

## **CHAPTER I: INTRODUCTION**

This report is the second of two reports on families who were the first to leave the Work First program as a result of reaching the 24-month time limit on cash assistance. The current report presents the results of a second round of follow-up surveys of the families. The first round of surveys was administered by MAXIMUS between December 1998 and March 1999 (about 4 to 7 months after the families reached the time limits in August 1998). The results of the first round of follow-up surveys were presented in an earlier report entitled "Status of Families Leaving Work First After Reaching the 24-Month Time Limit," MAXIMUS, May 1999. That report presented survey results for 247 of the 315 families who were the first to reach the time limits. The 247 completed surveys represented a response rate of 78.4 percent.

The second round of surveys was administered between September and December 1999, approximately 13 to 16 months after the families reached the time limits. The second round of surveys was targeted only at the 247 families who were surveyed during the first round. Surveys were completed with 221 of these families. The two rounds of surveys represent the first systematic effort to collect information on the status and well-being of these families statewide.

### **A. BACKGROUND**

North Carolina launched its comprehensive, statewide approach to moving families from welfare to work on July 1, 1995, through the Work First program, which was Governor James B. Hunt, Jr.'s welfare reform initiative. From the beginning, Work First represented a fundamental shift in the state's welfare policies and program and focused on breaking the cycle of welfare dependency in North Carolina.

In September 1995, Governor Hunt submitted a Section 1115 waiver application to the United States Department of Health and Human Services (DHHS). His application requested that a number of federal regulations be waived to allow North Carolina to further expand its existing Work First Program. North Carolina's waiver package was approved on February 5, 1996, and the Work First Demonstration Program was implemented on July 1, 1996. The waivers were designed to provide further support to North Carolina's new focus on employment and self-sufficiency.

One of the key features of the Work First program was the imposition of time limits. Once families move into the work requirements of Work First, they may continue to receive benefits for only 24 months. Families are ineligible to reapply for welfare for three years. A month-to-month extension may be granted to families who have complied with their Personal Responsibility Contracts, but are unable to find work. The 24-month time limit remained a component of the Work First program as North Carolina prepared its initial State Plan for the Temporary Assistance for Needy Families (TANF) in response to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

The philosophy behind Work First is that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training, support services such as child care, and other services to help them become self-sufficient. Regardless of services provided to the family, the ultimate responsibility is with the parents. The program also emphasizes that cash assistance is temporary and transitional in nature. Therefore, time limits are imposed.

The first group of families who were potentially subject to the 24-month time limit were those who entered the work component of Work First in August 1996. In that month, 7,840 families began their 24-month time clocks. Twenty-four months later, at the end of July 1998, 315 (four percent) of the families had used up all of their months of eligibility and were terminated from the cash assistance portion of Work First. They remained eligible for Food Stamps, Medicaid, and any other public assistance program for which they were qualified.

## **B. DATA COLLECTION METHODS**

To collect information on the 315 families, MAXIMUS used a combination of administrative data and survey data. Two rounds of surveys were conducted, with the goal of examining post-welfare employment, earnings, family well-being, health care, and a number of other key outcomes. For both rounds of surveys, MAXIMUS collected information through telephone surveys of the families. The surveys were administered from the MAXIMUS Survey Research Center in McLean, Virginia, using our Computer-Assisted Telephone Interviewing (CATI) system.

### **1. TELEPHONE SURVEY INSTRUMENT**

The surveys covered a variety of topics regarding the status of families. These topics included the following:

- employment, earnings, job retention, health benefits, and job satisfaction;
- number of jobs held since leaving Work First, and the reasons for leaving those jobs;
- for persons not working, the reasons for not working (including information on illness or disabilities), ongoing job search efforts, and barriers to finding employment;
- participation in other public assistance programs (such as Food Stamps and Medicaid) and re-employment services;
- child care use and cost;
- receipt of child support and other income,
- whether current income and benefits were meeting family needs,

- likelihood of reapplying for Work First, including events which might lead respondents to return to Work First;
- housing adequacy, food security, and other “deprivation” indicators;
- access to health care for children,
- school performance and school-related problems of children;
- demographic characteristics of the respondents and household composition, and
- whether families thought that they were better off since leaving Work First.

The survey instrument that was used for Round 2 was slightly expanded from the version used in Round 1. Therefore, comparisons between the two are not possible on some of the questions.

## **2. SURVEY SAMPLE AND RESPONSE RATE**

The goal of the first round of surveys was to interview as many as possible of the 315 families who were the first to reach the 24-month time limit in July 1998. A total of 247 respondents completed the survey (78.4 percent). Only one of the respondents who was contacted refused to participate in the survey. We were unable to reach the remaining families. The goal for the second round of surveys was to re-interview all 247 who responded to the first round of surveys. A total of 221 respondents completed the second survey (70.2 percent of the original 315 families and 89.5 percent of the 247 respondents to the first survey).

The primary source of contact information for Round 1 of the surveys was a listing of the names and addresses of the 315 families, as provided in the state Eligibility Information System (EIS). The listing of telephone numbers created a challenge for the study as telephone numbers were listed for fewer than 20 percent of the families. The reason for this was that the telephone number is not a mandatory field that local case workers are required to enter or update on the EIS while working with the family.

To obtain the telephone numbers for the majority of families, MAXIMUS worked with the counties to obtain additional information that case workers might have in their case records. MAXIMUS staff also used on-line telephone directories to attempt to find current telephone numbers.

Letters were mailed to families for whom we did not have a telephone number, or who had no telephone, or whose telephones had been disconnected. The letter was written on Division of Social Services letterhead and signed by the Chief of the Economic Independence Section. The letter contained an explanation of the purpose and importance of the survey and asked the family member to call a toll-free number to complete the survey or to provide an updated address and telephone number.

Finally, MAXIMUS conducted matches of the sample members against credit bureau records to obtain additional contact information.

### **3. ADMINISTRATIVE DATA**

To supplement the survey data, MAXIMUS and the Jordan Institute at the University of North Carolina extracted information for the 315 families from the longitudinal database that the Jordan Institute has been developing under contract to the North Carolina Department of Health and Human Services. The database has information on all families and individuals who have received cash assistance in North Carolina between January 1, 1995 and the present.

To construct the longitudinal database, information from a check history file was merged with monthly extracts from the Eligibility Information System (EIS). Families are tracked once they receive Work First benefits to determine whether they leave the program and, once they leave, whether they return.

A separate longitudinal file containing information on individual Work First participants is also maintained. This file contains information on an array of items, including the person's date of birth, race, sex, Social Security number, and a ten-digit identification number assigned by EIS.

As part of the evaluation of the Work First program, MAXIMUS is preparing ongoing Quarterly Administrative Data Reports which track cohorts of Work First families over time, including entry cohorts and exit cohorts.