the women felt that the requirements would give them the extra push they felt they needed to do what they had wanted to

do for a long time: find a job that could sustain their family and give them some hope of upward mobility.

**Effects on their children.** Child care was the chief concern respondents voiced across the four cities. In Philadelphia, most ethnographic respondents knew they would have to work at least 20 hours a week by March 3, 1999, to maintain benefits. Some thought that if they found a 20-hour-a-week job, they could enlist the help of family and friends to cover their child care needs. These respondents worried, however, that family and friends could not provide long-term child care, particularly if the respondent took a full-time job. In Cuyahoga, Los Angeles, and Miami-Dade Counties, ethnographic respondents generally assumed they would have to find full-time employment to sustain their families. In these sites, respondents were very worried about child care and spoke about child care concerns often during the course of the interviews.

The majority of respondents believed that employment might limit their capacity to be good parents. Younger respondents and respondents with limited employment histories tended to be more positive about the effects of reform on their children, believing that if they worked, they would be able to provide their offspring with both better role models and more material goods, and that their children's self-esteem would correspondingly increase. Older recipients, those with a longer history of prior employment, and more established immigrants were sometimes more cynical; they doubted whether there would be good jobs for them and whether their children would be any better off materially. In general, these women still desperately wanted to find living-wage employment rather than to continue to rely on welfare, and they wanted their children to see them working.

Child care quality was a concern of the respondents, and some parents worried their preschool-age children would be abused by child care workers. Recipients were worried, too, about whether their children of primary and secondary school age would be adequately supervised. The school day does not last long enough, and few women contemplating full-time work knew of affordable after-school, weekend, or summer programs for children aged six to 12. Some Philadelphia respondents thought they would have to leave their children home alone and unsupervised for at least part of the day. For older children, some respondents believed that their ability to prevent school truancy and other forms of acting out (for example, delinquency, gang activity, sexual activity) would be impaired by the time constraints associated with full-time work. Respondents in all four sites worried about whether combining child rearing with full-time work would be logistically possible.

**Actions in response to welfare reform.** Across the four sites, ethnographic respondents exhibited a range of behaviors that might be interpreted as responses to welfare reform. One hesitates, however, to attribute all of these behaviors to welfare reform, since many of those who were seeking work or training told interviewers they would be doing so regardless of the reforms.

In Philadelphia and Miami, some clients were participating or had already participated in job club or job search, and most of these clients were making sincere efforts to utilize the program to find employment. Many clients reported that, primarily to fulfill program requirements (and sometimes afterwards on their own), they were applying for a broad range of jobs. They knew that, as participants in job search, they had to submit a large number of applications in a

limited amount of time, and they believed that vigilant welfare workers would find them out if they did not actually do so. These respondents talked about diligently searching their local newspaper's classified section, taking the bus to a far-off suburban mall, and going door to door along busy commercial strips. Often job search participants said they were applying for any and every position, regardless of whether the job was full time or part time, provided benefits, was within a realistic commute, or offered hours that coordinated with daycare and school hours.

Others in Philadelphia and Miami were actively searching for work on their own. Still others were trying to complete a training program or attempting to enroll in one before a work requirement was imposed. Finally, some had done nothing to actively seek employment or training, although most were aware they would have to begin to do something in the not too distant future. In Los Angeles, clients had not yet met with caseworkers to learn about the new rules, so it is understandable that work requirements were only vaguely understood by clients. In all three Los Angeles neighborhoods, community perceptions of GAIN seemed to have made clients pessimistic about their prospects in the labor market without subsequent training. Some had enrolled in training, but not primarily in response to welfare reform. In Cuyahoga County, time limits were quite far off, and while many clients could identify their long-term plans, most did not have a clear sense of how they would realize their goals.

In Philadelphia, recipients generally knew that if they obtained part-time work, they could continue to collect some cash, Food Stamps, and Medicaid. In Miami, respondents' knowledge varied widely in this regard. In Cleveland, the state's work requirements called for 30 hours per week of employment, and respondents did not generally understand how working this many hours would affect their benefits. In Los Angeles, recipients had yet to learn about the new rules from their caseworker, and most did not know how work would affect their benefits.

In sum, ethnographic study participants' conversations with interviewers reflected a mix of high hopes and deep fears — hopes that they could provide their children with better lives through living-wage employment and fears that they would be unable to manage the pressures inherent in combining solo child rearing with full-time low-wage employment. Though in general, the experienced women were more pessimistic about their own prospects and perceived more potential problems than the others, it was quite common for the same respondent to express both hopes and fears in a single interview. Nearly all respondents wanted to be employed and off welfare, but these respondents are mothers as well as potential employees. Thus, even the most optimistic among them perceived combining full-time work with single motherhood as daunting. Even though some recipients said they would manage to “survive” the reforms and be better off as a result, a great many predicted catastrophic effects for their neighborhoods and cities.

Although interviewers have maintained regular contact with the ethnographic study participants over the past year, the next round of conversations with respondents, slated to take place approximately one year after the first round of interviews, will show how their experiences over the past year have changed their understanding of and feelings about the new welfare messages. The ongoing experience of looking for jobs, as well as that of working, might well change these perceptions considerably.

## **Appendix A**

### **Number and Types of Research Activities Conducted During Main Implementation Site Visits**

**Table A.1**

**The Project on Devolution and Urban Change**

**Number and Types of Research Activities Conducted During Main Implementation Site Visits**

<b>Activity</b>	<b>Cuyahoga County</b>	<b>Los Angeles County</b>	<b>Miami-Dade County</b>	<b>Philadelphia County</b>
Central office interview	2	2	2	1
Interview with director of income maintenance office	3	3	3	3 <sup>a</sup>
Interview with director of welfare-to-work office	–	3	3	–
Focus group with income maintenance staff	3	3	2	6
Focus group with welfare-to-work staff	1	3	3	3
Focus group with recipients	2	1	2	2
Observation of one-on-one recipient-staff interaction	6	1	4	3
Observation of group activity	1	1	–	4
Other	11 <sup>b</sup>	–	–	–

NOTES: The activities represented in this table were conducted during the main implementation visits. The implementation team made additional research visits to sites.

<sup>a</sup>In Philadelphia, eligibility and welfare-to-work services are housed in the same office under one director.

<sup>b</sup>Ten individual interviews with clients and one interview with high-ranking officials.

## **Appendix B**

**Ethnographic Neighborhoods and Areas  
Covered by Local Welfare Offices Included  
in the Implementation Research**

Figure B.1

The Project on Devolution and Urban Change

Ethnographic Neighborhoods and Areas Covered by Local Welfare Offices Included in the Implementation Research in Cuyahoga County

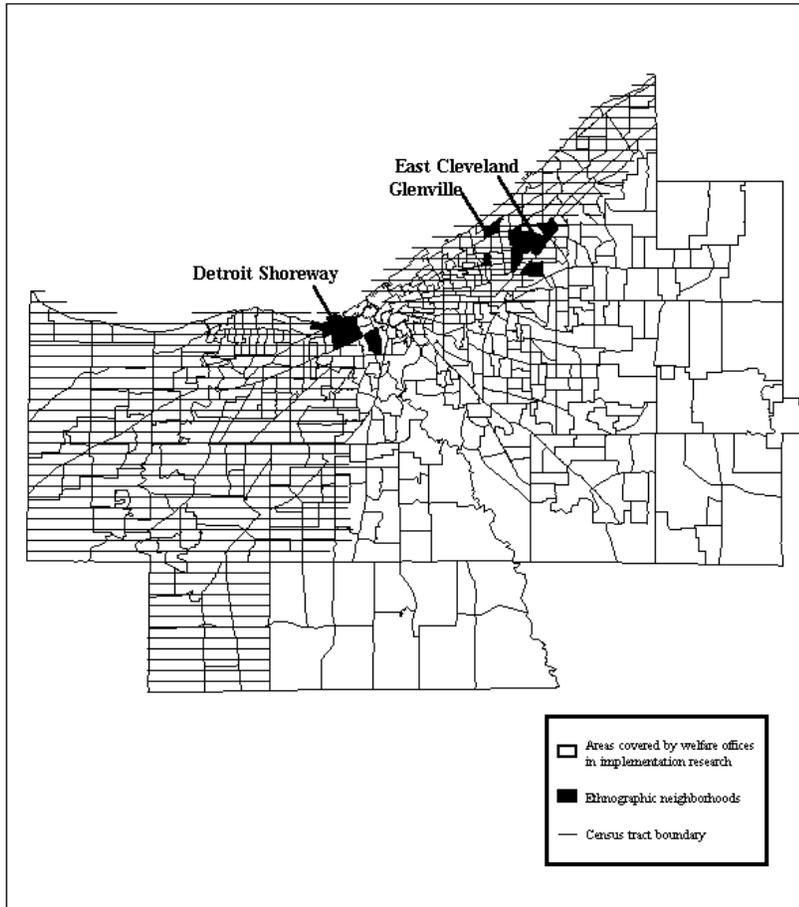




Figure B.3

The Project on Devolution and Urban Change

Ethnographic Neighborhoods and Areas Covered by Local Welfare Offices Included in the Implementation Research in Miami-Dade County

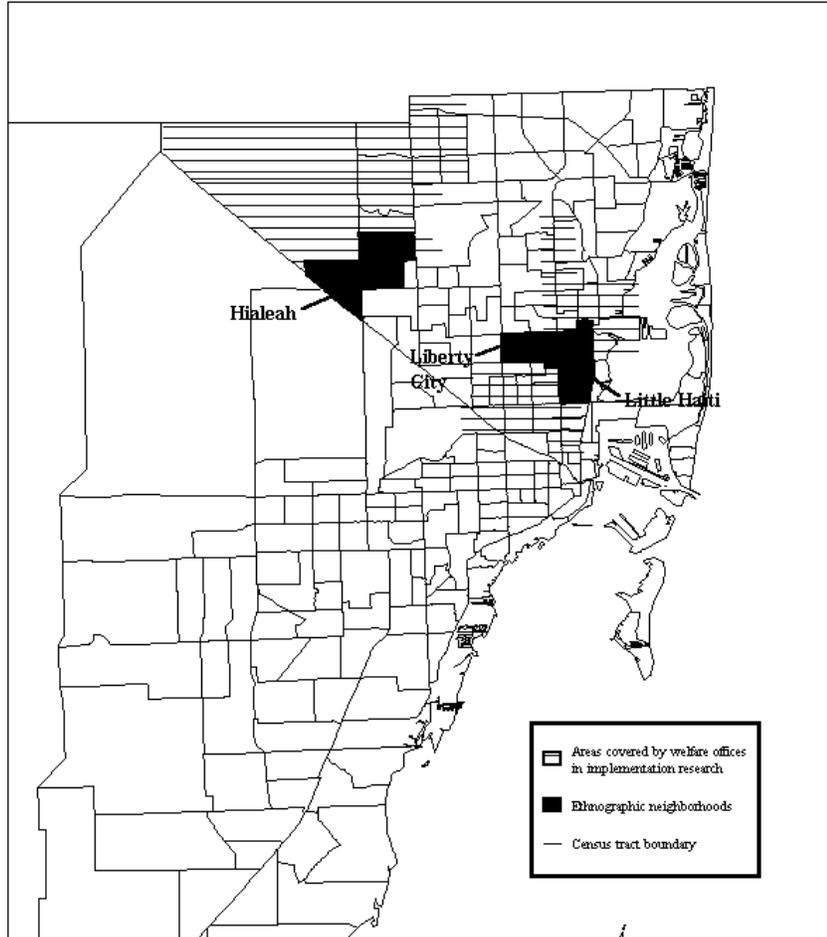
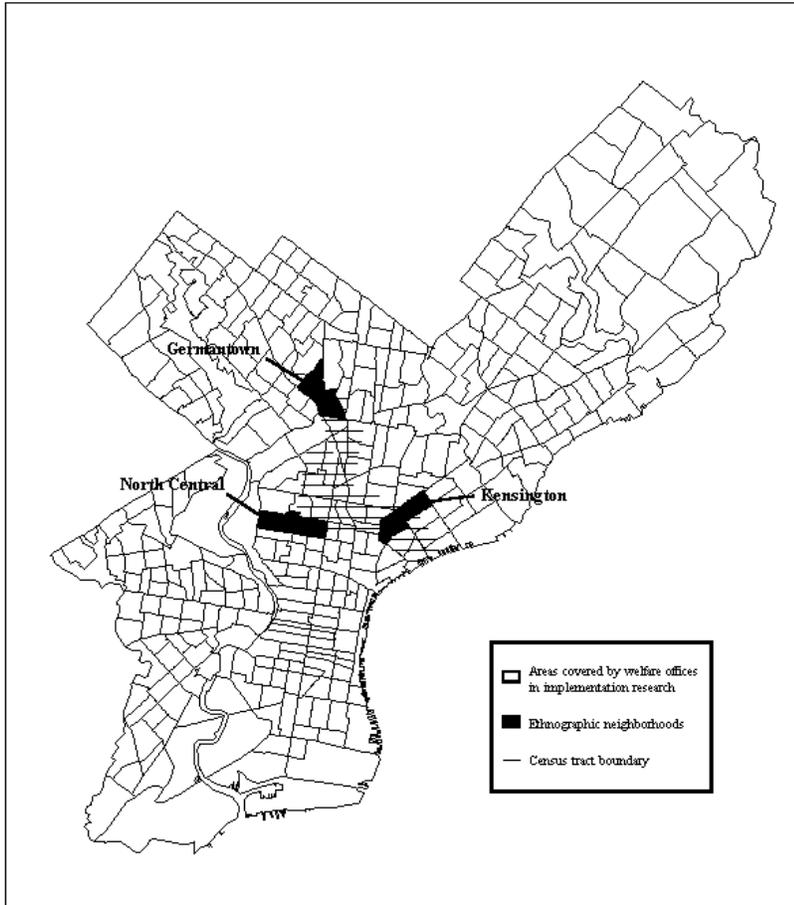


Figure B.4

The Project on Devolution and Urban Change

Ethnographic Neighborhoods and Areas Covered by Local Welfare Offices Included in the Implementation Research in Philadelphia County



## Glossary

Administrative records	Data sources (for example, AFDC/TANF and Food Stamp payment records, Unemployment Insurance wage records) that are maintained by public agencies.
Aid to Families with Dependent Children (AFDC)	The former federally assisted welfare program that provided cash benefits to poor families with dependent children. It was replaced by Temporary Assistance for Needy Families (TANF).
AFDC waiver	Under AFDC, an exception from federal AFDC regulations to permit a state to carry out an experimental, pilot, or demonstration project. States had the option to continue waiver projects under TANF.
Banking time	Closing one's cash assistance case to stop the time-limit clock and save the months of benefits for a later time.
Block grant	Funding allocated in a fixed amount that is intended to meet a broad purpose and on which relatively few spending restrictions are placed.
California Work Opportunity and Responsibility to Kids (CalWORKs)	California's current welfare reform initiative, signed into law in August 1997.
Children's Health Insurance Program (CHIP)	A program established by the Balanced Budget Act of 1997 that provides federal matching funds to states to initiate and expand health insurance coverage for uninsured, low-income children.
Co-location	The placement of two or more services (for example, cash assistance and mental health services) in one location.
County-administered welfare system	A system in which decision-making and responsibility for key activities related to welfare (for example, eligibility determination, operation of welfare-to-work programs) takes place at the county level.
Devolution	The transfer of responsibility for developing policy (for example, welfare policy) from the federal government to the states, or from the states to localities.

Diversion	Efforts to keep people from going on welfare by giving them one-time payments or services, by counseling them about alternatives to welfare, or by making applicants meet certain requirements (for example, job search, a waiting period, multiple agency appointments) before being accepted for assistance.
Earned income disregard	A policy to reward work by excluding a portion of a welfare recipient's earnings in calculating the amount of her welfare grant.
Earned Income Tax Credit (EITC)	A refundable federal tax credit for low-income workers. In addition, some states have their own EITCs.
Electronic benefits transfer (EBT)	The disbursement of benefits through an automated system rather than through paper checks and coupons. Under the 1996 federal welfare law, all states are required to implement Food Stamp EBT systems by October 1, 2002, unless they receive a waiver.
Eligibility determination	The process by which a decision is reached about whether or not an individual qualifies for benefits.
Eligibility worker	See "income maintenance worker."
Emergency Assistance (EA)	A former federal program, replaced by TANF under the 1996 federal welfare law, that offered funding to states to provide emergency assistance to families with children.
Error rate	The proportion of welfare payments made to individuals ineligible for assistance, and of overpayments and underpayments, based on the review of a statistically valid sample of cases.
Exemption	A determination that, by virtue of a condition specified by a statute or regulation, an individual is not subject to a given requirement (for example, a time limit or work requirement).
Extension	The granting of additional months of benefits after a recipient has used up the months allowed under a federal or state time limit.
Family cap	The partial or full denial of cash benefits to a child conceived while the mother is on welfare.

Family Support Act (FSA) of 1988	Legislation that revised the work and training requirements of AFDC, required states to operate a JOBS program, and strengthened child support enforcement.
Financial incentives	See “earned income disregard.”
Food Stamp program	A federal program designed to increase the food purchasing power of eligible low-income households.
Full-family sanction	A penalty for noncompliance with welfare requirements under which all members of a household receiving welfare have their cash grants (and sometimes other benefits) eliminated.
General Educational Development (GED) certificate	High school equivalency certification.
Human capital development (HCD)	A programmatic approach to welfare-to-work efforts that encourages recipients to strengthen their educational and vocational skills before seeking jobs.
Income maintenance worker	The generic term for a welfare office staff member who performs functions related to determining welfare eligibility and the amount of the welfare benefit; also known as “eligibility worker.”
Independent job search (IJS)	A component of a welfare-to-work program in which recipients look for work on their own under the general supervision of welfare agency staff.
In-kind benefits	Noncash assistance (for example, medical assistance).
Integrated case management	A system under which a single staff member is responsible for both income maintenance and welfare-to-work services.
Interim-termination time limit	A time limit on welfare receipt that results in termination of cash assistance but is shorter than the lifetime limit (for example, Florida’s provision that an individual can receive welfare for no more than 24 months out of any 60-month period, although the state’s lifetime limit is four years).

Job club/group job search	A component of a welfare-to-work program in which recipients receive group instruction and training on how to get a job and then look for work under close supervision.
Job Opportunities and Basic Skills Training (JOBS) program	The employment, education, and training program for AFDC recipients created by the Family Support Act of 1988 and replaced by the 1996 federal welfare legislation.
Learnfare	A policy initiative under which children (and especially teen mothers) in welfare households are required to attend school in order to receive cash benefits.
Lifetime limit	The total number of months an adult is eligible to receive TANF cash assistance during her life. The federal government sets a five-year lifetime limit for most recipients; states can establish longer or shorter lifetime limits, or no limit at all, provided they use their own funds to aid those who exceed the federal limits.
Line staff	Staff who interact directly with clients.
Maintenance of effort (MOE)	The amount of its own funds that a state must spend on behalf of TANF-eligible and other needy families in order to receive its full federal TANF allocations.
Means-tested benefits	Cash, medical, housing, food, and other assistance for which people are eligible based on their income, resources, or financial need.
Medicaid	A federal-state matching entitlement program providing medical assistance for low-income persons.
Ohio Works First (OWF)	Ohio's current welfare reform initiative, signed into law in July 1997.
On-the-job training (OJT)	A program through which recipients acquire job skills while working for subsidized wages.
Performance-based contracts	Contracts in which payment to the agency receiving the contract is based in large part on the results achieved by the agency's clients (for example, the number placed in jobs), rather than on the number of clients served or the agency's cost in providing services to them.

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)	The federal law that transformed the welfare system. Most significantly, it ended the entitlement of families with dependent children to cash welfare under Title IVA of the Social Security Act and created TANF and child care block grants that provide states with funding for low-income families.
Postemployment services	Counseling, skills upgrading, and other services provided to current or former welfare recipients who have found jobs.
Quality control	Efforts to reduce errors in welfare grant calculations through monitoring and other means.
Redetermination	The process by which a recipient's continuing eligibility for benefits is periodically established.
The Road to Economic Self-Sufficiency through Employment and Training (RESET)	Pennsylvania's current welfare reform initiative, signed into law in May 1996.
Safety net	Cash and/or services provided to individuals or households to prevent destitution.
Sanction	A penalty involving loss of part or all of the cash assistance grant (and sometimes of other benefits as well) for a period of time because of noncompliance with welfare rules.
Social Security Administration (SSA)	The federal agency that administers Social Security and Supplemental Security Income (SSI).
State-administered welfare system	A system in which decision-making and responsibility for key activities related to welfare (for example, eligibility determination, operation of welfare-to-work programs) take place at the state level.
Supplemental Security Income (SSI)	A means-tested, federally administered program that provides cash assistance to low-income elderly, disabled, and blind persons.
Support services	Services such as child care, medical care, transportation, and counseling provided to recipients to aid in the attainment or retention of employment.

Temporary Assistance for Needy Families (TANF)	A federal funding stream created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that provides block grants for states to assist needy families. TANF funding replaced funding for AFDC, JOBS, and EA.
Time limits (welfare)	Legislative provisions under which welfare benefits to individuals or families are terminated after a specific time period has elapsed. See “interim-termination time limit,” “lifetime limit,” and “work-trigger time limit.”
Transitional benefits	Support services such as medical care and child care provided on a temporary basis to individuals who become employed and leave welfare.
Urban Change ethnographic study	The component of the Project on Devolution and Urban Change in which in-depth longitudinal data are collected on how a number of families receiving TANF and living in poor neighborhoods in the study sites understand and respond to the welfare policy changes.
Urban Change implementation study	The component of the project on Devolution and Urban Change in which data are collected on the changes in welfare policy and regulations and how these changes are put into practice by welfare offices and other agencies responsible for working with welfare recipients.
Welfare-to-work activities	Activities in which cash assistance recipients can (and usually must) participate to improve their employment prospects and/or fulfill work requirements imposed by the state or federal government (for example, job search, skills training).
Work and Gain Economic Self-Sufficiency (WAGES)	Florida’s current welfare reform initiative, signed into law in May 1996.
Work experience	Employment (often unpaid) that is intended to give welfare recipients workplace skills.
Work first	A programmatic approach to welfare-to-work efforts that stresses the importance of employment and encourages rapid entry into the labor market, even when jobs are low-paying.

Work participation standards

Standards related to TANF recipients' activities that states must meet under the 1996 federal welfare law. These include the proportion of the caseload that must participate in welfare-to-work initiatives and the minimum hours of activity required per week.

Work supplementation

A program that subsidizes the wages paid by employers who hire welfare recipients.

Work-trigger time limit

A period of time after which clients must work in order to receive cash assistance.

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