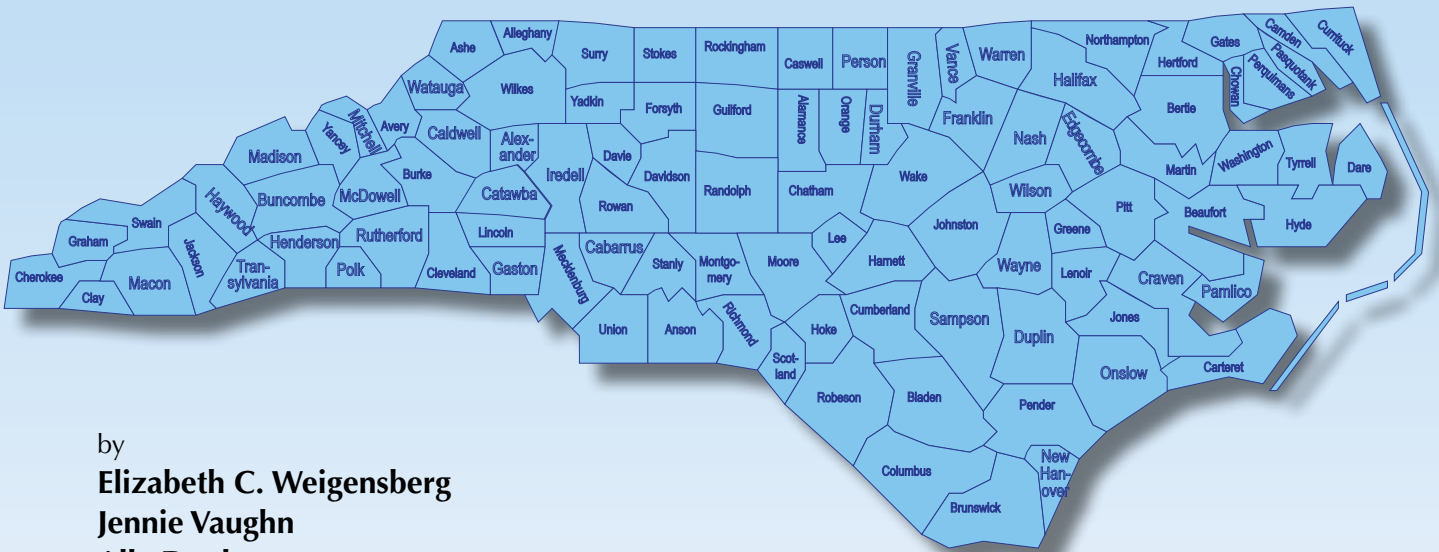


North Carolina Work First Demonstration Grant Study

Promising Strategies to Obtain and Retain Employment



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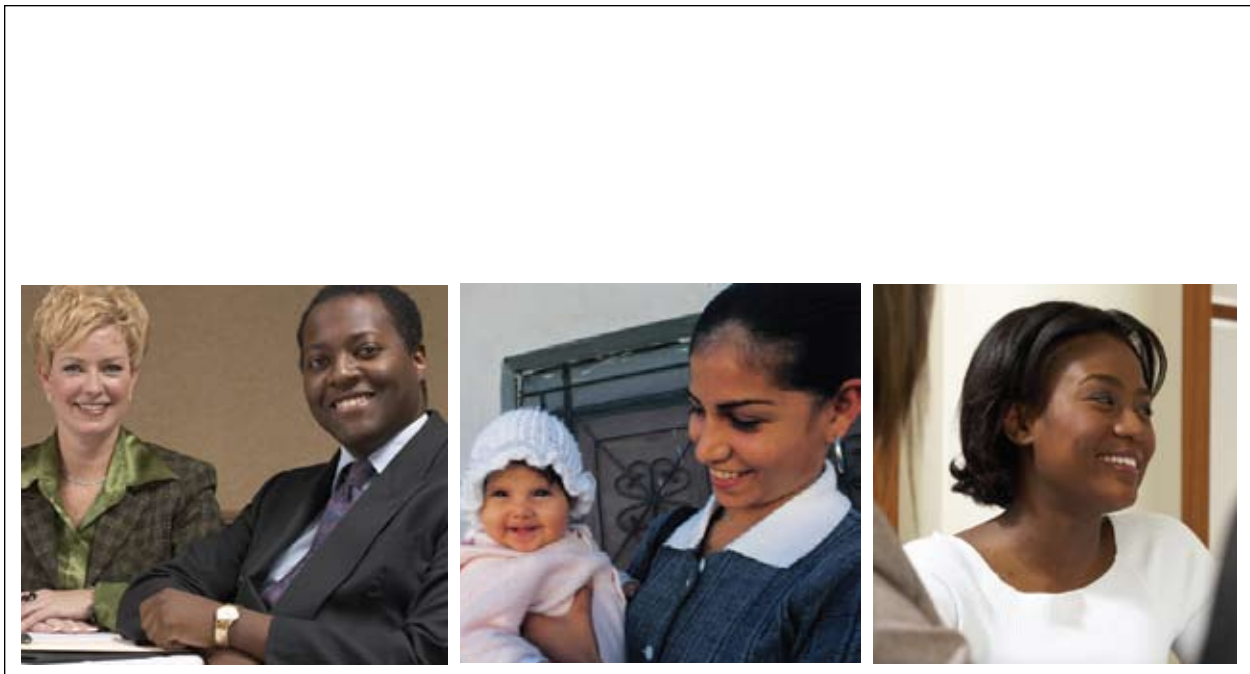


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Executive Summary

Since it began in 2006, the North Carolina Work First Demonstration Grant (WFDG) has enabled 53 counties across the state to implement innovative strategies to assist Work First participants with obtaining and retaining employment. The objectives of this study were to describe the WFDG county initiatives and to identify those strategies that show promise toward promoting employment for Work First participants. A variety of data was collected to evaluate and identify promising WFDG strategies, including interviews with state officials, a content analysis of all WFDG county proposals, a Web survey of all 53 WFDG counties, site visits and telephone interviews with WFDG officials, and an analysis of county participant rates. Many of the county WFDG efforts have been identified as promising strategies, meaning they were new or expanded initiatives that addressed barriers to employment, achieved positive outcomes, viewed as promising by those who implemented the efforts, and evaluated as having the potential to be replicated by other counties or statewide. This study identified 20 specific promising strategies, which are organized into the following 12 categories: job preparation, job search, providing up front services, transportation assistance, participant incentives, case management, assessments, serving hard-to-serve populations, swift sanctions, Pay After Performance, collaboration with government agencies and community partners, and working with employers. The WFDG strategies have contributed to positive outcomes for Work First, including increasing participation rates, finding alternative sources of financial support, improving participants' self-esteem and motivation, as well as building relationships with community partners and employers. However, county WFDG officials have noted that some of these promising strategies may not be sustained when the WFDG funding ends. In addition, after county WFDG officials had reflected on their experiences and challenges, they provided recommendations for changes to policy and practice that would help them to better serve Work First families.



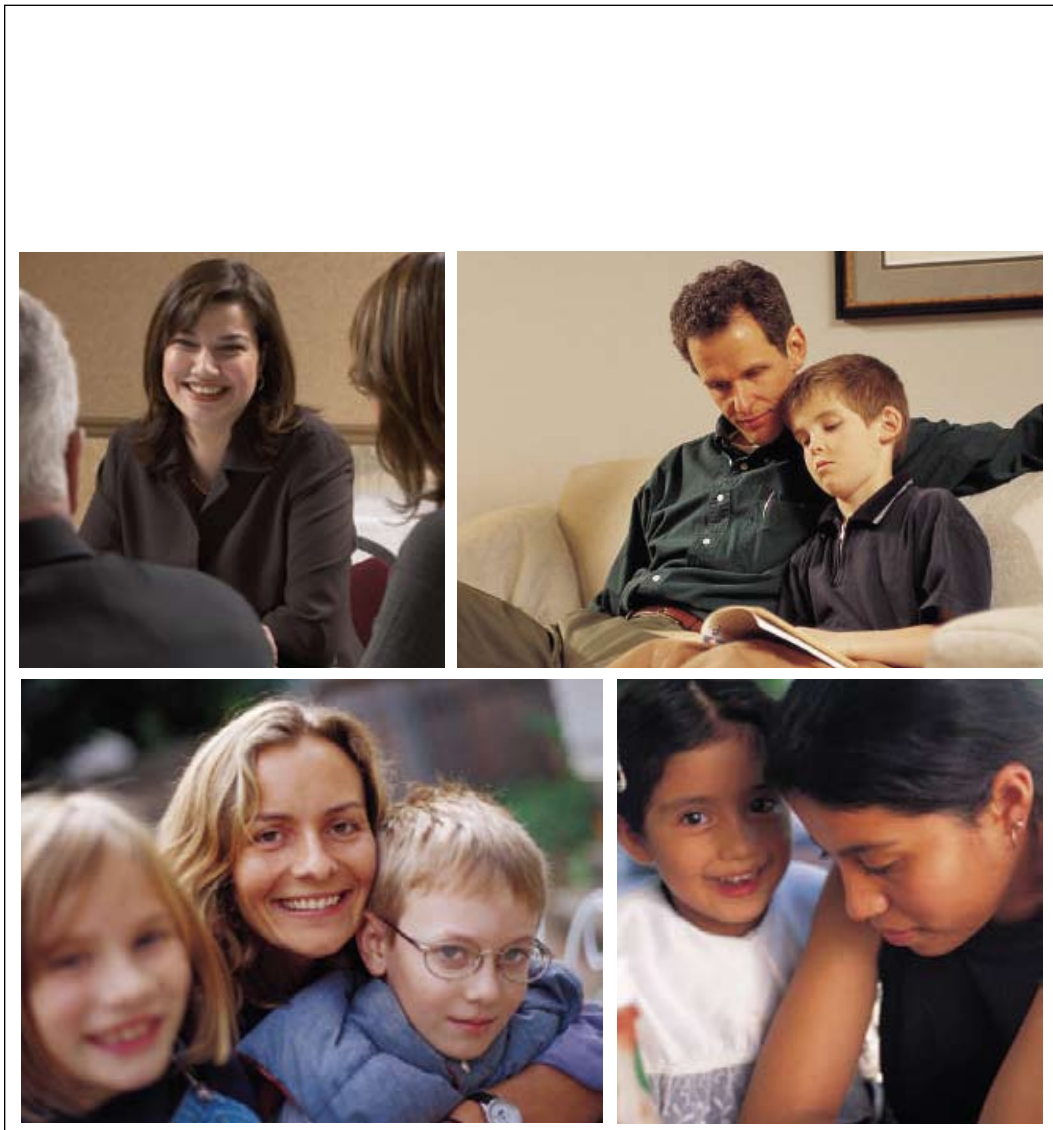
Introduction

North Carolina's Work First program was established by executive order in 1995 to serve as the state's Temporary Assistance for Needy Families (TANF) program. The Work First Program is administered by the North Carolina Department of Health and Human Services, Division of Social Services (NC-DSS). The underlying principle of Work First is that parents have a basic responsibility to support themselves and their children (NC-DSS, 2007). The goals of Work First go beyond simply moving families off the rolls and include a broad focus on job retention and child and family enrichment services. Work First incorporates the following three strategies to move families toward self-sufficiency: (1) diversion—providing one-time cash assistance for unexpected emergencies; (2) work—requiring participation in work-related activities (including training and job-readiness activities); and (3) retention—providing supportive services once participants obtain employment. County departments of social services are required to provide these services to families whose incomes are at or below 200% of the federal poverty level and who meet the eligibility criteria. Families are limited to 24 cumulative months of Work First assistance in North Carolina if they are receiving employment services. The number of welfare cases in North Carolina has significantly decreased in the period since Work First was implemented. In June 1995, the state welfare caseload was 127,402; as of April 2008, the Work First statewide caseload was approximately 26,444 (Duncan, Kum, Flair, & Lanier, 2008).

To promote individual responsibility and hold state TANF programs accountable, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created mandatory work requirements for individuals and set minimum work participation rates for states (U.S. Department of Health and Human Services, 2007). The participation rates represent the percentage of eligible Work First cases that complete work-related requirements each month. Participation rates are assessed with two measures: (1) the "all family" participation rate, which includes both single-parent and two-parent households; and (2) the "two parent" participation rate, which consists of families with two parents living in the home who are able to work. The minimum federal standard for the all family participation rate is set at 50% of the caseload, whereas the minimum standard for the two parent participation rate is set at 90% of the caseload. According to NC-DSS officials, North Carolina had consistently met federal participation rate standards with the assistance of caseload reduction credits, which allowed states a percentage credit toward participation rates that was based on the state's caseload reduction since 1995. However, the TANF reauthorization, which was part of the Deficit Reduction Act of 2005, changed the base year for estimating caseload reduction credits from 1995 to 2005; this change reduced the percentage credits and contributed to a decline in North Carolina's participation rates.

With the state struggling to meet the federal standards for participation rates, the North Carolina General Assembly allocated \$19,048,322 of TANF funds in the form of Work First Demonstration Grants (WFDG) to counties. The goal of the WFDG was to identify promising strategies that would improve work participation rates. These funds provided counties with the opportunity to try creative, innovative approaches to increase their participation rates. Previously, such approaches may not have been possible given the policies that regulate Work First funding. To receive WFDG funding, counties submitted

proposals describing their innovative strategies to NC-DSS. If the proposal was approved, each county was eligible to receive WFDG funds for up to three years. In the first year of the WFDG, during state fiscal year (SFY) 2007, 36 counties participated in demonstration projects. Grants ranged from \$15,600 to \$500,000. A total of \$5,691,175 was allocated for the demonstration projects. In the second year of the WFDG project, SFY 2008, there were 52 participating counties, of which 35 counties continued efforts begun in the first year of the WFDG and 17 counties were new to the WFDG. Only one county from the first grant cycle chose not to participate after its first year in the program. Please see the Appendix for a complete listing of WFDG counties. During the second year of the WFDG (SFY 2008), \$6,331,336 in grants was awarded and ranged from \$6,335 to \$500,000. Because many counties did not start their WFDG efforts until the second year of the program and counties are eligible for up to three years of funding, the state legislature allowed the WFDG to include two more funding cycles—SFY 2009 and SFY 2010—which was an extension of the original WFDG proposal and increased the total time for the WFDG program from 3 years to 4 years.



Study Description

This study was requested by NC-DSS to evaluate innovative county efforts that have been implemented as part of the WFDG to help Work First participants achieve and maintain employment. The WFDG study had the following two objectives:

1. Describe the county initiatives implemented as part of the WFDG.
2. Identify promising strategies that assist Work First participants in obtaining and maintaining employment.

In addition to describing the range of WFDG strategies and highlighting the most promising strategies, this study provides a context for understanding counties' experiences with their WFDG efforts. To accurately describe the various WFDG strategies, we gathered information about the implementation of these strategies as well as the populations of Work First participants these strategies targeted. In addition, to identifying promising strategies, we obtained Work First outcomes, which included participation rates, information on the diversion of Work First applicants, and percentages of first-time Work First applicants. Furthermore, because the WFDG provides time-limited funding for county demonstration projects, county officials were asked to describe their plans for sustaining the strategies after the funding ends. Last, county workers were asked for their suggestions regarding additional support that could be provided by NC-DSS and their recommendations for changes to policy and practice that would help them to better serve Work First participants.

Data collection and analysis efforts for the study began in July 2007 and lasted through May 2008. A variety of data sources were used to gather information for this study.

- ▶ Two interviews were conducted with NC-DSS officials, including state and regional staff who worked with counties involved with the WFDG. A total of 15 NC-DSS staff participated in these information-gathering interviews, which led to a better understanding of the administration of the WFDG.
- ▶ A content analysis was conducted of the 95 proposals that counties submitted to NC-DSS to apply for the WFDG in SFY 2007 and SFY 2008.
- ▶ A Web-based survey was administered to all 53 WFDG counties during February and March 2008. The survey was distributed via e-mail to the primary WFDG contact for each county. All 53 counties responded to the survey, yielding a survey response rate of 100%. The survey contained 20 items that asked about the county's experience with its WFDG strategies, including implementation, Work First populations served, and outcomes.
- ▶ In-depth site visits and telephone interviews were conducted from January 2008 through April 2008 with a selected group of 17 counties, which represented 32% of all WFDG counties. The counties were selected to represent a range of diverse characteristics, including size, location, urban/rural, type of WFDG strategies, participation rates, and when they started the WFDG¹. Over the course of 10 site visit interviews and 7 telephone interviews, 83 participants were interviewed, including county staff and community partners that were involved with the WFDG strategies.

¹The following 17 counties participated in site visits and telephone interviews: Alamance, Anson, Buncombe, Catawba, Cleveland, Cumberland, Forsyth, Haywood, Henderson, New Hanover, Northampton, Orange, Person, Richmond, Robeson, Wake, and Wilson.

- ▶ Both the all family and two parent Work First participation rates were analyzed for the WFDG counties. Statistics were obtained regarding the average participation rates before and during the WFDG as well as the number of counties meeting federal requirements.

Criteria were established to help identify promising strategies. Strategies that are described as “promising” have met the following criteria:

1. Address at least one barrier or challenge related to obtaining and retaining employment
2. Represent a new, expanded, or enhanced initiative for the demonstration county
3. Are identified as promising by the county implementing the strategy
4. Show positive results or the potential for positive results in regard to improving participation rates or achieving other positive outcomes for Work First participants
5. Have the potential for replication in other counties

Applying these criteria ensured sufficient evidence was available to support a claim that a strategy was promising. Evidence was obtained from all the data collection efforts, including the Web survey, the site visit and telephone interviews, as well as the analysis of the participation rates. Even though in some instances there has been insufficient time to fully assess the outcome of a strategy, we considered all available information including preliminary results or anecdotal evidence that might indicate the potential outcome.

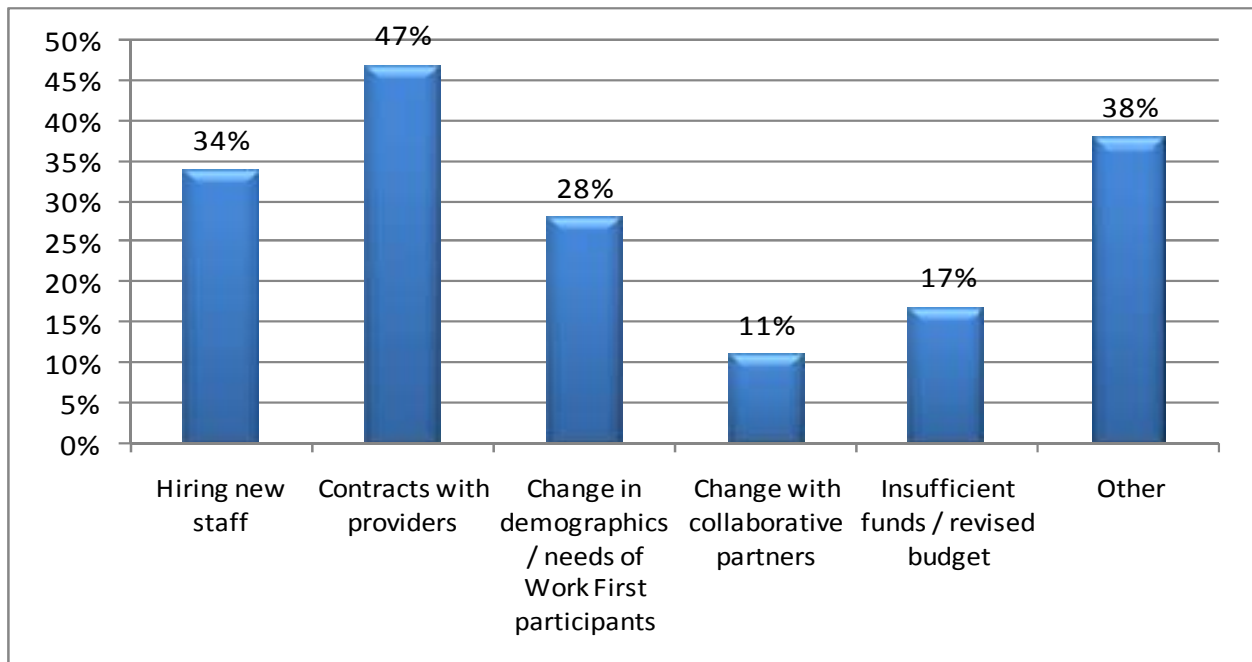


Implementation

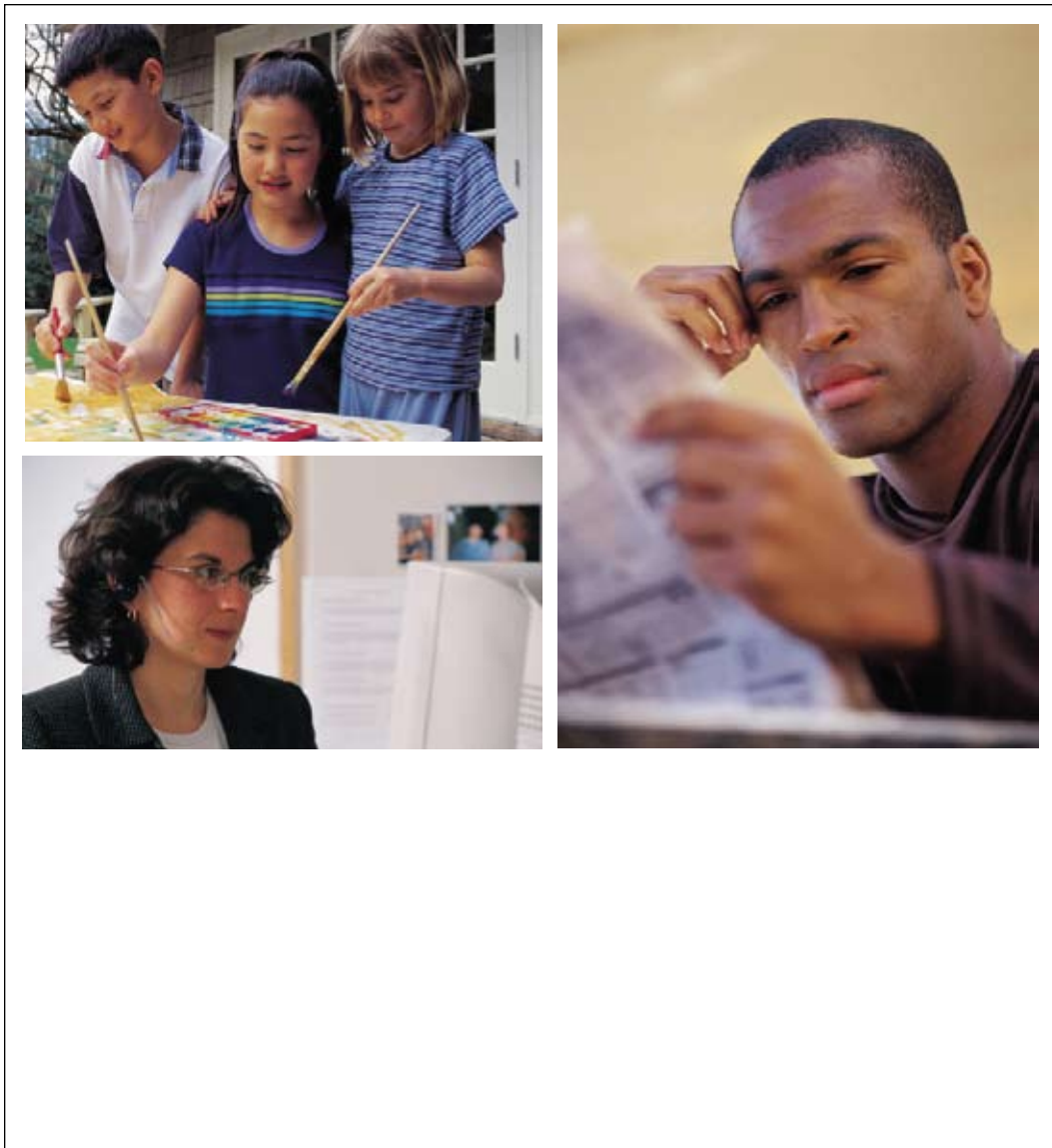
The proposed WFDG strategies involved creating new programs or enhancing existing ones, so services typically could not begin immediately after counties were notified by NC-DSS that their proposals were approved. A majority of counties experienced some lag time between the date of approval and full implementation of their WFDG strategies. Based on data from the Web survey, 8% of counties fully implemented their WFDG strategies within one month of approval, whereas 17% of counties needed one to two months, 21% needed three to four months, 32% required five to six months, and 9% of counties reported that they needed more than six months to fully implement their WFDG strategies. In addition, 13% of counties reported that at the time of the survey, in February 2008, their strategies were not fully implemented.

Although a few counties did not encounter barriers to implementation, a majority of counties faced challenges that contributed to a delay. Among the range of challenges, the most frequently encountered obstacle was negotiating contracts with providers. Additional barriers included hiring new staff, changes in demographics or needs of Work First participants, changes with collaborative partners, insufficient funds, and revised budgets. Other reported barriers included lack of participant cooperation and motivation, grant amendments, delays within other county agencies, regulation restraints of partner agencies, logistics, and time required for developing marketing strategies. Percentages of counties reporting each type of implementation barrier are depicted in **Figure 1**, which is based on the responses of the 47 counties that replied to this question on the survey.

Figure 1
Percentage of counties (n=47) reporting WFDG implementation barriers



Counties used several approaches to address these implementation barriers. A common strategy was to seek outside resources and assistance from community partners. Alamance County, for example, consulted with current community partners to identify service providers for their WFDG strategies. Some counties reported using a temporary staffing agency to provide additional staff, and other counties contracted with child care providers to create additional day care services for participants. Several counties mentioned the effectiveness of increased communication, both within the agency and in their relationships with outside contractors. Flexibility was also an important factor to successfully overcome implementation challenges. For example, the staff of Orange County Work First took on additional responsibilities, such as driving participants to their Work Enrichment classes, until new staff could be hired. A survey respondent from another county described how the staff overcame obstacles by reallocating resources and maintaining frequent, regular communication with vendors and contracted service providers. Despite the many challenges and delays, most counties were able to successfully implement their WFDG strategies within several months of receiving WFDG award notification.



Work First Participants

The Work First populations of each of the 53 WFDG counties varied considerably in terms of numbers and participants' characteristics and needs. In April 2008, the Work First caseload sizes of WFDG counties ranged from as few as 43 to as many as 2,875 cases, with an average of 379 Work First cases, which included child-only cases (Duncan et al., 2008). The counties selected for in-depth interviews reported average Work First caseloads ranging from 12 to 55 cases per worker, which often included cash assistance and child-only cases. Moreover, the number of first-time participants (i.e., those who have not previously been Work First participants) in a county's Work First population also varied widely. In some counties only a small number of participants were new to the Work First program, whereas other counties, such as Orange County, reported that up to 95% of their Work First caseload were first-time participants.

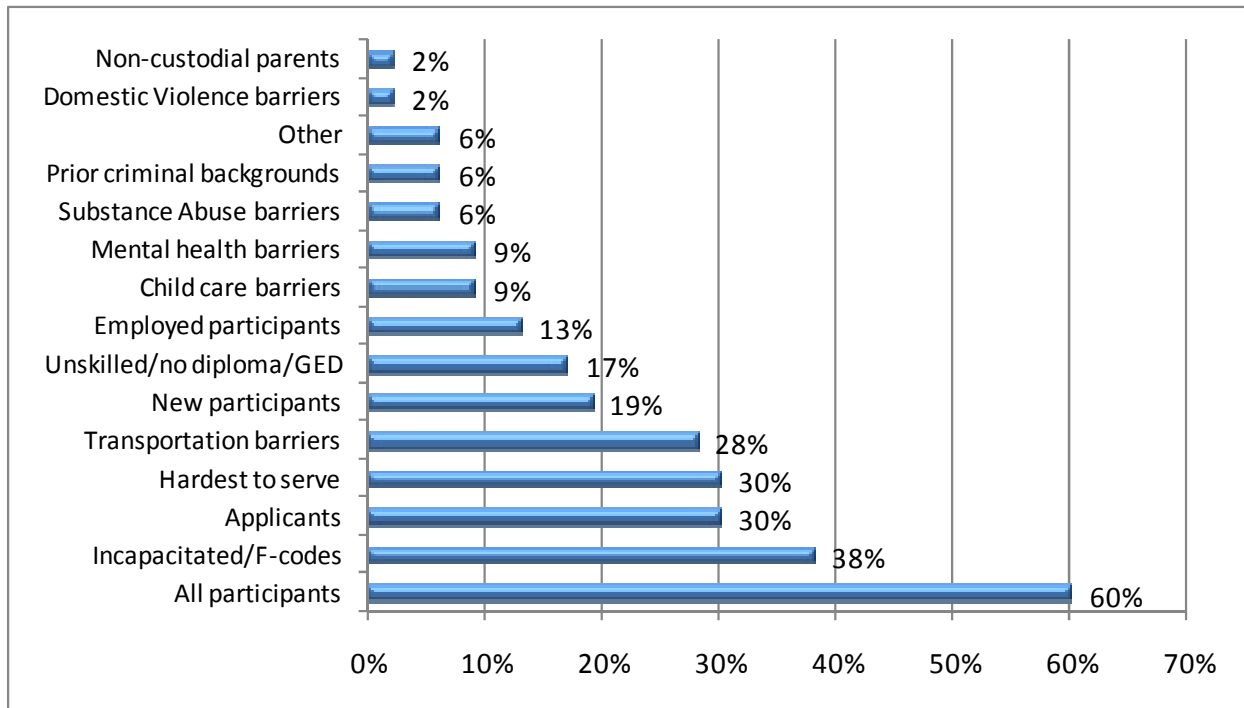
Counties also reported varying types of Work First participants who faced different barriers to employment. In particular, the number of incapacitated participants, classified as "F" codes, varied greatly by county. For instance, some counties reported very few incapacitated participants, whereas other counties, such as Catawba County, reported nearly half of their caseload included incapacitated participants. However, not all those categorized as incapacitated participants are completely unable to work. Counties reported that they have found or expect to find varying percentages of their incapacitated participants ineligible to work after an evaluation. Many counties used functional capacity assessments, often supported with WFDG funds, to evaluate the strengths and needs of these participants. Of the 48 counties that answered this question on the Web survey, 11 counties (23%) reported that greater than 25% of their incapacitated participants would be found ineligible to work after an evaluation, as compared to 31 counties (65%) counties reported that evaluations would indicate that only 10% or fewer of their incapacitated participants would be found ineligible to work. Counties also varied in the extent to which their Work First families faced other barriers to employment, including substance abuse, mental health issues, and family violence.

Counties tailored their WFDG strategies to meet the needs of the Work First families in their caseloads. Although the majority of these strategies were designed to impact all Work First participants, a number of counties reported that their strategies targeted a subgroup of participants with particular barriers to employment, such as lack of transportation, low educational attainment, or a criminal record. **Figure 2** illustrates the percentage of the 53 counties that used WFDG strategies targeted to particular subgroups.

Counties also have served or expect to serve different numbers of participants, depending on the county's size and selected strategies. According to the Web survey, the number of participants expected to be served by the WFDG funded strategies ranged from one to more than 1,000 participants. On average, each WFDG strategy was expected to serve approximately 63 participants. Nearly half of the 17 counties interviewed reported they were meeting their expectations for the number of participants they intended to serve with their WFDG strategies.

Figure 2

Percentage of counties (n=53) with WFDG strategies targeting subpopulations of Work First participants



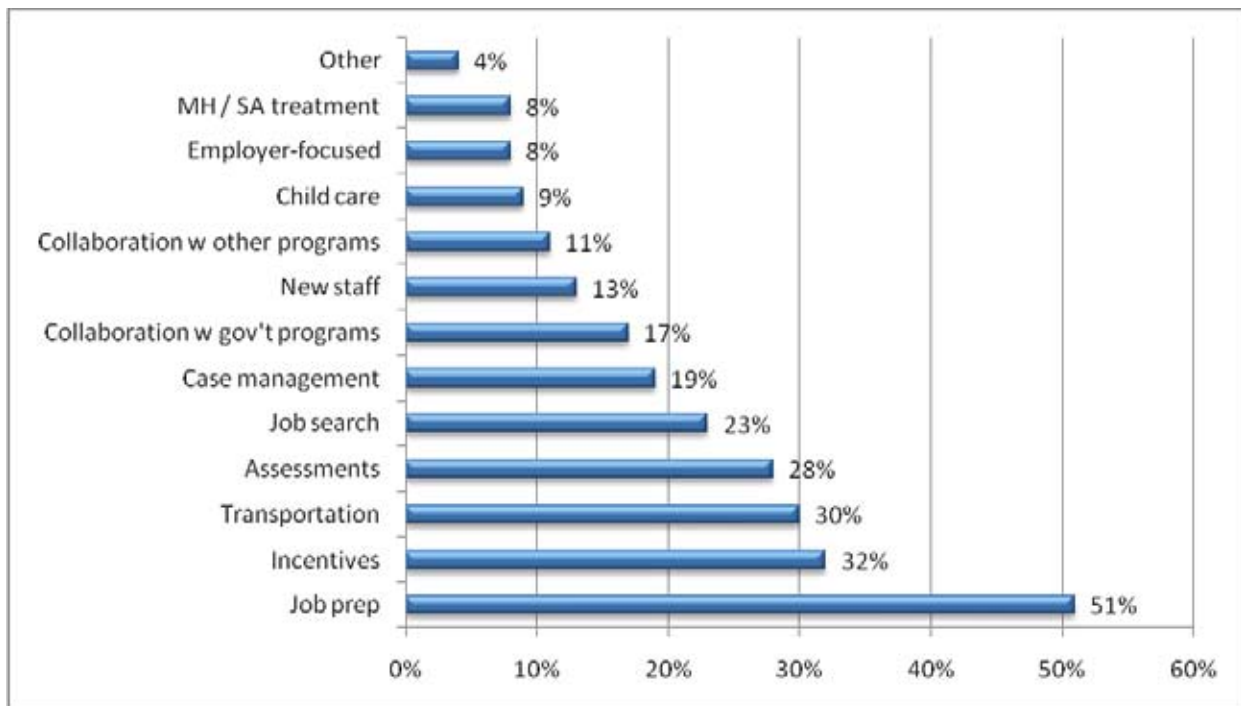
Promising Strategies

WFDG strategies were identified as promising based on meeting five criteria: (1) addressing at least one major barrier in obtaining and keeping a job; (2) creating a new or expanding an existing program for a county; (3) demonstrating positive results or showing the potential for positive results; (4) being endorsed as promising by counties practicing the strategy; and (5) exhibiting potential for replication in other localities. Based on these criteria, project staff identified 20 promising strategies, which are organized into 12 categories: job preparation, job search, providing up front services, transportation assistance, participant incentives, case management, assessments, serving hard-to-serve populations, swift sanctions, Pay After Performance, collaboration with government agencies and community partners, and working with employers. In this section, we provided a description of each promising strategy along with examples from counties that have implemented the strategy.

As part of the analysis to determine which WFDG strategies were promising, it was important to include the opinions of county Work First workers regarding the strategies they would identify as most promising based on their experience. Therefore, as part of the Web survey sent to all WFDG counties, each respondent was asked to name up to three WFDG strategies he or she thought were the most promising. Respondents were asked to consider only those strategies implemented in their county. **Figure 3** depicts the percentage of the 53 WFDG counties that identified each type of strategy as one of their three most promising strategies. All of the strategies recommended by the counties are included among the promising strategies identified in this section, except for the strategy of hiring new staff. Because hiring new staff was often incorporated in the implementation of other strategies, we chose not to present it as a separate strategy.

Figure 3

Percentage of WFDG counties (n=53) identifying each type of strategy as one of their three most promising strategies



Using the recommendations of county WFDG staff in conjunction with the criteria developed by project staff for identifying promising strategies, we found the following WFDG strategies to be the most promising.

JOB PREPARATION

According to the Web survey, 31 counties implemented some type of job preparation strategy as part of the WFDG. Job preparation activities help participants acquire and develop readiness skills needed to obtain and retain employment as well as provide participants with opportunities for learning professional skills through job training experiences. These activities includes job readiness classes, mentoring and job coaching programs, and experiential activities such as community service, work experience, and on-the-job training. Job preparation strategies were identified by 51% of counties as one of the most promising types of strategy to help Work First participants find employment.

Job readiness classes

Based on the review of the WFDG county proposals, 16 counties have implemented job readiness classes as part of their WFDG efforts. Job readiness classes demonstrate general workplace expectations and teach Work First participants the skills required to achieve success in the workplace. Such skills include time management, professional appearance, and conflict resolution. Job readiness classes are typically held on-site at the local Work First office or on the campus of a community college. Some counties combine their job readiness classes with supervised job search efforts. Frequently, job readiness classes conclude with a graduation or celebration during which the participants receive recognition for their accomplishments and certificates of achievement. Prior to the WFDG, many counties offered job readiness classes; however, the WFDG provided an opportunity to expand and enhance these classes by using creative, innovative approaches. Counties that implemented job readiness classes under the WFDG have achieved positive outcomes, including increased participation rates and improved job retention.

Promising County Example

Using WFDG funds, Orange County expanded its existing job readiness class from 2 weeks to 12 weeks in length. Classes are conducted six and a half hours a day, Monday through Friday, in a newly furnished classroom with 20 state-of-the-art computers. Participants are provided with lunch and transportation to and from class. The focus of the first 4 weeks is exclusively on overcoming participants' barriers to successful employment. Community experts and service providers are frequently brought into the classroom to give presentations on topics such as childcare, domestic violence, mental health, nutrition, and self-care. In addition, the curriculum includes classes on human resource development taught by an instructor from nearby Durham Technical Community College. Class content includes computer skills, money management, finding a job that matches skills and interests, interviewing tips, and customer service skills. Job readiness classes are combined with two weeks of work experience, in which a participant is placed with an employer to obtain experience in the workplace. In recognition of their efforts and to enhance motivation, class participants receive gift cards and other incentives when they reach milestones and meet personal goals.

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A social worker comes on-site to provide participants with needed support services, such as providing transportation to court or doctor's appointments. This high level of support is matched by high expectations. Participants are required to dress professionally when attending class and to conduct themselves as if they were on the job. Participants are also treated with the utmost respect and considered temporary employees by Work First program staff. Program outcomes have exceeded expectations. Although the Orange County program set a goal of placing 70 participants in jobs within the first year, during the first five months of SFY 2008, the Orange County successfully placed 103 participants into jobs.

On-the-job training

Some counties found they had participants who were ready to work but lacked employment experience or specialized job skills. To serve these Work First participants, counties partnered with employment agencies and local businesses to provide on-the-job training for Work First participants. Employers involved with these programs agreed to hire participants for a specified period—ranging from six weeks to six months—and to provide participants with job-specific knowledge and skills training. In return, Work First reimburses the employer for wages and other training costs, and employers are also eligible for federal tax exemptions. At the end of the training period, the employers are asked to permanently hire successful participants. Counties used funds provided through the WFDG to create or expand on-the-job training programs. WFDG funds were used to pay training expenses for workers and, in some cases, salaries for job developers. County Work First officials supported on-the-job training programs as promising because the programs benefit both parties. The participant gets a job, learns new skills, and gains experience and confidence, while the employer gets a low-cost employee and a potential permanent hire.

Promising County Example

Cleveland County partnered with a local home health agency to train participants as in-home health aides. Cleveland County focused on the healthcare field because jobs in this sector typically pay better than jobs in the retail and fast-food industries and there is a high demand for these employees. Participants are hired for a three-month training period during which they receive training and supervision in addition to assistance with meeting the requirements to become a certified nursing assistant (CNA). Work First pays the local home health agency a specified rate for each hour the participant works, and pays a one-time hire fee if the agency hires the participant at the end of his or her training period. A total of nine participants were hired in the program's first year. Cleveland County DSS had an established relationship with this home health agency as a provider of home health services to Adult Services clients, but the WFDG funds allowed them to establish an on-the-job training program. Cleveland County Work First officials believe this long-standing relationship has been an important contributor to the success of the on-the-job training program.

JOB SEARCH

According to the Web survey, 26 counties, nearly half of all WFDG counties, implemented an effort toward improving or promoting job search activities for Work First participants. Job search activities include developing a resume; conducting a job search using job listings in newspapers, at unemployment offices, and on the Internet; completing job applications; and preparing and practicing job interviews. Participants may complete these activities independently or as part of a formal job search group, but all activities must be documented daily and verified by Work First staff.

Supervised job search computer labs

Because many job search activities require the use of computers and access to the Internet, seven county Work First offices chose to expand, upgrade, or create on-site computer labs for Work First participants. WFDG funding was used to purchase computers, software, Internet connections, and furniture. The computer labs are supervised either by Work First staff or by contracted employees from the Employment Security Commission (ESC) or other community organizations to comply with the Deficit Reduction Act of 2005, which mandates that all job search activities be supervised. The computer labs are primarily used for job search activities, including developing resumes, searching employment Web sites, and submitting on-line job applications. However, some counties, such as Person County, have expanded the use of the computer labs to assist participants in obtaining a GED through on-line programs with the local community college. County Work First officials have consistently reported positive participant outcomes associated with access to the computer labs, and have specifically noted increased numbers of people participating in supervised job search activities and improved success with participants finding employment. In addition, locating computer labs at Work First offices appears to be a critical part of this promising strategy because the central location allows Work First participants to access multiple services during a single trip and allows social workers to provide services in a timely and efficient manner.

Promising County Example

Forsyth County used WFDG funds to open an eight-station computer lab on-site in the Work First offices, where Work First applicants can access the Internet to search and apply for jobs. The lab is open seven hours every weekday and is staffed by three ESC employees whose salaries are paid with WFDG funds. ESC provides job search software, general resource materials, and gives Work First participants access to job leads. Demand for the computer lab has been so high that participants had to be divided into morning and afternoon shifts, and an additional six workstations have been added to supplement those bought with WFDG funds. The lab has been highly successful. In its first year, 165 of the lab's 550 users (30%) found full-time, unsubsidized employment. Many people have found employment before even being approved for Work First benefits. According to Forsyth County officials, the main reason the computer lab has been successful is because participants have used the lab. Before the on-site Work First computer lab was built, Work First participants were referred to a local sheltered workshop to do job search activities; however, only half of the participants ever followed through and used the off-site computer facility. The physical layout of the computer lab has also contributed to its success. Participants can either choose to work independently at computer stations and receive individual instruction or to work with one another to help each other and share successes, which fosters camaraderie and a sense of purpose.

PROVIDING UP FRONT SERVICES

The processing of a Work First application for approval takes between two and six weeks. During this application period, regular Work First funds generally are not used to provide services to applicants. To prevent applicants from losing their momentum and motivation during this time, counties used WFDG funding to offer up front services, such as job readiness programs, human resource development classes, job search services, transportation vouchers, and childcare assistance.

Promising County Example

The Work First program in Haywood County, a large rural county west of Asheville, provides services immediately upon application. Applicants are invited to join Work First participants at the local JobLink center, where they can take job readiness classes and complete supervised job searches. In addition, applicants can earn community service hours by working at the on-site thrift shop, or can receive group or individual mentoring offered by a local faith-based agency. An on-site daycare center provides free childcare to parents who are receiving Work First services.

TRANSPORTATION

Transportation strategies were the most frequently used WFDG strategy. According to the survey, lack of transportation is one of the most common barriers for obtaining and maintaining employment, and 33 counties (62%) implemented a form of transportation strategy as part of their WFDG proposal.

Van and driver programs

According to the review of county proposals, 17 of the 53 counties used WFDG funds to create or expand a van and driver program. For some counties, this meant purchasing a van, whereas, other counties took advantage of existing services and contracted with a local transportation provider. Some county programs included hiring drivers to provide participants with transportation to job readiness classes, job interviews, and other work-related activities. In some cases, Work First participants were hired as the drivers. These van and driver programs have led to numerous positive outcomes, such as helping participants keep appointments and find and retain employment.

Promising County Examples

Because of limited Work First funding, officials in rural Northampton County used WFDG funds to extend transportation van service that is outsourced through a contract with Choanoke Public Transportation Authority for the exclusive use of two vans—one to cover each half of this sprawling county, which can span up to 40 miles. The vans are used to transport Work First participants to job readiness classes, job search activities, and appointments with social workers. This van service is crucial because Northampton County lacks major retailers and many services, and, therefore, residents typically have to travel outside the county for most jobs and support services.

Wake County used WFDG funds to purchase a van for its newly expanded Job Search Club as well as to pay a Work First participant to drive.

Transportation vouchers and reimbursements

According to the WFDG county proposals, 10 counties offer transportation vouchers (for public buses or private van or taxi service) or offer mileage reimbursements to enable participants to travel to a job or other countable activity. Many counties offered a modest mileage reimbursement before the WFDG, but the WFDG funds allowed counties to increase the reimbursement rate.

Promising County Example

Before receiving WFDG funds, New Hanover County provided a reimbursement of 21 cents per mile. With WFDG funds, the Work First program was able to increase the reimbursement for participants to the state rate of 48.5 cents per mile.

Vehicle purchase programs

According to the review of proposals, six counties used WFDG funds for vehicle purchase programs. Work First officials with these counties reported that vehicle purchase programs help participants overcome transportation barriers and enable participants to obtain and retain employment, as well as to gain independence and a higher quality of life. Counties varied in the specific requirements of the vehicle purchase programs. However, each program offered financial assistance to participants, ranging from \$2,500 to \$4,500, to help with the purchase of a vehicle. Some programs required the participant to contribute \$500 of their own money, while others did not require participants to provide their own money as a co-payment. Several programs included an educational element, such as including financial counseling and car maintenance instruction. In addition, these programs differed in the extent to which they helped participants select a vehicle. Some programs required that a county Work First staff member accompany the participant to the dealership to assist the participant with selecting a vehicle, whereas other programs expected the participant to select the vehicle independently. Several of the vehicle purchase programs have partnered with car dealerships and local mechanics to help identify reasonable and reliable vehicles as well as inspect the vehicles before purchase. Some programs even provide 3 to 6 months of liability insurance for participants to assist with the costs of owning a vehicle. Vehicle purchase programs are promising for all counties facing transportation barriers; however, vehicle purchase programs are particularly beneficial for counties that have limited or no public transportation service, which prohibits participants from finding employment.

Promising County Examples

Work First participants living in rural, industry-poor Anson County often must travel to adjacent Union County or to urban Charlotte to find work. Traveling across county lines for employment creates an average daily commute of 50 miles roundtrip, but can reach nearly 100 miles for some. For many individuals, a quality, reliable vehicle is the only way to find and retain a job. The Anson County program, Wheels that

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Work, offers Work First participants \$4,500 toward the purchase of a vehicle providing the participant is in good standing and he or she has received a job offer. The participant must also contribute \$500 in cash or trade-in value. The program has been extremely successful as evidenced by the 16 participants who received vehicle purchase assistance in the first 8 months of the WFDG program.

Henderson County has many retirees, which has greatly increased the demand for nurses and other health care providers, so the county Work First program paired the vehicle purchase assistance program with training and employment in the health care field. As part of a WFDG initiative, Henderson Work First participants who earn certification as a nursing assistant or other health-related certification and obtain employment are eligible for \$3,000 toward a vehicle purchase.

PARTICIPANT INCENTIVES

According to the survey, 27 counties (51%) used the WFDG to provide participant incentives—typically gift cards or cash payments—to motivate and reward participants. Many counties reported using the incentives to encourage participants who were working toward accomplishing significant goals (e.g., completing a training program or finding a job) and to reward those who completed monthly requirements and submitted required paperwork. Although incentives were a commonly used and supported practice, WFDG county officials reported divergent views on the appropriateness of participant incentive programs, particularly those that reward participants for meeting monthly participation requirements. Counties that support incentive programs assert that incentives are an effective method of encouraging participants to complete their required hours and submit their paperwork on time, which in turn reduces staff follow-up time and increases monthly participation rates. Supporters further argue that the incentives provide extra motivation to participants who might otherwise give up, and that the good habits developed while working toward an incentive will remain long after the participant has transitioned off of Work First. However, other staff reported they oppose monthly incentives, stating that participants should not be rewarded for simply complying with requirements because the practice might foster dependence and a false sense of entitlement. These opponents also argued that the incentives do not reflect real world practices, although others claimed employer incentives are commonly used in the work place. Despite this divergence of opinion, there was much support for participant incentives and evidence that they contribute to of positive outcomes for participants.

Gift cards

According to the review of the WFDG proposals, 11 counties have used WFDG funds to purchase gift cards for participants who achieved milestones or completed monthly participation requirements. Gift cards to Wal-Mart, usually in \$25 or \$50 increments, are most common, because that retailer offers a wide variety of competitively priced groceries and nonfood items such as toiletries, clothing and shoes. Gas cards are also provided by some county programs. County Work First staff instruct participants that the gift cards are to be used only toward the purchase of food, necessities, or work-related items needed for employment, such as uniforms or work boots.

Promising County Example

In Robeson County, Work First participants who are engaged in work activities (e.g., employment, work experience, or community service) receive a \$50 gift card each month they complete their required hours. County Work First officials say that the program has boosted morale, both for participants and for Work First staff. In addition, the incentive program has an added benefit of regular communication, because participants often call to make sure they are on track to receive the gift card.

Cash incentives and employment bonuses

According to the review of the WFDG proposals, 13 counties have used WFDG funds to provide cash incentives or employment bonuses for participants, usually for meeting significant milestones.

Promising County Example

In Wake County, participants receive \$100 for completing a vocational or other approved training program, \$150 for getting a job, and \$300 for keeping a job for six months. Program officials reported that providing small incentives each step along the way motivates participants without overwhelming them. One Work First official stated, “[The Work First participants] see that these goals are achievable.”

CASE MANAGEMENT STRATEGIES

Based on data gathered through the Web survey, a third (34%) of WFDG counties implemented a form of case management as part of their strategy. However, these case management strategies included several efforts that went beyond standard practice, such as the implementation of specialized case management for incapacitated participants and the use of family team meetings.

Specialized case management for incapacitated participants

Six counties used the WFDG funding to hire a social worker or case manager to work exclusively with incapacitated participants. These professionals assist incapacitated participants in applying for Social Security disability benefits or help the participants determine their abilities, discover interests, and find a job that they can perform and enjoy. Some of the case managers have a regular caseload and carry the authority and responsibility of a typical Work First social worker. Other case managers are contracted staff from partner agencies that work with incapacitated participants to help determine the participants’ strengths, identify their abilities and activity levels, and remove barriers to success. Although helping incapacitated participants apply for Social Security is a primary task for these specialized case managers, they also assist with resolving other barriers, such as finding daycare, arranging transportation, and scheduling medical appointments.

Promising County Examples

Henderson County hired a part-time “runner” to work with participants, many of whom were incapacitated and needed closer attention than their social worker was able to provide. Henderson officials noted that many participants have said they feel more comfortable and speak more freely with the runner because that person cannot impose sanctions. This openness is helpful to both parties because participants are more willing to ask for help and the runner is able to work quickly and intensively to provide or locate the needed services.

Buncombe County hired a specialized case manager to serve its incapacitated participants. A key part of that position is monitoring applications for Social Security disability benefits and ensuring that participants keep up with required medical visits and file appropriate paperwork. Thus far the strategy has yielded promising results: seven incapacitated participants from Buncombe County’s caseload were approved for Social Security disability during the first eight months of SFY 2008.

Family team meetings

Although only one WFDG county implemented family team meetings as part of their WFDG, six other WFDG counties that were interviewed reported that they are engaged in some form of family team meeting and expressed support for this practice as a promising strategy to help Work First families. Family team meetings, which are also known as child and family teams that are used in child welfare cases, serve as a family-centered, strength-based way to engage family and community resources when developing case plans and making case decisions. Work First participants identify family members, friends, neighbors, religious leaders, service providers and others who can provide support and guidance that can help the participants overcome barriers to fulfill their Work First requirements and obtain self-sufficiency. Previously, success team meetings were used in Work First to achieve a similar objective. However, many staff favor the family team model, which places increased emphasis on the family and their role in constructing the team. Although family teams can be used with any types of Work First cases, this approach is most commonly used in cases that are also involved with child welfare.

Promising County Example

As part of the WFDG, Buncombe County adopted the use of family teams in September 2007 and held eight family team meetings during the first nine months of SFY 2008. Buncombe County Work First staff noted that even though family teams are typically used with those families that are also involved with child welfare services, the staff were confident that family teams can be equally effective for all types of Work First families. Buncombe County staff report that the use of family teams is a promising strategy because the approach uses the participant’s natural support system in conjunction with the more formal support services from agency providers. Bringing everyone to the table during a family team meeting also ensures that all those involved have received accurate information and prevents workers from setting conflicting or competing goals.

ASSESSMENTS

According to the Web survey, 22 counties (42%) have used the WFDG funds to support assessments of Work First participants. Work First officials emphasized that assessments, such as functional capacity assessments or vocational evaluations, have been useful tools that have increased their understanding of participants' needs and strengths.

Functional capacity assessments

Some Work First participants are classified as incapacitated (F-code) participants, meaning they have a documented disability that may limit their ability to fulfill work requirements. Although these participants are incapacitated, they are included in the calculation of the county's participation rate. Because few incapacitated participants can meet monthly work requirements, they negatively impact the county's participation rates. Individuals with a severe and permanent disability who are eligible to receive disability benefits from the federal Social Security Administration are removed from the Work First caseload. However, the application process is complex and often requires numerous appeals. In addition, a shortage of trial judges in North Carolina has created a backlog of disability application appeals, and it can take up to 3 years to be approved for disability benefits, and another three to six months to receive payment. Several WFDG counties have improved their efforts to serve incapacitated clients by using functional capacity assessments to fully evaluate the strengths of the individual and determine what work activities they can and cannot perform. These assessments, which take 20 hours or more and are conducted over the span of several days, systematically evaluate a participant's abilities, skills, and interests. Assessments may be conducted by a sheltered workshop, a doctor, or another provider.

Promising County Examples

Cumberland County has begun conducting functional capacity assessments of all incapacitated clients as part of the WFDG. The assessments are conducted under a contract established between the Cumberland County Work First program and a local nonprofit organization that provides rehabilitation and employment services for people with disabilities. The assessment consists of several components: a 90 minute intake; eight hours of testing, including a detailed inventory of aptitude and interests, academic achievement, manual dexterity, and transferrable skills; a 10-hour situational assessment and 20 hours of community-based, on-the-job assessment. Officials from the contracted nonprofit organization also work to inform employers of federal tax credits available to those who hire a person with a disability and to provide information about making simple, low-cost accommodations for disabled workers. As a result of this contractual partnership to provide assessments for incapacitated participants, several Cumberland County Work First participants have gotten jobs in the local area, including at a café operated by a local college.

In Wilson County, the functional capacity assessment is just one part of its Vocational Incentive Participation (VIP) Program for incapacitated participants. This 12-week program, administered by a sheltered workshop and supported entirely by the WFDG, offers a variety of assessments and work experiences in addition to providing instruction and guidance about good work habits and workplace safety. The program is offered each weekday for five hours, and participants are provided \$50 per week as an incentive. Many participants have found they are able to successfully perform specific work tasks, and those who are truly unable to work come away with documentation to support an application for Social Security disability. Program participants have boosted Wilson's participation rates—monthly participation among those in the VIP Program is 100% most months.

Vocational evaluations

Vocational evaluations, also called job skills evaluations, are systematic evaluations of an individual's abilities, skills, and interests. Participants take a battery of tests that assess phone skills, writing ability, accounting skills, and the individual's capacity for light industrial work. Unlike functional capacity assessments, which are generally targeted toward incapacitated participants, vocational evaluations are designed for work-ready individuals.

Promising County Example

New Hanover County contracts with a sheltered workshop and community rehabilitation program to conduct vocational evaluations of Work First participants. The tests measure the participant's general learning ability, vocational interest, general aptitude, and tolerance for various work conditions such as extreme heat or cold. The assessment also includes a behavioral observation. The vocational evaluator interprets the data and provides a summary and analysis in layman's terms, which greatly enhances the usefulness of the process. Following the evaluation, participants receive additional services that have been tailored to fit their needs (e.g., work adjustment, job search, and job placement).

SERVING OTHER HARD-TO-SERVE POPULATIONS

Although the overall number of Work First participants has declined in recent years, many of the hardest to serve participants continue to remain on Work First. The comments of one Work First social worker summarized the viewpoint of many Work First staff:

Most everyone who can get a job has a job now. Those who are left (in Work First) are the ones with multiple barriers. It's getting harder and harder to help these participants find success.

To meet this challenge, some WFDG counties used targeted strategies to address specific barriers to employment.

Mental health and substance abuse treatment providers

A few counties used WFDG funds to hire mental health and substance abuse treatment service providers to work exclusively with Work First participants. Frequently, Work First participants who have mental health or substance abuse issues are required to receive treatment services as specified in their Mutual Responsibility Agreement (MRA). The MRA defines the obligations participants must uphold to receive Work First assistance. However, WFDG officials reported that providing mental health and substance abuse treatment services on-site at the local Work First office removed a critical barrier to participants' success.

Promising County Examples

Cumberland County hired a substance abuse counselor who performs drug tests and, if needed, provides counseling and gets participants into treatment.

Mecklenburg County hired a substance abuse counselor and a mental health provider to serve Work First participants in need of treatment services who are not covered by Medicaid.

Childcare assistance

Work First participants are eligible to receive financial assistance for childcare of their children younger than six years old; however, demand for this assistance greatly exceeds available funding in most counties, and results in waiting lists that can be months or even years long. Participants are eligible for benefits while on the waiting list and cannot be sanctioned if lack of childcare prevents them from completing federal activities requirements—a policy that is family-friendly but detrimental to counties’ participation rates. To address this problem, 11 counties that responded to the Web survey reported having used WFDG funding to assist with participants’ childcare expenses. The expanded funding for childcare allowed Work First participants to obtain childcare and begin work activities.

Promising County Examples

Wilson County used WFDG funds to offer three months of childcare assistance to Work First participants.

New Hanover County used WFDG funds to expand childcare assistance to Work First participants whose children were three months old, instead of six months, as mandated by state policy. In the first eight months of this expanded assistance program, 87 participants were served, which helped to improve New Hanover County’s participation rates.

Criminal background

It is challenging for an individual with a criminal background to find employment because of employer mistrust and the sensitive nature of some jobs that automatically excludes anyone with a criminal conviction in their past. As such, those with criminal backgrounds are often among the hardest Work First participants to place in a job, and a few WFDG counties developed efforts focused on finding employment for participants with criminal records.

Promising County Example

Cleveland County hired two Job Placement Specialists whose duties include searching for job opportunities specifically for individuals with felony records. These specialists cultivated a relationship with two employers, including a large retail store, and these employers agreed to place Work First participants in work experience placements. The specialists work one-on-one with these participants to provide job search tips as well as information about how to interact with employers during interviews and while on the job.

SWIFT SANCTIONS

Swift sanctioning is a specific strategy to provide up front monthly notice to all Work First participants regarding their work-related requirements listed in their MRA. Because notice is provided at the beginning of each month, non-compliant participants can be placed into sanction more quickly, making participants ineligible to receive further Work First payments. Only Catawba County was approved to implement swift sanctions as part of their WFDG efforts. However, several counties reported in our

survey that they implemented efforts to quickly sanction Work First participant who do not meet their MRA requirements, which is consistent with current policy and practice but is not specifically the swift sanction strategy.

Typically, Work First participants who failed to meet their participation requirements for the month are provided notice they will be sanctioned early the following month. Work First participants who do not meet requirements for the second month are placed in sanction and payments are halted until they comply with their MRA requirements. Because payment is provided at the beginning of the month for activities to be completed during the month, there is usually a two- to three-month delay from when the participant fails to meet requirements until payments actually stop. In contrast, a swift sanctions policy shortens this delay between when the person fails to complete MRA requirements and when they can be placed into a sanction. Swift sanctioning is implemented by providing participants with notice regarding the sanction policy up front, as part of their monthly MRA agreement, so that the time needed to implement a sanction is not delayed by additional time needed to provide notice after they fail to comply. In addition, swift sanctioning can help to raise county participation rates. Because sanctioned participants are not included in the estimation of the participation rate, swift sanctioning can help to exclude the non-compliant participant from the estimate of the participation rate more quickly. The county that employed swift sanctions said this strategy promotes responsibility among participants and reflects real world experience because, as one Work First official said, “from a pure behavioral standpoint, you need immediate consequences—not consequences three months later.”

Promising County Example

Catawba County implemented swift sanctions as part of their WFDG efforts by inserting a clause into participants’ MRAs, which participants review and re-sign each month. Therefore, the monthly MRA also provides notice and states that failure to meet work-related activity requirements will result in a sanction. Because the provision of notice is carried out at the beginning of each month, sanctions can be imposed much more quickly—usually within a month of when the person became noncompliant with their MRA requirements.

PAY AFTER PERFORMANCE

Pay After Performance is another strategy implemented to promote participant responsibility and reflect real-world work experience. Typically, Work First payments have been distributed at the beginning of the month for work requirements expected to be completed in that month; in other words, pay before performance. In contrast, Pay After Performance (also known as pay for performance) enables counties to distribute Work First payments after the participant has satisfied their work requirements for the month. Therefore, participants who fail to meet work requirements do not receive a Work First check that month. Work First staff have discretionary power to make exceptions, such as in cases of good cause or for applicants who are victims of domestic violence. Although North Carolina law permits all counties to use Pay After Performance for two parent families, current statutes do not allow standard counties to implement Pay After Performance for all families. However, electing counties, those

with additional flexibility in implementing the Work First program, may choose to implement Pay After Performance. As part of the WFDG, Cumberland County was the only county approved to implement Pay After Performance to evaluate whether and to what extent the strategy was effective in improving Work First outcomes.

Implementation of Pay After Performance has contributed to increased participation rates because Work First participants are more likely to complete their work requirements, knowing they will not receive their monthly payments until they complete their required hours of work-related activities. Although only one county implemented Pay After Performance as part of the WFDG, a number of counties have expressed interest and support for this strategy and claim it would boost participation rates. Furthermore, several county officials noted that if Pay After Performance was adopted, the Work First caseload would likely be reduced in two ways. First, county officials thought that with Pay after Performance in place some potential Work First applicants might decide not to proceed with the application, given the stringent requirements they would have to meet to receive a payment. Second, under the Pay after Performance policy, other potential applicants might be more inclined to obtain a job on their own, because they could earn more income working the same number of hours than they would on Work First. Although county officials were generally very supportive of Pay After Performance, several county officials cautioned that the policy might not be family friendly because it requires work-related activity hours to be completed before payment is received. Other counties recommended that Pay After Performance should only be implemented with the ability for Work First workers to make exceptions based on good cause, such as for participants that cannot complete their required hours due to substance abuse treatment or involvement with child welfare.

Promising County Example

Cumberland County was the only is the one county that implemented Pay After Performance as part of the WFDG. WFDG funding was used to provide each participant with a one-time additional paycheck—a “transitional check”—when the program was instituted. This transitional check was needed since the first month Pay After Performance was implemented, the participants would still need a payment at the beginning of that month, so there would not be a month when a payment would be missed. When Cumberland County Work First officials announced they would convert to a Pay After Performance policy, they received some resistance from participants, attorneys, and even elected county officials, who complained that the policy was punitive and would be harmful to participants and their families. Cumberland County Work First officials responded by explaining that Pay After Performance would not take benefits away from participants and they would allow for exceptions for families with children younger than 1 year old and for cases with good cause. Local Work First staff have discretionary power to release payments when extenuating circumstances prevent the participant from completing required work hours. Cumberland County officials praised the practice as both modeling real world experience and being family friendly. County Work First officials noted that employees typically receive a paycheck after they complete a job, not beforehand, and immediate consequences for failure to comply with work requirements are better for families than delayed consequences.

COLLABORATION WITH AGENCIES AND COMMUNITY PARTNERS

WFDG counties commonly used collaboration with local government agencies and community partners to implement WFDG efforts. According to the proposal review, 27 of the WFDG counties implemented efforts to create partnerships with another agency or community resource to create or expand a program or intervention. These partnerships tapped into a rich supply of existing knowledge and resources to better serve Work First participants. The partnerships ranged from sharing information and space to contracting and hiring staff.

Promising County Example

Wake County collaborated with its sheltered workshop to develop a project specifically for individuals with limited work experience. The project partnered with a local grocery store and an instructor from the sheltered workshop. The grocery store hired Work First participants and the workshop instructor provided participants with training and support specific to the job. The partnership program has been embraced by participants as well as grocery store employees and customers. Although successful, the program is limited by its small scale. Wake County officials hope to expand the program to additional grocery store locations and eventually to other types of employers.

EMPLOYER-FOCUSED STRATEGIES

Most WFDG strategies focused on Work First participants; however, a few counties chose to focus their efforts on businesses that they hoped would employ Work First participants. These employer-focused strategies ranged from job development to subsidized employment. In all, 11 counties (21%) were engaged in some form of employer-focused strategy.

Promising County Example

Richmond County requested one of the smallest awarded WFDG amounts, about \$6,300, to design a Work First logo and to develop promotional materials, such as brochures, pens, and multi-functioning measuring tapes. Work First officials distributed these materials at Chamber of Commerce meetings and other business networking events. In addition, Work First officials have gone door-to-door in the business community to tell employers about the Work First Program. The comment of one Richmond County Work First official summarized the rationale for this effort: “You have to reach out to businesses. Otherwise, you have a missing link and your work [in helping participants build skills and look for jobs] is for naught.” The Work First officials speak to employers from a business perspective and emphasize the financial advantages for employers. For example, program officials tell business owners that they are getting a “two-fer” when they hire a Work First participant: they get the employee plus the Work First social worker who provides supportive services to help the new employee succeed on the job.

Outcomes

The purpose of the WFDG was to assist counties in identifying creative and innovative strategies that would promote better outcomes for Work First participants by helping participants obtain and retain employment. This study examined a variety of outcomes for Work First participants, including the federally mandated participation rates, the percentage of Work First applicants that are diverted prior to being enrolled in Work First, and the percentage of first time applicants to Work First.

Given that the majority of counties implemented multiple strategies as part of the WFDG, it was not possible to associate any particular WFDG strategy with performance on outcome measures. Furthermore, it would be inaccurate to assume that any single WFDG strategy independently led to changes in outcomes, because Work First outcomes are influenced by many factors, including local and national economic conditions, characteristics of Work First participants, and access to supportive services. Therefore, caution is warranted when interpreting the reported outcomes.

The analysis of outcomes for this report incorporated information available through April 2008. Given that many counties were in the early stages of implementing WFDG strategies, especially those that started with the WFDG in the second year of the program, more time may be required before the benefits of these programs come to full fruition and can be accurately assessed. Although these early outcomes provide insight into the whether the WFDG efforts are promising strategies, both additional time and further research are needed to provide a full understanding of the impact of the WFDG strategies.

PARTICIPATION RATES

The WFDG emphasized the importance of improved participation rates, meaning greater percentages of work-eligible Work First participants who complete their requirements for countable work hours each month. Further, this measure is considered an indicator of the number of Work First recipients who are actively engaged in employment-related activities; therefore, high participation rates are perceived as successful outcomes. North Carolina is held to the federal requirement that at least 50% of all family Work First participants and at least 90% of two parent Work First participants meet countable work requirements each month.

Given there are federal requirements for state performance on participation rates, it is important to have valid data to estimate these measures. However, DSS has identified a few challenges that impact the validity of the participation rate data, which they are diligently working to resolve. Specifically, a computer programming error incorrectly counts I-code participants (those providing care for disabled family members) against the county participation rate. In addition, data validity has been compromised by several Medicaid related issues, including a recent conversion of data so that the Medicaid ID can comply with the Identity Theft Protection Act as well as issues related to the transfer to transitional Medicaid.

According to the Web survey, 86% of WFDG counties expected their WFDG strategies would positively affect the county's participation rates. However, in several counties the WFDG efforts may have contributed to a decrease in participation rates—despite the fact that the implemented strategies were providing services and achieving better outcomes for

participants. Several county officials explained that participation rates may decrease because their WFDG efforts were successful at getting participants employed and off of the Work First program, which left the caseload populated by the hardest to serve Work First participants, such as those with multiple barriers to employment. That shift in caseload demographics was seen as the primary factor that contributed to lower participation rates. In addition, some counties used WFDG funds to provide up front services while applicants waited for Work First approval. County officials reported that these up front services negatively affected the counties participation rates because many applicants found employment before they were included in the Work First caseload. Although these applicants received services from Work First, they are not counted in the participation rate since they achieved employment before coming onto the Work First program. Although it is important to improve participation rates to comply with the federal mandate, it is also necessary to consider the broader context in which WFDG strategies have achieved success, even though such efforts are not always reflected positively by the participation rate measures.

For this study, an analysis was conducted of both the all family and two parent Work First participation rates to assess changes that corresponded with the implementation of the WFDG. Because counties reported delays in implementation of the WFDG strategies, the analysis segregated average participation rate estimates based on the year in which the county started with the WFDG. Thus, the participation rate analysis often separated WFDG counties that started in Year 1 of the WFDG (SFY 07) versus counties that started in Year 2 of the WFDG (SFY08). For purposes of our analyses, project staff estimated the time frame for involvement with the WFDG as starting during the month in which counties were provided notification of their WFDG award from NC-DSS. Counties that started in Year 1 were notified by October 2006. Most counties that started in Year 2 received approval for all of the WFDG strategies submitted in their proposals and were notified in July 2007. However, several counties that started in Year 2 received approval for some, but not all, of the strategies included in their WFDG proposals and were notified of their WFDG award in August 2007. For comparison purposes, August 2007 was used as the start of the WFDG time frame for all counties starting in Year 2 because all of the counties had received their award notification by that time. The final month included for all participation rate analyses is April 2008. Therefore, WFDG counties starting in Year 1 will have a WFDG time frame for participation rate analysis from October 2006 through April 2008, and WFDG counties starting in Year 2 will have a WFDG time frame from August 2007 through April 2008.

As shown in **Table 1**, the overall average monthly all family participation rate for the 53 WFDG counties during the time they have been involved with the WFDG was 39.05%. To put this participation rate in context, the average monthly all family participation rate was 38.31% for WFDG counties during the 12 months prior to the start of the WFDG (October 2005 through September 2006 for Year 1 counties and August 2006 through July 2007 for Year 2 counties). Year 1 WFDG counties had an average monthly all family participation rate of 36.83% during the demonstration grant period, which was a slight increase from the 35.91% average participation rate during the 12 months prior to the WFDG. In addition, Year 2 WFDG counties had an average monthly all family participation rate of 39.63% during their WFDG time frame, which was similar to the 39.68% average participation rate of the 12 months prior to the WFDG. In addition, 30 of the 53 WFDG counties showed improvement in their average all family participation rates during the WFDG time frame as compared to the average during the 12 months prior to the WFDG.

Table 1

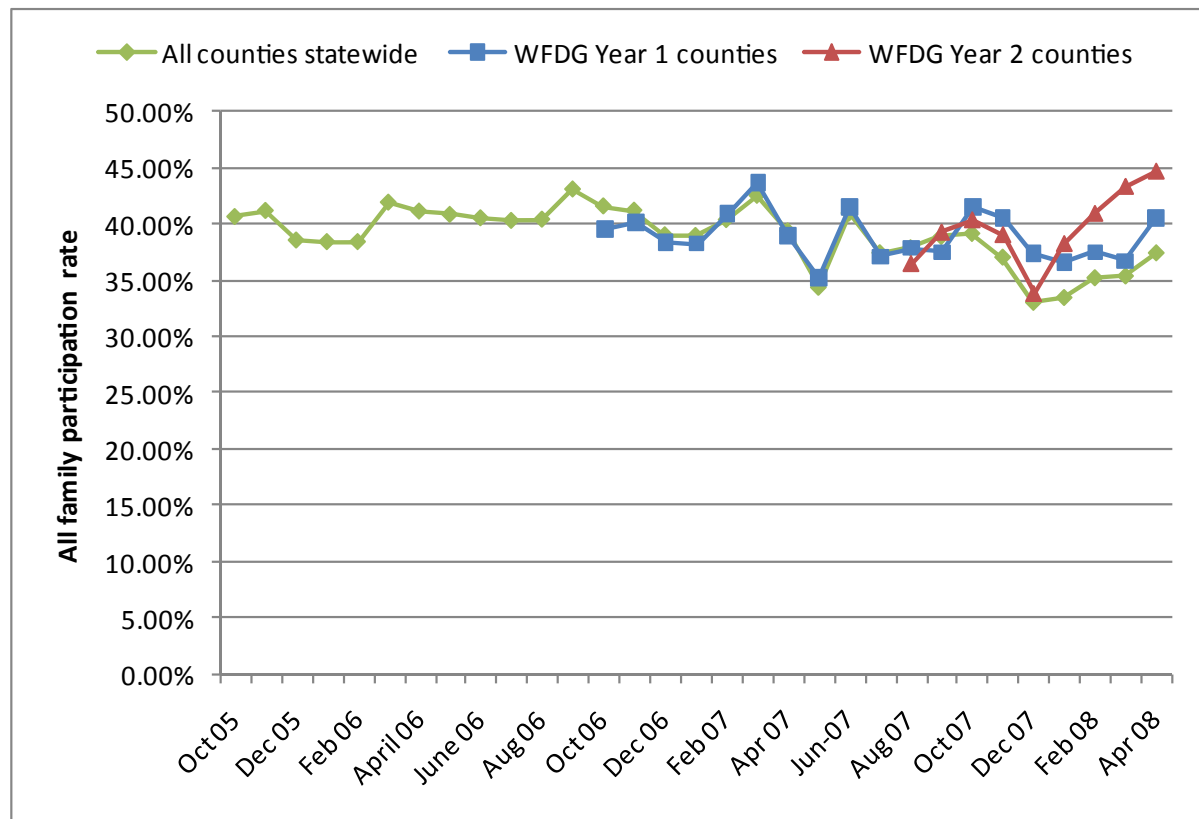
Average Monthly All Family Participation Rates 12 Months Prior to WFDG and During WFDG Time Frame

Average monthly all family participation rate		
WFDG counties	12 months prior	During WFDG time frame
WFDG counties starting in Year 1	35.91%	36.83%
WFDG counties starting in Year 2	39.68%	39.63%
All WFDG counties	38.31%	39.05%

Figure 4 depicts the monthly average all family participation rate for WFDG counties and compares them with the overall statewide average. For the Year 1 WFDG counties, their all family participation rate paralleled the statewide average until almost a year into the implementation of their WFDG strategies, at which point the average for the WFDG Year 1 counties consistently rose above the statewide average. The Year 2 WFDG counties demonstrated a similar pattern, except that an increase in the participation rates occurred more quickly; after only about five months of implementing WFDG strategies, the average all family participation rates for the WFDG Year 2 counties steadily increased, and they remained above the statewide average.

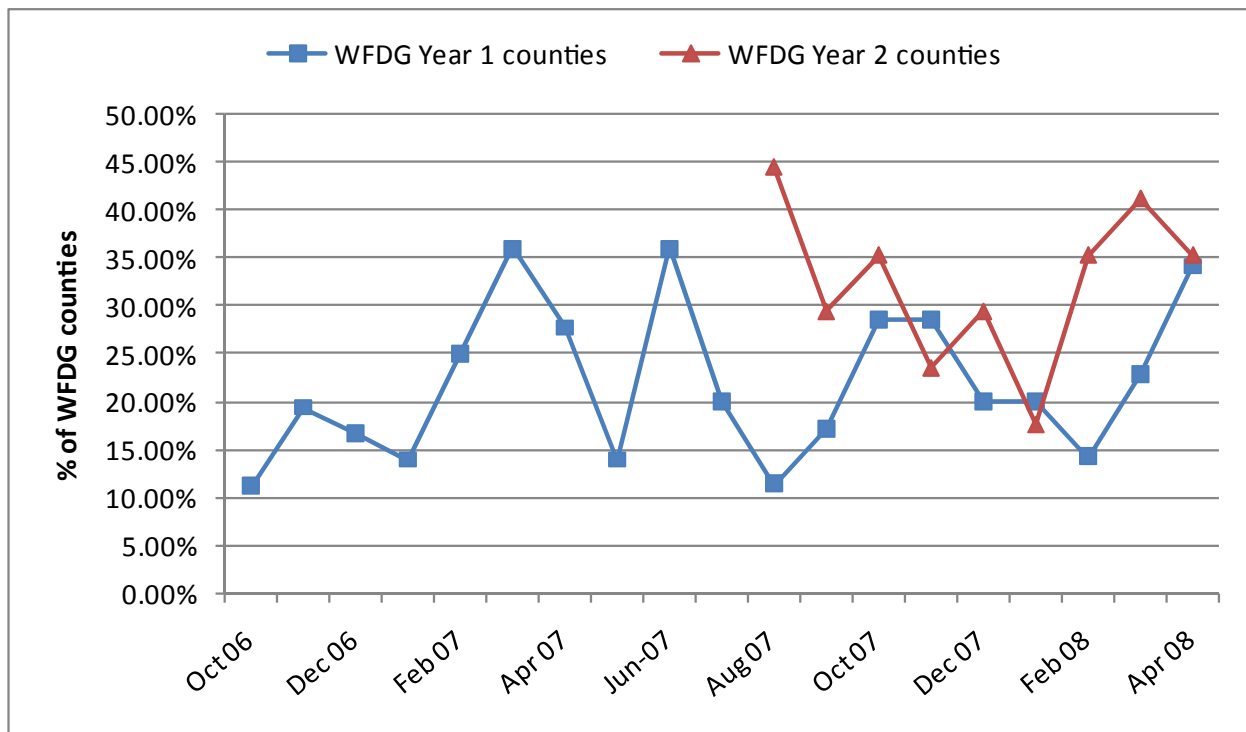
Figure 4

Average monthly all family participation rates for WFDG counties and statewide



During their respective WFDG time frames, an average of 21% of the Year 1 WFDG counties and 32% of the Year 2 WFDG counties met the federal threshold of 50% or above for their all family participation rate each month. As shown in **Figure 5**, although there are periodic increases and decreases in the all family participation rate over time, there was an overall increase in the number of WFDG counties meeting the federal requirement of 50% or above.

Figure 5
Percentage of WFDG counties meeting federal threshold of 50% for all family participation rate



The second type of participation rate is the two parent participation rate. There are generally fewer two parent families on Work First that can be used to calculate the two parent participation rate than there are families considered for the all family participation rate. Because of this small sample size, there are frequent fluctuations in the two parent participation rate. As shown in **Table 2**, the overall average monthly two parent participation rate for all WFDG counties during their WFDG time frames was 57.12%, whereas the average participation rate during the 12 months prior to the WFDG was 49.25%. Specifically for the Year 1 WFDG counties, the average monthly two parent participation rate was 46.45% during the 12 months prior to the WFDG, but increased to an average of 51.62% during the WFDG time frame. In addition, for WFDG counties that started in Year 2, the average two parent participation rate was 53.67% during the 12 months before the WFDG, and increased to 68.36% during the WFDG. In addition, 34 of the 53 WFDG counties remained stable or showed improvement in their average two parent participation rates during their WFDG time frame as compared to the average during the 12 months prior to the WFDG.

Table 2

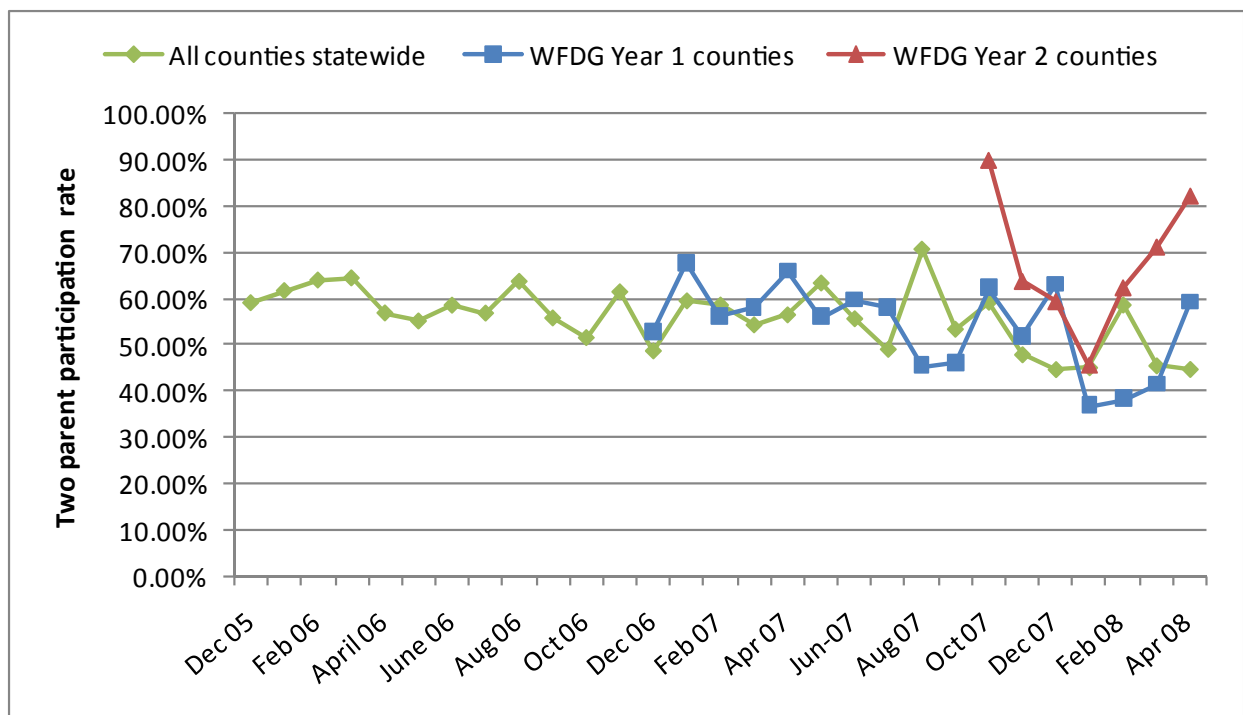
Average monthly two parent participation rates 12 months prior to WFDG and during WFDG time frame

Average monthly two parent participation rate		
WFDG counties	12 months prior	During WFDG time frame
WFDG counties starting in Year 1	46.45%	51.62%
WFDG counties starting in Year 2	53.67%	68.36%
All WFDG counties	49.25%	57.12%

As shown in **Figure 6**, we compared the monthly average two parent participation rate for WFDG counties to the overall statewide two parent average. The Year 1 WFDG counties had two parent participation rate averages that were similar to the statewide averages for the first five months of the WFDG. Afterwards, the two parent participation rate for WFDG Year 1 counties seemed to vary slightly from the statewide average, given that when the state average increased, the average for the WFDG Year 1 counties decreased and vice versa. The Year 2 WFDG counties were consistently higher than the statewide average on measures of two parent participation rates. After an initial decline of the two parent average for the WFDG Year 2 counties, there was an overall increase over the last several months. Despite considerable fluctuation in the average two parent rates, both the WFDG Year 1 counties and WFDG Year 2 counties showed a general increase over the last four months.

Figure 6

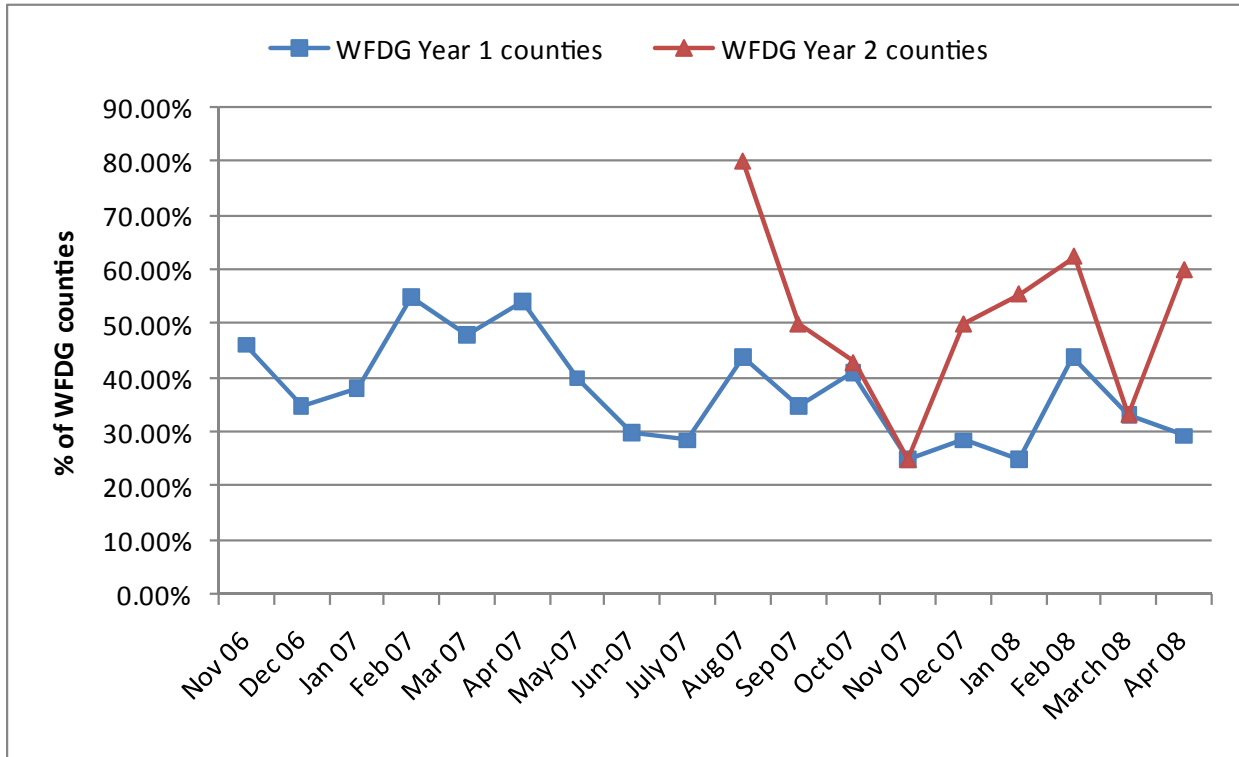
Average monthly two parent participation rates for WFDG counties and statewide



Throughout the WFDG, an average of 37% of Year 1 counties and an average of 51% of Year 2 counties have met the 90% federal threshold for two parent participation rates each month. **Figure 7** shows that an oscillating percentage of WFDG Year 1 counties have met the 90% threshold for two parent participation rates, but the percentage of WFDG Year 2 counties meeting this threshold was generally higher despite a few declines.

Figure 7

Percentage of WFDG counties meeting federal threshold of 90% for two parent participation rate



As stated earlier, the majority of WFDG efforts focused on addressing barriers to employment, and counties expected their WFDG strategies would increase participation rates. County officials also reported that many factors unrelated to their WFDG efforts affect the fluctuation of participation rates. Specifically, these officials reported that when Work First participants are performing well and meeting work requirements, their efforts are reflected in improved participation rates for a few months; however, when these participants succeed in obtaining employment and leave the Work First program, the county participation rates decline. Moreover, the time required for sanctioning and removing a noncompliant participant from the Work First caseload means that participants who are not meeting the work requirements will hurt the participation rates for several months. Furthermore, counties noted that participation rates are greatly impacted by including incapacitated participants in the calculation of the measure. Although incapacitated participants are required to meet some level of work-related activities, most cannot meet the required hours each month, which negatively impacts the county's participation rates. Participation rates are also negatively affected by administrative procedures that add new participants to the caseload near the end of the month. New participants added to the Work First caseload late in the month do not have enough time to meet their monthly requirements for work hours, yet they are included in the calculation of the county's par-

ticipation rates. County officials also acknowledged the positive influence of smaller caseloads on the participation rates. Several noted the recent declines in Work First caseloads have contributed to increases in participation rates because lower caseloads allow Work First staff to spend more time with participants and provide higher-quality assistance in helping individuals find employment.

DIVERSION OF WORK FIRST APPLICANTS

A secondary outcome of some WFDG strategies may be that some Work First applicants might be diverted prior to being approved and becoming official participants in the Work First Program. Diversion of applicants can occur for a variety of reasons, including obtaining employment prior to Work First approval, self-selecting out of the program by withdrawing their application for Work First, or receiving a one-time diversion benefit payment to assist them in staying off of Work First. Of the counties that participated in the Web survey, 17 WFDG counties (32%) reported their WFDG strategies had contributed to the diversion of WFDG applicants.

A few county officials reported that holding orientation sessions and providing up front services (e.g., connecting applicants with support services and engaging them in job search activities while waiting for application approval) was likely to divert some potential Work First participants. The officials reported that providing up front services helped some applicants obtain employment, eliminating their need to receive assistance from Work First. Others mentioned that when they provided applicants with up front information regarding the strict work-related requirements of Work First, some applicants chose to withdraw their applications. Most WFDG officials noted that they considered diversion a positive outcome because either the potential applicants had found employment or those who had opted out of Work First would be motivated to find other employment, which might provide greater income than employment obtained with Work First assistance.

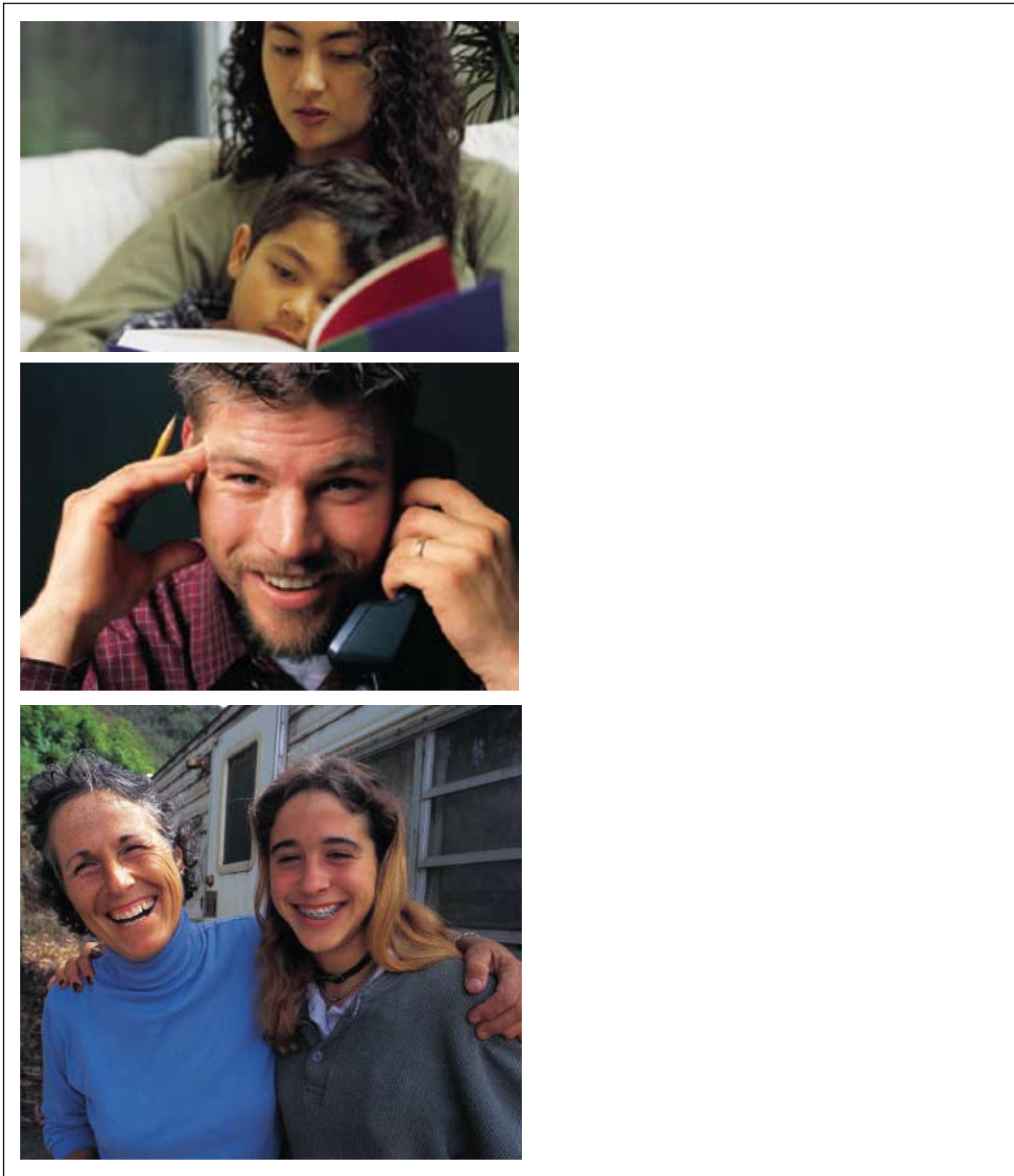
FIRST-TIME WORK FIRST APPLICANTS

Given that a primary objective of the Work First program is to help people retain employment and remain off of the Work First program, it is important to assess how many Work First applicants are first-time applicants versus returning Work First participants. We found considerable variation across counties for the reported rates of first-time applicants. Many counties reported that the majority of their applicants were first-time Work First applicants, ranging from 50% to up to 95%. Yet several counties reported the opposite experience and noted that very few of their applicants (10% to 30%) were first-time applicants. It is worth noting that Work First staff reported that participants who return to the Work First program tend to find employment and leave the program relatively quickly as compared to returning participants in previous years.

OTHER OUTCOMES

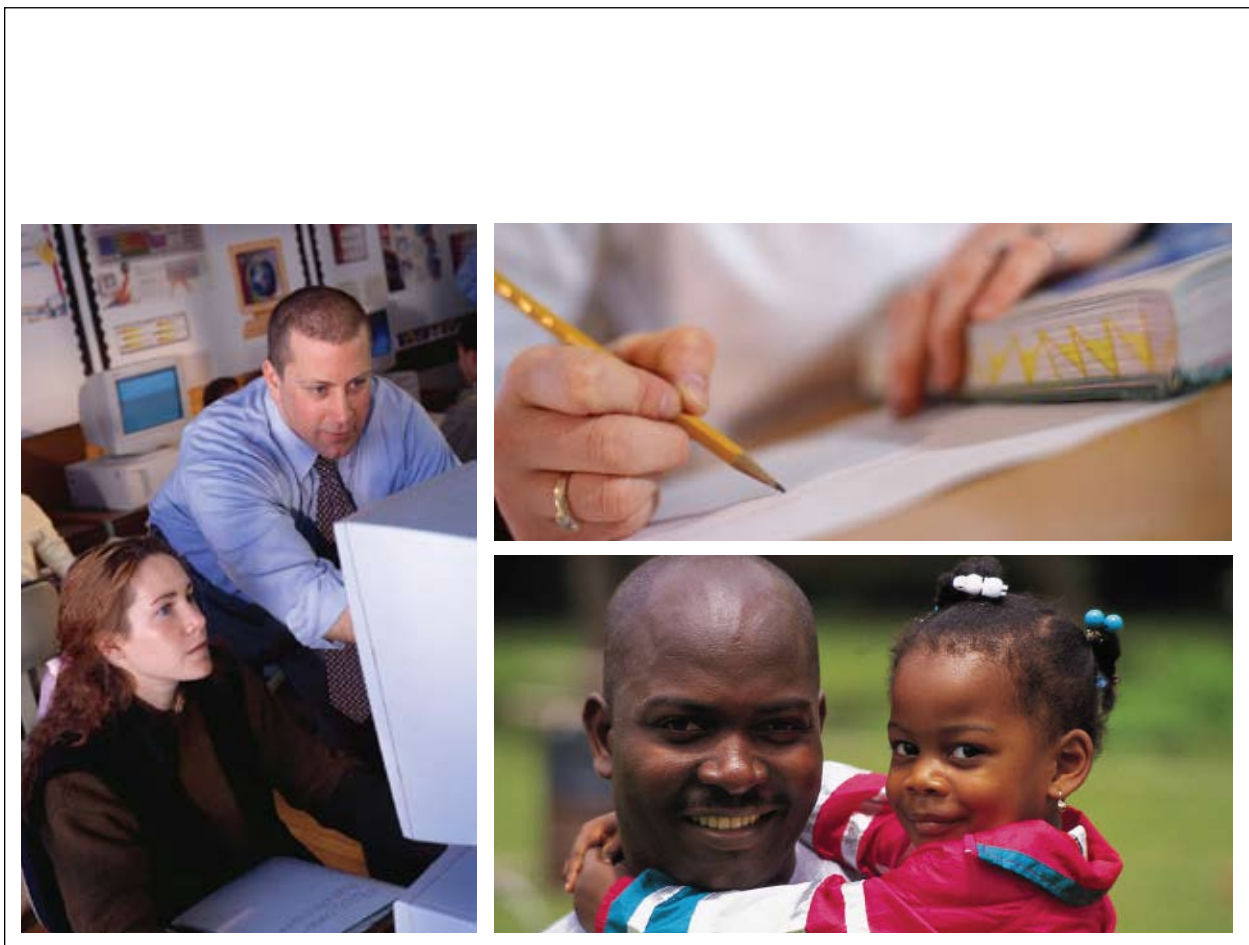
In addition to helping Work First participants obtain and retain employment, county officials reported numerous positive outcomes that they attributed to their WFDG strategies. Among these positive outcomes, Work First workers reported a shift in participants' attitudes toward their participation in Work First, since many WFDG strategies aimed at increasing participants' self-esteem and desire to be self-sufficient. One county official stated that as a result of the WFDG strategies, the Work First participants "acquired a

greater sense of empowerment” to achieve their own success. In addition, WFDG efforts targeted at assisting incapacitated participants resulted in better customer service for these participants. Moreover, counties noted that the WFDG efforts helped participants locate alternative means of financial support such as obtaining child support payments, obtaining approval for Social Security disability, and obtaining employment. Last, county officials reported positive outcomes that went beyond the individual level. These officials highlighted WFDG efforts that created positive community awareness toward Work First and Work First participants. County officials also noted that WFDG efforts contributed to strengthening relationships with other agencies and community partners, including developing partnerships with local businesses, which play an essential role in helping Work First participants find opportunities for employment.



Continuation of Strategies

In accordance with state legislation, WFDG funds are available to counties for a maximum of three years. Given that additional financial support was required for the majority of the WFDG strategies, the issue of whether counties will be able to continue their efforts without the designated funds is important to discuss. According to survey responses, many counties have not yet developed sustainability plans for their WFDG strategies. At least 12 counties reported their services would either be significantly reduced or eliminated when the WFDG funding ended. Other counties hope to obtain funding from other sources, such as other county departments or grants. Survey and site visit participants questioned whether strategies implemented under the WFDG could be supported by existing Work First funds. A few officials noted that policy changes may be needed to allow Work First funding to support some of these strategies. Several respondents mentioned that collaboration with other agencies may enable their WFDG practices to continue. In addition, counties noted that their departments absorb the costs for strategies that involved a considerable up front investment (covered by WFDG funds) but do not require significant funds to maintain. For instance, Person County will be able to maintain its computer lab for Work First participants as ongoing costs are limited to supplies (e.g., paper and ink for printing). Other strategies, such as family teams, can be pursued with minimal additional cost and are likely to continue after WFDG funding expires.



County Recommendations

The Web survey and interviews gave WFDG county officials the opportunity to make suggestions for potential changes to policy and practice that could assist them in better serving Work First participants. Although some of the suggested changes may address federal policy as opposed to state-level policy or practice and are thus beyond the control of NC-DSS, they are nonetheless listed here to provide WFDG county officials and community partners the opportunity to communicate their concerns and recommendations.

NC-DSS TRAINING AND SUPPORT

- ▶ County Work First officials emphasized the importance of the Work First Learning Institute, and said the Institute provides excellent training opportunities as well as a venue for networking with colleagues from across the state. Staff suggested continuing the Work First Learning Institute as an annual event.
- ▶ Many individuals said there is not enough training for Work First workers, especially new workers. Respondents said state-sponsored trainings should be offered throughout the year, and suggested several topics, including training for all new Work First workers as well as trainings on conducting assessments, case planning, and identifying substance abuse and mental health resources.
- ▶ County WFDG officials also recommended offering more opportunities to network and share information with state staff and with peers from other counties, such as holding quarterly county meetings or resuming the Tuesday advisory meetings.
- ▶ Many officials also noted that they found the assistance of their Work First representatives very helpful and wanted to maintain consistent communication with state staff.

PARTICIPATION RATES

- ▶ WFDG officials also suggested several changes to the calculation of the participation rate. The most common suggestion was to remove participants who are incapacitated (classified as an F-code) and to include this category of participants in a separate program.
- ▶ In addition, officials recommended that participants with “good cause” exemptions (e.g., inability to complete required hours of work activity due to child welfare involvement or substance abuse treatment) either be included in the numerator or excluded from the denominator of the participation rate, so these cases do not negatively influence the overall county participation rate.
- ▶ Other county officials recommended that participants not be included in the calculation of participation rates for the first month they are approved for Work First because these new approvals typically cannot meet their requirement for countable hours before the end of that first month.
- ▶ To make sure data used for the participation rates are as accurate as possible, a few WFDG county officials requested that they be allowed to make corrections to their Work First data entry for a longer period than what is currently allowed.
- ▶ Officials further recommended that Work First program effectiveness be evaluated using a federal benchmark other than participation rates because there are numerous concerns about the way the measure is currently estimated.

COUNTABLE HOURS

- ▶ County WFDG officials recommended several policy changes that would better support Work First participants in achieving their requirements for countable hours of work-related activities. Specifically, many officials suggested that more time should be allowed for educational activities so that individuals could attain better, higher-paying jobs.
- ▶ Several Work First workers recommended that time frames for countable hours for certain activities be extended, such as allowing job search to be extended from 12 weeks to 24 weeks, allowing job search and job readiness to extend for more than four consecutive weeks, and allowing more than three hours per day of countable hours for work experience.
- ▶ One county official suggested that the definition of community service be revised so that these hours can be counted when Work First participants are working for organizations that have paid employees.
- ▶ County officials recommended that waivers be available to allow participants to count hours that they are involved in family violence counseling and substance abuse residential treatment, as work-related activity hours.

FUNDING

- ▶ WFDG officials made several recommendation regarding changes to current funding structures for Work First and related support services. In particular, officials suggested moving childcare funding under the same funding umbrella as Work First, to create separate funding for individuals with disabilities, and to unlink Work First from Medicaid to allow for extended job bonuses.
- ▶ Many Work First officials stated that more funding is needed to increase Work First payments for participants because the current benefit level is not sufficient as a living wage.
- ▶ Several officials also recommended increased funding for childcare assistance because the lack of available childcare funds remains a common barrier to employment.
- ▶ Some county officials requested that the savings of Work First funds generated by the reduction of caseloads and sanctioning participants for noncompliance should be reinvested to allow continuation of successful WFDG strategies.
- ▶ WFDG officials requested that funding be made available to help sustain participant incentives and vehicle purchase programs after the WFDG ends.
- ▶ Several WFDG officials suggested that extended job bonuses should be reinstated for participants who obtain employment.

PAY AFTER PERFORMANCE AND SWIFT SANCTIONS

- ▶ The majority of WFDG counties recommended that all counties be allowed to implement the Pay After Performance policy. Most county officials stated that their participation rates would increase if they provided Work First benefits only after obtaining proof of participants' countable hours, while allowing for appropriate exceptions. Many counties support a policy change that would allow all counties, and not only electing counties, to implement Pay After Performance practices.
- ▶ Several county officials also recommended practice changes to promote swift

sanctioning, because efforts to provide participants with up front notice of non-compliance will shorten the length of time required to implement sanctions for those who do not comply with Work First requirements.

JOB RETENTION

- ▶ Several WFDG officials recommended that increased support should be given to job retention because these efforts prevent participants from returning to the Work First program. Specifically, several respondents suggested instituting post-employment incentives and increasing the job bonus period from three months to six months.
- ▶ A few WFDG officials recommended that data be collected to track Work First participants who have successfully obtained and retained jobs. The aim of this follow-up data collection would be to assess the characteristics of successful participants, which could then be used to inform Work First program policy and practice.

CASE MANAGEMENT AND SERVICES FOR WORK FIRST PARTICIPANTS

- ▶ Several WFDG county officials recommended the use of family team meetings to help Work First participants use natural resources and build a supportive network to assist them in achieving self-sufficiency.
- ▶ A few WFDG county officials suggested local policies change to provide funding for up front services, so that job search activities can begin and MRAs can be signed at the time of application.
- ▶ Some county officials would like to get credit for providing successful up front services that help people obtain employment prior to their approval for Work First.
- ▶ A few WFDG counties recommended that Work First programs should conduct criminal history checks and drug tests to better identify and address participants' needs and help participants overcome barriers to employment.
- ▶ Another WFDG county official recommended that the state should increase support for rural communities with few services, because these communities incur higher program costs due to the expenses associated with transporting participants long distances to obtain services.

STATE-LEVEL EFFORTS

- ▶ Many WFDG county officials recommended several steps NC-DSS could take to better support Work First participants in obtaining employment. In particular, a county official suggested that NC-DSS work closely with the NC Department of Commerce and the NC Department of Labor to develop partnerships with employers and business organizations in communities across the state.
- ▶ A WFDG county official recommended that NC-DSS increase its marketing efforts to promote Work First to communities and businesses. Increasing the public awareness of the program is a low-cost investment that can not only educate the public but also engage potential employers.
- ▶ The final recommendation was that the NC-DSS examine successful practices and outcomes from other states' TANF programs, and use this knowledge to inform policy and practice in North Carolina.

Conclusion

The WFDG provided 53 North Carolina counties with an opportunity to implement innovative strategies aimed at increasing employment and job retention of Work First participants. Many of these county WFDG efforts can be considered promising strategies because they address barriers to employment, they are new or expanded initiatives, they are recommended as promising by those implementing the effort, they demonstrate or show the potential for positive results, and they are efforts that can be replicated in other counties.

The promising strategies identified by this study addressed many aspects of the Work First program. Specifically, promising efforts focused on enhancing job preparation and job search activities for Work First participants. In addition, promising strategies provided participants with up front services, transportation, or services that addressed the needs of hard-to-serve populations with multiple barriers to employment. Other promising strategies achieved positive results by implementing innovative changes to case management practice and conducting assessments to better understand participants' strengths and abilities. In addition, several promising strategies implemented participant incentives, swift sanctions, or a Pay After Performance policy as creative ways to motivate participants and increase Work First participation rates. Last, collaborations among agencies, community partners, and employers emerged as a promising strategy for local Work First staff to develop relationships and community resources to better serve Work First families.

Although the WFDG strategies have been implemented for only a short period, they have already demonstrated a positive contribution to Work First outcomes. Specifically, the WFDG efforts have helped participants achieve a variety of desired outcomes such as obtaining and retaining employment, being diverted from Work First, and identifying alternate means of financial support. In general, the WFDG strategies have contributed to increased county participation rates. However, some strategies that are considered "good practice" may have resulted in a decline in participation rates, such as up front services that help individuals obtain employment yet are not included in the participation rate. Furthermore, WFDG strategies appear to support other positive outcomes for participants, such as improved self-esteem and increased motivation to become self-sufficient, as well as for community partners and employers, who are more engaged in providing services and jobs for Work First participants.

The promising strategies implemented under the WFDG have the potential to be continued and can be replicated in other counties across North Carolina. Whereas a few of the strategies required little additional funding, such as relationship-building with community partners, using family team meetings, and marketing the Work First program to employers, most required additional funding and some required changes in policy or practice. Many counties may have to reduce or stop these promising strategies once the WFDG funding ends, causing much concern for county WFDG officials who would like to sustain these efforts. Based on what they have already learned from these promising strategies, WFDG officials have provided several recommendations for changes to Work First policy and practice that would help them to better serve Work First families.

In conclusion, the WFDG has enabled counties to reflect on the needs of their Work First populations and to develop innovative strategies that help achieve positive outcomes for Work First participants. These promising strategies and the lessons learned from the WFDG can be beneficial for informing Work First policy and practice.



Appendix

Counties according to the year they were approved and began the WFDG

WFDG Year 1: SFY 2007

Alamance
Bladen
Buncombe
Burke
Cabarrus
Catawba
Chatham
Cleveland
Cumberland
Durham
Forsyth
Franklin
Gaston
Guilford
Halifax
Harnett
Haywood
Johnston
Mecklenburg
Nash
New Hanover
Northampton
Onslow²
Orange
Person
Robeson
Rutherford
Sampson
Scotland
Stokes
Union
Vance
Wake
Warren
Wayne
Wilson

WFDG Year 2: SFY 2008

Anson
Caldwell
Carteret
Chowan
Davidson
Duplin
Edgecombe
Henderson
Hertford
Jackson
Lenoir
Lincoln
McDowell
Richmond
Rockingham
Stanly
Surry

²Onslow only participated in Year 1.

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