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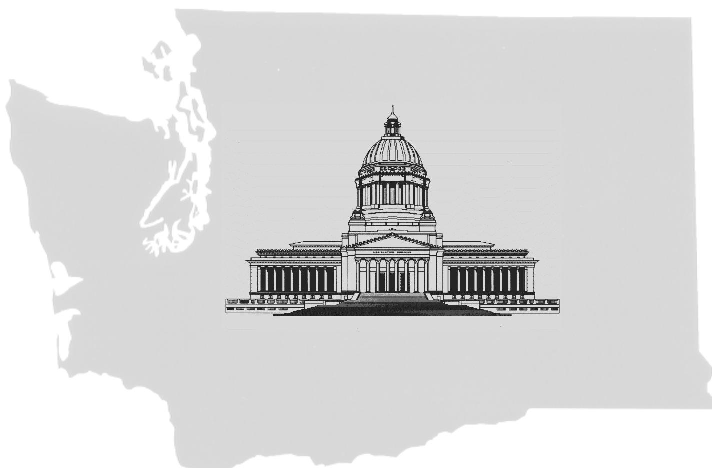

WORKFIRST EVALUATION SUMMARY
How Successful Has WorkFirst Been? What Happens Next?

Briefing Report 01-2

January 22, 2001

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Under the direction of the Legislative Auditor, committee staff conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. Studies focus on the efficiency and effectiveness of agency operations, impact of state programs, and compliance with legislative intent. As appropriate, recommendations to correct identified problem areas are included. The Legislative Auditor also has responsibility for facilitating implementation of effective performance measurement throughout state government.

WORKFIRST EVALUATION SUMMARY: HOW SUCCESSFUL HAS WORKFIRST BEEN? WHAT HAPPENS NEXT?

BRIEFING REPORT 01-2

REPORT DIGEST

JANUARY 22, 2001

STATE OF WASHINGTON

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WORKFIRST EVALUATION

The 1997 Legislature enacted Washington's welfare reform—WorkFirst—and directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate the program's success in meeting the mandates and directives included in the legislation. This report summarizes the findings of this on-going evaluation, conducted with the Washington State Institute for Public Policy (WSIPP), while providing context and analysis of the time limits that are to begin in August 2002.

MEETING LEGISLATIVE GOALS

In the clearest statement of its expectations of WorkFirst, the Legislature mandated that the welfare caseload in Washington decrease by 20 percent within four years. **After three years, the caseload had decreased by 37 percent—almost twice the level directed.**

The Legislature also expected WorkFirst to accomplish a series of other goals. WorkFirst was to reduce reliance on welfare, help people become and stay employed, raise the earnings of clients, and do a better job than the old welfare program—Aid to Families with Dependent Children (AFDC). WorkFirst has had success in meeting each of these goals.

LEGISLATIVE GOAL	OUTCOME
Reduce Welfare Use	WorkFirst clients are more likely to be off welfare after 12 months than AFDC clients.
Increase Employment	WorkFirst clients are 56 percent more likely to be employed than AFDC clients.
Increase Earnings	WorkFirst increases average quarterly earnings by $263 per client compared to AFDC.
Do Better Than AFDC	Key indicators point to WorkFirst's success in meeting goals, and compared to AFDC, WorkFirst is cost effective.

MORE WORK EXPERIENCE MEANS CLIENTS NO HARDER TO EMPLOY

Welfare clients now have more work experience than in the past, and with this experience they are likely to have better chances of getting jobs, keeping jobs, and getting better-paying jobs. There has been a dramatic drop in the proportion of the caseload who are considered continuous, meaning that clients who might have stayed continuously on the welfare rolls in the past are now leaving for some period and appear to be gaining work experience.

The evaluation assessed whether or not clients are now harder to serve than when the caseload was much bigger. The question, however, is: "Are they harder to employ?"

Now, because of the increase in work experience, clients are **not** harder to employ. Comparing the caseload in August 1997 to the caseload of February 2000, the evaluation finds that **the substantial increase in recent work experience outweighed the smaller increases in some commonly accepted barriers to employment**.

KEEPING CLIENTS EMPLOYED A CHALLENGE

The dramatic decrease in the proportion of clients who never leave the caseload has another side: the increase in the proportion of the caseload that are "repeating," or coming back to welfare after leaving for some spell.

JLARC's evaluation finds that steady employment among welfare recipients is not common. Since it may not be realistic to expect a client to keep his or her first job, fast re-employment when a recipient loses a job is a key. No proven success formula seems to exist in any other state for ensuring that clients are able to keep a job.

For these reasons, we recommend, and WorkFirst agrees, that a number of changes need to be implemented.

We also found that one of WorkFirst's main ways of helping clients find work—Job Search—was of little assistance to clients with recent work experience.

By teaching clients how to look for work, and mandating employer contacts, Job Search is successful in assisting clients in getting an initial job. But for those with recent experience, it doesn't work as well. The caseload has changed—it is now dominated by people who have worked and come back. Strategies such as Job Search must be changed to recognize the more complex needs of this "changed" caseload.

Specifically, the approach to assisting clients in initially finding work, and then keeping work, needs to change. By engaging employers more, clients are likely to begin to participate more in services that have been developed to assist them in keeping a job. In addition, WorkFirst must focus on helping clients learn basic workplace skills and must begin to collect information on how fast clients are re-employed.

TIME LIMITS

In August 2002, some Washington families will no longer be eligible for welfare because they have reached the five-year time limit on benefits. The Legislature provided, however, that up to 20 percent of the caseload could get an extension on this limit.

Preliminary estimates of the number of cases that will reach the limit indicate that it will be **well under** that 20 percent ceiling.

Analyses in other states with time limits shorter than Washington's indicate that they too have caseloads not staying continuously on welfare, with fewer people than originally anticipated hitting the limit.

Some trends are beginning to emerge from states that have reached their time limits. While averages can mask personal experiences, these trends indicate:

- Most clients are not on the caseload continuously, but leave for some period.
- Most who reach the limit get extensions, or are working after their welfare grant has stopped.
- There is yet little evidence of major deprivation caused by imposing the time limit.

These trends indicate that the severe impact of time limits, expected by some, has not happened in states where time limits have begun.

BRIEFING REPORT

BACKGROUND

The 1997 Legislature enacted Washington's welfare reform—WorkFirst—and directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate the program's success in meeting the mandates and directives included in the legislation.

This report is the fourth phase of JLARC's continuing evaluation, conducted with the Washington State Institute for Public Policy (WSIPP). In 2002, the time limit on welfare benefits for some clients will arrive. Here we focus on reviewing what we have learned about the program—its successes or failures in meeting the legislature's mandates and directives—as context to better understand the approaching time limits.

LEGISLATURE'S GOALS FOR WORKFIRST

When it established WorkFirst in 1997, the Legislature included three very clear mandates with specific number targets.

1. The caseload was to decrease by 15 percent during the 1997-99 Biennium, and by a further 5 percent the following biennium (1999-2001).
2. The program was to be time limited: a maximum of 60 months (five years) of welfare benefits.
3. Up to 20 percent of the caseload could be exempted from this time limit for reasons of hardship or family violence.

Caseloads decreased by 37 percent after only three years. Time limits will begin in August 2002, so the question of identifying those who might be exempt from them has not yet arisen.

In addition to the mandates, the Legislature set specific objectives for WorkFirst, which are the focus of our evaluation and findings.

1. WorkFirst was to reduce the use of welfare: it has accomplished this.
2. WorkFirst was to help people become and stay employed: clients are getting more work experience.
3. WorkFirst was to do a better job at accomplishing these two objectives than the earlier welfare program, Aid to Families with Dependent Children (AFDC): compared to AFDC, WorkFirst does better.
4. WorkFirst was to raise earnings of welfare clients: clients now earn more.
5. WorkFirst was to use performance-based contracting to provide services to clients: many contracts are based on meeting performance milestones, but performance "benchmarking" is not in place.

ORGANIZING THE NEW PROGRAM

Unlike other states, where all of the responsibilities of implementing welfare reform are carried out by a single department, Washington splits responsibilities among four agencies.

While the Department of Social and Health Services (DSHS) continues to be where eligibility and most case management decisions are made, the Employment Security Department (ESD), the Department of Trade and Economic Development (DTED), and the State Board for Community and Technical Colleges (SBCTC) are considered "partners" in implementation.

ESD provides employment services; DTED provides business outreach, planning coordination, and a specialized job program

(Community Jobs); technical and community colleges provide training programs.

THE EARLY PHASES OF EVALUATION

From the beginning, data has shown that WorkFirst has been meeting its mandate to reduce the caseload. Yet the split in responsibilities between the four organizations, that became known as the "partnership," created challenges to early implementation, as responsibilities were not always clear.

JLARC recommended—with WorkFirst concurring—a number of steps that would help clarify roles and thereby improve services to clients. This included continuing efforts at collocating the offices of DSHS and ESD so that clients could access services in one place, improving the contracting process, improving information systems, and changing the planning process to improve communication between the "partners" at the local level. In addition, a model to accurately estimate the staffing needs of WorkFirst was required.

WorkFirst has moved to implement some of these operational recommendations. The first step in developing a model to measure staffing needs has been completed. Improvements have been made in the local planning process, with WorkFirst continuing to grapple with how to locate their services to provide easier access to employment services.

However, there is little evidence of comprehensive plans to improve information systems. Problems continue in getting quick access to client information by all the WorkFirst "partners," with the current information systems creating inefficiencies and inaccuracies.

CASELOADS DOWN, EARNINGS UP, CLIENTS WORKING

In December 1999, with two years of information available, the evaluation was able to determine how successful WorkFirst was in meeting legislative mandates and goals.

CASELOADS

Exhibit 1 on the following page illustrates the continuing decrease in welfare cases. By the end of the first biennium, the caseload had decreased by 31 percent. By the end of the third year, the reduction totaled 37 percent, with continuing decreases from June to November of 2000.

EMPLOYMENT, EARNINGS, AND WELFARE USE

After controlling for factors such as local economic conditions, we found that when compared to the old welfare program, (AFDC-JOBS), WorkFirst:

- Increased employment rates,
- Increased earnings,
- Increased total hours worked, and
- Reduced the use of welfare.[1]

LEAVING WELFARE, BUT COMING BACK

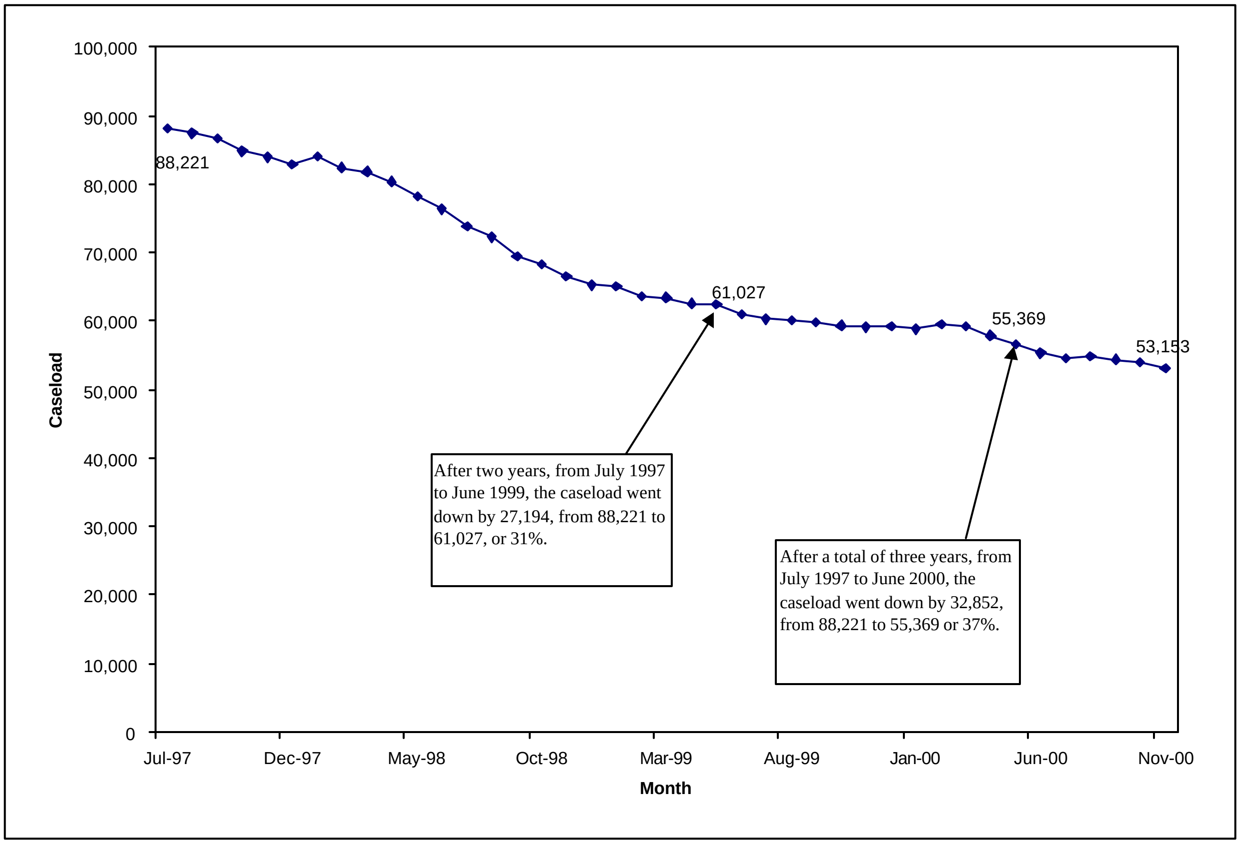
With up to three years of information available, we now have a better understanding of what happens to clients over a longer time period.

While clients are leaving welfare and getting jobs, some are also coming back. Exhibit 2 illustrates a dramatic change in the caseload. It shows three groups of clients and their proportion of the caseload when the program began in July 1997 and as of August 2000. The three groups are: clients who do not leave (for at least two years), clients who leave and return, and new clients.

The dramatic **reduction** in the proportion of clients who don't leave, and the concurrent increase in the proportion of clients who "return," illustrates two key issues.

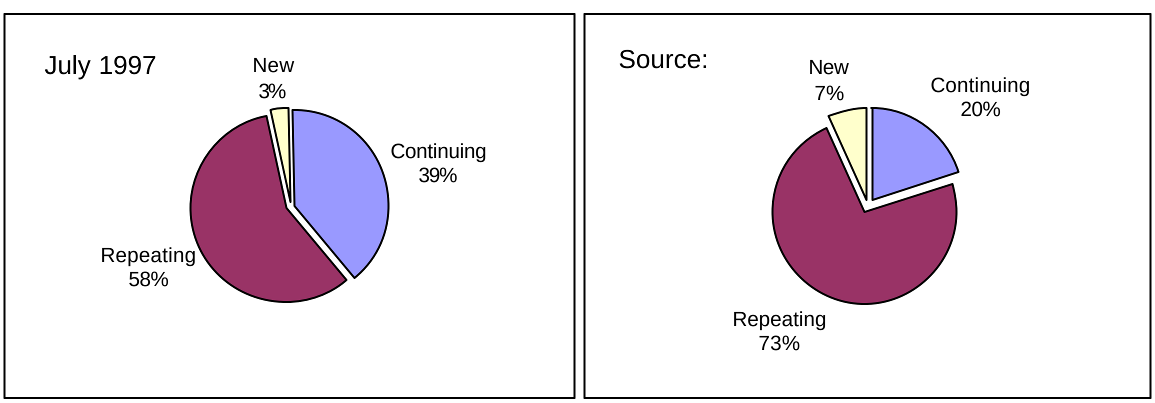
[1] See "Welfare and Employment Outcomes of the WorkFirst Program", Washington State Institute for Public Policy, December 1999.

Exhibit 1
WorkFirst Caseloads: The First Three Years



Source: Department of Social and Health Services, Executive Management Information System.

Exhibit 2
WorkFirst Clients: Percent New, Repeating
Continuing



Source: Washington State Institute for Public Policy.

First, WorkFirst is successful in helping clients become employed and leave welfare. When clients do leave, they are likely to stay off, gaining work experience. Sixty-five percent of those leaving stay off welfare for at least 12 months. Indeed, since clients are now leaving for some period (in the past they may have stayed continuously), the average length of stay of the entire caseload is decreasing, dropping from 28 months when WorkFirst began to 18 months in August 2000. [2]

However, the program is experiencing difficulty in assisting clients to stay employed, so some return to the caseload. The "snapshot" of the caseload represented in Exhibit 2 indicates that during the month of August 2000, 73 percent of the caseload was composed of people who had at sometime left but come back on public assistance.

This increased "cycling' of the caseload illustrates the second key issue. Clients enter, leave, and sometimes re-enter at a rate greater than in the past. WorkFirst's operational strategies must adapt and change to respond to these changing characteristics of its caseload.

Other states are experiencing this same problem with their welfare reform efforts.

Evaluations in other states point to the following:

- Steady employment among welfare recipients is not common.
- The first four to six months of employment are critical.
- No "success" formula exists for helping recipients stay employed.
- Fast re-employment may be the key. [3]

KEEPING PEOPLE EMPLOYED

WorkFirst provides recipients the opportunity to enroll in "post-employment services." These services are geared towards assisting recipients to stay employed. They might include services such as additional training, assistance in car repair, or help in learning how to interact with a supervisor. In its early years, as Exhibit 3 on the following page illustrates, WorkFirst had difficulty in getting clients enrolled in these services. JLARC's evaluation recommended that changes be made in how the program approached these services.

Specifically, we learned that employers were not aware that post-employment services existed. Employers also urged that WorkFirst change its approach so that "work place basic skills" were emphasized. These basics include: a desire to work, knowing how and when to talk with a supervisor, knowing the importance of punctual and regular job attendance, and knowing how to prioritize problems.

Clients appear to shy away from the services for a variety of reasons, which include:

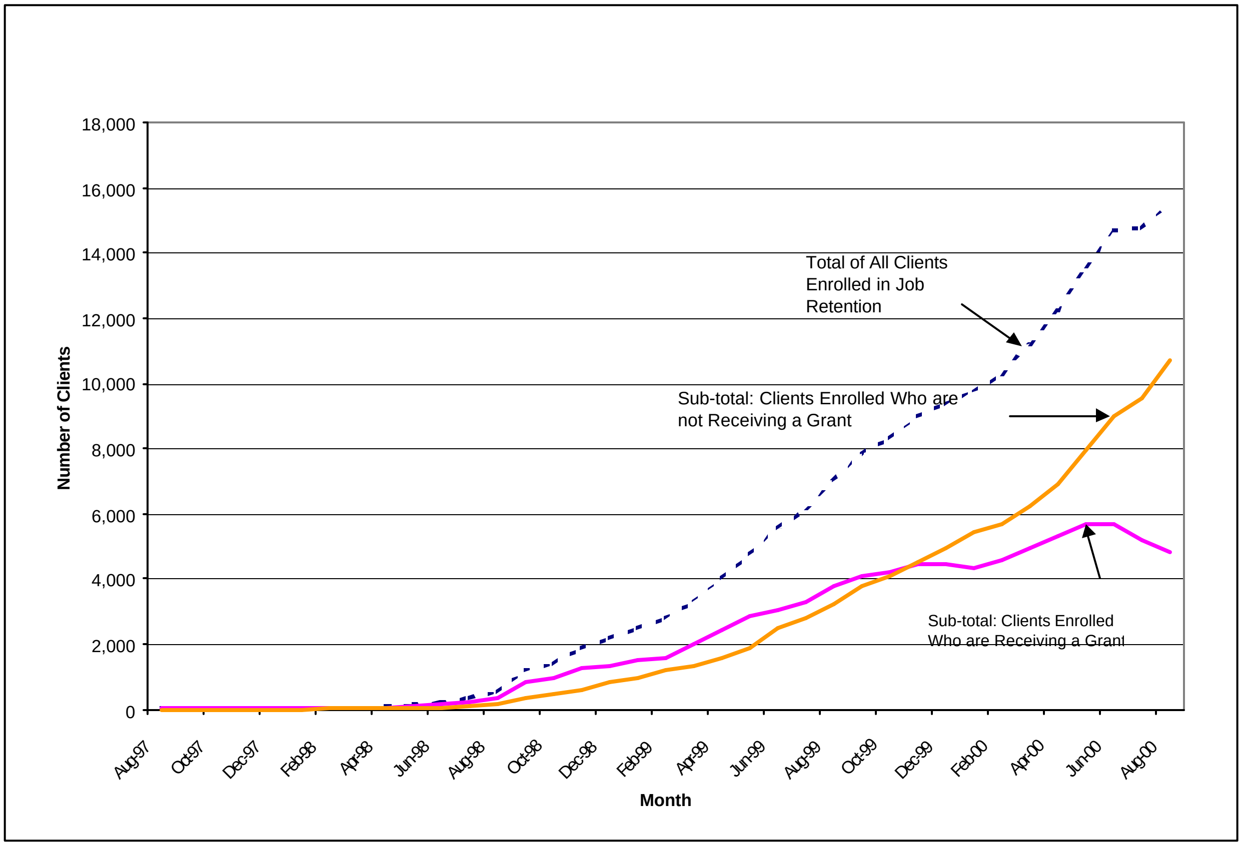
- Welfare stigma: clients not wanting their employer to know they are welfare recipients.
- Information overload: too much going on in a recipient's life.
- Late arrival of retention message: job retention contractors were assigned to a client sometime after they were already working.
- Once they get a job, clients are anxious to minimize their involvement with the "welfare office."

WorkFirst is currently implementing a new approach to these post-employment services, based on a model JLARC found noteworthy in use in Spokane.

[2] See "Welfare Caseload Trends in Washington State, 1997-2000: Analysis of Long-Term Welfare Use and the Approaching Time Limits", Washington State Institute for Public Policy, January 2000.

[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.

Exhibit 3
Clients Enrolled in Job Retention Services



Source: Washington State Institute for Public Policy.

It is to:

- Work with the clients deemed most likely to have difficulty in maintaining employment,
- Communicate with clients early in the job hunting process,
- Include participation in the client's individual responsibility plan, and
- Make services available for two years.

JOB SEARCH

A change to post-employment services may not be enough. One of the key components of WorkFirst's strategy to getting clients employed, both when they are new to the caseload and when they return to the caseload, is a service called "Job Search," designed to assist clients in finding work.

Over time, it has consistently been the main initial activity for WorkFirst clients. However, a lower proportion of the caseload have never left the caseload and many more people have work experience. JLARC sought to determine how successful Job Search was in meeting legislative objectives for this changed caseload of welfare recipients with more work experience.

As Exhibit 4 (next page) illustrates, if welfare recipients have **no** recent work experience, Job Search is effective in helping them obtain employment. It does not increase their earnings or hours.

For those **with** recent work experience, Job Search has very limited impact. There are no employment gains or increased hours worked—only an increase in earnings for those who are new or repeating clients.

Exhibit 4
The Limited Benefits of Job Search

Type of Client (by Work and Welfare History) — Work History	Welfare History	Employment Gains	Increased Earnings	Increased Hours Worked
No recent work experience	New	**Yes**	No	No
	Repeating	**Yes**	No	No
	Continuing	**Yes**	No	No
Recent work experience	New	No	**Yes**	No
	Repeating	No	**Yes**	No
	Continuing	No	No	No

Statistically significant at a 90 percent confidence level.
**Estimates are based on the econometric models developed for this analysis.*

Source: "Evaluating WorkFirst: Analysis of Cost-Effectiveness, Barriers to Employment, and Job Search Services," Washington State Institute for Public Policy, June 2000.

UNDERSTANDING MORE ABOUT WORKFIRST AND ITS CASELOAD

Most recently, through this evaluation, we have learned more about how successful the program might be in meeting legislative objectives. In addition, we have learned more about the characteristics of those who remain on the caseload.

WORKFIRST IS COST EFFECTIVE

When compared to the old welfare program, AFDC-JOBS, WorkFirst costs more per case. After controlling for inflation, we found the average cost of an AFDC-JOBS case to be $11,826 per year, and the average cost of a WorkFirst case to be $12,363. However, since fewer clients use WorkFirst, overall it is more cost effective. The caseload reduction associated with WorkFirst more than offsets the additional cost per case.

MORE EMPLOYMENT EXPERIENCE

There has been a lot of discussion about the remaining caseload being "harder to serve." We looked at this from the perspective of: "are they harder to employ?"

We found that clients in February of 2000 were no harder to employ than clients in August 1997, because recipients are gaining work experience.

Four key areas were analyzed: presence of a young child, recent work experience, education level, and English-speaking ability. Exhibit 5 on the next page illustrates that there were some modest increases in the proportions of the caseload with a young child, with less than a high school education, or with limited English-speaking ability. These were outweighed by a substantial decrease in the proportion of the caseload who had not worked recently.

Exhibit 5
How Did the Employment Barriers Affect Employment Rates?

BARRIERS	August 1997 Caseload Prevalence of Barriers	February 2000 Caseload Prevalence of Barriers	CHANGE IN PREVALENCE OF BARRIERS	Estimated Impact on Employment Rates*
Individual Barriers				
Presence of a Young Child	26%	33%	+7%	-0.1%
No Recent Work Experience	46%	31%	-15%	+0.9%
Less Than a High School Education	47%	49%	+2%	-0.1%
Limited English Speaking Ability	10%	12%	+2%	-0.1%
Combined Impact on Employment Rate				+0.6%

Statistically significant at a 90% confidence level.
** Estimates are based on the econometric models developed for this analysis.*
Source: "Evaluating WorkFirst: Analysis of Cost-Effectiveness, Barriers to Employment, and Job Search Services," Washington State Institute for Public Policy, June 2000.

In other words, because a higher percentage of the caseload has recent work experience, recipients are easier to employ than in the past. This despite other factors considered to be barriers to employment, such as having a young child, low education, or limited English-speaking ability.

CONCLUSION

TIME LIMITS

In August 2002, a number of Washington families will no longer be eligible for welfare because they will have reached the state's time limit on welfare benefits.

WorkFirst allows for a total of 60 months (five years) of benefits to a family. After the five years the entire family is no longer eligible for welfare. The limit exists in both state and federal statute.[4]

But both state and federal law permit up to 20 percent of the welfare caseload to get an extension to this limit. When creating the extension, the Legislature provided the Department of Social and Health Services broad authority to determine who would be eligible, stipulating only that it be for reasons of hardship or that the recipient met the family violence option as specified in federal law.

THE 52-MONTH STRATEGY

The Legislature also placed one additional stipulation on the process of determining who might get an extension: DSHS could not provide an extension until a client had received 52 months of assistance.

Washington's "52-month stipulation" establishes an assumption that all clients must test the labor market before WorkFirst can determine whether they may need an extension. Unlike other states with their exemptions, Washington's welfare reform makes no pre-determined statements about who may have trouble leaving welfare. Rather, Washington's law stipulates that no one is to be determined eligible for an extension until they have been on the caseload for 52 months.

[4] There are approximately 15,000 "child-only" cases in the WorkFirst caseload. These cases, where the child is the only recipient of a grant, are **not** subject to time limits.

CALCULATING THE 20 PERCENT

Calculating the upper limit on the number of recipients who may be extended—the 20 percent—is based on a count of the recent caseload. Federal rules allow a state to use a count of either the current fiscal year's average caseload, or the previous year's average. If the caseload number is going down, a state might benefit from using a previous fiscal year's average. If the caseload is going up, a state might benefit from using the current fiscal year's average.

The calculations below illustrate two scenarios, using Washington's recent caseload experiences.

SCENARIO 1		SCENARIO 2	
Federal Fiscal Year ***1999*** Average Caseload	64,011	Federal Fiscal Year ***2000*** Average Caseload	57,890
Multiplied by	20 %	Multiplied by	20 %
Equals upper limit	12,802	Equals upper limit	11,578

Since the caseload has been going down, using the current fiscal year's average decreases the number of cases that might be eligible for exemption (12,802 – 11,578 = 1,224 fewer cases could be exempted using the current fiscal year).

LESS THAN 20 PERCENT ARE ESTIMATED TO REACH THE TIME LIMIT IN AUGUST 2002

With fewer recipients staying on WorkFirst continuously—many are leaving for at least some period—it appears that the number of recipients who may immediately reach the time limit in August 2002 will be **well below** 20 percent of the caseload.[5]

Yet the number of recipients with 60 months of total time on welfare will grow, as those who cycle on and off (the "repeating" clients) continue to build on their total time on welfare. The box below presents an estimate of the impact of time limits.[6]

It appears Washington will not exceed its 20 percent limit. Nevertheless, decisions must be made on which clients to exempt. Understanding the experience of other states that have already reached a time limit will help in understanding what the impact of time limits might be in Washington.

STATE-BY-STATE VARIATION IN TIME LIMITS

When Congress implemented the new national welfare program in 1996 it gave states a great deal of discretion in determining how to implement Temporary Assistance to Needy Families (TANF). As such, there is wide variation among states in the way they have implemented their new version of welfare, as well as in the amount of time they allow on TANF and the way they manage time limits. Understanding these variations is important when comparing the experiences of other states.

WELL UNDER 20 PERCENT OF THE CASELOAD IS ESTIMATED TO REACH THE FIVE-YEAR LIMIT WITHIN ONE YEAR OF ITS ONSET

What is the estimated upper limit on the number who can be extended?	11,000 to 12,000
What is the estimate of the number who might reach the limit within the first 12 months of its onset?	7,000 to 8,000
Difference is the "cushion"	4,000

There are many things that can happen between now and the beginning of time limits that might change these numbers. Those currently considered at high risk of reaching the limit might gain additional work experience and leave the caseload. Or, the fact that they are about to reach the limit may cause some to find work and leave the caseload before their benefits are stopped.

Conversely, some of the positive factors that help clients gain work experience might change. Even though WorkFirst has been shown to have positive impacts above those that are attributable to a good economy, the health of the state's economy is still a major factor. An economic slow-down, or a recession, could make it more difficult for clients to gain work experience. This could have an impact on the number of people who might reach the time limit.

Finally, if the caseload continues to decline, the upper limit on the number of people who can be extended will also decline. In other words, 20 percent of a declining caseload becomes, each year, a smaller number. This will give the state less "cushion" between the estimate of the number who might reach the limit and the estimate of the upper limit.

[5] See "Welfare Caseload Trends in Washington State, 1997-2000: Analysis of Long-Term Welfare Use and the Approaching Time Limits" Washington State Institute for Public Policy, January 2001.

[6] The Washington State Institute for Public Policy estimates that approximately 7,600 clients will reach the limit on their benefits by the summer of 2003.

For purposes of comparison, states are frequently divided into those with **lifetime time limits** and those with **fixed period time limits**. Washington has a **lifetime time limit** of 60 months. While federal law contains this limit of 60 months, it allows states to set it lower.

Federal law also allows states to set **fixed period time limits**. For instance, Nevada allows for only 24 months of receipt, followed by a 12-month period of ineligibility.

Washington has no fixed period time limits.

States are also divided between those who allow for **exemptions** and those who allow for **extensions**.

While **exemptions** can take many forms, they basically allow the "clock to stop" for certain recipients while receiving welfare.

This means that during the "stopped-clock" period, their time on welfare does not count against the 60-month limit. For instance, in California, if a person is caring for a disabled household member, a month of assistance will not count for the purposes of the time limit. Washington does not have any of these exemptions.[7]

During the time that states "stop the clock" for clients, they generally do not use federal funds to pay for grants and other costs associated with the client.

An **extension** is a time where a grant can be continued (using federal money) even though the family has reached its time limit. Washington's 20 percent allowance falls into this extension category. Please see Appendix 1 for detail on exemptions and extensions.

WHAT WE KNOW ABOUT THE IMPACTS OF TIME LIMITS IN OTHER STATES

Some states have already reached the point when their time limits begin, as their limits are less than five years or their time limits were in place before TANF. As the map in Exhibit 6 on the following page illustrates, 16 states reached their TANF limit before 2000, four will reach their limit during 2000, 29 will reach their limit during 2001 and 2002, and two states do not have a time limit (Michigan will use state-only funds after the 60 months and Vermont is operating under a waiver).

Analysis of the impacts of these limits in other states has been conducted, with in-depth analysis completed in Florida, Virginia, and Connecticut.

While these evaluations maintain that not enough time has passed to understand the long-term impact of time limits, they are consistent in illustrating that the impacts appear to be less than some originally anticipated. However, they are also consistent in pointing out that looking at averages can mask personal experiences.

FLORIDA[8]

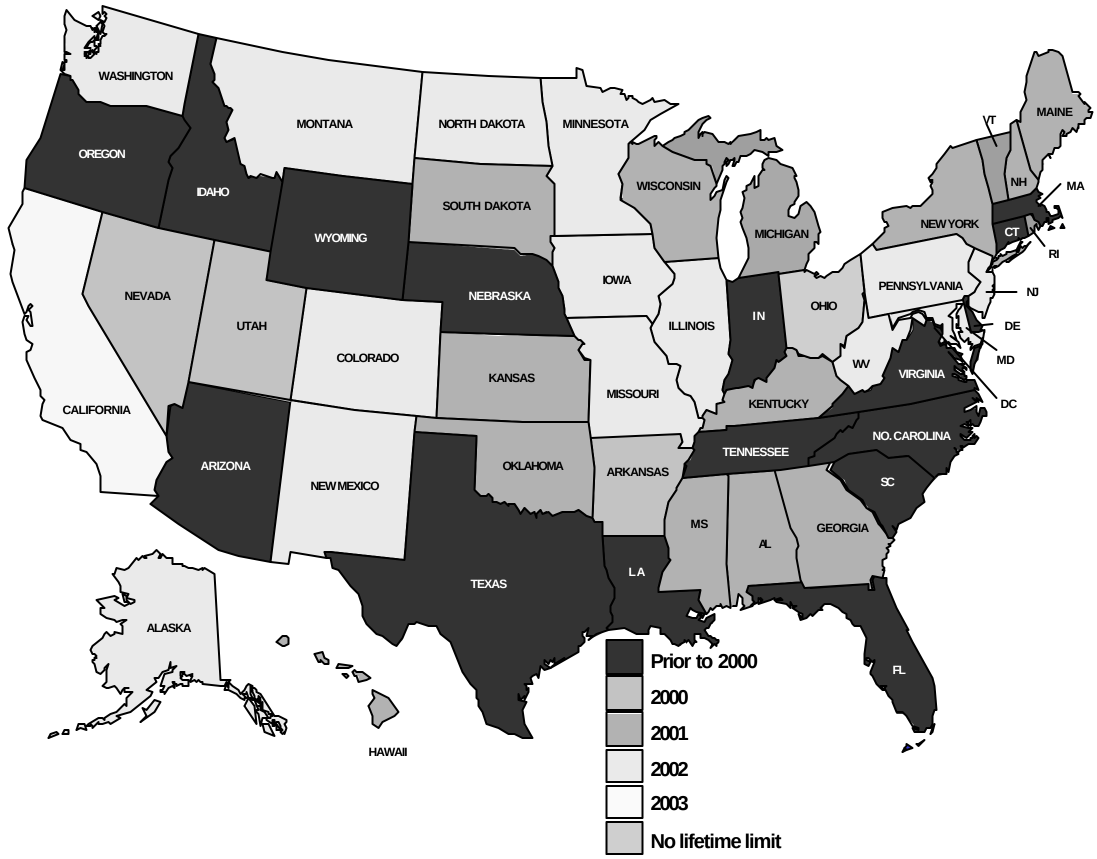
In Florida, as in Washington, most clients are not on public assistance continuously: they leave and some return to the caseload. Over 75 percent of the group analyzed received benefits for less than the months allowed under the time limit.

While most of those who had their benefits stopped did not work steadily in the 18 months after the time limit and relied heavily on family, friends, and food stamps, they did not appear to be worse off than many other families who left welfare for other reasons. And, nearly 40 percent of those who reached the time limit were

[7] Parents caring for an infant less than three months old are exempt from work requirements. However, during this period, the time they are on welfare still counts against the 60-month limit.

[8] See "Summary Report: The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program." Manpower Demonstration Research Corporation, November 2000.

Exhibit 6
Date First Families Reach Any Time Limit



already employed and earning at least as much as a standard welfare grant.

As in most of the other states analyzed, it appears that in Florida some of the participants facing the most serious barriers were granted exemptions or extensions to the time limit.

VIRGINIA[9]

Virginia's welfare reform includes a 24-month time limit.[10] In an analysis of the impact on clients six months after they had their benefits terminated, trends similar to Florida were found.

This included a key finding that six months after reaching the time limit, most parents were working, and working steadily, but mostly at low-wage jobs. Income six months later appeared to be about the same as when the benefits were stopped.

Those that reached the time limit were likely to be older, to have more children, and were on TANF longer than other cases. And, the

[9] See "Experiences of Virginia Families in the Six Months after Case Closure: Results for an Early Cohort, Final Report." Mathematica Policy Research, November 1999.

[10] Virginia has a fixed period limit of 24 months, followed by 24 months of ineligibility, and then re-eligibility for a total lifetime of benefits of 60 months.

analysis reveals that there is almost no evidence of major deprivation, such as homelessness or children being sent away to live elsewhere.

CONNECTICUT[11]

The analysis conducted in Connecticut found themes similar to those in other states, the principal one being that most did not reach the time limit.

For those that did, about half were granted an extension, and, for the cases that were not given an extension, most clients were employed at the time of their closure.

The evaluation also found that long-term recipients (those who were on welfare when the program began) were more likely to reach the time-limit during the analysis. This is a trend also found in Washington State. Finally, even with the shortest time limit in the country (21 months), Connecticut in practice seems to have a generous extension policy: those that are considered to have made an effort at complying with program rules have their eligibility time for public assistance extended.

SUMMARY OF WHAT'S KNOWN

The evaluations conducted in other states—even with their limitations in size and follow-up period—have some common themes.

Perhaps most important is the that at any given time on any state's welfare caseloads, most clients are not "continuous:" they leave and then may return to the caseload—as is the case in Washington State. This is particularly important when determining the number of people who may reach the limit.

There are other consistencies in the experiences of states that have reached a time limit.

- For those that reach the time limit, many seem to get extensions, or they are working after leaving welfare.
- In many instances, those who reach the time limit are working, with incomes close to the grant level.
- To date, there is little evidence of major deprivation caused by the time limits, but averages can mask personal experiences.

LONGITUDINAL STUDY

There are two major studies of Washington State's welfare population which provide additional insights into characteristics of programs and clients. These studies involve surveying welfare clients over time, to provide a "longitudinal" perspective, which other types of research do not include. The box on the next page describes both studies in more detail.

Thomas M. Sykes
Legislative Auditor

On January 22, 2001, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Georgia Gardner
Chair

[11]See "Jobs First: Implementation and Early Impacts of Connecticut's Welfare Reform Initiative," Manpower Demonstration Research Corporation, March 2000.

UNDERSTANDING THE WELFARE POPULATION IN WASHINGTON STATE: EMPLOYMENT SECURITY'S STUDY OF 3,000 WASHINGTON FAMILIES

Over the years, a rich and informative body of information has been developed about welfare in Washington State.

One of the most important efforts, the Family Income Study, was created by the Legislature in 1987. Conducted by the Washington State Institute for Public Policy over eight years, the study was created to "determine the causes of public dependency and the impact of changes in the economy or of public programs on dependency, work, or other relevant behaviors."

The lessons learned from the study helped form the basis of what is now this state's WorkFirst program. By studying, in-depth, a group of welfare recipients over time (frequently called a "longitudinal study"), the Family Income Study identified the importance of building work experience—coupled with work-related training when required—as the most successful means of moving people off welfare and into the labor market.

Another in-depth "longitudinal study" was begun in December 1999 by the state's Employment Security Department. Called the "WorkFirst Study: 3,000 Washington Families," it is designed to "track 3,000 families over five years to examine the long-term process of getting off and staying off welfare." As with the Family Income Study, this new study will follow clients over time in an attempt to understand what works and does not work in helping them leave welfare. Unlike some other studies, the strength of these "longitudinal" approaches is that they follow clients across time. By providing much more than a one time "snapshot," the long-term impacts of strategies to assist clients can be analyzed.

To date, the study has released a number of separate reports, covering topics as diverse as recipients' opinions on welfare to the hourly earnings of the most recent job. Additional reports will be released over the coming years as more information is collected.

Some of the highlights of the reports include the following findings:

- Fewer than half of the families receiving welfare in March 1999 were still receiving it by March 2000.
- Most of the clients included in the study (57 percent) left welfare for at least two consecutive months between March 1999 and March 2000.
- For those that did leave for at least two months, two-thirds had not returned within 12 months.
- Compared to those that came back, those that remained off have characteristics that include: more education, fewer learning disabilities, better health, less use of mental health care, less use of drugs, and were older.

APPENDIX 1—TIME LIMIT EXEMPTIONS AND EXTENSIONS

EXEMPTIONS

The easiest way to understand exemptions is to think of them as a way to "stop the clock" before it has struck the five-year limit. They are a means by which states can provide benefits to clients (usually with the use of no federal money) without using-up part of the five-year limit.

The table below illustrates the many ways states deal with the notion of "exempting" clients from time limits. This runs from states that have no exemptions—such as Washington—to states with multiple exemptions, that "stop the clock" for the time someone is caring for a disabled parent, or is unable to obtain child care.

It is important to distinguish these from methods used in Washington that allow for the relaxation of a **work requirement** in instances such as the time a mother is caring for a young infant, but that time still counts as time "against the clock."

Time Limit Exemptions

States with no time limit	2	
States with no exemptions	18	*Washington has no exemptions*
States with an exemption for:		
Disabled parent/caretaker	26	
Caring for disabled household member	22	
Caring for young child	13	
Pregnant Adult	10	
Elderly caretaker	17	
Domestic violence	18	
Child care unavailable	8	
Other services unavailable	5	
Caretaker is not the parent	6	
Adult is employed	7	
Other	15	

Source: State Policy Documentation Project.

EXTENSIONS

As with exemptions states allow extensions for a variety of reasons. Unlike exemptions, however, extensions do not "stop the clock," but rather put more time on it. Because federal law allows for up to 20 percent of a state's caseload to be "extended," clients can be on welfare longer than for five years. As the table below illustrates, states allow extensions for a variety of reasons. Washington is in the "Other" category since Washington's statute is "permissive" in nature, specifying only that DSHS "may" extend clients for family violence or hardship reasons.

Time Limit Extensions

States with no extensions	5	*There are currently 3 states with no policies in place*
States with extensions limited to 20% of caseload	17	
States with an extension for:		
Federal hardship/domestic violence language	13	
Domestic violence	23	
Hardship	7	
Good faith effort	20	
To complete education/training	7	
High unemployment area	7	
Disabled parent or caretaker	18	
Caring for disabled family member	14	
Other	24	

Source: State Policy Documentation Project.