

State of Washington
Joint Legislative Audit and
Review Committee

WorkFirst Process Study - Phase I

Report 98-10

December 11, 1998

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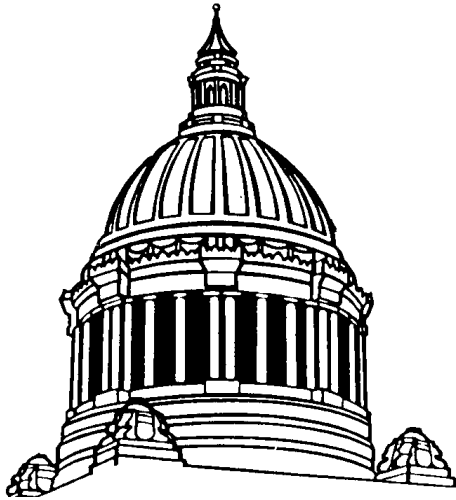


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Established by Chapter 44.28 RCW, the Joint Legislative Audit and Review Committee (formerly the Legislative Budget Committee) provides oversight of state funded programs and activities. As a joint, bipartisan legislative committee, membership consists of eight senators and eight representatives equally divided between the two major political parties.

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The JLARC generally meets on a monthly basis during the interim between legislative sessions. It adopts study reports, recommends action to the legislature and the executive branch, sponsors legislation, and reviews the status of implementing recommendations.



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TABLE OF CONTENTS

Chapter		Page
	SUMMARY	i
	SUMMARY OF RECOMMENDATIONS	xvii
1	INTRODUCTION	1
	Chapter Summary	1
	Background	1
	Introduction	3
2	STATUTORY COMPLIANCE	7
	Chapter Summary	7
	Statutory Requirements	7
	Mandatory Participation	9
	Sanctions for Non-Participation	10
	Regional Planning	13
	Child Care	18
	Teen Parenting	19
	Outreach to Clients	20
	Performance-Based Contracting and Purchasing	21
	Tribal Participation	22
3	CLIENT SERVICES	23
	Chapter Summary	23
	Program Components are Consistent With the Flow Chart	23
	Orientation	23
	Screening	24
	Diversion	24
	Alternative Programs and Services	26
	ESD Job Search Workshop	27
	Workshop Attendance	28
	Variations of the Job Search Workshop	28

Chapter		Page
3	Workshop Follow-Up	29
	Job Search	29
	Post-Employment Services	30
4	COLLOCATION OF WORKFIRST AGENCIES	33
	Chapter Summary	33
	Benefits of Collocation	33
	Examples of Collocated and Separate Offices	34
	Benefits and Impacts on Program Coordination	39
5	NETWORKING WITH COMMUNITIES	43
	Chapter Summary	43
	Agency Collaboration	43
	Conclusions	47
6	INTERAGENCY COLLABORATION	49
	Chapter Summary	49
	The Governor's Sub-Cabinet	49
	Agency Responsibilities	50
7	IMPLEMENTATION ISSUES	57
	Chapter Summary	57
	Collocation of Agencies	57
	Regions are not Aligned	58
	Regional Planning Process	61
	Caseload Management	62
	Contracting and Purchasing	63
	Purchasing Services	67
	Cost Information	69
	Other Implementation Issues	70
Appendices		
1	EVALUATION DESIGN SUMMARY	77
2	AGENCY RESPONSE	81
	Auditor's Comments	89

WORKFIRST PROCESS IMPLEMENTATION STUDY

Summary

This report represents the first step in the legislative evaluation of the effectiveness of WorkFirst, Washington's welfare reform program. Signed into law in April 1997, WorkFirst continues to be in an implementation phase. The Joint Legislative Audit and Review Committee (JLARC) chose to conduct a process implementation study which documents how the program is being implemented throughout the state. It is the focus of this report. Additionally, JLARC is collaborating with the Washington State Institute for Public Policy to answer many questions about client outcomes. The Institute's first outcomes report is planned for spring 1999. It will include an assessment of the success of the program in assisting clients to become employed and in reducing their use of temporary assistance for needy families.

A process implementation study was selected as the methodology of choice, because it is recognized among researchers for documenting:

- How the program is planned;
- How it is being implemented; and
- How to identify strengths and concerns in the absence of administrative data.

A process study can also illuminate differences in program implementation in various locations. This is particularly important because encouraging regional variation is one aspect of the WorkFirst legislation. It may also complement the cause and effect relationships that the Institute will be attempting to identify as outcome data becomes available.

Overview

A process study tells the story of implementation

This process study was conducted by randomly selecting 12 offices (two in each of the six Department of Social and Health Services regions) from a list of approximately 60 offices statewide, balancing the selection with large and small offices. Structured interviews were conducted at the headquarters, regional and office levels of four agencies. The primary agencies were the Department of Social and Health Services (DSHS) and Employment Security Department (ESD). Also included was the Department of Community, Trade and Economic Development (CTED) and the State Board for Community and Technical Colleges (SBCTC).

A snapshot of information

All of the information represents a snapshot of a sample of the state between May and July 1998. One must bear in mind that additional examples may be occurring around the state. Additionally, as the program continues to be fully implemented, there is a constant evolution of program development. The program, as it is today, may be somewhat different from the program we saw some months ago. This evolution was observed even during the brief snapshot period.

STATUTORY COMPLIANCE

WorkFirst agencies have engaged in a systematic process to phase implementation of the program in accordance with EHB 3901. ESD and DSHS have undertaken enormous internal changes to develop their programs, establish partnerships, and coordinate their services to Temporary Assistance for Needy Families (TANF) clients. The process study examined statutory compliance with regards to mandatory participation, sanctions for non-participation, caseload decline, regional planning, child care, teen parenting, outreach to clients, regional variation in services, contracting and purchasing, and tribal participation. In general, we find the program is being implemented according to statute.

CLIENT SERVICES

The Client Flow

DSHS and ESD developed a WorkFirst Participant Flow Chart that depicts the continuum of client services. In our interviews, we asked staff to look at the flow chart and tell us how closely it mirrors their practices. They reported that the flow chart is reflective of client activity, although it is not as lineal as the chart depicts because clients often have a mix of successes and failures.

**Clients have
a mix of
successes
and failures**

Orientation

The focus of orientation is on personal responsibility and an overview of WorkFirst requirements and services like mandatory participation, time limits, sanctions, child care, transportation and job search.

Screening

The screening process includes eligibility, cash diversion and referral to other programs or services. Screening occurs prior to or after orientation, depending on local office procedures.

Diversion

WorkFirst cash diversion assistance is offered to clients for the purpose of preventing additional people from entering the rolls of the welfare caseload. Its effectiveness will need to be evaluated as part of the client outcomes studies.

Alternative Programs and Services

Diversion is also viewed more broadly in terms of other programs that are available to applicants including housing, family planning, transportation, Supplemental Security Income and Veteran's Administration programs.

Job Search

Typically, the first step in finding a job is attending the job search workshop that is provided by ESD. Although the standard workshop is 30 hours over a 5-day period, we note great variation in the length and frequency of workshops in rural areas and in offices where DSHS and ESD are housed in separate locations. Program staff reported a high correlation between workshop attendance, workshop completion and job placement. Although we do not doubt the claim, unfortunately, there is no data to support it. Additionally, often up to 50 percent of the clients fail to show for the workshop, making it difficult for ESD staff to know how many to expect and requires them to contact clients multiple times for the same event. DSHS and ESD staff have been creatively collaborating on increasing the attendance rate for workshops.

The next step for clients is an independent job search that can last as long as 11 weeks. This involves a combination of using the ESD Resource Rooms, making in-person contacts with employers, attending job fairs and reporting to ESD Job Specialists.

Post-Employment Services

Job retention and wage progression services are added measures designed to assist clients in staying employed and to earn more money. Often this involves additional training in new skill areas. These services were just being developed by the community colleges as the process study interviews were concluded. The role of the community colleges and the ESD post-employment call center will be a focus of the next JLARC report.

COLLOCATION OF AGENCIES

Although it was unanticipated, collocating WorkFirst agencies was one of the major themes that surfaced during the structured interviews. Staff at all levels agreed that clients are served faster and more effectively when they have the ability to communicate instantly. This was particularly critical when a client failed to show for an appointment, or was experiencing a crisis that placed their continued employment in jeopardy. In non-located offices

we observed, communications were limited to electronics and follow-up occurred weeks and months apart.

REGIONAL PLANNING

EHB 3901 required DSHS regions to develop plans to implement the WorkFirst program. The legislation directs the regions to incorporate local and regional resources to develop plans that meet local needs. Regional plans were to adapt the WorkFirst program to both their region and their local communities. The plans are to be updated by July 31 of each odd numbered year, with the first one due in 1999.

We reviewed the regional plans associated with the offices we interviewed. We also asked regional administrators about their regional plans, what was effective about the plans, and what, if anything, was not anticipated during the planning process.

We found significant variation in the plans, in the coordination between local and regional offices, and in the perceived relevance of the plan to the region and local offices. In some cases we saw dynamic regional plans that served as a framework for local program planning. Regional administrators were invested in the plan and were monitoring local level implementation of the plan. In other cases the regional plan was a compilation of local plans lacking regional direction, program consistency, or involvement at the regional level.

As a result, there may be areas for improvement when the plans are next submitted in July 1999. We observed the need for closer collaboration between the regional offices and local offices and among the local offices that work together to provide client services.

A recommendation for improved regional planning is included in the Implementation Issues section of this summary.

NETWORKING WITH COMMUNITIES

Regional and local administrators were directed by the legislation to coordinate with employers, training and education providers, economic development organizations community organizations and others to prepare their WorkFirst plan.

**DSHS and
ESD are
active in the
communities**

Most of the offices we visited conduct outreach and networking with local organizations, service providers and businesses. Agencies develop liaisons with the community based on their needs and what is available. The level of community involvement varies depending on needs, individual initiative and availability of services in an area.

INTERAGENCY COLLABORATION

The Governor's Sub-cabinet

WorkFirst requires a high degree of interagency collaboration, because clients can receive services from four state agencies. The fact that WorkFirst carries a maximum lifetime benefit of 60 months (5 years) necessitates that services be swift and effective. In response to this need, Governor Gary Locke formed a sub-cabinet group that serves as an interagency workgroup and is facilitated by the director of the Office of Financial Management. The sub-cabinet's tasks include, among others, ensuring the ongoing success of the program, the cooperation and coordination of state agencies' headquarters and statewide units, and promoting the active involvement of WorkFirst's governmental and non-governmental partners across the state. During the process study, decisions were made by the sub-cabinet about the delivery of post-employment services. We were able to observe the delivery of the information to the field and it was obvious that the sub-cabinet was the decision-making authority for implementing major components of WorkFirst.

**DSHS
determines
eligibility
and manages
cases**

Agency Responsibilities

DSHS has primary responsibility for: the state plan for the Temporary Assistance for Needy Families Program; the cash assistance diversion program; eligibility screening; orientation;

referral to ESD; identification of barriers to employment; referral to outside services; administration of the payment systems; negotiation with tribes for administration of tribal TANF; approval of Regional WorkFirst service delivery plans; and active contributions to the information systems that track cases throughout client participation in WorkFirst.

ESD has primary responsibility for employment services, particularly connecting WorkFirst participants with jobs, beginning with the job search workshop. ESD identifies job openings, provides placement assistance, and develops labor market information to support the WorkFirst program and job seekers. This agency supports employer outreach. Through the Washington WorkFirst Post-Employment Labor Exchange (WPLEX) call center, ESD connects employed TANF participants or ‘exiters’ to training or labor exchange opportunities.

In August 1998, the WPLEX call center that is operated by ESD began referring clients to community colleges for skill progression services. The latter has been the primary role for SBCTC. Pre-employment training is short-term training with a job upon completion. Other training is available after employment.

CTED has primary responsibility for linking the state’s economic development policies and constituencies to WorkFirst strategies. CTED is developing a child care micro-loan program for WorkFirst clients that want to start a child care business. This contributes to meeting the target of developing 250 new child care workers. Another CTED effort is the Community Jobs program, which contracts for transitional community-based job experiences for clients who are encountering problems getting into the regular job market. Community Jobs is different from the Work Experience component available through Employment Security in that the program is longer in duration, client TANF grants are converted to a wage (and qualify for the tax credit of up to \$90 per month) and they receive individual job coaching from a contractor.

**ESD
connects
participants
with jobs**

**CTED links
economic
development
to WorkFirst
strategies**

**The welfare
grant is
converted to
a wage**

Collocating offices serves clients faster

During the first year of the program, the Departments of Social and Health Services and Employment Security have been the primary agencies. The other two agencies (CTED and SBCTC) are beginning to have expanded roles as job retention and wage progression services, and community jobs become part of the continuum of services for clients.

IMPLEMENTATION ISSUES

Collocation of Agencies

As previously mentioned, collocation was one of the major issues that surfaced during the process study interviews. ESD and DSHS staff reported that when their offices were in the same or nearby buildings, they had instant communication and client follow-up was immediate. This translates to clients being more engaged in participation. The opposite was also reported to us, meaning that separated agencies communicated with each other less frequently and client follow-up was delayed. Clients who failed to show for the job search workshop often waited months before re-enrolling.

We realize it may not be feasible to collocate all offices. The qualitative benefits of collocation will need to be quantified when client outcomes are known. Then the client outcomes will need to be weighed against the potential increased costs of collocation. This will provide decision-makers with a means for determining the feasibility of collocating specific sites.

Recommendation 1

The Department of Social and Health Services and the Employment Security Department should conduct a cost-benefit analysis of non-located sites where it appears there may be a potential to improve client services.

Regional Boundaries

Regions are not aligned

The sizes and boundaries of DSHS and ESD regions are not congruent. There are six DSHS regions, while there are only four ESD regions. Three of the DSHS regions must interface with two different ESD regions. Additionally, one ESD region consists of

three non-contiguous geographical areas. This results in confusing and complicated problem solving and communications at the office and regional levels.

Additionally, in one example we found a DSHS office that requires clients to travel twice the distance they would need to travel if they were permitted to go to a nearby office.

Recommendation 2

The Department of Social and Health Services and the Employment Security Department should consider aligning their regions, given the key role WorkFirst has in their respective missions.

Recommendation 3

WorkFirst clients should be permitted to obtain services from the Department of Social and Health Services and the Employment Security Department local offices closest to their homes.

Regional Planning Process

The WorkFirst regional plans varied in approach and content. Some regional plans reflected local goals and strategies that were consistent with the regional goals. Other regional plans were simply a compilation of local plans that were not connected to regional goals.

When the next round of planning occurs in 1999, there will be an opportunity for regional staffs to assess the way they involve local offices and communities in effective delivery of services to clients. This is reflected in the September 1998 Regional Planning Guidelines.

Recommendation 4

The next phase of regional planning should focus on interagency and intra-agency coordination to achieve a more consistent level of services to clients.

Caseload Management

As the caseload declines, there is concern about the potential for proportional staffing reductions. The remaining clients may have complex problems and thus require more staff time than people who have successfully left the rolls of welfare. Although there was much discussion in the interviews about difficult to serve clients, there was little specific definition about their needs and the varying impacts on staff time.

A process that categorizes the various needs of clients and the amount of staff time that is associated with addressing those needs can assist managers in distributing the workload evenly. We suggest the development of a caseload staffing model that accounts for the differential severity of characteristics, as well as the risk of returning to assistance among clients. It can provide numerical justification for the number and types of staff required according to the *types* of clients on the caseload.

Recommendation 5

The Department of Social and Health Services and the Employment Security Department should collaborate on the development of a caseload staffing model that accounts for the differential complexity of characteristics, as well as risks of returning to assistance.

Contracting and Purchasing Services

Further
monitoring is
necessary

A 1996 JLARC audit of the JOBS Program found that contracts for training services were not competitively awarded or performance based. The new WorkFirst law requires the departments to seek assistance in developing a process that is competitive and requires all contracts for services to be performance based. We found that both ESD and DSHS have used outside contractors to assist them in developing a competitive process. Additionally, while ESD has had performance-based contracts in place for almost a year, DSHS plans to have them beginning in November 1998. It should be noted that substantial progress has been made in the WorkFirst contracting progress.

We should note that the current DSHS process does not include the blind scoring of bids that are submitted by potential contractors. Without a blind scoring process, staff members know the name of the firm and could score subjectively. Blind scoring would increase the appearance of fairness when selecting contractors.

Recommendation 6

The Department of Social and Health Services should improve the competitive aspects of its WorkFirst contractor selection process to include blind scoring of bids.

DSHS and ESD reported plans to shift to purchasing services from vendors rather than continue contracting. This includes the purchase of clothing, tools, car repairs, transportation and haircuts. In other words, if a client can purchase what they need in the community, there is no reason to establish a contract. Since some of these services are the very ones that were discussed as contracts during the drafting of legislation, they could also be competitive and performance based.

Our interviews indicated there has been little investment in ensuring competition and performance monitoring. More expensive items such as tires and car repairs often require more than one bid, but most items do not. Additionally, there was no performance monitoring once the items were purchased.

It is difficult to recommend that there be a system for ensuring competition and performance monitoring of purchased services because some of the individual items cost so little that the cost of monitoring would exceed the expenditures. A more fitting approach might be targeted towards the potential for fraud.

JLARC will further monitor the development of competitive and performance-based contracting.

Cost Information

The tremendous change that WorkFirst represents has necessitated the development of new cost tracking mechanisms, primarily by DSHS. We have found these new mechanisms are unable to isolate WorkFirst costs from all of the TANF costs at

**WorkFirst
costs have
not been
tracked**

the Community Services office level. To date, the agency has focused on reporting TANF costs to the federal government.

We believe it is important for DSHS to develop a mechanism to determine WorkFirst costs at the local level. This information is needed for the cost-benefit analysis that is part of the JLARC evaluation of WorkFirst.

JLARC will work in concert with the Office of Financial Management, DSHS, and others to develop a formula for the answers to these questions and present the results in spring 1999.

Child Care

The program that has been developed for WorkFirst clients is called Working Connections Child Care. We found that clients around the state are accessing child care, although some are having difficulty locating after-hours care and care for disabled children. The availability of infant care will become critical in June 1999 when the exemption for work participation changes from clients having a child that is less than one year old, to one that is under three months of age. DSHS is conducting a study of infant care availability that is planned to be available by January 1999.

Transportation

Inadequate transportation for job search and employment was identified as a primary problem for many clients. We saw this in the regional plans and heard about it at every level of interviews. Regions continue to attempt to solve the problem, but little in the way of substantive solutions has been implemented. The problem is exacerbated in rural areas where there is limited public transportation and costly car repairs are common.

Fraud Potential

In a number of our randomly selected locations, it was reported that clients are routinely authorized to purchase new items that promote employability when used items (clothing and tires) are available. These new items are later returned or sold. This is particularly easy to accomplish without a receipt from large

commercial enterprises. Although our interviews did not indicate how widespread the situation is, the potential for it being a large problem is great. There was approximately \$764,000 spent on clothing for WorkFirst clients during fiscal year 1998, while there is a potential for \$23 million to be spent on clothing according to the DSHS Support Services Directory.

One partial solution to the problem would be to require clients to purchase used items, when available. Clients could also purchase more goods for the same number of dollars, providing them with more resources and taxpayers with more efficient use of public funds.

Recommendation 7

To maximize use of public funds that are expended, local offices should determine whether clients should purchase used items, when available and feasible.

Data Management

Some of our first structured interviews indicated cumbersome data entry requirements for case managers, involving multiple data systems and poor training. We did notice a dramatic difference in staff's ability to use the systems two months later. Further planned enhancements to the systems will eliminate duplicate entries and make them more user-friendly.

Client Motivation

Although "Work Pays" is a common slogan in the WorkFirst program, case managers reported it is often difficult to motivate clients to take any job, regardless of the hours and pay. Some staff even reported they do not feel a minimum wage job for a few hours a day is worth it for clients who must transport their children to daycare and travel to work via the local transit system.

The job search workshop serves as a tremendous motivator for clients who have not worked in many years, or who have little in the way of formal training. It also puts clients in contact with employers who may visit and recruit from the workshop.

Additionally, the workshop provides an opportunity for clients to meet other people in their same situation.

Need for Home Visits

Numerous staff reported not having time to conduct any home visits. This has become critical under WorkFirst because some clients who are sanctioned fail to make further contact. It is conceivable that clients can spend the entire sixty months of grants in sanction and not move off welfare. In many cases, by the time a client receives a protective payee or a 40 percent grant reduction, they contact the case manager and begin to participate. Furthermore, without an attempt for a home visit, it is difficult for case managers to know when to terminate cases for loss of contact. Case managers are also interested in knowing the conditions under which children are living in terms of food and utilities. Conversely, some families obviously have another income and may warrant referral to the fraud unit.

Sanctioning

**Sanctioning
occurs
throughout
the state**

The previous JLARC audit of the JOBS program found that sanctioning clients for non-participation was rare and applied inconsistently. Our study indicates that under WorkFirst, sanctioning is being applied, when appropriate, throughout the state. All offices in the sample were using the statewide process. We heard that people who are sanctioned for non-participation often have little continued contact with agency staff. DSHS is currently conducting a study on the effects of sanctions.

Future Process Studies

This is the first of potentially several WorkFirst process implementation studies. The next process study will occur following the Institute's initial client outcome study, which is planned for spring 1999. The second process study will use targeted locations (as opposed to random selections) to attempt to determine cause and effect relationships between local practices and client outcomes. It will also address the subjects of this report that refer to further JLARC monitoring, particularly in the areas of contracting and purchasing of services, cost tracking, and post-employment services.

AGENCY RESPONSE

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 preliminary report on the WorkFirst Process Study. They concurred with one recommendation, partially concurred with five recommendations, and did not concur with one recommendation. Their generally favorable response to the qualitative evaluation of the first year of WorkFirst implementation demonstrates a further commitment to continually improving the delivery of client services throughout Washington State.

Their response, as well as the auditor's comments to this response, are provided in Appendix 2.

ACKNOWLEDGEMENTS

We appreciate the support given to us by the four agencies, particularly the staff of the Departments Of Social and Health Services and Employment Security. Cathy Wiggins, Deputy Assistant Secretary of the DSHS Economic Services Administration, and Diane Bongarts of the WorkFirst program at Employment Security, served as primary contacts. We called upon them for assistance many times and every time they responded well. We also thank the field staff who took time away from large caseloads to answer our many questions.

This study was conducted by Kathy Gookin, Kendra Dahlen, Jess Grant, and Valerie Whitener of the JLARC staff, with additional assistance from Jim Mayfield and Mason Burley from the Washington State Institute for Public Policy. Kathy Gookin was the project leader and Ron Perry was the project supervisor.

RECOMMENDATIONS

Summary

Recommendation 1

The Department of Social and Health Services and the Employment Security Department should conduct a cost-benefit analysis of non-located sites where it appears there may be a potential to improve client services.

Legislation Required:	No
Fiscal Impact:	Within existing resources
Completion Date:	Ongoing

Recommendation 2

The Department of Social and Health Services and the Employment Security Department should consider aligning their regions, given the key role WorkFirst has in their respective missions.

Legislation Required:	No
Fiscal Impact:	There could be costs associated with realignment of regions if regional offices are relocated.
Completion Date:	June 30, 1999

Recommendation 3

WorkFirst clients should be permitted to obtain services from the Department of Social and Health Services and the Employment Security Department local offices closest to their homes.

Legislation Required:	No
Fiscal Impact:	None
Completion Date:	January 1, 1999

Recommendation 4

The next phase of regional planning should focus on interagency and intra-agency coordination to achieve a more consistent level of services to clients.

Legislation Required:	No
Fiscal Impact:	No additional cost
Completion Date:	June 30, 1999

Recommendation 5

The Department of Social and Health Services and the Employment Security Department should collaborate on the development of a caseload staffing model that accounts for the differential complexity of characteristics, as well as risks of returning to assistance.

Legislation Required:	No
Fiscal Impact:	Within existing resources
Completion Date:	June 30, 1999

Recommendation 6

The Department of Social and Health Services should improve the competitive aspects of its WorkFirst contractor selection process to include blind scoring of bids.

Legislation Required:	No
Fiscal Impact:	None
Completion Date:	January 1, 1999

Recommendation 7

To maximize use of public funds that are expended, local offices should determine whether clients should purchase used items, when available and feasible.

Legislation Required:	No
Fiscal Impact:	Potential for more efficient use of resources
Completion Date:	January 1, 1999

INTRODUCTION

Chapter One

CHAPTER SUMMARY

This chapter focuses on JLARC's statutory role in the evaluation of the implementation of the WorkFirst program, the reasons why a process study was conducted, and the methodology employed. It includes a WorkFirst timeline and implementation schedule, and a list of the locations that were visited around the state. The chapter emphasizes that implementation of WorkFirst will continue until at least June 1999 and that conclusions about program effectiveness prior to that time are a reflection of implementation, rather than normal program operations.

BACKGROUND

The WorkFirst program, Washington's welfare reform law, represents a major policy change including mandatory participation, a focus on up-front employment versus training, and a closer working relationship between the four agencies who are responsible for its implementation. The four agencies are the Department of Social and Health Services (DSHS), Employment Security Department (ESD), Community, Trade and Economic Development (CTED) and the State Board for Community and Technical Colleges (SBCTC). The cost of the program is approximately \$800 million per year, about half of which is from the state General Fund. The program continues to be in an implementation phase, as evidenced by the recent development of job retention and wage progression services. In general, we conclude the program is being implemented according to legislative intent. We have identified the program's strengths and weaknesses, and conclusions and recommendations for continued program improvement.

**WorkFirst
represents a
major policy
change**

The WorkFirst Program is being implemented according to legislative intent

Under EHB 3901, JLARC is required to conduct an evaluation of the WorkFirst program. JLARC is accomplishing this in collaboration with the Washington State Institute for Public Policy (WSIPP), and has formed two advisory groups for policy and technical issues. The policy advisory group is composed of legislators and their staff. The technical advisory group is composed of agency staff and academicians who have experience evaluating welfare reform. A summary of the evaluation plan is in Appendix 1.

This briefing report represents the first step in the evaluation called the process implementation study. It includes the descriptive results of a JLARC statewide study of the first year of the program. The next step in the evaluation will be the first outcomes study which compares changes in welfare usage and employment between groups of WorkFirst clients. The Institute is scheduled to present the findings of the outcomes analysis in spring 1999. Further outcomes studies such as a net impacts analysis and a cost-benefit analysis will be presented as the program is fully implemented and data becomes available.

Implementation continues

The phasing of these reports is linked to the length of time the program has been implemented. There are many major changes in policy and program delivery that are occurring over an almost three-year period. Therefore, conclusions about program effectiveness at this time would be a reflection of implementation, rather than normal program operations. Exhibit 1 displays the WorkFirst Timeline and JLARC reporting schedule.

Exhibit 1

WorkFirst Timeline and JLARC Reporting Schedule

- 8/22/96 - Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) signed by the President replaces Aid to Families and Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF)
- 1/10/97 - Washington State submits its first TANF plan to the federal government
- 4/17/97 - Governor Locke signs EHB 3901, known as the

- TANF Act
- 8/1/97 - WorkFirst implementation begins
 - 11/1/97 - Participation in work activities becomes mandatory for all non-exempt WorkFirst clients
 - 1/9/98 - *JLARC staff briefing to JLARC on early implementation issues and JOBS Audit follow-up*
 - 6/30/98 - Last day for former JOBS clients to continue participating in vocational/educational programs, unless also working
 - 7/1/98 - New HB 2901 requires a review of clients within four weeks of unsuccessful job search
 - 8/1/98 - Post-employment services are implemented
 - 11/10/98 - *First JLARC process implementation study*
 - 1/1/99 - Ninety percent of all TANF families will be participating in WorkFirst (In-house target)
 - 6/99 - *Proposed completion of first WSIPP Outcomes study*
 - 6/30/99 - Exemption for participation for single parents with infants is decreased from 12 months to 3 months (with a 12-month lifetime limit)

Source: WSIPP & JLARC

INTRODUCTION

When JLARC began to design the evaluation of the implementation of WorkFirst, it was known that the program would still be undergoing implementation for several years. For the initial evaluation, a process implementation study was selected as the methodology of choice because it is recognized among researchers for documenting:

- How the program is planned;
- How it is being implemented; and
- How to identify strengths and concerns in the absence of administrative data.

A process study is a recognized method for evaluating new programs

Process studies tell the story of implementation

A process study can also illuminate differences in program implementation in various locations. This is particularly important because encouraging regional variation is one aspect of the WorkFirst legislation. This process study may also complement the cause and effect relationships that the Institute will be attempting to identify as outcome data becomes available.

This process study will not include the degree to which job retention and wage progression services have taken effect, because they are still under development. But, this study does make recommendations for program improvements.

How the Process Study was Conducted

Preparation

Numerous planning documents were reviewed including the statewide implementation plan, all six regional plans, the Job Search Workshop Notebook and the Basic Case Management Training Manual. JLARC and Institute staff also attended a WorkFirst Orientation session and some job search workshops in progress. Structured interview questions were formulated and pre-tested.

For the site visits, much of that information set the stage for the process study, as we discovered we needed to travel to Aberdeen where WorkFirst clients from Elma receive services from ESD. Although Elma is not an official site of the selected offices, it is referred to several times in this report.

Offices from around the state were randomly selected for site visits

In order to conduct the process study, 12 offices were randomly selected from the list of approximately 60 offices statewide. One large and one small office was selected from each of the six DSHS regions, based on caseload size. A small office was defined as one with less than 1,000 cases, and a large office had over 1,000 cases.

The Interviews

Structured interviews were conducted at the headquarters, regional and office levels of four agencies. The primary agencies were DSHS and ESD. Also included were CTED and SBCTC.

All of the information in this report represents a snapshot of a sample of the state between May and July 1998. One must bear in mind that as information is described throughout this report, additional examples may be occurring around the state. As the program continues to be fully implemented, there is a constant evolution of program development. This was observed even during the brief snapshot period. Particular examples include the development and implementation of post-employment services and staff's increasing knowledge of administrative data systems.

Exhibit 2, on the next page, depicts the locations of interviews and is organized according to the six DSHS regions. The letters CSO stand for a DSHS Community Service Office and the letters WO stand for a ESD WorkFirst Office.

Much of the interview material was in the form of descriptive questions. Therefore, separate questionnaires were needed for each agency and for each level within the agency, meaning headquarters, regional offices, and local offices.

There were a number of instances where the study had to be expanded beyond the original 12 offices because Employment Security generally serves clients from rural locations in urban areas. Therefore, in several cases, ESD staff from another location serviced the clients from the small CSOs in our sample. Examples include clients from Newport being serviced by Colville, clients from Port Townsend being serviced by Port Angeles, and clients from Oak Harbor being serviced by Mount Vernon. The benefits of collocation of WorkFirst services are addressed later in this report.

**ESD
generally
serves rural
clients from
urban
locations**

Exhibit 2
Interview Locations

Region	Location	Agency
	Olympia	CTED Headquarters
		DSHS Headquarters
		ESD Headquarters
		SBCTC Headquarters
1	Spokane	DSHS Region 1 Office
		Spokane East Valley Community Service Office (CSO), and Spokane East Valley WorkFirst Office (WO)
	Newport	Newport CSO
	Colville	Colville WO
2	Yakima	ESD Cascade East Regional Office
		Yakima-Kittitas CSO, and Yakima WO
	Wapato	Wapato CSO
		Wapato WO
3	Everett	DSHS Region 3 Office
	Lynnwood	Lynnwood CSO
		Lynnwood WO
	Oak Harbor	Oak Harbor CSO
	Mt. Vernon	Mt. Vernon WO
4	Seattle	DSHS Region 4 Office
		ESD Puget Sound Regional Office
	Kent	King South CSO
	Auburn	King South WO
	Renton	Renton Technical School
	Lake City	Lake City CSO
	Seattle	N. Seattle WO
		Shoreline Community College
5	Tacoma	DSHS Region 5 Office
		ESD West Regional Office
		Pierce West CSO
		Pierce West WO
	Puyallup	Puyallup Valley CSO
		Puyallup Valley WO
6	Olympia	DSHS Region 6 Office
		ESD South West Regional Office
	Vancouver	Vancouver CSO
		Vancouver WO
	Pt. Townsend	Pt. Townsend CSO
	Pt. Angeles	Pt. Angeles WO

Source: JLARC

STATUTORY COMPLIANCE

Chapter Two

CHAPTER SUMMARY

This chapter finds that, in general, the four WorkFirst agencies have implemented the program in accordance with EHB 3901. The chapter includes specific information about the required components of WorkFirst, the extent to which clients from selected offices were participating in work, imposition of sanctions for non-compliant clients, and the caseload decline in selected offices. It also provides information about problem areas including regional planning, contracting and tribal participation.

STATUTORY REQUIREMENTS

In general, WorkFirst agencies have engaged in a systematic process to phase implementation of the program in accordance with EHB 3901. Program implementation was underway during our site visits and changes were occurring throughout our interview schedule. It is important to note that there are more changes to come with the implementation of job retention and wage progression programs which are intended to develop a career ladder that results in clients leaving welfare. Further program development is also projected for the purpose of determining the needs of harder to serve clients.

ESD and DSHS have undertaken substantial internal changes to develop their programs, establish partnerships, and coordinate their services to TANF clients.

Since the beginning of program implementation in November 1997, DSHS and ESD staff have adjusted to new roles and responsibilities resulting from EHB 3091. This has required

**The program
is being
implemented
according to
statute**

training to learn new responsibilities and systems. The departments have also made adjustments in how they work together to assure coordination in the process of managing their shared clients.

DSHS caseload sizes were significantly reduced

DSHS adopted a “Case Management Model” for the WorkFirst program. This required that experienced financial workers be trained for the new case manager positions. Caseloads were significantly reduced to provide the case manager the opportunity to give individual support to clients. The case manager responsibilities are very broad. Case managers determine eligibility, develop and monitor the participant’s Individual Responsibility Plan (IRP) and evaluate participants who are not appropriate for job referral. In this regard, they make referrals to work preparation services. They also conduct screening for grant diversion options, substance abuse, domestic violence, and learning disabilities and make appropriate referrals for assistance. Excellent communication skills are essential for the case managers. Most offices provide ongoing training to support and enhance the work of case managers.

Social workers are assigned to case manage teens, minor parents and refugees. Social workers also assist case managers with difficult cases. Social worker involvement may be triggered when clients are sanctioned. This is a discretionary decision dependent upon office policy and/or case manager direction.

The ESD staff teaches group workshops

The ESD staff has had to shift from working individually with clients in the JOBS program to teaching groups of clients in the job search workshops. The staff is also required to closely monitor their clients and determine whether they are complying with work search requirements, and if/when clients should be referred back to the DSHS.

The rate and pace of change was difficult for staff

The WorkFirst staffs of both agencies are learning new and imperfect systems for managing their shared data and client information. They are also learning how to improve communication with one another. Initial basic case management training was provided by Western Washington University. Additional training is provided on an ongoing basis. While the staff we talked to expressed sincere enthusiasm for their work, the rate and pace of change was difficult for them.

Without exception, each office we visited raised concerns about the anticipated transition to a client base substantially comprised of hard to serve clients. Administrators are concerned about the impact on staff, having appropriate services available, training staff to recognize barriers to employment and job placement.

Job retention and wage progression services are added measures designed to assist clients in staying employed and to earn more money. Often this involves additional training in new skill areas. These services were just being developed as the process study interviews were concluded and represent the next phase of WorkFirst services to be coordinated and provided to employed clients.

Our interviews with 12 offices focused on the following required components of the WorkFirst program:

- Mandatory Participation
- Sanctions for Non-Participation
- Caseload Decline
- Regional Planning
- Child Care
- Teen Parenting
- Outreach to Clients
- WorkFirst Program Variation
- Performance-Based Contracting and Purchasing
- Tribal Participation

The implementation of these components is described below.

MANDATORY PARTICIPATION

All non-exempt WorkFirst clients are required to participate 20 hours or more per week in a work activity. Work activity is a

broad definition that includes job search and job readiness assistance, on the job training, community service, education, vocational and job skills training that directly leads to a job, and paid employment. Exemptions are limited to:

- Until June 30, 1999, a parent with a child under one year of age (for a lifetime total of twelve months of exemptions)
- After June 1999, a parent with a child under three months of age

As shown in Exhibit 3 on the next page, participation rates have increased.

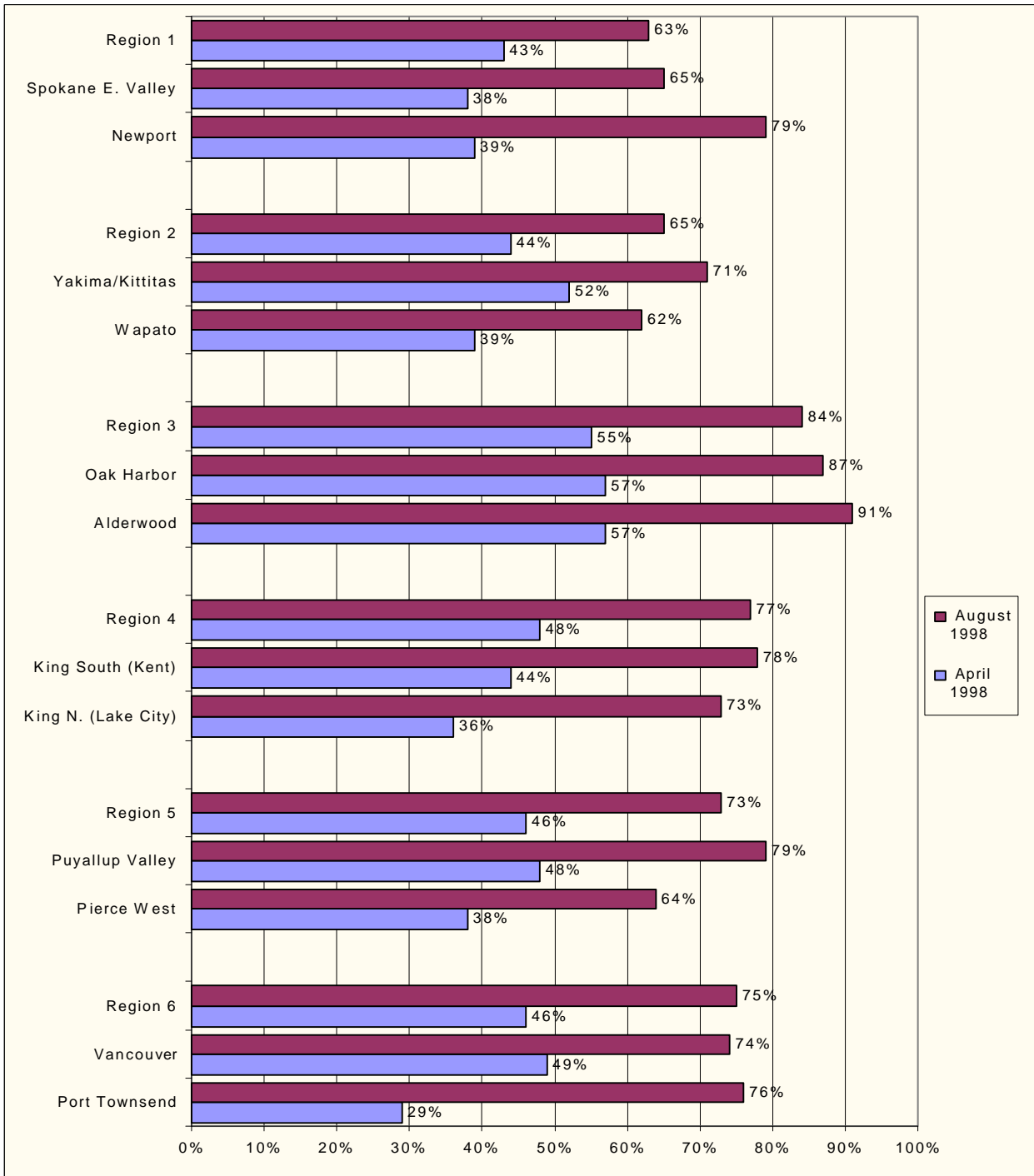
SANCTIONS FOR NON-PARTICIPATION

The sanction process is imposed by DSHS Case Managers when participants fail to comply with their Individual Responsibility Plans. The process is typically triggered by failure to show for the ESD job search workshop:

- The client receives notice that a sanction, will be imposed for non-participation. The client can request a Fair Hearing at this time.
- In the first month of the sanction a family's grant is reduced by the non-cooperating individual's share.
- In the second month, a family's grant continues to be reduced by the non-cooperating individual's share and a protective payee is established
- In the third and successive months, the grant is reduced by the amount initially reduced or by 40 percent, whichever penalty is higher, and the protective payee continues.

Exhibit 3

Participation Rates in Work Programs April 1998 and August 1998



Source: DSHS

Case Managers have found that clients who respond to sanctioning usually do so when the protective payee is established.

The department will restore the full grant amount retroactive to the day the participant begins or resumes participation for a minimum of two weeks.

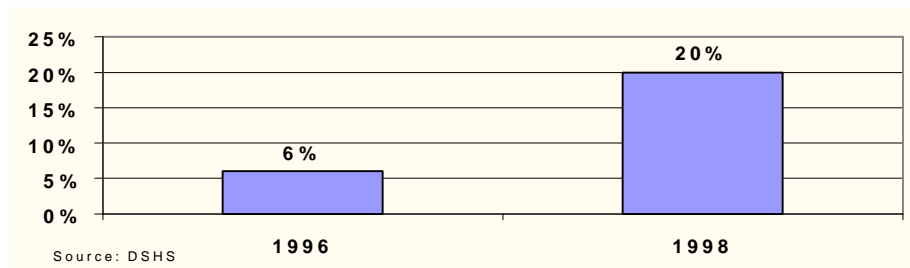
To expedite the process of re-engaging clients, many offices are calling the clients on the day that they fail to show for the ESD job search workshop. In cases where ESD and DSHS are not collocated, this requires faxing the sign-in sheet to the DSHS office as soon as the Workshop begins and each subsequent day. After one no-show, clients are called to inquire whether there is a problem that impedes their ability to participate. After the next unexplained no-show, the case manager sends a form notifying the client of an "Appointment to Determine Reason for Non-Participation" or the case manager sends a letter informing the client of intent to impose a sanction. The sanction process is considered a tool for re-engaging the client in the WorkFirst program. However, it does not necessarily achieve that result.

Same day call to clients

The sanctioning process is much improved

As a result of the 1996 JOBS Performance Audit conducted by JLARC that found sanctioning was not occurring according to policy, we paid close attention to the sanctioning process. There is relative uniformity in implementing the sanctioning process, although some case managers express professional doubt about the effectiveness of the process. In September 1996, only 6 percent of the JOBS clients had been on sanction status. In June 1998, approximately 20 percent of the WorkFirst clients had been on sanction status.¹

**Exhibit 4
Sanction Rate**



¹ Source: Jobs Automated System

Caseload Decline

The WorkFirst law requires the department to implement strategies that will cause the number of cases in the program to decrease by at least 15 percent during the 1997-99 Biennium. Exhibit 5, on the next page, shows that the statewide decline in caseload was 20 percent between November 1997 and June 1998.

Determining the reasons that account for the caseload decline was not part of the process study, but will be part of the outcomes analysis that the Institute plans to present in spring 1999.

REGIONAL PLANNING

EHB 3901 required the Department of Social and Health Services to submit regional plans to implement the WorkFirst program. The department was required to coordinate with ESD and a variety of community organizations in their planning process. In recognition of the diversity of the regions, the plans were to reflect the local differences in caseloads, economic conditions and community resources.

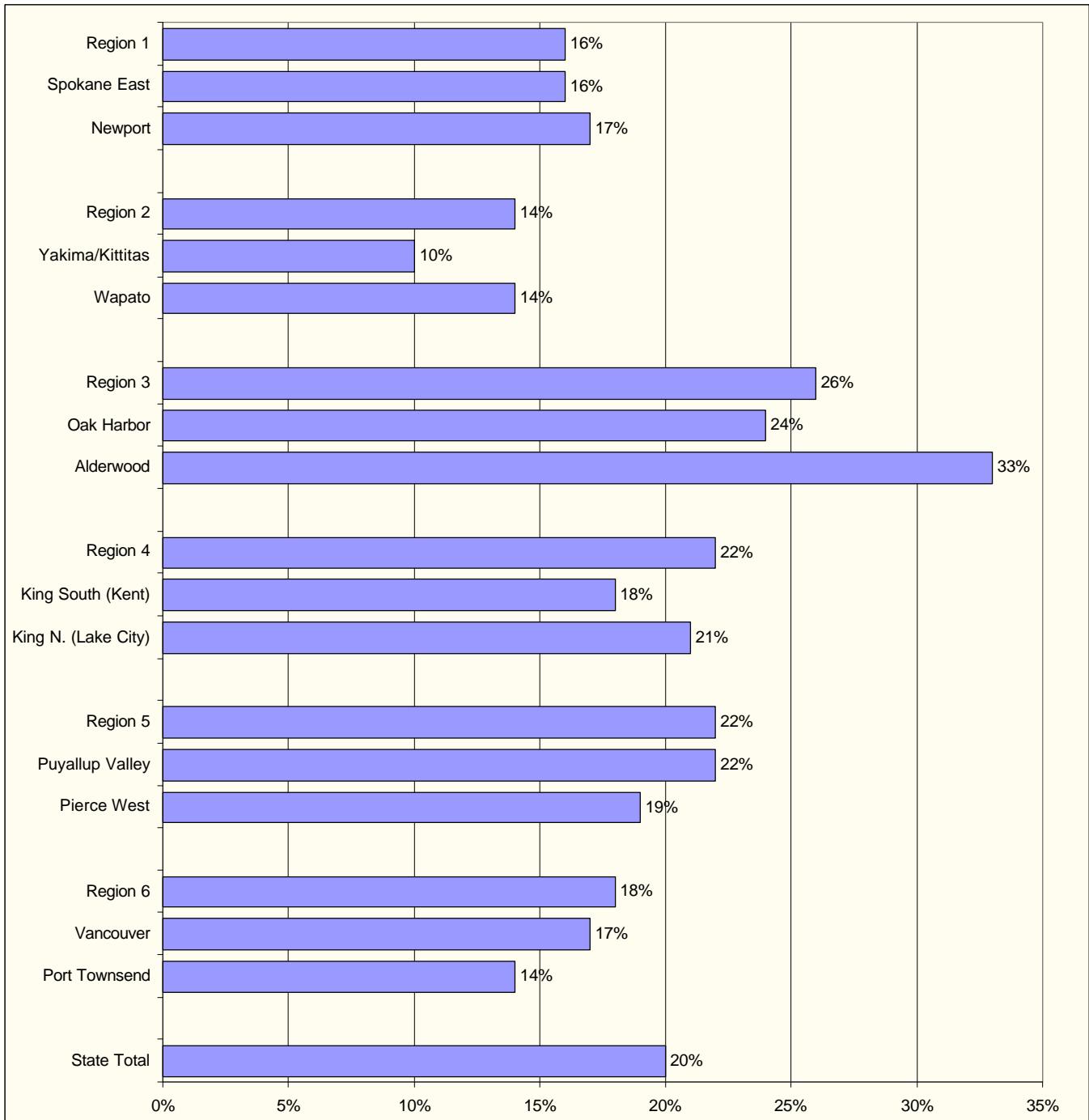
The legislation requires biennial plans for each region to adapt the WorkFirst program to the local community. Plans were due on July 31 of each odd numbered year. The final plans, developed by July 31, 1997, were finalized three months after the passage of the WorkFirst legislation.

Regional plans varied greatly as envisioned by the legislation. They had their strengths and weaknesses, both as documents and in their implementation. At their best, local goals and strategies were reflected in regional plans and consistent with regional goals and strategies. Local needs were linked with responsive regional strategies. Numerous networks of stakeholders, community and business representatives, executive committees, and line staff were mobilized and empowered to develop programs, weave related services together, fill gaps, and improve service and efficiency.

**The plans
vary in
quality**

Exhibit 5

TANF Caseload Decline: Total Adults November 1997 – June 1998



Source: DSHS

At the other end of the spectrum, in some plans regional goals or strategies were reactive, lacking energy and vision. One regional plan consisted of a compilation of local plans without comprehensive goals, objectives or strategies linking the local plans and the region. The planning process ended once the plan was submitted. Regional involvement with local communities seemed to be absent. A sense of coordination, continuity and coalescence around a regional plan was not apparent.

The legislative directive for regional planning focuses on local and regional networking and collaboration in the preparation of the plan. The next phase of regional planning, however, may need to have a different focus. That is, local and regional agency collaboration in delivery of WorkFirst client services. We found during our interviews that there is wide variation in the quantity and quality of services provided to clients. There is also variation in the inter-relationships between regional and local offices. This is discussed further in Chapter 7, Implementation Issues.

Examples of Regional Plans

Region 5 WorkFirst Plan: Region 5 consists of Pierce and Kitsap Counties. It is a homogeneous region with a good economy and relative ease of proximity between the regional office and local offices. This region established an organizational structure to develop the plan and provide ongoing direction and evaluation of the program. The structure assured continuity in local planning processes and connection to the regional plan. The Region 5 planning structure consisted of:

1. An Executive Committee to provide overall direction and approve local plans. This group consists of regional executive staff from the four state agencies with WorkFirst responsibility. They continue to meet to refine the plan and evaluate of the success of the program.
2. County-based Advisory Committees in which representation and committee charge was consistent in each county. There was continuity in how the county planning processes were conducted. Also, each advisory committee read and commented on each county plan.

**The Region 5
Plan reflects
comprehensive
and
continuous
planning**

3. Workgroups to evaluate specific areas of need in the region. They were charged with conducting needs assessments, including an inventory of services available and proposing strategies to fill the gaps locally and regionally.

Results from these processes included local partnerships to develop agreements with Private Industry Councils, other DSHS divisions, educational institutions, employment and training providers, community development agencies, and community-based organizations.

Due to the work groups and needs assessments, the plan focuses on specific strategies to fill the gaps. For example, child care sub-units are established in every office. A work group is designated to address transportation needs comprehensively by conducting client surveys and networking with all transportation providers to develop services linked to WorkFirst needs.

Our interviews with Region 5 local offices reinforced the linkage with their regional plan. There was program consistency and interaction with the regional office. The regional plan is considered a “dynamic document” providing the framework for the WorkFirst program. Regional managers visited local offices to gain information first-hand, and local administrators felt supported by their regional office.

The Regional Administrator is very invested in the plan and maintains involvement via an Executive Committee that monitors and evaluates the plan. Other committees continue to meet to refine and implement components of the plan.

The Region 6 plan does not reflect its region’s dynamics

The ESD Administrator in Region 5 spoke of the “very effective coordination of the planning process.”

Region 6 WorkFirst Plan: Region 6 is a large region that spans the entire coastline. The region extends from Clallum County to Klickitat County. The regional plan is a compilation of local plans representing a very diverse area that covers 12 counties, 14 tribal governments, 7 community colleges, and 2 Employment Security regions.

This plan, in contrast to the Region 5 plan, does not serve as a framework for local planning and implementation.

The size and complexity of this region created a planning challenge. The context for understanding this considerable challenge, however, is not addressed in the plan. The plan lacks discussion about the diversity of the region and the issues associated with its vast economic and geographic range. The regional plan is primarily a summary of the overall planning process. The substance of planning is found in the local plans.

Local plans vary in their planning approach, outreach efforts and program emphasis. They address the range and availability of services, socio-economic factors, and issues or “gaps” that may impede their progress. In some cases the lack of local services and employment opportunities is the emphasis of the plan.

The Region 6 plan identifies only child care and transportation under “Local Service Needs and Gaps.” Other unique local needs are not addressed. Regional strategies for filling local service gaps are vague. For example, the plan describes its overall service strategy as “build it as you need it.”

The regional plan does not address the geographic and socio-economic diversity of the local planning areas. Consequently, it risks simplifying the very complex work of uniformly implementing the WorkFirst program within the region.

The regional plan appears to be a process of filling in the blanks rather than a strategic plan for coordinating and accomplishing new programs and partnerships regionwide. Therefore, there is little purpose to ongoing regional oversight and refining of the plan.

Our interview with the Region 6 Deputy Administrator indicated little engagement with the plan. The only comments elicited were that the plan was not very specific and quarterly reports would soon be provided. The ESD Administrator for Region 6 said that she had not looked at the plan in a long time and that the text “may not be as accurate or strong as it should be.” There are no

ongoing meetings to refine the plan, although a new or updated plan is due in July 1999.

The Region 6 plan was not a relevant document to the local offices we interviewed. Their individual local plans, on the other hand, were very important documents that served as their guide to implementation.

In conclusion, the difference in the regional plans and the approach to planning was apparent in our interviews.

When regional plans were coordinated with local offices, there was continuity in programming, emphasis and interagency coordination. Local office administrators expressed a sense of support from the regional office and regional administrators were invested in their plan. Regional administrators also monitored implementation and were knowledgeable about local efforts, issues and accomplishments in implementing the program as envisioned in the plan.

When a regional plan was primarily a compilation of local plans, without a regional framework, there was little investment nor purpose to the plan at the regional level. When we asked local offices about the regional plan, they expressed their investment in their local plan. Even at the regional level, there was little interest in the plan as a guiding document.

We discuss regional planning further in Chapter 7 of this report.

CHILD CARE

Child care subsidies are available to WorkFirst clients

Under the DSHS Working Connections Child Care Program, child care subsidy benefits are available for working families with income at or below 175 percent of the federal poverty level. WorkFirst participants qualify for this child care subsidy. WorkFirst families pay a monthly co-payment for eligible child care services.

WorkFirst participants receive introductory information about eligible child care subsidies and local child care resources during their first visit to an office.

The delivery of child care services differs in the range provided and the types of providers. For example:

Region 5 gives high priority to helping clients find and maintain child care. In the words of the Regional Administrator, “Child care is the backbone to WorkFirst success.” Region 5 offices have child care units comprised of social workers. The social worker works directly with the client. The different types of child care eligible for financial assistance are explained. The social worker also prepares clients for meeting with providers. Clients receive a Pierce County Resource and Referral Packet. If provider payments become a problem the social worker intervenes.

Lynnwood, in Region 3, has staff assigned as child care specialists. They explain the guidelines for eligible child care assistance and provide clients with assistance in choosing child care if needed. Volunteers of America provide staff in the Lynnwood office three days a week. Volunteers of America is a United Way agency that provides support to parents to find “high quality developmentally appropriate, culturally relevant, and sensitive child care to all children.”

Oak Harbor (also in Region 3) does not have local child care referral services. Clients receive a child care information packet that refers them to Child Care Referral Services in Bellingham. This is the only resource for Whidbey Island.

Port Townsend, in Region 6, also refers clients to the Bellingham Referral Services.

TEEN PARENTING

WorkFirst benefits are denied to pregnant teens that are unmarried, under 18 years of age, are not enrolled in school and are not living with an adult relative or in an appropriate adult supervised environment. As required by EHB 3901, evaluation of the living situations of minor applicants who are either pregnant or have dependent children is conducted by social workers. This is a program component that can be demanding on staff resources due to the time required for site visits, coordination with associated agencies, and follow-up. It is also a program area that

receives emphasis based upon local need and priorities defined during the planning process.

An example of a local plan that gives high priority to the teen parenting component is the Clark/Skamania County Plan (Region 6). Each teen parent is referred to a Teen Parent Social Worker. The social worker conducts the living situation assessment that includes a home visit/environmental evaluation. The social worker is the case manager for the teen parents. The social worker monitors all communication, establishes the protective payee and all associated documentation, meets monthly with the CSO Administrator and weekly with the Supervisor to assign staff to new cases.

Clark and Skamania Counties give high priority to teen parents

The Vancouver DSHS CSO Administrator explained that home visits and environmental evaluations are coordinated with several related agencies like the local health department, private maternity support specialists, and school teen parent program representatives. The value of conducting home visits as a team is, “they all get the same picture at the same time.” This serves to better coordinate their services to the client and with one another. The Vancouver office is also very aggressive about the linkage with the DSHS Division of Children and Family Services and getting children back into school or GED programs.

OUTREACH TO CLIENTS

WorkFirst staff are using timely outreach methods to keep individuals engaged in the program and to avoid imposing sanctions. The most common method of outreach is immediate phone-calls to individuals who do not show up at scheduled meetings, workshops and appointments.

WorkFirst staff in most offices have established a system of phone call follow-up to clients who do not show up for appointments or fail to show for the job search workshop. Volunteers are often recruited and trained to do the calling. They place phone calls immediately upon learning of a no show. The purpose of the phone calls is:

1. To maintain communication with the client and encourage their participation.

2. To learn why they failed to show and whether it is an adequate reason.

Phone calling has had mixed results. In Puyallup and Tacoma we heard that phone calling has helped get the client back to the program. In Vancouver we were told that phone calls have had little effect.

A unique method used in Lynnwood is a “Non-Participation Workshop.” Lynnwood places phone calls to clients to get them to come to a workshop for “non-participants.” The workshop reinforces the participation requirements and impacts of the sanction process. In their view, it has been effective in re-engaging clients in the program.

Region 6 has recently started a pilot project for specialized public transportation for Shelton WorkFirst participants. The program is designed to assist them in taking part in the job search workshop. Transportation is provided for the WorkFirst client and their children who go to daycare. It includes a transportation aide who confirms the arrangements and travels with the clients and their children to daycare, the workshop, and home again.

DSHS is planning to provide quarterly reports on this project. The Department of Transportation (DOT) and the Agency Council on Coordinated Transportation will monitor it.

PERFORMANCE-BASED CONTRACTING AND PURCHASING

Numerous problems with the contracting system under the old JOBS program were identified in a 1996 JLARC Performance Audit. Subsequently, language to correct the problems was included in the WorkFirst legislation. The process study focused on measuring statutory compliance in this area and addresses it in more detail Chapter 7 of this report to the topic.

TRIBAL PARTICIPATION

Agreements with tribes have been slow in developing

WorkFirst agencies are directed to work collaboratively with tribes to ensure that services are provided in an effective manner to tribal members who participate in the WorkFirst program.

Agreements with tribes have been slow to come to fruition. Region 3 established the first agreement for working with a consortium of tribes. They have also completed the first Basic Indian Nation Contract with the Lummi Nation. At the time of our interview they were completing contracts with the Tulalip and Stillaguamish Tribes.

Region 6, which has the largest number of tribes (12), has not yet completed any tribal agreements.

The Yakama Tribal Nation is the largest consortium of tribes in Eastern Washington. They participated in the Region 2 planning process. However, the Wapato DSHS Office Administrator reported unsuccessful attempts at completing agreements with the tribe. To our knowledge, the Yakama Nation has not signed any WorkFirst agreements.

CLIENT SERVICES

Chapter Three

CHAPTER SUMMARY

This chapter describes how the participant receives WorkFirst services and the sequence in which they are provided. The process begins with the participant's application to DSHS for services and proceeds to screening, determination of eligibility and referral to ESD for job search services. Additional services are dependent on the participant's motivation, skills, special needs, entry into the workforce, and desire for wage progression and job retention services.

PROGRAM COMPONENTS ARE CONSISTENT WITH THE FLOW CHART

While all of the components are provided essentially in the sequence shown in the flowchart on the next page, it is important to note that the method of providing the components differs among the offices reviewed by JLARC. Additionally, clients often experience a mixture of successes and failures, and do not move from one end of the chart to the other.

ORIENTATION

Large offices often provide group orientation twice a day. Clients may attend an orientation session on the first day they visit the office. Otherwise, clients are scheduled for an orientation either before they complete an application or immediately after the application is completed.

The focus of the orientation is on personal responsibility and an overview of TANF services and requirements like: child care, teen parent requirements, work search, five-year time limits, sanctions, and rights and responsibilities.

SCREENING

The screening process includes eligibility, diversion, and referral to other programs or services. Clients may be screened for eligibility prior to their orientation or during their application process. Some offices provide screening forms at the reception desk. In other offices, case managers are assigned to assist the reception desk with screening individuals during their initial visit to the office. The orientation is also a component of the screening process.

DIVERSION

WorkFirst cash diversion assistance is addressed during the initial phases of an application. It was created for the purpose of preventing additional people from entering the rolls of welfare unnecessarily. Its effectiveness will need to be evaluated as part of the outcomes studies.

Diversion may include cash or vouchers of up to \$1500 to provide for the following needs:

- Food
- Child Care
- Housing Assistance
- Transportation-related Expenses
- Health Care Coverage Through the Basic Health Plan
- Child Support Collections
- Child Support Video Conferencing (provided by the Agency for Children and Families (ACF) in Region 3 only)
- Other Medical Assistance

Exhibit 6
WorkFirst Participant Flow Chart

To link to this exhibit, click [here](#).

ALTERNATIVE PROGRAMS AND SERVICES

Diversion is viewed more broadly in some offices. Discussion of alternative programs is addressed during the intake interview.

Other programs presented to the applicant include:

- Housing Referrals
- Family Planning
- Transportation
- Supplemental Security Income
- Veteran's Administration

Screening tools help case managers identify barriers to employment

Additional screening “tools” have been added to assist the case manager with determining how to best meet the needs of the client. The inclusion of these screening methods resulted from case managers recognizing client problems that are barriers to successful employment. Screening tools have been established to improve identification of problems or disabilities. Screening may occur during the application process, during the workshop, prior to work search, or after an unsuccessful work search experience. Examples of issues addressed in screening are:

- Substance Abuse
- Domestic Violence
- Literacy
- Learning Disabilities

The Lynnwood office is particularly expeditious in their handling of orientation and screening. Screening forms are distributed to case managers during the applicant's orientation session. When the orientation is complete, applicants are directed to case managers who review their forms and determine whether they are eligible for TANF or diversion at that time.

ESD JOB SEARCH WORKSHOP

In most cases, we heard that the workshop is very constructive in preparing clients to find work. We heard it said, “if you can get a client through the second day of the workshop, you’ve got them through to work.”

The ESD staff has shown a great deal of creativity, initiative, and motivation in their contributions to enhance the value of the workshops.

The typical (ESD) workshop is 5 consecutive days, totaling 30 hours. The workshop consists of modules on goal setting, skill assessment, job lead sources, networking, interviewing, resume writing, resource room training, and dressing appropriately. Business representatives are often incorporated into the workshop format to explain what is expected of employees, how to effectively apply for a job with their business, and opportunities for employment.

We were told that the workshop is motivating and is also a team building experience for the participants. Those “teams” go on to support one another in the resource room where they compose resumes and look for work.

Most offices have incorporated a celebration into the last day of the workshop. This may include an informal ceremony where group pictures are taken and certificates are awarded. In some cases there is a potluck event with family members included. Several offices have posted pictures of workshop “teams.” Their names are posted and stars indicate those who have found work.

Some offices reported a change in the workshop participants’ motivation levels and attitudes from the first groups of clients to some of the more recent groups. The first groups were engaged and enthused participants. Recent groups have been participants who are on their third attempt to get through the workshop and are struggling to get through the week.

**Workshop
participants
support each
other**

WORKSHOP ATTENDANCE

Workshop attendance is poor

Client participation in the workshop is one of the major challenges of program implementation. Workshops are consistently overbooked by at least 30 percent, and often 50 percent, due to the predictably high number of no-shows. As mentioned above, many case managers have initiated immediate phone calls to the no-shows and resorted to sanctioning after the second no-show.

VARIATIONS OF THE JOB SEARCH WORKSHOP

Workshop contents and schedules vary

We found several substantial workshop variations in the following locations:

- The Newport/Colville clients receive a workshop that consists of one day, six hours in total. It is only offered every two months. If a client fails to show, it could take several months to complete.
- Whidbey Island clients receive a workshop that is conducted one day a week (Friday) over five weeks. Clients enter the workshop at any time during the cycle, so there is no beginning and end with one cohesive group of clients. Clients are directed to begin work search when they begin the workshop.
- The workshop provided to Port Townsend clients is five days, once a month. If the clients do not attend the workshop when it is first available to them, they then wait another month. It is not uncommon for a client to take three months to complete the workshop.

A key factor in these examples is that the ESD office providing the workshop is located in a different town than the DSHS office. None of the clients in these examples receive the benefit of business representation in the workshop, or follow-up Job Clubs, Job Fairs and personal ongoing training in a resource room. This is in contrast to the typical workshop that is described on the previous page, where clients complete the workshop in five days

and have the benefit of face-to-face contact with employers. We will look at the impact of the various formats for the workshop on client outcomes in spring 1999.

WORKSHOP FOLLOW-UP

If clients do not become employed, the workshop is usually followed by 11 weeks of required participation in Job Club, individual training in the resource room, Job Fairs, and job search.

Job Club is an overview of the skills addressed in the workshop and preparation for job referrals.

Resource Room training is one-on-one training on how to use the resource room. The resource room typically consists of: Job Net, use of personal computers, Win Way software for creating resumes, cover letters and thank you letters, internet job search, labor market information (WILMA), and posting of local job opportunities. The resource room and personal assistance may be used throughout a client's job search process. It is also common for clients to help one another in the resource room.

Job Fairs are frequently offered in urban areas and infrequently in rural areas. They bring together WorkFirst clients and potential employers. In all cases, clients are prepared for job fairs with appropriate clothing, a prepared presentation (called a One Minute Commercial), and a resume.

The Lynnwood office job fairs have become so large that they are provided at a local Holiday Inn.

JOB SEARCH

As mentioned, Job Search is also part of the remaining 11 weeks of the Work Search component. It is spent making in-person employer contacts and reporting to the ESD Job Search Specialist (JSS). Clients receive specific job search requirements and usually are required to meet with an ESD JSS weekly to confirm their job search progress. Participation in these meetings is enforced and clients are sanctioned if they do not attend.

There is quite a range in the required number of employer contacts each day. Examples are:

Pierce West: A minimum of three in-person contacts per day.

Port Angeles: Seven valid contacts per week. Valid means that an application has been made, a resume was provided, or an interview was conducted.

Puyallup: Six in-person contacts per week.

Vancouver: A minimum of 15 contacts per week including 5 in-person contacts.

Although we do not know the impact of the range of required contact by clients, it will be important to know if clients who have a certain number of required contacts find jobs sooner. This can be examined during the client outcomes study.

We heard that clients who engage in job search, and are able to work, do get jobs. Clients who do not get jobs after 12 weeks of job search are either referred back to a case manager for evaluation or given another opportunity to engage in work search.

HB 2901 has been implemented

In a few offices clients are reviewed within four weeks of work search to determine how their search is going, the quality of their contacts, and whether there are additional services, training, or efforts needed. This four-week check has been done independently by a few ESD offices. During the course of the process study interviews, ESD was in the process of implementing the requirements of the recently enacted HB 2901, which consists of a client review within the first four weeks of unsuccessful job searching. We will look for this standard in the next phase of the process study.

POST-EMPLOYMENT SERVICES

Post-employment services consist of Job Retention and Wage Progression services. Job Retention is often addressed by the DSHS case manager when a client is experiencing a crisis that threatens the client's continued employment. Wage progression

is often addressed by the ESD staff and identifies the next skill needed to advance the client's career. These services were in the development stage during our site visits. We heard a variety of opinions of how the services should be provided, and whether they should be provided at the beginning or the end of the continuum of services. We also heard concern about whether it was feasible to separate the two services. In the view of some administrators and staff, combining the services under one contract would make more sense for both the employer and the client.

Some offices, for example, the Vancouver and Lynnwood ESDs, had already established contracts for job retention and wage progression services. The primary focus is with the community colleges. However, implementation was occurring at the very end of our site visits and has not been included as part of this evaluation. It will be a focus of the next phase of the process study.

Post-employment services are just being developed

COLLOCATION OF WORKFIRST AGENCIES

Chapter Four

CHAPTER SUMMARY

During the process of visiting ESD and DSHS WorkFirst offices, the benefits of collocation became apparent, as were the disadvantages of having the two offices in separate locations, but serving the same clients.

About half of the sites we visited were collocated, meaning that one building housed both the ESD and DSHS WorkFirst staff. Some of these offices were collocated prior to WorkFirst, which was perceived as a significant advantage to staff and clients. In every case, those who were collocated spoke of its value.

BENEFITS OF COLLOCATION

We observed the following benefits of collocation:

1. Client Service: In some WorkFirst offices, the client's transition to and from DSHS and ESD is seamless. The client has one point of contact in which all services are provided in a coordinated manner.
2. Communication: The quality of communication to the client and between staff is one of the most significant benefits of collocation. Collocation provides the opportunity for ESD and DSHS staff to meet with one another. Offices that are collocated have joint staff meetings. They develop agendas focused on mutual issues, needs, and goals. They learn about one another's job and about how to best coordinate their

Collocation
means faster
communication

mutual responsibilities and services. Follow-up with client services when referred from one agency to another is prompt. In the best circumstances, the staff refers to the other agency as “we” and their goals and accomplishments are mutual efforts. They also told us that clients are not aware that they are working with two separate agencies.

A culture of mutual trust and respect is fostered by collocation. If that culture does not exist initially, we found that DSHS and ESD administrators and staff develop processes to improve and build effective working relationships.

Services are
integrated

3. Planning: Collocation facilitates planning for new coordinated services such as Job Retention and Wage Progression. Administrators and staff work together to determine how to deliver integrated services that will not frustrate the client, the employer, or the community.

Clients have
easier access
to services

4. Participation: From the view of administrators, anecdotal information is that participation is enhanced by collocation. Their experience is that clients do not always make the transition from one office to the other, regardless of the distance. From the view of the client, the advantage of collocation is that they are working with one agency in one location. The challenges of WorkFirst participation can be overwhelming to a client. Collocated and coordinated services benefit both the client and the staff.

EXAMPLES OF COLLOCATED AND SEPARATE OFFICES

Lynnwood DSHS and ESD

This facility exemplifies the benefits of collocation. The offices have been collocated for two years. Upon first entering the building it is impossible to discern that two agencies are located in the same office space. The ESD and DSHS staffs are integrated in the office floor plan. They have procedures outlining how they work together. The ESD and DSHS administrators meet formally every two weeks and staff meetings are inclusive of both agencies.

During development of the job search workshop, the DSHS staff was asked to attend the workshop to offer advice on presentation and opportunity for improvement. This was mutually beneficial because the workshop leaders benefited from peer review and the participating DSHS staff learned about the client’s experience in the workshop. Consequently, every DSHS staff member has attended the workshop and it is incorporated into staff training.

Both staffs have informal relationships and express mutual trust and respect. Comments we heard were:

- “We have an excellent partnership, we are very fortunate to be located with them.”
- “Case managers are very supportive, we share equipment and information, it is a win– win situation.”
- “Our success is their success, our futures are tied together.”
- “We are invested in each others goals.”
- “Our mutual environment seems to provide an improved attitude from both clients and employers.”

We conducted separate interviews with administrators and staff from the Lynnwood ESD and DSHS. During the interviews we noticed that the two agencies refer to one another as “we.” There was a unique consistency in the two interviews, with both agencies telling us the same stories of accomplishments, future challenges, program goals, and their vision for seamless delivery of wage progression and job retention services. Obviously, the success of this collocation is largely a result of the dedication of the individuals involved. However, their commitment to mutual goals and a highly successful WorkFirst program is enhanced by the ability to have daily contact with one another in a “seamless” office environment.

Puyallup DSHS and ESD

The Puyallup office represents an example of two collocated agencies that are working to improve their coordination of services and support of one another in a shared facility. They

**Lynnwood
office shows
benefits of
collocation**

still view themselves as distinct agencies sharing a building. However, our interviews with the two offices revealed common goals and a desire to improve how they work together. Staff from both offices candidly expressed concerns that their relationship was “shaky at first.” As a result, a “mini-conference” was being planned to work on improving communication, to acquaint one another with their respective responsibilities, and learn what issues need to be addressed to improve interagency relations. This conference will be followed by joint staff meetings that are issue specific.

Staff emphasized that they are so busy that finding the time to plan and conduct joint meetings is difficult. However, if they were not collocated it probably would not happen at all.

Oak Harbor DSHS and Mt. Vernon ESD

The Mt. Vernon ESD serves the Oak Harbor DSHS WorkFirst clients. Staff from Mt. Vernon travel to Oak Harbor on Fridays to provide the ESD job search workshop and meet with clients. The workshop is one day a week only and clients can enter the workshop at any point. The workshop takes five weeks to complete. Due to lack of space in the DSHS office, the workshop is held at the Skagit Valley Community College.

We heard from the DSHS office that clients have a difficult time completing the workshop and they do not see any evidence that clients are getting anything out of the workshop or that the workshop is effective. They would prefer a workshop consisting of five consecutive days.

Communication is poor

It was reported that communication between Mt. Vernon staff and Oak Harbor staff is poor. There is little personal contact between the staff. Oak Harbor staff feel that communication is inadequate and insufficient for tracking clients, while Mt. Vernon staff thinks that communication is fine. Since Mt. Vernon staff are only on the island one day a week and they use that day for the workshop, scheduling joint meetings is impossible.

We experienced problems with communication and follow-up during our efforts to schedule an interview with the Mt. Vernon office. Additionally, communication between the Oak Harbor

DSHS Administrator and the Mt. Vernon ESD Administrator was, at that time, minimal to non-existent. The theme of poor communication was dominant in our interview.

ESD is in the process of siting an office on Whidbey Island. At the time of our visit to Oak Harbor, space adjacent to the DSHS office was available for rent. The Division of Vocational Rehabilitation (DVR) and the Private Industry Council (PIC) were also located in the building. The area is served by free public transportation. We were told that the available space was not being considered for the ESD office.

Port Townsend DSHS and Port Angeles ESD

The Port Townsend DSHS is served by the Port Angeles ESD because the Port Townsend ESD office does not have WorkFirst staff.

Workshops are provided to Port Townsend clients once a month over four or five consecutive days. The workshops are held at the Port Townsend ESD office. Consequently, there has been very little personal contact between the two offices. Recently, the ESD staff person conducting the workshop has begun visiting the DSHS office when the workshop is held so that there is some opportunity for staff to interact.

Attendance at the workshops is poor. When clients do not show up for the workshops, they must wait until the following month before another workshop is available.

A Port Angeles ESD WorkFirst staff person visits the Port Townsend ESD office one day a week. In the interim, if a WorkFirst client needs ESD services, he/she can go to the local ESD office and place long distance calls to Port Angeles. Clients may also call their case manager in Port Townsend and ask the case manager to call Port Angeles for them, or they may call from home at their own expense.

Communication is difficult between the two offices and complicated for clients. Because of separate locations, providing services may take longer. This raises concerns about equity and

**Non-
collocated
offices often
cross regions**

**Clients must
call long
distance**

program effectiveness if clients cannot get services as readily or quickly as clients in other locations.

There are several reasons to question the value of this particular situation:

Costs and benefits need further examining

1. Port Townsend has an ESD office, but no WorkFirst staff. Consequently, Port Angeles staff are paid to travel and provide the WorkFirst services in the Port Townsend ESD office.
2. We heard that the quality of services to clients are compromised by this arrangement. Also the clients' access to services, such as the availability of the job search workshop and to ESD WorkFirst staff, is limited.
3. As a result, the benefits of this arrangement when compared to the costs saved are questionable. Is it worthwhile to pay staff to travel to Port Townsend? Or would it be more efficient and effective to house WorkFirst staff in the Port Townsend ESD office? If it does cost more to house a permanent WorkFirst staff in the Port Townsend ESD office, do the benefits outweigh the costs?

During our visit to Port Townsend and Port Angeles, the Port Townsend DSHS was negotiating to extend its lease for office space. The Port Townsend DSHS administrator was interested in collocating with the Port Townsend ESD and housing WorkFirst ESD staff in the local office. In that context, the Port Townsend Administrator initiated communication with the Port Angeles ESD office about an opportunity for future collocation with ESD WorkFirst staff. We were informed that the Port Angeles Administrator decided against collocation.

Newport DSHS and Colville ESD

This is another situation where WorkFirst clients from one town (Newport) are serviced by staff from another town (Colville) for the ESD portion of the program. During our interview, one Job Specialist from Colville was attempting to serve over 1,000 clients in a three-county area.

The Job Specialist provides a six-hour workshop every one to two months. He also provides two hours of follow-up that mostly consists of reviewing the resumes that clients produce. If clients miss their scheduled workshop, they are re-scheduled. It could take months to complete the six-hour workshop.

Communication between the DSHS staff in Newport and the ESD Job Specialist in Colville often consists of sending messages to each other's computer printers. They also rely on the required data entry of client activity. The Job Specialist readily admits that he may not see messages for many days and often cannot catch up with his data entry until long after events occur.

A recent new contract was planned to relieve some of the problems that were reported to us, but we thought an opportunity for collocation was about to be missed. While in the DSHS office at Newport, we noticed a large open floor-plan and two offices that were for lease on the bottom floor. Yet, it was reported to us that the ESD resource room was being located at the public library and the workshop was being held at the fire hall. Additionally, the ESD staff said he provided a computer that could be hooked-up to the Job Net for the DSHS lobby and it had never been installed. When we questioned this situation, we were told that the DSHS regional administrator had decided against collocation.

**Staff
communication
is electronic**

BENEFITS AND IMPACTS ON PROGRAM COORDINATION

In summary, we observed during our site visits the significant benefits of collocation and adverse impacts of disjointed services in separate towns:

Client Services

1. The Job Search Workshop

When offices are collocated, the client goes to one location to receive all WorkFirst services. The workshop is available to the DSHS staff for their observation and participation. The agencies collaborate to get clients to the workshop and to assist them to

complete the workshop. Prompt follow-up with client no-shows is a shared responsibility.

Workshops integrate local business representatives into the format and job fairs are coordinated with the workshop. Clients receive one-on-one follow-up training in Job Club and then in the ESD resource room. Client's participation and performance are monitored by both ESD and DSHS staff.

2. Access to WorkFirst Services

Clients are able to access both their case manager and their ESD representative in one location. Those staff are able to instantly determine and coordinate appropriate service to the client. This will become increasingly important as job retention and wage progression services require coordination with the provider, the client and the employer.

Interagency Coordination and Communication

ESD and DSHS work as a team

When ESD and DSHS staff are collocated they work as a team. They hold joint staff meetings and administrators meet to coordinate their programs. They understand one another's job and what is needed to work well together. Lynnwood exemplified an office with common goals and coordinated plans to achieve those goals.

Collocation facilitates program planning and problem solving. We heard that without collocation, staff would not be able to meet with one another to learn how to work together effectively and improve their integrated services to the clients and community. Staff who were located in different buildings but in the same town mentioned that any distance between the two agencies decreased their ability to communicate.

Adverse Impacts of Services Provided by Agencies in Separate Towns

The adverse impacts of disjointed WorkFirst services are in the same categories as listed above. In brief, client services are compromised by lack of access to the job search workshop and to WorkFirst staff. When compared to collocated sites there are

service gaps. The level of services provided to clients who are served by agencies in separate towns is not equal to those served by collocated sites.

Collocation seems to be the optimal arrangement for WorkFirst staff and clients, although we do not yet know the impacts of non-collocated services on client outcomes. Collocation can be a costly venture for rural communities with limited staff. In Chapter 7 we discuss the need for an analysis of future collocation opportunities within DSHS and ESD. It includes a recommendation for the agencies to conduct a cost benefit study of collocating those sites that are currently serviced by staff located in separate towns.

NETWORKING WITH COMMUNITIES

Chapter Five

CHAPTER SUMMARY

This chapter discusses the processes that WorkFirst agencies have put in place to implement community networking as a method of developing work programs. The chapter concludes that all offices in our sample have developed new partnerships in their communities, but networking in rural communities is more difficult.

AGENCY COLLABORATION

Within the regional planning process, DSHS was directed to collaborate with “employers . . . educational institutions, labor, private industry councils (PIC’s), ESD, local government, and community action agencies to develop work programs that are effective and work in their communities.”

We found that all of the sites we visited were working closely with ESD and community based organizations. Agencies develop liaisons with the community based on their needs and what is available. ESD and DSHS offices were actively engaged in community networking. The level of community involvement varied depending on needs, individual initiative and availability of services.

In some cases, DSHS offices have thorough outreach plans to educate and involve the community. In other cases, administrators took the lead in outreach and networking. Some offices relied on their community resource coordinator to conduct outreach, and some offices incorporated all of the above.

**DSHS and
ESD are
active in the
communities**

The availability of community resources vary, particularly between rural and urban areas. Making the most of what is available is what distinguishes the offices from one another.

Urban Examples

The Lynnwood DSHS office has an outreach plan. The office administrator participates on the speakers' bureau for public presentations on WorkFirst; and the staff, with the community resource coordinator as lead, participates in numerous networking activities.

The Lynnwood CSO Administrator sent individual letters of introduction and information about WorkFirst to stakeholders in May 1997. The letter provided background and offered follow-up speaking engagements. This resulted in a variety of presentations about WorkFirst and opportunities to coordinate with the community.

The Lynnwood CSO has a community outreach plan consisting of a mission statement, goals and objectives for developing effective relationships with the community. Among their objectives are:

- Participate in the Chamber of Commerce
- Develop a speakers bureau
- Develop an advisory board
- Sponsor an employment fair
- Develop brochures that promote a partnership approach

Lynnwood's community resource coordinator is active in a number of local organizations, including the Snohomish County Partners Forum, comprised of agencies that provide social services and the Washington Futures Consortium. She is also currently working with several agencies to coordinate transportation services for WorkFirst clients.

The administrator commented that "the community outreach plan has snowballed and they have more interest than they know what to do with."

The Lynnwood ESD and DSHS have been equally successful with outreach to the business community. Job fairs have become so large they are held in a Holiday Inn. Over 60 employers are contacted regularly for job fairs.

Business representatives from Washington Mutual Bank, Starbucks, GTE, City of Lynnwood, and temporary employment agencies are regular participants in the ESD job search workshop.

The Lynnwood ESD established a client “career track” employment program with BF Goodrich Airplane Services. The ESD does recruiting and referral, and BF Goodrich provides training and career track employment. They have also developed customer service training in conjunction with the PIC, Edmonds Community College, and Washington Mutual Bank. Recently, they began a wage progression program with the sheet metal fabrication industry and Shoreline Community College. The model is called a 20/20 Training Program whereby a participant will go to paid employment for one of the sheet metal employers 20 hours a week and go to school to be trained in the operation of the machinery 20 hours a week. At the end of the training they are hired on full time at an increased wage. The Machinist Union has contacted ESD to do a similar program with them.

Both the DSHS and ESD in Lynnwood have been proactive in planning their outreach, establishing community and business connections, and building upon their network as new needs develop.

The Puyallup Valley office relies on a busy community resource coordinator to conduct outreach and network within their community. The resource coordinator initiates involvement with business and community organizations to obtain specific services needed.

The Puyallup Valley DSHS Administrator explained the diverse services provided by their community resource coordinator. In Puyallup, the community resource coordinator “does community outreach as well as fill in gaps that the social workers can’t address.” The community resource coordinator interfaces with

**Local
businesses
are involved**

school districts, community task forces, the Hispanic Concerns Committee, and the Puyallup Valley Network Committee. In addition to these responsibilities, she attends Kiwanis meetings to solicit specialized services for clients, meets with individuals in the business community, and solicits donations of food and clothing for WorkFirst clients. She is currently working to develop transportation services for rural Puyallup Valley clients.

The Vancouver DSHS Administrator is the lead person for community outreach and networking. He participates in monthly meetings of local agency leaders. The WorkFirst program benefits from a community that supports collaboration and cooperation. The office works closely with the Vancouver ESD, the PIC, the school districts, Headstart, the YMCA, the EOC (Economic Opportunity Council) and C-Tran, the transportation provider in Clark County.

Due to Vancouver's emphasis on the Teen Parenting program, they have developed partnerships with the school district, the Department of Health, and private maternity support specialists to coordinate their intervention and services to teen parents.

The Vancouver ESD office has cultivated a regular group of business representatives to participate weekly in the job search workshop. The representatives do presentations, meet one-on-one with clients, conduct informal question and answer sessions, and prepare clients to apply for job opportunities in their respective organizations.

This ESD office has also established a mentoring program with the Doubletree Inn. Staff at the hotel have been trained on how to mentor WorkFirst clients while they gain on the job training. In the view of ESD, this program has worked very well.

Rural Examples

Rural areas
coordinate
more limited
resources

Unlike the examples above, rural communities often have limited options for community and business collaboration. Consequently, they coordinate for services with other nearby communities.

The Newport DSHS office provides an example of this. Newport has contracts with the Goodwill in Sandpoint, Idaho for Work

Experience Training (WEX) and with Spokane Community College. However, additional networking may be viable.

Newport is a small rural community with few job opportunities for its WorkFirst clients. It is located approximately 45 miles northeast of Spokane. However, there is not an outreach effort with the Spokane business community.

Due to its proximity to Spokane, Newport has an opportunity to collaborate with the Spokane business community. WorkFirst clients can commute to Spokane (assuming they have transportation). If linkages are made with the Spokane business community, there may be potential for other transportation services to Spokane.

CONCLUSIONS

In conclusion, all DSHS and ESD offices have developed partnerships in their communities, some more than others. In some offices the efforts to educate and coordinate with the community were impressive. In these cases, administrators and staff were motivated and inspired by the response to their community outreach. They developed business and community partnerships and continue to seek creative solutions to “fill program gaps.” The outreach has resulted in ongoing and new partnerships that provide additional services and employment opportunities to the WorkFirst program.

In rural communities networking is more difficult. There are not as many opportunities for business and community partnerships. There are fewer staff members to conduct outreach and follow-up. The staff also may be serving more than one community. Networking in rural communities may require a more focused and ad hoc approach of matching specific client needs with business representatives and community organizations.

**Outreach has
resulted in
new
partnerships**

INTERAGENCY COLLABORATION

Chapter Six

CHAPTER SUMMARY

The message about the importance of interagency collaboration was reported to us by sub-cabinet agency directors, their managers, and throughout the site visits. Office staff indicated that working closely with one another is essential to successfully moving people off welfare. Specific examples where rapid communication is not occurring are discussed in Chapter 4, on the issue of collocation. Otherwise, the sub-cabinet agencies are collaborating well at all levels of the organizations.

THE GOVERNOR'S SUB-CABINET

Governor Locke formed a sub-cabinet group for WorkFirst that includes the directors of four agencies that are primarily responsible for the implementation of WorkFirst and the Governor's Office of Financial Management (OFM). The sub-cabinet includes the directors of DSHS, ESD, CTED, and SBCTC. The sub-cabinet's tasks include, among others, ensuring the ongoing success of the program, the cooperation and coordination of state agencies' headquarters and statewide units, and promoting the active involvement of WorkFirst's governmental and non-governmental partners across the state.

Under the direction of Dick Thompson, Director of OFM, the sub-cabinet is an interagency work group. The group is responsible for monitoring the performance of the program, identifying issues of note and preparing them as informational or decision items for the sub-cabinet or addressing them at the work group level, as appropriate.

The Sub-cabinet is an interagency workgroup

AGENCY RESPONSIBILITIES

The WorkFirst sub-cabinet agencies exercise the following roles and responsibilities.

Department of Social and Health Services (DSHS)

**DSHS
determines
eligibility
and manages
cases**

DSHS has primary responsibility for: the state plan for the Temporary Assistance for Needy Families Program (as required by federal law); the cash assistance diversion program (to prevent additional people from joining the rolls of welfare); determination of WorkFirst client eligibility; client orientation to WorkFirst; referral to Employment Security for job search; identification of barriers to employment for those who are unsuccessful in job search or job retention, and referral to services that will help them overcome those barriers; administration of the payment systems; negotiation with tribes for administration of tribal TANF on a government-to-government basis in accordance with the Centennial Accord; approval of Regional WorkFirst service delivery plans; and active contributions to the information systems that track cases throughout their participation in WorkFirst.

Employment Security Department (ESD)

**ESD
connects
participants
with jobs**

The Employment Security Department has primary responsibility for employment services, particularly connecting WorkFirst participants with jobs, beginning with the job search workshop. ESD identifies job openings, provides placement assistance, and develops labor market information to support the WorkFirst program and job seekers. This agency supports employer outreach. Through the Washington WPLEX call center, ESD connects employed TANF participants or 'exitors' to training or labor exchange opportunities. This call center is located in White Center, Washington, and consists of ESD job specialists who receive an electronic queue of WorkFirst clients that are currently employed.

Department of Community Trade and Economic Development (CTED)

CTED has primary responsibility for linking the state’s economic development policies and constituencies to WorkFirst strategies. Although there are no regional offices, there are staff in their headquarters, Seattle and Spokane. CTED is linked to the systems of supportive services that help participants become and remain self-sufficient and provide services to those with an unstable housing situation. An example is working with DSHS on a child care advantages program. Two staff are half DSHS and half CTED. The purpose is to develop on-site child care in corporate businesses, with a recent example being the COSTCO Wholesale Corporation. Additionally, CTED is developing a child care micro-loan program for WorkFirst clients that want to start a child care business. This contributes to meeting the target of developing 250 new child care workers.

One of the agency’s primary WorkFirst programs is the Community Jobs program, which contracts for transitional community-based job experiences for clients who are encountering problems getting into the regular job market. Clients can participate in job training for up to nine months, during which time their welfare grant is considered a wage and they qualify for the federal Earned Income Tax Credit for low wage earners. Community Jobs is different from the Work Experience component available through Employment Security in that the program is longer in duration, clients receive a wage (and qualify for the tax credit of up to \$90 per month) and they receive individual job coaching from a contractor. Community Jobs programs are located in Aberdeen, Olympia, Seattle, Spokane, and Tacoma. The CTED goal for Community Jobs is for 1165 individuals to be placed in positions by the end of fiscal year 1999.

CTED also collaborated with the other sub-cabinet agencies to craft a business outreach plan that provides the goals, strategies and task roles for marketing the value of WorkFirst and its participants to business and industry. This marketing plan is meant to mesh precisely with the overall WorkFirst communications strategy and with the employer engagement strategies of ESD and CTED.

CTED links economic development to WorkFirst strategies

The Community Jobs program provides for transitional job experience

Additionally, CTED has been promoting non-profit business development by holding workshops that highlight innovative methods in which organizations can develop non-profit businesses that employ WorkFirst participants.

State Board for Community and Technical College (SBCTC)

SBCTC provides pre- and post-employment training

The SBCTC has primary responsibility for providing education and training to the unemployed and the working poor, including those participating in TANF, so that they can increase their skills and earnings and improve their job retention. Short-term education and training can occur while WorkFirst clients are seeking jobs or after they have become employed.

In August 1998, the WorkFirst Post-Employment Labor Exchange (WPLEX) call center that is operated by ESD began referring clients to community and technical colleges for skill progression services. These services can be up to 12 weeks if the client is not yet employed, or up to two years for employed WorkFirst clients. The training that community and technical colleges offer includes:

- Classroom training
- Work-site training
- Pre-employment training
- Work-focused adult basic education
- General Equivalency Degree (GED)
- Work-focused English-as-a-Second Language
- Short-term occupational courses
- Vocational training certificates
- Two-year vocational degrees

Additionally, community and technical colleges offer WorkFirst clients:

- Education and skill assessment
- Career information
- Labor market information
- Vocational counseling and planning
- Collocated ESD staff to assist in immediately finding a new job when one is lost, and in finding better jobs
- Child care centers, often on-campus
- Parenting programs
- Financial assistance
- Very short-term (1 day), non-credit training programs such as flagger certification
- Cooperative education courses and internships that tie classroom training to work experiences

During the first year of the program, DSHS and ESD have been the primary agencies. The other two agencies (CTED and SBCTC) are beginning to have expanded roles as job retention, wage progression services, and community jobs become part of the continuum of services for clients.

The sub-cabinet has met every month and addressed topics such as performance measures, which agencies should deliver which services (when discretionary) and quality assurance measures.

Additional Agencies

Two additional agencies are part of the WorkFirst program implementation.

Office of the Superintendent of Public Instruction (OSPI)

The School-to-Work Transition (STWT) system is administered by OSPI and is part of the state's 1993 education reform initiative (ESHB 1209). STWT is intended to help advance the state's goal of increased student learning by improving the connections between classrooms and the world of work for all youth.

EHB 3901 provides directives to the STWT program to assure that all youth are incorporated into the program, that outreach to students not currently enrolled in school is conducted, and that monitoring is implemented to ensure that effective outreach is done.

The STWT program provides grants to nearly 75 percent of the state's school districts. The grant awards are based on performance, outcomes and criteria specified in the grant application. The criteria for grant awards are consistent with directives in EHB 3901. For example, policies and programs must be in place to ensure that every student will be served by a STWT program. A program proposal must have an outreach component that incorporates a consortium of partners. Funding is withheld when proposals are not satisfactory and OSPI provides direction on improving local program components.

EHB 3901 requires OSPI to provide reports to the legislature on the progress of the STWT system by December 15 of every odd numbered year.

Workforce Training and Education Coordinating Board (WTECB)

The WTECB was established in 1991 to strengthen the state's workforce development system by directly involving its customers, both employers and workers, in policy making. The Board advises the Governor and the legislature on workforce development policy, and is responsible for statewide planning, coordinating, and evaluating Washington's workforce training and education efforts. Its board members include, among others, the state Superintendent of Public Instruction, the Commissioner of ESD, and the Executive Director of the State Board for Community and Technical Colleges.

With regards to WorkFirst, the WTECB launches strategic initiatives to further develop and improve a number of programs that WorkFirst clients utilize including OSPI's School-to-Work Transition, ESD's One-Stop Career Centers, and Adult Basic Education offered through community colleges. The WTECB also conducts outcome evaluations of the workforce system that includes accomplishments and areas that need improvement.

IMPLEMENTATION ISSUES

Chapter Seven

CHAPTER SUMMARY

This chapter summarizes issues that were brought to our attention throughout the process study and need further evaluation as client outcomes become known. The client and staff benefits of collocating agencies was the most recurrent theme, while issues regarding caseload management, contracting, costs, and client barriers were also prevalent.

COLLOCATION OF AGENCIES

Chapter 4 of this report details our findings with respect to agencies that were and were not colocated. Generally, agencies that share buildings have faster staff communication and client follow-up, and staff members report that clients are more engaged in participation requirements when they have one point of contact. These qualitative benefits of collocation will need to be quantified when client outcomes become known. Additionally, we recognize that it may not be cost effective to collocate agencies in every area of the state, especially in some rural areas, where the caseload is small.

Although we have not looked at costs, much information weighs in favor of collocation. The costs of collocating specific locations should be examined in a cost-benefit analysis in areas where collocation may be possible.

**A cost-benefit
analysis is
needed**

Recommendation 1

The Department of Social and Health Services and the Employment Security Department should conduct a cost-benefit analysis of non-located sites where it appears there may be a potential to improve client services.

REGIONS ARE NOT ALIGNED

There are six DSHS regions and four ESD regions. Their boundaries do not always coincide. This has caused multiple interagency reporting relationships. Our primary contacts for the agencies were often multiple, as were the office supervisor contacts at the regional level. For example, the Spokane ESD offices are managed by the ESD East regional office which is located in Yakima. The ESD East regional office serves two large DSHS regions.

We recognize that coordination of services as complex as those in WorkFirst is a significant challenge under the best of circumstances. Exhibit 7 on the next page shows the regional boundaries and selected offices within those boundaries.

Some clients do not have access to the closest office

Although the following example is not one of regional boundaries, it demonstrates misalignment of service delivery. In some situations, clients are required to go to a particular office, when a different office is closer to their homes. An example is ESD clients from Rochester must go to Aberdeen (approximately 42 miles) when the Chehalis office is much closer (approximately 16 miles). This is particularly problematic for clients with transportation problems and can serve as a distraction from local job searching. We were told that the reason for this has to do with counties and not regions, but this does not explain the Rochester-Chehalis issue because both towns are in the same county.

Recommendation 2

The Department of Social and Health Services and the Employment Security Department should consider aligning their regions, given the key role WorkFirst has in their respective missions.

Recommendation 3

WorkFirst clients should be permitted to obtain services from the Department of Social and Health Services and the Employment Security Department local offices closest to their homes.

Exhibit 7
DSHS and ESD Regional Boundaries

To link to this exhibit, click [here](#).

REGIONAL PLANNING PROCESS

As directed by EHB 3901, regional plans are required by July 31 of every odd-numbered year. The legislation stipulates that the planning process will incorporate local and regional resources such as community organizations, businesses, and training and education providers. The plans are to be responsive to local and regional needs and incorporate available resources.

We reviewed the six regional plans prior to the site visits. We found variation in how the planning was conducted, and in the coordination of regional and local plans. In some cases, the regional plan reflected the needs and issues addressed in local plans and provided processes for meeting those needs. The regional plan served as a framework for setting priorities and providing services in a consistent manner throughout the region. In other cases, the regional plan is primarily a compilation of local plans, with a minimal regional framework for structuring services to clients.

The regional plans are due to be updated next year. When the next round of planning occurs, some consideration should be given to coordination of client services among regions and their local offices. This will provide an opportunity for regions to assess the way they involve local offices and communities in effective delivery of services to clients. Special attention should be given to areas where local DSHS and ESD offices are separated by some distance, or where agency regional boundaries are not congruent.

This is especially needed when services must be coordinated with DSHS and ESD offices that are located in separate towns.

Recommendation 4

The next phase of regional planning should focus on interagency and intra-agency coordination to achieve a more consistent level of services to clients.

The quality
of regional
plans varied

CASELOAD MANAGEMENT

Changes In Job Responsibilities

The drastic changes in staff job responsibilities has already been documented earlier in this report. It will continue to be a topic of interest in the future as responsibilities continue to evolve with the full implementation of the program.

Adjusting to New Systems

As mentioned previously, WorkFirst represents a major change in policy. Implementation began just months after the legislature passed the law and not all of the essential procedures had been developed. Case Managers and Job Specialists reported these early days were characterized by a tremendous amount of confusion and stress. There was supposed to be flexibility, so there were fewer written rules. Staff would begin to process one case as they thought it should be, only to find out later that they needed to be doing something differently. This was particularly true in the case of recording case activity and will be discussed further in the next section.

DSHS implemented a question and answer system at the headquarters level in an attempt to build consistency and provide assistance at the office level. This has received mixed reaction from the field because staff are trying to work from long lists of answers and are finding out they are in error after the fact. On the other hand, some staff believe it has answered some of their questions.

Changing Caseload

As the caseload declines, the staffs are reporting that the remaining cases are more difficult to work with and require more time. These difficult-to-serve clients were mentioned many times, but no one could specifically describe their characteristics and needs. At the same time, we heard some discussion about the potential for staffing reductions if policy makers decide that staffing should be reduced commensurate with caseload reductions. There is a lack of information about the number of

**Staff report
a higher
percentage
of complex
cases**

what types of cases a case manager should be able to work with at one time.

We looked at whether there is a process in place for agencies to determine required staffing levels based on the severity of the caseload. Both DSHS and ESD conduct regular sampling of staff duties, but it is for the purpose of reporting staff activity to the federal agencies that are funding TANF. It is a retrospective rather than prospective process.

A process that categorizes the various needs of clients and the amount of staff time that is associated with addressing those needs can assist managers in distributing the workload evenly. It can also provide numerical justification for the number and types of staff required according to the *types* of clients on the caseload. For example, 100 clients with sufficient education and work experience likely do not require nearly the same amount of staff time as 100 19-year-old high school drop-outs that have drug problems.

We suggest the development of a caseload model that accounts for the differential severity of characteristics, as well as variable severity and risk of return to assistance among clients.

Recommendation 5

The Department of Social and Health Services and the Employment Security Department should collaborate on the development of a caseload staffing model that accounts for the differential severity of characteristics, as well as risks of returning to assistance.

CONTRACTING AND PURCHASING

A 1996 JLARC performance audit of the Job Opportunity and Basic Skills Program (JOBS) found that contracts for client services were not competitively awarded and there were no standard payment rates or outcomes for contractors. Although the client outcomes of contracting and purchasing are not known for WorkFirst, we found the process is much improved but requires further monitoring. In this section we provide

**WorkFirst
contracting
has improved**

recommendations for further monitoring and the purchasing of used items, when available.

The WorkFirst legislation, EHB 3901, requires that performance-based contracts be awarded based on factors that include:

- Statutory outcome measures;
- Past performance of the contractor;
- Demonstrated ability to perform the contract effectively;
- Financial strength of the contractor; and
- Merits of the proposal for services submitted by the contractor.

The law also requires agencies to seek independent assistance in developing contracting strategies, and for contractors to regularly collect and report outcome measure information. Benchmarks that compare outcome measure information from all contractors are to be developed to provide a clear indication of the most effective contractors.

DSHS Actions

DSHS historically has had a contracting process that staff has referred to as “all come.” This means any contractor who has a service that is relevant to the WorkFirst program is awarded a contract. The process is not competitive. During the start-up of WorkFirst, DSHS simply bridged existing JOBS program contracts that were due to expire on June 30, 1997, and extended them through October 31, 1997, so that their staff could focus on discovering what services were needed under WorkFirst (as opposed to the previous welfare policy). The new contracts ran from November 1, 1997, through June 30, 1998.

These new contracts were described by staff as more performance-based, meaning contractors would be paid at a few points along the way of a client’s progress. The contracts were also fee-for-service, meaning that only services that are received result in payment. There was also no maximum dollar amount, no contractor effort required (matching funds), no budget page

required, and the contracts were negotiated at the regional versus headquarters level.

DSHS reported that their scoring of bids for contracts is not the conventional blind scoring. Using blind scoring, staff would not know the name of the bidder until the final stage of scoring, thereby increasing the appearance of fairness. DSHS intended to have a fully competitive and performance-based process in place on July 1, 1998. As of this writing there are approximately 96 DSHS WorkFirst contracts.

Existing
contracts
were
continued

We think that blind scoring would provide additional accountability to the contracting process by eliminating some potential bias factors in the selection process.

Recommendation 6

The Department of Social and Health Services should improve the competitive aspects of its WorkFirst contractor selection process to include blind scoring of bids.

In March 1998, DSHS hired a firm called Public Knowledge, Incorporated (PKI) to assist with developing a performance/outcome-based process for contracting and purchasing services.

The revisions to the contracting process for DSHS have been slower than planned. It was originally reported that a fully competitive and performance-based process would be in place by July 1, 1998. The date has been moved to November 1, 1998, a full year following program implementation. The contracts are planned to be effective from November 1, 1998, through June 30, 1999, with an option for a two-year renewal.

Revisions
have been
slower than
planned

Another concern from the 1996 JLARC performance audit of the JOBS program was that contractors were not being monitored. Contractors were required to submit monthly reports, but few were actually submitted and contractors were not penalized for non-compliance. DSHS has developed a new contract monitoring system that is based in their headquarters Division of Management and Operations Support (DMOS). Contractors submit information to the regions, and the regions report to headquarters on a monthly basis. The information consists of the

name of the contractor, names and identification numbers of each client served, types of services rendered, and which payment point is being requested. Since the contracting process is still not fully outcome-based, the monitoring is primarily for the delivery of services (or “inputs”), not client outcomes.

JLARC staff plan to continue to monitor DSHS’s development of a competitive and performance-based contracting process and report more fully in 1999.

ESD Actions

ESD’s contracting process is complete

In the fall of 1997, ESD contracted with the Rensselaerville Institute to assist in developing a contracting process that is competitive and performance-based. The Rensselaerville Institute employed a method they call *Outcome Funding*. It asks the contractor to shift focus from activities to results. ESD informed potential contractors that they are using a business approach. In other words, ESD is an investor, not a funder.

On December 2, 1997, ESD distributed a request for proposals to 400 potential contractors. Bidder’s conferences were held at seven locations around the state and staff from the Rensselaerville Institute provided training on the Outcome Funding process. This initial information proved confusing for both ESD and potential bidders. There were many unanswered questions such as: “What services is ESD trying to acquire?” How can a small agency continue to operate if it is not paid until clients achieve outcomes? If an agency receives monthly payments for outcomes not yet achieved, will they have to return money if they don’t meet the target? The questions were answered in writing and mailed to bidders by the end of December 1997.

One hundred nine bids were received, and the Rensselaerville Institute worked with ESD staff to help them understand how to evaluate the proposals. Regional review teams scored the proposal and negotiated with the potential contractors. Contracts were established from February 1998 through June 1999, with the possibility for extensions into 2001. A contract debriefing meeting was held by headquarters and regional staff in May 1998, to improve services to the clients and simplify the bidding

process. Additionally, a questionnaire was mailed to bidders. At the writing of this report, ESD has approximately 20 WorkFirst contracts.

The contracts are monitored on a quarterly basis by the WorkFirst Administration Continuous Quality Support Design Team. Additionally, when payment requests are submitted to the regions by contractors, staff verify through administrative data that the client has achieved the milestone for which payment is being claimed. This is outcome based contracting and other than periodic oversight, further monitoring by JLARC is not necessary.

Transitional Issues for Contractors

Contractors for both ESD and DSHS have had to adjust to many differences in the new WorkFirst program including a new outcomes-oriented payment system that affects their cash flow, the types of services required for WorkFirst clients, and communication among multiple agencies. For example, under the previous JOBS program, clients could enroll in English-as-a-Second-Language (ESL) classes that were not tailored to people trying to get off assistance. Under the WorkFirst program, clients can only enroll in vocational ESL, which is limited to knowing enough English to perform a specific job. The contractor would be paid an initial amount for the service delivered, an additional amount when the client becomes employed, and a third amount when the client has remained employed for a specified period of time. Another example of a change in contracting pertains to substance abuse problems. Services must be aimed at addressing problems that are barriers to employment and financially independent living. If substance abuse is identified, it needs to be addressed in the context of an employment barrier. As we interviewed staff from around the state, it was reported to us that this is still a difficult transition for some staff and service providers.

**Contractors
have had to
adjust**

PURCHASING SERVICES

Another area that has yet to be fully addressed is the purchasing of services. This includes clothing, tools, car repairs, transportation, licensing fees and haircuts. DSHS and ESD reported plans to shift toward purchasing available vendor

Competition and performance monitoring is less structured

services rather than continue contracting. In other words, if a client can purchase what they need in the community, there will be no reason to establish a contract. Since some of these services are the very ones that were discussed as contracts during the drafting of legislation, it would be reasonable to think that they should also be competitive and performance-based. Our interviews indicated there has been little investment in ensuring competition and performance monitoring. More expensive items such as tires and car repairs often require more than one bid, but most items do not. Additionally, there was no performance monitoring once the items were purchased.

The DSHS WorkFirst Basic Case Management and the ESD job search workshop manuals contain guidelines for maximum amounts to spend on purchasing client services. When we attempted to monitor this spending, available information was aggregate and we were not able to determine if costs were being controlled.

It is difficult to recommend that there be a system for ensuring competition and performance monitoring of purchased services because some of the individual items cost so little that the cost of monitoring would exceed the expenditures. A more fitting approach might be targeted towards the potential for fraud.

In a number of our randomly-selected locations, it was reported that clients are routinely authorized to purchase new items when used items (clothing and tires) are available. These new items are later returned or sold. This is particularly easy to accomplish without a receipt from large commercial enterprises. Although our interviews did not indicate how widespread the problem is, the potential for it becoming widespread is great.

The WorkFirst Basic Case Management Manual itemizes \$3,695 in the WorkFirst basic allowable reimbursements based on need per year for things such as clothing, tools, and essential support services. For example, WorkFirst clients could receive up to \$350 in clothing per program year. If each client on the caseload (based on the September 1998 caseload count) received this allowance, the total would equate to \$23 million in expenditures in one year.

One partial solution to the problem would be to require clients to purchase used items, when available and feasible. Clients could also purchase more goods for the same number of dollars, providing them with more resources and taxpayers with more efficient use of public funds.

Recommendation 7

To maximize use of public funds that are expended, case managers should determine whether clients should purchase used items, when available and feasible.

COST INFORMATION

Knowing where and how costs of the program occur and vary in the regions and local offices is one aspect of a process study. This cost variability can serve as a basis for determining cause and effect relationships of differences in program delivery, and as a means of identifying cost-effective practices. Also, cost information is required to conduct the cost-benefit analysis, which is a planned component of the JLARC WorkFirst evaluation.

DSHS is the lead agency for distributing WorkFirst funds to the four agencies and in reporting Temporary Assistance for Needy Families (TANF) costs to the Office of Financial Management. It is important to note that the WorkFirst program only represents a portion of the TANF program. TANF includes such things as state Supplemental Security Income (SSI) payments and state payments for food assistance to legal immigrants. These are not part of the WorkFirst program.

Tracking Costs

Determining the costs of TANF at the statewide and agency levels has been difficult. DSHS has had to develop multiple new tracking systems. Our request for information was specific to just the WorkFirst program for regions, offices, clients, and services received. As noted above, WorkFirst represents only a portion of total TANF services and DSHS has not focused their reporting on WorkFirst. Thus, they had a difficult time providing the statewide costs and were not able to fulfill our request which

WorkFirst is only a portion of TANF

Limited information is available

was originally made in August 1997. Some regional information is available, but it is not specific to WorkFirst.

Grant Costs in Selected Offices

Although we were not able to examine the total costs of WorkFirst clients, we were able to compare the average client grants for the 12 offices in the process study. The size of the monthly grant that clients receive is dependent on income, expenses, and size of family. Additionally, sanctioned clients receive 40 percent less than their eligibility calculation. Exhibit 8, on the next page, shows the cost variations for those offices.

More Information is Needed

Policy makers have expressed an interest in knowing how much money is being spent on the various components of the WorkFirst program, and the most effective use of state resources. In order to be able to answer these questions, information is needed that is specific to the WorkFirst program, by location and client demographics. This includes client grants, contracted and purchased services, and the cost of managing cases.

JLARC will work in concert with the Office of Financial Management, DSHS and others to develop a formula for the answers to these questions and present the answers in spring 1999.

OTHER IMPLEMENTATION ISSUES

Infant and Child Care

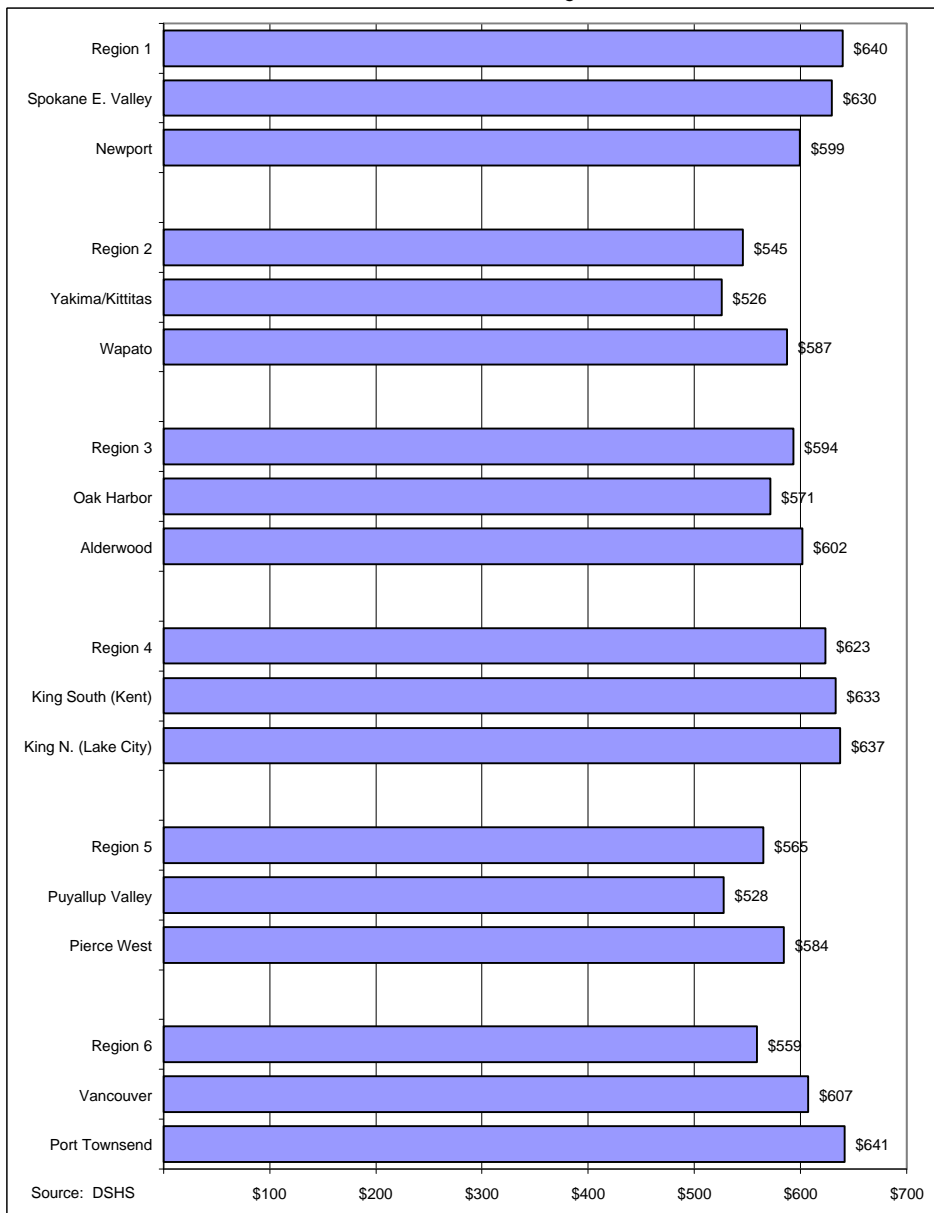
DSHS is
evaluating
infant care
availability

Child care was consistently identified as a primary barrier to employment. There are three areas of child care that require particular attention including infant care, care for children during non-traditional work hours, and care for special needs children. The problems vary from not enough available in some areas, to disproportionate costs in rural areas. Staff reported in the King County area that reimbursement is often not comparable to the market rate and providers refuse to take children of WorkFirst clients. The issue of infant care may

become critical beginning in June 1999, when the exemption for a parent’s required participation changes from a 12-month-old baby to just three months. DSHS is in the process of evaluating this issue and plans to have it completed by January 1999.

Some rural offices, such as Newport, Elma, and Puyallup reported the majority of their clients use family members and neighbors as child care providers, as opposed to licensed providers. This presents some challenges to the case manager in terms of reliability of the provider and payment for the service.

Exhibit 8
Per Client Cash Subsidies July 1997 – June 1998



Conversely, there is no shortage of affordable child care as in some of the urban areas.

Transportation and Relocation

Where clients live has everything to do with the services they will receive and barriers to employment. For example, in Newport the job search workshop is only 6 hours, as compared to the statewide standard of 30 hours. This is due to a small client population and ESD's decision to locate programs where there appears to be a potential for success. There are few major employers in Newport, so investing resources to assist clients to find jobs in Newport would seem counterproductive. There is also no transportation to nearby job markets such as Deer Park and Spokane.

Case Managers in numerous rural locations expressed frustration with clients who had little or no transportation and insisted on continuing to live in remote locations. They reported that it is difficult to motivate these clients because they were previously exempt from participating in the JOBS program, under the remote location exemption.

Clients do not want to relocate to larger job markets

Relocation funds are available to WorkFirst clients, although most case managers reported their clients refuse to relocate to better job markets. Many clients have chosen a rural lifestyle and or depend on family as their support system.

Migration Towards Affordable Housing

It was reported to us in Elma that clients from nearby Shelton were moving there due to available subsidized housing. The advantage is that clients who are on public assistance can get a further rent reduction, thus keeping more of the monthly grant. This is counterproductive to the goals of WorkFirst, as Shelton has a much larger workforce than Elma.

Fraud Potential

There is some potential for client-based fraud under the WorkFirst program. First, the Fraud Referral and Enforcement Division (FRED) experienced an influx of referrals as a response to clients who have been sanctioned and fail to make further

contact with the agency. This influx of referrals has exceeded the capacity of the FRED unit to investigate. As a result, clients who may have other incomes and may not be in need of public assistance will go unnoticed. Secondly, clients can purchase new items and return them for cash or in-store vouchers. This situation is discussed more in the contracting/purchased services section of this report. Third, clients can have their car repaired for sometimes up to \$1,500 and then sell the car for more money than they paid for it. The problem did not appear to be widespread, but the potential for it becoming more widespread via the reported client communication grapevine is possible. The Director of the DSHS Division of Community Services reported that a study is currently evaluating the status of people on sanction and should provide further information about the need for more investigators.

Data Management Problems

There are three separate data management systems that case managers need to use. They include the Automated Client Eligibility System (ACES), the Jobs Automated System (JAS), and the Social Services Payment System (SSPS). The ESD staff only uses the JAS system. It is important to note that the implementation of the ACES began in April 1996, and has undergone many changes during implementation. The JAS system was previously only used by social workers, so it represented a whole new data system to the new case managers. ESD staff received their JAS training in 1997. In some collocated offices, ESD staff provided on the job training to DSHS staff for the JAS system.

Neither of the systems are Windows-based, but are code driven and user *unfriendly*. Staff described having to log in and out of three separate systems just to complete one case. They also reported multiple lock-ups and inaccurate reports as a result of not understanding what some of the codes mean. Inaccurate reports usually mean underreporting of client participation and sanctions, causing headquarters and regional staff to call for corrective action. This was a tremendous source of frustration, although we did notice improvement between May and July 1998.

Managing
data was
frustrating

Some planned remedies on the horizon include the merging of ACES and JAS into one case management system, and the replacement of old computers so that everyone is in a Windows environment. This will enable staff to open all three programs at the same time.

Client Motivation

Although “Work Pays” is a common slogan in the WorkFirst program, case managers report it is often difficult to motivate clients to take any job, regardless of the hours and pay. Some staff even reported they do not feel a minimum wage job for a few hours a day is worth it for clients who must transport their children to daycare and travel to work via the local transit system.

Once again, the job search workshop served as a tremendous motivator for clients who had not worked in many years, or who have little in the way of formal training. It also puts clients in contact with employers who may visit and recruit from the workshop. Additionally, the workshop provides a connection for clients so that they meet other people in their same situation.

Need for Home Visits

Numerous staff reported not having time to conduct any home visits. This has become critical under WorkFirst because some clients who are sanctioned fail to make further contact. It is conceivable that clients can spend the entire 60 months of grants in sanction and not move off welfare. In many cases, by the time a client receives a protective payee or a 40 percent grant reduction, they contact the case manager and begin to participate. On the other hand, there are a large number of clients who seem to disappear.

People who have been sanctioned for non-participation often have little continued contact with agency staff. Case managers express concern about what is occurring with these clients. The case managers raised the following concerns:

- Is the client working, and therefore does not need the money?
- Does the client comprehend the written communication he or she has received?
- How is the family surviving?
- Has the family moved?
- Is there something else impeding them from participating?
- The client continues on TANF, but there is no ongoing communication.

Furthermore, without an attempt for a home visit, it is difficult for case managers to know when to terminate cases for loss of contact. Case managers are also interested in knowing the conditions, in terms of food and utilities, under which children are living. Conversely, some families obviously have another income and may warrant referral to the fraud unit.

Future Process Studies

This is the first of potentially several WorkFirst process implementation studies. The next process study will occur following the Institute's initial client outcome study, which is planned for spring 1999. The second process study will use targeted locations (as opposed to random selections) to attempt to determine cause and effect relationships between local practices and client outcomes. It will also address the subjects of this report that refer to further JLARC monitoring, particularly in the areas of contracting and purchasing of services, cost tracking, and post-employment services.

EVALUATION DESIGN SUMMARY

Appendix 1

PURPOSE

The Joint Legislative Audit and Review Committee (JLARC) contracted with Dr. Greg Weeks and Dr. Ernest Stromsdorfer to develop an evaluation plan for the legislatively-mandated evaluation of the WorkFirst program. The contractors worked with staff from the legislature, the Washington State Institute for Public Policy (WSIPP, with whom JLARC has contracted for a portion of the evaluation), the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), and the Office of Financial Management (OFM). From these meetings, an evaluation plan was developed that integrates findings from the evaluation components and maximizes what can be learned about the success of the WorkFirst program. The authors sought to design a plan that is dynamic and flexible in order to accommodate the inevitable surprises in degrees of data availability and compatibility. It is not meant to be prescriptive, but is intended to serve as a guide to the users. An important goal of the evaluation plan is to address the concerns of the legislature, as expressed in the legislation and by legislators and legislative staff.

BACKGROUND

JLARC is required under state law to evaluate the WorkFirst program, including agency processes of obtaining contracted or purchased services provided by public or private agencies. The evaluation is supposed to assess the success of the program in assisting clients to become employed and to reduce their use of temporary assistance for needy families.

The study includes, but is not limited to the following:

- (a) An assessment of employment outcomes, including hourly wages, hours worked, and total earnings, for clients;
- (b) A comparison of temporary assistance for needy families outcomes, including grant amounts and program exits, for clients; and
- (c) An audit of the performance-based contract for each private nonprofit contractor for JOBS services.

LIMITATIONS OF ANALYSIS

There are two limitations that are inherent in evaluating the implementation of welfare reform; the number of related issues far exceeds the allotted resources, and some of the planned analysis will have to be altered as the quality of electronic data becomes known.

THE RESEARCH DESIGN IN BRIEF

The research design has four components: a process study; a within-program assessment of outcomes; a net impact study; and a cost-benefit study. The following information will provide a brief description of each.

1. A Process Study

A process study describes the design, implementation, operation, and costs of the program. It attempts to explain program administration and client behavior from the start of program implementation to the observation of program outcomes. A process evaluation assesses program processes, enabling evaluators to draw direct links between program activities and program outcomes. This process study will also attempt to measure the extent of impacts of regional variation.

The process study involves field interviews for a specified random sample of DSHS and ESD—local offices.

Information from the interviews will then be correlated to the data from the net impact study and the cost-benefit analysis. Variation in practices around the state will be observed and an attempt will be made to measure the impacts of those variations.

JLARC will be evaluating the effectiveness of using purchased services and contracting for client services. The performance measures that DSHS and ESD are developing will serve as some of the criteria for determining effectiveness.

2. A Within-Program Assessment of Outcomes

This component will assess outcomes for participants of WorkFirst. It does not employ a comparison group, but analyzes outcomes of various treatment components within the WorkFirst group. It will provide an understanding of the relative contribution of various program elements. This assessment may also yield valuable information that will be useful in developing a targeting strategy by which the most effective treatments are matched to appropriate WorkFirst participants.

The within-program analysis will require merging specific data from several administrative databases at DSHS, ESD, and OFM.

3. Net Impact Study

This study compares outcomes for WorkFirst participants with a group of non-participants from just prior to the start of the WorkFirst program. The key purpose is to measure the difference between the gross impact of the program and what would have happened in the absence of the program. Properly specified and estimated, the net impact analysis will yield statistically unbiased measures of net program impact. This should allow for determining a cause and effect relationship between program services and various participant groups of policy interest. Examples are teen parents and clients with extensive welfare benefit history.

The net impact study will also require merging data from DSHS, ESD, and OFM databases.

4. A Cost-Benefit Study

This component combines the results of the cost of program services found in the process study with the results of the within-program assessment and net impact studies, and the costs of foregone earnings during the period of participation. Program benefits are related in a human capital investment framework to the cost of the services that yield those benefits. The results of the cost-benefit analysis will, depending on data availability, suggest the most cost-efficient or cost-effective treatment for particular sub-groups of participants and the WorkFirst population as a whole.

WORK PLAN REQUIREMENTS

Integrating findings from the evaluation components to maximize what can be learned about the success of the WorkFirst program will require a collaborative effort. JLARC is administering the evaluation and conducting the process study. JLARC has contracted with the Institute to conduct the within-program assessment of outcomes, the net impact study, and the cost-benefit analysis. All of these components depend on the cooperation and assistance of agency staff in the collection of data and in conducting the field interviews for the process study.

As can be seen from the information above, the ability to evaluate the success of the WorkFirst program is dependent on carefully merging data from multiple sources. The research designers recommend that all data matching be done by personnel with expertise in matching data and developing large, complex micro data sets.

AGENCY RESPONSE

Appendix 2

- Office of Financial Management
- Department of Social and Health Services
- Employment Security Department
- Department of Community, Trade and Economic Development
- State Board for Community and Technical Colleges

To link to this appendix, click [here](#).

Auditor's Comments on the Agency Response to the Preliminary Report of the WorkFirst Process Study-Phase I

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 preliminary Report on the WorkFirst Process Study. They concurred with one recommendation, partially concurred with five recommendations, and did not concur with one recommendation. Their generally favorable response to the qualitative evaluation of the first year of WorkFirst implementation demonstrates a further commitment to continually improving the delivery of client services throughout Washington State.

AUDITOR'S COMMENTS TO AGENCY RESPONSE

Recommendation 1: The Department of Social and Health Services and the Employment Security Department should conduct a cost-benefit analysis of non-collocated sites where it appears there may be a potential to improve client services.

Agency Position: Partially concur.

Auditor's Comments: The agencies propose to undertake a site-by-site management review where services are not collocated. This will meet the intent of the recommendation, provided it weighs the benefits of collocation against costs.

Recommendation 2: The Department of Social and Health Services and the Employment Security Department should consider aligning their regions, given the key role WorkFirst has in their respective missions.

Agency Position: Do not concur.

Auditor's Comments: The latest WorkFirst Local Planning Guidelines are to be used by staff to update regional plans by July 1999. These guidelines recognize that incongruent regional boundaries have complicated local planning efforts and direct the establishment of local planning areas. If this process is effective, implementing the recommendation will not be necessary. JLARC will re-visit this issue during Phase II of the process study.

Recommendation 3: WorkFirst clients should be permitted to obtain services from the Department of Social and Health Services and the Employment Security Department local offices closest to their homes.

Agency Position: Partially concur.

Auditor's Comments: The assignment of clients to offices by zip code means that most clients are served by the office closest to their homes, but in some cases, clients are travelling twice the distance necessary in order to meet WorkFirst reporting requirements.

The agencies acknowledge that the zip code system is problematic in that it does not always result in clients being able to access the closest office. We encourage the agencies to find an alternative solution so that clients can maximize the amount of time searching for jobs.

Recommendation 4: The next phase of regional planning should focus on interagency and intra-agency coordination to achieve a more consistent level of services to clients.

Agency Position: Concur.

Auditor's Comments: None.

Recommendation 5: The Department of Social and Health Services and the Employment Security Department should collaborate on the development of a caseload staffing model that accounts for the differential complexity of characteristics, as well as risks of returning to assistance.

Agency Position: Partially concur.

Auditor's Comments: The agency response describes a workload study, rather than a caseload staffing model. The difference is that in addition to examining the changes in duties and time it takes workers to effectively provide services, a caseload staffing model will include a method for weighting the differential characteristics of cases and distributing the workforce in accordance with the distribution of the caseload.

Recommendation 6: The Department of Social and Health Services should improve the competitive aspects of its WorkFirst contractor selection process to include blind scoring of bids.

Agency Position: Partially concur.

Auditor's Comments: It is possible to evaluate past performance of contractors without necessarily revealing the name of the bidder. Information about previous work and legal disclosures could be included without mentioning the bidder's identity. Alternatively, blind scoring could occur up to the point of disclosing a bidder's past performance and any legal encumbrances.

Recommendation 7: To maximize use of public funds that are expended, local offices should determine whether clients should purchase used items, when available and feasible.

Agency Position: Partially concur.

Auditor's Comments: We did not observe consistency among local offices in their procedures for purchasing goods. Furthermore, the report clearly states the \$23 million is a *potential* and not an *actual* expenditure. Agency comments indicate that \$5.3 million is the actual expenditure for all WorkFirst support services for State Fiscal Year 1998. The agencies' comment could imply a misinterpretation of actual expenditures on the part of the JLARC staff, which is not the case.