



State of Washington
Joint Legislative Audit and
Review Committee

506 16th Ave. S.E., Olympia, WA 98501-2323
Phone: (360) 786-5171 (Campus Mail: PO Box 40910)

JOBS Training Program

Report 96-6

December 16, 1996

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JOBS TRAINING PROGRAM

Summary

The performance audit of the Job Opportunity and Basic Skills Training Program (JOBS) was mandated by the legislature in the 1996 Supplemental Appropriations Act. The legislature required the audit to examine the outcomes and costs of the JOBS welfare-to-work program since 1994. The scope of the audit was refined through a meeting of a legislative subcommittee, who assisted the audit team in clarifying the focus of the audit, and a series of interviews with members of the legislature and legislative staff.

By using two performance outcome measures and conducting an analysis of over 25,000 JOBS clients, the audit found that the JOBS program had three positive outcomes: 1) participants had a slight increase in average employment earnings; 2) the number of participants receiving welfare declined; and 3) the average monthly AFDC grant was reduced.

However, the Department of Social and Health Services (DSHS) has not established performance outcome measures that are related to statutory goals, nor assessed how well the goals are being met. The audit recommends that DSHS adopt two outcome measures: 1) an increase in earnings from employment, and 2) a reduction in monthly AFDC payments. By using these outcome measures for an annual analysis of administrative data, and by comparing results of the analysis with program expenditures, the state will have useful feedback for accountability and management.

Overview

Program
produced
positive but
modest
outcomes

Analysis estimates effective services

The analysis conducted for this audit found that three services were estimated to have the greatest impact in meeting statutory goals: job search, on-the-job training, and post-secondary education. DSHS has not assessed JOBS expenditures in relationship to services which have the greatest positive impact.

The audit discusses four client management issues: 1) clients are not adequately monitored, and the Employment Security Department (ES) does not have a formal monitoring policy; 2), the current JOBS Automated System (JAS) does not alert caseworkers when action is needed on a case or when a client's eligibility has changed; 3) DSHS, ES, and third-party contractors sometimes duplicate the assessment of JOBS clients; and 4) clients are not sanctioned when appropriate, because the sanctioning procedure is considered too cumbersome.

The audit also discusses four contract management issues: 1) there is no rate structure for the contracts awarded to private non-profit agencies; 2) there are no standard contract outcome measures for services provided; 3) the contracts are not competitively awarded; and 4) contracts are not adequately monitored.

BACKGROUND

Implemented in Washington in 1991

The JOBS program was created when Congress passed the Family Support Act of 1988. It was intended to provide education and job skills training to adult recipients of Aid to Families with Dependent Children (AFDC) who were considered able to work. The goal was to help families on welfare become self-sufficient and avoid long-term welfare dependency. States are obligated to provide education and training services to eligible AFDC recipients; in turn, AFDC recipients are obligated to participate in the JOBS program in order to become self-sufficient.

Washington began its JOBS program as a voluntary program in 1991. In 1995, the JOBS program became mandatory. JOBS educational and training services, known as components, are provided by DSHS, ES, and non-profit organizations, known as third-party contractors. JOBS components include basic and post-secondary education, jobs skills training, and work experience.

JOBS CASELOAD AND EXPENDITURES

In federal fiscal year (FFY) 1995, there were 57,053 JOBS clients and total expenditures of \$44.6 million. From FFY 1994 to 1995 the caseload increased by 13 percent, due to an increase in federal participation requirements, and the expenditures increased by 40 percent, due to an increase in federal, state, and local matching funds.

Expenditures for the JOBS program are funded from three sources: the federal award (which is based on AFDC population), state general funds, and local matching funds (which allow the state to access more of the federal award than can be matched by state funds alone). In FFY 1995, \$5.2 million more in federal dollars were available to the state as a result of the third-party match contracts.

The expenditures of DSHS, ES, and the third-party contractors increased from FFY 1994 to 1995, and shifted between the three. DSHS expenditures increased because headquarters assumed the responsibility of providing technical assistance and policy and monitoring functions formerly done by ES headquarters, and because the local Community Service Offices (CSOs) assumed the responsibility of serving custodial parents under the age of 24 who have not completed high school. Also, the third-party contracts increased because they served more JOBS participants (by referral from DSHS and ES) than previously.

PROGRAM EFFECTIVENESS

As part of the audit, an analysis of over 25,000 JOBS participants was conducted. Client participation and employment data was tracked for a two-year follow-up period. The JOBS program had three modestly positive outcomes for the entire JOBS sample: 1) the average earnings from employment increased slightly; 2) the number of clients receiving AFDC decreased; and 3) the average monthly AFDC grant was reduced.

The three JOBS components estimated to have the greatest impact on increasing earnings and reducing welfare payments, after a two-year period, were: job search, on-the-job training, and post-secondary education (which includes some vocational education). These

Served over
57,000
clients in
FFY 1995

Three
outcomes
observed

**Expenditures
not
commensurate
with their
effect**

results were in line with evaluations of the JOBS program in other states, which suggest that employment-related, rather than education-related, components may be more effective. The results of this analysis were then compared to expenditures for JOBS components. Expenditures for these three services were not commensurate with their effect. The audit recommends that an analysis of at least two outcome measures (an increase in earnings from employment and a reduction in monthly AFDC payments) be done annually, and the results of the analysis be compared with program expenditures. This will give the state feedback on how to improve its welfare-to-work program, and how to use resources most efficiently.

The analysis also found that outcomes for clients who spent more time in AFDC, without participating in the JOBS program, were not as favorable. This suggests that welfare clients should be moved quickly from eligibility, to assessment, to participation in effective services.

PROGRAM MANAGEMENT

**Clients not
adequately
monitored**

The audit found management issues that could impact program effectiveness and efficiency. Specifically, the audit found that: 1) ES does not have a policy for monitoring JOBS clients; 2) JAS does not alert caseworkers when action is needed on a case or when a client's eligibility status has changed; 3) there is some duplication of resources in the assessment of clients by DSHS, ES, and the third-party contractors; and 4) because of a sanctioning process which is perceived by DSHS, ES, and most third-party contractors as being too cumbersome and therefore seldom used, clients who do not participate in the program are not sanctioned when appropriate.

Accordingly, the audit recommends that ES develop a policy and procedure for monitoring cases; that DSHS and ES create a new, simplified assessment tool that they could both use and that could be displayed on the JAS; that further enhancements be made to JAS; and that DSHS create a new sanctioning policy and procedure.

**Contracts
not
awarded
competitively**

In FFY 1995, third-party contractors accounted for 20 percent of total JOBS expenditures. However, the audit found that there was no rate structure or uniform outcome measures for each JOBS component that was provided under contract. Costs and outcome measures for specific components varied widely among providers, and there was no overall evaluation to compare effectiveness of

services among providers. The audit recommends DSHS establish a rate structure for contracted services provided to welfare clients, standard outcome measures for contracted services that are related to the statutory goals of the program, and a competitive process for awarding contracts.

The audit also found that third-party contracts were not adequately monitored for performance or for compliance with federal and state laws and regulations. The audit recommends DSHS establish and implement a policy to monitor contracts.

The audit found that due to concerns of legality, DSHS and ES do not match data on welfare-to-work clients in order to measure outcomes of the JOBS program. In order to track the relevant outcome measures it is necessary to match client data from DSHS (e.g., client characteristics, program participation information, and AFDC monthly welfare payments) and ES (e.g., earnings from the Unemployment Insurance wage files), and then analyze the data. Because the wage data is provided by employers and is confidential, DSHS and ES have not shared this data. The audit recommends the legislature amend RCW 50.153 so that DSHS and ES can share and match data on clients to assess the effectiveness of the program.

**Rate
structure
and
monitoring
needed for
contracts**

**Statutory
change
advised**

AGENCY RESPONSES

Appendix 2 contains responses from the Office of Financial Management, the Department of Social and Health Services, and the Employment Security Department. The agencies generally concur with the recommendations made in this report.

ACKNOWLEDGMENTS

The study team wishes to acknowledge the efforts of DSHS and ES headquarters staff in providing information needed to conduct the study. We also appreciate the assistance of the DSHS and ES Regional and Community Service Office staff, and the third-party contractors we interviewed throughout the state. The study was conducted by Carol Webster and Heather Moss. Ron Perry served as the project supervisor. Greg Weeks, Ph.D., economist from The

Evergreen State College, and Martha Harden, Government Relations Consulting, provided consulting assistance.

Cheryle A. Broom
Legislative Auditor

On December 16, 1996, this report was approved by the Joint Legislative Audit and Review Committee and its distribution authorized.

Senator Al Bauer, Chair

RECOMMENDATIONS

Summary

Recommendation 1

The Department of Social and Health Services should adopt at least two outcome measures for the JOBS program: 1) increase in earnings from employment, and 2) reduction in monthly welfare payments.

The department should annually report to the legislature on the effectiveness of the JOBS program. The report should include an analysis of administrative records (from the Department of Social and Health Services and the Employment Security Department) to determine how effective the program is in meeting these outcomes, and an assessment of the cost of services relative to their effectiveness.

Implementation Date:	December 31, 1997
Fiscal Impact:	Some cost for analysis, but a potential for more cost-effective services.
Legislation Required:	No

Recommendation 2

The Employment Security Department should create and use a welfare case monitoring policy and procedure.

Implementation Date:	July 1, 1997
Fiscal Impact:	None
Legislation Required:	No

Recommendation 3

The Department of Social and Health Services should create and implement a new, simplified sanctioning policy and procedure for use in the program that will replace JOBS, and ensure contractors follow the procedure.

Implementation Date:	December 31, 1997
Fiscal Impact:	Some cost to create, but a potential for saving staff time.
Legislation Required:	No

Recommendation 4

The Department of Social and Health Services and Employment Security Department should create a new, simplified client assessment tool that can be maintained on the JOBS Automated System (JAS) or its successor, and make the assessments available to contractors.

Implementation Date:	July 1, 1997
Fiscal Impact:	Minimal
Legislation Required:	No

Recommendation 5

The Department of Social and Health Services should establish a competitive process for awarding contracts to third-party contractors for services to welfare clients. The process should emphasize services that have been proven effective in the annual analysis of outcome measures (see Recommendation 1).

Implementation Date:	December 31, 1997
Fiscal Impact:	Minimal
Legislation Required:	No

Recommendation 6

The Department of Social and Health Services should establish a rate structure for services provided to welfare clients by the Employment Security Department and by contractors, and establish standard outcome measures for services. These outcome measures should be related to statutory goals of the program.

Implementation Date:	Plan by December 31, 1997; Rate structure by June 30, 1998
Fiscal Impact:	Minimal
Legislation Required:	No

Recommendation 7

The Department of Social and Health Services should establish and implement a policy to monitor contracts for performance and for compliance with federal and state laws and regulations.

Implementation Date:	July 1, 1997
Fiscal Impact:	Minimal
Legislation Required:	No

Recommendation 8

The legislature should amend RCW 50.153 so the Department of Social and Health Services and the Employment Security Department can share and match employment and welfare data on clients to assess the effectiveness of the JOBS program, or its successor.

Implementation Date:	1997 Legislative Session
Fiscal Impact:	\$2,500 per year (computer time), but potential for more cost-effective program.
Legislation Required:	Yes

Recommendation 9

The Department of Social and Health Services should add three features to the JOBS Automated System (JAS), or its successor, to facilitate monitoring JOBS clients:

- Create an alert to show the automatic link between the JOBS Automated System (JAS) and the Automated Client Eligibility System (ACES), so that caseworkers may know the current eligibility status of the clients.
- Create an alert to notify a caseworker that an action is needed, either by the caseworker or by the client.
- Create a default that will not allow a component (except for certain specific components, such as job search or work activities) to be assigned to a client before the client's assessment and employability plan are completed and recorded as completed.

Implementation Date:	December 31, 1997
Fiscal Impact:	Some (programming time)
Legislation Required:	No

BACKGROUND, OVERVIEW, AND APPROACH OF THE PERFORMANCE AUDIT

Chapter One

The Job Opportunities and Basic Skills Training Program (JOBS), adopted by Congress in 1988, is the current education and training program for “able to work” recipients of Aid to Families with Dependent Children (AFDC). The purpose of the JOBS program is to provide education and training to AFDC recipients so that they may become self-sufficient and avoid long-term welfare dependency. JOBS began in Washington in 1991. This performance audit provides an analysis of two outcome measures to assess program effectiveness, the caseload and expenditures since 1994, and a review of current operations.

BACKGROUND/OVERVIEW OF PROGRAM

Mandate for Performance Audit

Under ESSB 6251, the Supplemental Appropriations Act, the 1996 Legislature mandated a performance audit of the effectiveness and costs of Washington’s JOBS program since 1994.

What is JOBS?

JOBS is the current welfare-to-work program (Title II of the Family Support Act of 1988), enacted by Congress as part of an effort to reform AFDC. The JOBS program was designed to provide education and job skills to those AFDC recipients considered “able to work,” or likely to become long-term AFDC dependents, so they could obtain employment and leave welfare. The federal legislation

Overview

Program provides education and training for welfare recipients

also obligated certain AFDC recipients to participate in the education and training program or face a reduction in their monthly AFDC grant.

In Washington State, the JOBS program is administered by the Department of Social and Health Services (DSHS) and is funded by federal, state, and other funds (generally local funds). This performance audit focuses upon the JOBS program in Washington State since 1994.

In federal fiscal year (FFY) 1995, the JOBS program had 57,053 clients and total expenditures of \$44,606,982.

Federal Legislative Intent

Goal of JOBS is for clients to leave welfare

The goal of the JOBS legislation passed in 1988 is to help AFDC recipients become employed, self-sufficient, and leave welfare. JOBS is directed at AFDC recipients considered “able to work” and four AFDC target populations considered most likely to become long-term recipients. An AFDC recipient whose youngest child is at least three years old, and who is neither disabled nor caring for a disabled family member, is considered able to work. The four target populations are:

- Applicants or recipients who have received AFDC for 36 of the past 60 months;
- Custodial parents under 24 years of age who have little or no work experience;
- Custodial parents under 24 years of age who have not completed high school and are not currently in school; and
- Members of families whose youngest child is within two years of being ineligible to receive AFDC.

Congress gave the states flexibility in designing their own JOBS Program, but directed the states to spend at least 55 percent of the total federal and state JOBS funds on education and job skills training. Congress set participation rates for these target populations; however, it did not establish program effectiveness

measures, as it did for the Job Training and Partnership Act (JTPA) of 1982. Instead, Congress directed the U.S. Department of Health and Human Services (HHS) to propose outcome measures for the Program. To date, HHS has not proposed them.¹

JOBS legislation established a new social contract stipulating that federal and state governments were *obligated* to provide education and training services to eligible AFDC recipients. In turn, eligible AFDC recipients were *obligated* to participate in the JOBS services in order to become self-sufficient. JOBS and other titles of the Family Support Act of 1988 were intended to change the character of AFDC by establishing the responsibilities and obligations of the federal government, the states, and the participants.

JOBS Implementation Legislation in Washington

Washington State passed its JOBS legislation in 1991 (RCW 74.25) and gave DSHS sole responsibility for operating a *voluntary* program with the expressed legislative intent of economic self-sufficiency through employment. The following statements in the legislation make this clear:

The Legislature establishes as state policy the goal of economic self-sufficiency for employable recipients of public assistance, through employment, training, and education.

and

Job Opportunities and Basic Skills Training Program is specifically directed at increasing the labor force participation and household earnings of Aid to Families with Dependent Children recipients . . .

¹ Instead, HHS only required states to report *participation* rates. JTPA legislation included outcome measures (such as reduction in welfare use, increase in earnings from employment, and job retention) when the legislation was enacted. The discussion of outcome measurements is a key topic of the GAO report, *Welfare to Work: Measuring Outcomes for JOBS Participants*, April 1995.

Performance measures are missing

Focus on self-sufficiency through employment

Other Legislation That Affected JOBS in Washington

The legislature made two changes related to public assistance that affected the JOBS program. The first change was made in 1993 and the second in 1994. Both pieces of legislation emphasized the temporary nature of public assistance and the goal of employment for JOBS participants.

In 1993, the legislature passed ESHB 1197, Public Assistance—Incentives to Work or Complete Schooling. The legislation instructed DSHS to divide the AFDC population into groups based on their need for services and to match services to the needs of each group. In the intent section of ESHB 1197, the legislature said, “Public assistance is intended to be a temporary financial relief program . . .” and that “. . . employment, training, and education services . . . are effective tools in achieving economic self-sufficiency.”

The legislation stipulated that first priority of service would go to individuals volunteering for services. It also authorized DSHS to contract with public and private agencies and other public service organizations.

AFDC grants to be reduced after four years

In 1994, the legislature passed E2SHB 2798, Welfare System Reform.² The legislation instructed DSHS to reduce AFDC grants (by 10 percent per year) to families that had received welfare for four years, and to emphasize the expectation that AFDC recipients will enter employment. In Section I, the legislation stated, “. . . inadequate emphasis on employment by the social welfare system was an obstacle to achieving economic independence.” The intent of the legislature also states: “Income and employment assistance programs emphasize the temporary nature of welfare and set goals of responsibility, work, and independence.”

Changes in JOBS Made by DSHS

The JOBS program changed again in 1995. HHS asserted that Washington State was not meeting the federal participation requirements for two-parent family (AFDC-E) participation under

² Because the legislation reduced monthly grants, a waiver from HHS was necessary, and the waiver was granted in 1995.

its *voluntary* program. HHS threatened to sanction Washington and suggested that DSHS follow the federal intent of a *mandatory* program. As a result, in July 1995, DSHS declared the JOBS program mandatory for two-parent family recipients. In October, the JOBS program was declared mandatory for eligible single-parent family (AFDC-R) recipients.

Also in October 1995, DSHS determined that all new JOBS participants would be assigned to one of four groups, known as “pathways.” The purpose of these pathways was to provide appropriate and cost-effective services to JOBS participants so they could move from welfare to work.

Legal Decision That Affected the JOBS Program

A case was brought to the Thurston County Superior Court by the Washington Federation of State Employees, who claimed DSHS was “contracting out” services. The services could be, and historically had been, provided by employees of the Employment Security Department (ES); therefore, DSHS was in violation of civil service law. On May 28, 1996, Judge McPhee granted an injunction prohibiting DSHS from contracting with the Oberg Personnel Agency, a private, for-profit employment placement agency. Consequently, the “job search” service to JOBS participants is contracted to ES.

AUDIT SCOPE AND APPROACH

The scope and objectives of this study (see Appendix 1) are consistent with the mandate in ESSB 6251. There are three general areas addressed by this performance audit:

- Outcome measures used to determine JOBS program effectiveness
- JOBS caseload and expenditures since 1994
- JOBS program management

**Participation
is now
mandatory**

Appropriate performance outcome measures needed

Outcome Measures Used to Determine JOBS Program Effectiveness

The audit team analyzed two outcome measures to determine JOBS program effectiveness. The measures follow directly from federal and state legislative intent for the JOBS program. These two outcome measures have also been used in the evaluation of JOBS programs in other states.³ The two measures are:

- Increase in earnings (as measured by JOBS participants' quarterly earnings from employment); and
- Reduction in welfare grants (as measured by JOBS participants' monthly welfare grants).

The audit team obtained administrative data from DSHS on over 25,000 JOBS participants who were in the JOBS program in October, November, and December of 1993. We tracked these clients through December 1995.⁴ We also obtained the quarterly earnings records from ES on these same JOBS participants through March 1996 (a two-year follow-up period). The results of the analysis of the outcome measures is shown in Chapter 3.

Field Interviews to Understand the Current JOBS Program

In order to understand the current operation of the JOBS program, in light of the program changes made in October 1995, the audit team conducted 67 structured interviews in the six DSHS regions. We interviewed DSHS Regional Administrators and ES Regional

³ *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program*. Manpower Demonstration Research Corporation. New York, September 1994, and *Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program*. Manpower Demonstration Research Corporation. New York, April 1995. Also see, U.S. Department of Health and Human Services and U.S. Department of Education. *The Jobs Evaluation: Early Findings on Program Impacts in Three Sites*. MDRC: Washington D.C., 1995.

⁴ We obtained their educational level and recent work experience, the number of children and the age of the youngest child, the JOBS education and training service they were assigned, the type of provider of the service, the area of the state in which they lived, and the amount of their monthly AFDC grant.

Directors, and/or their JOBS coordinators. We also interviewed staff in the Community Services Offices (CSOs), the Job Service Centers, and from the third-party contractors.

JOBS Program Caseload and Expenditures

DSHS and ES provided JOBS expenditure data. The expenditures and categories were discussed in meetings with staff from DSHS, ES, the Office of Financial Management (OFM), legislative fiscal committee, and the audit team. Details of expenditures, by agency and by component, are shown in Chapter 2.

JLARC Legislative Subcommittee

The Joint Legislative Audit and Review Committee (JLARC) appointed a legislative subcommittee, comprised of two members of the JLARC Executive Committee and two members each from the House and Senate who had extensive knowledge of welfare in Washington. Caucus staff and staff from legislative fiscal and policy committees also attended. The audit team met with the subcommittee, at the beginning of the study, to discuss the scope and objectives of the study and to learn areas of interest and concern to the legislature. They met again with the subcommittee, at the end of the study, to discuss findings.

**Legislative
subcommittee
assisted**

Other States' JOBS Experience

The Washington State Institute for Public Policy reviewed the JOBS program in eight other states. That state-by-state review is published under a separate cover and is being distributed by the Institute.⁵

⁵ Thomas Karier, *Job Opportunities and Basic Skills: Perspectives From Eight States*. Olympia, Washington State Institute for Public Policy, October 1996.

PROGRAM CASELOAD, EXPENDITURES, AND OPERATIONS

Chapter Two

The JOBS program is managed by DSHS. JOBS offers education and training services to AFDC recipients, and the services are provided by DSHS, ES, and third-party contractors. In federal fiscal year (FFY) 1995 the JOBS program had 57,053 participants and a total budget of \$44,606,982. This was a 13 percent increase in caseload and a 40 percent increase in total expenditures from FFY 1994. In both FFY 1994 and FFY 1995, most of the expenditures were in five categories. The first four categories were JOBS service components (assessment/employability plan, job readiness, basic education, and post-secondary education activities). The fifth category was client services. These services (e.g., reimbursement for transportation, tools, and uniforms) are used to help a client complete an education or training component. Child care is also provided, but is not part of the JOBS budget.¹

Summary

THE JOBS CASELOAD AND EXPENDITURES INCREASED SINCE FFY 1994

From FFY 1994 to FFY 1995, the number of JOBS participants increased by almost 13 percent, while the AFDC caseload decreased slightly.

¹ Child care is part of the AFDC budget.

Exhibit 1
Increase in JOBS Caseload

Federal Fiscal Year	JOBS Participants	AFDC Monthly Caseload	Percentage of AFDC Caseload
1994	50,640	104,780	48%
1995	57,053	102,999	55%

The larger number of JOBS participants may be attributed to increased federal, state, and other funding; federal participation requirements; and the emphasis on requiring two-parent (AFDC-E) households to participate.

Total JOBS Program Expenditures

The total JOBS expenditures for FFY 1995 is \$44,606,982, an increase of 42 percent from FFY 1994. JOBS expenditures are in addition to the AFDC welfare payments to families but they do not include child care. Exhibit 2 summarizes the total federal JOBS award available, the actual federal expenditures, and the state and local fund expenditures from FFY 1991 through 1995.

Exhibit 2
JOBS Program Expenditures, FFY 1991 - 1995

JOBS FUNDING, FFY 1991-1995												
(a) Federal Fiscal Year	(b) Federal Award	(c) State & Local Match	(d) Percentage of Federal Award Used	(e)			(f) Total Program Components & Activities	(g) Total Supportive Services	(h) Total Other Non-Component IV-F Cost	State Fiscal Year		
				Total Spent Local	Total Spent State	Total Spent Federal				Total Spent (Federal, State & Local)	(i) Total AFDC Adult Population	(j) Total JOBS Participation Population
1991	23,479,568	6,999,133	51%	0	6,999,133	11,971,880	18,971,013	The 332 reports began in Federal Fiscal Year 1992->	85,555	Not Available		
1992	23,266,761	11,942,277	86%	0	11,942,277	20,072,208	32,014,485	21,222,255	6,701,251	4,090,979	98,106	
1993	23,710,574	12,142,563	87%	1,404,548	10,738,015	20,625,784	32,768,347	20,453,750	7,464,255	4,850,342	101,951	
1994	26,072,703	11,709,070	78%	1,224,007	10,485,063	20,212,684	31,921,754	23,140,644	6,868,552	1,912,558	104,780	
1995	30,948,016	17,182,050	89%	3,467,123	13,714,927	27,424,932	44,606,982	35,422,386	6,852,489	2,332,107	102,999	

Note:
 (c) State & Local Match = is the amount expended by state agencies and local contracted vendors for the Federal Fiscal Year
 (f) Total Program Components & Activities = Total expenditures on line "1 n - JOBS Program Components / Total Expenditures" from the DHHS 332 report.
 (g) Total Supportive Services = Total expenditures on line "2 - Supportive Services (Program Costs Only) from the DHHS 332 report.
 (h) Total Other Non-Component IV-F Costs = Total expenditures on line "3 - Other Non-Component IV-F Costs" from the DHHS 332 report.
 (i) - The "Total AFDC adult population" is based on the DSHS Briefing Book figures. Total persons less total children = adults (annual months average)
 (j) - The "Total JOBS participation population" is based on the "ESD/DSHS JOBS Component Summary Report" of unduplicated case count.

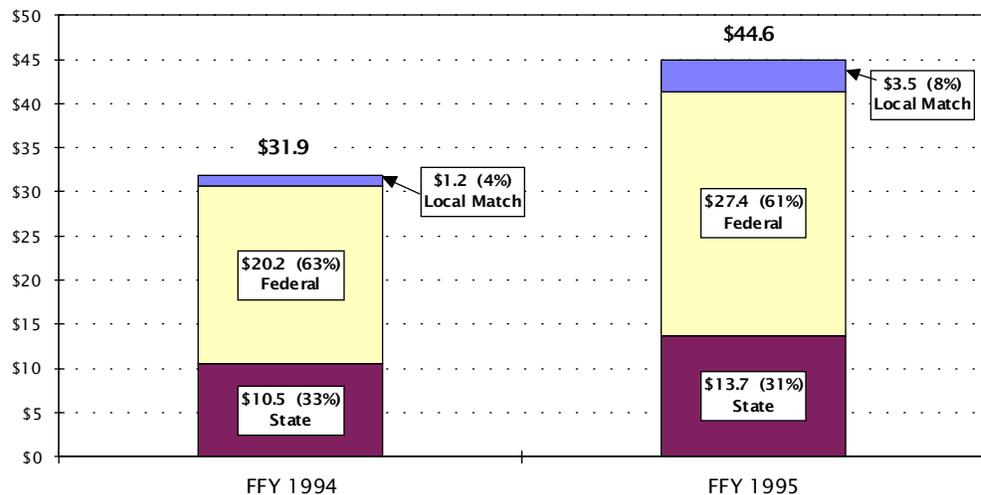
Third-Party Matching Funds Increased From FFY 1994 to FFY 1995

As shown below in Exhibit 3, total expenditures for the JOBS program from each revenue source increased from FFY 1994 to FFY 1995. State general fund dollars increased by \$3.2 million. Within the increase, however, federal and state funds (as a percentage of the total expenditures) decreased slightly. The local matching funds doubled from 4 percent to 8 percent due to the increased use of third-party match contractors. Exhibit 3 shows how the addition of third-party matching funds affected the mix of total program expenditures for FFY 1994 and FFY 1995.

Local funds helped to access more federal dollars

By using matching funds from the third-party match contracts to access (“draw down”) federal funds, Washington received more of the federal award than it otherwise could have matched by the state general fund dollars alone. As a result of third-party match contracts, Washington received \$2,058,686 more in federal funds in FFY 1994 and \$5,209,266 more in FFY 1995.

Exhibit 3
JOBS Expenditures by Funding Source,
FFY 1994 and 1995
(Dollars in millions)



Shift in State Agency Expenditures

As shown below in Exhibit 4, the actual dollar expenditures by DSHS and ES increased from FFY 1994 to FFY 1995, and the

percentage of the total funds spent by each agency shifted. The percentage spent by DSHS rose from 23 to 30 percent of the total, while the percentage spent by ES fell from 66 to 50 percent of the total. This shift in spending can be explained by DSHS headquarters assuming responsibility for the technical assistance, training, policy development, and monitoring functions that were formerly done at ES. Also DSHS assumed responsibility for serving custodial parents under 24 years of age without a diploma. The increase in ES expenditures was due to ES contracting for job development and for serving two-parent cases.

Shift in agency responsibility and expenditures

Exhibit 4
JOBS Expenditures by Agency, FFY 1994 and 1995
(Dollars in millions)

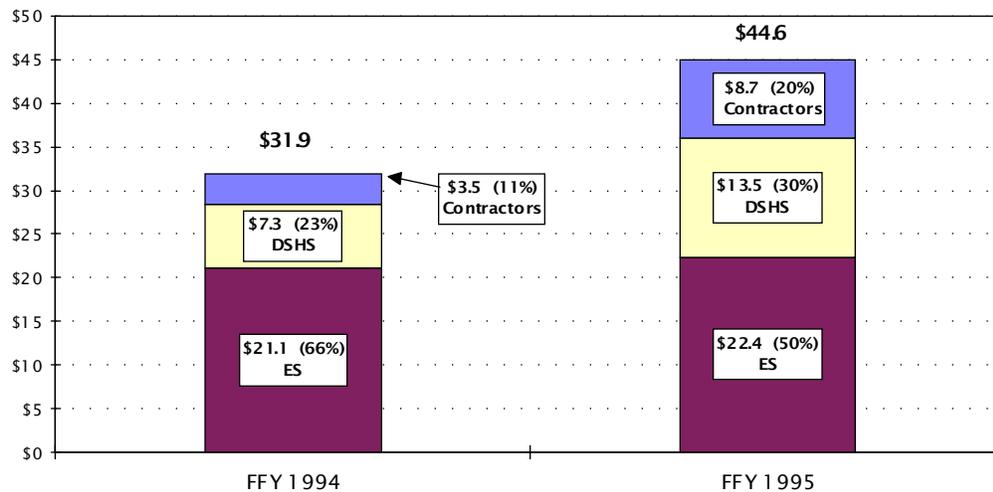


Exhibit 5 shows how the two state agencies spent their share of JOBS funds. The field client services and support category includes salaries, benefits, and related overhead for all local office and regional staff that provide JOBS program services. Headquarters support includes salaries, benefits, and related overhead for all headquarters staff that support the JOBS program. It also includes costs associated with the use of JAS and the JOBS Financial System (JFS) as well as data processing. Client supportive services include the cost of services to clients or to vendors in support of a JOBS component. DSHS expenditures are reported in FFY 1995 and ES expenditures are reported in state fiscal year (SFY) 1995.

Exhibit 5
Agency Expenditures for JOBS in 1995
(Dollars in Millions)

CATEGORY	DSHS (FFY 1995)	PERCENT	ES (SFY 1995)	PERCENT
Headquarters Support	\$2.4	18%	\$3.1	14%
Field Client Services and Support	\$10.6	78%	\$12.4	55%
Client Supportive Services	\$0.5	4%	\$6.9	31%
TOTAL	\$13.5	100%	\$22.4	100%

FTEs Increased in DSHS and ES

FTEs in DSHS and ES assigned to JOBS increased by approximately 25 percent from FFY 1994 to 1995 (DSHS) and SFY 1994 to 1995 (ES). FTEs in DSHS increased by 51 percent while FTEs in ES increased by 13 percent. There were 16 new FTEs in DSHS and the other existing FTEs were reassigned. See Exhibit 6 below.

Exhibit 6
Increase in FTEs

Agency	1994	1995	% Increase
DSHS (FFY)	118	178	51%
ES (SFY)	261	296	13%
TOTAL	379	474	25%

Most JOBS Program Expenditures Were in Five Categories

In FFY 1995 over 70 percent of JOBS program expenditures were made in these five categories:

1. Assessment/employability plan (16%)
2. Job readiness activities (21%)
3. Basic education (16%)
4. Post-secondary education (5%)
5. Client supportive services (15%)

The costs for the four *direct* service components (numbers 1-4 above) reflect DSHS or ES staff costs. Although client supportive services is not considered a direct component, much of the costs for education activities (e.g., reimbursement for tuition and books) are paid under client supportive services.

Exhibit 7 below shows JOBS expenditures for all components and other costs in FFY 1994 and 1995. For some components, expenditures may have been made from other sources (e.g., post-secondary education tuition may have been paid through Pell grants).

Exhibit 7
JOBS Expenditures by Category, FFY 1994 and 1995

CATEGORY	FFY 1994	PERCENT	FFY 1995	PERCENT
<i>Direct Service Components</i>				
Assessment/Employability Plan	\$6,480,787	20%	\$7,147,875	16%
Job Readiness Activities	\$4,143,732	13%	\$9,576,987	21%
Education Activities				
Basic Education Activities	\$3,673,901	12%	\$7,194,523	16%
Post Secondary Activities	\$2,946,153	9%	\$2,323,440	5%
Job Search	\$1,863,336	6%	\$2,842,115	6%
Job Skills Training	\$1,631,783	5%	\$1,938,650	4%
Self-Initiated Education Activities	\$742,815	2%	\$691,139	2%
Other Approved Program Activities (WEX)	\$619,254	2%	\$2,125,008	5%
Self-Initiated Training Activities	\$374,740	1%	\$443,336	1%
Job Development & Placement	\$291,794	1%	\$526,427	1%
On-the-Job Training	\$236,621	1%	\$483,795	1%
Community Work Experience (CWEP)	\$135,207	0%	\$56,022	0%
Work Supplementation (EPP)	\$521	0%	\$73,069	0%
SUB-TOTAL	\$23,140,644	72%	\$35,422,386	79%
<i>Other Related Costs</i>				
Supportive Services (Program Costs Only)	\$6,868,552	22%	\$6,852,489	15%
Other Non-Component IV-F Costs	\$1,912,558	6%	\$2,332,107	5%
TOTAL	\$31,921,754	100%	\$44,606,982	100%

Exhibit 8 shows the components to which clients were assigned in FFY 1995.

Exhibit 8
Clients by Components, FFY 1995

COMPONENT	DSHS	ES	TOTAL	PERCENT
Assessment/Employability Plan (inc. hold. & wait.)	15,692	36,382	52,074	46%
Job readiness	6,101	5,593	11,694	10%
Education Activities				
Basic Education	7,549	6,133	13,682	12%
Post Secondary	375	6,475	6,850	6%
Job Search	1,905	9,088	10,993	10%
Job Skills Training	583	4,263	4,846	4%
Self-Initiated Education	281	2,959	3,240	3%
Work Experience (WEX)	407	1,522	1,929	2%
Self-Initiated Training	112	1,440	1,552	1%
Job Development & Placement	380	2,622	3,002	3%
On-the-Job Training	164	518	682	1%
Community Work Experience (CWEP)	2	86	88	0%
Work Supplementation (EPP)	12	26	38	0%
Other (inc. case management, conciliation)	1,046	35	1,859	2%
TOTAL	34,609	77,142	112,529	100%

Note: A client may have been assigned to more than one component; therefore, the total number of individuals shown above (112,529) is larger than the FFY 1995 caseload (57,053).

Source: DSHS (from JAS report).

HOW THE PROGRAM OPERATES

This section describes how the JOBS program operated in the summer of 1996. This was after DSHS declared the program *mandatory* in 1995² and after responsibility for issuing contracts was transferred from DSHS headquarters to the six regions. Some of these features may change when the new federal welfare reform begins July 1, 1997.

How AFDC Recipients Enter the JOBS Program

Potential JOBS participants are identified by a DSHS financial eligibility worker in a local CSO at two points: 1) at the time of the initial application for AFDC, or 2) at a six-month review of their AFDC case. The financial eligibility worker identifies persons who are considered “able to work.”

² During the period of October 1993 through December 1995 (the period covered by our analysis of administrative data) the JOBS Program was *voluntary*.

Each JOBS Participant is Assigned to a “Pathway,” and a State Agency

An eligible JOBS participant is assigned to one of the four pathways, created by DSHS in 1995, to target services deemed most appropriate and cost-effective, given a participant’s characteristics. The pathways and the two state agencies that provide services are:

Pathway	Characteristics	Served by
1	Job ready	ES
2	Custodial parents under 24 years of age without diploma	DSHS
3	Employable, but needs training	ES
4	Not job ready, disabled, potential SSI referral	DSHS

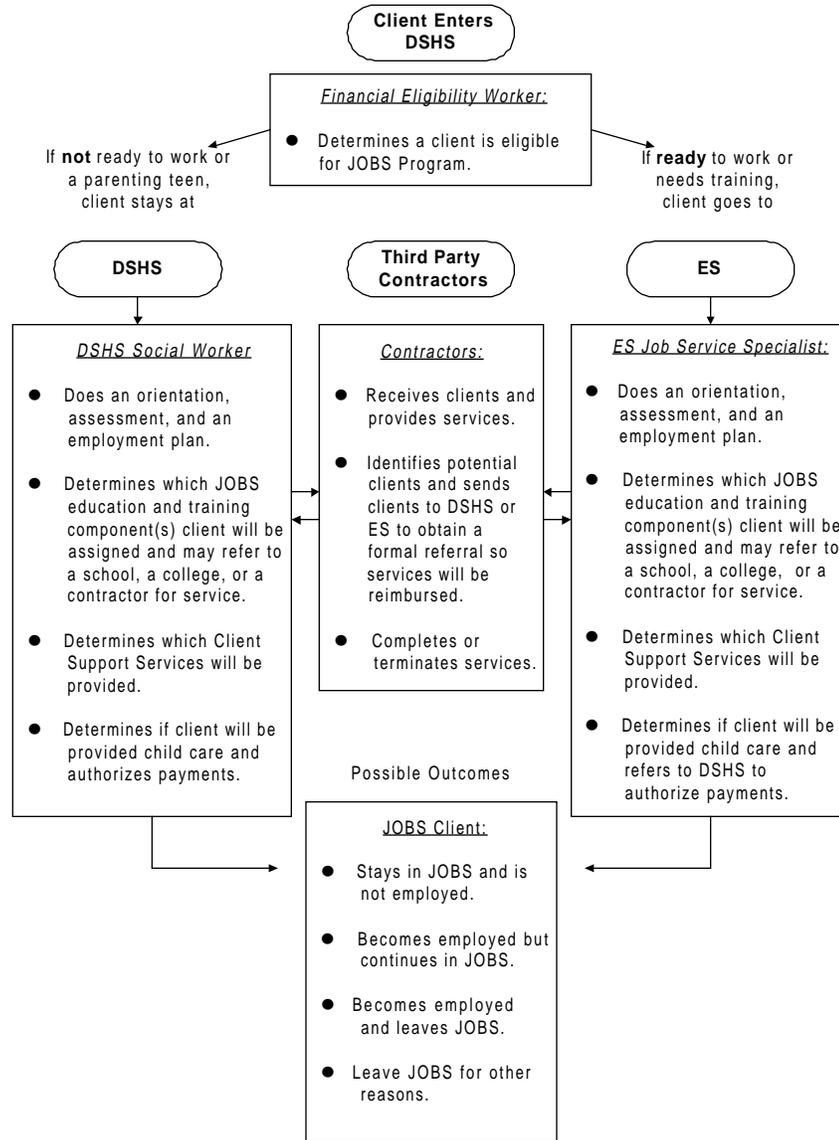
The JOBS staff of DSHS and ES are generally co-located within the same local CSO.

Client Data is Entered on the JOBS Automated System (JAS)

Once the DSHS or ES caseworker meets with the client, the client is assigned an identification number in JAS. The caseworker then conducts an assessment and develops the employability plan. After the assessment and the employability plan have been done, the JOBS participant is assigned to a JOBS service, known as a “component.” The assessment, employability plan, and each JOBS component assigned to a client is recorded in JAS.

Exhibit 9, the JOBS Program Flow Chart, describes the process. Chapter 3 discusses our findings regarding which components are estimated to have the greatest effect upon an increase in earnings and a reduction in welfare payments.

Exhibit 9 JOBS Program Flow Chart



Source: JLARC analysis of DSHS and ES process.

Education and Training Services

The JOBS participant may receive an education and training component through DSHS or ES; or, the participant may be referred to a school, community college, four-year college, or a

local nonprofit organization, known as a “third-party match contractor.”³ Washington State provides the following components:

Exhibit 10
JOBS Education and Training Components

<i>Federally-Required:</i>	<i>Washington Also Provides:</i>
<p><u>Education Activities</u> <u>Basic education</u> Adult Basic Education (ABE) English as a Second Language (ESL) General Equivalency Diploma (GED) High School Completion <u>Post-Secondary Education</u>⁴ Two-year college Four-year college</p> <p><u>Job Skills Training</u>⁵</p> <p><u>Job Readiness Activities</u></p> <p><u>Job Development/Placement</u></p>	<p><u>Community Work Experience or Other Work Experience</u> Community Work Experience (CWEP)⁶ Work Experience (WEX)</p> <p><u>On-the-Job Training</u></p> <p><u>Job Search</u> Initial Secondary Extended</p> <p><u>Work Supplementation</u> Employment Partnership Program (EPP)</p>

Each of the education and training components listed in Exhibit 10 are recorded in JAS. It also records “holding” and “waiting”⁷ and the three sanction-related components (“good cause”, “conciliation”, and “sanction”). JAS can be used to record case notes (e.g., if a client is a victim of abuse). Both DSHS and ES caseworkers have access to JAS in their offices, but third-party match contractors do not. (This is discussed in Chapter 4.)

³ Because these local nonprofit organizations use local, foundation, or other various funds to *match* federal funds, they are known as “third-party match contractors.” A few contractors are not “match” contractors and are not included in our review of contracting issues in this audit.

⁴Two-and four-year college may be initiated by the participant prior to involvement in the JOBS program. JOBS will pay for the participant’s supportive services, but will not cover direct component costs.

⁵Job skills training also may be initiated before the participant’s involvement in the JOBS program. Again, JOBS will pay for the participant’s supportive services, but will not cover tuition or other direct component costs.

⁶CWEP is a community work assignment for which the client works, at minimum wage, a number of hours that is equivalent to the monthly AFDC grant. The work is not voluntary and the client is not paid. CWEP was not provided after October 1995. In contrast, WEX is voluntary and can be up to 40 hours per week.

⁷Holding is used to show an interruption such as a break between school semesters. Waiting is used to record a participant as active but waiting to begin a new component in the near future (i.e., the next job readiness class might not begin for several weeks).

Client Services

The JOBS participant also may receive client supportive services, work-related services, and child care. Supportive and work-related services include reimbursement for such expenses as public transportation, mileage, car repairs, clothing, uniforms, and tools. These services are part of the JOBS expenditures. Child care is managed exclusively by DSHS and is a separate program with its own funding.

Program and service characteristics

Mandatory Participation and Sanctions

If a mandatory JOBS participant does *not* participate, either by failing or refusing to participate in the program, the recipient may be “sanctioned.” A three-stage sanction process was established in 1995.⁸ This is discussed further in Chapter 4.

No Dollar or Time Limit on JOBS Services

DSHS has set specific dollar limits for certain supportive services and one-time work related expenses. However, there is no established limit on *total* client expenditures per JOBS participant.⁹

Unlike the five-year time limit under the new federal welfare reform, there is no time limit for how long a client may participate in the JOBS program.

⁸The sanctioning process is specified in WAC 388-300-340. First, a DSHS social worker must determine if the JOBS participant had a reason for not participating. This is known as a *good cause*. (Only DSHS staff can determine “good cause.”) Second, if there is no good cause for not participating, the JOBS participant and the agency or contractor serving the JOBS participant begin the service again. This is known as *conciliation*. Third, if the JOBS participant does *not* have a good cause, or if the participant failed to participate under the conciliation, the actual *sanction* of cutting the grant may be imposed.

⁹A limit of \$4,500 *did* exist in WAC 388-47-115 until 1995. DSHS removed the agency-imposed limit, which was held over from the Family Independence Program (FIP), when staff found they made exceptions to the limit for high-cost components such as on-the-job training.

JOBS PROGRAM AND CONTRACT MANAGEMENT

As the state's Title IV-A agency, DSHS is solely responsible for the administration of the AFDC and JOBS programs. All clients who participate in the JOBS program receive AFDC, but not all AFDC clients are eligible for JOBS. The Division of Employment and Social Services (DESS) administers the JOBS program. However, the JOBS administration is separate from the AFDC administration. (Chapter 4 discusses contract management.)

Managing JOBS Participants' Activities

An individual JOBS client's participation is monitored by either a DSHS or an ES caseworker. The caseworker is supervised by either the DSHS or ES JOBS supervisor, who is generally located in the same CSO but may be in another office. A client whose JOBS case is managed by ES may also receive child care payments and food stamps from DSHS.

Managing Contracts

DSHS provides direct services to those clients who are assigned a pathway served by DSHS, but DSHS also contracts with both ES and third-party contractors to provide services to clients. In 1995, almost the entire contracting process (e.g., determining the need for client services, negotiation of fees for services, contracting, and monitoring contract performance) was transferred from DSHS headquarters to the six DSHS regional administrators. The DSHS regional administrators sign contracts with ES regional directors and with third-party contractors.

DSHS headquarters also signs a "headquarters contract" with ES. The contract primarily includes statewide JAS and JFS support. DSHS headquarters retains responsibility for JOBS contracting policy, technical assistance, and monitoring contracts for compliance with laws and regulations.

Oversight

PROGRAM OUTCOMES

Chapter Three

This examination of the effectiveness of the JOBS program is based upon an analysis of administrative records from DSHS and ES, and was conducted by Greg Weeks, Ph.D., consultant to JLARC on this project. The analysis was based upon a sample of more than 25,000 adults, all of whom were in the JOBS program in 1993, before it became mandatory in 1995.

The analysis found that there were positive outcomes for the JOBS program, that JOBS clients who worked had better long-term outcomes than those who did not, that some JOBS components produced statistically significant increases in earnings and reductions in welfare after a one-year and a two-year follow-up, and that certain personal and program characteristics affected outcomes. The three JOBS components that were estimated to produce the greatest long-term effects for JOBS participants were: on-the-job training, job search and post-secondary education. However, JOBS expenditures for these three components were relatively small (see Exhibit 6 in Chapter 2).

OUTCOME MEASURES AND ADMINISTRATIVE DATA USED IN THIS ANALYSIS

This performance audit describes the estimated effects of the program upon JOBS participants as it operated from 1993 to 1995. Ideally, an evaluation of a program’s effectiveness would use an experimental design, that is, a random assignment of clients to a

Overview

Report analyzes effectiveness of JOBS

treatment group that receives the program service, and to a control group that does not. A net impact analysis of this type was not expected from the mandate for this performance audit. Also, a post-program comparison study that compared JOBS clients to AFDC clients not participating in JOBS could not be done here because data crucial to such a comparison (such as the educational level of AFDC recipients not participating in the JOBS program) was not collected. (Appendix 3 describes the methodology for the analysis.)

Two outcome measures used to evaluate JOBS in other states . . .

Data on over 25,000 JOBS participants in 1993 was analyzed to estimate the effectiveness of the JOBS program using the following two performance outcome measures:

- Increases in earnings (*as measured by earnings recorded in the Unemployment Insurance wage files*)
- Reductions in welfare (*as measured by monthly AFDC grants*)

These two outcome measures follow the intent of the federal and state legislation related to the JOBS program, and they have been used in evaluations of JOBS programs in other states. For example, these two measures were used by Manpower Development Research Corporation (MDRC) in its evaluations of the JOBS programs in California and Florida; by Mathematica Policy Research in its evaluation of the Minority Female Single Parent Demonstration Program; and by MDRC in the evaluation of JOBS programs in Riverside, Atlanta, and Grand Rapids.¹

. . . data is available from DSHS and ES

To use the two outcome measures in the analysis, the audit team obtained DSHS administrative records on over 25,000 JOBS participants who were in the JOBS program in October, November,

¹ *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program.* Manpower Demonstration Research Corporation. New York, September 1994. *Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program.* Manpower Demonstration Research Corporation. New York, April 1995. John Burghardt and Anne Gordon, *More Jobs and Higher Pay: How and Integrated Program Compares with Traditional Programs*, The Rockefeller Foundation. New York, 1990. *The JOBS Evaluation: Early Findings on Program Impacts in Three Sites*, U.S. Department of Health and Human Services and U.S. Department of Education. Washington, D.C., September 1995.

and December 1993, and then followed their JOBS participation and welfare use through December 1995. This population formed the JOBS sample for this analysis.² (The sample design is shown in Exhibit 22 in Appendix 3.)

This DSHS administrative data was then matched with earning records of the Unemployment Insurance (UI) wage files at ES. Earnings were tracked through March 1996. This provided a two-year follow-up of the two program outcomes.

THREE POSITIVE TRENDS IN JOBS PROGRAM OUTCOMES

This analysis of the JOBS sample found three positive trends in the JOBS program outcomes during the two-year (eight quarter) follow-up period. These trends are for the *entire* sample who left JOBS during the analysis period—including those JOBS clients who *did not work* and did *not* have reported earnings. The trends during the two-year follow-up period, from the first to the eighth quarter after clients left JOBS, were:

- There was a slight increase in average earnings from employment (*\$372 to \$448 per month*).
- The portion receiving welfare declined (*51 to 20 percent*).
- The average AFDC grant was reduced (*\$265 to \$109 per month*).

These positive trends need to be considered in light of previous research on JOBS programs in other states and public assistance clients in Washington State. First, the JOBS program can be expected to produce a positive but modest impact. MDRC reported both an increase in earnings and a reduction in welfare payments in California's GAIN program and in Florida's Project Independence. In a study of three JOBS sites (Riverside, Atlanta, and Grand

Analysis
shows
some
positive
trends . . .

² Data from several DSHS sources were used: personal characteristics of JOBS participants from both the Interactive Terminal Input System (ITIS) and JAS, program participation information from JAS, and AFDC grant amounts through the monthly warrant roll.

... but
results may
have been
similar
without the
program

Rapids), MDRC found that programs that use job search, followed by job skills training to promote rapid job entry, can produce reductions in welfare and increases in earnings.³

Second, there was a consistent portion of JOBS recipients employed (between 41 and 45 percent) during the period 1993 to 1995. This is almost an identical portion of employment by women on public assistance in 1988 as reported in Washington's *Family Income Study*.⁴ Because their employment was several years *before* JOBS was implemented in Washington, the JOBS program may not have increased the portion of welfare recipients who would have become employed anyway. We cannot be certain of this, however, because this analysis was not based upon an experimental research design.

Third, the unemployment rate was decreasing during the study period. The state unemployment rate (non-agricultural) was 7.5 percent in 1993 and 6.4 percent in both 1994 and 1995.⁵

Fourth, an increase in earnings and a reduction in welfare use may be expected over time. The *Family Income Study* also found that welfare clients increased their earnings and reduced their welfare use over time.

IMPACTS OVER TIME

Exhibit 11 shows the changes by quarter for the entire JOBS sample, including those who worked and those who did not. The chart shows a slight increase in earnings and a reduction in welfare payments over the two-year period. Of the entire JOBS sample, 20 percent still received AFDC after two years.

³ *The JOBS Evaluation*, U.S. Department of Health and Human Services and U.S. Department of Education, Executive Summary, page 9, September 1995. This study compared an employment-focused approach to an education-focused approach.

⁴ The Washington State *Family Income Study*, a five-year longitudinal study, was conducted by the Washington State Institute for Public Policy and based on a sample of AFDC recipients drawn in March 1988.

⁵ Labor Market and Economic Analysis branch of ES, by telephone, October 18, 1996.

Exhibit 11
Average Monthly Earnings Increased and Welfare
Decreased for the Entire JOBS Sample
in a Two-Year Follow-Up

Follow-up Quarter	Percent With Earnings	Mean Earnings (per month)	Percent Who Received AFDC Grant	Monthly Average AFDC Grant
First	43%	\$372	51%	\$265
Second	45%	\$415	41%	\$217
Third	45%	\$431	36%	\$188
Fourth (1 year)	45%	\$447	32%	\$168
Fifth	44%	\$456	28%	\$149
Sixth	43%	\$458	25%	\$133
Seventh	43%	\$457	23%	\$125
Eighth (2 Years)	41%	\$448	20%	\$109

Twenty percent still received AFDC two years after leaving JOBS

Source: JLARC analysis of administrative data.

NOTE: The earnings and AFDC payments are shown in actual, not constant dollars. The inflation rate during this 24-month period was 6.4 percent.

JOBS PARTICIPANTS WHO WORKED HAD BETTER OUTCOMES

When we examined the results of *only those JOBS participants who did work* (41 to 45 percent of the entire sample), we found the outcomes were better over a two-year follow-up than for the total sample. This suggests that a welfare-to-work program that emphasizes work, in addition to training and education, can have beneficial effects for the client’s family (through increased income), and for the taxpayers (through welfare reductions). The outcomes for only those JOBS clients who worked, from the first to the eighth quarter after clients left JOBS, were:

- Median earnings increased (*\$794 to \$981 per month*).
- Portion receiving welfare declined (*30 to 8.5 percent*).

- Average amount of monthly AFDC grant decreased (*\$138 to \$41 per month*).

Exhibit 12 shows the changes by quarter for that portion of the JOBS sample who worked. After two years, only 8.5 percent of those who worked remained on AFDC, in contrast to 20 percent of the entire sample.

Exhibit 12
Average Monthly Earnings Increased and Welfare
Decreased More for Those *Who Worked* in the JOBS
Sample in a Two-Year Follow-Up

JOBS clients who worked were less likely to remain on welfare

Follow-up Quarter	Median Earnings (per month)	Percent Who Received AFDC Grant	Monthly Average AFDC Grant
First	\$794	30.1%	\$138
Second	\$863	20.1%	\$92
Third	\$890	16.4%	\$75
Fourth (1 year)	\$923	14.5%	\$67
Fifth	\$974	12.1%	\$55
Sixth	\$970	11.1%	\$52
Seventh	\$993	10.7%	\$52
Eighth (2 years)	\$981	8.5%	\$41

Source: JLARC analysis of administrative data
 NOTE: The earnings and AFDC payments are shown in actual, not constant, dollars. The inflation rate during this 24-month period was 6.4 percent.

CERTAIN JOBS COMPONENTS APPEAR TO HAVE A POSITIVE EFFECT

Certain JOBS components appeared to have positive effects upon earnings and welfare reduction, even when personal characteristics (described in Exhibit 15) were considered.⁶ We examined results at

⁶ The consultant conducted a multiple regression, controlling for the personal characteristics of the JOBS clients. (See Appendix 3.)

a one-year and a two-year follow-up period after clients left the JOBS program. (For the methodology of this analysis and an explanation of why the last JOBS component was used, see Appendix 3.)

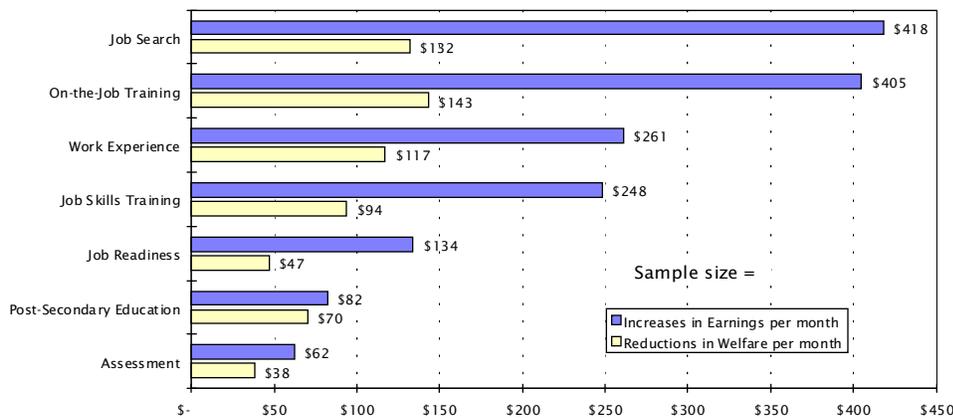
One-Year Follow-Up Shows Several Components Have Estimated Short-Term Effects

After a one-year follow-up, the five components that appeared to have the greatest statistically significant effect were employment-related rather than education-related. These components were: job search, on-the-job training, work experience, jobs skills training, and job readiness. Post-secondary education, which may have been vocational education and thus employment-related, also had a positive effect. In contrast, the education-related JOBS components (such as four-year post-secondary, high school completion, and GED) did not appear to effect an increase in earnings or a reduction in welfare payments.

Exhibit 13 shows the estimated relative effect of several JOBS components upon an increase in earnings and a reduction in welfare grants *per month* after a one-year follow-up.

Employment-related services had a positive impact after one year

Exhibit 13
Job Search and On-the-Job Training Had the Greatest Estimated Impact on an Increase in Earnings and a Reduction in Welfare One Year Follow-Up



Note: Statistically significant at .05 level.
 Source: JLARC analysis of administrative data.

The analysis sample shrank when we excluded cases that never left the JOBS program during the analysis period or had missing key data elements. Of the 15,601 cases that left during the analysis period, 7,011 left in time to allow a one-year follow-up.

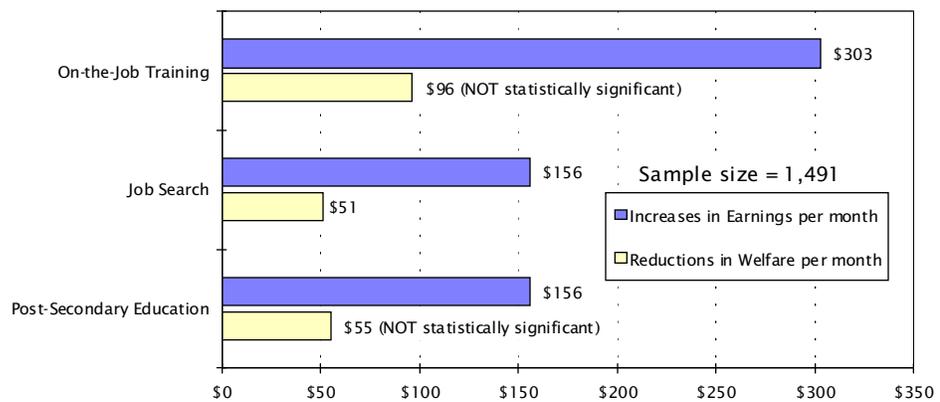
Two-year Follow-Up Shows Three Components had Estimated Long-Term Effects

Exhibit 14 below shows that only three components continued to have an estimated effect upon both increases in earnings and reductions in welfare payments *per month* after a two-year period. Two of the components (on-the-job training and job search) were employment-related and the third (post-secondary education) also may have been employment-related. This is because a portion of the post-secondary education was two-year vocational education.

Of the 15,601 cases that left JOBS during the analysis period, 1,491 cases left in time to allow for a two-year follow-up.

Only three services had a positive impact after two years

Exhibit 14
On-the-Job Training and Job Search Had the Greatest Estimated Impact on an Increase in Earnings and a Reduction in Welfare *Two-Year Follow-Up*



Note: Statistically significant at .05 level except where noted.
 Source: JLARC analysis of administrative data.

After two years, on-the-job training, job search, and post-secondary education are estimated to have *both* increased income to the client’s family *and* reduced welfare payments for the tax-payers.

Although there was evidence of reductions in monthly welfare payments for on-the-job training and post-secondary education, they were not statistically significant. This may be due to the relatively small amount of welfare reduction associated with particular components, or to the relatively small sample size in the two-year follow-up. (See Appendix 3.)

PERSONAL AND PROGRAM PARTICIPATION CHARACTERISTICS AFFECTED PROGRAM OUTCOMES

The analysis of the JOBS sample data found that positive JOBS program outcomes (increases in earnings from employment and decreases in monthly AFDC grants) were related to two different types of factors:

- Personal characteristics of JOBS participants
- Program participation characteristics

Exhibits 13 and 14 on impact of JOBS services on outcomes accounted for these characteristics.

Personal Characteristics of JOBS Participants Affected Outcomes

Of all the personal characteristics a client brings to the JOBS program, education and recent work experience had the greatest statistically significant effect on increasing earnings and reducing monthly welfare payments. From its 1988 sample, these are the same factors that the *Family Income Study* found to be important for women to become employed and to leave and stay off welfare.

Several other characteristics such as age, gender, ethnicity, and location in Washington had a statistically significant effect upon outcomes. Some of the effects were positive and some were negative. (See Exhibit 15 below.) Because the effect of work and education are measured in hours and years, respectively, they appear relatively small. For example, if a participant worked for 415 hours (the median hours of those who worked in the JOBS sample) and increased his or her earnings by \$.25 per hour, the total impact on increasing monthly earnings would be \$103.75.

**Education
and recent
work
experience
affect
outcomes**

Exhibit 15
Personal Characteristics That Affected Outcomes
One-Year Follow-Up

<i>Personal Characteristic</i>	<i>Increase in Earnings (per month)</i>	<i>Decrease in AFDC Grant (per month)</i>
Each Hour Worked (<i>in year before sample</i>)	\$.25*	\$.04*
Each Year of School (<i>completed</i>)	\$22.62*	\$1.91*
Young Child in Household (<i>less than 6 years old</i>)	-\$73.67*	
Male	\$166.06*	\$19.84
Age (<i>each year of age</i>)	-\$4.87*	
Hispanic		\$25.96
All Other Minorities (<i>other than African American and Hispanic</i>) ¹		-\$26.95
Two-Parent Case (<i>AFDC-E</i>)		\$17.25
Each Child (<i>in AFDC case</i>)		-\$43.80*
Location (<i>living in eastern Washington</i>)		\$4.93*

Source: JLARC analysis of administrative data.

*Significant at less than .01; all other factors significant at .05 or less.

Characteristics of the JOBS Sample Used in this Analysis

Typical
JOBS client
is a single
mother
with two
children

The typical JOBS participant was a white, 28 year-old woman living in western Washington. She was a single-parent with two children. She had completed 12 years of school and had not worked in the year prior to the last quarter of 1993. See Exhibit 16 below. The JOBS sample, drawn in 1993, is quite similar to the *Family Income Study*; however, it shows a slightly higher number of school years completed and a higher percentage of two-parent (AFDC-E) cases. Given the eligibility requirements for the JOBS program, these differences are to be expected. The figures for the typical client are medians, the mid-point in the range.

⁷ This category includes Asian-Pacific Islander and Native American.

**Exhibit 16
Profile of JOBS Participants in 1993**

General Characteristics	Median
• Age	28 years
• Female	81%
• Male	19%
• White	73%
• African-American	9%
• Hispanic	6%
• All other minorities	12%
• Lived in Western Washington	67%
Children in Household	
• Number of children	2
• Youngest child six years old or older	49%
• Youngest child three to five years old	47%
• Youngest child under three years old	4%
Education	
• Years of education	12
Work	
• Worked in year prior to being in sample	35%
• Hours worked in prior year (for those 35% who worked)	415
AFDC Program	
• Single-parent case (AFDC-R)	72%
• Two-parent case (AFDC-E)	28%

Source: JLARC analysis of administrative data.

Program Participation Affected Outcomes

Exhibit 17 below shows the relative importance of various program participation characteristics to the program outcomes. For example, each month on AFDC decreased earnings by 66 cents per month, and because the median length of time on AFCD was 34 months, this meant an impact of \$22.44 less per month. Each month on AFDC also affected welfare payments by 25 cents per month. For the median of 34 months, welfare payments were not reduced by \$8.50 per month. This suggests the importance of immediately placing eligible welfare clients into effective components of the JOBS program or its successor. It also indicates that the length of time a client spends in the program can affect outcomes.

- The longer the person received AFDC, the *lower* earnings and welfare reductions.
- The longer the person participated in JOBS, the *greater* the increase in earnings and welfare reductions.

Long stays on AFDC negatively affect outcomes

Exhibit 17
Program Characteristics That Affected Outcomes
One-Year Follow-Up

<i>Factor</i>	<i>Increase in Earnings (per month)</i>	<i>Decrease in AFDC Grant (per month)</i>
Each Month <i>(since first AFDC receipt)</i>	-\$.66	-\$.25
<i>Each Month (since first in JOBS)</i>	\$2.20	\$.70
Each Month on AFDC <i>(in past year)</i>	\$9.65*	-\$.6.13*
Mandatory (non-exempt) JOBS Client	\$41.66	
Number of JOBS components assigned <i>(excluding assessment, holding and waiting)</i>	\$23.18	

Source: JLARC analysis of administrative data.

*Significant at less than .01; all other factors significant at .05 or less.

Characteristics of JOBS Program Participation

The typical client is on AFDC for 34 months . . .

In our sample, the typical JOBS participant had received AFDC for almost three years. The participant had been in the JOBS program for 11 months and had been assigned two JOBS service components (in addition to “assessment,” “holding,” and “waiting”).

We found the typical JOBS participant had received AFDC for the first time 34 months before the sample was drawn (last quarter of 1993), but may not have received public assistance for *all* the months since that first receipt. The typical participant had been in the JOBS program for about one year (11 months), as a *volunteer (or exempt)*, not a mandatory *(or non-exempt)* participant.⁸ Few JOBS clients received services from third-party contractors when our JOBS sample was drawn.

The characteristics shown in Exhibit 18 are similar to the program participation characteristics found in the *Family Income Study*, in

⁸ The JOBS program was not mandatory for the period of this analysis. However, JAS was able to record a JOBS participant as exempt or non-exempt. For purposes of our analysis, we considered exempt to be voluntary and non-exempt to be mandatory.

which the median length of stay on AFDC was three years. During that five-year study period (1988-1992), about one-third stayed on AFDC continuously, about one-third left but returned, and about one-third left and stayed off.

Exhibit 18
Program Participation Characteristics
of Typical JOBS Participants

Length of Time on AFDC	Median
• Months since first received AFDC	34
• Months received AFDC in past year	11
Length of Time in JOBS	
• Months in JOBS	11
Participation in JOBS	
• Voluntary JOBS participants	57 %
• Mandatory JOBS participants	43 %
• Number of JOBS components assigned	5
• Number of actual JOBS components (excluding assessment, holding, or waiting)	2
• Served by a third-party match contractor	2 %

... and in
 JOBS for 11
 months

Source: JLARC analysis of administrative data.

Expenditures for Most Effective JOBS Components

The three JOBS components which had the greatest statistically significant long-term effect were: on-the-job training, job search, and post-secondary education. However, it appears that levels of expenditures directed to those components were not commensurate with their outcomes.

Of the total FFY 1995 JOBS expenditures (as shown in Exhibit 6, Chapter 2), only 12 percent of the total funds were spent on these three components. Expenditures for on-the-job training was 1 percent, job search was 6 percent, and post-secondary activities was 5 percent. This reflects DSHS and ES staff time. Other sources of funds (e.g., Pell grants for post-secondary education) may have been used. The assessment/employability plan component comprised 16 percent of component expenditures in FFY 1995. Because each new JOBS participant must be assessed and have an employability plan done, this may be reasonable.

Only 12
 percent of
 JOBS funds
 spent on
 most
 effective
 services

We note that these reported component expenditures primarily reflect costs for DSHS and ES staffing and third-party contracts. They do not include supportive services, such as reimbursement for mileage or work uniforms. Because a portion of supportive services went toward each of these specific components, the actual costs associated with each component would have been somewhat higher. On-the-job training, in particular, may have considerable support services.

We cannot say what the most appropriate expenditure level would be to be cost-effective and produce more positive results. To do so would require a net-impact study. However, by implementing Recommendation 1, DSHS would know if it was spending more funds on the most effective services and less on the services which are not as effective.

CONCLUSION

Analysis of effective services is possible with administrative data

First, our analysis of the JOBS clients sample found that there were three positive outcomes of the JOBS program during the two-year follow-up: 1) the portion of clients receiving welfare declined, 2) there was a slight increase in average earnings from employment, and 3) the average AFDC grant was reduced. However, an increase in earnings and a reduction in welfare use over time is to be expected.

Second, the better outcomes for the JOBS clients who were employed illustrated that emphasis on work, in addition to vocational education and training, should be considered in any new program initiated under welfare reform.

Third, three JOBS program service components appear to produce the greatest long-term positive effect. *Job search* provided a positive effect upon both an increase in earnings from employment and upon a reduction in AFDC monthly grants, thus, benefiting both the client and the taxpayer. *On-the-job training* and *post-secondary* education (which included vocational education) produced long-term effects upon an increase in earnings and reductions in welfare payments, but the reductions were not statistically significant in the two-year follow-up.

Fourth, moving AFDC recipients into the JOBS program quickly appeared to have a positive effect. This suggests the new welfare program should emphasize a quick movement from eligibility and assessment to services that are estimated to be effective. Assessment, waiting, and holding were used frequently (e.g., 40 percent of JOBS clients had these three components as their last component, and 48 percent had these components assigned just before job search). Although a certain portion of clients can be expected to be in assessment, and a few in holding and waiting, these components do not have a positive long-term effect upon an increase in earnings and a reduction in welfare. The time limits specified in the new federal welfare reform will make quick movement into effective services even more important.

Fifth, the expenditures by component (Exhibit 6 in Chapter 2) show that Washington's JOBS resources were not matched to those components which had the best outcome. Establishing and analyzing outcome measures and then comparing them with program expenditures can offer the state feedback in how to improve its welfare-to-work program. (See Recommendation 1.)

The results of this analysis are in line with other research results related to JOBS participants. The evaluation of the Riverside County, California JOBS program (GAIN) found that certain program strategies can lead to positive program outcomes. These strategies include: a strong employment message, quickly moving clients into employment (through job search and job development), and the use of sanctions. The evaluation of the Center for Employment and Training (CET) in San Jose, California also found that immediate placement in hands-on vocational training, and integrating basic education with vocational training, rather than offering basic education alone, had a positive effect upon clients' income. The evaluation of Washington's Family Independence Program, conducted by the Urban Institute, suggested that the state should move toward a program that encourages self-sufficiency and emphasizes client obligations.⁹

Need to
move
welfare
clients
quickly into
effective
services

Findings are
in line with
other
studies

⁹ *The Evaluation of the Washington State Family Independence Program*, Urban Institute, Report 94-1, April 1994 (under contract with the Legislative Budget Committee, now Joint Legislative Audit and Review Committee).

PROGRAM MANAGEMENT AND CONTRACT PERFORMANCE

Chapter Four

This section is a limited audit of JOBS program policy and management issues. It is based upon the analysis of the JOBS program outcome measures in Chapter 3, the program expenditures in Chapter 2, a review of contracts with third-party match contractors, a verification of JAS records with case files, and field interviews.

The audit team found that the JOBS program lacked the appropriate outcome measures necessary to determine whether or not the program had been effective in meeting its goals. A policy is needed for effective client monitoring in ES, and the assessment tool and sanctioning process should be simplified. Third-party contracts were not competitively awarded and there was no standard rates or outcomes for contract services. Therefore, a comparison of costs and outcomes associated with state-provided and contractor-provided services was not possible. We also found that a policy and procedure is needed for monitoring contracts for compliance and performance.

FINDINGS

The JOBS Program Lacked Appropriate Outcome Measures to Determine Effectiveness

DSHS lacks outcome measures that would allow for an adequate assessment of whether or not the JOBS program is effective in meeting its goal of helping clients to become self-sufficient and to avoid long-term welfare dependency.

Overview

No outcome measures were specified under federal and state statutes governing JOBS. However, broad goals such as the avoidance of long-term welfare dependency, job retention, and self-sufficiency were stated. States are held accountable to HHS only for the number and type of JOBS clients enrolled in education and training components, not for the actual outcome or impact of the education and training they provided.

ES staff and third-party contractors familiar with both JTPA and JOBS told the audit team that, unlike the JTPA contracts, JOBS contracts did not include measurable outcomes.

Current performance measures do not reflect legislative intent

DSHS and ES continue to use two interim measures (“job entries” and “entering wage”) which were used in the Family Independence Program (FIP) and are tracked in JAS. These measures do not measure the actual achievement of the federal and state statutory goals of self-sufficiency and avoiding welfare dependency. Further, these measures are not adequate because clients self-report their employment and earnings, and they may not retain the employment reported. Also, there are no procedures for identifying clients who may have left JOBS with employment and then returned to AFDC.

The audit team asked the representatives of DSHS, ES, and third-party match contractors if they thought the JOBS program was effective in helping clients to find jobs and to leave AFDC.¹ Most were undecided. Seventy percent of the interviewees answered that they had no way of knowing. Their answers included: “We’ve no idea of AFDC recidivism;” “We have no actual data on JOBS outcomes;” and “We have only job entry, but no follow up to know if they are still employed.”

Several interviewees said the outcome measure currently used (“job entry”) was not an accurate measure of the JOBS program because JOBS participants might find employment on their own—without any assistance from the JOBS program. Yet, the job entries would be reported in JAS as a successful outcomes of the JOBS program. The interviewees who reported that JOBS was effective, said they based their opinion upon “job entry.” However, several also added that they did not know whether the JOBS client stayed employed or returned to AFDC.

¹ A total of 53 interviews had complete answer to this question and were used for this analysis.

There is also a lack of analysis of the appropriate outcome measures to know which components are effective. Consequently, the expenditure of resources may not match the JOBS services which are effective. For example, we noted that one DSHS region’s Request for Proposal (RFP) issued in June 1996, requested a “good mix of services.”

Our desire is to fund a good mix of services, therefore our guideline for awarding contracts will be as follows: 15 percent WEX, 25 percent educational activities, 10 percent customized training, and 50 percent job readiness.

The new performance measures, submitted to OFM for the 1997-99 biennium per requirement of ESSB 6680, still do not measure increases in earnings or reductions in welfare payments. The new performance measures will not be able to assess the effectiveness of specific services to welfare clients.²

However, as discussed in Chapter 3, we analyzed two outcome measures which are appropriate for assessing compliance with legislative intent. We found these measures feasible to track and report.

Also, because resources may not have been spent on the most effective service components (as discussed in the previous chapter), we believe that DSHS should, as part of its analysis of outcome and effectiveness, evaluate which JOBS services appear to be the most cost effective.

Recommendation 1

The Department of Social and Health Services should adopt at least two outcome measures for the JOBS program: 1) increase in earnings from employment, and 2) reduction in monthly welfare payments.

The department should annually report to the legislature on the effectiveness of the JOBS program. The report should include an analysis of administrative records (from the Department of Social

² From Form B11, Biennial Budget Estimates, received from DSHS on November 20, 1996.

Analysis of outcome measures is needed to know "what works"

DSHS needs to adopt and analyze appropriate outcome measures

and Health Services and the Employment Security Department) to determine how effective the program is in meeting these outcomes, and an assessment of the cost of services relative to their effectiveness.

The JOBS Program Lacked a Uniform Policy for Monitoring Client Participation and the Client Sanctioning Process was Perceived as too Cumbersome to be Used

Monitoring Clients

When clients are not adequately monitored . . .

JOBS cases were not monitored routinely in DSHS or ES, and ES lacks a monitoring policy. When JOBS cases are not routinely monitored, there is a risk that clients may not receive the necessary services to help them to leave welfare for work. Also, they may not participate in the JOBS program as they are obligated to do by federal statute.

. . . they may not participate in or receive effective services

DSHS policy requires supervisors to review a sample of JOBS cases monthly and to document their review. However, there is no equivalent ES policy for JOBS case review. Because ES currently sees the majority of JOBS clients, or refers them to third-party contractors, ES monitoring of cases is important. ES headquarters issued a memo in November 1995, suggesting supervisors review a sample of cases, but there is no formal policy.

The DSHS social workers and the ES jobs service specialists interviewed reported that their monitoring of clients ranged from weekly face-to-face contacts with clients in some instances, to quarterly reviews of case file records in others. Seventy-nine percent of the interviewees reported some type of case monitoring. However, 47 percent reported that there was no formal policy or procedure for monitoring client participation in their office or region.

Each month DSHS and ES supervisors receive a JAS printout that shows the status of each JOBS client and the specific social worker or jobs service specialist assigned to the client. This process seems inefficient because it requires each social worker or jobs service specialist to manually check the printout for cases that require some type of action in JAS. They then must make the appropriate corrections in JAS.

Before making field visits, the audit team reviewed each sample CSO's most recent monthly JAS printout to determine the status of monitoring the caseload. The audit team noted that action was required for many cases at each CSO. This was also reported by the Division of Employment and Social Services in a recent review of the JOBS program in one DSHS region.

On-site reviewers examined a sample of DSHS paper files and noted that files contained assessment information and participation requirements on hard copies. Reviewers also noted that many of the cases were past the scheduled end dates.³

Closer case monitoring is needed

The most common action required was that the scheduled end date of an assessment had passed. This meant that either the client had not attended an assessment, or that the assessment had been completed but not recorded as completed in JAS. This is both a monitoring issue and a JAS issue (see Recommendation 9). Also, when verifying JAS printouts with case files, we noted a few cases that did not appear to have been monitored for several months.

Recommendation 2

The Employment Security Department should create and use a welfare case monitoring policy and procedure.

Sanctioning Clients

We found that the sanctioning policy adopted in 1995 is not being followed. Without routine monitoring of client cases, DSHS and ES caseworkers are unable to identify clients that should be sanctioned for accepting welfare grants but not participating in the program. When appropriate, the sanctioning process should be used; otherwise, the JOBS program is not complying with federal and state policy which requires mandatory participation.

To assess the use of the sanction process, the audit team asked about the process during the field interviews and also reviewed the September 1996 statewide monthly JAS report. The JAS report

³ The Division of Employment and Social Services' "Contractor and JOBS Review", April 1996.

showed that of 43,852 active clients, 6 percent had been recorded in one category of a three-step sanction process (“good cause”, “conciliation”, and “sanction”).⁴ The report also showed that the process was used more often in some CSOs than in others. This may reflect different CSO management philosophies. We chose to compare the percentage of clients referred for conciliation because this measure was included in our 1993-1995 JOBS sample (see Appendix 3). In our sample, .01 percent of the last component assigned was conciliation. In September 1996, 1.9 percent of all active cases were in conciliation. It therefore appears that this second step (conciliation) has increased during the past year, but sanctioning is still infrequently used.

Sanctioning process was perceived by caseworkers as too time consuming ...

Although most of those interviewed (64 percent) thought the sanction process was clear, they reported it as being cumbersome and seldom used. Regional administrators and supervisors were more likely to report the process as being clear than were the direct service providers who had the responsibility for initiating the sanction process.

... so it was infrequently used

Seventy-two percent of those interviewed reported that either sanctioning was not used or gave a negative comment about the process. Many said that the process was too complicated and cumbersome so it was not used. Those interviewed told the audit team that the three-step sanction process typically took from two to four months, sometimes longer, to complete, and that the paper work involved too much DSHS caseworker time. (In fact, if the procedures were strictly followed, the earliest a sanction could be imposed was in 70 days.) This finding about the lack of sanctioning was also confirmed at one region in the DSHS Division of Employment and Social Services report done this year.

*Referral for good cause and conciliation are not a high priority as staff would prefer spending time working with clients to participate.*⁵

It appeared that some third-party contractors were not adhering to the sanctioning process. This is either because they did not fully understand it, or because there may be a financial disincentive for

⁴ JAS report JASB04M1.

⁵ JOBS Program Evaluation Report, Region 4 and 5, Page 8, March 1996.

third-party match contractors to do so. For example, if a client attends a JOBS component provided by a contractor, the contractor can be reimbursed. However, if a client has missed two appointments and the contractor refers the client back to DSHS to begin the sanctioning process, then the contractor cannot be reimbursed.

Under the new federal welfare reform legislation the sanctioning process can be simplified. This presents an opportunity for DSHS to create a streamlined process that can be used in implementing the new federal welfare reform.

Recommendation 3

The Department of Social and Health Services should create and implement a new, simplified sanctioning policy and procedure for use in the program that will replace JOBS, and ensure contractors follow the procedure.

The JOBS Program Lacks a Common Client Assessment Tool

Currently two state agencies assess clients and they use different assessment tools. There is no common assessment tool. Some JOBS clients are served by more than one agency concurrently. For example, a client may be assessed and served by ES, but at the same time, DSHS may be providing child care, food stamps, and eligibility reviews. That client may also be referred to a third-party match contractor. With multiple agencies involved, client information needs to be kept current on JAS. Further, appropriate client papers need to be mailed or faxed between organizations promptly. This requires close coordination between agencies and good case management, communications skills, and management controls; otherwise, the program may not be as efficient as possible.

Multiple agency involvement presents the potential for duplication in the assessment of clients. The audit team noted that several different client assessment tools were being used in the field. We observed two different assessment tools used by DSHS throughout the state. ES staff told the audit team that they usually needed to conduct their *own* assessment for the clients who were referred from DSHS. The audit team observed that ES used a standard one-

Simplify
sanctioning
process

Potential
for
duplication
in assessing
JOBS clients

Need standard assessment tool

page assessment tool. Their assessment tool collected details on employment history needed for job ready clients to begin a job search or job skills training.

Third-party contractors told the audit team that they also needed to conduct their *own* assessment because previous assessments done by DSHS or ES were either not available to them or not useful. The audit team noted a different assessment tool being used by each contractor. Some of these assessment tools were several pages in length. Third-party contractors are neither permitted to conduct the formal assessment which is recorded in JAS, nor to be reimbursed for assessing a client. The contractors explained that they nonetheless needed to do an assessment in order to begin serving a client—even though they were not specifically reimbursed for it.

Multiple agency involvement, especially in assessing clients, may indicate that JOBS resources are not being used efficiently, and that clients are not moved quickly into those components which may have a beneficial effect. Quickly moving welfare clients into effective components will become more important when time limits are introduced in the welfare program that follows JOBS. We noted in Chapter 2 that assessment consumed 17.1 percent of the JOBS expenditures in FFY 1995. We understand that a new assessment tool is being created jointly by DSHS and ES.

Recommendation 4

The Department of Social and Health Services and Employment Security Department should create a new, simplified client assessment tool that can be maintained on the JOBS Automated System (JAS) or its successor, and make the assessments available to contractors.

Third-Party Match Contracts Have Not Been Competitively Awarded and are Not Based on Performance Standards

Third-party contracts were not competitively awarded and are not based on a rate structure tied to performance standards. DSHS headquarters began to contract with third-party match contractors in 1993 to access (“draw down”) more of the federal award than would otherwise be available by the use of state general fund

dollars alone. As noted in Chapter 2, the amount of federal funds increased since then. By July 1995, the entire contracting responsibility moved to the six DSHS regions because it was believed that DSHS regional administrators were familiar with service providers in their own communities.⁶

Several regional and CSO administrators reported to the audit team that a contractor who could provide a 40 percent match, and who was known to the regional administrator as a good provider of services, was accepted when federal dollars were available. The contracts have evolved from cost reimbursement to fee for services.

The lack of a uniform rate structure, outcome measures, and a competitive process for contracts has led to widely varied costs per client. Yet DSHS has no way of comparing the performance of contracts with varying fees. This also resulted in suspicion between DSHS, ES, and the third-party contractors. Some third-party contractors reported that they believed ES workers saw contractors as competitors and would not refer clients to them. This issue was also mentioned in the DSHS Division of Employment and Social Services report of March 1996.⁷ Some third-party contractor staff reported to the audit team that they believed the JTPA contracting process should have been used as a model because JTPA contracts had performance measures.

Because the JOBS contracting process occurs at the regional level, each regional RFP, released in the summer of 1996, was slightly different. Despite the use of a RFP, the six DSHS regions were not required to have a competitive process.⁸

Reduced funding under the new federal welfare reform will further necessitate the effective and efficient use of contracts.

Contract costs varied widely

Contracts not awarded competitively

⁶ In Region 6, this responsibility was given to the individual CSO administrators.

⁷ Page 4, Region 4 and 5.

⁸ Per contact with staff at DSHS Region 4, October 15, 1996, and confirmed by JOBS headquarters staff.

Recommendation 5

The Department of Social and Health Services should establish a competitive process for awarding contracts to third-party contractors for services to welfare clients. The process should emphasize services that have been proven effective in the annual analysis of outcome measures (see Recommendation 1).

Contract Costs and Outcome Measures Differed Widely

Within and among the six regions, the 1995 JOBS component costs and outcome measures for each service component differed widely. We reviewed the list of all 1994 and 1995 third-party match contracts and the specific contracts for the third-party match contractors in our field audit sample. A consultant to the audit team analyzed a large sample of 1995 contracts that provided the “job readiness” component of service.⁹ Job readiness is a component which increased in use between 1994 and 1995 and is most often provided by third-party match contractors. It is also provided in some ES offices. The consultant found a wide range of cost per client and of contract outcomes for job readiness. (See Appendix 4.)

Contract Costs

Some of the differences in contract costs might be explained by the length of job readiness classes. However, there was no evidence available to prove that a *longer* class led to better outcomes than a *shorter* class. Cost differences could not be explained by caseload or agency size. Some contractors with small client numbers had lower costs than contractors serving large numbers of clients. Also, cost differences could not be explained by whether or not contractors provided job readiness alone or integrated it with other JOBS components.

Other JOBS components also had a wide range in contracted amounts. The range of costs for all JOBS components in FFY 1995

Varied costs cannot be explained

⁹ The consultant reviewed 49 of 55 job readiness contracts, or 89 percent.

¹⁰ Report from James Kainber, Administrator, Division of Employment and Social Services, May 9, 1996.

were reported in a DSHS report.¹⁰ *Note: In case there were unrepresentative extremes, we eliminated the lowest and highest cost per JOBS client in each category.* The resulting ranges, which are still quite wide, are shown in Exhibit 19. This shows the importance of establishing a rate structure. It does not comment on the effectiveness of contracted services.

**Exhibit 19
Range of Costs of Contracted JOBS Services**

Contracted Service	Range of Cost per Client	Number of Contractors
Basic Education	\$80 to \$2,100	11
ESL	\$250 to \$2,383	9
GED	\$250 to \$3,397	13
Work Experience (WEX)	\$232 to \$3,780	32
High School Completion	\$338 to \$977	2
Job Readiness	\$125 to \$3,780	56
Job Skills Training	\$577 to \$2,000	8
On-the-job Training (OJT)	\$472 to \$2,607	7

Contract Outcomes

There has been no overall evaluation to verify whether or not the outcomes specified in the contracts actually contributed to the achievement of the statutory goals of self-sufficiency and avoiding long-term welfare dependency. Contractors, who provided services under both JTPA and JOBS contracts, commented about the lack of measurable outcomes in the JOBS contracts. In most cases, “outcomes” listed in many of the JOBS contracts were actually outputs, (e.g., “provide activities to 26 clients,” “serve 40 clients,” “instruct 54 participants in job readiness,” etc.).

The outcomes in some contracts appear to be more meaningful, (e.g., “50 percent will attain employment,” “50 percent will be placed in a work experience or a continuing education component,” etc.). However, we found no statewide evaluation of all contract outcomes, nor did we find a link to the statutory goals. Also, the more meaningful outcomes were often conditioned upon the phrase, “of those who complete the program.” Because dropouts were often not counted, the calculation of successful outcomes was biased toward a more positive result.

The outcome measures in some contracts could not be tracked by JAS; therefore, contractors and ES staff often had to count client

Contract outcomes varied . . .

. . . and were not linked to program goals

outcome measures by hand in order to report them to DSHS. If DSHS establishes a rate structure and common outcome measures for components, services provided by ES and contractors can be compared, and the most cost-effective providers used.

Standardize contract rates and outcomes

Recommendation 6

The Department of Social and Health Services should establish a rate structure for services provided to welfare clients by the Employment Security Department and by contractors, and establish standard outcome measures for services. These outcome measures should be related to statutory goals of the program.

Contractors Were Not Monitored Uniformly or Thoroughly

We found no common standards or protocols for monitoring contracts. Each region is responsible for monitoring the performance of its contracts, and DSHS headquarters is responsible for monitoring for compliance. The level of monitoring third-party and ES contracts varies among DSHS regions.

Compliance monitoring by headquarters staff ceased for several months after the JOBS monitoring function was transferred from ES to DSHS. In March 1996, the DSHS headquarters JOBS monitoring team began on-site monitoring of contracts. In May 1996, the team also began conducting on-site visits to CSOs and Regional offices to monitor contract management practices.

DSHS did not regularly report on contractor performance

The audit team noted that contracts called for quarterly reports from the contractor and annual performance reports about the contractor from the DSHS Regional Administrator. When the audit team requested the DSHS reports of contractor performance, one region indicated that their staff had not written any reports. The other five regions' reports varied. There was no uniform monitoring protocol, and the monitoring did not focus on client outcomes or compliance with statute and regulations. A March 1996 DSHS headquarters monitoring report commented about the regional evaluation of contractors.

Performance evaluations of contractors includes anecdotal information and reports from the contractor as well as reported satisfaction of social workers. JAS does not track outcomes for contractors.¹¹

The audit team noted that ES was not routinely reporting to the DSHS Regional Administrator and that not all regional administrators were requiring monthly or quarterly reports in all regions. Contract-required reports varied. Some regions required monthly reports and others required quarterly reports. A few DSHS regions told our audit team they received reports regularly. However, some regions reported that ES reports are not always turned in, or they are turned in sporadically. Some DSHS regions said that they did not require ES reports because the information was available in JAS. This raises concern about management oversight.

ES did not routinely submit reports

The audit team observed that the monitoring of contracts for work experience (WEX) did not find any violations. However, two of the contracts in our field sample made WEX placements within their own agencies, and one of the two did this exclusively. The two contractors had been making these in-house WEX placements for the past two contracting years. This practice appears to be contrary to program policy. DSHS is responding by establishing a policy that prohibits third-party contractors from making placements within their own agencies.

One third-party match contractor claimed hours spent supervising the WEX placements as part of the agency’s match for federal funds. This is another contract monitoring issue identified by our audit team. This practice is against federal regulations and is being addressed by DSHS.¹²

Recommendation 7

The Department of Social and Health Services should establish and implement a policy to monitor contracts for performance and for compliance with federal and state laws and regulations.

¹¹ Page 17.

¹² 45 CFR 250.63(j) (3) and 45 CFR 92.24 (b) (7).

It Was Not Possible to Compare Effectiveness and Cost Between State Agencies and Third-Party Contractors

The audit team attempted to compare the costs and outcomes of job readiness, a component that is provided by both ES and by third-party contractors. Due to the wide differences in the job readiness costs, lengths of class times, and outcomes, a valid comparison was not possible.

Effectiveness
and costs
of ES and
contractors
not
comparable

ES staff interviewed during the field audit, as well as others contacted by telephone later, indicated they provided some job readiness training. Four ES regions provided some type of job readiness workshops or classes ranging from three days to two weeks in length. In other regions, ES job services specialists reported that, as part of their day-to-day activities, they provided job readiness services (helping with resumes and conducting labor market reviews) to individuals on an as-needed basis. The third-party match contractors' job readiness classes ranged in length from one day to six months and varied in what services were provided.

Because there were very few clients (2 percent) being served by third-party match contractors during our study period, and because costs and outcome measures varied so much, we could not assess the effectiveness of the third-party match contractors compared to ES. Implementation of Recommendations 5, 6, and 7 would allow for this comparison in the future.

DATA ISSUES

Chapter Five

During the course of this audit we discovered several data issues that were related to JOBS program management. First, DSHS and ES have not been able to match data on welfare-to-work clients in order to measure the outcomes of the program. This is due to concerns about the legality of sharing certain client data. Second, JAS does not contain complete employment records. Third, JAS lacks features that affect client monitoring and program management. Finally, we found concerns associated with verifying JAS data and case files during the study period.

NEED TO MATCH DSHS AND ES ADMINISTRATIVE DATA TO TRACK OUTCOME MEASURES FOR THE PROGRAM

In order to track the relevant outcome measures of the JOBS program, it is necessary to match and analyze client data from DSHS and ES.

The administrative data from DSHS should include the personal characteristics of clients,¹ program participation information,² and AFDC monthly grant payment amounts.³ The administrative data from ES should be the earnings records of the DSHS welfare clients from the Unemployment Insurance wage files.

¹ In the Interactive Terminal Input System (ITIS), its replacement (ACES), and in JAS.

² In JAS.

³ In the monthly warrant roll.

Summary

Administrative data from both agencies needed

The match of this client data has not been made in the past because both agencies thought it was illegal. They thought it was illegal because the ES wage data is provided by employers and is confidential. It was possible for this performance audit to access both agencies' data because the performance audit mandate in ESSB 6251, the Supplemental Appropriations Act, required that the administrative data be provided.

Modify law to enable data sharing

A match of client data, however, need not identify an employer or an individual's wage. Our Assistant Attorney General indicates that sufficient safeguards could be incorporated in an amendment to state law that would enable the matching of client data for the purpose of assessing program effectiveness.

Recommendation 8

The legislature should amend RCW 50.153 so the Department of Social and Health Services and the Employment Security Department can share and match employment and welfare data on clients in order to assess the effectiveness of the JOBS program, or its successor.

Self-Reported JOBS Employment Data Does Not Correspond With ES Employment Data

Incomplete employment data

The audit team asked its consultant, Greg Weeks, to determine if the employment data in JAS (reported by JOBS clients) corresponded with the employment data in the ES UI wage files (reported by employers).

He found that there is more JOBS participant employment reported in the ES UI wage files than in JAS. In a sample of 16,830 JOBS participants who had employment experience, a total of 10,039 were listed in the UI files, but only 6,284 had employment data in *both* JAS and UI.⁴ Employment data in JAS is self-reported and can

⁴ Some of the employment reported in the UI wage files may have occurred after AFDC participation, and therefore, after the time period captured by the JAS system. Another 1,753 had employment listed in the JAS system only, but not in the UI files. This employment may have been "uncovered" by the Unemployment Insurance program. Another 3,755 had employment listed *only* in the UI wage files, but not noted the JAS system.

be inaccurate. UI data is reported by employers and is more exact. This means that an accurate assessment of the short- and long-term impact of the program upon employment and wages is not possible without using the quarterly UI wage files in addition to monthly JAS reports.

Lack of Features in the JAS System Limits Program Management

There are three shortcomings of JAS that limit effective management information on the JOBS program. These issues apply to JAS or its successor.

Link to Eligibility System

JAS has a link with the current welfare eligibility systems (ITIS and ACES), but it does not automatically alert caseworkers that a JOBS client's eligibility status has changed. The link is not apparent to caseworkers unless they happen to open the particular client's JAS file for some reason. This means cases remain active on the JOBS caseload after they are closed (ineligible) in AFDC, and JOBS cases that were temporarily ineligible may not be added to the current JOBS caseload when they become eligible again. Thus, one potential result is that clients may not be provided the services that might help them become self-sufficient.

Automatic Prompt ("Alert")

JAS does not provide an automatic prompt ("alert") to notify a caseworker that an action must be made by a JOBS participant or the caseworker. This means that a caseworker may fail to provide a service to a client or may lose track of what action is required by the client. Because caseworkers and their supervisors often are not familiar with generating JAS reports, the monthly JAS report printout is the only means to check a client's participation in components to which he or she has been assigned. The checking must be done manually, by reviewing the JAS printout and then entering changes in the client's JAS file. This seems inefficient as well as not timely.

**JOBS
information
system
needs
added
features**

Assessment

JAS does not require an assessment and employability plan to be “completed” or “closed” before a client is assigned to an education or training component. The actual assessment and employability plan may take less than one or two hours to complete, yet the audit team found that an assessment component was not completed or closed within several months for many clients on the monthly JAS reports we observed. This means that some clients may not have received an assessment in a timely manner, and other clients may have received an assessment, but it was not recorded in JAS. The management data on clients’ status may therefore be inaccurate.

Enhance-
ments to
JAS
necessary

Recommendation 9

The Department of Social and Health Services should add three features to the JOBS Automated System (JAS) to facilitate monitoring welfare clients:

- *Create an alert to show the automatic link between JAS and Automated Client Eligibility System (ACES), so that caseworkers may know the current eligibility status of the clients.*
- *Create an alert to notify a caseworker that an action is needed, either by the caseworker or by the client.*
- *Create a default that will not allow a component (except for certain specific components such as job search or work activities) to be assigned to a client before the client’s assessment and employability plan are completed and recorded as completed.*

VERIFYING JAS DATA

JAS is the only source of aggregate information about which components JOBS clients are assigned. It is also used as a source of information about JOBS clients’ employment and wages. Much of the DSHS administrative data used for the analysis of the JOBS program in Chapter 3 came from JAS.

To verify the data from JAS the audit team selected 50 names at random from the JOBS sample (25 at the Pierce County North CSO and 25 at the Olympia CSO). We compared JAS and case file data on these 50 clients. Although this was not a statewide statistically representative sample, it provided some evidence within a limited time frame.

The audit team could not easily verify all information in JAS with all the case files. This may have been due to missing information in the case files or missing information in JAS. We were told by DSHS and ES supervisors that during our study period (October 1993 through December 1995), social workers were accustomed to writing case notes by hand, putting them in case files, and not entering all information into JAS. We were told that in 1996, JAS was used exclusively for recording components by both DSHS and ES staff. Because we did not verify 1996 JOBS case files with 1996 JAS data (this was not in our study period), we have no way to corroborate this.

In a few cases, the DSHS and ES supervisors whom we asked for assistance also had difficulty following the case histories. This may mean that client files were not maintained adequately by caseworkers and not carefully monitored by supervisors during the study period 1993-95. DSHS and ES should determine if the issues we found in our limited sample are system wide in 1996, and if so, take appropriate actions. If Recommendation 9 is effectively implemented, this should improve the usefulness and accuracy of JAS.

Data could
not be
verified

SCOPE AND OBJECTIVES

Appendix 1

SCOPE

Pursuant to proviso language in ESSB 6251, this performance audit will examine the outcomes and program costs of the Job Opportunities and Basic Skills Training Program (JOBS) within Aid for Families with Dependent Children (AFDC) since 1994.

OBJECTIVES

- Examine compliance with federal and state laws, and describe state policies.
- To the extent possible, determine the costs of the JOBS program services and administration.
- Compare JOBS program costs and outcomes by type of client characteristics, type of services provided, type of service provider, and location within Washington.
- Compare Washington's JOBS program costs and outcomes to JOBS programs in other states.
- Make recommendations for statutory and/or program changes as appropriate.

AGENCY RESPONSES AND AUDITOR'S COMMENTS

Appendix 2

- **Department of Social and Health Services**
- **Employment Security Department**
- **Office of Financial Management**
- **Auditor's Comments**

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STATE OF WASHINGTON
 DEPARTMENT OF SOCIAL AND HEALTH SERVICES
 Olympia WA 98504-5000
 December 3, 1996

RECEIVED

DEC 04 1996

JLARC

Cheryle A. Broom, Legislative Auditor
 Joint Legislative Audit and Review Committee
 506 16th Avenue S.E.
 Olympia, Washington 98501-2323

Dear Ms. Broom:

Presented herein is DSHS's formal response to the November 7, 1996 preliminary performance audit report on the JOBS Program. We understand these comments may influence the final audit report. We also understand the comments will be published in the final report, scheduled to be presented at the Joint Legislative Audit and Review Committee (JLARC) meeting on December 16, at SeaTac. We have followed the recommended format for the audit response relative to the specific recommendations and have added several comments on the methodology of the Audit.

RECOMMEN- -DATION	AGENCY POSITION	COMMENTS
1. Concerning adopting two outcome measures and an annual report to legislature on program effectiveness.	Partially Concur	<p>Concur with the two outcome measures recommended, increased earnings and reductions in welfare payments, and an annual legislative report on program effectiveness.</p> <p>However, the outcome measures should not be limited to the two identified. For example, DSHS's other performance outcome measures referenced in the Audit are important. These include high school/GED completion; job entries, average wages for participants obtaining employment and job retention.</p> <p>In addition, under the welfare reform TANF legislation, program outcomes for "high performing states" will be defined later this year. DSHS recommends leaving an option to include these measures after they are determined</p>

Ms. Cheryl Broom

December 3, 1996

Page 2

RECOMMEN -DATION	AGENCY POSITION	COMMENTS
2. Case Monitoring	Concur	DSHS will develop policy and procedures for supervisory monitoring of worker's caseloads for all third-party contractors as well as ESD
3. Streamline sanctioning process	Concur	Federal requirements mandated the complex process now in place. The new TANF welfare reform legislation provides the opportunity to implement a simpler process and DSHS will work to simplify the process
4. Simplify assessment tool and system	Concur	DSHS is well along in the process of developing a common assessment tool that will also be used by ESD staff and shared with third party contractors. Data from the tool will be entered into the JAS system
5. Competitive process for third party contracts	Partially Concur	Concur with the general direction, which the Department has been moving toward for the last several years. DSHS will put in place a competitive process to guide the contracting by December 31, 1997.

Ms. Cheryl Broom

December 3, 1996

Page 3

RECOMMEN -DATION	AGENCY POSITION	COMMENTS
6. Establish rate system tied to standard outcome measures linked to program goals	Partially Concur	<p>This requires a more accurate evaluation of the costs of services, identifying the length of time and number of hours of service provided, tied to outcomes. The outcomes are discussed in Recommendation 1. Also, the rate structure should be variable, reflecting the market rates in different parts of the state.</p> <p>Implementing Recommendation #6 is more complex than the audit suggests and cannot be fully implemented by December 31, 1997. DSHS also expects the new rate system will require more funds for full implementation. DSHS proposes to provide the JLARC with a implementation plan and estimated costs for the new rate system by December 31, 1997.</p>
7. Contract monitoring	Concur	<p>DSHS has made changes in the last year moving towards a statewide monitoring policy for third party contractors, as well as for ESD. The department will issue a policy such as recommended, to cover performance and compliance with laws and regulations.</p>
8. Data match	Concur	<p>DSHS is pleased to report a data-sharing agreement has just now been finalized with ESD to share such data. We also urge that the legislature pass the recommended amendment to RCW 50.153.</p>
9. JAS System improvements	Partially Concur	<p>The last bullet recommendation precluding component assignment until assessment is complete is too rigid. DSHS would concur if the recommendation were changed to preclude assignment except to specified components.</p>

Ms. Cheryl Broom
December 3, 1996
Page 4

Comments on Methodology:

1. The 25,000 JOBS case sample is from the period when the JOBS Program was voluntary, and is not reflective of the mandatory "Pathways" program implemented in mid-1995. Based on the characteristics of the voluntary JOBS participants displayed, it appears this population may be better educated. The median years of education of 12 for the sample compares to the roughly 40 percent of those in the general AFDC population who are without a high school diploma or a GED. The sample voluntary JOBS participants also have children whose youngest is older than is typical of the general AFDC population. Thirty three percent of AFDC-R cases have a youngest child under age three, compared to just four percent of the sample voluntary JOBS participants.

Being better educated and having older children may mean that voluntary JOBS participants tend to be more job-ready than the general AFDC population. If this is true, their pattern of program usage may differ markedly, both in component usage, component completion and program outcomes.

2. In selecting the most successful JOBS components, there should be recognition of the unit costs of the services. For example, On the Job Training (OJT) is shown to be very effective, but it is unstated that OJT is one of the most expensive services that can be provided and must be considered in the context of available resources.

3. The report states that three components were found to be more effective in achieving the stated goals of increased earnings and decreased welfare grants. This conclusion is reached by looking at the last (and second to last) component to which the JOBS participant was assigned. This methodology may not acknowledge the sequencing of components which often happens in JOBS. Educational components, such as GED or English-as-a-Second-Language, are likely to be early in the sequence of components, yet they can be important steps in the progression toward employment and self-sufficiency. The JLARC's companion JOBS study, "Perspectives From Eight States", makes the point that education often is an effective investment strategy (see pages 2 and 10).

Lack of education can be a significant barrier to employment and adequate wages, especially for women (nearly 80% of AFDC parents are women). Nationwide, unemployment for all women was 5.6% in 1995, but for high school dropouts, joblessness was over 13%. While rising for all persons, in Washington average real wages from 1980 to 1990 fell by 27% for those without a HS degree. (The data in this paragraph are from a DSHS/DIA Draft Report "Labor Market Realities and the Welfare-to-Work Transition", October 1996.)

Ms. Cheryle Broom
December 3, 1996
Page 5

DSHS staff appreciated the positive working relationship with you and JLARC staff. If you have any questions about this audit response, please contact Liz Dunbar at 413-3200.

Sincerely,



JERRY W. FRIEDMAN
Assistant Secretary
Economic Services

cc: Lyle Quasim
Gary Moore
Liz Dunbar
Janet Bloom
Gary Robinson



STATE OF WASHINGTON
 EMPLOYMENT SECURITY DEPARTMENT
 PO Box 9046 • Olympia, WA 98507-9046

December 2, 1996

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DEC 02 1996

JLARC

Ms. Cheryl Broom, Legislative Auditor
 Joint Legislative Audit and Review Committee
 506 16th Avenue SE
 Olympia, Washington 98501-2323

Ms. Broom:

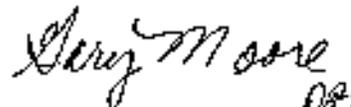
The Employment Security Department is submitting the following in response to the recommendations contained in the Joint Legislative Audit and Review Committee JOBS program review.

RECOMMENDATION	AGENCY POSITION	COMMENTS
Number 1	Concur	The two outcome measures cited in the report are appropriate measures. However, other outcome measures such as job retention should be considered.
Number 2	Concur	Employment Security agrees that it is very important to routinely monitor JOBS cases. Prior to September 1995, ESD Central Office staff performed regular monitoring of local office program operations. While a formal policy memo had not been issued regarding monitoring a specific number of cases each month, this issue was discussed with the supervisor during every site review. Supervisors were asked to describe how they monitored staff's performance and knowledge of the program and how they reviewed staff's case files for completeness and accuracy. The Case Record Review Guide form was also provided to the supervisor to use on an ongoing basis to monitor case records. In addition, a memo was issued on November 15, 1995 reinforcing supervisory responsibilities, including those of performing regular case record reviews.

		To ensure that regular monitoring occurs, we will coordinate with DSHS and issue a formal policy for ESD.
Number 3	Concur	None
Number 4	Concur	A DSHS/ESD JOBS Automated System (JAS) user group has been formed to develop an automated client assessment tool.
Number 5	Concur	None
Number 6	Concur	None
Number 7	Concur	None
Number 8	Concur	ESD and DSHS have developed an agreement to share and match data but legislation would be valuable to more clearly allow this process to happen.
Number 9	Partially Concur	ESD concurs with the first two recommendations. However, we want to determine the impact of the third recommendation. We do agree that the initial assessment and employability plan should be completed prior to component assignment but we want to make sure that whatever system changes are made will not make it more difficult or cumbersome for staff to operate.

I wish to thank the JLARC audit team for their work and recommendations. If you have questions about the audit response please call Janet Bloom at 438-4000.

Sincerely,



GARY MOORE
Commissioner

GM:djw



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43773 • Olympia, Washington 98504-3773 • (360) 753-5459

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December 3, 1996

DEC 03 1996

Cheryle A. Broom, Legislative Auditor
Joint Legislative Audit and Review Committee
506 16th Avenue S.E.
Olympia, Washington, 98501-2323

JLARC

Dear Ms. Broom:

This letter responds to your preliminary audit report on the JOBS Training Program, focusing on the recommendation that relates most directly to the responsibilities of the Office of Financial Management (OFM). The Department of Social and Health Services (DSHS) and the Department of Employment Security have indicated that they plan to respond to all of the recommendations contained in the draft report.

As you know, OFM has been working with state agencies for the past year to develop performance measures for all agencies. In this capacity, OFM concurs with Recommendation 1 in the draft report that DSHS adopt outcome measures for the JOBS program to track: 1) increase in earnings from employment, and 2) reduction in monthly welfare payments. However, OFM also recommends that DSHS develop additional outcome measures to gauge the success of the state's welfare-to-work efforts.

Several studies, including the *Family Income Study* published in 1995 by the Washington State Institute for Public Policy, have found that wage levels paid to people leaving public assistance are a major indicator of the ability of those people to stay off welfare. Job retention is also a key measure of success. For this reason, OFM recommends that DSHS develop performance measures to track average wages of people leaving welfare and job retention.

Apart from the recommendations themselves, OFM would also like to comment on findings and conclusions expressed elsewhere in the report. In several instances, the report suggests that employment-related services have had a higher impact on increases in earnings and reductions in welfare grants per month than services related to education. As in the *Family Income Study* and similar studies, the data contained in the draft report do not, however, show that education has no bearing on welfare recipients' efforts to become self-sufficient.

Cheryle A. Broom

Page 2

December 3, 1996

The Family Income Study found that women receiving public assistance who completed a year of training or school while working earned \$1.14 more per hour than those who just worked. Since wage levels appear to be a major indicator of whether a person returns to public assistance, education and training programs do appear to be an important element of a successful welfare-to-work program. OFM recommends that the Joint Legislative Audit and Review Committee (JLARC) give greater consideration to these findings in its final audit report.

OFM appreciates the opportunity to respond to the preliminary draft of JLARC's audit report on the JOBS Training Program. Please contact me if OFM can provide any further assistance.

Sincerely,



Gary S. Robinson
Acting Director

AUDITOR'S COMMENTS TO AGENCIES' RESPONSES

Recommendation 1. We have clarified our recommendations for using two specific performance outcome measures. We meant that *at least* these two outcome measures should be used. If DSHS believes additional measures will be useful and the collection of the information is not costly, then certainly the collection of additional measures is not precluded. These two measures are the minimum measures that will provide program outcome information.

Recommendation 6. We believe that the wide range in costs per client for similar services must be addressed by DSHS. Under the new federal welfare reform, the state may not wish to continue to provide, nor contract for, every service component that has been provided under the JOBS program. Because program changes will probably be mandated during the 1997 Legislative session, we agree that it is reasonable to have a plan in place by December 31, 1997; however, a rate structure should be in place by June 30, 1998.

Recommendation 9. We have revised the third part of this recommendation, based upon the agencies' comments. If, under the new federal welfare reform, the agencies want to assign clients to job search or a work activity before an assessment is completed, this would be reasonable. However, it would not be reasonable to have clients stay in the assessment phase for several months, as we observed during the audit, or to assign clients to services that may not be effective. We believe that the welfare clients and the taxpayers are better served when clients are quickly assessed and assigned to services that have been proved to be effective. Also, we concur that changes in JAS should be user-friendly for staff.

Methodology. DSHS' comments on methodology highlight the difficulty in determining which JOBS services are effective. We believe our consultant's methodology in analyzing administrative data was sound. It took into account the sequencing and frequency of the different types of services assigned to JOBS clients. Furthermore, the data show that JOBS clients typically received only two education or training services (when assessment, holding, and waiting were excluded).

METHODOLOGY FOR ANALYSIS OF ADMINISTRATIVE DATA

Appendix 3

The consultant used two methods to learn if a pattern emerged from which components were assigned and how the components affected outcomes. The two methods are briefly described below. Because the results were so similar, the first method (the last component assigned to a client) was chosen for the analysis.

Multiple regression analysis was conducted. It statistically associated increases in earnings and reductions in welfare payments to many independent variables. These variables included client characteristics, program participation characteristics, and the last component received. This association becomes statistically significant when it is large enough, given the sample size, to be different from finding no effect.

1. The Last Component

To estimate the effectiveness of the JOBS program, the consultant analyzed the *last* JOBS component to which a JOBS participant was assigned. It is possible that certain combinations of JOBS components were the key factor for increasing earnings and reducing welfare grants; however, the possible number of combinations was large.

In general, participants in this JOBS sample had a median of five components, but a median of only two education and training components, when assessment, holding and waiting were excluded. Assessment, holding and waiting comprised 40 percent of the last component received by JOBS participants. The remaining 60 percent of the distribution of last component assigned was divided between education, job skills training work experience, job readiness, and job search. None of these other categories had more than 11 percent of the distribution. Exhibit 20 shows the distribution of JOBS participants' last component.

2. The Component Just Prior to Job Search

Because job search is frequently used as a bridge from the JOBS program to the labor market, the component that occurred *just prior to job search* was also examined. The consultant reasoned that because JOBS participants in this sample had a median of two education and training components, the component just prior to job search may have been the key factor in enabling a JOBS participant to become employed and to leave welfare.

Because job search may be assigned three times (initial job search, secondary job search, and extended job search) it was possible for JOBS participants to be assigned to one type of job search just prior to another type of job search.

A very similar distribution of components appeared for just prior to job search as for the last component (see Exhibit 21). Again, over 40 percent of the JOBS participants were assigned to assessment, holding or waiting. The remaining 60 percent of the distribution were in education and training components, but no component received a large distribution. Therefore, the consultant decided it was reasonable to use the last component to which a JOBS client was assigned for the analysis.

Exhibit 20
Last JOBS Component Assigned
Sample Size = 15,601

Assessment, Holding, Waiting	40.32%
<i>Assessment</i>	17.73
<i>Assessment only</i>	4.29
<i>Holding</i>	15.67
<i>Waiting</i>	2.63
Basic Education Activities	11.40%
<i>High School Completion</i>	4.53
<i>English as a second language (ESL)</i>	3.31
<i>General education diploma (GED)</i>	2.46
<i>Adult basic education</i>	1.10
Post-Secondary Education Activities	9.78%
<i>Two-year college</i>	5.24
<i>Four-year college</i>	1.56
<i>Self-initiated two-year college</i>	.88
<i>Self-initiated four-year college</i>	2.10
Job Skills Training	7.52%
<i>Job skills training</i>	4.88
<i>On-the-job training</i>	1.15
<i>Self-initiated training</i>	1.49
Work Experience	4.21%
<i>Job development/placement</i>	2.65
<i>Work experience</i>	1.41
<i>Community work experience (CWEP)</i>	.14
<i>Work supplementation</i>	.01
Job Readiness	7.74%
Job Search	11.83%
<i>Job search initial</i>	.88
<i>Job search secondary</i>	10.42
<i>Job search extended</i>	.53
Case Management	7.19%
Sanction-Related	.01%
<i>Conciliation</i>	.01

Exhibit 21
JOBS Component Before Job Search
Sample Size = 2,693

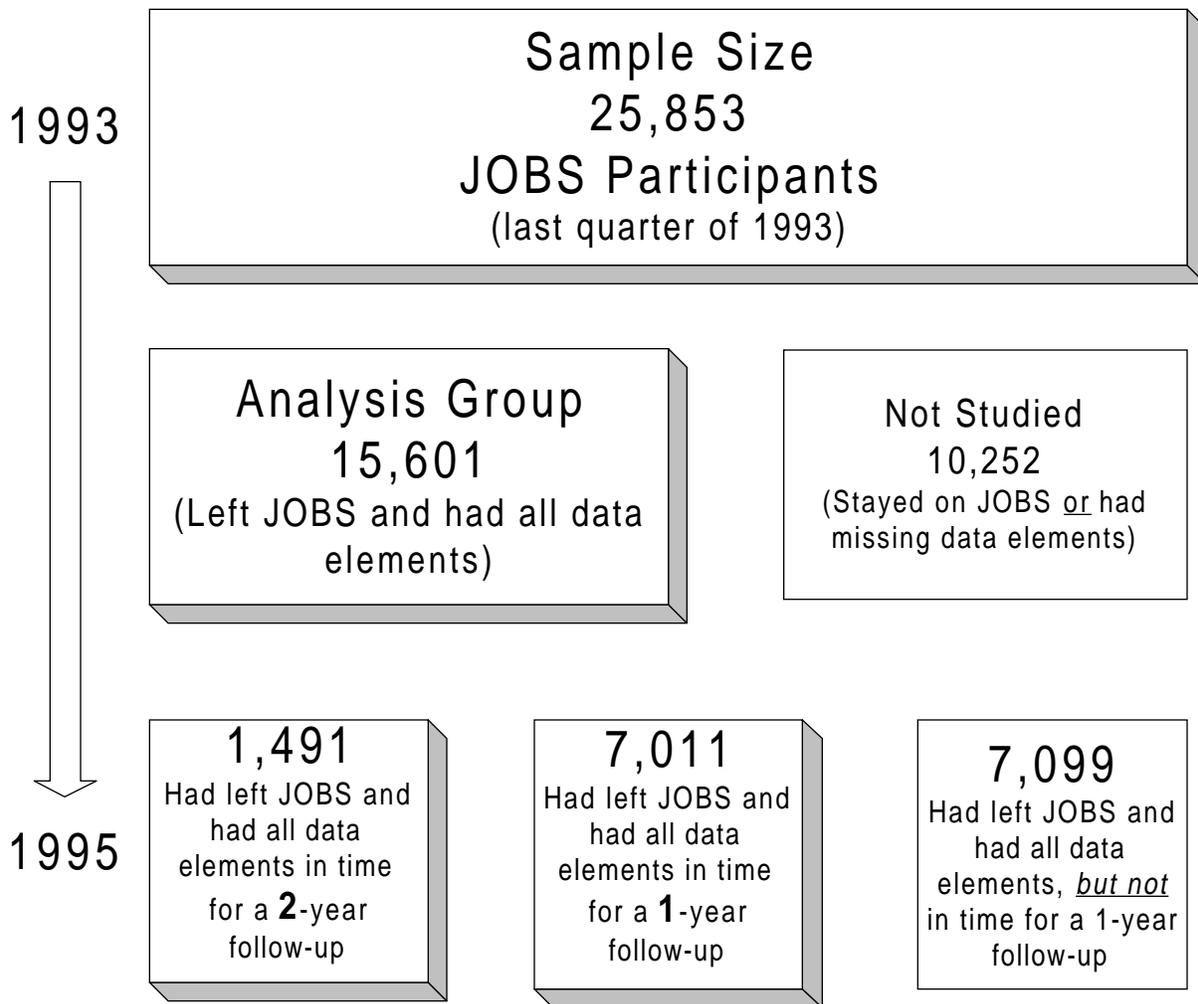
Assessment, Holding, Waiting	48.39%
<i>Assessment only</i>	34.94
<i>Assessment</i>	2.23
<i>Holding</i>	8.69
<i>Waiting</i>	2.53
Basic Education Activities	2.53%
<i>High school completion</i>	.78
<i>English as a second language (ESL)</i>	.85
<i>General education diploma (GED)</i>	.71
<i>Adult basic education</i>	.19
Post-Secondary Education Activities	5.80%
<i>Two-year college</i>	3.04
<i>Four-year college</i>	.82
<i>Self-initiated two-year college</i>	1.23
<i>Self initiated four-year college</i>	.71
Job Skills Training	8.58%
<i>Job skills training</i>	6.61
<i>On-the-job training</i>	.15
<i>Self-initiated training</i>	1.82
Work Experience	6.12%
<i>Job development/placement</i>	4.23
<i>Work experience</i>	1.63
<i>Community work experience (CWEP)</i>	.15
<i>Work supplementation</i>	.07
<i>EPP</i>	.04
Job Readiness	10.25%
Job Search	16.11%
<i>Job search initial</i>	3.08
<i>Job search secondary</i>	12.66
<i>Job search extended</i>	.37
Case Management	1.78%
Sanction-Related	.15%
<i>Conciliation</i>	.15

Does not total 100% due to missing codes.

JOBS SAMPLE SIZE

Although 25,853 JOBS participants were selected for the sample, some did not leave JOBS during the study period or had missing data elements necessary for the study. The effective analysis group was 15,601. Of this 15,601, 7,011 had left JOBS in time for a one-year follow-up and 1,491 had left JOBS in time for a two-year follow-up within the study period. Another 7,099 had left JOBS, but not in time to be included in the one-year follow-up group.

Exhibit 22
JOBS Study Sample



SAMPLE OF JOBS READINESS CONTRACTS

Appendix 4

Job Readiness contract highlights, by Department of Social and Health Services Region

DSHS Region 1 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
Spokane Neighborhood Action Program Contracted Services: Job readiness	Job readiness activities include but are not limited life skills planning, goal setting, money and time management, communication, conflict resolution, self-esteem, motivation, parenting skills, employer expectations, application completion and resumes, interviewing techniques, transferrable skills and problem solving.	4 weeks	\$ 1,667	42	50% obtain employment (fed. definition of employment)
Nova Enterprises Contracted Services: Job readiness Work experience (WEX)	Methods include techniques to help persons determine their employment interests, strengths and weaknesses, wage expectations, barriers, time/month management, resumes and interviewing.	Avg. 6 mos.	\$3,780	15	73.3% complete JR component
Spokane Community College: PACE Program Contracted Services: Job readiness	Classes cover personal/interpersonal skills, communication, self esteem, assertiveness, goal setting, time management, networking, employment & goal development, independent living, attitudes, problem solving, child care, transportation, conflict resolution, and use of community resources.	Avg. 3 mos.	\$ 1,200	45	48.8% complete JR component 20% obtain employment (fed. definition of employment)
Pre-vocational Training Center Contracted services: Job readiness Job skills training Work experience (WEX)	Classes cover employer expectations, individual skills, applications & pre-employment tests, resumes, letters, phone techniques, grooming & attire, interviewing, job alternatives and time management.	Up to 1 mo.	\$630	45	75.5% complete JR component
Northwest Rural Resources Development Association Contracted services: Job readiness	Classes cover self assessment, time & money management, information & referral, parenting skills, learning styles, communication skills, problem solving, goal setting, self esteem & motivation, substance abuse, resumes, job applications and interviews, employer expectations, labor market information, use of JOBNET, job retention and nontraditional employment.	7 weeks	\$ 1,111	27	88.8% complete JR component 59.2% obtain employment (fed. definition of employment)

DSHS Region 2 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
Yakima Valley Farm Workers Clinic Contracted services: Job readiness Adult Youth Work experience (WEX)	Teen parents receive pre-employment skills instruction life skills & health career and other related training. Clients are assisted with resumes, interview techniques, portfolios, assertiveness & techniques for securing employment.	1 to 28 weeks	\$38-1,833.50 youth \$20-\$1,600 adult	30 youth 83 adult	Those who complete JR will be placed in unsub. employment, WEX or job search.
Elmview, Inc. Contracted services: Job readiness Work experience (WEX)	Resume/application development, job skills, interview skills, work interests/aptitudes, job clusters and job search strategies.	9 weeks	\$2,250	11	60% who complete JR will enter unsub. employment or WEX.
Goodwill Industries Contracted services: Job readiness Work experience (WEX)	Uses service code language; indicates it targets clients who are limited English-speaking and disabled.	4 weeks	\$3,200	14	60% complete WEX or enter employment
Yakima Valley O. I. C. Contracted services: Job readiness	Specifies focus on workplace expectations, resumes & applications, interviewing and employment search. Provided in conjunction with state DOT-funded program which places job-ready clients in highway construction industries.	2 weeks	\$1,929.55	21	6 persons placed in unsub. empl. @ \$6.50 hour.
Columbia Industries Contracted services: Job readiness Work experience (WEX)	Uses service code language.	2 weeks	\$1,277.70	105	40 will complete WEX or enter unsub. employment.

DSHS Region 3 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
Center for Career Alternatives Contracted services: HS/GED Job readiness Work experience (WEX)	Life skills planning, goal setting, money/time mgmt., communication, conflict resolution, self esteem, motivation, parenting, employer expectations, applications, resumes, interviewing, transferable skills, problem solving techniques. Targets persons <24 yrs. Specifies that program is provided in conjunction with GED or WEX.	16 weeks	\$376	40	Measured by outcomes of GED & WEX.
Skagit Co. Community Action Agency Contracted services: Job readiness	Program called "Life Skills Project." Focus on: "health/nutrition, family and life management, personal growth and development, and workforce preparation" and <24 yrs.	2 weeks plus 2 days follow-up	\$658 workshop \$153	40 workshop 15	70% complete work-shop; 55% will be placed in other JOBS component.

DSHS Region 4 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
Jewish Family Services Contracted services: Job readiness Work experience	Classes cover barriers to employment, exploration of job market, transferable skills, work habits, grooming & presentation, personal behaviors, parenting, self-esteem, job goals, resumes & cover letters, communication, job search strategies, identifying potential jobs, job search, interviewing, phone use, informational interviews, and networking.	6 weeks	\$3,000 conditioned upon completion of class or obtaining employment*	476	Pmt. conditioned on completion of class or obtaining employment.
Washington Works Contracted services: Adult basic ed. GED completion Job readiness Job skills training	Classes cover life skills, planning, goal setting, money /time management, communication, conflict resolution, self esteem, motivation, parenting, employer expectations, resumes/applications, interviewing, transferable skills and problem solving. Program combined with WEX program.	4 weeks	\$2,000	115	75% retention rate; 65% placed in other JOBS component; 50% placed in unsubsidized employment; 20 hrs. wk/\$6.50 hr.
Welfare Rights Organ. Coalition Contracted services Job readiness	"Up & Out of Poverty" workshop: 10 sessions covering personal power, values/rewards of work, purpose-centered vision, self assessment, skills identification, work habits, lifestyle adjustment and rallying support, labor market research, job search, career planning, applications, resumes, letters, interviewing, mock interviews.	2 weeks	\$391	64	75% retention rate; 65% placed in other JOBS component; 50% placed in unsubsidized employment: 20 hrs. wk/\$6.50 hr.
With Grace Training Foundation Contracted services: Job readiness	Development of employment plan, identifying jobs, job markets, transferable skills, self awareness, self knowledge, self esteem, communication skills, mock interviews, problem solving techniques, anger management, critical thinking, energy exercises; information on educational, job, financial and personal support resources.	2 weeks	\$1,500	108	75% retention rate; 65% placed in other JOBS component; 50% placed in unsubsidized employment: 20 hrs. wk/\$6.50 hr.
YMCA/Greater Seattle Contracted services: BE/GED Job readiness Job skills training Work experience	Job readiness training includes goal setting, career planning, research labor market trends, identifying transferable skills, job search skills, employer expectations, and money management. JR is combined with other JOBS components.	2 weeks	\$1,200	44	75% retention rate; 65% placed in other JOBS component; 50% to unsub. empl. @ 20 hrs/week, \$6.50 hr.

DSHS Region 5 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
Washington Women's Employment & Education Contracted services: Job readiness Job search	Interviewing skills, resume writing, labor markets, skills and interests inventories, school/non-traditional careers, goal setting, conflict resolution, time management, communication, employment tips and law workshop.	4 weeks	\$ 1,500	121	75% complete JR. 60% enter WEX, OJT, or job search. 55% ready to enter employment.
Metropolitan Development Council Contracted services: Job readiness Job search Job development Work experience (WEX)	"Orientation to WEX and Job Search" Addresses career assessment, overcoming barriers, career awareness/exploration, transferable skills and conflict resolution.	1 day	\$650	200	100% complete JR.
Tacoma Community House Contracted services: BE/GED ESL Job readiness Work experience (WEX) Job search Job develop. & Placement	Uses service code language; targets non-English and limited English-speaking clients. Curriculum includes job search techniques, resume writing, interviewing, labor markets, conflict resolution, time management, decision making and emergency preparedness.	2 weeks	\$840	57	70% complete JR.
Kitsap Community Action Program Contracted services: Job readiness OJT Work experience (WEX)	3 workshops: Worklife Planning(WP), Be Your Own Best Friend (BF), Work Ready Techniques (WRT).	3 weeks est.	\$833 (WP) \$1,000 (BF) \$1,667 (WRT)	118 60 160	85% complete WP. 75% complete BF. 75% complete WRT
Pierce Co. Community Services Contracted services: Job readiness Work experience (WEX)	"Career" Program. Includes any combination of: job search & interviewing, application/resumes, state/county jobs, dress & appearance, labor market information, job referrals, information & referral, and workbook.	3 weeks	\$870	4	80% complete JR or enter unsubsidized employment.

DSHS Region 6 Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
SW Washington Private Industry Council (north/east county) Contracted services: BE/GED ESL Job readiness Job skills training Job search Work experience (WEX) On the job training (OJT) Job develop. & placement.	Career exploration: lab and psychology of winning; writing skills, application & cover letters, resumes & job retention, job search and orientation to OJT. Targets non- or limited English speaking clients.	3 days	\$400	50	75% will be placed in WEX, OJT or enter unsub. empl. (federal definition of employment '@ \$6.50 hr.)
YWCA of Clark County Contracted services: Job readiness	Life skills planning, goal setting, money/time management, communication, conflict resolution, self esteem, motivation, parenting, employer expectations, applications, resumes, interviewing, transferrable skills and problem solving techniques. Services provided to shelter residents.	3 weeks	\$400	125	30 job placements: (federal definition of employment.)
Grays Harbor College Contracted services: BE/GED Job readiness	"New Chance" Program: Understanding techniques for exploring and evaluating occupational opportunities, educational/occupational skills, goal setting, self esteem, assertiveness, stress mgmt., communication skills, basic computer literacy, interpersonal relations, and job search.	10 weeks	\$1,035	101	80% complete JR.
Housing Authority of Thurston County Contracted services: Job readiness	Monthly individual meetings for life planning, budgeting, goal setting-motivation, parenting, education, problem solving and referral to services. Monthly workshops on career planning, personal safety, drug/alcohol awareness, crime prevention, weatherization, legal affairs education. Monthly social skills and networking sessions with peers on communication skills, interviewing, planning organizational skills, information sharing and assistance with job and college applications.	5-6 months	\$1,650 to \$1,980	88	75% complete JR, and placed in job skills trng., WEX or OJT.

DSHS Region 6 (cont.) Organization Name	Description of Services: Job Readiness	Length of JR Program	Cost/ Participant	No. of Clients	Contract Outcomes
<p>Klickitat/Skamania Development Council</p> <p>Contracted services: Job readiness</p>	<p>Training focuses on life skills, resumes, interviewing, office protocols, computer/software basics, money/time mgmt., selfcare/esteem, counseling, home resources, job search, basic training, office equipment, reception/clerical basics, family/parenting training, socialization. Training tailored to individual needs.</p>	<p>4-8 weeks</p>	<p>\$1,300 est., plus \$1,225 est. for additional services.</p>	<p>40-50</p>	<p>75% complete JR.</p>
<p>Olympic College</p> <p>Contracted services: Job readiness Job search</p>	<p>"The Job School": Career exploration, transferable skills, self esteem, interviewing, application/resumes, personal job search plan. 10 hrs. computer literacy & word processing.</p>	<p>2 weeks</p>	<p>\$700</p>	<p>100</p>	<p>75% complete JR.</p>

WELFARE AND JOBS CHRONOLOGY

Appendix 5

1935

Congress creates Aid to Dependent Children, later known as Aid to Families with Dependent Children (AFDC) as part of the Social Security Act.

1987

Washington State Legislature, at the Governor's request, creates the Family Independence Program (FIP), a five-year welfare reform demonstration program. FIP provides: financial incentives to obtain education, training, and employment; cash, rather than food stamps; social services during the program; and child care and medical coupons for a period of 12 months after a client leaves the program with employment.

1988

Congress passes, and the President signs, the Family Support Act (FSA) which creates the Job Opportunities and Basic Skills Training (JOBS) Program. JOBS focuses education and training services on four "target populations" most likely to become long-term welfare recipients:

- Clients who have received AFDC in 36 of the past 60 months.
- Custodial parent, under 24 years of age without a high school diploma or GED.
- Custodial parent, under 24 years of age with little or no work experience.
- Family whose youngest child is within two years of ineligibility.

1990

Washington State begins to implement the federal JOBS program.

1991

Washington State Legislature passes, and the Governor signs, JOBS legislation (RCW 74.25) that creates a *voluntary* program emphasizing work experience and education.

1993

Washington State Legislature passes, and the Governor signs, HB 1197 which instructs DSHS to:

- Divide the AFDC population into target groups.
- Match services to the needs of each target group.
- Focus AFDC on employment .
- Seek federal waivers that allow families to keep more of their earnings from employment while receiving AFDC.
- Require staff to determine the most appropriate living situation for unmarried pregnant teens who receive AFDC.

DSHS begins contracting with community organizations, known as third-party match contractors, to provide JOBS services. The contractors provide local funds which can match or “draw down” additional federal dollars that are not matched by state dollars.

Family Independence Program ends. An evaluation by the Urban Institute finds that the program was not successful. It increased welfare use and did not increase employment.

1994

Washington State Legislature passes, and the Governor signs, E2SHB 2798, which instructs DSHS to:

- Reduce AFDC grants by 10 percent per year for families that received welfare for four years.
- Train staff to emphasize the expectation that AFDC recipients will enter employment.
- Require staff to determine the most appropriate living situation for unmarried pregnant teens who receive AFDC.

1995

The U.S. Department of Health and Human Services threatens Washington State with sanctions because the voluntary JOBS program is not attracting enough two-parent family (AFDC-E) participants. DSHS changes the WAC regarding JOBS participation and the JOBS program becomes *mandatory* for eligible JOBS recipients.

1996

Congress passes, and the President signs, the latest federal welfare reform known as the Personal Responsibility and Work Opportunity Act of 1996 (HR 3734). This act abolishes the federal entitlement to welfare benefits. The federal AFDC, JOBS, and Emergency Assistance funds are to be combined and transferred to the states through a Temporary Assistance for Needy Families block grant. The new federal law limits financial assistance to five years per recipient and requires most adults to work within two years.

GLOSSARY

Appendix 6

Aid to Families with Dependent Children (AFDC). The program created in the Social Security Act of 1935, which provides financial assistance and other services to needy families with children.

Automated Client Eligibility System (ACES). The new DSHS electronic welfare client eligibility data system, designed to replace ITIS.

Assessment. The process by which the JOBS staff determines the needs, skills, and prior work experience of a client in order to develop an employability plan.

Conciliation. The second step in the sanction process, designed to resolve disputes or discrepancies related to a person's participation in JOBS. If conciliation is not successful, the JOBS participant may be sanctioned.

Component. An activity or service available to JOBS participants. See Exhibit 10, page 16.

Community Support Office (CSO). One of 63 local DSHS offices in which direct services are provided to AFDC and JOBS clients.

Community Work Experience (CWEP). A JOBS component in which the JOBS participant works in a community work assignment for a number of hours that is equivalent to the monthly AFDC grant at minimum wage. The work is voluntary and the client is not paid. CWEP has not been used since October 1995.

Department of Social and Health Services (DSHS). The state agency responsible for managing the JOBS program.

Employability Plan. A plan that describes the JOBS services that will be provided and the activities in which the client is obligated to take part.

Employee Partnership Program (EPP). Subsidized employment, known as "work supplementation" in JOBS legislation. EPP operates in two pilot sites, one in Snohomish County and one in Benton County.

Employment Security Department (ES). The state agency that contracts with DSHS to provide employment-related services to approximately 70 percent of the JOBS participants. This agency is also responsible for maintaining the Unemployment Insurance fund.

Exempt. A term applied to a person not legally required to participate in a JOBS component or activity as a condition of AFDC eligibility.

Federal Fiscal Year (FFY). October 1 of the previous year through September 30 of the year named. (e.g., FFY 1995 is October 1, 1994 through September 30, 1995.)

Good Cause. The first step in the sanction process, in which a DSHS social worker determines whether a JOBS participant has an acceptable reason for failing to participate in the program.

Holding. A JOBS component in the JOBS Automated System (JAS) used to show an interruption in a component, most commonly a break between school semesters.

Interactive Terminal Input System (ITIS). The current DSHS electronic welfare client eligibility data system, being replaced by ACES.

Job Development and Placement. A JOBS component in which a state employee discovers or solicits job openings on behalf of JOBS participants and markets them for job interviews.

Job Readiness. A JOBS component to help prepare participants for successful entry into and participation in the labor market. Job Readiness may include life skills planning, goal setting, money and time management, communication skills, conflict resolution, self-esteem, motivation, parenting skills, employer expectations, application completion and resume development, interviewing techniques, transferable skills and problem-solving techniques.

Job Search. A JOBS component that provides labor market information and job-seeking skills to participants who have been assessed as job ready.

Job Skills Training. Vocational training in a specific occupational area, which may result in a participant receiving a certificate or license, but does not include degree programs.

Job Opportunities and Basic Skills Training Program (JOBS). The Job Opportunities and Basic Skills training, as established by the Family Support Act of 1988. The purpose of JOBS is to assure that needy families with children obtain the education, training and employment that will help them to avoid long-term welfare dependency.

JOBS Automated System (JAS). The electronic data and reporting system used to track the activities of JOBS participants and to report JOBS activities and expenditures to the federal government.

JOBS Financial System (JFS). The electronic financial data system for the JOBS program.

Mandatory. A term applied to AFDC recipients who are required by federal law to participate in the JOBS program. Until October 1995, the JOBS program was voluntary for all participants.

Non-exempt. A term applied to an individual who is determined “able to work” and is legally required to participate in JOBS.

On-the-Job Training (OJT). Subsidized, structured individual training that prepares the participant for full-time, gainful employment in a specific labor market and which may be assigned for up to a maximum of 26 weeks.

Pathways. Created by DSHS in 1995 to target services that are deemed most appropriate and cost-effective given a participant’s characteristics. The pathways and the two state agencies that provide services are shown on page 14 of the report.

Program Year (PY). July 1 of the year named to June 30 of the next year. (e.g., PY 1995 is July 1, 1995 to June 30, 1996.) Both DSHS and ES manage JOBS program activities in terms of program years. PY 1995 is the same as SFY 1996.

Revised Code of Washington (RCW). The laws of the state, as enacted or amended by the state legislature.

Sanction. The reduction in AFDC grant payment (and in some cases, food stamp allotment) imposed on a JOBS participant who has failed to participate in JOBS, or who has refused a bona fide job offer, without good cause. A sanction cannot be imposed unless conciliation has been attempted. The three steps in the sanction process are: good cause, conciliation, and sanction.

State Fiscal Year (SFY). July 1 of the previous year through June 30 of the year named. (e.g., SFY 1995 is July 1, 1994 through June 30, 1995.)

Supportive Services. Services that the state must provide, pay for, or reimburse, such as transportation and other work-related expenses to enable an individual to participate in the JOBS program.

Target Groups. AFDC recipient groups identified by federal regulations to receive priority consideration for JOBS services:

- 01 Applicants for AFDC who have received AFDC benefits for 36 of the 60 months immediately preceding the most recent month of application.
- 02 Recipients of AFDC who have received AFDC benefits for 36 of the preceding 60 months.
- 03 Members of a family in which the youngest child is within two years of being ineligible for AFDC because of age.
- 04 Custodial parents under the age of 24 who have not completed high school or equivalent, and are not enrolled in high school or equivalent.
- 05 Custodial parents under the age of 24 who have little or no work experience in the preceding year.
- 06 Non-Target. Not a member of Target Group 01, 02, 03, 04, or 05.

Third-Party Match Contractors. Non-profit organizations that contract with DSHS to provide services to JOBS participants. Contractors provide 40 percent of the cost of a contract in order to match (“draw down”) 60 percent of the cost in federal funds that the state would not otherwise be able to match with general fund dollars.

Unemployment Insurance (UI) Wage Files. Individual employee wage information provided by employers to the Employment Security Department to determine unemployment insurance payments.

Voluntary. A term used to describe JOBS participants who are under no obligation to participate in the program. Before October, 1995, all JOBS participants were voluntary.

Waiting. A JOBS component recorded by the JOBS Automated System (JAS) to show a client as actively participating in the program, but waiting for a given service to begin in the near future (e.g., the next Job Readiness course offered by a contractor.)

Washington Administrative Code (WAC). The rules of each state agency which govern formal and informal procedures.

Work Experience (WEX). A training activity in which a participant is placed in non-salaried work with a public agency or non-profit organization. A JOBS participant may not be assigned to one WEX for more than nine months.

Work Supplementation. A JOBS component in which AFDC funds may be used to subsidize employment for AFDC recipients as an alternative to the AFDC monthly payment. The EPP program is work supplementation.