



Joint Legislative Audit and Review Committee

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WorkFirst Process Study- Phase I Report 98-10

The legislature directed the Joint Legislative Audit and Review Committee (JLARC) to conduct an evaluation of Washington's welfare reform program, WorkFirst. For this first report, JLARC conducted a process study to document how this major welfare reform is being implemented throughout the state. The study illuminates differences in planning and operations, as well as strengths and concerns during the first year of program implementation.

The report concludes that, in general, the program is being implemented according to statute and represents a major effort on the part of the lead agencies. There are seven recommendations for improving program administration and client services.

JLARC is working in collaboration with the Washington State Institute for Public Policy (WSIPP) on other parts of the evaluation. The next report will be an analysis of client outcomes that WSIPP plans to complete in June 1999.

Compliance with Legislative Intent

WorkFirst represents a major policy change in the way Washington State administers its welfare program, including mandatory participation in work activities and a 5-year lifetime limit on benefits. The two lead agencies (the Department of Social and Health Services (DSHS) and the Employment Security Department (ESD)) exerted a major effort during the first year of implementation. We found that, in general, the program is being implemented according to statute. As the program continues to be phased-in over an almost three-year period, four lead agencies are working closely together.

The other two lead agencies, the Department of Community, Trade and Economic Development (CTED) and the State Board for Community and Technical Colleges (SBCTC), will be the focus of Phase II of the process study, as their roles in assisting clients to stay employed and to earn more money are further developed.

Study Methods

The process study was conducted by visiting 12 DSHS and ESD offices (two in each of the six DSHS

regions), balancing the selection of large and small offices throughout the state. Structured interviews were conducted at the headquarters, regional, and local offices between May and July 1998. The interviews solicited descriptive information about the process of implementing the new program, provision of client services, and interagency coordination. The information represents a snapshot in time because the program is still evolving.

To evaluate program implementation, we considered these features of WorkFirst: mandatory participation in the program, sanctions for non-participation, caseload decline, regional planning, childcare, teen parenting, outreach to clients, contracting and purchasing, and tribal involvement.

Program Areas

In addition to evaluating statutory compliance, we observed program operations from a variety of perspectives, including the flow of client services, collocation of agencies, networking with communities, and interagency collaboration. During our review of these areas, a number of issues were identified that require further attention as implementation continues.

We make seven recommendations for program improvement.

Implementation Issues

Collocation of WorkFirst Agencies

Sites where DSHS and ESD were housed in the same or nearby buildings exemplified good communications among staff and clients, and they provided better access for clients to services. Although we will not know the quantitative impacts of collocation on client outcomes until spring 1999, contacting clients who have failed to make an appointment happens much sooner in collocated offices than non-collocated offices. We recognize, too, that collocation may not be cost-effective for every WorkFirst office, especially in towns with small caseloads and limited employment opportunities.

Regional Alignment

There are six DSHS regions, while there are only four ESD regions. Three of the DSHS regions must interface with two different ESD regions. In those instances we found confusing and complicated problem solving among the local and regional offices. Additionally, in one example, we found a DSHS office that requires clients to travel twice the distance they would need to travel if they could go to the nearest office.

Regional Planning

The approach and quality of regional WorkFirst plans varied from a comprehensive document that reflected the goals of the region, to a simple compilation of local plans that did not reflect the goals of the region. Some offices could benefit from improved interoffice and intraoffice communications. In the next planning cycle, regions will have an opportunity to address this issue.

Staffing

As the total welfare caseload declines, there is concern about the potential for proportional staffing reductions. Although there was much discussion in the field about the remaining clients having complex problems, there was little specific definition about additional required staff time. A caseload staffing model could serve to identify the staffing requirements as the differential characteristics of the WorkFirst caseload change over time.

Contracting

The WorkFirst legislation envisioned competitive and performance-based contracting for client services. The contracting process under WorkFirst is much improved over the process in the previous Job Opportunity and Basic Skills (JOBS) program. However, ESD has had the statutory changes in place for almost a year, while DSHS's plans have not been fully implemented. Additionally, the DSHS process does not include conventional blind scoring of contractor bids that would increase the appearance of objective contract awards.

Purchasing

We heard some anecdotal reports of clients purchasing new merchandise needed for employment, but then returning it for cash or vouchers. Although we do not know how widespread the problem is, we think local offices could assess whether clients should purchase used items when available and feasible. This would also maximize use of public funds.

Forthcoming

Subsequent phases of the JLARC evaluation will look at client outcomes and follow-up on implementation issues.

Summarized Recommendations

- *DSHS and ESD should conduct a cost-benefit analysis of non-collocated sites.*
- *DSHS and ESD should consider aligning their regions.*
- *WorkFirst clients should be permitted to receive services from the offices closest to their homes.*
- *The next phase of regional planning should focus on strengthening interagency and intraagency coordination.*
- *DSHS and ESD should collaborate on the development of a caseload staffing model.*
- *DSHS should blind score contractor bids.*
- *Local offices should determine whether clients should purchase used items, when available and feasible.*