

**State of Washington
Joint Legislative Audit and Review Committee (JLARC)**



**WorkFirst Evaluation
Phase III
Post-Employment Services**

Report 00-4

June 28, 2000

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WORKFIRST EVALUATION PHASE III

REPORT DIGEST

JUNE 28, 2000



STATE OF WASHINGTON

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WORKFIRST EVALUATION

The 1997 Legislature enacted Washington's welfare reform—WorkFirst—and also directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate its impact. This report is the third phase of JLARC's continuing work in looking at the effectiveness of this major change in public policy.

GETTING A JOB IS ONLY THE FIRST STEP

The report focuses on “**post-employment services**” intended to help WorkFirst clients stay employed and improve their earnings.

By providing post-employment services, WorkFirst recognizes that many clients lack skills needed to hold onto a job, and attempts to provide them with assistance in solving work place problems as they emerge.

Since the potential problems are varied, what falls under the umbrella of post-employment services is also diverse. Post-employment services may include: assisting the client in learning how to interact with a supervisor, emergency car repair, or helping a client to participate in obtaining specialized technical skills in a trade or community college. Many clients simply do not have the skills needed to resolve the inevitable problems they experience when entering or re-entering the workforce.

As Washington's caseload changes, so does the type of services needed to assist clients who get a job but lose it and return to welfare. At WorkFirst's onset in July 1997, 58 percent of the caseload were “repeating”—that is, they had left welfare and come back. By February of 2000, 72 percent of the caseload were repeating, and lesser proportions were either new recipients or those who had been on welfare continuously.

However, welfare clients now have more work experience than in the past, and with this experience they are likely to have a better chance of getting another job.

We know from the national research literature some lessons that seem to be borne out in recent Washington experience. The three most important points are that steady employment among welfare clients is not common, there is no magic formula to keep them from losing jobs, and that fast re-employment may be a key to success.

WHAT'S NEEDED IN WASHINGTON STATE?

WorkFirst has attempted to incorporate post-employment services as a key component to its approach in assisting clients to become independent of welfare.

There are considerable problems, however, in getting clients and employers engaged in the services.

Timing of Communications and Contact With Clients Is Essential

WorkFirst clients are not taking advantage of post-employment services and employers have little knowledge that the state provides clients with on-going support once they get a job. Clients are not receiving the information about services in an effective manner. Clients are likely to be overwhelmed with information upon entering the program.

In areas of Washington with limited success in selling the services to clients and employers, the services are introduced to clients early. The value of the services is repeated during the job search process and again when a client gets a job.

Basic Work Place Skills Need to Be Emphasized

Employers stressed the need for new employees to have basic work place skills to be successful on the job. Employers asked that WorkFirst train new employees in skills such as time management, how to work in a team, and effective communication with supervisors and co-workers. Employers view the *technical skills* training as part of what they would teach employees “on-the-job.”

Information on How Fast Clients Get The Next Job Is Important

Two clear findings of the national evaluation literature regarding post-employment services are that clients usually don't keep their first job and that getting a client another job quickly is a key to welfare independence. Yet WorkFirst does not collect information on whether clients are getting another job or the speed at which they get that job. Without this information, important policy questions cannot be answered.

Services Need to Be Reorganized

As we reported in our previous WorkFirst Phase II Evaluation, the logic for assigning job retention to the Department of Social and Health Services and wage progression to the Employment Security Department seems weak. WorkFirst agencies should strive to integrate the services provided to help clients stay employed and improve their earnings.

Assess The \$1000 Early Exit Bonus

Clients who receive a grant of less than \$100 a month may get a one-time \$1,000 Early Exit Bonus if they leave the caseload; however, they may return to the caseload at any time. DSHS must monitor the impact of the bonus and report its findings to JLARC.

RECOMMENDATIONS

- 1. Clients should be introduced to post-employment service providers and their services prior to employment. The benefits of these services should be marketed to the employer as soon as the client is employed.*
 - 2. Job search and job retention efforts need to emphasize the ongoing development of basic job skills.*
 - 3. Re-employment of clients, and the speed at which clients are re-employed, should be counted as a performance measure.*
 - 4. The current organizational structure that treats job retention separate from wage progression should be eliminated and the two efforts viewed as part of one post-employment service.*
 - 5. The Department of Social and Health Services should report back to JLARC on the impact of Early Exit Bonus payments on caseload reduction. The report shall include an analysis of how many clients who received the bonus returned to the caseload, and how quickly they returned, compared to clients who did not receive the bonus, left the caseload, and share similar caseload characteristics.*
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REPORT

BACKGROUND

The 1997 Legislature enacted Washington's welfare reform—WorkFirst—and also directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate its impact. WorkFirst puts its greatest emphasis on getting public assistance recipients into jobs and off welfare.

This report is the third phase of JLARC's continuing work in looking at the effectiveness of this major change in public policy. Our previous two reports examined WorkFirst's start-up in 1997 and 1998, and the changes associated with dramatic reductions in the welfare caseload and with the entry of these former welfare recipients into Washington's labor market in 1999.

Here, we focus on “**post-employment services**,” and the resources such services can offer to current and former welfare recipients to ensure that they stay employed. Such services can be critical to the success of WorkFirst and its ability to meet public expectations as well as its policy goals.

Washington's current welfare caseload is changing. At WorkFirst's onset in July 1997, 58 percent of the caseload were “repeating”—that is, they had left welfare and come back. By February of 2000, 72 percent of the caseload were repeating, and lesser proportions were either new recipients or those who had been on welfare continuously. (See Exhibit 1.)

The increased proportion of “repeating,” clients, however, tells only part of the story. Getting a job, leaving welfare, and then returning later to welfare may be a sign of success. Welfare clients now have more work experience than in the past, and with this experience they are likely to have a better chance of getting another job.

By providing “post-employment services,” WorkFirst recognizes that many clients lack skills needed to hold onto a job, and attempts to provide them with assistance in solving work place problems as they emerge.

Since the potential problems are varied, what falls under the umbrella of post-employment services is also diverse. Many clients do not have the skills needed to resolve the inevitable problems they experience when entering or re-entering the workforce. Thirty-five percent of the WorkFirst caseload has no high school diploma or GED, and almost one-third have no work history.¹

Post-employment services may include: assisting the client in learning how to interact with a supervisor, emergency car repair, or helping a client to participate in obtaining specialized technical skills in a trade or community college. These services are designed to help clients keep a job or to improve their work situations by increasing their hours or wages. The fundamental goal of all the services is to keep the client independent and off welfare.

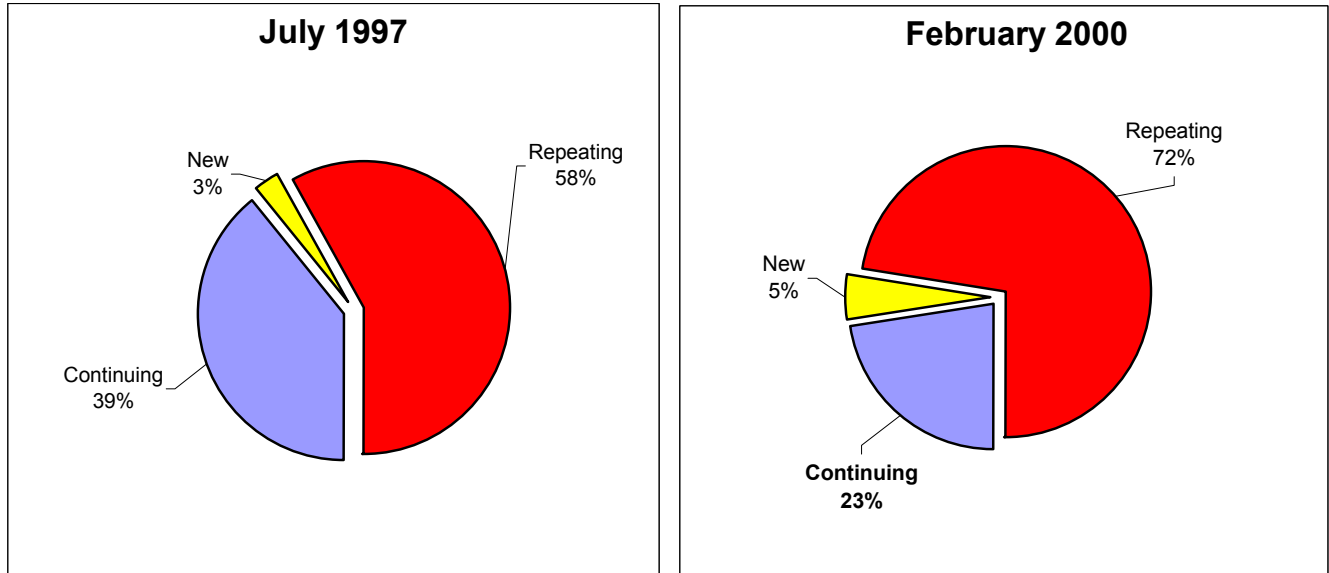
If jobs are lost, getting clients into the next job—without delay—is critical in building attachment to work.

¹ Washington State Institute for Public Policy.

Exhibit 1:

WorkFirst Clients- New, Repeating, and Continuing

Source: Washington State Institute for Public Policy



CURRENT POST-EMPLOYMENT SERVICES²

WorkFirst currently has its post-employment services divided into two components, with different state agencies responsible for each component.

Job Retention

Job retention services are general in nature. They run from arranging for support services to help a client with car repair, working with an employer and a client to forestall a possible firing, finding appropriate additional training, and helping a client find a new job should he or she lose an existing one. These services are provided by contractors reporting to the **Department of Social and Health Services (DSHS)**, and are considered separate from wage progression services.

² The “Limited English Proficiency” (LEP) approach, while not strictly a post-employment service, includes job retention as part of its service package.

Wage Progression

Wage progression services focus on helping clients build skills that will assist them in increasing their wages. This usually means

linking clients with technical and community colleges. Such services are the responsibility of the **Employment Security Department (ESD)**, through their Washington Post-employment Labor Exchange (WPLEX) call center in Seattle.

The WPLEX call center contacts WorkFirst clients (via telephone) once they are employed and informs them of services that are available to them, such as assessment and referrals to higher paying jobs. WPLEX will refer clients to local technical and community colleges for additional training should clients want such training.

WPLEX also informs clients about their eligibility (when appropriate) for child care subsidies, foodstamps, Medicaid, and the earned income tax credit. WPLEX staff alert DSHS case managers of issues raised by clients (work place problems, substance

abuse difficulties, etc.) that may impact the client's ability to stay employed.

Along with its "call center" approach, one of the distinguishing characteristics of WPLEX is its hours: staff call clients until 8 p.m. and work on Saturdays from 9 a.m. until 6 p.m.

LEAVING WELFARE AND COMING BACK

We know from national research that while important, many post-employment services have had only minimal success in keeping clients employed.

NATIONAL RESEARCH

The national research literature helps us understand why people return to welfare, and what does and does not appear to work with post-employment services.

Four key points of these evaluations are:

1. Steady employment among welfare recipients is not common.
2. The first four to six months of employment are critical.
3. No post-employment success "formula" exists.
4. Fast re-employment may be a key to success.³

These evaluation "lessons" seem to be borne out in recent experience in Washington.

WHY DO WORKFIRST CLIENTS LOSE JOBS?

Our process of evaluating WorkFirst's post-employment services involved a review of the national research literature and visits to

³ See "Job Retention and Advancement Among Welfare Recipients: Challenges and Opportunities—Research Synthesis" prepared for Administration and Children and Families, U.S. Department of Health and Human Services. Prepared by the Lewin Group and Johns Hopkins University, January 1999.

three WorkFirst local planning areas—Renton-Burien, Spokane County, and Lewis County. These three areas were chosen because they appeared to have some success in getting clients to participate in post-employment services.

Our visits with the three WorkFirst areas included discussions with WorkFirst staff, post-employment contractors, and employers.

When job loss is **not** for basic economic reasons (lay-offs), we found the evaluation literature, WorkFirst staff, post-employment contractors, and employers to be consistent in concluding why people lose jobs.

- **Lack of work place basics:** how to come in on time, be presentable, and show a desire to work.
- **Low communication skills:** inability to work through problems with co-workers and supervisors.
- **No career path:** perception that the job has no future—no sense of wage, hours, or skills path.
- **Child care:** sudden loss of unlicensed care, no licensed care available in non-traditional hours, no back-up care when children are sick.
- **Public transportation:** inconvenient schedules demanding long commutes.
- **Drug tests:** failing a drug test and drug abuse relapses.
- **Medical coverage:** fear of losing Medicaid after the transitional period of one year.
- **Child behavior problems:** children demanding excessive time from parents to deal with behavioral problems.

There is less agreement, however, on what might keep a client from losing a job, or how to get them re-employed quickly.

EMPLOYERS: WORK PLACE BASICS ARE ESSENTIAL

We assessed what was working and what was not working with post-employment services. We asked employers, in particular, what would make a “new hire” successful.⁴

Employers believe that the state’s emphasis needs to be placed on a job applicant’s (WorkFirst client’s) development of work place basic skills. While not dismissing the need for technical skills, employers were most interested in getting job applicants who understand work place basics and the need to continue to build them.

WHAT ARE WORK PLACE BASICS?

They include:

- A desire to work,
- Knowing how and when to talk to a co-worker or supervisor when faced with a problem in the work place,
- Knowing the importance of punctual and regular attendance at the job,
- Knowing how to manage time,
- Knowing the importance of appropriate appearance,
- Knowing how to work in a team,
- Knowing how to prioritize problems,
- Conveying a positive attitude, and
- Knowing how to leave a job.

Employers believe that their efforts at keeping employees once they were hired would be more successful if employees came with a knowledge of work place basics.

⁴ See Appendix 4 and 5 for a list of employers and contractors interviewed, as well as detail on the contracting process for job retention services.

GETTING CLIENTS INVOLVED IN POST-EMPLOYMENT SERVICES

Getting clients to participate in post-employment activities is proving difficult for WorkFirst. While conducting the Phase II evaluation, we found a problem with “enrolling” clients in job retention services. This problem still exists.

Exhibit 2 on the top of page 5 illustrates that as of December 1999, only 15 percent of WorkFirst adults were coded as having been referred to a job retention service. While low, this percentage is rising.

POST-EMPLOYMENT SERVICES ARE A HARD SELL

Once clients get a job, they want to minimize their involvement with the “welfare office” as much as possible. Post-employment services are not mandatory and are often rejected by clients.

Three reasons emerged in our analysis of why clients reject these services:

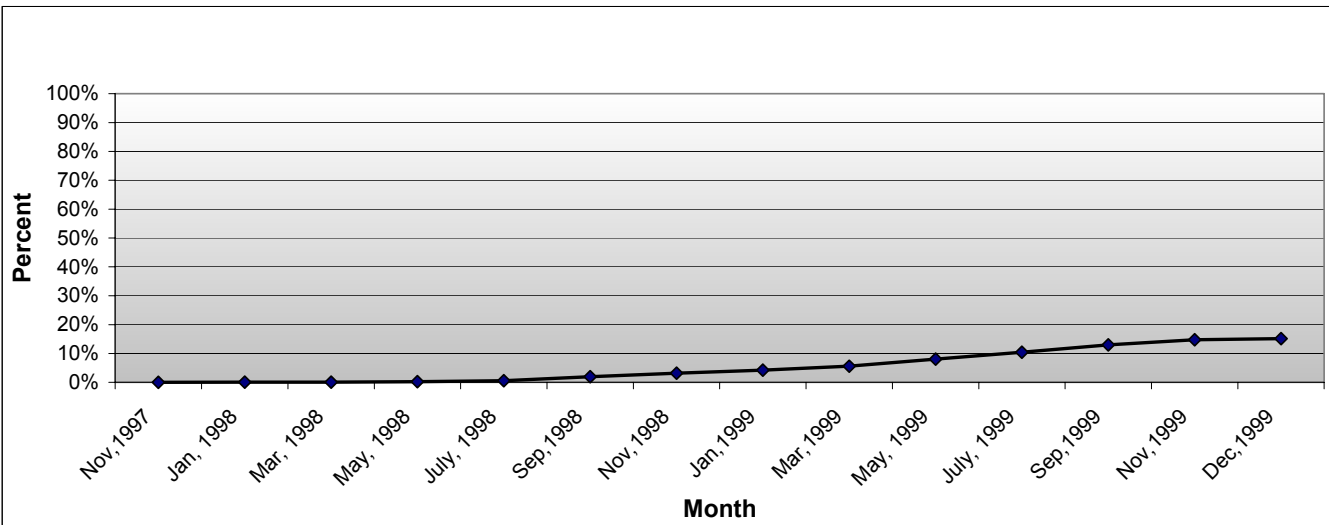
- **Welfare stigma.** Clients do not want their employers to know they are (or were) on welfare. In addition, they are often anxious to minimize their contact with the “welfare office.” Contractors and employers talked about the need to have all three parties communicating: clients, employers, and WorkFirst staff. If a client does not want an employer to know he or she is a welfare client, communication with the employer will not be possible.
- **Information overload:** As clients go through job search, job clubs, and the application and hiring process, they are learning how to get a job and how to arrange their lives so they can work. Issues that might arise months after they obtain employment may be far from their minds, since they are busy dealing with the “here-and-now” of writing

WorkFirst Post-Employment Services Evaluation

Exhibit 2

WorkFirst Adults Referred to Job Retention Services

Source: Washington State Institute for Public Policy



resumes, arranging child care, and applying for work.

- **Late arrival of the retention message**
Job retention contractors are assigned to a client sometime after the client is already working. Prior to employment, the clients have no relationship with the contractor and may perceive no benefit from establishing that relationship. WorkFirst staff, contractors, and employers spoke about the value of establishing a three-way relationship—client, contractor, employer—as one way of improving job retention.

LINKING CLIENTS, CONTRACTORS, AND EMPLOYERS

Welfare clients may be overloaded during their job search process and they may consequently fail to realize the importance of post-employment services. Conversely, we were also told that it takes time to build a trusting relationship with clients, and this is best accomplished by talking with the clients early during the job search process. Finally, while the clients may not always be

receptive, contractors must also develop a relationship with the employer.

This creates a dilemma for WorkFirst: Although the message needs to be delivered early, it can get lost amidst the client's focus on other issues. Therefore, the need seems to exist for the job retention message to be delivered early during the job search process, and then repeated periodically as the client progresses through the search for work and the hiring process. By structuring retention services this way, it may be more likely that the clients will realize the benefit of the services. Once this occurs, the required relationship between the contractor and the employer can be established with the client's permission.

There is another twist to this dilemma: To receive federal tax credits and wage reimbursements, employers must know which employees are WorkFirst clients. Employers are required to complete Internal Revenue Service (IRS) forms before making a job offer. Obviously, in order to do so, they need to know who is a WorkFirst client. This needs to become part of the "incentive" to welfare clients.

EMPLOYERS' VIEW OF JOB RETENTION SERVICES

All of the employers spoke about problems with employee recruitment and turnover. One major employer mentioned their applicant-to-opening ratio of two applicants for every one job opening (it had been thirteen to one in the past). These recruitment difficulties helped develop a new awareness within their company of the need to retain employees once they were hired.

We asked employers about their efforts at retaining employees and about their assessment of the state's retention services for welfare clients.

Employers were vocal about the challenge of retaining new, inexperienced employees. They described employees' problems with managing their personal lives and maintaining new work routines. Employers consistently spoke of the need for crisis management with new employees.

However, with the exception of Spokane, employers were unaware of, or had little experience with, job retention or wage progression services for WorkFirst employees. (See the Spokane Case Study, page 7.)

Employers expressed a desire to use post-employment services once we explained what those services could provide. A lack of communication between employers and employees can be a problem that leads to job loss. Employers saw a service provider as a possible liaison between themselves and the employee. Employers said that they would prefer to resolve a problem rather than lose an employee.

Two apparent reasons that employers are

unaware of post-employment services are:

1. Very few clients use these services.

2. Clients are concerned about the welfare stigma. As stated earlier, many WorkFirst clients do not want their employers to know that they are on welfare. They are concerned that they will be treated with less respect due to their welfare background. Employers were asked about their view of employees who came from welfare versus other employees. Employers do not differentiate between the two. The concern about a welfare stigma and its impact on an employee may not be valid.

SERVICE DELIVERY ISSUES

Throughout our interviews with WorkFirst staff, contractors, and employers, several issues were consistently raised. Their comments illustrate areas for improvements in service delivery.

- **Separation of job retention and wage progression services is not functional.** We found most everyone responsible for actually delivering services combined the two activities into one post-employment "bundle." In the second phase (Phase II) of our evaluation of WorkFirst, we reported that there seemed to be no logic behind separating job retention from wage progression. This earlier conclusion was reinforced by those who provide the services to clients.
- **Case managers are not always timely in returning employers' calls.** Employers call case managers when there are problems with their employee or they need additional information. One employer said that it can take weeks to get a return call. Employers view this as a lack of understanding about their needs. In their view, the employer is also a case manager's client who requires timely service.

SPOKANE CASE STUDY IN POST-EMPLOYMENT SERVICES

The Spokane Local Planning Area's approach to post-employment services differs from the rest of the state. It focuses on early contact with clients and includes relationships with local employers.

Spokane initiated the program to provide specialized post-employment services to WorkFirst clients and employers. While the results of the services have yet to be measured (Are people keeping jobs longer? Are wages going up?), Spokane consistently enrolls the highest percentage of WorkFirst clients in post-employment services.

THE SPOKANE MODEL

The Spokane Job Service Center of the Employment Security Department formed a Post-Employment Team under contract to the Department of Social and Health Services to provide an array of post-employment services. They work to engage clients in services before they become employed. They also attempt to tailor services to both the client and the employer. Their activities include the following:

- They work closely with case managers to receive client referrals.
- They attend the ESD job search workshop—twice. First to introduce themselves and their services to the clients, and later to recruit clients for services.
- They contact clients who do not attend the workshop and are fast tracked to job search.
- Once a client obtains a job, employers receive a letter informing them of their services, availability, on-the-job training programs, and education and training provided by Spokane Community College.
- Employers are informed that they may be reimbursed up to 50 percent of the client's wages while the client is participating in on-the-job training, and they can receive a federal tax credit.
- Post-employment specialists visit the job site to check with both the employee and the employer on progress, issues, and needs. We were told these visits provide the opportunity to resolve conflict before it results in job loss and supports a relationship with the employer and the employee.
- Post-employment staff attempt to work closely with employers and market their services through the Spokane Chamber of Commerce.

Spokane employers we interviewed spoke highly of the value of retention services to both the employer and to their employees.

- **Frequently, candidates referred to employers for interviews do not show up.** Employers receive lists of candidates for employment from WorkFirst offices. Interviews are scheduled with the WorkFirst clients. The clients do not arrive and do not call to inform the employer of their circumstances. Employers then call the WorkFirst office to report that the clients have not arrived for the scheduled interviews, but the employers do not receive follow-up from the WorkFirst office.
- **Business representatives who employ WorkFirst clients are ready and willing to participate in the WorkFirst program, but they have not been contacted.** They view outreach to the business community as non-existent.
- **Lead authority for WorkFirst clients can be confusing to employers.** They find that when they need information they do not have a central point of contact.
- **Employees who are still on the WorkFirst caseload must leave work to attend meetings with their case managers.** These meetings are required to maintain eligibility for services. Employers and contractors complain that these meetings are disruptive to both the employer and employee. An employee may lose a half-day of work and corresponding pay.
- **Employers and contractors expressed concern that the environment in some WorkFirst offices may promote low self esteem among WorkFirst clients.** In their view, many of the WorkFirst clients have low self esteem and morale. The atmosphere of the traditional welfare office does not necessarily convey the message of optimism or self worth that is needed in an employment program.

PROPOSED JOB SUCCESS SERVICES MODEL

The WorkFirst partner agencies are currently developing a new “Job Success Model” to replace the existing post-employment services approach. The Job Success Model incorporates several components of the Spokane approach to job retention. (See page 7.) Implementation of the Job Success Model is planned for the summer of 2000.

KEY ELEMENTS OF THE JOB SUCCESS MODEL

- **A job success coach delivers services.** The coach is to work with clients to develop a post-employment plan for the client during job search.
- **Services will be provided to clients on a prioritized basis.** Clients will be evaluated to determine who would benefit most from the services of a job success coach.
- **Communication about the job retention and wage progression message is delivered early.**
- **Enrollment** in these services is included in the client’s individual responsibility plan.
- **A forecast tool will be used to chart individual work experience, client job preferences, the area where the client works, and a target wage.**
- **Services will be available for two years.** Attainment of the target wage drives the length of time that services are available to the client, up to two years. Currently, retention service contracts are for one year.

POLICY ISSUES

Two significant policy issues became apparent during our site visits and interviews.

- **WorkFirst performance measures do not address re-employment of WorkFirst clients.** Current performance measures represent the number of clients entering the workforce one time only. Clients are only counted once to avoid duplicated numbers. Clients returning to the caseload with recent work experience may require different services than will those entering the caseload for the first time. Without data on re-employment and the services provided to repeating clients, the program's impact on re-attachment to the labor market cannot be known.
- **In March 2000, WorkFirst clients receiving a Temporary Assistance to Needy Families (TANF) grant of \$100 or less became eligible for a "once-in-lifetime" \$1,000 Early Exit Bonus.** The bonus is intended to act as an incentive for working clients with small grants to leave the caseload. The payment is intended as a support service payment for transitional work expenses. Case managers are to screen cases each month to identify candidates who are eligible for the bonus.

The bonus does not, however, preclude returning to the caseload. In its first two months, 524 clients had chosen to take the Early Exit Bonus.

The Department of Social and Health Services states that it will evaluate the effectiveness of the Early Exit Bonus to determine:

- Whether it is reaching the targeted clients,
- Its impact on the returns to TANF, and
- Whether the characteristics of Early Exit Bonus recipients who stay off TANF differ from those who return to TANF.

Due to the timing of implementation of the bonus payments and release of data reports, there is currently no information on whether or not clients are taking the bonus and then

returning to the caseload. As such, evaluating the effectiveness of the program is not yet possible, but results of the agency assessment should be provided to JLARC.

CONCLUSIONS

WorkFirst has attempted to incorporate post-employment services as a key component to its approach in assisting clients to become independent of welfare.

There are considerable problems, however, in getting clients and employers engaged in the services. Since the proportion of the caseload that is made up of people who have left welfare and subsequently returned is now larger, the need for effective services is apparent.

Our interviews with WorkFirst staff, contractors and employers provided consistent messages about how to improve the service and delivery of post-employment services.

Timing of Communications and Contact With Clients Is Essential

WorkFirst clients are not taking advantage of post-employment services for a variety of reasons.

Clients are likely to be overwhelmed with information when they enter WorkFirst. Post-employment services are not a priority early in the program, and they are not mandatory. These factors combine to make it difficult to convince clients of the importance of the service.

In areas of Washington where there seems to be some limited success in selling the services to clients and employers, the services are introduced to clients early, and the value of the services is repeated during the job search process and again when a client gets a job. The Spokane Case Study suggests that in-person contact with a post-employment service provider is one important link to getting clients engaged.

Services to working WorkFirst families need to be revised to accommodate both the working clients and the employers. Employers and contractors told us that clients are required to leave work to attend meetings with case managers regarding their WorkFirst services. According to employers, the employee may miss a half day of work and corresponding pay to attend these meetings.

While there are issues that seem to hamper WorkFirst's ability to engage clients, it appears that the WorkFirst Job Success Model is intended to address these issues.

Basic Work place Skills Need to Be Emphasized

Employers stressed the need for new employees to have basic work place skills to be successful on the job. Employers asked that WorkFirst train new employees in skills such as time management, how to work in a team, and effective communication with superiors and co-workers. Employers view the training of technical skills as part of what they would teach employees "on-the-job."

We suggest that WorkFirst give greater emphasis to the development of basic work place skills as part of post-employment services.

Information on How Fast Clients Get the Next Job Is Important

Two clear findings of the national evaluation literature regarding post-employment services are that clients usually don't keep their first job, and that getting a client another job quickly is a key to welfare independence. Yet WorkFirst does not collect information on whether or not clients are getting another job or the speed at which they get that job. Without this information, important policy questions cannot be answered.

Data should be collected on the number of clients who re-enter the workforce from

welfare. Also, WorkFirst should track how long it takes for re-employment to occur.

Services Need to Be Reorganized

As we reported in our previous WorkFirst Phase II evaluation, the logic for assigning job retention to the Department of Social and Health Services and wage progression to the Employment Security Department seems weak. Our interviews revealed a similar point of view from staff, contractors, and employers. It was clear that job retention and wage progression services are viewed as interdependent and should be provided as a combined package of services to clients and employers. The Job Success Model seems to be moving toward integrating these services.

WorkFirst agencies should strive to integrate the services provided to help clients stay employed and improve their earnings.

Tracking of Early Exit Bonus Incentives

The extent and the effect of the new Early Exit Bonus Incentive payments of \$1,000 per client is unknown at this time. The Department of Social and Health Services has stated its intention to evaluate the payments and their impact on welfare outcomes. DSHS should share its findings with JLARC when the information is available.

RECOMMENDATIONS

1. *Clients should be introduced to post-employment service providers and their services prior to employment. The benefits of these services should be marketed to the employer as soon as the client is employed.*

Legislation Required: None

Fiscal Impacts: None

Completion Date: January 1, 2001

WorkFirst Post-Employment Services Evaluation

2. *Job search and job retention efforts need to emphasize the ongoing development of basic job skills.*

Legislation Required: None

Fiscal Impacts: None

Completion Date: January 1, 2001

3. *Re-employment of clients, and the speed at which clients are re-employed, should be counted as a performance measure.*

Legislation Required: None

Fiscal Impacts: There may be some minimal costs associated with collecting the information and adapting data systems to this collection.

Completion Date: January 1, 2001

4. *The current organizational structure that treats job retention separate from wage progression should be eliminated and the two efforts viewed as part of one post-employment service.*

Legislation Required: None

Fiscal Impacts: None

Completion Date: January 1, 2001

5. *The Department of Social and Health Services should report back to JLARC on the impact of Early Exit Bonus payments on caseload reduction. The report shall include an analysis of how many clients who received the bonus returned to the caseload, and how quickly they returned, compared to clients who did not receive the bonus, left the caseload, and share similar caseload characteristics.*

Legislation Required: None

Fiscal Impact: None

Completion Date: November 1, 2000

AGENCY RESPONSES

The Department of Social and Health Services (DSHS), the Employment Security Department (ESD), the Department of Community, Trade and Economic

Development (CTED), the State Board for Community and Technical Colleges (SBCTC), and the Office of Financial Management (OFM) responded to the WorkFirst Evaluation, Phase III: Post Employment Services Report, and each of the agencies concur with the reports five recommendations.

Their responses are provided in Appendix 2.

ACKNOWLEDGEMENTS

Conducting this evaluation has required the cooperation and assistance of many WorkFirst staff, contractors, and employers of WorkFirst clients. We greatly appreciate their assistance in helping us understand what is needed to help keep clients employed. We recognize the hard work that goes into trying to make WorkFirst succeed and appreciate the contributions staff, contractors, and employers make to the program.

This evaluation was conducted by JLARC staff members Kendra Dahlen and John Woolley, along with project intern Toni Johnson. Mason Burley, Steve Lerch, and Jim Mayfield at the Washington State Institute for Public Policy provided invaluable assistance in developing information on post-employment services. Ron Perry was the JLARC project supervisor.

Thomas M. Sykes
Legislative Auditor

On June 28, 2000, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Georgia Gardner
Chair

APPENDIX 1 —SCOPE AND OBJECTIVES

SCOPE

Pursuant to the 1997 Legislative Session Laws, Chapter 58, the Joint Legislative Audit and Review Committee (JLARC) is charged with conducting an evaluation of the effectiveness of the WorkFirst program. The evaluation will assess the success of the program in assisting clients to become employed and to reduce their use of temporary assistance for needy families.

The analysis of welfare and employment outcomes will be performed by the Washington State Institute for Public Policy, on contract with JLARC.

A process study by JLARC will examine issues related to implementation and operation of WorkFirst.

OBJECTIVES SPECIFIC TO THE PHASE III PROCESS STUDY

- Describe post-employment services and their differences in local planning areas.
 - Job Retention
 - Wage Progression
- Describe who provides the services.
- Explain perceptions of “What Works?”
- Describe how clients become engaged in services.
- Describe how employers are involved in post-employment services.
- Describe employer perceptions of post-employment services.
- Compare findings with new “Job Success” proposal for post-employment services.
- Make recommendations as appropriate.

APPENDIX 2—AGENCY RESPONSES

Department of Social and Health Services

Employment Security Department

Department of Community, Trade and Economic Development

State Board for Community and Technical Colleges

Office of Financial Management



GARY LOCKE
Governor

STATE OF WASHINGTON

WASHINGTON WORKFIRST

Department of Social and Health Services • PO Box 45000 • Olympia, Washington 98504-5000 • (360) 902-8400

Employment Security Department • PO Box 49046 • Olympia, Washington 98504-9046 • (360) 902-9500

State Board for Community and Technical Colleges • PO Box 42495 • Olympia, Washington 98504-2495 • (360) 753-2000

Department of Community, Trade & Economic Development • PO Box 48300 • Olympia, Washington 98504-8300 • (360) 753-2200

June 12, 2000

RECEIVED

JUN 12 2000

JLARC

TO: Thomas M. Sykes, Legislative Auditor
Joint Legislative Audit and Review Committee (JLARC)

FROM: Lyle Quasim, Secretary *Lyle Quasim*
Department of Social and Health Services

Carver Gayton, Commissioner *Carver Gayton/RML*
Employment Security Department

Martha Choe, Director *Martha Choe*
Department of Community, Trade and Economic Development

Earl Hale, Executive Director *Earl Hale*
State Board for Community and Technical Colleges

Marty Brown, Director *Marty Brown*
Office of Financial Management

SUBJECT: Response to JLARC's WorkFirst Evaluation Phase III Report

The WorkFirst partner agencies have reviewed the **WorkFirst Evaluation, Phase III: Post-Employment Services Report** submitted on June 1, 2000. This document contains the agencies' response to the recommendations issued by the JLARC.

We appreciate the focus and attention being paid to the post-employment portion of the WorkFirst Program. We are committed to improving our services so that families can retain employment longer and advance up the wage ladder and out of poverty.

From the onset of WorkFirst, our vision has been to increase the likelihood that participants would move into jobs, remain employed and then move into better jobs. We have implemented several different service delivery methods, and recognize the need to improve and build on our post-employment experience.

Thank you for the opportunity to respond to your recommendations.



Recommendation**Agency Position****Comments**

1. Clients should be introduced to post-employment service providers and their services prior to employment. The benefits of these services should be marketed to the employer as soon as the client is employed.

Concur

The WorkFirst agencies are developing the Job Success Services Model. This model will be implemented as of July 1, 2000 by ESD agency staff and shortly thereafter by contractors. The Job Success Services Model will set an entry-level wage and a "stretch" target wage for identified WorkFirst participants. Job Success Coaches will develop with the participants a training and career plan to realize those targets. The ESD Success Coaches and the contractors, who will be paid for their performance, will connect with the WorkFirst participants early in the job search process. In addition, the Job Success Coaches will work with employers to increase job retention. A single agency, ESD, will oversee the staff and contractors in the Job Success Services Model. A brief write up of the Job Success Services Model is attached.

2. Job Search and job retention efforts need to emphasize the ongoing development of basic job skills.

Concur

The WorkFirst Sub-Cabinet recognizes the importance of supporting WorkFirst participants and former participants during their first year of employment. The Sub-Cabinet acknowledges that in many instances employers are not adequately informed of training and other support services that are available through WorkFirst agencies. Basic job skills are one such service. The agencies are committed to improved outreach to individual business and employer associations.

3. Re-employment of clients, and the speed at which clients are re-employed, should be counted as a performance measure.

Concur

Staff of the policy groups of the WorkFirst Sub-Cabinet are developing a performance measure or measures to capture pertinent data on the re-employment of returning WorkFirst

Recommendation	Agency Position	Comments
<p>4. The current organizational structure that treats job retention separate from wage progression should be eliminated and the two efforts viewed as part of one post-employment service.</p>	Concur	<p>participants, as well as on their exiting from WorkFirst, i.e., no longer receiving cash assistance.</p> <p>The development of new post-employment service delivery strategies has melded the retention and wage progression aspects of the program together. The Job Success Services Model includes job retention and wage progression services and the model, including contracted services, will fall under the oversight of a single WorkFirst agency, ESD. The roles of the other partners are well defined, as well.</p>
<p>5. The Department of Social and Health Services should report back to JLARC on the impact of Early Exit Bonus payments on caseload reduction. The report shall include an analysis of how many clients who received the bonus returned to the caseload, and how quickly they returned, compared to clients who did not receive the bonus, left the caseload, and share similar caseload characteristics.</p>	Concur	<p>DSHS will provide a timely report on caseload impacts of the Early Exit bonus. The report will be provided by January 2001.</p>

THE JOB SUCCESS SERVICES MODEL FOR WORKFIRST

The Challenge

The State has had some remarkable success in reducing the welfare caseload by transitioning participants into the world of work. However, keeping the participant working and not returning to welfare dependency is becoming increasingly challenging. The current system must develop more effective means to retain participants in employment and to transition participants from entry-level to higher paying jobs.

The Response

Our response to improve long term success in the world of work for our WorkFirst participants is the design of a focused, intensive effort to more firmly link participants and former participants to the workforce and to provide them appropriately scaled assistance to move them to a higher wage.

The Job Success Services Model is a mechanism to promote retention/advancement for the WorkFirst participant. The model has two customers, the participant and the employer. Both are critical to the success of retention services, wage progression, and eventual self-sufficiency for the participant.

The vision is to provide WorkFirst participants a personal job success coach. These coaches will take the responsibility to make sure participants have all of the information and encouragement they need to fully participate in the program and be successful in the business world.

Coaching, in the WorkFirst context, is a participant/job retention specialist partnership that lends support as participants focus on their work goals. The job success coach becomes a collaborator for the participant to discuss options and find solutions for workplace success. The coach can assist the participant in making career decisions, increase the effectiveness of goal setting, and help map out educational pathways to improve long-term earnings.

Distinctive Features

Focus groups with current retention specialists were held to solicit input on effective service provision. These specialists stated that waiting until the point of employment to begin delivering job retention and wage progression services greatly reduces the ability to forge a solid working relationship. Retention providers emphasized the importance of building the relationship through **early intervention** in the work search process and then provide on going services once the participant becomes employment. The Job Success Services Model Success introduces the job success coach to the participant earlier in the process – while the participant is still seeking employment.

Research has shown the necessity to recognize the differing levels of support needed by participants. Washington's approach employs a **profiling methodology** to assist in identifying those participants most in need of support. Using a triage approach, job success coaches will

give priority to those clients who are predicted to be the most likely to return to TANF after becoming employed.

The job success model relies heavily on labor market information. In addition to current labor market tools used by participants will be the inclusion of an interactive, web-based, labor market tool to provide an **Individual Work Experience Forecast**. Using participant work experience, education, and local labor market conditions, the forecaster will produce individualized labor market information. By selecting a specific occupation, the Forecast tool will drill down and provide occupational wage expectations specific to the participant's interests, experience, education, and geographic location. If desired, the participant can begin an immediate job search for available openings in the occupation of interest.

Based on a combination of current and historical labor market information in the participant's geographic area and the participant's education and work experience, the Individual Work Experience Forecast identifies the **Target Wage Rate** for the participant. The target wage rate is the income level the participant is working to achieve. This wage rate is the driver for success, providing a stretch goal that is the focus for the participant and job success coach.

The Model in Action

The success coach is introduced to the participant early in the work search process. The initial focus of the success coach is to work with the participant to develop a Success Plan. The Success Plan maps out options, including an employment sequence in chosen fields as well as training, which will enable the participant to succeed in the work place. The success coach will coordinate their efforts with agency partners, all of whom will give their attention to retention and wage progression.

The coach works with the participant, once employed, to move the participant toward the target wage rate. This can include coordinating with the local community college to enroll and complete education and training courses that support the career track identified by the participant in the success plan and working with the employer for career advancement opportunities within the company. The success coach may refer the participant to the appropriate agency for any needed support services to enable the participant to remain independent of TANF. The success coach will continue working with the participant until the target wage rate is reached, or for up to two years following the initiation of work.

In addition to the participant as a customer, the coach serves a second customer, the employer. Both are critical to the success of retention services, wage progression, and eventual self-sufficiency for the participant. The job success coach will work with the employer to develop career ladders within the company and assist the employer in resolving issues that may arise in the employer/employee relationship.

As a result, participants will have a partner to assist them in making the transition from entry-level to higher wages, be directed toward the best possible services to address their specific needs and employment goals, and participate fully, with more likelihood of getting ahead after initial employment than if they were left on their own to move up the wage ladder.

APPENDIX 3—METHODOLOGY

This evaluation is a process implementation study. It provides descriptive observations and findings that are based on an analysis of post-employment services provided by WorkFirst.

This report represents the third phase of the evaluation of WorkFirst by JLARC and the Washington State Institute for Public Policy (WSIPP). JLARC's WorkFirst Process Study Phase I was published on December 11, 1998, and Phase II published on December 1, 1999. WSIPP published their report on the welfare and employment outcomes of the WorkFirst program on December 1, 1999.

Evaluation Approach

This phase of the evaluation addresses post-employment services and their observed strengths and weaknesses. It builds upon the Phase I and Phase II evaluations. After conducting an extensive review of the evaluation literature regarding post-employment services, we visited three WorkFirst local planning areas, selected to represent areas which have relative success in getting people to participate in post-employment services. These sites were: Renton-Burien, Lewis County, and Spokane County.

Structured interviews were conducted with WorkFirst staff, post-employment contractors, and employers. JLARC staff also attended the "Sub-cabinet-3" meetings that consist of lead WorkFirst staff from all four partner agencies. Attendance at these meetings gave us insight into the planning of the new "Job Success Coach" model.

APPENDIX 4—EMPLOYERS INTERVIEWED

The following employers were represented during our site visits.

<u>Employer</u>	<u>Location</u>	<u>Industry/Business</u>
K-Mart	Centralia	Retail
Express Personnel Services	Centralia	Employment Agency
Liberty Country Place	Centralia	Nursing Care Facility
Sears	Centralia	Retail
Boeing	Seattle	Manufacturing
Red Dot Corporation	Seattle	Manufacturing
Hamlin and Associates	Seattle	Restaurant
Ticketmaster	Seattle	Ticket Agency
United Parcel Service	Seattle	Shipping
American Behavioral Health Systems	Spokane	Health care
American Linen	Spokane	Laundry
Custom Counter Tops, Inc.	Spokane	Carpentry
Dakotah Direct II, L.L.C.	Spokane	Telemarketing
Jacobs' Upholstery, Inc.	Spokane	Upholstery
R.A. Pearson Company	Spokane	Manufacturing
The Spokesman-Review	Spokane	Newspaper

APPENDIX 5—JOB RETENTION CONTRACTORS INTERVIEWED AND PRELIMINARY INFORMATION ON JOB RETENTION CONTRACTS

CONTRACTORS INTERVIEWED

<u>Job Retention Contractor</u>	<u>County</u>
Pioneer Employment Services	King County
YWCA	King County
Puget Sound OIC	King County
TRAC Associates	King County
Community Action Council	Lewis County
Rainier Case Management	Lewis County
SCA Pacific Case Management	Lewis County
Employment Security Department	Spokane County

BACKGROUND ON JOB RETENTION CONTRACTING

Job retention services are contracted to assist clients in keeping their job. Job retention services are voluntary, available for 12 months, and all clients are eligible. Contractors provide an array of services including intensive case management, crisis management, job site visits, coping skills development, conflict resolution between clients and employers, re-employment services, and information and referral. The contractors along with case managers develop job retention services into the client's Individual Responsibility Plan (IRP).

In order for contractors to receive compensation for their services they must provide evidence that each client has achieved a specific goal. These goals or milestones are for 30, 90, 180, 365 days of job retention. Performance contracts are mandated in EHB 3901 Section 702, which states that the department shall develop and establish outcome benchmarks. Contractors submit progress reports to the DSHS case manager and contact case managers by phone, email, or in person with urgent problems. The documentation required for payment includes submittal of documentation of progress of clients to the regional contract administrators.

We collected information from DSHS on the numbers of clients served under job retention contracts. The totals displayed below illustrate how many clients have reached the various milestones for the period of September 1998 through April of 2000. The data is not considered complete, however, as before January 2000, information on referrals was not

submitted unless a client made it to the first “30-day” pay point. For this reason, the number of referrals will be lower than actually took place, and comparisons of pay-points to referrals should not be made.

Job Retention Contracts	Referrals to Retention	Paypoint 1 30 Days	Paypoint 2 60 Days	Paypoint 3 90 Days	Paypoint 4 180 Days	Paypoint 5 365 Days
TOTAL STATEWIDE	4,871	3,193	2,464	1,727	476	43

APPENDIX 6—WORKFIRST CASELOAD DETAIL

Detail of data used to create Exhibit 1: Continuing clients, new clients, and returning clients.

Month	Clients Who Haven't Left the Caseload in the Last 24 Months	% OF CASELOAD	Clients With No Welfare History in the Previous 24 Months	% OF CASELOAD	Returning Clients	% OF CASELOAD	TOTAL
Jul-97	31,915	39%	2,351	3%	47,507	58%	81,773
Feb-98	29,042	38%	2,086	3%	46,030	60%	77,158
Aug-98	24,214	37%	2,284	3%	39,808	60%	66,306
Feb-99	17,830	32%	1,858	3%	36,511	65%	56,199
Aug-99	14,482	28%	3,311	6%	34,205	66%	51,998
Feb-00	11,376	23%	2,543	5%	36,564	72%	50,483

Source: Washington State Institute for Public Policy

Detail of data used to create Exhibit 2: percent of adults referred to retention service.

Month	Total Adults	Coded in Retention Services	% of Total
Nov., 1997	82,745	20	0%
Jan., 1998	81,331	38	0%
Mar., 1998	79,283	58	0%
May, 1998	74,646	152	0%
July, 1998	61,448	341	1%
Sep., 1998	58,854	1,151	2%
Nov., 1998	55,375	1,771	3%
Jan., 1999	53,857	2,271	4%
Mar., 1999	51,172	2,880	6%
May, 1999	48,155	3,894	8%
July, 1999	45,146	4,709	10%
Sep., 1999	43,335	5,630	13%
Nov., 1999	40,625	5,988	15%
Dec., 1999	39,951	6,067	15%

Source: Washington State Institute for Public Policy