

CHAPTER I: INTRODUCTION

This report presents the results of follow-up surveys of families who received cash payments under the Work First Diversion Assistance program. The report presents findings for 242 families who received Diversion Assistance between May and August 1999.

A. OVERVIEW OF THE DIVERSION ASSISTANCE PROGRAM

Work First Diversion Assistance is available to families in lieu of traditional cash assistance when they need short-term help to become or remain self-sufficient. According to North Carolina's most recent TANF State Plan, Diversion Assistance is intended to assist with parents' needs to help them stay employed or be self-sufficient through other income sources, get them through a temporary lay-off, pay household expenses until the first paycheck, or help two-parent families with three-months cash assistance before pay-for-performance requirements apply.¹ Diversion Assistance is not designed just to assist with families' sporadic emergency needs such as a utility cut-off notice or eviction notice. In this sense, Diversion Assistance is not to be confused with Emergency Assistance.

To be eligible to receive Diversion Assistance, families must meet the same income and asset eligibility limits as families that qualify for Work First cash assistance. The family does not have to repay Diversion Assistance even if the family subsequently applies for Work First. Benefits may include a cash payment of up to three months of cash assistance, employment services, Medicaid, child care, and Food Stamps. Diversion Assistance can be received only once in a 12-month period and does not activate the two-year limit on Work First cash assistance or the federal 60-month lifetime limit.

B. RECENT POLICY CHANGES

In the first half of 1999, North Carolina made changes to some of the key provisions of its Diversion Assistance policy in an effort to increase the number of persons participating. Prior to these changes, families had to repay the amounts received under the program if they subsequently went on Work First cash assistance within 36 months. In addition, families were eligible to receive Diversion Assistance only once per lifetime. Finally, under the prior policy, families who were being considered for Diversion Assistance usually had to show that they were likely to receive income from a job in the near future. Under the revised policy, potential income from other sources can also be considered in determining whether a family is appropriate for Diversion Assistance.

C. OBJECTIVES OF THE FOLLOW-UP SURVEYS

¹ Work First State Plan, Amended Effective July 1, 1999, page 4.

To gather information on families who have received Diversion Assistance, MAXIMUS was asked to design and conduct telephone follow-surveys of a sample of families who had received Diversion Assistance during 1999. The overall objective of the survey was to gather the following information on families who had received Diversion Assistance:

- welfare history prior to receiving Diversion Assistance;
- employment status prior to receiving Diversion Assistance;
- reasons for coming into the local Social Services office;
- employment and earnings at the time of the follow-up survey;
- receipt of other types of public assistance at the time of the survey;
- receipt of services such as job training since accepting Diversion Assistance;
- use of child care, including reasons for not using subsidized care;
- receipt of child support;
- “deprivation” indicators, such as food security and housing adequacy
- overall financial situation at the time of the surveys;
- likelihood of applying for welfare in the future;
- health care and health coverage;
- future needs for services; and
- satisfaction with the diversion decision.

In addition, information was gathered on the characteristics of the sample members through the surveys and from administrative databases. This included data on such items as education, age, ethnicity, household composition, and ages of children.

D. STUDY METHODOLOGY AND SAMPLE SIZES

The survey of families receiving Diversion Assistance is part of an overall evaluation that MAXIMUS is conducting of the Work First program. Under our evaluation design, eight (8) counties have been selected as the focus of follow-up surveys of persons who have received Work First assistance or Diversion Assistance. These include a mix of urban and rural counties in different regions of the state.

In selecting the sample of Diversion Assistance cases from these counties, it was decided that the sample would include *all* Diversion Assistance cases between May and August 1999. The reason for selecting May as the initial month was that the policy changes described above took effect in the early part of 1999. In view of these changes, we wanted to select a sample that would represent the new policy rather than the old policy.

Based on the overall sample design for the evaluation, it was determined that a sample size of approximately 300 Diversion Assistance cases would be appropriate for the study. During the May-August 1999 time frame, a total of 317 families received Diversion Assistance in the counties. It was decided that all of these cases would be included in the survey sample. One of the counties did not have any diversion cases between May and August 1999, so the report presents findings only for the seven remaining counties.

The data for the study was collected through the use of a telephone survey. Listings of the names and addresses of all Diversion Assistance cases in the sample frame were obtained

from the statewide Eligibility Information System (EIS). Because the telephone numbers of Work First families and Diversion Assistance families are not a mandatory entry on the EIS, MAXIMUS had to send the lists of names to each county and ask county staff to search through case records or local automated systems to obtain telephone contact information. In many cases, the telephone numbers available from the counties were no longer valid by the time that MAXIMUS began making calls.

New telephone numbers were obtained in many cases from Directory Assistance and through an arrangement with a commercial vendor who supplied credit bureau information and other publicly available information on the sample members. MAXIMUS also obtained contact information by talking with third parties, such as family members. In addition, we used mail-outs offering sample members a financial incentive to call the toll-free number of our Survey Research Center in McLean, Virginia. The surveys were conducted between October 1999 and January 2000.

Surveys were completed with 242 of the 317 families, representing a response rate of 76.8 percent. The key findings in the report are presented by county as well as for the overall sample. Because of the small number of cases in three of the seven counties, the results for these three counties are grouped under “Other” in each of the data tables. The counties in the study are not identified in the report by name. Instead, code letters are used for each county.

E. FUTURE SURVEYS AND DATA ANALYSIS

As part of the evaluation design, MAXIMUS will be conducting one more round of telephone surveys of the Diversion Assistance sample. These surveys will be administered between June and July 2000 to provide approximately 12 months of follow-up information on the families in the sample. In addition, MAXIMUS will be conducting analyses of statewide administrative data on families who have participated in the Diversion Assistance program. The analysis of administrative data will focus on specific cohorts of families who have received Diversion Assistance and will include the following:

- analyses of employment and earnings before and after the receipt of Diversion Assistance, based on wage record data;
- analyses of welfare participation prior to the receipt of Diversion Assistance; and
- welfare participation and the receipt of Food Stamps after receiving Diversion Assistance.

F. SITE VISITS TO THE COUNTIES

As part of the overall evaluation of the Work First program, MAXIMUS conducted site visits during 1999 to each of the sample counties to examine the operation of the Work First program. During the site visits, staff in each county were asked about the operation of the Diversion Assistance program in their county. The results of the site visits are occasionally referenced in Chapter II of this report in interpreting some of the survey findings.

