Summer 2003 Vol. 1 No. 2

Insights on Southern Poverty

The Newsletter of the UK Center for Poverty Research

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Available online at http://www.ukcpr.org

The UKCPR is sponsored by the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.

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Welfare Time Limits Nationwide and in the South

Dan Bloom

Few features of the 1990s welfare reforms generated as much attention and controversy as time limits on benefit receipt. Time limits first emerged in state welfare reform experiments operated under federal waivers before 1996, and then became a central feature of federal welfare policy in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which became law in August of that year.

Surprisingly, there has been relatively little debate about time limits in 2002 and 2003, as Congress has discussed reauthorizing the 1996 law—and there have been no major proposals to substantially change the law's time-limit provisions. This raises the question of what has been learned in the past seven years: What are the states' time limit policies? How many families have reached time limits? What has happened to those families? This article reviews what we know, with a particular emphasis on the policies and experiences of southern states.

State Time-Limit Policies

Many believe that the 1996 federal welfare law established a national time-limit on welfare benefits, but this is not the case. In fact, PRWORA prohibits states from using federal Temporary Assistance for Needy Families (TANF) block grant funds to provide assistance to most families for more than 60 cumulative months, but allows states broad flexibility in designing time-limit policies. States can establish a 60-month time limit, a shorter time limit, or no time limit. They can exempt recipients from their time limits or grant extensions to families who reach the limits. This flexibility exists in large part because time limits do not apply to assistance paid for with state funds, and because the law allows states to use federal funds to assist families beyond the 60-month point, as long as such families do not constitute more than 20 percent of the TANF caseload. In reality, the federal time limit is not a limit on individual families, but rather a fiscal constraint that shapes state policy choices.

In late 2001, in preparation for what many believed would be a lively debate over the reauthorization of TANF, the U.S. Department of Health and Human Services funded a survey of state welfare administrators to collect information on time limit policies and experiences. The survey was conducted by MDRC and the Lewin Group.

The survey found that states had responded to the broad flexibility allowed under federal law by developing widely varying—and often very complex—time limit policies. These policies can be divided into four broad categories:

- **60-month termination time limit**. Just under half the states (23) have a 60-month time limit that can result in termination of a family's entire welfare grant.

- **Termination time limit of fewer than 60 months**. Seventeen states have termination time limits ranging from 18 to 48 months. Many of these are not "lifetime" limits; they restrict families to a specific number of months of benefits in a longer calendar period (e.g., Louisiana limits families to 24 months of benefits

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Letter from the Director

James P. Ziliak

This issue of *Insights on Southern Poverty* focuses on two distinct welfare populations: the hard-to-serve clients confronting terminal time limits and transitional assistance cases subject to diversion payments. The combination of time limits and work requirements contained in the 1996 Welfare Reform Act poses a double jeopardy for adult clients facing multiple barriers to employment, the latter of which could surface both from the demand side due to slack labor markets and from the supply side due to mental and/or physical health problems. While many of the hard-to-serve receive exemptions from certain state-level time and work rules, others among these complex cases go undiagnosed and face the possibility of sanctions for not complying with work requirements or simply get time limited off of benefits. At the other polar extreme is a subset of the potential welfare population that seemingly does not require long-term services and thus are offered one-time cash payments in lieu of establishing a formal case.

Dan Bloom of Manpower Demonstration Research Corporation (MDRC) leads off the issue by comparing time limits across the United States relative to the 16 states in our focal southern research region, and then briefly discussing the circumstances of those families that reach the limit.

Next, Laura Lein of the University of Texas at Austin and Karen Douglas of Prairie View A&M University summarize the experiences of over 55 households residing in the southern part of Texas who received the $1,000 one-time diversion payment.

In their article, Gerard Barber, Ramona Stone, Stacy Deck Shade, and Daniel McAdam of the University of Louisville offer a sweeping view of the experiences of welfare recipients in Kentucky five years after welfare reform.

Finally, Michelle Derr, LaDonna Pavetti, and Angelina KewalRamani of Mathematica Policy Research offer a glimpse into "promising practice" in dealing with the hard-to-serve welfare population via Georgia's GoodWorks! program.

As Congress continues to deliberate on the reauthorization of TANF, and as more families on welfare either reach the time limit or face multiple employment barriers, policy should be guided by the insights on the southern experience highlighted by the articles in this issue.

2003 Regional Small Grants Winners

The UK Center for Poverty Research is pleased to announce the following winners of the 2003 Regional Small Grants Program:

George J. Borjas, Kennedy School of Government, Harvard University. "Immigration in the South: 1960-2000"

Janet M. Bronstein, Department of Health Care Organization and Policy, University of Alabama at Birmingham. "Which Changes in Public Policy are Most Important for Improving Health and Health Care Access for Low Income Populations in the South?"

Jacob L. Vigdor, Sanford Institute of Public Policy, Duke University. "The New Promised Land: Black-White Convergence in the American South, 1940-2000"

Welfare Time Limits Nationwide and in the South (continued)

in a 60-month period—and also imposes a lifetime limit of 60 months).

- **Reduction or replacement time limits**. Eight states plus the District of Columbia do not have time limits that result in cancellation of a family's entire welfare grant. In most of these states, only the adult portion of the grant is canceled at the time limit, resulting in a lower grant amount.

- **No time limit**. Two states have no time limit. These states will need to use state funds to assist families who receive more than 60 months of federally funded benefits and exceed the 20 percent cap on extensions.

For the full* Welfare Time Limits *report see http://www.mdrc.org/Reports2002/welfaretimelimits/wtl_fullreport.pdf

The last two categories include only ten states plus the District of Columbia, but those states cover nearly half of the national TANF caseload; the states with the largest caseloads, such as California, New York, and Michigan, tend to have more lenient time-limit policies.

The 16 southern states are concentrated in the first two categories, which represent stricter time-limit policies: seven of the 16 have a 60-month termination time limit, and eight have a shorter termination time limit. Only one of the southern states (Maryland) has no termination time limit.

The length and type of time limit tells only part of the story, however. All states allow for either exemptions (circumstances that stop a family's time-limit clock from running) or extensions (circumstances that allow a family to continue receiving benefits after reaching a time limit). These policies differ from state to state—and their implementation is even more varied.

Nationally, nearly half of the families on welfare in late 2001 were not subject to either the federal time limit or their state's time limit. Most of these were "child only cases" in which children are living with a relative or parent who is not included in the welfare grant calculation; such cases accounted for half or more of all welfare cases in Florida, North Carolina, and other states by late 2001. Some families are subject to the federal time limit but exempt from their state time limit (most commonly, for medical reasons), while others are exempt from the federal time limit but subject to a state time limit (for example, two-parent cases whose benefits are paid for with state funds).

"Nationally, about 231,000 families had reached either the federal time limit or a shorter state time limit by the end of 2001, when the survey was conducted."

Families Reaching Time Limits

Nationally, about 231,000 families had reached either the federal time limit or a shorter state time limit by the end of 2001, when the survey was conducted. A large majority of these families—about 176,000—had reached a state time limit of fewer than 60 months. The federal 60-month time limit had expired in only 22 states at that point, and few families had reached it. At least 93,000 families had had their benefits canceled because they reached a time limit, and another 38,000 had had their benefits reduced.

The families whose benefits had been reduced or terminated because of time limits were concentrated in a relatively small number of states, including several southern states. Louisiana and Virginia were among the states with the largest number of time-limit-related benefit terminations, and a large number of Texas families had had their benefits reduced.

The Circumstances of Families after Time Limits

At least eight states have conducted surveys of families whose benefits were canceled because of a time limit. Four of the eight (Florida, North Carolina, South Carolina, and Virginia) are southern states. Typically, the surveys were conducted six to 18 months after the families had left welfare. Many of the surveys compared time-limit leavers to families who left welfare for other reasons. Key findings from these surveys include the following:

- **The employment rates of time-limit leavers vary widely across states, ranging from less than 50 percent to more than 80 percent**.

Most of the variation is attributable to state welfare policies that shape who reaches the time limit (e.g., sanctioning, earnings disregards), or to state time-limit extension policies. As a consequence, employment rates are higher for time-limit leavers than for other leavers in some states, and lower in other states. For the most part, post-exit employment rates are similar to pre-exit employment rates; in other words, there is little evidence that large numbers of people responded to the termination of their benefits by going to work, although the overall rates can hide dynamic employment patterns.

- **Large proportions of time-limit leavers continue to receive Food Stamps, Medicaid, and other assistance after exit.**

There is wide variation in Food Stamp receipt across states, largely tracking the differences in employment rates (i.e., the rate of Food Stamp receipt is lowest in states where most time-limit leavers are working). However, time-limit leavers are generally more likely than other leavers to receive public assistance, even in states where their post-exit employment rate is higher.

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"There is little evidence that large numbers of people responded to the termination of their benefits by going to work, although the overall rates can hide dynamic employment patterns."

Texans Receiving the One-Time Benefit: The Year After

Laura Lein and Karen Douglas

As part of Texas welfare reform legislation (House Bill 1863, enacted by the 74th legislature in 1995), the state developed a program to provide eligible applicant households with a $1,000 one-time payment and to divert them as potential welfare recipients from the TANF (Temporary Assistance for Needy Families) program for 12 months. This paper reports on the recipients of one-time payments to determine the use made of the one-time payment and its impact on the household.

> *"Most recipients of the one-time payment used the money in one of two ways—to alleviate pressing bills that would forestall a dire consequence or as an investment in transportation."*

As one part of a more extensive study, the Texas Department of Human Services contracted with the Center for Social Work Research at the University of Texas at Austin to examine the ways in which receipt of a one-time payment affected low-income families. While the one-time payment program is a relatively small program in the larger context of welfare diversion strategies in Texas, response to the one-time payment program may provide interesting insights in considering the significance of other one-time payments, such as the Earned Income Tax Credit (although very different in its organization), in the lives of low-income families, particularly families leaving welfare.

For this small-scale qualitative study, the research team worked from a list of recipients in two geographic areas (the southern tip of the state and the San Antonio area) including the two-county area where the program was first introduced (Hidalgo and Cameron Counties). This report includes the discoveries from seeking out households, as well as analysis of in-depth interviews with 55 households over the year following receipt of the one-time payment. Outcomes were confirmed for eight additional recipients, but these included death, incarceration, and serious illness, which did not allow for detailed interviews.

This summary is an overview drawn from a report made to the Texas Department of Human Services with support from the United States Department of Health and Human Services. The full report was authored by Laura Lein, Karen Douglas, Susan Jacquet, Audrey Steiner, Greg Ellis, and Veronica De La Garza. It is available from the Texas Department of Human Services.

How geographically mobile were the one-time recipients?

Approximately one-quarter of the study participants included in our potential pool had either moved or were not in residence at the given address at the time we were attempting initial contacts. Not surprisingly, mobility of one-time payment recipients appeared higher in the southern part of the state, the "Valley," where the prevalence of migrant farm workers is greater than in Bexar County, the county including San Antonio. At least half of the potential respondents in the Valley were migrant farm working households traveling to agricultural locations outside of the Valley.

Did the one-time payment of $1,000 result in changes in recipients'…

a) …household budgeting practices?

No. Most recipients of the one-time payment used the money in one of two ways—to alleviate pressing bills that would forestall a dire consequence or as an investment in transportation. In other words, for most of the recipients, the money was already spent (indeed, the immediate and pressing need for cash was often the motivator for applying to the program) before even having received it.

b) …employment patterns?

Yes and no. One of the most common uses of the one-time payment was transportation-related—either to purchase or repair a vehicle. Because some form of reliable transportation was often a precursor to employment, use of the money for transportation-related expenses enabled some study participants to go back to work or to begin a more extensive job search. Nonetheless, employment remained fairly low among the study participants. However, the one-time payment seemed to have the most beneficial impact on those households with occupants who are seasonally or temporarily unemployed and for whom re-hire is fairly certain. Among these households, the one-time payment could provide an adequate financial income until employment resumed.

The effects of the one-time payment were more readily visible for those who used it to purchase or repair a vehicle. In many of these cases, respondents had been employed prior to the loss of their vehicle, and directly attributed the lost job to the loss of transportation. In these cases, the one-time payment was used primarily to repair or purchase another vehicle. This led to the resumption of employment for several households.

c) …education and training?

No. As indicated earlier, pressing debts or household needs and large cash outlay purchases such as vehicle repairs and/or purchases absorbed the one-time payments.

d) …childcare?

No. Affordable and acceptable childcare arrangements remained on-going

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issues for the study participants. In only isolated instances did study participants who were able to secure transportation via the one-time payment then use formal day care. However, since many of the study participants were in fact married couples, more commonly one or the other head of household assumed responsibility for the household's childcare or, when pressed, they turned to other family members. Many respondents continued to worry about finding reliable and affordable childcare. In fact, one respondent explained that in her situation, the one-time payment had an adverse effect on childcare as taking the one-time payment disqualified her from childcare assistance programs offered to TANF recipients.

Do any changes in expenditures alleviate previously experienced material hardships?

Yes and no. One-time payment recipients can be generally classified into two categories: 1) those who took it to reduce pressing debt; and 2) those who enrolled in the program in order to purchase or repair a vehicle. For those falling in the first category, the one-time payment did little to alleviate their overall material hardships. Usually, their pressing need for money was the precursor for deciding to enroll in the one-time program. It was effective, however, in forestalling more dire circumstances such as eviction and/or interruption of utility services. In only a few instances were respondents able to parlay the one-time payment into better financial and material circumstances for themselves. The $1,000 allowed a couple of respondents to obtain their own housing, allowing them independence not previously experienced. Another household used the payment as seed money to start an in-home business.

To what extent are expenditures made to support people outside the household?

Very little. For the most part, it took all of the resources households possessed to keep their own households solvent. Additionally, it was slightly more likely for study participants to be living with other relatives than for other relatives to be living with them. That being the case, several participants did mention turning over a portion of the money to relatives for safekeeping.

To what extent do people outside the household provide some support to the household?

Considerable. Twenty-two households reported receiving income support from "other" sources (most commonly family and friends). Indeed, it was an integral component in their quest to make ends meet. On average, households reported receiving $275 per month from other sources. Moreover, family and friends were often called upon to provide shelter (both on a temporary and more permanent basis), as well as to provide assistance with childcare responsibilities. It was also common for study respondents to turn to family members for transportation needs—getting rides to and from places including job sites and grocery stores.

Copies of the full report from which this summary is taken may be ordered from the Publications Division at the Texas Department of Human Services (http://www.dhs.state.tx.us/)

Recipients' accounts of their lives over the year of the research indicated a group of continuing needs:

- money-managing knowledge, skills, and resources;
- marketable skills and access to education and training;
- affordable, accessible childcare;
- transportation;
- ways of dealing with the attitudes they had about accepting government money; and
- preventive medical care.

"Households already experiencing a heavy debt load quickly absorbed the $1,000 with no long-term, lasting effects."

All in all, the impact of the one-time payment on households depended on many factors including the supportive resources that families pieced together. However, for many, the complexity and fragility of the patchwork of resources mediated the long-term impact of the one-time payment. Households already experiencing a heavy debt load quickly absorbed the $1,000 with no long-term, lasting effects. The households most impacted by the one-time payment were those for whom unemployment was temporary, as in the case of school district employees laid off during the summer and seasonal farm workers in between field harvests. When resumption of employment was likely and within a known time frame, the net result of the one-time payment was to stabilize a family, although, even in this situation, it did little to improve the overall material conditions of a household. Instead, the one-time payment served more as a maintenance function allowing for a continuation of a present standard of living.

"In only a few instances were respondents able to parlay the one-time payment into better financial and material circumstances for themselves."

Laura Lein is a professor at the School of Social Work and Department of Anthropology at the University of Texas at Austin. Karen Douglas is an assistant professor and coordinator in the Department of Sociology at Prairie View A&M University.

Welfare Reform in Kentucky: A Five-Year Evaluation by the Kent School of Social Work, University of Louisville

Gerard M. Barber, Ramona F. Stone, Stacy Deck Shade, and Daniel McAdam

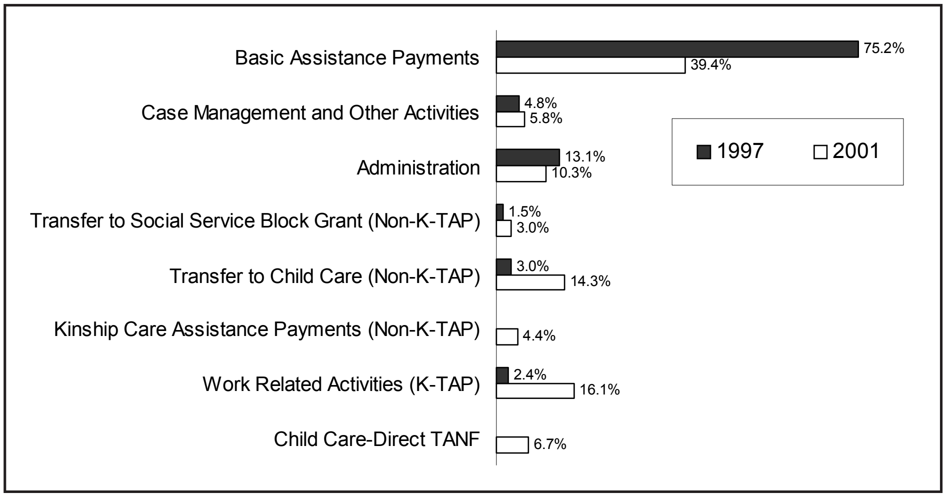
The Mandate

In October 1996, the federal government changed the AFDC welfare program into a block grant; in Kentucky it is called the Kentucky Transitional Assistance Program (K-TAP). Welfare recipients now must participate in work programs or activities to remove barriers to employment, and they are subject to a five-year time limit. To assess the impact of these changes, the Cabinet for Families and Children (CFC) contracted with the University of Louisville to evaluate its welfare reform initiative. Earlier reports are available at http://kwre.usi.louisville.edu. This paper gives an overview of Kentucky's TANF program (K-TAP) and discusses changes in the Commonwealth's TANF expenditures and client participation in K-TAP and the Kentucky Works Program. It also reports how many clients are vulnerable to time limits and what employment and client well-being outcomes have resulted from the last five years of welfare reform.

Changes in TANF Spending

Kentucky's 1997 TANF expenditures of $236.8 million grew to $253.3 million in 2001 (a 7% increase). It is estimated that almost all these expenditures went to active K-TAP clients or low-income, non-TANF clients. As shown in Figure 1, cash assistance payments as a fraction of TANF expenditures fell nearly thirty-six percentage points from $178.2 million in 1997 to $99.8 million in 2001. The unused cash assistance funds were reallocated to expand services to active K-TAP clients, former low-income K-TAP clients, and other low-income families.

Figure 1: Percent Allocation of Kentucky's 1997 and 2001 TANF Expenditures



Source: http://kwre.usi.louisville.edu/ "KWRE Project Special Report: Overview 2002"

Services Expanded to Active TANF Cases

Funding for work related activities grew from $5.7 million in 1997 to $40.8 million in 2001 (a 616% increase). This spending included wage subsidies ($1 million), education support ($4.1 million), work activities ($18.8 million), employment retention bonus payments and retention assistance ($3.6 million), transportation ($7.2 million), and all other expenses ($6.1 million). Employment retention bonus payments and employment retention assistance went to TANF clients who left K-TAP, but most remaining expenditures went to active K-TAP clients for wage subsidies, educational support, job training, or transportation expenses. TANF child care support for active K-TAP clients went from nothing in 1997 to $16.9 million in 2001. Financial support to help active K-TAP clients gain employment went from $5.7 million (work related activities) in 1997 to $57.7 million ($40.8 million work related activities and $16.9 million in child care support) in 2001, an increase of $52 million.

Services Expanded to Nonactive K-TAP Clients and Other Low-Income Families

By 2001, CFC also expanded resources to non-K-TAP, low-income families in four key areas. The Cabinet 1) provided financial support to low-income relatives who assumed responsibility for one or more related children, who were in an abuse or neglect situation or at-risk of commitment to CFC (Kinship care, $11.2 million); 2) expanded child care to low-income families ($7.0 million); 3) provided employment retention assistance to former K-TAP clients to help them remain employed ($3.6 million); and 4) provided support to low-income families for in-home child care or to encourage the formation of two-parent families. The Cabinet also provided emergency cash assistance through the diversion program (FAD) to families who otherwise would have been eligible for K-TAP, but were "diverted" and helped to remain employed ($7.7 million). Thus, it is estimated that expenditures for non-welfare, low-income families went from approximately 4.5% of the 1997 budget to 23.2% of the 2001 budget.

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"When compared to the number of clients who had the potential to use 60 months of K-TAP eligibility . . . only 2% reached the 60-month time limit."

K-TAP Participation: Caseload Decreasing but Varies by Region

The total K-TAP caseload decreased 59% from October 1996 to October 2001. During this period 114,438 cases were served by K-TAP. As shown in Table 1, since October 1996, K-TAP served 10.9% of households in Appalachia, 5.9% of rural households, and 5.7% of urban households. While Appalachia includes only 27.4% of all Kentucky households, it represents 41.4% of all 114,438 K-TAP cases. Urban areas include 43.7% of Kentucky's households but only 34.7% of K-TAP cases, and rural areas contain 28.9% of households but 23.9% of K-TAP cases.

Few Clients Reach Time Limit

Between October 1996 and May 2002 there were 121,110 Kentucky families served by K-TAP. As of May 2002, 1,292 clients had reached their 60-month time limit. When compared to the number of clients who had the potential to use 60 months of K-TAP eligibility (clients who entered K-TAP from 10/96 to 5/97; N=63,752), only 2% reached the 60-month time limit. Of the 1,292 cases that reached the time limit in May 2002, 75% were discontinued from K-TAP (Figure 2). About 18% were extended, and an additional 7% were extended but subsequently discontinued. Most clients who reached the time limit came from Appalachia, and the fewest came from other rural areas of Kentucky. Only 31% came from urban areas. However, this trend is shifting, and between May 2002 and May 2003 the majority of time limit cases will come from urban areas.

Of the 319 cases that were extended, 53% were extended due to a physical or mental condition of the responsible adult. Another 28% were extended due to caregiving needs of another family member, usually a child. These physical/mental conditions and caregiving responsibilities were deemed severe enough by a medical review committee to prevent the primary welfare recipient from working, at least temporarily. Another 17% of cases, which met all Kentucky Works Program (KWP) requirements, were extended due to insufficient employment opportunities.

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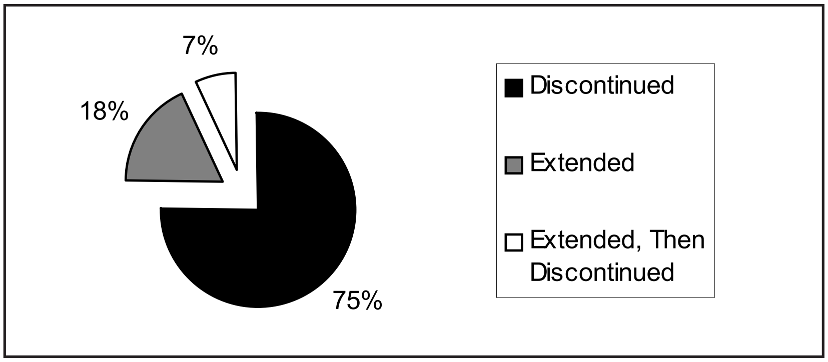
Table 1: K-TAP Participation by Region: October 1996 to October 2001 (N=114,438)

Area	All K-Tap Cases: Number	All K-Tap Cases: Percent	Percent of Households
Appalachia	47,438	41.4	10.9
Rural	27,329	23.9	5.9
Urban	39,671	34.7	5.7
Total	114,438	100.0	7.2

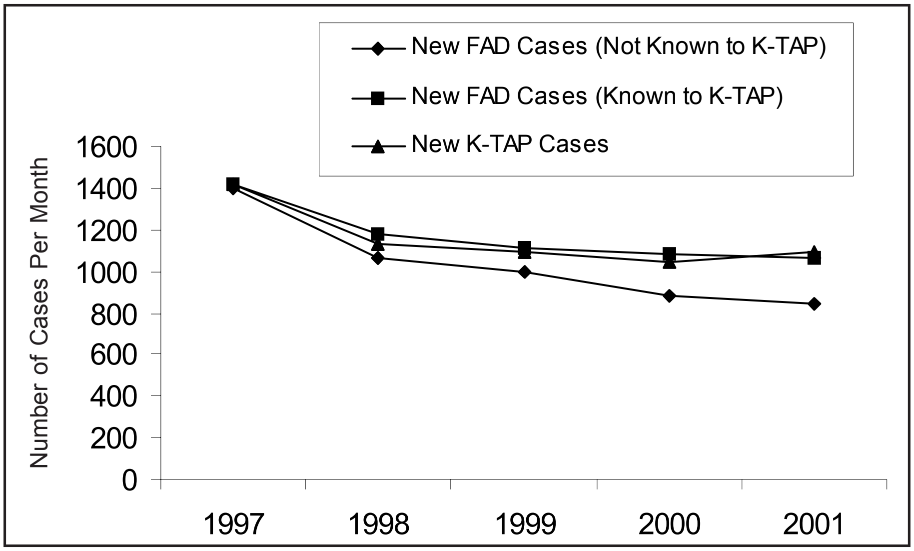
Source: http://kwre.usi.louisville.edu/ "KWRE Project Special Report: Overview 2002"

Figure 2: Status of Time Limit Cases (N=1,292)



Source: http://kwre.usi.louisville.edu/ "KWRE Project Special Report: Impact of Time Limit on Clients"

Figure 3: Number of New K-TAP and FAD (Diversion) Caseloads: October 1997 to October 2001



Source: http://kwre.usi.louisville.edu/ "KWRE Project Special Report: Impact of Time Limit on Clients"

Approximately 2% of cases were extended for other reasons, usually domestic violence.

Diversion Program is Growing

The diversion program, known as the Family Alternative Diversion (FAD) program, has been successful in helping families through difficult financial periods in two regards. First, it has reduced the number of persons needing to apply for cash assistance. Figure 3 shows that the number of new cases entering K-TAP per month has decreased significantly. The increased number of new FAD cases per month—shown by the top two lines—illustrates that, without FAD, the number of cases entering K-TAP each month would likely have decreased slightly during 1998 and 1999, but would have returned to the 1997 level during 2000 and 2001. About half of FAD clients are former K-TAP clients.

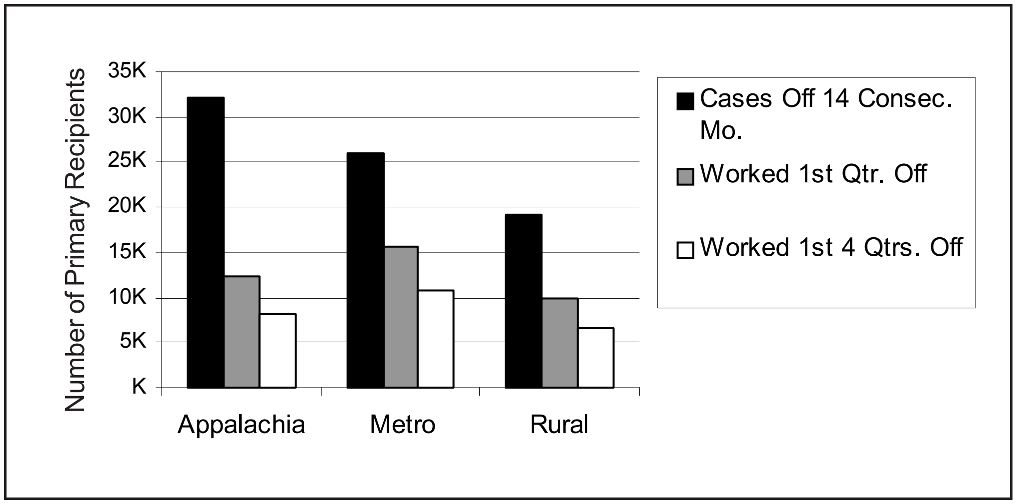
FAD Saves Money and Time Limited Months

FAD has saved Kentucky $2.2 million in K-TAP payments and nearly 50,000 months of K-TAP eligibility since its inception. Specifically, the FAD program's average annual savings per case between November 1997 and October 2000 was $347. Later analysis revealed that savings in 2001 was almost one million dollars and almost 24,000 months of eligibility per year.

Employment Outcomes Vary by Region

Figure 4 shows that about half of clients who left K-TAP had employment during the first quarter off welfare (average first quarter earnings were $2,307). About one third of leavers had earnings in all of the first four quarters off K-TAP with average annual earnings of $11,371. The employment rate for rural cases was about the same as the state average, but in Appalachia it was significantly lower and in urban areas significantly higher. Almost 67% of employed K-TAP leavers worked full-time, but only 36% earned $8 or more per hour. Over 80% were satisfied with their jobs, and the most frequently named benefits of working were "more money" and "pride in being independent."

Figure 4: Primary Recipient Work Outcomes by Region (N=77,426)



Source: http://kwre.usi.louisville.edu/ "KWRE Project Special Report: Employment Outcomes"

Relocation Assistance Recipients Double Earnings

From its inception in May 1998 through September 2001, Kentucky's Relocation Assistance Program (RAP) has helped about 3% of K-TAP cases. Over $2 million in RAP assistance was disbursed during that time period, and the average payment was about $764. Clients in Appalachia comprised 44% of the total, while 30% came from urban areas and 26% lived in rural areas. Appalachian clients were more likely to relocate to a different county or state. Employment rates went from 60% before relocation assistance to 74% after RAP assistance, and the average quarterly earnings increased from $1,779 to $3,422 after receiving relocation assistance.

For complete reports from the Kentucky Welfare Reform Evaluation, see http://kwre.usi.louisville.edu/

Implications

The overall evaluation results show that by reallocating resources, Kentucky has made many innovative changes to improve its welfare system. Enforcing time limits has motivated people to get off cash assistance sooner, and the recidivism rate has not changed substantially over the last four years. This is partly due to the Family Alternatives Diversion (FAD) program, which has met emergency needs of many low-income Kentucky residents and kept them from going on K-TAP. The FAD program is now saving about $1 million in cash assistance and 24,000 months of eligibility annually.

The Cabinet for Families and Children has redirected resources to education, job training, and work subsidy activities as well as transportation and child care, in order to help active K-TAP clients become more employable. The Cabinet also has provided reallocation assistance for clients to move to new jobs, and job retention assistance and job retention bonuses to help clients stay employed.

"Enforcing time limits has motivated people to get off cash assistance sooner, and the recidivism rate has not changed substantially over the last four years."

The authors are each affiliated with the Kent School of Social Work at the University of Louisville. Gerard M. Barber, Ph.D., is a professor; Ramona F. Stone, Ph.D., is a research faculty member; Stacy Deck Shade, MSSW, is a research manager; and Daniel McAdam, MBA, is a research facilitator.

Welfare Time Limits Nationwide and in the South (continued)

- **Most time-limit leavers in all states report low household income.**

In all states, some time-limit leavers report that their post-welfare income or standard of living was higher than when they received welfare, while others report being worse off. The proportions vary, but, in most states, a greater proportion of respondents said they were worse off than better off. In general, employed respondents report higher household income than nonworking respondents. Similarly, in states where time-limit leavers have lower employment rates than other leavers, they also have lower income.

- **In most states, time-limit leavers reported experiencing more hardships after leaving welfare than before, but the time-limit leavers did not report consistently greater levels of hardship than people who left welfare for other reasons.**

Homelessness has been rare, but levels of food insecurity and other hardships (e.g., utility shut-offs) are high. However, there is not a clear association between levels of hardship and employment status, and no clear patterns of hardships across states.

Open Questions

As of this writing, Congress seems poised to reconsider the reauthorization of PRWORA. Unfortunately, there are still substantial gaps in our understanding of the states' experiences with time limits, one of the 1996 law's central components. The most comprehensive national data about the number of families reaching time limits come from late 2001, before families began reaching the 60-month point in many states. There are no systematic data about the states' experiences in the last 18 months. Similarly, the available data on the post-welfare circumstances of families who reached time limits come from surveys administered before the economy slowed.

Dan Bloom is a senior associate with the Manpower Demonstration Research Corporation (MDRC).

Emerging Scholars Program

The UK Center for Poverty Research welcomes nominations for the Emerging Scholars Program. This program offers the opportunity for young scholars in the behavioral and social sciences to visit the UKCPR, interact with faculty in residence, present their research, and become acquainted with the staff and resources of the Center. Eligibilty is restricted to those holding a Ph.D., with preference given to those who graduated in the last six years. Transportation, lodging, and meal expenses will be coordinated and covered by UKCPR.

Nominations and self-nominations, along with a brief bio and current CV (or links to the latter in the case of anonymous nominations) should be sent to Mrs. Kathryn Kirkland at kaconr0@uky.edu. We will consider nominations for the Fall 2003 term until Friday, **August 15, 2003**, and for the Winter 2004 term until Friday, **December 5, 2003**.

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In Memoriam

Mark C. Berger (1955-2003)

I am saddened to report the unexpected passing of our colleague and UKCPR Executive Committee member, Mark Berger. Mark, who was 47 at the time of his death, received his Ph.D. in economics from Ohio State University in 1981 and joined the Department of Economics at the University of Kentucky that fall. He had an esteemed publication record in the areas of labor and health economics, and was also an expert on the Kentucky economy via his role as Director of the Center for Business and Economic Research at UK. Mark's work was guided by a desire to understand the problems confronting the poor, and to critically evaluate public policies designed to ameliorate poverty. He is sorely missed.

—James P. Ziliak

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Insights on Southern Poverty
Vol. 1., No. 2, Summer 2003

This newsletter is published triennially and is accessible online at www.ukcpr.org. For more information, call (859) 257-7641 or email kaconr0@uky.edu.

ISSN 1544-5194

Georgia GoodWorks!: Transitional Work and Intensive Support for TANF Recipients Nearing the Time Limit[1,2]

Michelle K. Derr, LaDonna Pavetti, and Angelina KewalRamani

There is an urgent need for welfare recipients to work. Welfare program work requirements, sanctions, and time limits are all used to encourage these individuals to find jobs. Although many welfare recipients have found jobs, some have not been able to find steady employment because of a limited work history, little education, and formidable personal and family barriers to work. These hard-to-employ individuals often need additional support and time to achieve their employment goals.

In 1999, Georgia allocated $18.6 million in TANF (Temporary Assistance to Needy Families) funds to design and implement an intensive supported employment program, GoodWorks!, for hard-to-employ welfare recipients approaching the state's 48-month time limit on benefits. One of the first states to design a program targeted to TANF families reaching the time limit, Georgia is also one of the few that provides supported employment services to welfare recipients.

Overview of GoodWorks!: What is It?

GoodWorks! is a transitional employment program based on a supported employment model commonly used with individuals who have disabilities. This model differs from traditional employment programs in the level and intensity of supports provided by program staff. It is also unique insofar as clients are assigned to a paid work placement in order to gain work experience and learn how to function effectively in a work environment.

Key program services and supports include in-depth assessments, paid (TANF-funded) work placements, enhanced social support, job coaching, individualized job placement, and long-term follow-up to help clients stay employed. The assumption underlying the GoodWorks! program is that most individuals can work with the right amount and types of support, and that families will be better off if at least one parent is working.

Who is Served by GoodWorks!

GoodWorks! serves hard-to-employ welfare recipients who are near or already at Georgia's 48-month welfare time limit and are not participating in a work or training activity. Welfare recipients who have received TANF for longer than 30 months are eligible for GoodWorks!. Targeted individuals have little or no work experience, a limited education, and personal and family challenges that interfere with work but do not preclude them from working.

Key Components of GoodWorks!

Aggressive outreach, screening and assessment, paid work placements, enhanced supports, job placement, and long-term follow-up are the key components of GoodWorks!.

Aggressive Outreach to Increase Program Participation

To encourage participation, local sites hire outreach recruiters or use GoodWorks! staff to conduct home visits to individuals referred by the Division of Family and Children Services. Outreach is intended to screen for appropriate referrals, identify clients' immediate service needs, begin to access work supports, and generate enthusiasm for the program.

Screening and Assessment to Individualize Service Delivery

Program staff use formal and informal assessments to create personalized service plans for clients. A variety of assessments are used to identify clients' service needs, such as an in-depth employment and psychological assessment administered by Vocational Rehabilitation, a drug screen and a criminal background check, and a three- to four-week assessment phase in which GoodWorks! staff assess clients' work skills and behaviors while they are working.

Clients Learn to Work by Working

GoodWorks! clients work between 20-30 hours per week in a structured paid work placement in entry-level jobs over a six- to nine-month period before they are linked to permanent employment. This placement—a group arrangement at either the employment service provider or a placement at a nonprofit, public, or for-profit agency in the community—allows clients to make mistakes and correct them without jeopardizing their employment, helps them get accustomed to a work schedule, teaches them basic job skills, and coaches them on healthy workplace behaviors. Clients earn between $5.15 and $8.52 per hour.

Enhanced Work Supports Prepare Clients for Steady Employment

The amount and intensity of staff support provided through GoodWorks! not only exceeds that of traditional employment programs but also is greater than most programs for the hard-to-employ. Personal advisors, available 24 hours a day, seven days a week, help clients to identify barriers to employment, access services addressing these barriers, learn basic life skills, and build confidence in their ability to work. Job coaches and work-site supervisors interact with clients regularly at the workplace, helping them to function well on the job. In most of the study sites, clients are required

(continued on p. 11)

[1] This study was conducted with support from the Annie E. Casey and Smith Richardson Foundations.

[2] This article is based on the report "Georgia GoodWorks!: Transitional Work and Intensive Support for TANF Recipients Nearing the Time Limit." The full report is available on Mathematica's Web site at www.mathematica-mpr.com. For more information on the study of the Georgia GoodWorks! program, contact Michelle K. Derr or LaDonna Pavetti at Mathematica Policy Research, Inc., (202) 484-9220.

to participate in job readiness activities in addition to their work placement.

Clients are Linked to Permanent Jobs

GoodWorks!'s ultimate goal is to place clients in appropriate, steady jobs. Where possible, assessment information is used to match clients to work that fits their interests, skills, and personal circumstances. Local sites generally place participants in unsubsidized employment by tapping into existing job placement resources such as the Georgia Department of Labor one-stop career centers or by using in-house job developers who find jobs for participants in a broad range of agency programs.

GoodWorks! Staff Follow Up with Clients after They Get Jobs

In GoodWorks!, job retention support begins at enrollment and extends at least a year after clients start working. Consistent and frequent job coaching over time is provided to help instill healthy workplace behaviors. Once clients are employed, personal advisors contact them monthly and, in some cases, more frequently. Follow-up includes helping clients access work supports, mediating interpersonal conflicts between clients and employers, and assisting with new job placement for clients who are no longer working. Some local sites provide job retention bonuses to clients who keep their jobs.

Program Funding

Georgia reinvests its TANF savings from declining caseloads to pay for state Georgia Department of Labor GoodWorks! staff, supported employment services at the local level, and client wages and worker compensation benefits. Initially, state and competitive Welfare-to-Work funds were used to pay for client wages, but these funds have been spent in most communities. GoodWorks! mandates that localities use existing resources funded by TANF and other sources (e.g., Workforce Investment Act and Wagner-Peyser) to provide services.

Program Outcomes

Many GoodWorks! participants find unsubsidized jobs. In our study of the Georgia GoodWorks! program, we looked at program completion and job placement rates in four counties—Richmond, Fulton, Dekalb, and Bibb. We found that clients spend on average nine months in the Georgia GoodWorks! program. After completing the program, job placement rates in the counties we looked at ranged from 35 to 70 percent. The placement rate is highest in Richmond County, the site with the most experience operating GoodWorks!. It is lowest in Fulton County, which serves a more urban population and has a more complex administrative structure. Job placement rates increase substantially when looking only at those who successfully complete the program, ranging from 54 percent in Bibb County to 85 percent in Richmond County.

> ***"The assumption underlying the GoodWorks! program is that most individuals can work with the right amount and types of support."***

Most clients work about 35 hours a week in clerical, health care, or service related positions. The median wage for clients in the sites is $5.75 to $8.00 per hour. Richmond County, the study site with the highest rate of job placement, had the lowest median wage per hour.

Program Accomplishments, Challenges, and Lessons Learned

GoodWorks! represents a "promising practice" in the effort to secure work for hard-to-employ welfare recipients at or nearing the time limit. In looking at the GoodWorks! program, we also found that administering a program like GoodWorks! means thinking "outside the box."

States and localities interested in designing programs like GoodWorks! need to think differently about providing employment services and serving the hard-to-employ. The GoodWorks! experience teaches us that these programs require creativity, flexibility, and commitment at the state and local levels. Given the challenging nature of the target population, program administrators and staff may need to take a more flexible and individualized approach to service delivery.

Those referred to GoodWorks! are long-term welfare recipients not participating in work or training activities. If they were able to find jobs on their own, it is likely that they would have already done so. The GoodWorks! model integrates work with enhanced supports, an approach that has helped to employ many of these hard-to-employ individuals. Indeed, most GoodWorks! completers find jobs.

As the reality of the federal welfare time limit sets in, policymakers and program administrators are struggling to handle the consequences of PRWORA. Repealing the time limits would undermine the credibility of welfare staff who have used them to encourage clients to work, while enforcing them, arguably, may have harsh effects on families. To resolve the dilemma, states and localities may consider developing programs like GoodWorks! in which clients nearing or at the time limit are given an alternative means of support but are still held accountable for supporting their families.

GoodWorks! represents the first step in linking clients to the labor market, but clients may require a different set of services to achieve their long-term employment goals.

GoodWorks! is a springboard for hard-to-employ individuals, linking them to entry-level jobs where they can obtain work experience. However, many individuals may need more education and training in order to advance to better-paying jobs. Program designers and administrators might consider giving more thought to services that improve clients' long-term employment prospects. Otherwise, clients may cycle in and out of jobs and/or remain among the working poor.

The authors are each affiliated with Mathematica Policy Research, Inc. Michelle K. Derr is a policy researcher, LaDonna Pavetti is a senior fellow, and Angelina KewalRamani is a research analyst.

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