

State of Washington
Joint Legislative Audit and
Review Committee

WorkFirst Evaluation: Phase II Process Study

Report 99-11

December 1, 1999

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The Joint Legislative Audit and Review Committee**

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.

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

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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SUMMARY

OVERVIEW

This report represents the second phase in the legislative evaluation of the effectiveness of WorkFirst, Washington's welfare reform program. The Joint Legislative Audit and Review Committee's (JLARC) evaluation was mandated in the legislation that established WorkFirst in 1997.

We concluded the first phase of our evaluation in December of 1998. Since then, WorkFirst has evolved in an environment where the caseload continues to decline, with a total decrease during the 1997-1999 Biennium of 31 percent. It is the evolution and complexity of the program, coupled with the impact of the reduced caseload, that is the focus of this report.

CHANGING PROGRAM

We found that WorkFirst is continuing to change and expand to provide a continuum of services to welfare clients who are looking for work and are working. Part of this change is a focus on the needs of clients who are considered "hard-to-serve," and part is the development of new services to help all clients keep their jobs and get better jobs.

CASELOAD CHARACTERISTICS

With a reduction in the caseload over the past two years of 31 percent, field staff believe strongly that a high percentage of the remaining caseload are "hard-to-serve."

Defining what makes a client "hard-to-serve" is a complex task, with little consensus on exactly what makes a client fall into this category. In a program based on gaining employment, not

all clients are immediately able to work. When this is the case, local office staff are challenged to provide effective, coordinated services for them. Clients who require more time and more complex solutions may be the “hard-to-serve.”

Understanding whether or not there is a higher percentage of “hard-to-serve” clients is important because it can have impacts on both the way the program needs to operate as well as the amount of resources that are required.

Modest increase in hard-to-serve

No conclusive data allows us to make a definitive statement on whether or not more clients are harder-to-serve. Nevertheless, by analyzing select caseload characteristics, we found a modest increase in the proportion of clients who have characteristics which may slow their progress in getting jobs and leaving welfare.

The principal issue may be that these clients have always been part of the welfare population. The mandatory nature of WorkFirst forces the program to develop new methods for engaging clients who were “invisible” to welfare programs of the past, programs which had no mandatory participation in work or activities leading to work.

The program is developing and implementing a number of new methods for managing and providing services to clients who remain on the caseload. This includes both the development of specific strategies for case management, such as the “Intensive Services Case Management Model,” as well as specific new programs and services such as the Welfare-to-Work program. In addition, there is a new emphasis on providing “post-employment” services that will assist clients in keeping a job as well as obtaining a higher paying job. These new programs and services create an even greater need for coordination between the organizations charged with managing and implementing WorkFirst.

For instance, the Welfare-to-Work program was created by the federal government to focus on clients who are having trouble leaving welfare. Most of the money goes to local Private Industry Councils, who will provide some services similar to those available through WorkFirst, such as skill development

and wage progression. As such, the Private Industry Councils must coordinate closely with the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), the State Board for Community and Technical Colleges (SBCTC), and Community, Trade, and Economic Development (CTED). Without this coordination, services can be duplicated or missed.

PROGRAM AND SERVICE COORDINATION

These organizations (DSHS, ESD, SBCTC, and CTED) are working closely together to plan, develop, and implement new WorkFirst programs at the local level.

The effectiveness of WorkFirst programs hinges on the quality of this coordination at both the state and local level. The decentralized structure for WorkFirst management and the emphasis on tailoring programs to accommodate local conditions presents an extraordinary challenge for effective and successful implementation.

During our site visits, we were told that some clients have short-term fixable dilemmas that certain support services effectively resolve. Left unresolved, these situations may keep a client from going to work or from developing the skills necessary to obtain employment. In other cases, clients may have issues that take time to identify and resolve.

Some of the issues which can be resolved on a short-term basis include: finding child care, obtaining transportation to and from work, and arranging for housing and shelter. Many clients are able to obtain and maintain employment once such matters are resolved.

Other issues may require longer-term solutions, such as dealing with domestic violence, substance abuse, mental illness or literacy. In some instances, the “short-term” issues become “long-term,” such as the absence of public transportation in rural areas.

Transportation and child care can present problems for clients

For the most part, implementation of new components and services is progressing. WorkFirst's emphasis (both statutory and organizational) is on developing strategies at a local level. Thus, many of the examples of both good and bad implementation that we observed hinged on how well local agencies and other organizations work and communicate with each other.

LOCAL AREA PLANNING

Local Area Planning was implemented in late 1998 to replace the regional planning process. Local planning should improve coordination of services at the local level, by involving all the agencies in the development of strategic plans relevant to local needs.

Specialized
planning
teams would
improve
process

The intent of local area planning is a good one, but the planning process proved to be difficult and time consuming for staff. The framework for local area planning needs more work and we have recommended the use of specialized interagency planning teams in the future to improve the planning process.

DOMESTIC VIOLENCE

When we conducted our site visits with DSHS and ESD, we asked a series of questions related to the provision of services for welfare clients who might be the victims of domestic violence. Staff at all offices agreed that the violence is not new, but that WorkFirst mandatory participation forces the issue to the surface. When asked about its prevalence, field staff gave estimates ranging from a small to a very high percentage in the caseload.

The common response to domestic violence was a referral to a local domestic violence organization, with staff indicating that the demand for services outweighed the supply. Our interviews indicated a strong staff desire, in both DSHS and ESD local offices, for additional training in order to understand how best to deal with victims of domestic violence.

INFORMATION SYSTEMS

WorkFirst’s goal is to get clients into employment and provide the services and supports necessary to keep them employed. This is a significant change from welfare entitlement programs of the past, where the primary focus was on accurate and timely grant payments to eligible recipients. Current information systems, particularly those that support the case management function, do not yet reflect this shift in program emphasis.

The structure of current information systems requires the duplicative entry of data, virtually ensuring problems with data reliability. Existing case management systems, within and across state agencies, are not integrated and do not provide information that is needed to make very important policy and resource decisions.

This is not a problem unique to Washington State, as many states are having difficulty in developing case management systems that can support the much more sophisticated needs of welfare reform. Sometimes this difficulty can be resolved by replacing existing systems, while in other instances technologies can be found that allow formerly non-integrated systems to “talk” to each other.

Since many of these technologies are emergent, it is difficult to suggest a specific strategy to be taken. While solving these problems can be risky and costly, the risks and costs associated with keeping the current systems that duplicate efforts and overlook inefficiencies may be equally high.

We recommend that WorkFirst must initially focus on developing an explicit set of goals for making improvements to its information systems, with a high priority placed on eliminating the duplication of data entry. With these goals in place, an assessment of risks and costs can be made. In addition, a plan and a timeline for making improvements should be developed in conjunction with end users; that is, those in local settings who use such systems daily.

Both of these efforts should be coordinated through the existing “sub-cabinet” structure so that all agencies have ownership in

Plan of
improvement
of information
systems
needed

and use for the planned strategies to improve information systems.

PERFORMANCE-BASED CONTRACTING

The legislature was explicit when it created WorkFirst in directing state agencies to use performance-based contracts to provide WorkFirst services. JLARC was to assess performance-based contracting in its evaluation, and the agencies were to develop contract benchmarks (ways of comparing contractor performance) to evaluate contractors.

Performance-based contracting is being implemented by DSHS and ESD. While ESD was the first to use this approach, DSHS has now developed a process that seems to work slightly better than that adopted by ESD.

The majority of DSHS’s contracts have specific pay points that, when reached and verified, trigger a payment. For instance, in Adult Basic Education, a pay point is a client’s meeting eighth grade proficiency in basic education skills.

While somewhat similar, ESD’s process also has a requirement that contractors provide services to a minimum number of clients. This has proven difficult, given the 31 percent decrease in the caseload. For this reason, ESD is evaluating its approach and may change contract provisions which link payment with services to a minimum number of clients.

The legislature also mandated that WorkFirst establish a means to compare the performance of contractors. Known as “benchmarking,” this process sets a minimum level of performance thereby allowing for comparisons among contractors. As the program grows in complexity, the ability to assess contracts becomes more important. We found that the benchmarking of contracts, and the reporting of contractors against those benchmarks, has not yet been accomplished. We recommend agencies implement this aspect of the contracting process.

We also noted that responsibility for providing job retention and wage progression services is split between DSHS and ESD.

Required benchmarking is not occurring

Although we noted no serious problems with this division of labor, we know that in some cases ESD is responsible for performing both roles. We cannot, however, assess the relative effectiveness of the differing approaches to providing the services, because no baseline measures for comparison are available.

PHASE I FOLLOW-UP

Phase I of JLARC's evaluation of WorkFirst included a series of recommendations focused on improving service delivery. These included recommending that DSHS and ESD further assess the costs and benefits of collocating and aligning their services. JLARC also recommended that clients be able to get services from the office closest to their home and that the regional planning process should focus on improving interagency coordination.

We requested a status report on the department's implementation of all recommendations. This report is included as Appendix 3. Progress on most recommendations is occurring.

AGENCY RESPONSES

We have shared the report with the State Board for Community and Technical Colleges (SBCTC), the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), the Department of Community, Trade and Economic Development (CTED), and the Office of Financial Management (OFM) and provided them an opportunity to submit written comments. We received written responses from SBCTC, DSHS, ESD and CTED. Each of these agencies concur with Recommendations 1 and 3 of the report, and partially concur with Recommendation 2. Their responses, as well as Auditor's Comments, are provided in Appendix 2.

ACKNOWLEDGEMENTS

Conducting this evaluation has required the cooperation and assistance of many WorkFirst staff, from field-based case managers, social workers, and job service specialists to division directors. We greatly appreciate their willingness to have us evaluate, up close, the development and implementation of this complex and dynamic program. As frequent observers at “Sub-cabinet 3” meetings, and with many miles logged in visiting local offices, we recognize the hard work that goes into trying to make WorkFirst succeed.

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

Thomas M. Sykes
Legislative Auditor

On December 1, 1999, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Georgia Gardner
Chair

RECOMMENDATIONS

Summary

Recommendation 1

The Department of Social and Health Services, Employment Security Department, Community Trade and Economic Development, and the State Board for Community and Technical Colleges should establish local interagency teams to lead, facilitate, and coordinate local area planning.

Legislation Required:	None
Fiscal Impact:	It is expected that current staff will perform the specialized roles; however, they may require training to assist them in leading the local area planning process.
Completion Date:	July 1, 2000

Recommendation 2

JLARC recommends that 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) develop a plan for improving the information systems which support the programs. This plan, and subsequent implementation strategies, should be directed by the sub-cabinet structure to ensure that the needs of all users are considered.

Key components of the plan should include:

- A. Goals for the improved information systems, including the elimination of duplicative data.
- B. A timeline for each major milestone in the plan.
- C. Ideas for data sharing among state and local agencies and service providers.
- D. The identification of barriers to the sharing of data and recommendations for strategies to eliminate those barriers.

E. The inclusion of end users, particularly local office staff in Department of Social and Health Services and Employment Security Department, in the development and implementation of the plan.

Legislation Required: None
Fiscal Impact: Plan development should be done within current level. Outside expertise, if needed, may require additional funding. There will be a cost associated with implementing the plan, and an estimate of those costs should be part of the plan.
Completion Date: November 1, 2000

Recommendation 3

To facilitate more comprehensive analysis of the impact of contracted services in the WorkFirst program, the Department of Social and Health Services and Employment Security Department should identify benchmark levels of service delivery performance as mandated by the legislature.

Legislation Required: None
Fiscal Impact: None
Completion Date: July 1, 2000

INTRODUCTION

Chapter One

PHASE II OF JLARC'S STUDY OF WORKFIRST

This report is the second of JLARC's evaluation of WorkFirst. It builds upon our previous "WorkFirst Process Study Phase I" published on December 11, 1998. That report focused on the start-up of WorkFirst. This year, the evaluation addresses changes in WorkFirst: new program components, the changing caseload, the importance of coordination on both a state and local level, information systems, and contracting.

House Bill 3901 mandated JLARC to conduct an evaluation of the WorkFirst program. The evaluation is being accomplished in collaboration with the Washington State Institute for Public Policy (WSIPP), which is assessing program outcomes and impacts.

THE WORKFIRST PROGRAM

Engrossed House Bill 3901, known as the Washington WorkFirst Temporary Assistance to Needy Families (TANF) Act, created WorkFirst. It was signed into law in April 1997. WorkFirst initiates a major policy change by requiring participation in activities that will lead to jobs. The focus is on job search and employment rather than longer-term training, as in previous welfare reform efforts. WorkFirst clients are required to prepare for work, look for work, and work. The program is promoted as one that helps clients find jobs, keep their jobs, find better jobs,

and become self-sufficient. WorkFirst imposes a five-year lifetime limit on benefits.

WORKFIRST IS EVOLVING

Four state agencies are responsible for implementation of WorkFirst. They are: The Department of Social and Health Services (DSHS), the Employment Security Department (ESD), Community Trade and Economic Development (CTED), and the State Board for Community and Technical Colleges (SBCTC).¹ These agencies, with DSHS and ESD in the lead, have faced the substantial challenge to rapidly develop a new program, and establish partnerships to coordinate programs and services to WorkFirst clients. Implementation of WorkFirst began in August 1997. It has required a management structure that incorporates the four lead agencies, processes for coordination and collaboration at both the state and local level, ongoing staff training, and linkages in communities to provide needed services to support the program. The roles and responsibilities of each agency are described in detail in Appendix 4.

When JLARC conducted its 1998 evaluation of WorkFirst, agencies were in the midst of rapidly transitioning both staff and welfare recipients to the new program. The focus was:

- Training case managers
- Transitioning clients to WorkFirst
- Conducting group orientations
- Conducting job search workshops
- Getting clients to attend job search workshops
- Assisting clients with job search
- Learning to use new coding of client activities in data systems
- Coordinating services and case management between ESD and DSHS

¹ The Office of Financial Management (OFM) is the overall coordinating agency for WorkFirst policy and budget.

Emphasis Has Shifted From Start-up and Transition to Developing a More Comprehensive Program

The emphasis in 1999 has shifted from a start-up and transition phase to developing a more comprehensive program. WorkFirst is expanding to establish a continuum of services that lead clients to work, provide support to maintain their work, and include training and education to obtain better jobs and, ideally, independence.

Case management is also becoming more focused on those who are perceived as having a more difficult time finding and keeping a job. Case managers develop plans for clients that will lead to employment. The plan may be as simple as referring them to job search, or it may involve a combination of services to prepare the client for employment. For example, a client may participate in education, training and/or substance abuse treatment prior to or during their job search.

The WorkFirst program's core elements are:

1. Screening and Diversion
2. Eligibility and Orientation
3. Evaluation and Individual Responsibility Plans
4. Job Search and Employment

New WorkFirst Services

New services have been implemented over the past year to expand and enhance the core elements. The new services fall into two categories:

- Those designed to prepare clients for job search
- Those designed for clients who are working 20 hours or more a week

New services to assist WorkFirst clients in moving successfully to employment include:

Pre-Employment Training: This provides specific skills training and education linked directly to a job. The training is provided by community and technical colleges or by contractors.

Community Jobs: This program provides paid (subsidized) on-the-job work experience and skill building for clients who have failed job search, are transitioning from pregnancy to employment, or have been in long-term sanction. It gives the client the experience and skills that lead to unsubsidized work.

Job Retention: These services are designed to provide the necessary support to keep clients working once they have obtained a job, and involves a variety of approaches.

Wage Progression: These services include job search and specific skills training to assist the client in obtaining a better job.

WorkFirst Post-Employment Labor Exchange (WPLEX): This is a call center, located in Seattle. It is designed to contact working clients throughout the state to connect them with post-employment educational opportunities, to eventually lead them to better jobs.

Welfare-to-Work: This program is for long-term welfare clients who need intensive individual training and case management to learn basic life skills, preparation for job search, and job search itself.

EVALUATION OF THE WORKFIRST PROGRAM

This evaluation is a process implementation study. It provides descriptive observations and findings that are based upon a statewide study of the implementation of welfare reforms major policy and program changes.

This report represents the second phase of JLARC's and WSIPP's evaluation of WorkFirst. JLARC's WorkFirst Process Study Phase I was published on December 11, 1998. A one-year update on the implementation of our recommendations from that report is contained in Appendix 3.

Evaluation Approach

Evaluation of the implementation of WorkFirst addresses the development of the program, its variations throughout the state, and its observed strengths and weaknesses. A process study can illuminate differences in program components, coordination, and client services.

This evaluation builds upon the Phase I Process Study. The 12 randomly selected sites visited last year were again visited this year. These 12 sites represent a large and small community service office from each of the six DSHS regions. In addition to visiting the DSHS community service offices, JLARC staff also visited the associated ESD offices, selected community and technical colleges, and Private Industry Councils (PICs). A list of the sites that we visited is shown in Exhibit 1. The locations and boundaries of DSHS and ESD regions are shown in Exhibit 2.

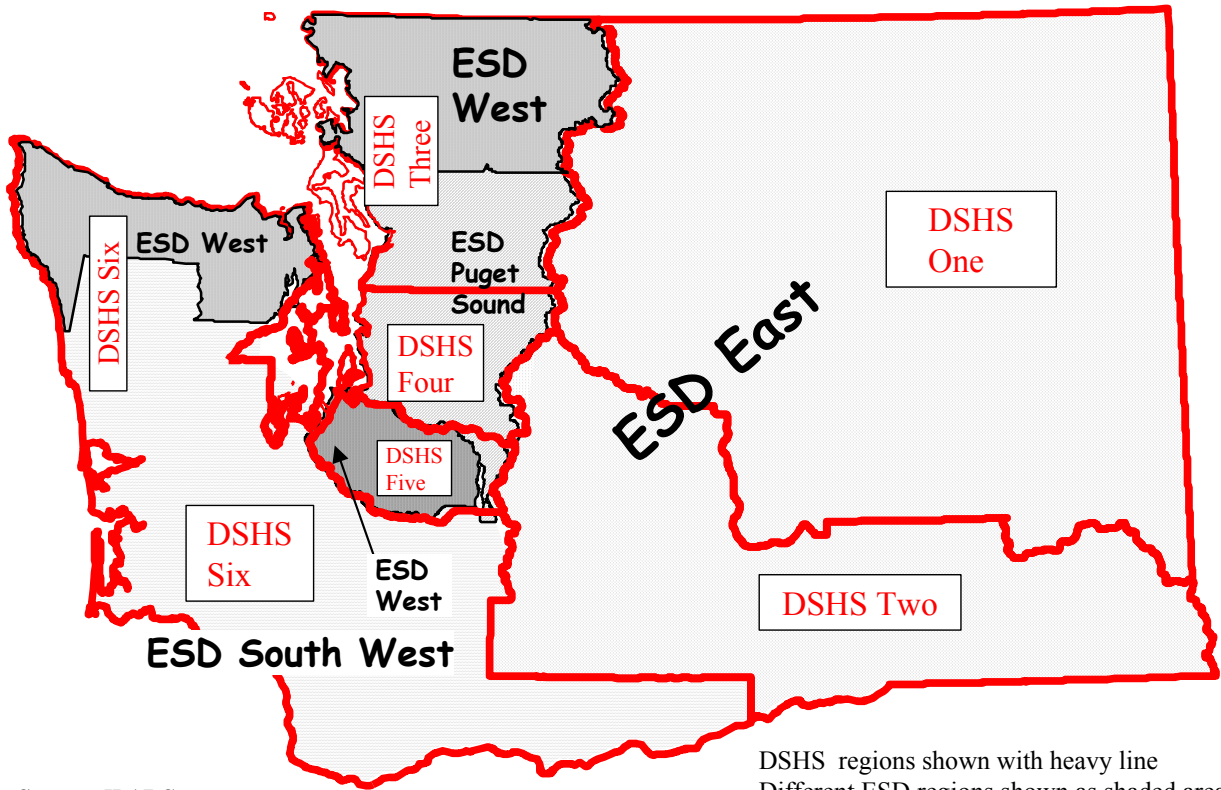
Structured interviews focused on what has changed since 1998 at the headquarters, regional, and local offices of DSHS and ESD. Structured interviews were also conducted at community and technical colleges and private industry councils. JLARC staff also attended the “Sub-cabinet-3” meetings that consist of lead WorkFirst staff from all four-partner agencies. These meetings plan new initiatives, establish coordinated programs, and maintain the partnerships required for effective implementation. Attendance at these meetings enhanced our understanding of the complexity of implementing programs and policies uniformly when regional differences, proximity to support services, and local priorities vary throughout the state.

Exhibit 1
Interview Locations

DSHS Regions	Location	Agency
Headquarters	Olympia	CTED Headquarters
		DSHS Headquarters
		ESD Headquarters
		SBCTC Headquarters
1	Spokane	DSHS Region 1 Office
		Spokane East Valley Community Service Office (CSO)
		Spokane East Valley Job Service Center (JSC)
		Spokane City & County Consortium (PIC)
		Spokane Community College
	Newport Colville	Newport CSO Colville JSC
2	Yakima	ESD Cascade East Regional Office
		Yakima-Kittitas CSO, and Yakima JSC
		Yakima PIC
		Yakima Valley College
	Wapato	Wapato CSO Wapato JSC
3	Everett	DSHS Region 3 Office
	Lynnwood	Alderwood CSO
		Alderwood JSC
		Snohomish County PIC
	Oak Harbor	Oak Harbor CSO Oak Harbor JSC (Mt. Vernon staff)
4	Seattle	DSHS Region 4 Office
		ESD Puget Sound Regional Office
	Kent	King South CSO
	Auburn	King South JSC
	Lake City	Lake City CSO
	Seattle	North Seattle JSC Seattle-King County PIC
5	Tacoma	DSHS Region 5 Office
		ESD West Regional Office
		Pierce West CSO
		Pierce West JSC
		Tacoma-Pierce County PIC
		Bates Technical College
	Puyallup	Puyallup Valley CSO Puyallup Valley JSC
6	Olympia	DSHS Region 6 Office
		ESD South West Regional Office
	Vancouver	Vancouver CSO
		Vancouver JSC
		South West Washington PIC
	Pt. Townsend	Clark College Pt. Townsend CSO Pt. Angeles JSC staff outsourced to Port Townsend

Source: JLARC.

Exhibit 2
Boundaries of DSHS and ESD Regions



Source: JLARC

DSHS regions shown with heavy line
Different ESD regions shown as shaded areas

CASELOAD CHARACTERISTICS

Chapter Two

SUMMARY

After a 31 percent decrease in caseload in its first two years, WorkFirst is developing new ways to assist clients who remain on the caseload in gaining employment. Many believe these clients are mostly “hard-to-serve.” While there is considerable discussion and planning about how to provide services to these “hard-to-serve” clients, there is no commonly accepted means of measuring the extent to which these clients dominate the caseload. Without better information on client characteristics, short- and long-term planning and resource allocation decisions will be made based largely on anecdote.

We analyzed selected caseload characteristics that we believe are indicators of what makes clients harder to serve. Our analysis found modest changes in these indicators. The principal issue may be that these clients have always been part of the welfare population. The mandatory nature of WorkFirst forces the program to develop new methods for helping these previously “invisible” clients gain employment.

A number of new ways of case managing the “hard-to-serve” clients are being developed, with the emphasis on a new “Intensive Services” model. In addition, a number of new service areas are being developed in an attempt to gear services to the specific needs of these clients.

INTRODUCTION

Since July 1, 1997, the welfare caseload in Washington State has dropped by approximately 31 percent. Both front-line workers and program management believe that a majority of the remaining WorkFirst caseload can be characterized as “hard-to-serve.”

In practical terms, this means that they believe a high percentage of clients require multiple services and more intensive and individualized case management. Furthermore, this case management may have to continue even after the client has become successfully employed.

While field staff believe that more of the caseload is “hard-to-serve,” at the same time they urge caution in trying to develop a single definition, or a single description, of a “hard-to-serve” client. Indeed, many took issue with the term “hard-to-serve,” preferring terms such as “intensive” clients or “multiple barrier” clients.

One case manager expressed the belief that these clients were now “visible,” where in the days before WorkFirst and the switch to mandatory work participation, these clients simply reported their income, picked up a check, and were otherwise “invisible.”

As such, they were always there, always in the numbers, but the “system” required only that income and payments be reported accurately. More difficult issues, such as what might be required of such clients to develop the life skills necessary to obtain and maintain employment, were simply not addressed and mostly unknown.

The absence of these life skills in adults, and more importantly, the complexity of the methods required for developing these skills become a gauge for the case manager’s work. For instance, a history of substance abuse may require addiction treatment before a client can be counted on to attend job training. Similarly, a client with a history of mental illness may require arranging treatment that will stabilize the client so that the client can complete job search. Without the provision of these

services, the case managers believe that they will not be successful in getting the client through job search and into a job.

“Hard-to-serve” welfare clients require a high level of case manager involvement. Determining what services are required for an individual client, arranging services for those clients, ascertaining whether the client is receiving services, and determining if they are successful in those services, are what case managers must do for such clients.

CASELOAD CHARACTERISTICS

Overview

Since the beginning of the 1997-99 Biennium, the welfare caseload in Washington State has declined by approximately 31 percent.

Exhibit 3
Welfare Caseloads

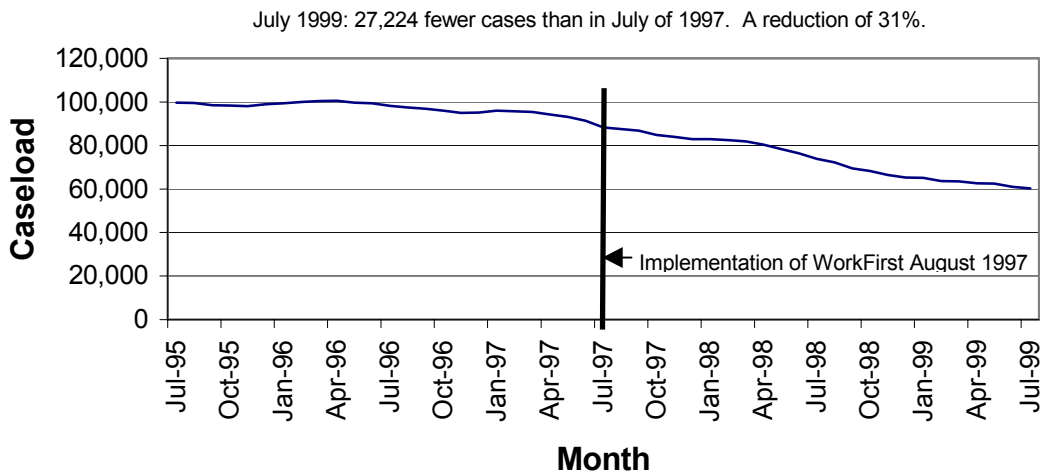
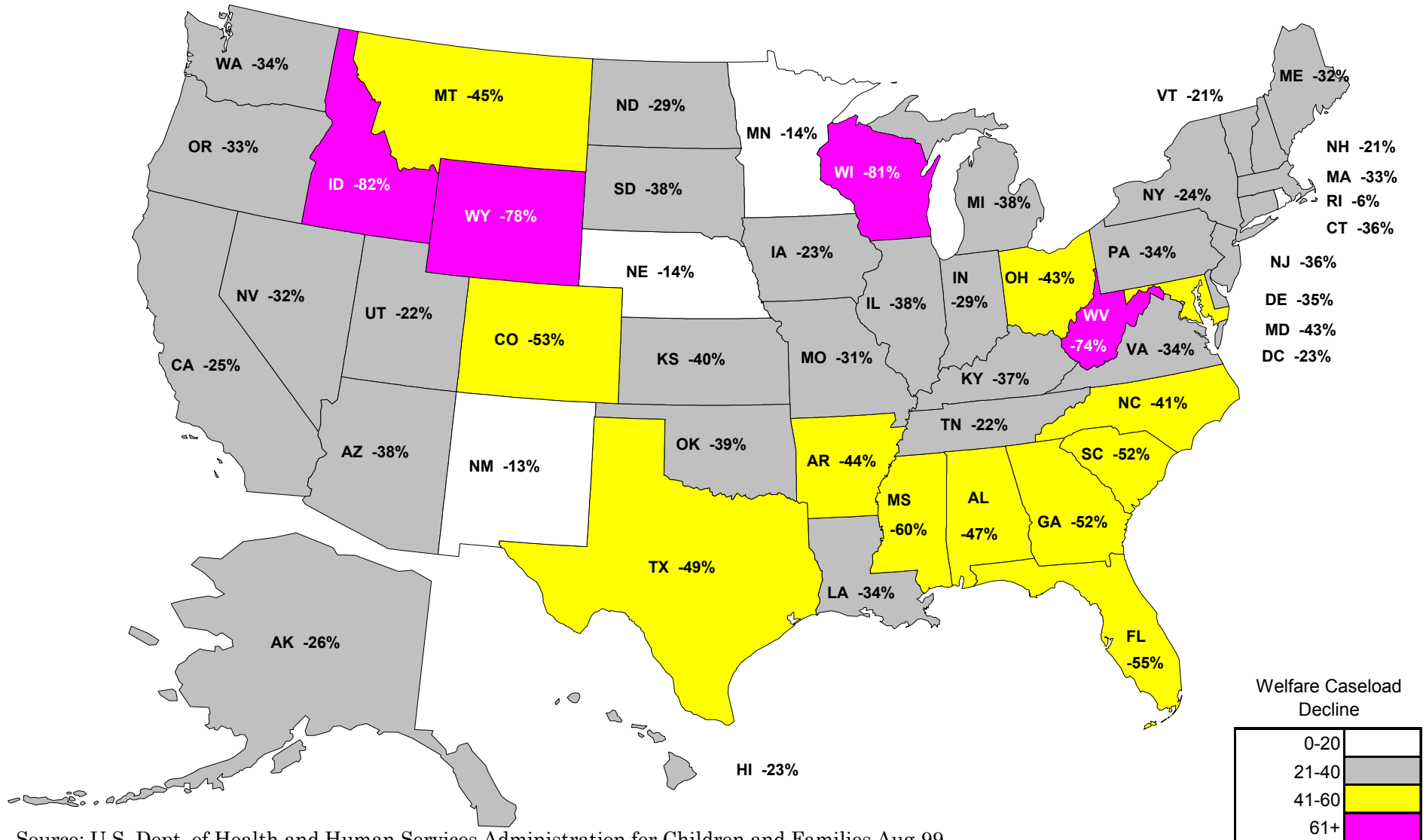


Exhibit 4, on the following page, illustrates how welfare caseloads have declined across the nation for the period January 1997 through March 1999.

Exhibit 4 National Welfare Caseload Decline Data, January 1997 – March 1999



Source: U.S. Dept. of Health and Human Services Administration for Children and Families Aug-99.

Source: U.S. Department of Health and Human Services Administration for Children and Families, August 1999.

During our site visits, we found that those involved in the delivery of services to WorkFirst clients, from case managers to contractors, believe that the cases that remained of this significantly reduced caseload are harder to serve. When asked, no office was able to show us data that supported this contention.

We sought to verify this belief through the analysis of data on caseload characteristics. We found modest trends in the data to support such a belief.

Selective Characteristics Analyzed

We analyzed descriptive data from a 24-month period, September 1997 through September 1999. We found for each characteristic a modest trend in the direction of clients being potentially “harder-to-serve.” The indicators we used were:

- **Years of Education:** What proportion of the caseload may have less than a high school diploma? This changed from approximately 33 percent to approximately 36 percent.
- **Primary Language:** What proportion of the caseload may be non-English speakers? This changed from approximately 8 percent to approximately 10 percent.
- **Work History:** What proportion of the caseload may not have worked in the past? This changed from approximately 37 percent to approximately 29 percent.
- **Average Age of the Youngest Child—Under 12 Months, Under 3 Months:** What proportion of the caseload may have very young children? For the youngest under 12 months, this changed from approximately 16 percent to approximately 21 percent. For the youngest under 3 months, this changed from approximately 6 percent to approximately 8 percent.
- **Average Months Ever on Welfare:** How long has the average client with a welfare history been on welfare? This changed from approximately 54 months to approximately 60 months.
- **Average Length of Current Spell:** What was the average duration of the current spell on welfare for the

caseload with a welfare history? This changed from approximately 31 months to approximately 27 months.

- **Use of Alternative Services:** What proportion of the caseload is judged to be not ready for job search, or paid, un-subsidized employment, and must be placed into an alternative? This changed from less than 1 percent in 1997 to approximately 24 percent in 1999.

Appendix 5 presents the detailed graphs illustrating the changes in these trends.

Missing Data

As we analyzed this data, we found little to measure other important client characteristics. For instance, there are no counts of the number of WorkFirst clients with substance abuse, physical abuse, or mental health problems.

Key descriptive data are not available. For instance, frequent changes in a client's Individual Responsibility Plan (IRP) might indicate that the client requires intensive case management. Unfortunately, current case management data systems overwrite previous versions of the IRP, effectively destroying any history of the client's plan.

There is no systematic means to track clients when they are referred to a service internal to DSHS. For instance, there is coding to indicate if someone has been referred to the Division of Alcohol and Substance Abuse (DASA), but no means for a case manager to track the client's progress in DASA programs. Referrals to the mental health system (Regional Support Networks), are completely absent in any data system.

Such information could help determine, in a systematic and routine manner, what resources (in terms of both case managers and services) the caseload requires. Its absence means both short- and long-term planning and resource allocation decisions will be based largely on anecdotes.

While there have been recent improvements in the collection of this data, we found that the way it is captured will still not provide the necessary information.¹

Of equal importance, analyses must address whether the characteristics of a “hard-to-serve” client have any impact on how well they succeed in obtaining and keeping employment.

METHODS FOR CASELOAD MANAGEMENT

Data show a moderate trend of more “hard-to-serve” clients. Yet, case managers see these hard-to-serve clients as their main challenge in keeping employment participation high.

We noted the development of a number of ways of managing this portion of the caseload that were not used when we conducted our analysis during the Phase I process study.

Case Staffings

Case staffings are when case managers convene discussions with a variety of staff (DSHS social workers, representatives from Employment Security, Private Industry Councils, Community Colleges, the client) to review a case and determine what might be the best approach to getting the client employed.

This process has become one of the principal techniques for managing harder to serve cases and is being used by some CSOs, with others exploring its use.

Some CSOs did this with every case on a quarterly basis, others focused on “problem” cases on an ad-hoc basis. The desired outcome appears to be the same: seeking ways to help clients progress into paid employment by exploring potential strategies

¹ The new coding methodology adopted on July 1, 1999, will now include information on clients who, through the Community Services option, are receiving “Treatment: anger management, drug, alcohol, mental illness.” This coding will not, however, determine whether the client is in drug, as opposed to mental illness, treatment.

and then adopting a strategy with agreement by all those involved.

Intensive Services Model

Intensive Services means “extra or exceptional support and services, to help those having the greatest difficulty in finding and keeping a job achieve success.”²

This approach to providing services to the “hard-to-serve,” currently being developed is expected to be implemented statewide during the year 2000.

We found many offices doing parts of what is to become “Intensive Services.” The model attempts to establish statewide standards and guidelines by adding:

- The expectation that all those identified as potentially needing Intensive Services will receive an employability evaluation.
- The expectation that all those needing further assessment and testing (after the evaluation) will have a collaboratively developed Individual Responsibility Plan (IRP).
- The requirement that all service providers will be involved in the IRP development.
- The requirement for employability evaluations for long-term sanction clients, or those with frequent job loss.
- The requirement that all pregnant women and mothers of infants under 12 months have employability assessments before beginning WorkFirst activities.
- Specific guidelines for case staffings.

The model is moving towards establishing statewide criteria for working with “hard-to-serve” clients, while intentionally not assuming a specific type of client will be hard-to-serve. Its basis is the approach we found in the case staffing model: the inclusion

² WorkFirst Program: Draft Intensive Services Implementation Manual, September 1, 1999.

of all the agencies who may be managing the client or providing services to that client. The Draft Implementation Manual points out that the Intensive Services Model is how the program will develop one plan for a client, shared by all WorkFirst partners.

The development of the Intensive Services Model has also seen the beginning of a Washington State definition of the hard-to-serve (the Welfare-to-Work Program, described below, can be seen as a federal definition of the hard-to-serve).

When describing who might be a potential Intensive Services client, the Intensive Services Implementation Manual points to the following groups:

- Pregnant, or the parent of a child under 12 months old,
- In long-term sanction,
- Deferred from job search because their situation (homelessness, domestic violence, or substance abuse) prevents them from attending school (for teens) or looking for a job (adults),
- Referred back early from job search,
- Completed job search without finding a job,
- Completed other work activities without progressing towards employment, and
- Is able to find work, but repeatedly lose their jobs.

We will monitor the application of this model over the coming months to evaluate its implementation and its impact on program outcomes.

Sanctioned Clients

Sanctioning is the process of reducing a welfare recipient's grant amount. The legislature gave DSHS the authority to reduce or terminate the grant of an individual who refused to participate in work or work activities. Field staff see sanctioning as an

important case management tool, albeit one which they use with caution.³

If the recipient is not meeting WorkFirst requirements, the following penalties can be applied by DSHS:

1. In the first month, the grant is reduced by the noncompliant person's share.
2. In the second month, and each succeeding month, the reduced grant is sent to a protective payee.
3. In the third month, and each succeeding month, the grant is reduced by the noncompliant person's share or 40 percent, whichever is more.⁴

Sanctioning seems to have stabilized at around 6 percent to 8 percent of the adult caseload in any given month.

We were told, however, that an indeterminate segment of this caseload is willing to stay in sanction. Case managers frequently expressed frustration with students who were able to combine the reduced welfare grant with other need-based educational grants such as Pell grants, work study, and state need grants and maintain their status as full-time students.

NEW PROGRAM AREAS

Along with specific case management techniques, new services are being targeted to the "hard-to-serve."

Welfare-to-Work (WtW)

As part of the Balanced Budget Act of 1997, the federal government established Welfare-to-Work (WtW). This program targets funding to long-term welfare recipients. While the state must provide one dollar for every two dollars of federal funding,

³ RCW 74.08A.260 specifies: "If a recipient refuses to engage in work and work activities required by the department, the family's grant shall be reduced by the recipient's share, and may, if the department determines it appropriate, be terminated.

⁴ Washington Administrative Code 388-310-1600.

the total amount of available funding through the end of the current biennium is approximately \$40 million.⁵

These funds are to be targeted to individuals who:

- Are long-term recipients of welfare (defined as any 30 months in TANF, not necessarily consecutive); and
- Possess two of three specified labor market deficiencies:
 1. The recipient has not completed high school or obtained a General Equivalency Degree (GED) and has low skills in reading or mathematics;
 2. The recipient requires substance abuse treatment for employment;
 3. The individual has a poor work history.

By establishing this targeted program, the federal government has established a working definition of hard-to-serve clients. They have long-term welfare use and a series of specific attributes: low education, little work history, and substance abuse.

There is a great deal of discretion in the type of services that are provided to WtW clients. These services essentially mirror the WorkFirst program:

- On-the-job training,
- Participation in paid, subsidized employment,
- Community service placements,
- Job creation through wage subsidies,
- Job placement services, and
- Post-employment services.

A distinguishing characteristic of the program is its delivery mechanism: the majority of the funding goes directly from the Employment Security Department to locally controlled Private

⁵ This figure includes state fiscal years 1998, 1999, and 2000, for the period July 1, 1998, through June 30, 2001.

Industry Councils, which were established to ensure that training programs are geared towards the specific needs of local communities. These Councils then establish contracts for the provision of services to the clients and non-custodial parents.

Community Jobs

Community, Trade, and Economic Development (CTED) has established a program that provides temporary work experience to WorkFirst clients. The program is geared toward clients who are having difficulty in obtaining paid, unsubsidized employment, and are likely to:

- Have demonstrated to their case manager that they have been unsuccessful in or unable to complete job search; and
- Have been determined by their case manager to become more employable after a Community Jobs placement.

CTED contracts with local organizations, such as Private Industry Councils, to provide employment positions. Jobs are created in nonprofit organizations, educational institutions, and local, state, federal, and tribal government.

Participants work 20 hours per week, paid the hourly minimum wage, and are provided a variety of skills training by the contractor who is reimbursed by CTED. With a position lasting no longer than nine months, the funding for the program is provided through the welfare program.

Unlike some more traditional work experience placement, clients are actually provided with a pay check and qualify for the Earned Income Tax Credit.

To date, enrollment in the Community Jobs program has been fairly low, growing from 99 in September of 1998 to approximately 900 in September of 1999. This is in part intentional, as it is seen as a fall-back position should clients not be able to obtain other forms of employment. This seems to be a national trend, with the expectation that Community Jobs enrollment would increase should there be an economic downturn.

Since the program is relatively new, there is very little data on outcomes. Future analyses can address whether Community Jobs participants are able to obtain unsubsidized employment once they finish their Community Jobs, subsidized placement.

COORDINATION OF PROGRAMS AND SERVICES

Chapter Three

SUMMARY

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) have the collective responsibility for management of the WorkFirst program. These four agencies have distinct roles that they plan and coordinate with one another, the clients, service providers, and the community to accomplish the WorkFirst program. This requires effective collaboration and systematic organization at all levels of the WorkFirst program. There are several processes used to assure coordination on both the state and local level. For the most part, the intense effort to adjust, improve, coordinate and deliver ongoing services while implementing new program components is working. There are, as expected, areas where the efforts are not entirely successful.

New programs are focused on skills training to assist the client to obtain a job, to keep the job, and to progress to a better job with improved wages. These training and education programs are called pre- and post-employment services. The services are provided by all four WorkFirst agencies and vary greatly throughout the state. We found examples of good interagency coordination and incorporation of the local business community to provide these services. We also found examples of programs that are not working well, or little or no services were being provided.

We make one recommendation within this chapter for improvement in the local area planning process. We suggest that

the four state agencies establish local interagency teams to lead, facilitate, and coordinate local area planning.

INTRODUCTION: WORKFIRST IS A PARTNERSHIP

The four WorkFirst agencies coordinate with one another to establish and provide a continuum of services to clients. The Departments of Social and Health Services and Employment Security are the lead agencies for case management, arranging support services, helping clients to get jobs, and to keep their jobs. The Department of Community Trade and Economic Development is the lead agency for Community Jobs and WorkFirst planning; and the State Board for Community and Technical Colleges provides training and education to assist clients in obtaining better jobs and increased wages. These agencies have distinct roles in the WorkFirst program. They are striving to meld their individual responsibilities to establish a “seamless continuum” of services and training to clients.

Additional information about the roles and responsibilities of the four WorkFirst partner agencies is contained in Appendix 4.

WORKFIRST REQUIRES EXTENSIVE COORDINATION

WorkFirst has a complex management structure. The decentralized approach to program management is made more challenging because, by design, WorkFirst services are tailored to accommodate local conditions and characteristics. Also, the program is becoming more complex and comprehensive. This year, major new program components have been implemented by CTED and SBCTC, and they have become more prominent WorkFirst partners on both the state and local level.

WorkFirst has processes to facilitate coordination of services at the state and local level. We found that the concepts for program development and coordination at the state level do not always achieve the envisioned results at the local level. We discuss the key methods for coordination below.

Processes For Program Coordination and Service Delivery

Sub-cabinet 3

Sub-cabinet 3 is WorkFirst's central interagency operations management group. It consists of the State's lead WorkFirst administrators and staff who are involved in program development and implementation. The Subcabinet meets weekly to evaluate progress and programs, resolve issues, develop strategies for new development, and coordinate their respective WorkFirst services.

Collocation

JLARC's Phase I WorkFirst Process Study addressed the benefits of collocation of WorkFirst staff and services. This year we again observed the benefits of collocated services to clients and to staff.

During our site visits we saw collocation combinations in addition to DSHS and ESD. They include: community and technical college representatives, and Private Industry Councils (PICs) offices collocated with DSHS and/or ESD. Recently the ESD allocated funding for additional collocation of staff in local community and technical colleges. Staff who are collocated have easy and constant communication with one another. This is particularly beneficial because clients are frequently referred for services from the collocated agencies.

Case Management

Case management is a fundamental element of program coordination. Case managers work closely with the WorkFirst partner agencies and all of the relevant service providers in their community. They coordinate all key services to their clients. We discussed new case management methods for the hard-to-serve clients in Chapter 2.

Local Area Planning

Local Area Planning replaced regional planning which, as we reported in our WorkFirst Phase I report, had mixed results. Regional plans did not work well where the regions were so large and diverse that unique local area characteristics and needs were lost in the regional plan.

All four state agencies are responsible for the local plans. This planning process is intended to enhance the coordination of local WorkFirst agencies, the PICs, the local community and technical colleges, and other community service providers.

The 1999 plans were developed in collaboration with local partners and service providers. WorkFirst staff view the process as successful in establishing alliances and defining strategies to attain WorkFirst goals. They agree that local area planning is a good idea. However, they expressed a great deal of frustration over the initially ill-defined guidelines for an acceptable plan. It was also difficult to get representatives from some key agencies involved. This resulted in most local area plans being returned to the local offices for improvements, revisions, and the incorporation of all key service providers. For staff, the time involved to coordinate the participants and the process in order to revise their plan was frustrating and difficult.

In spring 1999, local area plans were updated to reflect strategies for FY 2000. The impact of local area planning will not be known until their strategies are implemented. Our findings regarding local area planning initiatives are:

- The role of the regional administrator versus local planning areas creates some confusion over the management structure. For example, contracts for WorkFirst services are managed by the regional office. New WorkFirst procedures and initiatives are being directed to the local planning areas, which are an organizational concept, not a management structure.
- Planning guidelines and required plan components need to be clear, distributed in advance of the planning process, and not revised mid-stream.

- Support for planning is needed. Planning is a time-consuming effort requiring organizational skills, coordination of participants, negotiation and strategy development, and drafting and editing. Existing staff, who have little or no planning experience, may not be able to lead this effort and maintain their regular work responsibilities. The responsibility for planning will be rotated to a different partner agency each year. This may be a good idea in theory. However, in our view, it may increase the frustration with the process. Planning skills are not necessarily transferable. It may be more effective to appoint a lead interagency planning team for each local area plan. The team may benefit from training on facilitation and strategic planning. Otherwise, planning experts might be needed to help coordinate the process for planning and provide support to those offices that need assistance.

Recommendation 1

The Department of Social and Health Services, Employment Security Department, Community Trade and Economic Development, and the State Board for Community and Technical Colleges should establish local interagency teams to lead, facilitate, and coordinate local area planning.

Intergovernmental Planning

Spokane County has another type of community planning underway. “Getting There” is a comprehensive intergovernmental effort to connect social services with land use, housing, transportation, economic development, and communications. Its mission is:

To connect employees and employers together through coordination between transit systems, service providers, and employment and training services using collocation and electronic connectivity.

The lead agencies for this comprehensive planning effort are:

- WorkSource (Employment Security Department)
- Workforce Education Development Council (Chamber of Commerce)
- The Spokane Economic Development Council
- Spokane County Administration
- City of Spokane
- Spokane Transit Authority
- Spokane Regional Transportation Council

This group is identifying resources, funding, and an organizational structure to address long-term solutions for linking employees, child care, and transit to the job sites. Their goals are:

1. Close the distance gap between where employees live, work, and where they receive child care.
2. Provide the basis for clustering future economic development to maximize education and training opportunities and development of employer-based child care services.
3. Increase transit ridership, improve service levels for customers, and provide more efficient use and coordination of transportation modes.
4. Increase worker stability and productivity, which results in higher return and reduced turnover.
5. Encourage employers to locate where services are already available.

This planning effort goes beyond local area planning because it incorporates more than social service providers and education and training resources. It includes local government to coordinate land use and transportation planning with housing and services. It represents another essential link to achieving WorkFirst goals on a long-term basis. This type of planning could result in a system that ultimately connects social services to land use and transportation planning, and economic development.

NEW WORKFIRST SERVICES VARY THROUGHOUT THE STATE

New WorkFirst services are focused primarily on pre- and post-employment training and education. These new programs are provided by all of the WorkFirst partner agencies. We found a wide variety of approaches to pre- and post-employment program design and services.

Dynamic WorkFirst programs hinge on the quality of communication among the partners, the integration with local businesses, and the ability to provide targeted programs that meet the needs of the community and the clients. We heard of some examples of coordinated services and found others that seem to have missed the mark.

Pre-Employment Programs

Several pre-employment programs stood out during our site visits. They usually resulted from leadership and collaboration among the WorkFirst partners and the local business community. These efforts resulted in innovative programs that are tailored to connect WorkFirst clients to jobs. Examples are:

- An Eastern Washington community college provides call center training. This is a program designed to teach clients the essential communication and computer skills to work in a variety of roles in a call center environment. Clients may obtain jobs in telemarketing, retail sales, and customer services. They report a 90 percent placement rate and a starting wage of \$8.50 per hour, with benefits.¹ We heard that a new call center is locating in their community because of this training program. Employment Security staff are trained to screen their clients specifically for referral to this training program.

¹ The State Board for Community and Technical Colleges will verify these wages with a UI cross match starting in March 2000.

- At a Western Washington community college, an economist surveyed regional businesses to determine what occupations were in demand so that WorkFirst clients could be trained for those jobs. This resulted in an agreement with a hotel customer service employer to train WorkFirst clients for employment with the company. A complimenting post-employment program is being planned with the company to assist the client employees to progress within the company. The college is also conducting extensive outreach in the community and with the media, including outreach in the local Russian newspaper. They also have staff who are collocated in local ESD and PIC offices.
- A technical college in Western Washington currently has 11 businesses involved as employment partners in the college's pre-employment programs. The employers conduct job interviews on campus and are involved in the training process. The college has a collocated office at the ESD Job Service Center which they view as critical to their success. The college has hired a WorkFirst coordinator (with the unique title "Single Point of Contact") who arranges college training for the clients. College staff also visit the local ESD and DSHS offices weekly to talk with case managers, job service specialists and clients. The college also provides training programs for Community Jobs and Welfare-to-Work participants.

We also found community colleges with weaker links to WorkFirst. Some have attempted training programs that did not succeed in providing opportunities for stable employment for WorkFirst clients. In other cases, the colleges were not active partners in the planning process nor in offering programs for WorkFirst clients.

Post-Employment Programs: Job Retention and Wage Progression

Job Retention

Some WorkFirst clients continue to need support services once they obtain jobs, especially if their income is not enough for self-sufficiency. As one regional administrator explained, “they need to stay on-the-job long enough to learn core competencies.” A case manager may continue to coordinate support services like child care subsidies, foodstamps and transportation vouchers or car repair vouchers. We heard that these services need to “work like clockwork” to keep the client employed.

The Department of Social and Health Services contracts for additional and varied job retention services. The services are typically contracted out to ESD, a local community or technical college, or other community service providers (see Chapter 5, Performance-based Contracting). Frequently job retention and wage progression is combined in courses and training offered in community and technical colleges. Connecting pre-employment training to post-employment training in order to provide a progressive continuum of services to their WorkFirst clients is important.

Wage Progression

The Employment Security Department and the State Board for Community and Technical Colleges have responsibility for wage progression services. Such services assist WorkFirst clients to obtain training to increase their skill level, learn new skills to increase their wages, and get better jobs. Some community and technical colleges have incorporated business and industry representatives into their training and curriculum design to assure that the training is applicable to progressing up the career ladder.

Finally, job retention and wage progression are services that often can be combined rather than managed by two separate agencies. Job retention is essential to wage progression. The logic for assigning job retention to the Department of Social and Health Services and wage progression to Employment Security

seems weak. Community and technical colleges often treat them as integrated services, as does the Spokane post-employment program, which is discussed below.

WPLEX: WorkFirst Post-employment Labor Exchange

The WPLEX call center is operated by the Employment Security Department and is located in Seattle. The service is a resource to clients who are working more than 20 hours per week. Clients receive calls from WPLEX informing them of post-employment services and referring them to their local service providers or colleges for assistance. WPLEX also screens the client to make sure that they are aware of their eligibility for child care subsidies, foodstamps, Medicaid and earned income tax credits.

Local agency response to WPLEX was, for the most part, negative. There were several themes that were repeated throughout our interviews:

- Clients outside of the Seattle area, and in particular those in rural areas, are unnerved when they receive evening calls from strangers who know a lot about them, and talk to them about their work.
- WPLEX confuses clients by giving them information different from what they have received from case managers.
- WPLEX staff do not communicate well or consistently with case managers and job service specialists.
- The further the distance from Seattle, the greater the hostility toward WPLEX.

On the other hand, we met with offices that are located in, or near Seattle, that benefit from their proximity to the WPLEX call center. Administrators have invited WPLEX staff to attend staff meetings to discuss their working relationships and how to improve communication. WPLEX staff have participated in case staffings in Kent, for example, and have learned to communicate with all of the relevant WorkFirst staff who work with the clients called by WPLEX.

The Spokane WPLEX Model

The Spokane Job Service Center implemented a post-employment and labor exchange model in lieu of the statewide WPLEX call center. The Spokane WPLEX initiative is a pilot program to provide specialized post-employment services to WorkFirst clients and their employers.

The Spokane program is proactive in involving clients, training providers, employers, and the Chamber of Commerce. Training for clients is customized to the needs of employers. Furthermore, an employer may be reimbursed up to 50 percent of the client's wages while the client is being trained, and also receive a tax credit.

The integration of the business community, the community college, and on-site services to both the employer and employee are unique applications of post-employment services.

SERVICES SUPPORTING CLIENT PARTICIPATION IN WORKFIRST

The WorkFirst program provides support services to clients that enable them to participate and meet the requirements of their Individual Responsibility Plan.

Case managers talk of client "barriers" to participation and employment. Some clients have short-term fixable issues that are relatively easy to resolve, while others have issues that are more difficult. In some cases, those with more complex problems become the "hard-to-serve" clients that were discussed in Chapter 2.

Subsidized child care is one of the more common services provided to WorkFirst clients. Case managers or social workers provide clients with information on local child care providers and assist them in establishing child care arrangements.

Case managers stress that identifying the problem and obtaining the right service can be key to the client's success in the program.

Case managers and job service specialists are able to provide assistance in:

- Car Repair
- Mileage
- Public Transportation
- Education Services
- Relocation Costs
- Testing and Medical Exams
- Clothing and Hygiene Items
- Uniforms, Tools and License Fees

Expenditures for these services totaled an estimated \$6.3 million in fiscal year 1999 (FY99). Subsidized child care for TANF clients totaled \$70.9 million, with grants totaling \$345 million for the same period.²

There are instances when the services are not available in the community. Case managers are challenged to find ways to help their client participate in the program when services are not available or inadequate. These instances fall into two primary categories, child care and transportation.

Child Care Issues Not Resolved With Support Services

- Case managers and job service specialists told us that it is difficult to find licensed child care in rural areas. WorkFirst clients often rely on family members or friends. Case workers and social workers are concerned about the quality of child care in these situations and find them to be less stable than licensed child care facilities.
- We heard that child care for children with behavioral problems or disabilities is nearly non-existent. We were told that there may be few specialized providers for children with special needs. However, the magnitude of this issue on a statewide basis is difficult to assess.

² Source: Legislative Evaluation and Accountability Program (LEAP), DSHS Budget Division, Washington State Institute for Public Policy.

- The impact of the exemption from participation for parents with infants changed on July 1, 1999. The exemption was decreased from 12 months to 3 months after the birth of a child. The impact of this revision is not yet known, but may impact the supply of infant care services.
- Child care for WorkFirst clients taking evening and weekend courses at community and technical colleges is, for the most part, non-existent. Colleges spoke of the need for evening and weekend care for children of all ages. However, none was available at the colleges we visited.

Transportation Issues Not Resolved With Support Services

- People in rural areas have little or no access to public transportation. Clients who do not drive, or do not have vehicles, have a difficult time complying with program participation requirements. WorkFirst clients in rural areas often use car repair and mileage reimbursements for their transportation needs.
- Car repair services are sometimes used for cars that may not be worth the repair. Some case managers expressed their frustration with this, but in some cases it is the only “tool” they have to resolve the client’s transportation needs. It may not be a cost-effective solution, but in many areas it is the only one they have.
- Even urban areas with good public transportation are not always able to provide services to clients. The bus schedules, the locations of stops, and the bus routes do not always match the child care, job search and work needs of the clients.

One innovative solution to bridging transportation needs was the ‘People to People’ transportation providers in Yakima. The Department of Social and Health Services has contracted with this organization to provide vans to transport WorkFirst clients to major bus stops to link with public transportation.

DOMESTIC VIOLENCE ISSUES

During our site visits we asked case managers, social workers, job service specialists, and supervisors specific questions about the prevalence of domestic violence in their caseload. Their estimates ranged from a small to a high percentage. Even though most offices use a screening tool for domestic violence, the issue comes to the attention of staff most often when a client fails to meet their mandatory WorkFirst participation components.

In the offices that we visited, staff felt strongly that they needed more training on how to deal effectively with domestic violence. They expressed concerns about how to best manage domestic violence cases, how to maintain the client's confidentiality in order to protect them, and that the demand for services far outweigh the supply.

WorkFirst staff told us that when their clients were motivated and followed through with obtaining services to assist them, they succeeded in finding jobs and establishing their independence. There are other instances of the victims returning to the abusive situation for a variety of reasons. The recovery from abuse can take many years for the victim to escape violent relationships and become self-sufficient.

Appendix 6 provides more information about domestic violence issues gathered from our site visits.

INFORMATION SYSTEMS SUPPORTING WORKFIRST

Chapter Four

SUMMARY

WorkFirst gets its clients into employment. This is a much more complex undertaking than the welfare programs of the past, where the focus was on making certain that welfare checks were correct and timely.

Current information systems, particularly those that support the case management function, do not yet reflect this significant shift in program emphasis. We found that the structure of current information systems requires the duplicative entry of data, virtually ensuring problems in data reliability. Existing case management systems are not integrated and do not provide information that is needed to make very important policy and resource allocation decisions.

WorkFirst is managed through a partnership of government organizations, yet vital information is frequently contained in one partner's information system and not available to another. While solving these problems can be risky and costly, the risks and costs associated with keeping the current systems (duplicating work, not knowing vital information about clients) may be equally high.

We recommend that the WorkFirst partners begin to plan for an improved information system with an emphasis placed on the elimination of duplicative data. The plan should include goals to be achieved, a specific timeline for making improvements, the identification of barriers to sharing information, and the direct involvement of end users, particularly local office staff in DSHS and ESD.

INTRODUCTION

WorkFirst is a complex program, with clients who have multiple needs, frequent changes in what is required of clients, and with many different people and organizations serving clients.

With the program's emphasis on making the client responsible for results, the immediate and accurate exchange of information about the client (Are they working? Are they attending specialized services? Have they completed job search?) is a key to program success and efficiency.

The systems that currently support WorkFirst fall far short of facilitating this immediate and accurate exchange of information. In fact, since case managers are required to use and maintain two systems, the current structure of information systems creates inefficiencies and inaccuracies.

This problem is not unique to Washington State. Many states are facing similar problems of developing information systems that can assist the new focus of the reformed welfare system.¹

Since this program is managed through a "partnership" (DSHS, ESD, CTED, and SBCTC) the development of support systems can be particularly challenging. In addition, the replacement or upgrading of "legacy" systems (older, centralized mainframe systems) can be both high risk and high priced.

¹ As part of a detailed review of the implementation of the Temporary Assistance to Needy Families (TANF) program across the country, the Rockefeller Institute evaluated information systems in 18 states. Many states were found to be strong in their ability to answer basic enrollment and eligibility questions. Yet most were weak in answering questions such as: How many adults have a mental health diagnosis? Source: "Implementing the Personal Responsibility Act of 1996: A First Look, Chapter 9: The Special Challenge of Information Systems, Richard Nathan and Thomas Gais, Federalism Research Group, The Nelson A. Rockefeller Institute of Government, State University of New York.

CURRENT COMPUTER SYSTEMS: ACES AND JAS

There are two primary systems used by DSHS and ESD to manage the caseload. They are the Automated Client Eligibility System (ACES) and the JOBS Automated System (JAS).²

Automated Client Eligibility System (ACES)

The ACES system was designed as a means of automating the complex process of determining if a client is eligible for welfare. At the time of its design, the focus of welfare was on accurate and timely eligibility determination. This is based, primarily, on analysis of income and assets. ACES is geared towards this financial eligibility determination.

The design and development of ACES was begun in the early 1990s (under the Aid to Families with Dependent Children or AFDC program). Its final, full implementation came at about the same time as the change from AFDC to WorkFirst. While financial status is still the key to eligibility, issues surrounding clients' needs for services to assist them in becoming employed now take on an importance that did not exist when ACES was developed from 1990-1995.

The system used to track this newly important information, to track clients as they progress from applying for welfare to becoming employed, is the JAS system.

² There are actually many different systems collecting information related to welfare clients. ACES and JAS are the two primary systems, with other information collected in: Unemployment Insurance Wage and Hours files, State Board for Community and Technical Colleges enrollment data, DSHS Medicaid records, DSHS Division of Alcohol and Substance Abuse treatment records, DSHS Child Protective Services records, as well as others. Indeed, as new services are developed, "sub-systems" are sometimes also developed. For instance, the Welfare-to-Work program within Employment Security, has a separate system to track clients.

Jobs Automated System (JAS)

The JOBS Automated System (JAS) was originally designed when the Jobs, Opportunities, and Basic Skills (JOBS) component of AFDC required information on what clients were doing to obtain employment.

JAS is now the primary case management system used by DSHS and ESD. Information from JAS is used to produce monthly reports on the level of participation of clients in WorkFirst programs.

For instance, for the participation reports, if JAS is coded as stating that a client is working at least 20 hours per week, that client is considered participating.

JAS is also the system that case managers (DSHS) and job service specialists (ESD) use to track a client as they move from enrollment to employment. For instance, if the client is sent to Job Search (run by ESD) by the DSHS case manager, JAS is the system that will indicate that this referral has taken place. Should the same client be referred to a Community/Technical college, JAS will show that referral.

Of equal importance to the case management process is that JAS is where information on the client's Individual Responsibility Plan (IRP) is kept.

The IRP was established in statute as a means of setting into place a plan for moving clients into employment. In every office that we visited during our site visits, case managers and job service specialists told us that it had evolved into one of their most important case management tools—it has become the “contract with the client,” clearly establishing expectations and requirements.³

We found that a very basic and fundamental weakness of the JAS system is that it only contains the most current version of the IRP. Since case managers consider the IRP to be a dynamic

³ RCW 74.08A.260 contains the directive to establish individual responsibility plans. WAC 388-310-0500 further defines its use.

document that requires continued monitoring and update, their inability to access, on-line, previous versions of the IRP makes their job more difficult.

This problem is further compounded by the fact that there may be multiple organizations involved with the client, all of which require access to the IRP (the contract) to understand what is expected of the client and what is expected of the particular organization.

As such, paper records of previous versions of the IRP are not sufficient. This is an environment where many organizations are involved in assisting clients in meeting the terms of their “contract” and in monitoring the client’s progress. Timely access to appropriate information can be a key to helping a client obtain and keep employment.

DATA RELIABILITY

Another key weakness of current computer support systems is that the two principal systems, JAS and ACES, are not dynamically linked. This means that some information must be manually entered into the two systems—twice. This not only creates inefficiencies, it all but ensures that reliability will suffer.

When we conducted our site visits, we asked each CSO to review 20 case records (10 for the second quarter of 1998 and 10 for the second quarter of 1999) that our analysis indicated were instances where the clients had “No Recorded Activity.” In more simple terms, it appeared that these clients were not doing anything.

The CSOs found that the clients on our list fell into a number of categories. For instance, there was agreement that people were indeed not participating in any activity (26 percent in the first quarter, 19 percent in the second).

Of particular concern to us, however, was the percentage (22 percent in the first quarter, and approximately 42 percent in the second) in which the CSOs believed that the client was working, and therefore should not be considered as having “no recorded activity.”

This response was particularly telling, as our analysis only considered someone working if ACES stated they were working at least 20 hours per week. The CSOs, however, used the JAS system to determine the status of the client.

If the two systems do not agree with each other, as this analysis indicated, then it is possible that grant amounts may be incorrect. If JAS states that the person is working at least 20 hours, and ACES does not, it is possible that the client's grant may also be wrong.⁴

This discrepancy is symptomatic of the lack of a consolidated case management system. If entries must be repeated in two systems, errors will occur. If workloads are high, one system is likely to be updated in a more timely manner than another.

DATA SHARING

Another structural inefficiency we found was the lack of consistent data sharing between both partner agencies and within DSHS.

Since each partner may have important data in their own information system, it is not uncommon for one agency to be ignorant of the status of a client that is working with another agency.

For example, with the Welfare-to-Work Program (WtW), a Private Industry Council (PIC) may be responsible for supplying a variety of services to clients to assist them in either gaining employment or becoming "job ready." Without an understanding of what other services a client might be receiving from DSHS, ESD, or their contractors, service needs can be either missed or duplicated.

We found a variety of efforts by case managers to try to maintain a free flow of information. Yet, no one system seems to contain the information required to evaluate how a client is progressing

⁴ The grant amount is dependent on a number of factors related to the client's income and assets. Some income is "disregarded" to encourage the client to maintain employment.

in meeting the requirements of their Individual Responsibility Plan.⁵

This is also an issue when services are provided to a client from other parts of DSHS. While this is frequently explained as a client confidentiality issue, it can be very difficult for a case manager or a social worker to know the status of a client referred to the Division of Alcohol and Substance Abuse.

This problem becomes even more complex when a job service specialist from ESD or a case manager from a Private Industry Council is seeking information and is not restricted to services provided within DSHS. There appears to be no common “release of information” form that is acceptable to all partners.

Even the notion of having to “release” information reflects old organizational boundaries and does not recognize that in order for the “partnership” approach to welfare reform to function, partners may have equal need for certain client information. We were told that there are barriers to the exchange of this information, such as state and federal confidentiality laws. These barriers need to be addressed in the context of how they impact the needed exchange of information between the partner agencies.

THE IMPACT OF DATA ON POLICY DECISIONS

Chapter 2 of this report describes in detail issues relating to the “hard-to-serve.” One of its findings is that there is a lack of important data to determine whether or not clients are indeed “harder to serve” than they have been in the past.

Without this very important information (data) it is difficult for policymakers to determine what programs may work best, what programs might be needed, and effectively target dollars to those programs.

⁵ For instance, some of the Private Industry Councils we visited used part of their Welfare-to-Work grant to “hire” DSHS case managers. By doing so, the PIC then had access to the JAS system.

Similarly, Chapter 3 of the report describes in detail the difficulties of coordinating services to clients in a program that has a “partnership” structure. With many different organizations participating, the coordination of services can be very challenging.

Management Information Systems (MIS) can become the “glue” that holds a complex service delivery structure together. Highly integrated information systems are essential tools in making complex service delivery structures work.

If the caseload is indeed becoming more complex, maintaining program success may rely on maintaining a level of resources consistent with that caseload. The simple problem is that there is currently no way of accurately measuring the needs of the caseload, and this is caused by management information systems that reflect an “old” way of managing welfare. Those systems create inefficiencies and inaccuracies in the collection and reporting of the limited data they currently maintain.

STRATEGIES FOR IMPROVEMENT

Given the degree of caseload reductions, WorkFirst is now faced with a series of extremely important “next step” questions:

- Can the level of resources devoted to the program be reduced?
- What are the needs of the “hard-to-serve?”
- How successful are the specialized services provided to clients in helping them become employed?

The ability to answer these questions on caseload characteristics and service effectiveness is dependent on either replacing existing systems or using methods which will integrate existing computer systems and new ways of dealing with clients.

DSHS recently ended an attempt to “bridge” the ACES system with a new case management system. The need to improve on the type of information and to eliminate duplicative data entry was recognized as a high priority, but the project was never completed, in part because of the high risk and high cost nature of

the effort. Its failure may also be in part because it was seen as a DSHS system, and not an effort managed by the WorkFirst partnership of four state agencies.

This replacement or integration of existing “legacy” systems (older, mainframe-based systems) can be risky and costly. Nevertheless, given the importance of maintaining accurate, timely information on clients, a means of improving on those systems must be developed.

Even though replacement is an option, many organizations have found that replacement is not cost effective. Technologies are now being developed (“middle-ware”) that allow formerly non-integrated data systems to “talk” to each other.

Since many of these technologies are emergent, it is difficult for JLARC to suggest a specific strategy to be taken. With this in mind, our recommendations focus on the development of an explicit statement of what needs to be accomplished so that specific strategies for meeting those needs can be developed.

Specifically:

1. The WorkFirst partners must identify the goals for an improved information system (case management may be only one component). Very high on that list of goals should be: avoiding the duplication of data entry; ease in sharing information between partners; the flexibility to support a program that changes, sometimes significantly; and, the support of resource allocation decisions through the identification and tracking of key client characteristics.
2. A timeline should be developed for making explicit improvements to systems (regardless of the technology used) and this timeline should be communicated throughout the field.
3. The effort should be coordinated by the existing “Subcabinet” structure so that the information system is seen as a WorkFirst system, and not a DSHS or ESD system.
4. Staff at local Community Service Offices and Job Service Centers must be included in both the plan’s development and its implementation.

RECOMMENDATION

Recommendation 2

JLARC recommends that 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) develop a plan for improving the information systems which support the programs. This plan, and subsequent implementation strategies, should be directed by the sub-cabinet structure to ensure that the needs of all users are considered.

Key components of the plan should include:

- A. Goals for the improved information systems, including the elimination of duplicative data.*
- B. A timeline for each major milestone in the plan.*
- C. Ideas for data sharing among state and local agencies and service providers.*
- D. The identification of barriers to the sharing of data and recommendations for strategies to eliminate those barriers.*
- E. The inclusion of end users, particularly local office staff in Department of Social and Health Services and Employment Security Department, in the development and implementation of the plan.*

PERFORMANCE-BASED CONTRACTING

Chapter Five

SUMMARY

The legislature mandated that JLARC include an evaluation of performance-based contracting in its WorkFirst process study. Our review indicates that DSHS and ESD are complying with legislative intent by implementing performance-based contracts.

DSHS contract administrators and contractors are generally satisfied with the performance-based contract model the agency adopted. Under the model, contractors are paid incremental amounts for achieving set “milestones” for each service provided.

ESD contract administrators and contractors have had difficulty working with the agency’s contract model. The model relies on a two-tiered payment format: a monthly payment that is a percentage of the total dollar amount of the contract, and a performance bonus based on serving a certain number of clients. Because of declining referrals, many ESD contractors were not receiving sufficient clients to meet the performance targets for their tier payments. ESD is currently revising the way it contracts for WorkFirst services.

The WorkFirst statute requires DSHS and ESD to benchmark performance-based outcomes in order to compare the effectiveness of individual contractors.¹ Currently, contractors submit output information to DSHS and ESD in order to receive compensation. This chapter recommends that the agencies use the performance data being submitted by contractors to establish benchmarks.

¹ As used here, “benchmarks” are a means of identifying the most efficient and effective levels of service that can be replicated and then measuring each contractor based on that example.

THE CONTRACTING PROCESS

ESD contracted with the Rensselaerville Institute in 1997 for the design and implementation of outcome-based contracting. ESD appears to be transitioning from an approach to performance-based contracting that came out of their training to methods similar to the DSHS model.

Both DSHS and ESD administer contracts through their regional offices. Contract Administrators and staff at local offices believe that managing contracts through regional offices provides an extra level of quality, since they have more direct communication with each other and are closer to the needs of the region.

Contractors for DSHS and ESD generally provide a range of services. The DSHS model allows these services to be added or deleted by amendment without affecting the other services being provided.

Contractors with ESD also provide a range of services, but the amount ESD pays for any one service is not as clearly defined as in the DSHS contracts. The contract amount is generally a total for all services provided, and is based on negotiated agreement. If a service is added or deleted, then the contract must be revised to reflect new payment schedules and performance targets.

DSHS employed the services of Public Knowledge, Inc., in 1988 to establish its new contracting process. The agency uses milestones to compensate their contractors. Contractors are paid at specific intervals for each client, and there is a maximum payable amount for each type of service. There is no maximum contract amount, nor specific number of clients that the contractor must serve. Compensation is consistent from region to region for any particular service. Likewise, the milestones do not vary, but the amounts paid for achieving each milestone depends upon the negotiated agreement with the contractor. (See Appendix 7 for details.)

Contract Administrators in several DSHS regions have indicated that they are working with contractors to revise contracts and move the majority of the compensation towards the final paypoints. The purpose of this is to increase the incentive for

contractors to accommodate participants' needs and to help them complete the training or service that they are being provided.

ESD contracts for a specific number of clients and the total amount of compensation for the contract is stipulated. Contractors are paid either 70 or 80 percent of the contract amount in monthly "Tier One" payments throughout the duration of the contract. The other 20 or 30 percent is awarded as a performance bonus or "Tier Two" payment for achieving the service targets. The "Tier Two" payment is paid based on a targeted number of clients the contractor has served. To receive the "Tier One" payment, the contractor must confirm that 85 percent of the target number of clients are progressing through the service milestones.

The weakness of this model became evident as the number of client referrals declined. Few of the contractors received enough referrals to meet the threshold for their performance targets, and therefore were unable to meet performance goals for their payment. In response, ESD revised the targets for the under-performing contracts for the current contract cycle. The RFPs for the upcoming contract cycle omit the tier system altogether. Payment will be based on milestones.

Both DSHS and ESD require extensive documentation to verify that services have been delivered to each client. Contractors submit copies of referrals, evaluations, attendance, test results, progress reports, and certificates to their regional contract administrators who confirm that milestones have been achieved before processing payments. In most regions contract administrators also conduct site visits to at least some of their contractors' locations. Other regions plan to do so in the upcoming year.

The legislature specified that the agencies establish outcome benchmarks for performance-based contracting. The agencies have an opportunity to use the milestone information submitted by contractors to create a database for a comprehensive analysis of contracted services, with the goal of establishing performance benchmarks. This process should also help the agency identify external factors which are outside of the contractors' control yet influence performance. Once benchmarks are determined, the

agencies can review contractor performance to determine the most cost-effective and successful strategies.

SERVICES PROVIDED

DSHS and ESD have used contracted services to address identified “barriers” to employment that keep clients from holding a job. There are two main areas WorkFirst contracts currently address, pre-employment and post-employment services. Please refer to Appendix 7 for a detailed discussion of services provided as well as a matrix of selected contracts and services.

CONCLUSION AND RECOMMENDATION

In compliance with legislative intent, DSHS and ESD have established performance-based contracting. One component of performance-based contracting is the requirement that contractors submit data confirming that clients are achieving contract outcomes. This information presents an opportunity for the agencies to create a base of statistical information to establish optimal levels of performance, or benchmarks. These benchmarks can be used to develop performance standards for future contracts, and is also an integral aspect of performance-based contracting. However, the establishment of benchmarks has not been accomplished. As a result, the efficiency of contracted services and individual contractors in the WorkFirst program cannot be fully assessed until the agencies develop these standard levels of performance.

Job retention and wage progression have several corresponding goals, but these services are currently under the administration of two different agencies. Once the administering agencies establish service benchmarks, they will be better able to assess outcomes and coordinate tracking of these corresponding goals.

Recommendation 3

To facilitate more comprehensive analysis of the impact of contracted services in the WorkFirst program, the Department of Social and Health Services and Employment Security Department should identify benchmark levels of service delivery performance as mandated by the legislature.

SCOPE AND OBJECTIVES

Appendix 1

SCOPE

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

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

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

OBJECTIVES SPECIFIC TO THE PHASE II PROCESS STUDY

- Describe in brief how WorkFirst is implemented and operated in the second year of the program. Identify new services and approaches.
- Determine whether job training, employment, and other program services are in compliance with legislative intent.
- Identify practices that may influence employment and welfare outcomes among clients.
- Assess changes in the program and any operational impacts on clients.
- Determine whether contracting (including purchased services) are competitive and performance-based.
- Examine more closely the issues identified in the Phase I Process Study that were in need of additional follow-up.

- Determine whether progress has been made in implementing the recommendations contained in the Phase I Process Study.
- Make recommendations as appropriate.

AGENCY RESPONSES AND AUDITOR'S COMMENTS

Appendix 2

- Department of Social and Health Services
- Employment Security Department
- Department of Community, Trade and Economic Development
- State Board for Community and Technical Colleges
- Auditor's Comments on Agency's Responses



GARY LOCKE
Governor

STATE OF WASHINGTON
WASHINGTON WORKFIRST

Department of Social and Health Services • PO Box 45000 • Olympia, Washington 98504-5000 • (360) 902-8400
Employment Security Department • PO Box 49046 • Olympia, Washington 98504-9046 • (360) 902-9500
State Board for Community and Technical Colleges • PO Box 42495 • Olympia, Washington 98504-2495 • (360) 753-2000
Department of Community, Trade & Economic Development • PO Box 48300 • Olympia, Washington 98504-8300 • (360) 753-2200

November 18, 1999

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

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

Carver Gayton, Commissioner *CG*
Employment Security Department

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

fs Lyle Quasim, Secretary *LQ*
Department of Social and Health Services

SUBJECT: JLARC WorkFirst Evaluation: Phase II Process Study Response

We have received the preliminary report of the findings from JLARC's WorkFirst Evaluation: Phase II Process Study. Our agencies have jointly reviewed the findings and recommendations and have prepared the responses that follow.

We appreciate the efforts JLARC has made to evaluate the WorkFirst Program to enable our agencies to continuously improve services to clients, and efficiently use the funds with which we operate. Thank you for presenting the findings and recommendations of your review in a clear and direct manner.

Our responses to the three recommendations are contained in the attached matrix, as requested. If you need additional information, please contact:

- Paul Knox, DCTED, (360)586-8973
- James Shober, ESD, (360)438-3221
- Mike Porter, SBCTC, (360)753-3650
- Michael Masten, DSHS, (360)413-3371

cc: Liz Dunbar Gary Gallwas Russ Lidman
James Wilson Paul Knox Mike Porter
Nelson Meyers Michael Masten James Shober



JLARC Recommendations and Responses
 WorkFirst Evaluation Phase II Process Study

Recommendation #1	Concur	<p>We agree with the recommendation to establish local interagency planning teams and have made considerable progress in this direction over the past year's planning efforts. In most areas, local interagency teams have been already established. We have provided clear and standard planning instructions, along with technical assistance, to help facilitate the planning process at the local level. We will continue to improve the planning process, by ensuring that local teams exist in all areas, and working together to ensure all four state agencies, community partners and other service delivery providers are represented and involved.</p>
Recommendation #2	Partially Concur	<p>We agree that improving our information systems as the recommendation indicates would serve our program's clients and staff. The undertaking of such a task represents a very large commitment in terms of time and resources, and is not easily undertaken considering current legal restrictions. State law does not allow us to make the recommended changes, and legislation that would have made it possible to consider changes as suggested failed to pass last session. However, we are committed to working within our current system to improve the accessibility of information to all WorkFirst staff. For example, in the past year, we provided collocated staff on college campuses access to all of the JAS system information, improving their ability to serve WorkFirst clients. In addition, we will use new technologies, as they become available, to improve the ease and efficiency of our automated systems for staff use. ESD will introduce legislation in the 2000 Session that will allow us to enter into contracts to share information.</p>
Recommendation #3	Concur	<p>We agree that establishing performance benchmarks will enhance our contracting process. We will collect and review statistical information, and create a database for a comprehensive analysis of contracted services. The database will give a clear indication of the most effective contractors with the goal of establishing performance benchmarks and sharing best practices.</p>

Addendum
Information from JLARC Hearing
November 10, 1999

Additional information was submitted during the JLARC Hearing held at the SeaTac Marriott Hotel on November 10, 1999. A panel of WorkFirst Program representatives from the partner state agencies responded to questions asked by the committee members. The chair of the committee requested that a summary of the information be included in WorkFirst's response to the JLARC findings report.

A summary of the information follows. This summary is not a complete report on the hearing proceedings but is a recapitulation of questions brought out during testimony. Answers presented by the panel at the hearing have been supplemented with additional information.

Representative Cathy McMorris asked whether there is a definition of "hard to serve." Additionally, she asked about staff levels in light of the caseload reduction.

WorkFirst is a relatively young program, just a little over two years old. The issues around serving clients sometimes known as the "hard to serve" are now being identified and examined as this population becomes more prominent. There is a tendency to call those who have been on assistance for long periods and who are facing various issues of life as the "hard to serve," when in reality they may be "hard to place" in employment. The emphasis, from the program's point of view, is to focus on the services we need to provide to assist this population get into the labor market and progress.

Since WorkFirst was implemented, the job responsibilities of the caseworker have changed significantly from eligibility determination to case management. An independent workload study will be completed shortly and will be available for review before the legislature convenes. Note that while the caseload has fallen considerably over the past two and a half years, the number of cases entering assistance has remained relatively constant over this same period. That is, case managers are working on as many new cases as previously. While this volume of new cases has remained the same, the case managers have been doing a much better job of helping participants find work.

Senator Georgia Gardner asked whether WorkFirst can identify those who can't be served.

One major challenge is to use the time that clients can draw temporary assistance to assist them to steadily progress. For the very hardest to place, this will take more time. As time goes on and we move through the third year of operations, we have not yet identified the population who cannot be assisted into employment. And, as is referenced in RCW 74.08A.010(5), WorkFirst will not exempt recipients until after they have received fifty-two months of assistance. WorkFirst is maintaining the commitment to the spirit of the legislation, emphasizing moving people into employment, without making

judgements regarding their employability, or non-employability, before it has been determined through initial screening and application of the services available.

Representative Debbie Regala raised a question about the Community Jobs Program and its capacity to serve more clients.

The Community Jobs Program, designed to be a subsidized employment opportunity to transition participants into unsubsidized employment, started out on a small scale in a few sites around the state and has grown in the number of sites and clientele over the past year. There is still capacity to serve more clients. As of September 1999, there were 905 enrollments in Community Jobs. The target is to place 1723 adults into Community Jobs during FY2000. This program is a significantly useful way to help hard to place individuals. Community Jobs will be an important resource should the economy experience a downturn.

Senator Gardner and Representative Tom Mielke raised questions regarding the WorkFirst services available in rural areas.

Some of the issues facing all WorkFirst clients are childcare availability and transportation to get to daycare, work and school. The issues exist in all communities but can be especially difficult in rural areas. The passage of Initiative 695 heightens the challenges. Program staff are beginning to examine the potential affect of public transportation cuts and other impacts from I-695 on WorkFirst clients.

The community college system is working on establishing more daycare facilities on campuses to meet the needs of WorkFirst students by reducing their travel and making childcare available during evenings and on weekends. In addition, the colleges continue to work at developing training that will provide clients with the skills they need to enter higher paying jobs.

One issue regarding transportation is the large number of WorkFirst clients who have no driver's licenses. The program is exploring ways to prepare clients to go before the courts, get on a repayment schedule to deal with outstanding fines and work out a plan to get an occupational license or to have their driver's licenses reinstated.

Senator Albert Bauer asked about caseload reduction and where the greatest declines are occurring. He also asked if the federal government acknowledges through funding the impact of immigrants on the state's TANF caseload.

Since January 1997, the caseloads have been reduced by the following percentages:

DSHS Region 1 (Eastern Washington)	29.58% Reduction
DSHS Region 2 (Eastern Washington)	40.24% Reduction
DSHS Region 3 (Northwest Washington)	48.08% Reduction
DSHS Region 4 (King County and area)	44.44% Reduction
DSHS Region 5 (Pierce County and area)	39.50% Reduction
DSHS Region 6 (Southwest Washington and Peninsula)	30.21% Reduction

Fiscally speaking, it does not make a difference where a person comes from when they enter the assistance caseload. We operate in a block grant environment. The federal government doesn't increase or decrease TANF funding in response to movements of TANF clients into or out of the state.

Auditor's Comments on Agency Responses

Recommendation 1: The Department of Social and Health Services, Employment Security Department, Community Trade and Economic Development, and the State Board for Community and Technical Colleges should establish local interagency teams to lead, facilitate, and coordinate local area planning.

Agency Position: Concur.

Auditor Comments: None.

Recommendation 2: JLARC recommends that 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) develop a plan for improving the information systems which support the programs. This plan, and subsequent implementation strategies, should be directed by the sub-cabinet structure to ensure that the needs of all users are considered. Key components of the plan should include:

- F. Goals for the improved information systems, including the elimination of duplicative data.
- G. A timeline for each major milestone in the plan.
- H. Ideas for data sharing among state and local agencies and service providers.
- I. The identification of barriers to the sharing of data and recommendations for strategies to eliminate those barriers.
- J. The inclusion of end users, particularly local office staff in Department of Social and Health Services and Employment Security Department, in the development and implementation of the plan.

Agency Position: Partially Concur.

Auditor Comments: JLARC's recommendation focused on the development of a plan for improving information systems. Key components included the identification of both goals for improved systems and barriers to the sharing of data, with recommendations for strategies to eliminate those barriers. While the four agencies partially concur, there is no indication that they will commit to developing a plan as we recommended. Surely there are no legal barriers to such planning activity. It was our intent that the agencies present the legislature with ideas for eliminating or reducing the barriers to data sharing, rather than their citing existing barriers as a reason why planning could not occur.

Recommendation 3: To facilitate more comprehensive analysis of the impact of contracted services in the WorkFirst program, the Department of Social and Health Services and Employment Security Department should identify benchmark levels of service delivery performance as mandated by the legislature.

Agency Position: Concur.

Auditor Comments: Agency should report back to JLARC in six months on progress of establishing benchmarks.

PHASE I FOLLOW-UP

Appendix 3

A progress report on the implementation of the Phase I recommendations prepared by the Employment Security Department, the Department of Community Trade and Economic Development and the Department of Social and Health Services follows.

AGENCY ROLES AND RESPONSIBILITIES

Appendix 4

DEPARTMENT OF SOCIAL AND HEALTH SERVICES (DSHS)

DSHS processes applications and determines WorkFirst eligibility. Orientation is provided and participants are assigned to a case manager.

Case Management: The case manager develops the individual responsibility plan (IRP) with the client. The IRP typically addresses the issues that need to be resolved so that the client can pursue work. If the client is unable to look for work, or to work, the case manager coordinates and refers the client to alternative services. The client is referred to ESD by the case manager for job search as soon as possible. The case manager retains that client throughout their duration on the caseload. New methods for case management are discussed in Chapter 2.

Case managers and social workers coordinate child care and numerous support services for clients. Social workers conduct assessments of clients, manage the teen-parent cases, and often work with case managers to resolve cases that are in a sanction status. Social workers conduct home visits for teen parents and additional home visits under special circumstances. Job retention contracts are described in Chapter 5.

Job Retention: This is a post-employment service intended to help clients keep their jobs. The services may include any of the following: training, counseling, intervention between the employer and employee to resolve problems, mentoring, and support services.

THE EMPLOYMENT SECURITY DEPARTMENT (ESD)

WorkFirst clients are referred to ESD for 12 weeks of Job Search. Clients receive services to prepare them to successfully look for work. Job search specialists provide individual and group training to WorkFirst clients and closely monitor their progress during job search.

Job Search: WorkFirst clients are referred to ESD for job search workshops, job club and resource room training, work search and job fairs. ESD trains the client on how to prepare a resume, present themselves to employers, and look for work.

If clients fail to find work within their allotted 12 weeks of Job Search, they are referred back to DSHS for an employability evaluation.

Wage Progression: This is a post-employment service provided by ESD that is intended to help a client earn better wages. It provides the client with information, encourages clients to enter skills training, and provides job leads for a better job. Wage progression contracts are discussed in Chapter 5.

Welfare-to-Work: This is a new federally-funded program to provide intensive training to long-term welfare clients. The program is coordinated by ESD. Private Industry Councils receive federal grants from the Department of Labor to administer the program. The program is discussed further in Chapter 2.

COMMUNITY TRADE AND ECONOMIC DEVELOPMENT (CTED)

This department is involved in WorkFirst in a variety of ways. They help coordinate WorkFirst business outreach and employer assistance programs. They also provide technical assistance to employers and communities to expand child care availability to WorkFirst clients. The two CTED programs that we address are Community Jobs and Local Area Planning.

The Community Jobs program for WorkFirst clients was being expanded during our site visits. Because this program was transitioning from a pilot phase, many of the sites that we visited did not have experience with Community Jobs.

Community Jobs is a new component of WorkFirst that provides paid (subsidized) work experience to clients who have been unsuccessful at finding and/or keeping a job. Clients receive on-the-job training by working for a government or nonprofit agency. This program is intended to provide training and skill development that

will be transferable in the job market. Community Jobs is discussed in more detail in Chapter 2.

Local Area Planning. CTED is the lead agency for coordinating the Local Area Planning for administration of the WorkFirst program. Last year planning was done on a regional basis which, as we reported in our WorkFirst Phase I report, had mixed results. Regional plans did not work well where the regions were so large and diverse that unique local area characteristics and needs were lost in the regional plan.

Local Area Planning was developed in the fall of 1998 to replace regional planning. All four state agencies are responsible for the plan. This planning process is intended to establish better working relationships with the local partner agencies, the PICS, the local community and technical colleges, and other community service providers. The first local area plans were submitted in December 1998.

THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES (SBCTC)

Community and Technical Colleges are developing courses that are tailored specifically for WorkFirst clients. They are shorter, offered on evenings and weekends, and planned to meet employer needs.

We found that community and technical colleges offer a wide variety of courses to WorkFirst clients. Many courses are designed to provide basic skills training. Colleges are now developing pre-employment training to lead to specific jobs. Community and technical colleges are responsible for post-employment wage progression by providing training to enhance skills and improve clients' wages.

We saw several impressive examples of colleges that are working closely with their local WorkFirst partner agencies and the business community to establish specific courses for WorkFirst clients. We also found that some colleges are not involved with WorkFirst at all and some are just getting started.

ANALYSIS OF “HARD-TO-SERVE”

Appendix 5

The following exhibits present information on client characteristics which are indicators or “pointers” which help in understanding the caseload, and trends in that caseload.

The analysis was conducted using data from three sources: ACES, JAS, and Unemployment Insurance systems.

The entire WorkFirst caseload is represented in one line, which is then broken down between clients with a welfare history and clients without a welfare history. For those graphs which indicate characteristics that assume some welfare history, only one group—those with a history—is presented.

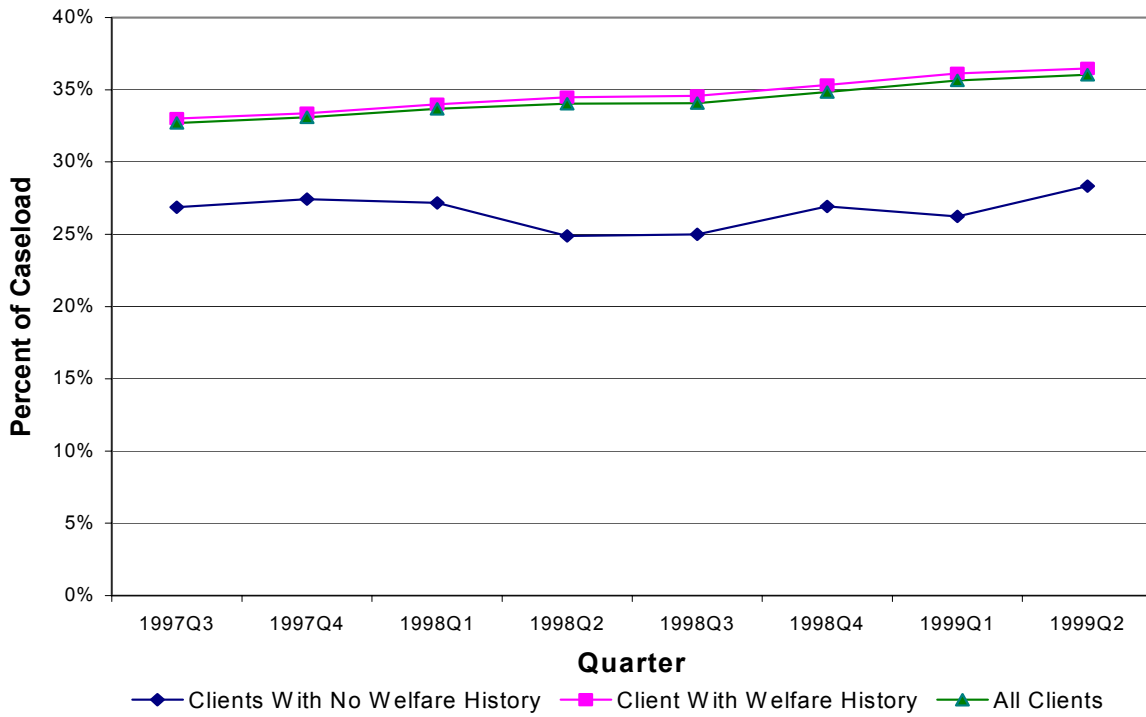
The analysis divided these two groups, in part in response to questions on whether “new” clients are any different from “old” clients, especially in the context of “hard-to-serve.”

As the graphs illustrate, there are frequently considerable differences between the groups.

EDUCATION

The following exhibit illustrates that there is a trend towards more of the caseload not having at least 12 years of education. This is used as a proxy for high school diploma since the data systems indicate years of education, rather than whether or not a high school diploma was obtained. A low educational level can be a potential barrier toward gaining employment. New clients seem to have more education.

Exhibit 5
Welfare Caseload: Percent With Less Than 12 Years of School

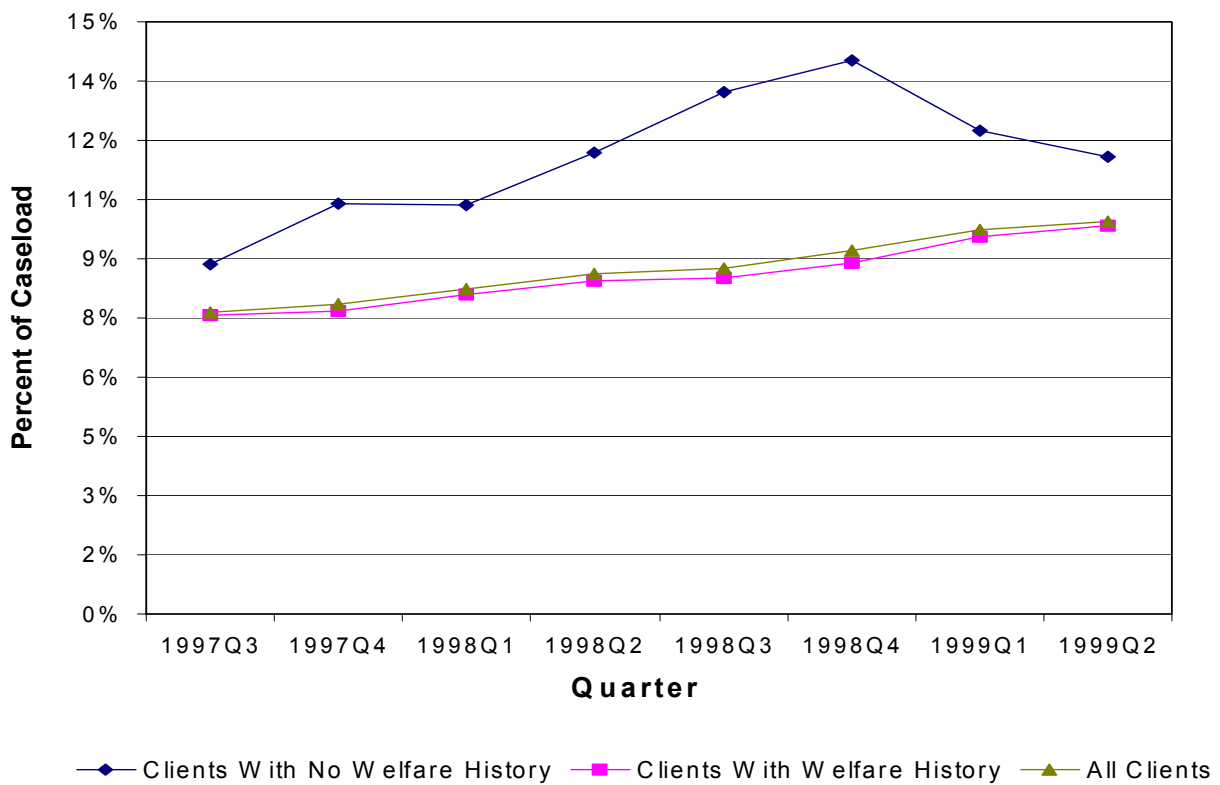


Source: Washington State Institute for Public Policy.

LANGUAGE

The following exhibit illustrates a trend towards a higher percentage of the caseload being considered non-English speaking. Language barriers can be barriers to employment and training.

Exhibit 6
Welfare Caseload—Percent of Non English Speaking Clients

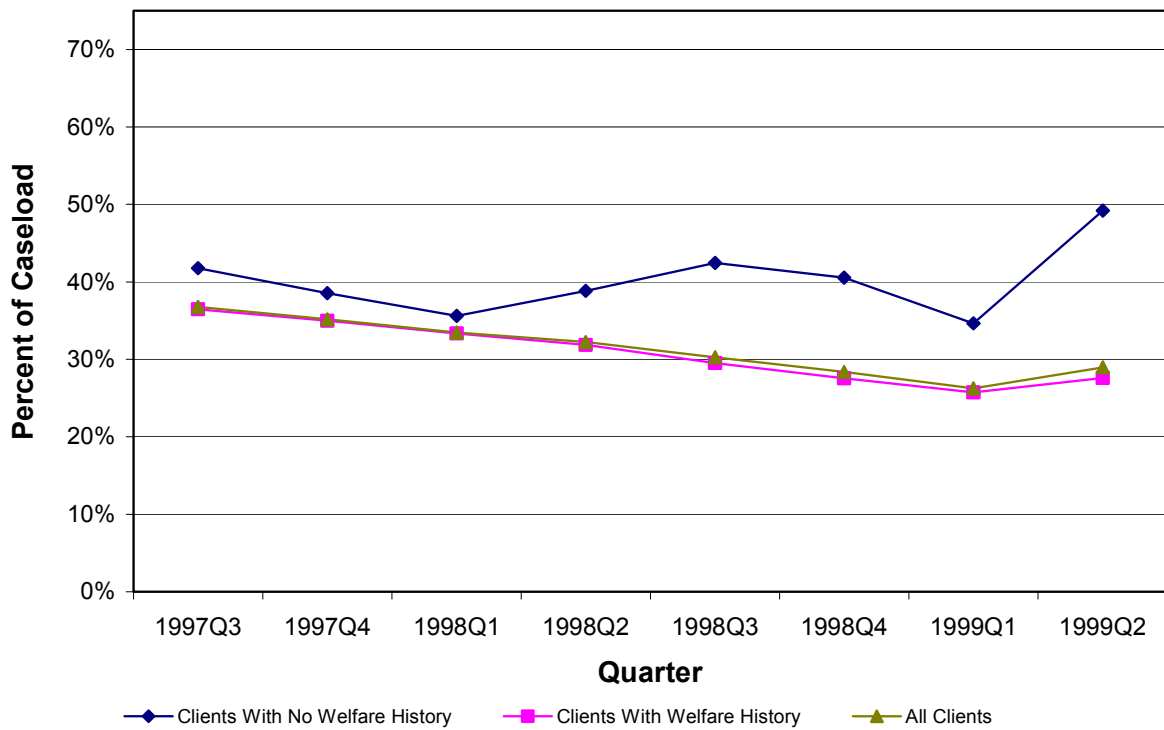


Source: Washington State Institute for Public Policy.

WORK HISTORY

The following exhibit illustrates that there has been a trend towards a lower proportion of the caseload having not worked in the past.

Exhibit 7
Welfare Caseload: Percent of Caseload With No Work History



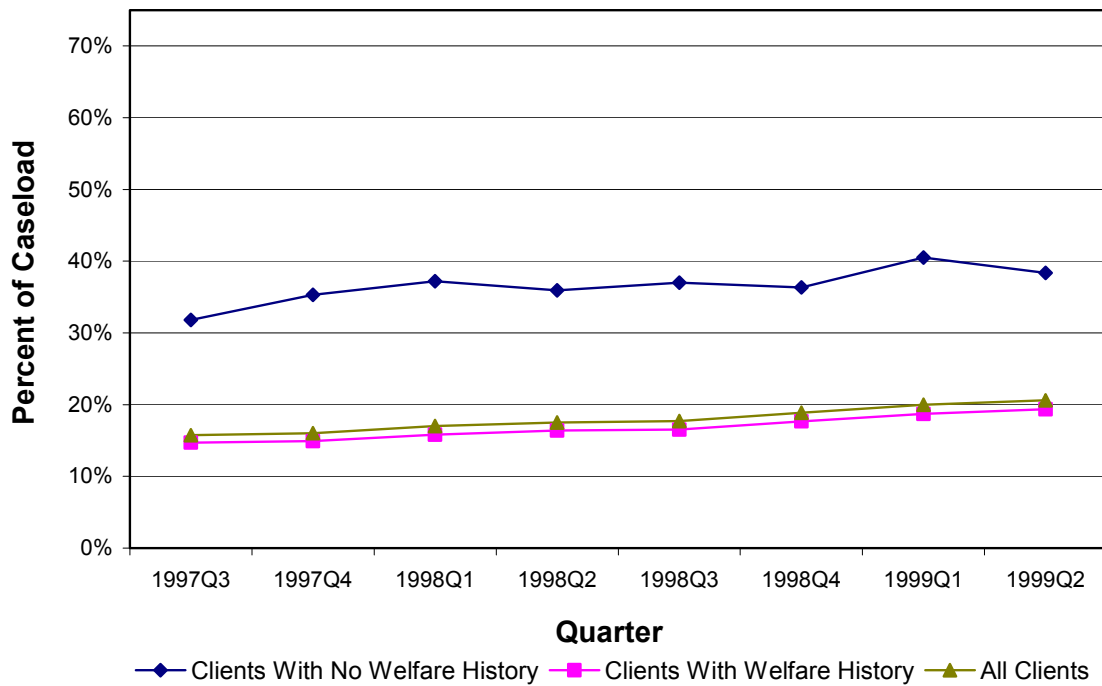
Source: Washington State Institute for Public Policy.

AGE OF YOUNGEST CHILD

The following exhibit illustrates that the proportion of the caseload with a child under the age of 12 months has been going up. Younger children in the household may indicate more obstacles in obtaining and maintaining employment (i.e., child care, absences due to child illness).

Exhibit 8

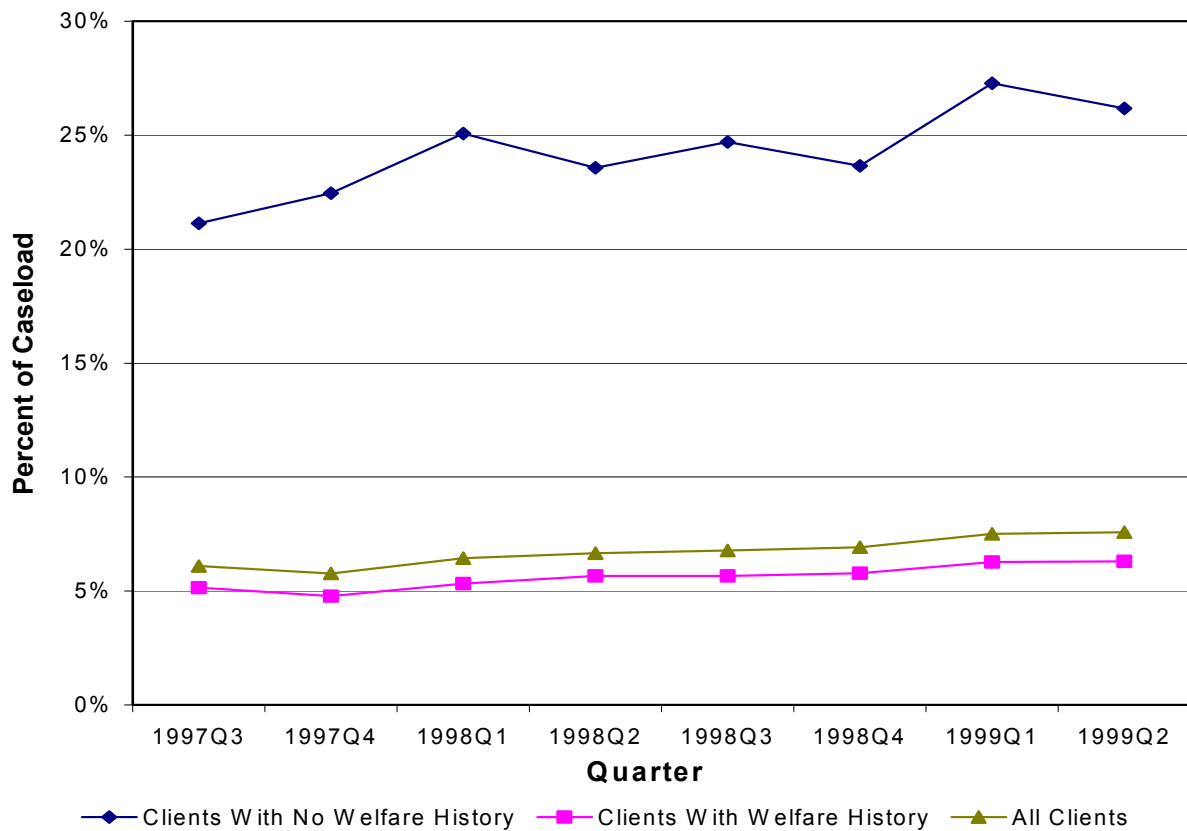
Welfare Caseload: Percent of Clients With Youngest Child Under 12 Months



Source: Washington State Institute for Public Policy.

The following exhibit illustrates that the proportion of the caseload with a child under the age of three months has also been going up.

Exhibit 9
Welfare Caseload: Percent of Clients with Youngest Child Under 3 Months Old

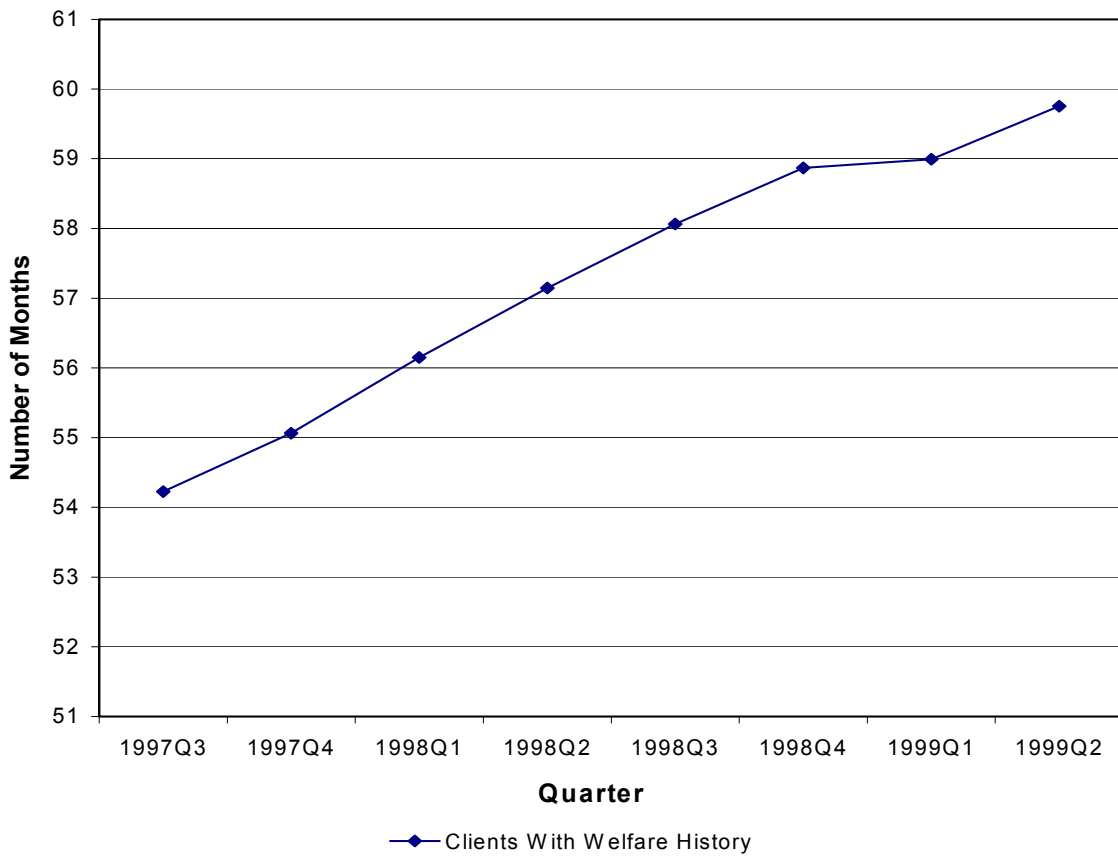


Source: Washington State Institute for Public Policy.

LENGTH OF TIME ON WELFARE

The following exhibit illustrates that for those clients with a welfare history, that the average of their longest span on welfare has increased. This would indicate that the clients who remain on the caseload are probably longer-term welfare recipients.

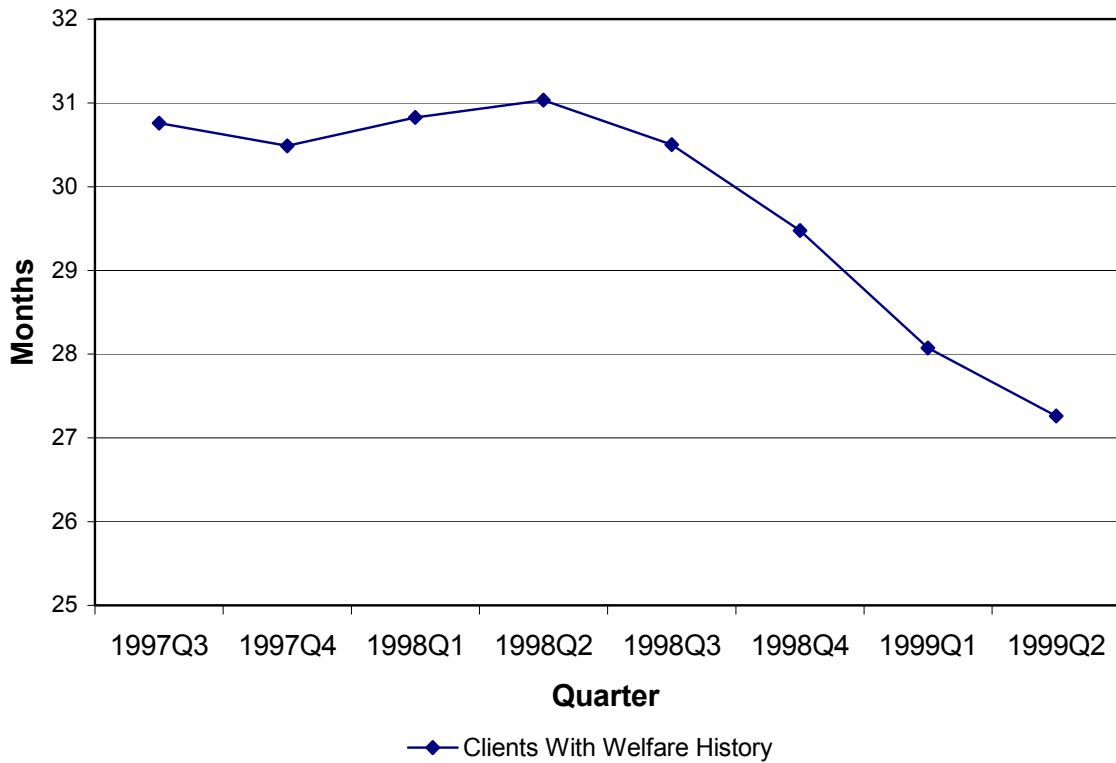
Exhibit 10
Welfare Caseload: Average Length of a Client's Longest Span on Welfare



Source: Washington State Institute for Public Policy.

This graph illustrates that for clients with a welfare history, their current stay on welfare, on average, is decreasing in duration. This may indicate that clients are getting off welfare faster.

Exhibit 11
Welfare Caseload: Average Length of Current Span



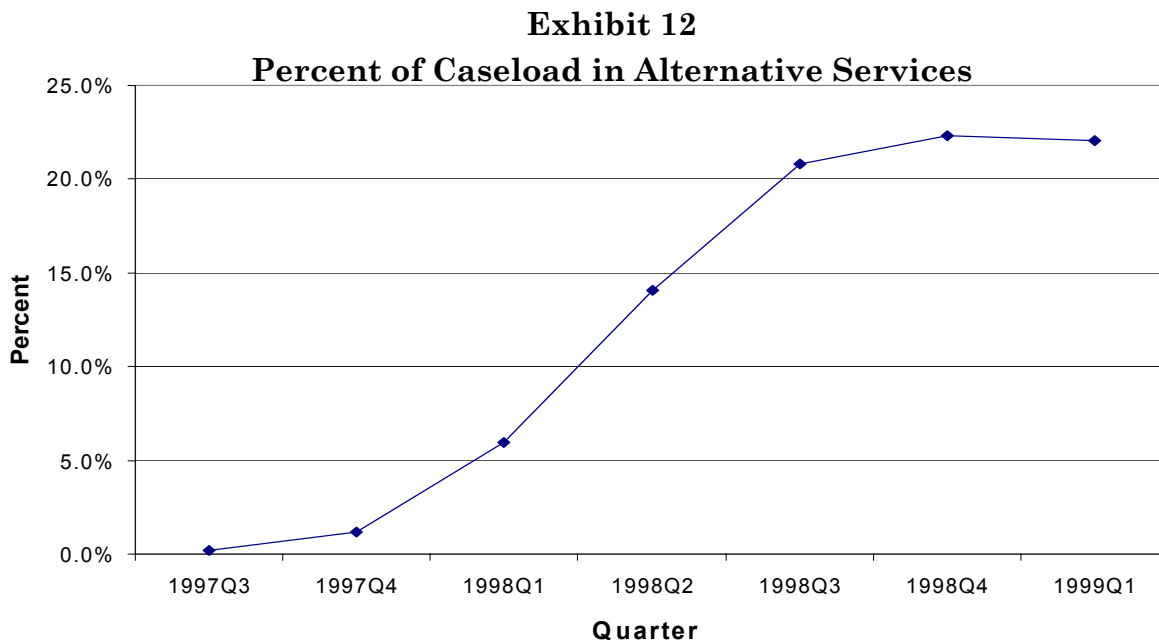
Source: Washington State Institute for Public Policy.

THE USE OF COMMUNITY SERVICES AND ALTERNATIVE SERVICES

When the legislature created WorkFirst, it established a specific component called the “Community Services Program.” According to the statute, the experience of work was to be provided to recipients by: providing the opportunity to volunteer to work for charitable nonprofit organizations and public agencies, or to engage in another activity designed to benefit the recipient, the recipient’s family, or the recipient’s community, as determined by the Department of Social and Health Services (DSHS) on a case-by-case basis.¹

Until July 1999, there were two components of the Community Services Program identified in the DSHS case management system: 1) structured, unpaid, supervised work at local agencies, and 2) unstructured activities, such as stabilizing the family, treatment programs for substance abuse, caring for a disabled family member, and others.²

As the following exhibit illustrates, there has been a marked increase in the number of clients coded as participating in “unstructured” community services, known as “Alternative Services.”



Source: Washington State Institute for Public Policy.

¹RCW 74.08A.330.

² As of July 1, 1999 the Community Services program was divided into 11 components, in an attempt to more discreetly identify what clients were doing in the program.

The increase in clients with Alternative Services can be interpreted in two ways:

1. An increasing percentage of the caseload is hard-to-serve, with “alternatives” to job search necessary to make them “job-ready.”
2. Unlike most of the other components of the WorkFirst program, Alternative Services is vague enough that placement into this component can be made by a case manager without a specific plan for the client, thus creating a “holding” area for clients.³

Before July 1, 1999, clients in Alternative Services were considered “participating” for reporting purposes. This added to our concern over the increased use of Alternative Services as it is impossible to determine whether the client is actually engaged in an activity that is likely to lead to work. Under the new coding and reporting structure, these clients are now removed from the participation calculation: they are not considered participating, nor are they not participating. They are now considered “Not Ready, Exempt, or Unable to Participate.”

During our site visits, we asked staff at each CSO a series of questions that included: how they determine if a client needs Alternative Services, how clients are tracked once they are in Alternative Services, who provides the services, how the quality of services is evaluated, and how long clients typically take to complete their alternative service.

We found that the responses were mixed, with each CSO indicating that they too were concerned about the use of Alternative Services. Many established local processes for routine review of clients in Alternative Services. The change to more detailed coding (from 1 code to 11) as of July 1, 1999, was seen as a step in being able to better track what a client is doing.

The use of Alternative Services must continue to be tracked, with close attention to how clients are coded within the service.

³ This possible interpretation was based on a very similar activity found when JLARC evaluated the JOBS program under AFDC: clients were placed into either “waiting,” “assessment,” or “holding” categories. Please see JLARC Report 96-6, “JOBS Training Program,” December 16, 1996.

Departmental Analysis of Alternative Services and Other Caseload Characteristics

DSHS recently completed a study of clients in Alternative Services. This study looked at the records of 1,000 clients in Alternative Services in July of 1998, in an attempt to determine why they were in Alternative Services. It also conducted a 10-month follow-up of these same 1,000 clients as of May 1999, to determine their status.⁴

The department noted a number of issues, including:⁵

- The main reason for Alternative Services placement (32 percent) was “Illness/Medical conditions, referral to the Division of Developmental Disabilities, or Division of Vocational Rehabilitation.”
- The second highest reason (25 percent) was called “under-defined,” such as “other” or “tests.”
- The third highest reason (13 percent), was “No Documentation.”

Given these statistics, their analysis indicates that one-third of the sample was in Alternative Services for no documented reason or under-defined reasons.

Their analysis also indicates that 10 months later, nearly half the group (48 percent) had left TANF, 20 percent were participating in another WorkFirst component, 21 percent were still in Alternative Services, 8 percent had no participation coding, and 2 percent were in sanction(their grants had been reduced for failure to participate).

⁴ Department of Social and Health Services, Economic Services Administration, Office of Planning and Research: “WorkFirst Clients in Alternative Services,” October 1999.

⁵ In terms of demographics, compared to the general TANF caseload, the Alternative Services group had: more males, more urban clients, more Caucasians, more people who were not US Citizens, more people with limited English proficiency, more people with limitations to work, more teen parents, more parents age 50 and over, more two parent families, but was not different in educational attainment or the number of children in the family.

DSHS staff are also analyzing the caseload to determine if client characteristics are changing and to see if there have been changes in the use of other DSHS programs by welfare recipients. This analysis, along with the characteristics analyzed by JLARC in this report, need to be tracked over time as the program continues to be implemented.

DOMESTIC VIOLENCE

Appendix 6

INTRODUCTION

Domestic violence is a pattern of behavior that may include physical violence, coercion, threats, intimidation, isolation, and emotional, sexual or economic abuse. The abuse is not confined and involves the entire family; the term family violence can be a more accurate description.

At the state and national level, research has documented the relationship between domestic violence and welfare. It has shown a large and consistently high percentage of women on welfare are victims of this abuse. It has immediate and long-term detrimental effects on victims and is a potential barrier to work, job training and education.¹

The exact number of domestic violence victims in WorkFirst is unknown. The Washington State Institute of Public Policy's 1995 report found that domestic violence was prevalent in the welfare population.² While not specific to WorkFirst, the 1997 Statewide Domestic Violence Report found that domestic violence accounts for almost half of all assaults, 20 percent of murders, and 33 percent of negligent homicides in the state.³ (See Exhibit 13 on next page.)

We included questions on domestic violence in our site visits in an attempt to ascertain prevalence rates within WorkFirst populations and to learn what services are available to the victims of domestic violence who are also WorkFirst clients, and how these services are coordinated.

¹ Raphael, Jody and Tolman, Richard M. (1997) "Trapped by Poverty Trapped by Abuse: New Evidence Documenting the Relationship Between Domestic Violence and Welfare. Taylor Institute and the University of Michigan.

² The Washington State Family Income Study and Washington's Welfare Population: A Comprehensive Review . March 1995.

³ Crime In Washington 1997 Annual Report by the Uniform Crime Reporting Section of the Washington Association of Sheriffs and Police Chiefs.

Exhibit 13
1997 Statewide Domestic Violence Report

CLASSIFICATION OF OFFENSES	ACTUAL OFFENSES	DOMESTIC VIOLENCE	DV% OF ACTUAL
Criminal Homicide			
Murder & non-negligent homicide	244	50	20.5%
Manslaughter by negligence	12	4	33.3%
Forcible Rape	2,852	213	7.5%
Rape by force	2,600	185	7.1%
Attempted forcible rape	252	28	11.1%
Robbery	6,685	123	1.8%
Firearm	2,067	6	0.3%
Knife or cutting instrument	614	9	1.5%
Other dangerous weapon	554	15	2.7%
Strong-arm (hands, feet, etc.)	3,450	93	2.7%
Assault	83,578	40,889	48.9%
Firearm	2,881	455	15.8%
Knife or cutting instrument	2,715	893	32.9%
Other dangerous weapon	4,789	1,367	28.5%
Hands, feet, etc. – aggravated	4,377	1,571	35.9%
Other assaults – not aggravated	68,816	36,603	53.2%
Burglary	61,297	774	1.3%
Forcible entry	36,552	487	1.3%
Unlawful entry – no force	20,237	255	1.3%
Attempted forcible entry	4,508	32	0.7%
Larceny Theft	211,886	856	0.4%
Motor Vehicle Theft	31,563	161	0.5%
Autos	23,881	140	0.6%
Trucks	5,705	18	0.3%
Other vehicle	1,977	3	0.2%
Arson	2,031	23	1.1%
Violation Of Protection/No Contact Order	N/A	11,782	N/A
GRAND TOTAL	400,148	54,875	13.7%

Source: Crime in Washington 1997 Annual Report by the Uniform Crime Reporting Section of the Washington Association of Sheriffs and Police Chiefs.

SITE VISITS

During our site visits to DSHS and ESD offices we asked specific questions concerning domestic violence among WorkFirst clients to case managers, social workers, job service specialists, and supervisors.

They reported estimates of prevalence that ranged from a small to a very high percentage of clients. At the time of our visits, there were not data systems that captured this prevalence information.

While DSHS offices use a domestic violence-screening tool, the issue seems to come to the attention of case managers and job service specialists primarily when clients fail to meet their mandatory participation in WorkFirst components. When questioned about lack of participation, clients will disclose domestic violence. Staff in all offices agreed that the violence is not new, but that WorkFirst mandatory participation forces the issue to surface.

In the DSHS and ESD offices we visited, staff felt strongly that they needed more training in ways to work effectively with persons who experience domestic violence. This was viewed as necessary to develop the skills to respond appropriately to clients. Currently, DSHS staff respond to domestic violence by referring clients to local domestic violence organizations. Each office we spoke with indicated the demand for these services exceeds the supply.

DSHS staff voiced concerns that women who are attempting to escape violence by applying for financial assistance are ineligible for TANF because the income of their abuser must be counted. This may prevent the woman from leaving a dangerous situation.

In addition, DSHS staff expressed concern that domestic violence clients' confidential addresses or locations could be accessed when these are entered into ACES and JAS systems. This information cannot be blocked and becomes accessible in CSO offices statewide. The client could be at risk if their abuser knows their address or general location. Offices reported that victims' confidential addresses and locations had been disclosed in the past.

SERVICES

We conducted a telephone survey of select domestic violence shelters around the state. These shelters provide women emergency shelter, counseling, and legal assistance. We found that relationships and coordination of services have developed

between a few service providers and the local CSO offices, but for many no relationships or coordination currently exists.

Some service providers have no relationship with the local CSO beyond the referral of clients from the provider to the CSO to apply for benefits. Some believe they have a good working relationship, based on frequent and consistent communication between the shelters and the CSO. Clients were often asked by the shelters and the CSO to sign releases of information to facilitate this communication.

Measurement of the results of treatment is difficult. This may be in part because this information is self-reported. Domestic violence organizations maintain a level of confidentiality that does not allow them to disclose information about victims. We were told that in the short-term, when clients were motivated and followed through with the services, the results were positive. In the long-term, however, success of clients is mixed, with victims often returning to their abusive situation. The recovery from abuse can take many years for the victim to escape violent relationships and become self-sufficient.

PERFORMANCE-BASED CONTRACTS AND CONTRACT MATRIX

Appendix 7

CONTRACTED SERVICES

Generally, a case manager must include a referral for the service in the client's IRP, and specific goals for the service must also be stated. A copy of the client's IRP must be included with the billing, along with appropriate evaluations, individual service plans, certifications achieved, attendance records, and other pertinent documentation substantiating that a client has received the appropriate services.

The initial step in most services is for the contractor to evaluate clients. In addition to providing the services a client is referred for, the providers will also report back to the case manager if a client demonstrates needs that are not indicated in the IRP, or beyond the scope of the contractor's services.

Contract Administrators and DSHS and ESD staff stated that the reductions in caseloads has meant that fewer clients are being referred to contractors for service. DSHS and ESD staff have indicated that outreach is an important factor in successful referrals. They have concluded from their observations that the contractors who contact the client immediately upon referral rather than waiting for the client to come to them, have had more success in convincing reluctant clients to participate.

In several locations JLARC visited, we were informed that contractors attended Job Search workshops and orientations to explain their services to the participants. This information gives the client an opportunity to "self-refer" (with the case manager's approval) to services they feel would be appropriate for them.

Pre-Employment Services

These services are provided to WorkFirst clients who have failed Job Search. Usually, these clients are referred back from ESD to the DSHS case manager.

WorkFirst staff evaluate the client for barriers that need to be overcome before they can conduct a productive job search. Contractual agreements for pre-employment services include Adult Basic Education (ABE), English as a Second Language (ESL), General Education Degree (GED), and Work Experience (WEX). The latter may also have a pre-WEX element, which focuses on reaching clients who are not responsive to group workshops.

DSHS has primary responsibility for pre-employment services and job retention, but ESD also contracts for these services.

Adult Basic Education (ABE)

Case managers refer clients to ABE providers for assessment when clients demonstrate that their reading and/or math level is sub-standard. Participants may also have social, emotional or behavioral factors preventing them from direct placement into unsubsidized employment. Case managers must indicate the referral in the client's IRP.

Contractors provide basic educational services that increase a participant's competencies in reading and/or math for use in the local labor market, or prepares a participant to obtain a GED certificate. Proficiency in reading and math are tested prior to service and after. Services are arranged around other WorkFirst activities. Milestones/payments are made for pre-evaluation; each level of competency in reading or math achieved; attaining an eighth grade level of competency; and completing the GED.¹

English as Second Language (ESL)

ESL providers prepare clients with varying levels of English proficiency for other WorkFirst activities, such as Job Search or WEX. Contractors receive milestone payments for pre- and post-evaluation, and for each level of English proficiency a client attains. Each participant receives a personalized education plan and at least one level of ESL.²

¹ Based on the contracts reviewed by JLARC, on average DSHS contractors receive \$191 for evaluation, \$230 per level of achievement, \$388 for each client attaining an eight grade level of competency, and \$477 for each client receiving a GED. The maximum allowable is \$1800 per client.

² Contractors receive an average of \$319 for evaluation and \$556 for each level of achievement, up to a total of \$1800.

Work Experience (WEX)

WorkFirst participants who have been unsuccessful in Job Search, have been out of the labor market for an extended time, or have demonstrated an inability to handle workplace and personal problems to maintain employment are referred to WEX.

Contractors develop WEX sites and coordinate the client's other WorkFirst activities such as counseling, therapy, ABE, etc. with the WEX provider. The client's IRP states expected outcomes to be accomplished during the WEX placement. These goals may include practicing job skills, enhancing competency levels, learning new skills, developing work maturity skills such as being on time and relationships with co-workers. The contractor is to make a site visit within one week of WEX placement, and at least monthly thereafter.

Milestones for WEX are for entry into the program, mid-term evaluation, and successful completion of the WEX placement. DSHS expects that WEX participants will be able to conduct a successful job search that results in unsubsidized employment.³

Post-Employment Services

Certain WorkFirst participants may require services even after they become employed. Any WorkFirst participant may receive job retention and wage progression services. Generally, a participant who receives these services has a variety of barriers to employment identified through assessments. Often, these services will be provided by the same contractor who provided pre-employment services to the client.

DSHS administers job retention and EDS administers wage progression. Both ESD and DSHS currently exercise their roles by contracting for these services, mainly through community colleges, where they are available. However, there are several ESD contracts that still provide job retention (along with other services) that date from before the decision to divide job retention and wage progression.

One obstacle for these services noted by DSHS staff is that many WorkFirst participants, while they may be assessed as needing these services, do not want their employers to know that they are or have been TANF recipients. One Job Service Center (JSC) surveyed local employers and found the majority of them would not hire TANF participants. This can reduce their ability to deliver post-employment services, because employer involvement can be critical.

³ Average payment for the first week of WEX is \$364; mid-point evaluation \$539; and WEX completion \$654. The average maximum payment is \$1600. (Some WEX contracts have additional elements and paypoints.)

Job Retention

Job retention provides services for clients to help them keep their jobs. These services include helping participants develop coping skills to deal with issues that may interfere with employment. These issues include child care, transportation, money management, parenting, problem resolution, workplace adjustment skills, crisis management, and budgeting. Contractors can provide job retention services for twelve months.⁴

Mentoring and job coaching connects a participant with a job coach for workplace problem solving and work maturity skills to improve job performance. For clients to be eligible for these services, they must be working 20 hours or more per week and receiving a cash grant. Their DSHS case manager must also include job retention goals in the participant's IRP.

The contractor incorporates the appropriate services into an individual service plan that reflects the client's needs. The contractor maintains documentation that services were provided to the client throughout the first year of employment. The contractor may conduct on-going assessment, and notify the DSHS case manager of any change to the service goals stated in the client's IRP.

Wage Progression

Wage progression services connect participants with opportunities to increase their skill levels or learn new skills. These opportunities include seminars, community college classes, other training, and skill building modules where the client attains certification. As in job retention, employer involvement can be a vital element to providing links to appropriate training.

Payment points occur throughout the first year of employment. Contractors providing wage progression may receive payment for assisting a client to increase their wages at their current place of employment or by placing clients in a higher paying position at another company. Contractors may receive compensation when a client completes training and increases their weekly earnings.⁵

During our site visits, we were told that wage progression has been difficult to provide in more remote areas, due to lack of resources for clients and employers alike. In urban/industrial areas, jobs and training are more readily available and

⁴ Compensation for contractors with DSHS is based on job retention milestones: 30 days - \$364; 90 days - \$404; 180 days - \$334; and 12 months - \$388.

⁵ Paypoints, length of contract, and combinations of services vary by contract.

the demand for employees means employers are more open to consider hiring and training inexperienced workers.

Other Service Contracts

Limited English Proficiency (LEP) contracts are being developed and will be used to provide comprehensive services to persons with varying levels of proficiency in English as well as their native language. LEP will encompass pre-employment, employment, and post-employment services, blending ESL, WEX, Job Search, job retention and wage progression to address participants' IRP goals. Currently, ESD has a number of LEP contracts. DSHS will assume primary responsibility for these contracts, and ESD will continue to provide certain elements.

ESD contracts with the Northeast Washington Rural Resources Development Association (NEWRRDA) for pre-employment, employment (Job Search element) and post-employment services. NEWRRDA sub-contracts with the Colville JSC to provide Job Search services in Newport. This is the only location JLARC visited where this type of contractual relationship exists.

MATRICES OF SELECTED CONTRACTS

Our review of the contracting process included analysis of specific contracts. We made a random sample of contracts, for each region and each contract type, to look at contract language and payment processes.

The accompanying matrices present information about those contracts. It is organized so that we could compare the approach to contracting across dissimilar services. For instance, we wanted to see if there was consistency, across regions and across vendors, in the amount paid for a service and the way payment was made. Each of the major DSHS contracted services are broken down by vendor and milestones. ESD contracted services are categorized by region.

The exhibit on the following page identifies DSHS and ESD milestones.

The exhibit matrices on pages 80-96 illustrate that there is overall consistency among the types of contracts.

We note that sometimes it is difficult to compare DSHS and ESD contracts to each other. Since there are occasions where there is overlap in what the organizations are attempting to accomplish—meaning that they are both paying contractors for services in pursuit of the same goal for a client—we have some concern that the agencies may be paying different amounts for the same desired outcome.

As mentioned in Chapter 5, this concern may be eliminated when the contract benchmarks are established, as required in statute, that will allow for the comparison of contractor outcomes.

Exhibit 14

Summary of DSHS/ESD Milestones

TYPE OF SERVICE	
DSHS Contracted Services	Milestones
Adult Basic Education (ABE)	<ol style="list-style-type: none"> 1. Pre-Evaluation 2. Per level of English/Math 3. 8th Grade Level 4. GED
Job Retention	<ol style="list-style-type: none"> 1. 30 days 2. 90 days 3. 180 days 4. 365 days
English as a Second Language (ESL)	<ol style="list-style-type: none"> 1. Evaluation and Pre-test 2. Per Level of achievement (5 Levels)
Work Experience (WEX)	<ol style="list-style-type: none"> 1. Entry and 1st week 2. Mid-way Evaluation 3. Completion
ESD Contracted Services	Milestones ⁶
Job Retention	<ol style="list-style-type: none"> 1. 30 days⁷ 2. 90 days 3. 180 days 4. 365 days
Job Search	<ol style="list-style-type: none"> 1. Enter Job Search 2. Enter Job Search Workshop 3. Enter Job Search Assistance 4. Exit Job Search Assistance 5. Obtain Employment
Wage Progression	<ol style="list-style-type: none"> 1. Certificate of training 2. Increase in wage at current place of employment 3. New place of employment with increased wage

Source: DSHS and ESD contracts.

⁶ Contractors must show evidence that participants have achieved specific goals, the tiered payment system described in Chapter 5 is the primary feature in the contracted services for ESD.

⁷ ESD Job Retention milestones were formerly 30, 90, 180, 365 days off TANF. ESD revised this milestone to 30, 90, 180, 365 days retention as contractors were unable to meet the "Off TANF" component of the milestone.

Exhibit 15

Adult Basic Education (ABE) Milestones - Selected DSHS Contracts

Region	Contractor	Paypoint 1 Pre- Evaluation	Paypoint 2 Each Level Math/English	Paypoint 3 8th Grade Proficiency	Paypoint 4 GED	Max \$ Allowed
1	Career Path Services	\$100	\$100	\$100	\$600	\$1,700
1	Community Colleges of Spokane	\$100	\$300	\$300	\$100	\$1,700
2	Columbia Basin College	\$450	\$450	\$450	\$450	\$1,800
2	Columbia Industries	\$125	\$135	\$455	\$500	\$1,800
2	Yakima Valley Opportunities Industrialization Center	\$450	\$450	\$450	\$450	\$1,800
2	Yakima Valley Community College (for basic education- SIM to ABE)	\$75	\$143	n/a	n/a	\$1,500
3	Center for Career Alternatives	\$75	\$149	n/a	n/a	n/a
3	Stillaguamish Tribes	\$250	\$50	\$400	\$600	\$1,800
4	Center for Career Alternatives	\$300	\$400	\$500	\$600	\$1,800
4	South King County Multi- Service Center	\$350	\$450	\$450	\$550	\$1,800
5	Answers	\$100	\$150	\$500	\$300	\$1,800
5	Bates Technical College	\$100	\$100	\$500	\$700	\$1,800
5	Pierce County Community Action Program	\$100	\$225	\$225	\$225	\$1,800
5	Tacoma Community College	\$75	\$150	\$350	\$450	\$1,800
5	Tacoma Urban League	\$75	\$140	n/a	n/a	n/a
6	Lower Columbia Community Action Council	\$150	\$250	\$500	\$900	\$1,800
6	Yakima Valley Community College	\$250	\$200	\$250	\$250	\$1,800

Expected Outcomes

1. Increase participant's math/reading skills to 8th grade level.
2. Prepare participant for GED program or work.

Source: DSHS data.

Exhibit 16

Job Retention Milestones - Selected DSHS Contracts

Payment for each participant who remains employed for specified time						
Region	Contractor	Paypoint 1 30 days	Paypoint 2 90 days	Paypoint 3 180 Days	Paypoint 4 360 days	Max \$ Allowed
1	Northeast Washington Rural Resources	\$300	\$400	\$300	\$500	\$1,500
1	Big Bend community College	\$400	\$250	\$250	\$600	\$1,500
1	Career Path Services	\$350	\$350	\$350	\$350	\$1,400
1	Community Colleges of Spokane	\$300	\$450	\$450	\$300	\$1,500
1	Goodwill Industries of the Inland Northwest	\$300	\$300	\$300	\$500	\$1,400
2	Columbia Industries	\$350	\$350	\$400	\$400	\$1,500
2	Rainier Case Management	\$375	\$200	\$375	\$550	\$1,500
2	Yakima Valley Opportunities Industrialization Center	\$375	\$375	\$375	\$375	\$1,500
3	Center for Career Alternatives	\$375	\$525	\$300	\$300	n/a
3	Community Mental Health Services	\$175	\$275	\$425	\$625	\$1,500
3	Northwest Private Industry Council	\$425	\$375	\$250	\$450	\$1,500
3	Stillaguamish Tribes	\$375	\$525	\$300	\$300	n/a
3	Tulalip Tribes	\$375	\$525	\$300	\$300	n/a
4	Center for Career Alternatives	\$400	\$500	\$300	\$300	\$1,500
4	CEO Inc.	\$250	\$350	\$400	\$500	\$1,500
4	Seattle Mental Health	\$240	\$240	\$360	\$660	\$1,500
4	South King County Multi-Service Center	\$300	\$525	\$300	\$375	\$1,500
4	Washington Women's Employment & Education	\$525	\$375	\$300	\$300	\$1,500
5	Answers	\$375	\$525	\$300	\$300	\$1,500
5	Bates Technical College	\$375	\$375	\$375	\$375	\$1,500
5	Pierce County Community Action Program	\$400	\$375	\$350	\$375	\$1,500
5	Tacoma Community College	\$375	\$375	\$375	\$375	\$1,500
5	Washington Women's Employment & Education	\$375	\$525	\$300	\$300	\$1,500
6	Lower Columbia Community Action Council	\$550	\$400	\$350	\$200	\$1,500
6	Southwest Private Industry Council	\$375	\$525	\$300	\$300	n/a
6	Yakima Valley Community College	\$375	\$525	\$300	\$300	\$1,500

Outcomes: The Contractor shall provide retention services for 12 months

Source: DSHS data.

Exhibit 17

English as a Second Language (ESL) Milestones – Selected DSHS Contracts

Region	Contractor	Paypoint 1 Evaluation & Pre-test	Paypoints 2-5 Per Level of English	Max \$ Allowed
1	Northeast Washington Rural Resources	\$150	\$550	\$1,800
1	Community Colleges of Spokane	\$100	\$300	\$1,800
2	Columbia Basin College	\$450	\$675	\$1,800
2	Yakima Valley Community College	\$200	\$150	\$1,800
2	Yakima Valley Opportunities Industrialization Center	\$600	\$600	\$1,800
5	Bates Technical College	\$300	\$500	\$1,800
5	Pierce County Community Action Program	\$250	\$375	\$1,800
5	Tacoma Community College	\$500	\$300	\$1,800
Outcomes:				
1. Each participant completes one level of ESL.				
2. Participant capable of entering work activity.				

Source: DSHS data.

Exhibit 18

Work Experience (WEX) Milestones – Selected DSHS Contracts

Region	Contractor	Paypoint 1 1 Week	Paypoint 2 Mid-way Eval.	Paypoint 3 Completion	Total \$	Max \$ Allowed
1	Big Bend Community College	\$400	\$400	\$730	\$1,530	\$1,530
1	Career Path Services	\$300	\$300	\$700	\$1,300	\$1,300
1	Community Colleges of Spokane	\$375	\$500	\$650	\$1,525	\$1,525
1	Columbia Industries	\$383	\$573	\$574	\$1,530	\$1,530
1	Goodwill Industries of the Inland Northwest	\$100	\$850	\$300	\$1,250	\$1,250
1	NE Washington Rural Resources	\$250	\$500	\$650	\$1,400	\$1,400
2	Goodwill Industries of the Columbia	\$250	\$250	\$1,030	\$1,530	\$1,530
2	Rainier Case Management	\$400	\$430	\$700	\$1,530	\$1,530
2	Yakima Valley Community College	\$375	\$1,125	n/a	\$1,500	n/a
2	Yakima Valley Opportunities Industrialization Center	\$506	\$506	\$506	\$1,518	\$1,518
2	Center for Career Alternatives	\$300	\$900	n/a	\$1,200	n/a
3	Community Mental Health Services	\$325	\$525	\$680	\$1,530	\$1,530
3	Northwest Private Industry Council	\$375	\$150	\$1,005	\$1,530	\$1,530
3	Stillaguamish Tribes	\$300	\$375	\$825	\$1,500	n/a
3	Tulalip Tribes	\$300	\$300	\$900	\$1,500	n/a
3	Center for Career Alternatives	\$350	\$450	\$730	\$1,530	\$1,530
4	Seattle Mental Health	\$675	\$375	\$450	\$1,500	\$1,530
4	South King County Multi-Service Center	\$600	\$400	\$530	\$1,530	\$1,530
4	Washington Women's Employment & Education	\$375	\$405	\$750	\$1,530	\$1,530
5	Bates Technical College	\$700	\$400	*\$1,130	\$2,230	\$2,230
5	Pierce County Community Action Program	\$400	\$375	*\$725	\$1,225	\$1,780
5	Tacoma Community College	\$260	\$510	*\$1,020	\$1,790	\$1,790
5	Tacoma Urban League	\$325	\$975	*\$975	\$2,275	n/a
5	Washington Women's Employment & Education	\$300	\$600	*\$1530	\$2,430	\$2,430
5	First Steps Family Support Center	\$375	n/a	*\$1,125	\$1,125	n/a
6	Lower Columbia Community Action Council	\$375	\$425	\$700	\$1,500	\$1,500
6	S.L. Start and Associates, Inc.	\$381	n/a	\$1,140	\$1,521	n/a
6	Southwest Private Industry Council	\$400	\$130	\$1,000	\$1,530	\$1,530
6	Thurston County Pacific Mountain Job Development and Training	\$381	\$1,140	\$1,140	\$2,661	n/a
6	Yakima Valley Community College	\$400	\$450	\$600	\$1,450	n/a
6	Answers	\$300	\$535	*\$1,147	\$1,982	\$1,982

Outcomes

1. Practice job skills
2. Enhance competency levels
3. Learn a new skill
4. Develop work maturity skills - being on time, getting along with co-workers, etc. - prep for work

*Region 5 Paypoints 3 and 4 combined in paypoint 3.

Source: DSHS data.

Exhibit 19

Selected ESD Client Service Contracts – Cascade East Region

Contractor:	Contract Service	Amendment Purpose	Total (Tier 1 & 2)	Monthly Tier 1 Payment Contingent upon 85% of client target	Tier 1 \$ Per month	Tier 2 Payment Contingent upon number of clients served	Client Target (Performance Target)	Tier 2 \$ Per Client	Milestones:
Spokane Tribe	Job Search, Job Search Workshop/Job Club OJT, WEX, ER	No Amendment		*70%		*30%			n/a
			\$226,505	\$158,554	\$14,414	\$67,952	65	\$1,045	
NEWRDA	Job Search/Placement/12 mos. TANF exits (Ferry & Pend Oreille) 12 mos. employed (Stevens)	Eliminate TANF exits, replace with 12 mos. retention	\$249,000 Total	*80%	13 mos.	*20%	300 in Job Search 50 job placement 40 retention		1. Enter Job Search 2. JS Workshop 3. Enter intensive JS assistance 4. Exit intensive JS assistance Obtaining employment, WEX, OJT, volunteer
	Job Search - 30-hour workshop, 12-week Job Search, Trans (support services)		\$129,866	\$103,893	\$7,992	\$25,973		\$1,855	
	Retention/Wage Progression - 12 mos. TANF exits certificate of training		\$119,134	\$95,307	\$7,331	\$23,827		\$397	
Karr NW	Placement/retention/TANF exits - Spokane/Yakima special needs	Amendment 1. Eliminates 12 mos. TANF exit targets, modify to 12 mos. retention for target of 85 2. All TANF exit milestones eliminated and replaced with retention milestones		*70%	25 mos.	*30%			1. Employment service 2. Employment 3. Payments for employment: 3 mos. 6 mos. 9 mos. 12 mos.
			\$337,000	\$235,900	\$9,436	\$5	85 clients	\$0	
Whitman Co CAC	Placement in Whitman Co. 12 mos. TANF exits	Eliminates exits from TANF targets and milestones. Changed to retention milestones (12 mos. - 30 clients)		*70%	15 mos.	*30%			n/a
			\$109,650	\$76,755	\$5,117	\$32,895	30 clients	\$1,097	

Source: ESD data.

*Percent of Total

Exhibit 20

Selected ESD Client Service Contracts – West Region

Contractor:	Contract Service	Amendment Purpose	Total (Tier 1 & 2)	Monthly Tier 1 Payment Contingent upon 85% of client target	Tier 1 \$ Per month	Tier 2 Payment Contingent upon number of clients served	Client Target (Performance Target)	Tier 2 \$ Per Client	Milestones:
Lummi Nation	Job Search/Workshop (Curriculum from ESD) OJT, WEX, Job Club	Extends dates and adds \$75,000 for total of \$250,000		*80%	15 mos.	*20%	35 clients		
			\$175,000	\$128,000	\$8,533	\$32,000	\$914		
Tacoma Goodwill Special Needs	Job Search for Special Needs clients, Transitional Employment	No Amendment		*70%		*30%	<ol style="list-style-type: none"> 1. 80 clients accept service/employment 2. 90 % (72) participate in auxiliary services - ESL etc. 3. 70 % (56) work for 12 consecutive mos. 4. 50% (40) exit TANF 		<ol style="list-style-type: none"> 1. Assessment 2. 10 days employment 3. 2 mos. employment 4. Enrollment in Auxiliary Services 5. 6 mos. employment 6. 12 mos. employment
			\$106,800	\$74,760		\$32,040	\$801		
Tacoma Goodwill Job Placement	Job Search for Special Needs clients	No Amendment		*70%	15 mos.	*30%	35 clients		
			\$86,000	\$60,200	\$4,013	\$25,800	\$737		

Source: ESD data.

*Percent of Total

Exhibit 21

Selected ESD Client Service Contracts – Southwest Region

Contractor:	Contract Service	Amendment Purpose	Total (Tier 1 & 2)	Monthly Tier 1 Payment Contingent upon 85% of client target	Tier 1 \$ Per month	Tier 2 Payment Contingent upon number of clients served	Client Target (Performance Target)	Tier 2 \$ Per Client	Milestones:
Work Opportunity Recruitment Company	OJT Job Retention	1. Two tier system eliminated 2. Max payable amount decreased by \$7,857.10 (from \$33,000 to \$25,142.90) 3. OJT paid at \$1,196.42 per completion with 90 days job retention for max of 10 clients 4. Retention 90 days, 30 hours per week, with potential		*70%	22 mos.	*30%			n/a (See order OJT/retention contracts)
		Changes date that contractor may no longer accept new clients from to Feb 28, 1999	\$23,571	\$16,500	\$750	\$7,071	15	\$471	
	Wage Progression		\$9,429	\$6,600	\$300	\$2,829	5	\$566	
Rainier Case Mgmt	Job Retention	Increase with wage progression target	\$320,384	*70%	15 mos.	*30%	50		
	Wage Progression		(w/amend) \$77,080	*70%	15 mos.	*30%	20		
			\$30,832			\$13,214			
SW WA PIC	Job Search for Limited English Proficient (LEP) & ESL in Vancouver and Orchards	Contractor operating at 25- 30% through 12/98 Eliminates tier payment system. Pays contractor \$4577.77 X 30 clients (Revised from 45 clients) New total is \$137,333.33 subtracts \$50,707.68 already paid out, balance: \$86,625.65		*80%	26 mos.	*20%	45		
			\$206,000	\$164,800	\$6,338	\$41,200		\$916	

Source: ESD data.

*Percent of Total

Exhibit 22

Selected ESD Client Service Contracts – Puget Sound Region

Contractor:	Contract Service	Amendment Purpose	Total (Tier 1 & 2)	Monthly Tier 1 Payment Contingent upon 85% of client target	Tier 1 \$ Per month	Tier 2 Payment Contingent upon number of clients served	Client Target (Performance Target)	Tier 2 \$ Per Client	Milestones:
Jewish Family Services	Job Search for LEP 12 mos. retention TANF Exits	Reduces client targets from 100 to 20 Tier 1 payment discontinued 11/98, with 11 placements credited JFS places 5 TANF clients at no cost to ESD, bringing total to 16 ESD pays \$2142 each for 4 more placements with NO RETENTION (30 hrs \$7/hr)		*70%	26 mos.	*30%	100		Recruitment Complete Workshop Attachment to Labor Market Exits TANF 3 mos. off TANF 6 mos. off TANF 9 mos. off TANF 12 mos. off TANF
			\$221,750	\$155,225	\$5,970	\$66,525		\$665	
Refugee Federation		Contract terminated 2/99 for non-compliance – contractor says ESD never referred clients							
Center for Career Alternatives	Job Search for LEP 12 mos. retention TANF exits			*70%	First 14 mos.	*30%	66		Recruitment Complete Workshop Attachment to Labor Market Exits TANF
			136,100	\$71,453	\$5,104	\$40,830	\$619		3 mos. off TANF 6 mos. off TANF 9 mos. off TANF 12 mos. off TANF
				\$23,818	\$1,985				

Source: ESD data.

*Percent of Total