

February 1999

WELFARE REFORM

States' Experiences in Providing Employment Assistance to TANF Clients





Health, Education, and
Human Services Division

B-278935

February 26, 1999

The Honorable Christopher Shays
The Honorable Edolphus Towns
House of Representatives

Federal welfare reform legislation enacted in 1996 made major changes in the type of assistance available to needy families. While the previous program, Aid to Families With Dependent Children (AFDC), provided families with cash assistance for an indefinite period, the new one, Temporary Assistance for Needy Families (TANF), provides benefits for a time-limited period and focuses on quickly putting clients to work. Many states were already reforming their welfare systems using AFDC waivers, but the dramatic shift to a “work first” orientation under TANF has focused welfare agencies even more on helping needy adults with children find and maintain employment¹—a goal that has long been the province of the workforce development system. Bringing together these two systems—welfare and workforce development²—to address the employment goals of welfare reform may be seen as an effective way to make the best use of each system’s expertise and resources. In fact, historically, about a third of the participants in the nation’s primary workforce development program for economically disadvantaged adults—JTPA title IIA—have been welfare recipients. Moreover, the workforce development system has been retooling its delivery system—consolidating the delivery of services through one-stop career centers—in an effort to make it easier for all clients, including those on welfare, to access services. It is not known, however, given the broad flexibility afforded the states by the new welfare block grant, whether states are bringing in the workforce development system at the state and local levels to lend their expertise and resources in the new “work first” environment.

Although we have limited information on how well different approaches are working, you asked us to gather information on how states that were early implementers of welfare reform and of one-stop career centers were providing employment and training assistance under welfare reform.

¹See, for example, *Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence* (GAO/HEHS-98-109, June 18, 1998).

²For this report, we define the “workforce development system” as the state or local entity that has responsibility for administering programs that originate through the Department of Labor, such as the state Employment Service or Job Training Partnership Act (JTPA) programs; “welfare system” is defined as the state or local entity that has responsibility for administering programs that originate through the Department of Health and Human Services (HHS), such as the previous Job Opportunities and Basic Skills (JOBS) training program and the TANF program.

Specifically, you asked us to determine (1) the structural approaches states are using to provide employment and training services to TANF clients, (2) the employment and training assistance the states are providing, and (3) the funding sources states are using to pay for this assistance. To address these issues, we performed in-depth field visits in five states, where we interviewed state and local officials and observed operations. We also collected program information, where available, on all 50 states. Additional information on our scope and methodology is in appendix I.

Results in Brief

The welfare reform emphasis on “work first” has prompted a significant rethinking of how best to get welfare clients into jobs. It is still too early to tell what the most efficient and effective model is—all five states we visited, for example, were continuing to modify the structure of their workforce development and welfare systems to adapt to the new environment created by welfare reform. Some states are making significant changes, however, to their structural approaches to serving TANF clients. For example, Wisconsin has an integrated workforce development and welfare system at both the state and local levels to provide employment and training assistance to TANF clients. Nationwide, states largely provide these services through two different structures. In 14 states, TANF clients receive employment and training services primarily through centers dedicated to serving only welfare clients; 17 states primarily use their local workforce development structures to deliver these services; and the remaining states use a combination of approaches. In our visits we found similar results.

- While some organizational changes are being made, in all of the states except Wisconsin—Arizona, Massachusetts, Michigan, and Ohio—the state-level workforce development and welfare structures are largely the same separate systems that existed before the passage of federal welfare reform legislation.
- At the local level, however, three of these states bring in the workforce development system statewide to varying degrees to provide employment and training assistance to TANF clients. (Apps. II through VI describe the approaches, assistance, and funding in the five states we visited.)

The five states we visited all provide employment and training services centered on getting TANF clients into the workforce as quickly as possible. Training focuses more on job readiness than on acquiring new vocational skills, in some cases using unpaid work experience or community service

work to teach job-readiness skills. Despite the similarity in types of services available in the five states, the approach used to deliver these services varies. Two states tailor the initial services to meet individual client needs, and two states provide the same initial services to all clients without regard to clients' needs. Services in the fifth state, Ohio, differ in approach from county to county.

The TANF block grant, rather than workforce development programs, is the principal source of funding for employment and training assistance to TANF clients. Even where the workforce development system is providing services to the state's TANF clients, it is doing so largely with TANF funds. According to state officials, this funding pattern results from the fact that TANF funds are plentiful and flexible, whereas workforce development funds are limited. Welfare's hard-to-employ clients may be assisted by a new 2-year, \$3 billion welfare-to-work grant program administered through workforce development systems, but at the time of our fieldwork, the four states that applied for these grants were just beginning to implement their programs.

Background

For at least 30 years, states' welfare and workforce development systems have been collaborating at some level to provide employment and training services to welfare clients, but their efforts often focused more on skills training than on getting a job. Over time, federal welfare reform initiatives have given states greater flexibility to design and administer their welfare programs to serve their unique program needs, including greater flexibility in collaborating with workforce development systems. At the same time, the workforce development system has established a new service delivery mechanism, called the one-stop career center, which states have been implementing to deliver employment and training services to all clients.

Welfare's Early Employment and Training Efforts Had Limited Links to Workforce Development Systems

The requirement for states to administer employment and training programs for their AFDC clients began in 1967 with the Work Incentive (WIN) program. The program was jointly administered at the federal level by Labor and HHS, along with its predecessor, the Department of Health, Education and Welfare, and at the state and local levels by the state Employment Service and public welfare offices. WIN's successes were limited, according to critics, largely because the program lacked coordination between the welfare agencies and local employment and training agencies. Only the most job-ready participants were served by the

program, and relatively few clients became successfully employed.³ Starting in 1981, WIN demonstration projects were established that gave states greater flexibility to design their programs—states could now require clients to work. WIN demonstrations also allowed states to give welfare agencies full responsibility for administering the programs instead of sharing responsibility with state Employment Service offices. Half of the states adopted WIN demonstrations in lieu of regular WIN, which, in part, led to a diminished role for Labor in providing employment and training services to welfare clients.⁴

The JOBS program replaced the WIN program when the 1988 Family Support Act was enacted. JOBS provided AFDC participants a broad range of services, including education and training assistance, as well as supportive services; and, for the first time, legislation required states to place a specified minimum percentage of AFDC adults in education and training activities. The JOBS program was administered at the federal level by HHS and at the state level by state AFDC agencies. Unlike WIN, which had a clear federal role for the workforce development system, JOBS remained within the welfare system. As a result, a separate structure was established within the welfare system to oversee employment and training assistance to welfare clients and, in many cases, to provide services.⁵

States began experimenting with their AFDC and JOBS programs when HHS began allowing waivers, as authorized under the Social Security Act, which often strengthened work requirements. Between January 1987 and August 1996, 45 states and the District of Columbia obtained waivers from HHS, and 35 of these states used the waivers to strengthen the requirements for welfare recipients to participate in work activities.⁶ States also used these waivers to try new ways of delivering services. While some localities expanded the role of those responsible for determining eligibility to

³For further discussion, see *Evidence Is Insufficient to Support the Administration's Proposed Changes to AFDC Work Programs* (GAO/HRD-85-92, Aug. 27, 1985) and *Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy* (GAO/HRD-87-34, Jan. 29, 1987).

⁴For more historical background, see Pamela A. Holcomb, *Welfare Reform: The Family Support Act in Historical Context* (Washington, D.C.: The Urban Institute, Nov. 1993).

⁵For further discussion, see *Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment* (GAO/HEHS-95-28, Dec. 19, 1994), *Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement* (GAO/HEHS-95-113, May 19, 1995), *Welfare to Work: Participants' Characteristics and Services Provided in JOBS* (GAO/HEHS-95-93, May 2, 1995), *JOBS and JTPA: Tracking Spending, Outcomes, and Program Performance* (GAO/HEHS-94-177, July 15, 1994), and *Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence* (GAO/HEHS-98-109, June 18, 1998).

⁶As defined by (1) lowering the age-of-youngest-child exemption to under 1 year, (2) establishing a full-family sanction for noncooperation with work requirements, or (3) allowing or requiring noncustodial parents to participate in JOBS.

include case management responsibilities, others used teams of specialists—such as workforce development staff—to coordinate a client’s activities. In many cases, states’ welfare reforms under waivers were implemented in selected geographic areas rather than statewide.⁷

Large-scale changes in federally funded welfare programs occurred as a result of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enacted in August 1996. Title I of the law replaced the AFDC program, including JOBS, with a fixed block grant—TANF—designed to promote work over welfare. PRWORA places restrictions on the amount of time a recipient can receive benefits and requires states to impose work requirements for adults.^{8,9} In addition, states must meet steadily rising requirements for the percentage of adults that must participate in work activities—25 percent in fiscal year 1997, rising to 50 percent in fiscal year 2002. States decide which activities constitute “work” for the purposes of obtaining assistance, but PRWORA limits what states can count as work to meet their federal participation rate. Allowable work activities for adult recipients¹⁰ include subsidized or unsubsidized employment, on-the-job training, unpaid work experience, community service, vocational educational training, and providing child care services to certain other participants. Recipients receiving training to get a high school diploma or to improve reading, math, or English language skills are not counted as engaged in a work activity if that is the only activity in which they are engaged.¹¹ In addition, PRWORA places limits on the amount of training that a state can count as work participation. To be counted as engaged in a work activity, clients may only participate in job readiness training for a total of 6 weeks and in vocational training for a total of 12 months. Furthermore, states may have only 30 percent or less of their caseloads in vocational training count toward the work participation rate. States also have the option of using TANF funds to provide cash payments or other

⁷For more information on AFDC waivers, see *Welfare Waivers Implementation: States Work to Change Welfare Culture, Community Involvement, and Service Delivery* (GAO/HEHS-96-105, July 2, 1996) and *Welfare Reform: Three States’ Approaches Show Promise of Increasing Work Participation* (GAO/HEHS-97-80, May 30, 1997).

⁸Unless the client is found to be exempt from the work requirement.

⁹This work requirement is also extended to teen heads of household.

¹⁰Adult recipients are those who are at least 20 years of age.

¹¹Beginning in fiscal year 1999, 5 hours of this type of training—basic skills and general equivalency diploma (GED)—are allowed to be counted if the clients have met the first 20 hours in other work activities.

one-time inducements to individuals seeking regular benefits to divert them from beginning to receive cash assistance.¹²

Workforce Development System Has Been Undergoing Changes in the Way Services Are Delivered

While the welfare system was undergoing change, the workforce development system was also retooling by consolidating the delivery of services through one-stop career centers. The one-stop initiative was designed to bring together all workforce development programs—each with its own target population—into a single system that serves all individuals, regardless of their eligibility for any specific program. Development of one-stop career centers has been furthered by the passage of the Workforce Investment Act of 1998 (P.L. 105-220), which requires that all states and localities use it to deliver most employment and training services (except TANF-related services) by July 1, 2000. All 50 states have received at least some planning and/or implementation grant funds to use as start-up funding, which totaled nearly \$320 million through fiscal year 1998. Labor awarded the first planning grants in fiscal year 1994; these included two of the states we visited—Arizona and Michigan. It awarded implementation grants, which also began in fiscal year 1994,¹³ to six states, including two states we visited—Massachusetts and Wisconsin.¹⁴ To provide implementation grant funds, Labor required states to demonstrate that their one-stop systems would include agencies with responsibility for the various Labor programs, such as Employment Service, Unemployment Insurance, JTPA titles II and III, the Senior Community Service Employment Program under title V of the Older Americans Act, and Veterans' Employment and Training Service. In developing one-stop systems, Labor has encouraged states to involve other agencies, including both workforce development and human services, in the planning and delivery of services.¹⁵ After implementation, operational funds for the one-stop centers are provided by the programs contained in the centers, such as

¹²For a discussion of states' approaches to diverting clients from the cash assistance rolls, see Richard P. Nathan and Thomas L. Gais, *Overview Report: Implementation of the Personal Responsibility Act of 1996* (Albany, N.Y.: Federalism Research Group, The Nelson A. Rockefeller Institute of Government, State University of New York, Oct. 1998) and Kathleen A. Maloy and others, *A Description and Assessment of State Approaches to Diversion Programs and Activities Under Welfare Reform* (Washington, D.C.: The George Washington University Medical Center, Center for Health Policy Research, Aug. 1998).

¹³Some states did not receive planning grants but instead immediately received implementation grant funds.

¹⁴Ohio received no planning grant funds and first received its implementation grant funds during fiscal year 1995.

¹⁵For further information on one-stop career centers, see Deborah Kogan and others, *Creating Workforce Development Systems That Work: An Evaluation of the Initial One-Stop Implementation Experience* (Menlo Park, Calif.: Social Policy Research Associates, Aug. 15, 1997).

JTPA title IIA, Employment Service, Vocational Rehabilitation, and the TANF block grant. (For more information on states' one-stop planning and implementation grants as well as their sources of operational funds, see table VII.1.)

Workforce Development and Welfare Systems Are Still Largely Independent

When providing employment and training services to welfare clients, the workforce development and welfare systems are still largely two separate systems. Of the five states we visited, which were all early leaders in federal welfare reform and one-stop career center development, only Wisconsin has an integrated workforce development and welfare system at both the state and local levels. The other four states have separate welfare and workforce development systems, often using the welfare system to establish employment and training policies. At the local level, the workforce development system—through one-stop career centers, where they are in place—usually provides employment and training assistance to TANF clients. One state is implementing a separate welfare-dedicated structure statewide to provide employment and training assistance to its welfare clients. Table 1 summarizes these functions at the state and local levels.

Table 1: Location of Employment and Training Policy-Making and Service Delivery

State	Location of employment and training	
	policy-making	service delivery
Arizona	Welfare system	Welfare system
Massachusetts	Welfare system	Workforce development system
Michigan	Joint	Workforce development system
Ohio	Welfare system (state and county)	County option
Wisconsin	Joint	Joint

State Structures Rarely Integrated, and Welfare System Often Sets Policy for Employment and Training Services to TANF Clients

The workforce development and welfare systems are fully integrated into a single agency at both the state and local levels in only one of the five states we visited—Wisconsin. In the remaining four states, where the workforce development and welfare systems are not integrated, only Michigan uses its workforce development agency to establish employment and training policies for TANF clients. In the remaining three states, the welfare system establishes the employment and training policies for their clients. In these cases, welfare agencies decide such things as the nature of

employment assistance and the type of training to make available to clients. Only in Wisconsin has the organizational structure changed from what existed before federal welfare reform. However, all five states are continuing to make changes in their workforce development and welfare systems to respond to the new environment under welfare reform.

In Wisconsin, a single state agency, the Department of Workforce Development (DWD), develops policies for all aspects of the TANF program, including cash assistance and employment and training. Separate divisions within the DWD—the Division of Economic Support and the Division of Workforce Excellence—administer the TANF and the traditional workforce development programs, but because program services are delivered together at the local level, policy decisions at the state level often involve both divisions of the department. The merging of the two agencies into a single one in Wisconsin occurred just before its September 1996 TANF effective date. Before this change, the welfare and workforce development systems were in separate agencies, and the former JOBS program was administered by the state welfare system.

Of the other four states we visited, only Michigan uses its workforce development system in developing employment and training policies for TANF clients. The Michigan Jobs Commission (MJC), the state's workforce development agency, and the Family Independence Agency (FIA), the state's welfare agency, jointly establish employment and training policies for TANF clients, with TANF funds for these services appropriated to MJC directly. FIA establishes policies for the cash assistance and sanctioning portions¹⁶ of the program. These state-level structures are essentially the same ones that existed before TANF—Michigan's 1994 welfare reform efforts created the state's Work First program and also established a partnership between MJC and FIA. Under this partnership, MJC provided employment and training services to welfare clients who were required to participate in the former JOBS program.

The other three states—Arizona, Massachusetts, and Ohio—use their welfare systems to establish the employment and training policies for their TANF clients. In Arizona, as in Wisconsin, a single cabinet agency—the Department of Economic Security—administers both the welfare and the workforce development programs. However, unlike Wisconsin, Arizona's administration of TANF employment and training services is not integrated with that of the traditional workforce development programs. Arizona's

¹⁶Clients are referred to FIA for possible reduction or loss of benefits when they fail to comply with their work requirements.

Division of Benefits and Medical Eligibility—part of the welfare system—develops policy on the cash assistance portion of TANF, and the structure that was used to administer the former JOBS program sets policy for TANF employment and training, receiving all of Arizona’s TANF dollars related to these services. This structure—still called JOBS—remains a separate unit within Arizona’s Division of Employment and Rehabilitation Services, as it had before TANF under JOBS. Traditional workforce development programs, including JTPA and Employment Service, are administered separately, and JTPA and Employment Service staff generally have no role in developing employment and training policies for TANF clients.¹⁷ In Massachusetts, the structure remains basically the same as it was prior to TANF. All TANF policy decisions—including those guiding employment and training assistance—are made by the state’s welfare agency, the Department of Transitional Assistance. This agency receives all TANF funds for the state, and arranges for services to be provided to TANF clients through contracts with state and local workforce development agencies. In Ohio, many TANF policies are made at the county level, including the nature of allowable work activities and the local structures used to deliver employment and training services. The state—through the Ohio Department of Human Services—decides maximum benefit levels and required hours per week of work. Whether made at the county or state level, however, all employment and training policies are developed by the welfare system. The relationship between the workforce development and welfare systems was basically unchanged with the implementation of TANF in Ohio.

All five states we visited continue to make changes in the structure of their workforce development and welfare systems to adapt to the new environment created by welfare reform. For example, the organizational structure in the Ohio Department of Human Services was continuing to evolve at the time of our visit as the Department changed its role from one of policy-making to one of technical assistance under the new county-based decision-making. The Department is setting up new state-to-county liaison positions, called “account managers,” to assist in this role. It is also developing a new branch dedicated to economic development and is establishing linkages with the Ohio Department of Development for the purpose of developing job opportunities for welfare clients. And Michigan officials said that the state’s workforce development system is monitoring TANF clients’ progress after the initial 90-day placement period is over, a role that previously was performed exclusively

¹⁷This description reflects the structure of the program at the time of our fieldwork. Subsequent to our visit, Arizona officials reported that some organizational changes had been made; however, we cannot comment on the nature of these changes. See app. II.

by the welfare system. Officials in these states reported that they expect additional changes in the next year or two, but they noted that changing organizational structures and approaches is a difficult and slow process, in part because of factors such as institutional rigidity, reticence to change, and uncertainty about the future.

Workforce Development System Often Called Upon to Deliver Services

In three of the five states we visited—Wisconsin, Michigan, and Massachusetts—the local workforce development system is called upon throughout the state to deliver employment and training services. In addition, in some locations in Ohio, county welfare agencies use the workforce development system to provide services. When services are provided by the workforce development system, they are usually provided through one-stop career centers. However, Arizona and some locations in Ohio are implementing separate welfare-dedicated centers to provide employment and training assistance to their welfare clients, while they are developing one-stop career centers to serve their nonwelfare clients. Nationwide, 17 states use one-stop career centers or other traditional workforce development structures, 14 states use welfare-dedicated centers, and the remaining states use a combination of service delivery options, according to HHS officials, as the primary means to provide employment and training services to TANF clients. (See table VII.2 for a listing of each state’s service delivery approach.)

Three states we visited—Wisconsin, Michigan, and Massachusetts—use their local workforce development system throughout the state to deliver employment and training assistance to TANF clients, in many cases through one-stop career centers. One-stop centers are used statewide in Wisconsin and Michigan; however, they play somewhat different roles in each state. In Wisconsin, just as state-level policy-making is integrated within the welfare and workforce development systems, local service delivery is also integrated. Eligibility staff and employment and training staff are collocated in one-stop centers, and all services to welfare clients—including eligibility determination—as well as services to nonwelfare clients are available there. In contrast, Michigan’s eligibility determination is performed in the local welfare office, and TANF clients are then referred to a one-stop career center to receive employment and training assistance, often side by side with nonwelfare clients. In Massachusetts, one-stop centers are not yet statewide, but where they are available, they deliver employment and training services to TANF clients. In those sites without one-stop career centers, other traditional workforce development structures are used—primarily the agencies administering

the Employment Service. Services in Massachusetts, however, unlike Wisconsin or Michigan, are brought to TANF clients at the welfare offices by the workforce development staff rather than sending the TANF clients to the local workforce development agency or one-stop career center to receive those services. Massachusetts' workforce development officials told us that they provide employment and training assistance in welfare offices as a convenience to the client and to facilitate a client's easy transition to meeting work requirements and obtaining other supportive services.

Rather than bring in the workforce development system to provide employment and training services, Arizona and some locations in Ohio have developed separate welfare-dedicated centers to serve their welfare clients. Although not yet statewide, Arizona's welfare-dedicated structures—called Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER) centers—when fully implemented are slated to provide all TANF-related services, including eligibility and employment and training services in one location. Nonwelfare clients receive their employment and training services elsewhere, sometimes through one-stop career centers, but these centers generally do not serve TANF clients in Arizona. Similarly, four counties in Ohio at the time of our visit were developing welfare-dedicated centers called “Opportunity Centers” to serve their TANF clients. In Franklin County, for example, Opportunity Centers have been established to provide all services to welfare clients, including eligibility determination and employment and training services. As in Arizona, these centers do not generally provide services to nonwelfare clients.

State and local officials we spoke with differed about where they believed welfare clients' employment and training needs are better served—through one-stop centers (or any other traditional workforce development structure) or through centers dedicated to serving only welfare clients. The philosophy of the one-stop system has been one of serving a “universal population”—services are available to all clients, with some services for some clients funded out of targeted, categorical programs. The goal of consolidation into one-stops has been to reduce the redundancy and the duplication of effort that stems from having multiple employment and training programs serving the same needs. A related goal has been to eliminate the confusion that a client might experience in trying to access multiple programs. In this view, welfare clients are seen as similar to all other job seekers, obtaining employment and training services along with all other clients from service providers who specialize in the field of

employment and training. According to HHS officials, 17 states use one-stop career centers or other traditional workforce development structures as the primary means to deliver employment and training services to welfare clients. An alternative approach to serving welfare clients in workforce development structures is to provide services to these clients in centers that target all services to welfare clients only. These centers are usually staffed by service providers who specialize in the needs of the welfare clients and often include workers who specialize in determining eligibility. These centers may also provide a range of other related services, including child support enforcement services, help with finding child care, and screening for domestic violence and mental health problems. In this latter view, welfare clients are seen as having unique needs that are better served by individuals with special knowledge of welfare and related issues. HHS officials reported that 14 states have established welfare-dedicated centers as the primary means to provide employment and training services to TANF clients.

Employment and Training Services to TANF Clients Focus More on Getting a Job Than on Acquiring New Skills

The five states provide employment and training services that focus on preparing TANF clients to enter the workforce in the shortest amount of time. For example, training focuses more on job readiness—how to write a resume or how to dress appropriately for the work place—than on acquiring new vocational skills.¹⁸ In addition, states sometimes use unpaid work experience or community service work to teach job-readiness skills. The role of vocational skills training has declined in the five states we visited since welfare reform was passed. Even though the use of vocational and basic skills training has generally declined, officials told us it might still be needed to help TANF clients find employment in some areas, particularly where there is widespread unemployment. TANF clients' need for vocational and basic skills training is likely to increase in the future as welfare reform progresses, according to officials in the states we visited, largely because TANF clients who remain unemployed have fewer job skills than those who have already left the welfare rolls.¹⁹

¹⁸These findings are similar to those reported in a study of seven states in *Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence* (GAO/HEHS-98-109, June 18, 1998).

¹⁹At this time, no comprehensive information is available on a nationwide level by which to judge the relative success of one approach in helping welfare clients get and keep jobs compared with any other approach. See, for example, Richard P. Nathan and Thomas L. Gais, *Overview Report: Implementation of the Personal Responsibility Act of 1996*.

Services Focus More on Job Placement Than on Skills Training

Driven by states' work-first philosophies, the employment and training approach has changed in the states we visited from one of helping clients acquire skills before employment to one of preparing clients to enter the job market as quickly as possible. Job-readiness training has emerged as the training focus for TANF clients in many locations we visited. This readiness training—lasting from 1 to 6 weeks—usually includes instruction in preparing resumes, interviewing skills, and dressing appropriately for the work environment. Some areas make attending readiness training a mandatory first work activity. Franklin County, Ohio, requires completion of readiness training as a condition of receiving cash benefits. Sometimes these readiness training classes are also used to teach employability skills—like getting to work regularly and on time and resolving conflicts appropriately—found to be important in preparing clients who have no previous work history for the world of work.²⁰ In a growing trend under welfare reform, employability skills are also taught by way of experience in the job market, such as trial jobs, unpaid work experience, community service jobs, or subsidized and unsubsidized employment.

Because of PRWORA's focus on work, vocational and basic skills training, including English as a second language and GED training, is generally reserved for those who need it to get or keep a job or to advance in a career path. In the states we visited, skills training is often simultaneous with a work activity and in addition to meeting the minimum work requirement. In the case of English language training, the focus is often on learning vocabulary needed in the work environment. Long-term vocational training is generally declining in these states. For example, in Ohio, where 1 in 3 clients had received job skills training or postsecondary education in prior years, after the state came under federal welfare reform, only about 1 in 10 had received such training. Shorter-term skills training—usually not more than a month—has replaced the longer-term vocational training for most clients. These short-term classes are geared toward acquiring specific new skills, like computer skills, or upgrading current skills, like typing, or are driven by local employer needs. In Massachusetts, where training activities are available to more clients than in the other four states, skills training is given to any client who chooses to participate and who is not yet required to go to work because of the age of his or her youngest child. Once a client is required to work in Massachusetts, however, he or she may only access training if already meeting the work requirement.

²⁰See *Employment Training: Successful Projects Share Common Strategy* (GAO/HEHS-96-108, May 7, 1996).

TANF clients' need for skills training sometimes varies depending on the local economy. In many areas we visited, the strong economy, coupled with entry-level labor shortages, led employers to require little of their entry-level employee candidates. In Circleville, Ohio, for example, we were told that many employers do not require high school diplomas as a condition of hire. In Circleville, TANF clients readily obtain jobs that meet their work requirements without being given skills training. On the other hand, in Ironton, Ohio, where unemployment rates are well above the statewide average, employers demand higher skill levels of their new hires. Many of the TANF clients in this area lack high school diplomas or the equivalent, a condition of hire for most employers in the area. In this isolated area with widespread unemployment, relatively more clients are receiving skills training. Officials in Ironton told us that PRWORA's limitation on skills training—particularly GED training—is a barrier to the program's success in raising TANF clients' skill levels to meet the demands of the area's labor market.

TANF clients' need for skills training is also increasing as welfare reform continues. States we visited told us that they had early successes in putting clients to work largely because those clients were more job-ready. With the TANF caseloads declining, clients who remain unemployed have fewer skills and less work experience, and are harder to serve than those who obtained jobs earlier. Some areas reported that they are looking for ways to provide greater training opportunities to their TANF clients, either to upgrade skills to get the first job or to prepare entry-level clients to move up, making way for more entry-level workers. Michigan, for example, has set aside \$12 million for postemployment training for TANF clients who are already meeting their work requirements. Similarly, Wisconsin has a \$1 million Employment Skills Advancement Program under which poor working parents—including TANF clients—receive grants for attending vocational training or education programs.

When providing placement assistance, the five states generally provide three different levels of services—self-directed (or self-paced), assistance performed in groups, and individualized one-on-one. Clients are often successful in obtaining jobs using a self-directed approach or through group job search assistance. Self-directed job search usually involves the client using resource rooms with the Internet or other computerized job search capabilities or using hard-copy listings of job openings. Group job search assistance most often consists of job clubs, where clients meet with other job seekers and local employers to obtain information on the available job market and assistance in marketing the clients' skills. A few

clients are not successful in obtaining a job through the self-directed or group approaches, and a more intensive, one-on-one approach is used. This process sometimes includes individualized job development for an unsubsidized job but also may include finding opportunities to provide the client with work experience, such as placing the client in a trial job, internship, community service work, or unpaid work experience to gather a work history while continuing to collect cash benefits. For example, Arizona officials told us that, for those clients unable to obtain an unsubsidized job, many—4,215 in fiscal year 1997—were placed in unpaid work experience to develop a work history. Often, those clients have gone on to be placed in unsubsidized positions with the same employer when their work experience term is complete. In some rare cases, subsidized employment might be considered; however, in several locations we visited, officials reported that subsidized employment is rarely offered because no incentives are necessary in the current labor market for employers to hire welfare clients. For example, in Michigan, only 42 participants out of a total of nearly 148,000 in fiscal year 1997 were placed in subsidized employment. In Ohio, an average of 1 percent or fewer per month of participants in work activities were placed in subsidized employment during calendar year 1997. Similarly, in Wisconsin, only one-half of 1 percent of TANF clients were in subsidized employment in July 1998.

States Sometimes Tailor Services to Clients' Needs

In two states—Arizona and Michigan—employment and training services to TANF clients follow the same prescribed process, with the same initial services given to nearly all clients without regard to the client's characteristics or needs. Only after a client fails to get a job are more individualized services available. In contrast, two states—Massachusetts and Wisconsin—individualize the process, that is, the services the client receives and the order in which they are provided depend upon the individual client's needs. In one state, Ohio, the nature and order of the services vary by county, though most of the counties we visited follow the prescriptive approach.

Arizona, Michigan, and several locations in Ohio prescribe one employment and training process for all TANF clients. Arizona requires all clients statewide to attend a 2-week job-readiness training course—designed to improve their job-seeking and interview skills—as their first work activity. After readiness training, if clients do not obtain a job, they are required to participate in 2 weeks of job search, usually through job clubs, where job seekers assist each other in their job search.

In Michigan, the primary work activity for clients is searching for a job. Rather than doing readiness training or assessments upfront, Michigan's program lets the marketplace determine the suitability of a client's skills for available jobs. In both Arizona and Michigan, however, if clients do not get jobs within a few weeks, they are assessed, and other, more individualized, services are made available. Most of the locations we visited in Ohio use a similar, prescriptive approach to provide at least initial services. For example, Franklin County—the city of Columbus—requires all clients to complete a 2-week job-readiness training class as their first work assignment, before cash benefits begin. Montgomery County—Dayton—also uses a prescriptive approach, requiring that all clients²¹ go through three 2-week segments of job-readiness training as their first work assignment. Clients who do not get a job by the end of the 6 weeks of readiness training are then referred to more individualized services. Similarly, in Ironton, in Lawrence County, all clients follow the same initial process whereby they register for employment services and receive 2-1/2 days of vocational assessment followed by targeted job search for a period up to 30 days. If clients do not have a job at the end of this period, more individualized services are provided.

In Wisconsin and Massachusetts, the employment and training process is individualized rather than prescribed. In Wisconsin, employment and training services for TANF clients are based on the caseworker's evaluation of how ready the client is to go to work, usually by taking into account a client's prior work history and potential barriers to employment, such as housing and the availability of child care and transportation. As a result, clients are assigned to a specific category of job readiness—one of four “rungs” of a ladder—and all services received, including the availability of cash assistance and the type of work activity required of the client, depend on the rung of the ladder to which the client is assigned. For example, the top rung of the ladder—unsubsidized employment—is for clients who have a strong employment history and work skills. These clients receive only case management services to help them get a job and do not receive cash assistance. In contrast, the fourth rung—W-2 transition²²—is for clients who are not job-ready and who cannot participate in the other three rungs because they have substantial barriers to employment, such as being homeless or addicted to drugs or alcohol. Allowable activities for these clients include those related to obtaining shelter, attending drug and

²¹All clients who have never been to the center or have not been employed within a year are sent to job-readiness training.

²²W-2, or Wisconsin Works, is the title of Wisconsin's Work First program.

alcohol treatment programs, and caring for a family member with severe incapacity. In Massachusetts, the process is also individualized, and staff provide specific services based upon the needs of the individual. Massachusetts does categorize clients, however, on the basis of the age of their youngest child at the time of application, and the service options available to the client vary depending upon that classification. For example, clients whose youngest child is 6 years old or in the first grade are required to go to work within 60 days. These clients may access training services only if they are already meeting their work requirement. Clients whose youngest child is under age 6 are not required to go to work.²³ They may choose to access a broad range of employment and training services, including longer-term vocational training.

Employment and Training Assistance Is Chiefly Financed by TANF Funds

The TANF block grant, and not workforce development programs, is the principal source of funding for employment and training assistance to TANF clients. In fact, even where the workforce development system is providing services to the state's TANF clients, it is doing so largely with TANF funds. Furthermore, four of the five states we visited spent more TANF funds on employment and training services for their TANF clients than JTPA title IIA spent on all its clients, including those on TANF. Welfare-to-work grants funded by the Department of Labor are another source of funding for the hardest-to-serve clients; however, at the time of our fieldwork, the states were just beginning to receive their funding and it was too soon to know how states would use the grants to serve their TANF clients.

States Report That TANF Funds Are Plentiful and Flexible, Whereas Workforce Development Funds Are Limited

Under TANF, because of declining caseloads, states have had more federal and state funds available to them than they would have had under the previous system of financing welfare programs. In contrast, the one workforce development program that has historically provided employment and training assistance to welfare clients, JTPA title IIA, has fewer funds and must serve a broader population than TANF clients. States also have greater flexibility in the use of their TANF funds than they have with their JTPA title IIA funds.

States have more resources for their TANF clients than were previously available under AFDC and JOBS, and they are using some of these funds to provide employment and training services to their TANF clients. We recently reported that states have an estimated \$4.7 billion—or, on

²³Clients whose youngest child is between the ages of 2 and 6 are exempt from the work requirement, but the state's 2-year time limit applies. Those whose youngest child is under age 2 are exempt from both the work requirement and the time limit.

average, about 25 percent—more in total budgetary resources available for their welfare programs under TANF than they would have had with comparable caseloads under AFDC.²⁴ For the states we visited, these additional budgetary resources ranged from a high of 65 percent more—or \$271 million—for Wisconsin to 22 percent more—or about \$69 million—for Arizona.²⁵ Given these budgetary resources, and the states' declining caseloads on which the funds may be spent, the states we visited are funding employment and training services using the TANF funds rather than those available through the workforce development system. Table 2 shows the amount of federal and state TANF money available to each state we visited and the amount each state spent on employment and training services to its TANF clients. Wisconsin spent the largest percentage, nearly 16 percent—or \$75 million—of available federal and state TANF funds on employment and training services; the other states we visited spent about 6 percent or less of their available resources.

Table 2: Fiscal Year 1997 TANF Spending on Employment and Training Assistance

Dollars in millions

State	Total TANF funds ^a available	TANF funds spent on employment and training	Percentage of total TANF funds spent on employment and training
Arizona	\$311.9	\$16.2	5.2
Massachusetts	650.8	21.6	3.3
Michigan	1,158.8	73.6	6.3
Ohio	1,168.9	11.9	1.0
Wisconsin	476.7	75.0	15.7

^aThis amount includes the funds available for TANF (total funds awarded less funds transferred to the Child Care and Development Block Grant and the Social Services Block Grant) plus the amount of state funds the state reported expending.

Sources: Total TANF fund amounts from HHS. TANF funds spent on employment and training are reported by the states visited; we did not independently verify these amounts.

Although the states we visited predominantly use their federal and state TANF funding to provide employment and training services to TANF clients, these clients can also obtain services funded by the workforce development system, such as the JTPA title IIA program. JTPA title IIA, however, provides services for a broader population than TANF clients, and

²⁴While current circumstances provide states with additional budgetary resources, there is no guarantee that this situation will continue into the future. Even if, for example, economic conditions weaken and more families need assistance, the TANF block grant amount will not increase.

²⁵For further information, see *Welfare Reform: Early Fiscal Effects of the TANF Block Grant* (GAO/AIMD-98-137, Aug. 18, 1998).

the amount associated with it was smaller in four of the five states we visited than the amount the states reported spending on employment and training services alone for TANF clients from their available TANF funds. For example, in Michigan, nearly \$74 million of TANF funds was spent on employment and training for TANF clients, while the state's JTPA title IIA allotment was only about \$28 million. Similarly, in Wisconsin, \$75 million of federal and state TANF funds was spent on employment and training, but only about \$9.5 million was available from JTPA title IIA. (See table 3.)

Table 3: TANF Spending on Employment and Training Assistance Compared With JTPA Title IIA

Dollars in millions		
State	Federal and state TANF funds spent on employment and training ^a	JTPA IIA allotment ^b
Arizona	\$16.2	\$13.8
Massachusetts	21.6	17.0
Michigan	73.6	28.5
Ohio	11.9	29.5
Wisconsin	75.0	9.5

^aData are for fiscal year 1997, the most recent year for which data are available.

^bAmounts are for program year 1996, which covered the period July 1996 to June 1997. Since fiscal year 1997 covered the period October 1996 to September 1997, it overlapped program year 1996 by the 9-month period from October 1996 to June 1997.

Sources: Information on federal and state TANF funds spent was provided by the states visited, and we did not independently verify these amounts. The Department of Labor provided the JTPA title IIA allotment amounts.

Compared with most traditional workforce development funds, including JTPA title IIA, the TANF block grant also provides the states with enhanced flexibility in the way they use their funds. Under TANF, states may decide which types of poor families they serve, how they allocate funds to a variety of services, and what type of assistance they provide. In contrast, JTPA title IIA, as a formula-driven program, dictates who can be served, how funds are allocated, and what type of services may be provided with the funds. In fact, the services allowable under JTPA title IIA are generally limited to training related to a vocation, with job search assistance available primarily to those who receive training.²⁶

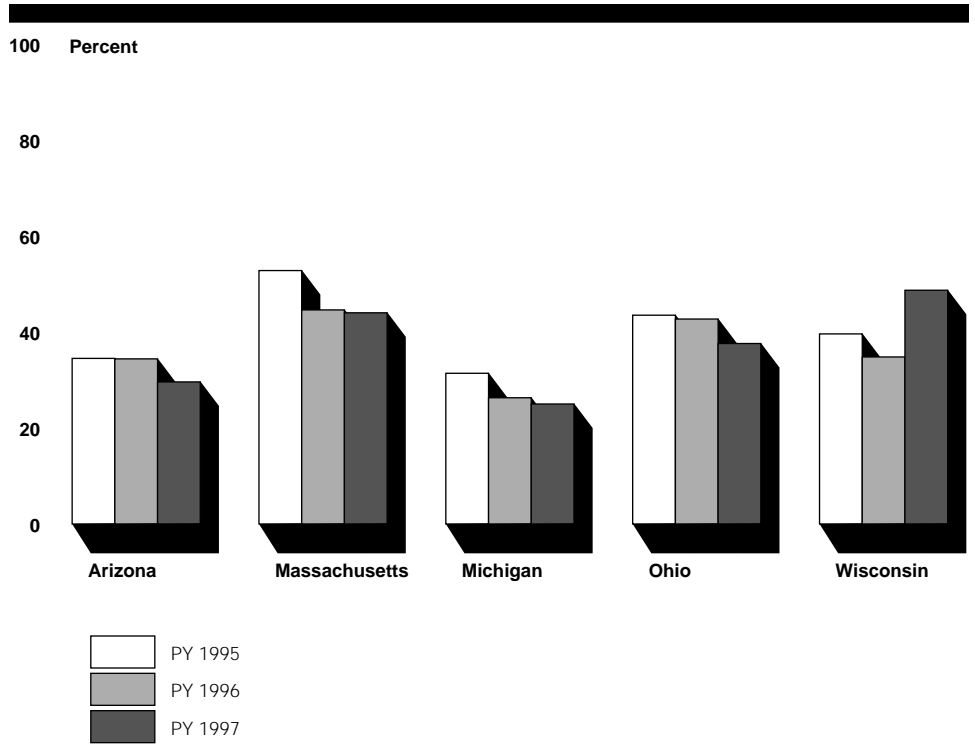
²⁶Unless the state has been granted a waiver specifically designed to allow stand-alone job search assistance. Among our site visit states, Michigan and Ohio were the only ones granted such a waiver at the time of our visit.

Given the role that TANF funds are playing in financing employment and training services, the use of JTPA title IIA funds to serve TANF clients has generally declined. Relative to all JTPA title IIA clients, the proportion of clients who were also AFDC/TANF clients has declined somewhat. From program year²⁷ 1995 through program year 1996—the latest years for which nationwide data are available—the proportion of JTPA title IIA clients who were also receiving AFDC/TANF benefits declined slightly nationwide from 35.6 percent to 33.6 percent. Thirty-four states experienced declines during this period, which ranged from a low of 0.1 percentage point in Arizona and Colorado to a high of 19.1 percentage points in New Hampshire. (See table VII.3 for information on all 50 states.) For the states we visited—where we were able to obtain data through program year 1997—the declines continued in four of the five states—Arizona, Massachusetts, Michigan, and Ohio (see fig. 1). Over the 3-year period from 1995 to 1997, the declines in these four states ranged from 8.8 percentage points in Massachusetts to 5.2 percentage points in Arizona. Wisconsin was the only state that showed an increase—9.1 percentage points—of JTPA title IIA clients who were AFDC/TANF.²⁸

²⁷Labor defines “program year” as the period from July 1 to June 30.

²⁸Wisconsin did, however, have a decline during this time period in the number of clients served, including a decline in the number of clients who were AFDC/TANF over the 3-year period.

Figure 1: Proportion of JTPA Title IIA Clients Who Were AFDC/TANF Clients for Program Years 1995, 1996, and 1997



Welfare’s Hard-to-Employ Clients May Be Assisted by New Welfare-to-Work Grants

The Congress recently authorized an additional source of funding, federal welfare-to-work grants, for job placement services, transitional employment, and other support services for the hardest-to-employ TANF clients, and states are just beginning to implement their programs. These grants, totaling \$3 billion, are being awarded over a 2-year period through the Department of Labor, with the majority of the funds disbursed as formula funds to the states and some funding available for competitive grants. While there is no match requirement for competitive grants, states must provide a one-dollar match for every two dollars they receive in formula funding. Most of the states’ allocation is passed to local Private Industry Councils established under JTPA, which administer the welfare-to-work formula grant programs. The Private Industry Councils are required to coordinate activities with the local TANF agencies.

At the time of our visits, two states—Massachusetts and Michigan—had applied for their maximum federal allocation, and fiscal year 1998 funds had been awarded by Labor, but neither state had fully implemented its program. After our visits, Labor awarded welfare-to-work formula funds to

two other states—Arizona and Wisconsin. Wisconsin applied for its maximum federal allocation, but Arizona did not pledge sufficient matching funds to receive its maximum federal allocation. Arizona needed about \$9 million in matching funds to obtain its maximum allocation of about \$17 million in federal welfare-to-work formula funds; instead, the state pledged a match of \$4.5 million and obtained a formula grant for \$9 million in fiscal year 1998. Ohio initially applied for its maximum federal allocation—nearly \$45 million—but later was among six states that decided not to participate in the welfare-to-work formula grant program.²⁹ (See table 4.) Because of these circumstances, none of the states had fully implemented their welfare-to-work programs.

Table 4: Welfare-to-Work Grants

State	Date welfare-to-work grant award announced	Amount of FY 1998 federal welfare-to-work award
Arizona	August 20, 1998	\$ 9,000,000
Massachusetts	February 25, 1998	20,692,295
Michigan	January 29, 1998	42,226,331
Ohio	Not applicable	Not applicable
Wisconsin	June 15, 1998	12,885,951

Source: Department of Labor.

Concluding Observations

The passage of PRWORA in August 1996 dramatically changed the federal role in providing assistance to needy families. Through the annual \$16.5 billion TANF block grant, states have been given broader flexibility to design and implement their welfare programs, but coupled with this flexibility is a stronger emphasis on accountability for outcomes. States must now put an ever-increasing number of clients into work activities and limit clients' length of stay on federal cash assistance. As a result, states are changing the way they do business and are requiring more clients to participate in work activities and find jobs. Nationwide, TANF caseloads have dropped over 34 percent since 1996 to a low of about 3 million in June 1998.

In responding to the demands of welfare reform, only one state we visited—Wisconsin—has fully integrated its welfare and workforce development systems at the state and local levels. Not all states are moving in this direction. By the same token, only one of the remaining four states—Michigan—draws upon the expertise of the workforce

²⁹For further information, see Welfare Reform: Status of Awards and Selected States' Use of Welfare-to-Work Grants (GAO/HEHS-99-40, Feb. 5, 1999).

development system to establish employment and training policies for its TANF clients. In the other three states, the welfare system determines the employment and training assistance services to be offered to TANF clients. While the workforce development system may often be called upon to deliver the services, little actual organizational change has occurred to bring these two systems together since PRWORA was enacted. The design of the welfare-to-work grant program and the implementation of the Workforce Investment Act may lead to greater collaboration, but it is too soon to know for sure. In the five states whose systems we reviewed, the need for additional resources to serve the welfare population does not appear to be a means to push these two systems to work together, largely because the states report they have adequate TANF funds right now to serve the needs of their TANF clients.

With regard to the structures used to provide employment and training services to welfare clients, no clear-cut answer emerges as to the best approach. Some state and local officials said that welfare clients' employment and training needs are served most effectively and efficiently through one-stop career centers or other traditional workforce development structures. Officials in other states said that all welfare-related services, including employment and training, should be provided at centers dedicated to serving only welfare clients. One state we visited uses a hybrid approach, wherein traditional workforce development structures are used to provide the services, but the services are brought to the welfare client in a welfare system setting. Clearly, no consensus exists on which approach best serves the welfare client—17 states use workforce development structures, 14 use welfare-dedicated structures, and the rest use various combinations. Furthermore, until reliable, comparable outcome and impact studies are conducted, it will be impossible to determine whether any one approach or combination of approaches works better than the others.

It is likely that changes in the structure of the states' welfare and workforce development systems will continue over the next several years, even in these states with early experience in welfare reform and one-stop career centers. Each of the five states continues to make more changes, and more are needed for these states to consider themselves successful in implementing welfare reform. With the recent passage of the Workforce Investment Act, further changes in the workforce development system are likely to affect the relationship between the two systems, and more adjustments will probably occur. Finally, factors such as institutional rigidity, reticence to change, and uncertainty about the future make the

process of change a difficult one. Revising organizational approaches, reforming systems, and overcoming institutional rigidity take time, and this is an iterative process.

Agency Comments

We provided a draft of this report to the Department of Labor for comment. Labor provided technical comments, which we incorporated in the report where appropriate.

We also provided a draft of this report to HHS for comment. HHS provided technical comments and noted that the report provided useful information about state efforts in developing policy and implementing TANF. We have incorporated HHS' technical comments in the report where appropriate.

We are sending copies of this report to the Chairman and Ranking Minority Member, Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, House Committee on Government Reform; the Secretaries of Labor and Health and Human Services; appropriate congressional committees; and other interested parties.

Please call Carlotta C. Joyner or Sigurd R. Nilsen, Assistant Director, Education and Employment Issues, at (202) 512-7014 or Cynthia M. Fagnoni at (202) 512-7215 if you or your staff have any questions about this report. Major contributors are listed in appendix VIII.



Carlotta C. Joyner, Director
Education and Employment Issues



Cynthia M. Fagnoni, Director
Income Security Issues

Contents

Letter		1
Appendix I Scope and Methodology	Data Collection	32 32
Appendix II Arizona	Arizona's Welfare Reform Efforts Arizona's Workforce Development System Consolidation State Structure for Delivering Employment and Training Services to TANF Clients Employment and Training Services Provided to TANF Clients Funding Employment and Training Services Local Site Visits	36 36 39 40 42 46 49
Appendix III Massachusetts	Massachusetts' Welfare Reform Efforts Massachusetts' Workforce Development System Consolidation State Structure for Delivering Employment and Training Services to TANF Clients Employment and Training Services Provided to TANF Clients Funding Employment and Training Services Local Site Visits	51 51 54 54 56 62 65
Appendix IV Michigan	Michigan's Welfare Reform Efforts Michigan's Workforce Development System Consolidation State Structure for Delivering Employment and Training Services to TANF Clients Employment and Training Services Provided to TANF Clients Funding Employment and Training Services Local Site Visits	68 68 71 72 73 77 79
Appendix V Ohio	Ohio's Welfare Reform Efforts Ohio's Workforce Development System Consolidation State Structure for Delivering Employment and Training Services to TANF Clients Employment and Training Services Provided to TANF Clients	82 82 85 87 90

Contents

	Funding Employment and Training Services	91
	Local Site Visits	92
<hr/>		
Appendix VI		106
Wisconsin	Wisconsin's Welfare Reform Efforts	106
	Wisconsin's Workforce Development System Consolidation	109
	State Structure for Delivering Employment and Training Services to TANF Clients	110
	Employment and Training Services Provided to TANF Clients	111
	Funding Employment and Training Services	115
	Local Site Visits	118
<hr/>		
Appendix VII		121
Employment and Training Services and Funding in the States	One-Stop Career Centers	121
	Local Structures Used to Deliver Employment and Training Services to TANF Clients	125
	JTPA Title IIA Summary for Program Years 1995 and 1996	127
<hr/>		
Appendix VIII		132
GAO Contacts and Staff		
Acknowledgments		
<hr/>		
Bibliography		133
<hr/>		
Related GAO Products		136
<hr/>		
Tables	Table 1: Location of Employment and Training Policy-making and Service Delivery	7
	Table 2: Fiscal Year 1997 TANF Spending on Employment and Training Assistance	18
	Table 3: TANF Spending on Employment and Training Assistance Compared With JTPA Title IIA	19
	Table 4: Welfare-to-Work Grants	22
	Table I.1: Categories of State-Level Integration Between JTPA and Welfare Reform Programs	33
	Table I.2: 16 States in GAO Sampling Frame, by Urban Institute Category	34

Contents

Table I.3: Site Visit Schedule and Local Sites Visited	35
Table II.1: Provisions of Arizona’s TANF Plan—the EMPOWER Program	37
Table II.2: Number of JTPA Title IIA Clients for Program Years 1995-97	47
Table II.3: Information on Local Sites Visited	50
Table III.1: Provisions of Massachusetts’ TANF Plan	52
Table III.2: Categories of Massachusetts’ TANF Clients	57
Table III.3: Number of TANF Clients in Training Activities, Fiscal Year 1997	62
Table III.4: Number of JTPA Title IIA Clients for Program Years 1995-97	63
Table III.5: Information on Local Sites Visited	67
Table IV.1: Provisions of Michigan’s TANF Program—the Family Independence Program	69
Table IV.2: Number of TANF Clients Enrolled in Employment and Training Activities for FY 1997	77
Table IV.3: Number of JTPA Title IIA Clients for Program Years 1995-97	78
Table IV.4: Information on Local Sites Visited	81
Table V.1: Provisions of Ohio’s TANF Plan—Ohio Works First	84
Table V.2: Average Number of Ohio TANF Participants per Month in Each Work Activity, during Calendar Year 1997	90
Table V.3: Number of JTPA Title IIA Clients for Program Years 1995-97	92
Table V.4: Information on Local Sites Visited	94
Table VI.1: Provisions of Wisconsin’s TANF Plan	107
Table VI.2: Wisconsin’s W-2 Program Ladder	112
Table VI.3: Number of JTPA Title IIA Clients for Program Years 1995-97	116
Table VI.4: Information on Local Sites Visited	120
Table VII.1: One-Stop Career Center Summary	122
Table VII.2: Primary Local Mechanism for Providing Services	126
Table VII.3: JTPA Title IIA Summary for Program Years 1995 and 1996	128

Figures

Figure 1: Proportion of JTPA Title IIA Clients Who Were AFDC/TANF Clients for Program Years 1995, 1996, and 1997	21
Figure II.1: Arizona’s AFDC/TANF Family Caseload, Jan. 1993-June 1998	38

Figure II.2: Arizona's Organizational Structure for Employment and Training Services and TANF Assistance	41
Figure II.3: Arizona TANF Client Flowchart	45
Figure II.4: Flow of TANF Funds in Arizona	48
Figure II.5: Local Sites Visited in Arizona	49
Figure III.1: Massachusetts' AFDC/TANF Family Caseload, Jan. 1993-June 1998	53
Figure III.2: Massachusetts' Organizational Structure for Employment and Training Services and TANF Assistance	55
Figure III.3: Massachusetts' TANF Client Flowchart	59
Figure III.4: Flow of TANF Funds in Massachusetts	64
Figure III.5: Local Sites Visited in Massachusetts	66
Figure IV.1: Michigan's AFDC/TANF Family Caseload, Jan. 1993-June 1998	70
Figure IV.2: Michigan's Organizational Structure for Employment and Training Services and TANF Assistance	73
Figure IV.3: Michigan TANF Client Flowchart	75
Figure IV.4: Flow of TANF Funds in Michigan	79
Figure IV.5: Local Sites Visited in Michigan	80
Figure V.1: Ohio's AFDC/TANF Family Caseload, Jan. 1993-June 1998	85
Figure V.2: Ohio's Organizational Structure for Employment and Training Services and TANF Assistance	88
Figure V.3: Flow of TANF Funds in Ohio	91
Figure V.4: Local Sites Visited in Ohio	93
Figure V.5: Pickaway County Ohio Works First Client Flowchart	96
Figure V.6: Franklin County TANF Client Flowchart	98
Figure V.7: Lawrence County Ohio Works First Client Flowchart	101
Figure V.8: Montgomery County Ohio Works First Client Flowchart	104
Figure VI.1: Wisconsin's AFDC/TANF Family Caseload, Jan. 1993-June 1998	108
Figure VI.2: Wisconsin's Organizational Structure for Employment and Training Services and TANF Assistance	111
Figure VI.3: Wisconsin TANF Client Flowchart	114
Figure VI.4: Flow of TANF Funds in Wisconsin	117
Figure VI.5: Local Sites Visited in Wisconsin	119

Abbreviations

AFDC	Aid to Families With Dependent Children
DBME	Division of Benefits and Medical Eligibility (Arizona)
DERS	Division of Employment and Rehabilitation Services (Arizona)
DLWD	Department of Labor and Workforce Development (Massachusetts)
DTA	Department of Transitional Assistance (Massachusetts)
DWD	Department of Workforce Development (Wisconsin)
EMPOWER	Employing and Moving People Off Welfare and Encouraging Responsibility (Arizona)
FIA	Family Independence Agency (Michigan)
GED	general equivalency diploma
HHS	Department of Health and Human Services
JOBS	Job Opportunities and Basic Skills
JTPA	Job Training Partnership Act
MJC	Michigan Jobs Commission
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
TANF	Temporary Assistance for Needy Families
WIN	Work Incentive

Scope and Methodology

We designed our study to gather information about employment and training services provided to TANF clients, including the structures and funding sources used to provide those services. To do so, we collected available information on the TANF and workforce development programs in all 50 states. We then selected five states that were early implementers of both welfare reform and workforce development consolidation and obtained detailed information during field visits to these states. During this fieldwork, we visited four localities within each state, selected to give us a mix of urban and nonurban areas, as well as a variety of service providers. During our visits, we interviewed state and local officials in the workforce development and welfare systems, observed processes, and reviewed documents. We did our work between December 1997 and November 1998 in accordance with generally accepted government auditing standards.

Data Collection

To obtain information on the TANF and workforce development programs in every state, we contacted federal and regional officials in the Department of Labor and the Department of Health and Human Services (HHS). In addition, we contacted experts and obtained data from agencies with special knowledge of the subject area, including the Urban Institute, the National Governors' Association, the National Conference of State Legislatures, the National Association of Counties, the American Public Human Services Association, and the Rockefeller Institute.³⁰ We also administered a short survey to regional officials of both Labor and HHS. Our efforts to gather comparable information on all states were hampered by the relatively limited amount of programmatic data available nationwide encompassing both the welfare and workforce development systems.

To select the sites for our visits, we identified states that had TANF effective dates³¹ before January 1, 1997, and that had obtained their Department of Labor one-stop implementation grants before program year 1997. Sixteen states met both criteria. We organized these 16 states into four categories according to Urban Institute's classification system that describes state-level integration between the Job Training Partnership Act (JTPA) and welfare programs. Table I.1 shows this classification system and its key elements. We combined the Urban Institute's categories 2 and 3, and judgmentally selected at least one state from each of the resulting three categories. We selected these states to provide geographic

³⁰The Rockefeller Institute of Government is currently conducting a study in 20 states of states' implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

³¹"TANF effective date" denotes the date the state came under the TANF block grant requirements.

dispersion, as well as a mix of state- and county-administered TANF programs. Table I.2 shows the states in our sampling frame, that is, the 16 states that met our criteria for selection, including their welfare caseloads at the time we selected our sites. Table I.3 shows the states we selected and the localities visited as well as the dates of those visits.

Table I.1: Categories of State-Level Integration Between JTPA and Welfare Reform Programs

Category type	Key elements	Number of states where category applies
1. Structural integration of welfare and JTPA system at the state level	The administration of JTPA and all or part of the welfare-to-work programs is integrated (with other programs) within a single employment and training or workforce development agency at the state level.	6
2. Formal interaction between welfare and JTPA system at the state level	No state-level integration. Agency administering JTPA has separate formal administrative responsibility for all or some aspects of TANF work programs, and/or welfare agency has transferred all or some TANF work funds to the agency that administers JTPA. Local service delivery structures may vary widely across the state.	16
3. Formal interaction between welfare and Employment Services agency (and indirect role for JTPA) at the state level	A formal financial or nonfinancial agreement exists for the state Employment Services agency, which also administers JTPA, to provide some or all TANF work services locally. Service delivery structure is fairly standardized throughout the state.	6
4. Minimal or no formal role for JTPA or Employment Services agency at the state level	No formal state contracts or interagency management teams. Relationships are locally driven.	23

Note: States total 51 because they include the District of Columbia.

Source: The Urban Institute, The Structural Link Between JTPA and State Welfare Reform Programs in 1997 (Washington, D.C.: Dec. 1997).

**Appendix I
Scope and Methodology**

Table I.2: 16 States in GAO Sampling Frame, by Urban Institute Category

State	TANF implementation date	One-stop implementation grant date (program year)	Number of TANF cases in March 1998	Original Urban Institute category
Category 1: Integrated JTPA system with all or part of TANF program				
Florida	10/1/96	1996	110,826	1
Michigan	9/30/96	1996	127,416	1
Texas	11/5/96	1994	147,620	1
Utah	10/1/96	1996	10,927	1
Wisconsin	9/30/96	1994	12,843	1
Categories 2 and 3: JTPA and TANF (and Employment Services and TANF) program are separately administered				
Arizona	10/1/96	1995	39,433	2
Connecticut	10/1/96	1994	49,122	2
Massachusetts	9/30/96	1994	67,043	2
Missouri	12/1/96	1995	61,580	2
Oklahoma	10/1/96	1996	24,704	2
Vermont	9/20/96	1996	7,487	3
Category 4: Minimal or no formal role for JTPA or Employment Services at the state level				
California	11/26/96	1996	714,269	4
Indiana	10/1/96	1995	36,434	4
Kentucky	10/18/96	1995	53,433	4
Maryland	12/9/96	1994	46,461	4
Ohio	10/1/96	1995	141,750	4

We chose local sites in each state on the basis of guidance provided by the state's officials. In general, we selected local sites to give us a balance of urban and nonurban sites, a variety of service delivery types (one-stop centers, traditional workforce development structures, and welfare-dedicated centers), and a range of TANF client caseload sizes. In addition, we chose some sites with relatively higher unemployment.

**Appendix I
Scope and Methodology**

Table I.3: Site Visit Schedule and Local Sites Visited

State	Dates	Local sites
Arizona	3/2-3/6	Flagstaff, Mesa/Tempe, Tucson, and Phoenix,
Massachusetts	5/12-7/15	Cambridge, Holyoke, Lawrence, and Springfield
Michigan	5/11-5/19	Detroit, Midland, Romulus/Wayne, and Traverse City
Ohio	3/30-4/9	Circleville, Columbus, Dayton, and Ironton
Wisconsin	3/30-4/8	Grant County, Kenosha, Milwaukee, and Walworth County

We did our fieldwork using a standardized case study methodology. To collect the data, teams of at least three people spent 5 to 10 days in each state. During these visits, we interviewed state and local policymakers in the areas of employment, training, and human services, as well as budget analysts responsible for these budget activities. We also reviewed relevant documents. At the local service delivery sites, in addition to interviewing policymakers, we observed operations and interviewed staff members who were providing the services to TANF clients.

Some limitations exist in any methodology that gathers information about programs that are undergoing rapid change, such as welfare reform. Results presented in our report represent only the conditions present in our states and localities at the time of our site visits. We cannot comment on any changes that may have occurred after our fieldwork. Furthermore, our fieldwork focused on in-depth analysis of a few selected states and localities. While we provide some similar contextual information on all 50 states, we cannot generalize our findings beyond the 5 states we visited and their localities.

Arizona

Arizona began reforming its welfare system and consolidating its workforce development system in the mid-1990s. In November 1995, the state implemented its initial welfare reform legislation, which established the Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER) program. The intent of this program was to create a culture change from an emphasis on cash assistance to a focus on work and self-sufficiency. Since then, the state has passed additional legislation to restructure the EMPOWER program to comply with PRWORA and to establish and implement a pilot program in selected areas to privatize a portion of its welfare service delivery. The primary vehicle through which the state is consolidating its workforce development system is its one-stop career centers. Arizona received a one-stop planning grant from the Department of Labor in 1994, and an implementation grant in 1995. While both of these efforts fall under the purview of the state's Department of Economic Security, the majority of TANF clients do not receive employment and training services through the state's one-stop career centers. Most TANF clients receive these services through EMPOWER centers—which consolidate cash assistance, employment and training, and child care and support services for TANF clients—or through separate offices that formerly served Job Opportunities and Basic Skills (JOBS) training program clients and now serve only TANF clients. Services provided include a job-readiness workshop, job search assistance, work experience, training, and supportive services, all of which are predominantly funded from the TANF block grant.

Arizona's Welfare Reform Efforts

Arizona began its welfare reform efforts before the passage of federal legislation—under AFDC waivers granted in 1995—with its initial welfare reform legislation establishing the EMPOWER program. The program included provisions to limit the time adults could collect welfare benefits and to limit increasing benefits for additional children born to families on welfare. In October 1996, Arizona began implementing its TANF plan, which emphasized employment and parents' acceptance of their personal responsibility for their family's self-sufficiency. To fully comply with PRWORA, the state needed to pass additional welfare reform legislation and did so in April 1997. This legislation requires all clients to engage in work activities but does allow for some temporary deferrals. The legislation also provided for a pilot project to deliver welfare services for approximately 12 percent of the caseload through the private rather than the public sector, but this provision had not been implemented at the time of our field visit. The Arizona welfare system is state administered, with services

**Appendix II
Arizona**

delivered by state staff through local offices. Major provisions of the program are shown in table II.1.

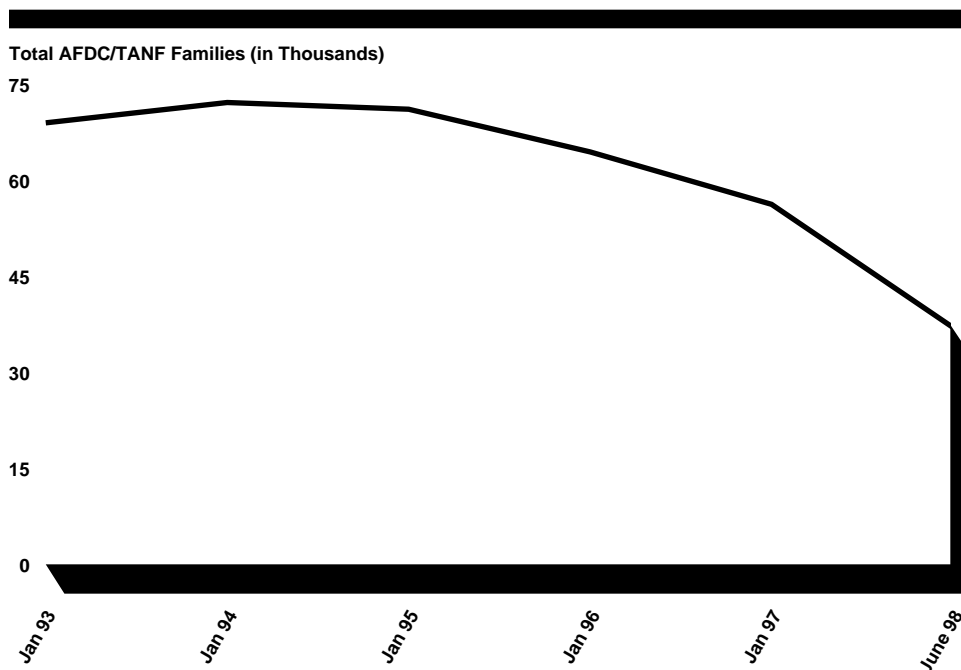
Table II.1: Provisions of Arizona’s TANF Plan—the EMPOWER Program

Provision	Description
Cash assistance (per month)	\$204 for 1 individual with a rental obligation. For each additional individual, \$71/month is added to the grant. \$128 for 1 individual without a rental obligation. For each additional individual, \$45/month is added to the grant.
Time limits for cash assistance	Adult household members may receive assistance only for 24 months during a 5-year period. Adults may receive only 60 months of case assistance during their lifetime.
Hours weekly of allowable work activities required	The minimum work participation levels established in PRWORA plus 5 additional hours per week as provided in state rules.
Work participation requirements	Unless they are temporarily deferred, all clients are required to engage in work activities.
Allowable work activities to meet participation requirements	<ul style="list-style-type: none"> —unsubsidized employment —subsidized private or public employment —work experience —on-the-job training —job search and job readiness assistance —community service programs —vocational education training (for up to 1 year, and only 30 percent of clients in work activities may be in this activity) —job skills training directly related to employment —education directly related to employment (in the case of a recipient who lacks a high school diploma or general equivalency diploma (GED)) —satisfactory attendance at a secondary school or in a course of study leading to a GED (in the case of a recipient who has not yet completed secondary school or received a certificate)
Reasons for temporary deferrals from work participation	<ul style="list-style-type: none"> —single-parent head-of-household with child under age 1 —single-parent with child under age 13 when child care is unavailable, unaffordable, or unsuitable —parent under age 18 caring for a child under 12 weeks of age —high school student or dependent child —disabled person or person caring for a disabled dependent —victim of domestic violence —child-only cases
Diversion program	None at this time.

Source: Arizona Department of Economic Security.

Since January 1993, Arizona's AFDC/TANF family caseload has declined 46 percent, from 68,982 to 37,008 in June 1998 (see fig. II.1).

Figure II.1: Arizona's AFDC/TANF Family Caseload, Jan. 1993-June 1998



Source: HHS Administration for Children and Families.

For the most part, TANF clients obtain employment in the service industry, particularly in the banking, telephone call center, hotel, retail sales, clerical, health care, and fast food and restaurant sectors. Arizona's economy has shifted over the years from copper, cattle, and cotton to services, manufacturing, electronics, and tourism. Most of the jobs are in the large metropolitan areas of Phoenix and Tucson. These areas are experiencing a shortage of workers, particularly in the high technology and entry-level markets. At the time of our visit, the Arizona economy was strong, with a 1997 unemployment rate of 4.6 percent, down from 5.5 in 1990, with a peak during those years of 7.6 in 1992.

Arizona's Workforce Development System Consolidation

In 1994, Arizona received a planning grant from the Department of Labor to begin creating a one-stop career center system across the state. Arizona continued to work toward system development when it was awarded a 3-year implementation grant from the Department of Labor in 1995. The state opened its first four centers in 1996 and anticipated statewide coverage—that is, at least one center in each of Arizona's 15 counties—by the fall of 1998. The first four centers opened included geographic areas covering 50 percent of the state's population, while the second four centers—opened in 1997—included geographic areas representing another 38 percent of the state's population. The Arizona Department of Economic Security contracts with the local entities to operate some centers, and others are operated in state facilities in partnership with the service delivery areas.

Arizona designed its one-stop system to provide universal access for customers to choose basic, high-quality employment, training, and education services. Basic services available at the one-stop centers include

- career information, including regional, national, and local demand occupations; skill requirements and earning potential; as well as information about education and training providers;
- job openings;
- testing and assessment;
- hiring requirements and referrals;
- job search assistance; and
- program information.

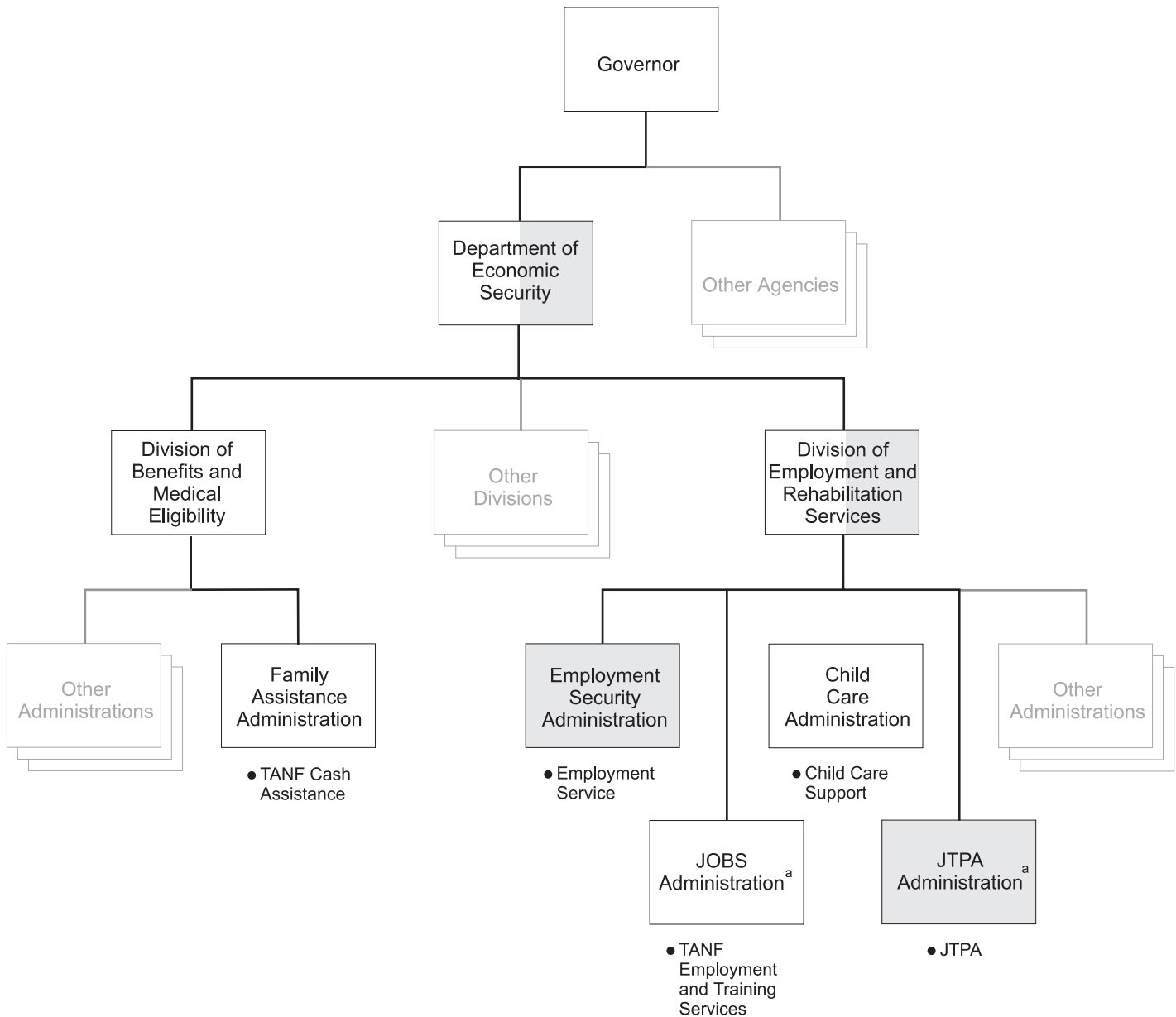
The mandatory core program services provided at the one-stop centers include services through the Job Service (Arizona's Employment Service office), Veterans' Employment and Training program, programs through titles II and III of JTPA, Unemployment Insurance, and the Senior Community Services Employment program. Other programs and services, such as consumer credit counseling, community college, school-to-work program, chambers of commerce, community action programs, veterans programs, nontraditional employment for women, and Head Start, can also be offered at the centers. Each center serves clients on the basis of a tier system: tier one is self-service, tier two is group services, and tier three is one-on-one services.

State Structure for Delivering Employment and Training Services to TANF Clients

A separate entity within Arizona's workforce development division provides employment and training services to TANF clients only. The Department of Economic Security administers both welfare and workforce development services statewide. Within the Department of Economic Security, the Division of Benefits and Medical Eligibility (DBME) is responsible for all TANF services except employment, training, and child care services. These services are housed within the Division of Employment and Rehabilitation Services (DERS), which is also responsible for traditional workforce development programs such as JTPA and the Employment Service. (See fig. II.2 for Arizona's organizational structure for employment, training, and TANF-related services.) Within DERS, the Child Care Administration provides child care services to TANF clients, and the JOBS administration³² oversees employment- and training-related services. These two administrations are responsible for making policy decisions for their respective services, as they were under the previous JOBS program, and the current staff continue to provide services to TANF clients only. Within DBME, the Family Assistance Administration determines eligibility for cash assistance and authorizes other assistance such as food stamps and Medicaid.

³²At the time of our visit, JOBS had its own administration. Since that time, the Department of Economic Security has combined the JOBS and JTPA administrations into one. Although the JOBS program was replaced by TANF, Arizona retained the JOBS structure to provide services to TANF clients, and it retained the JOBS name.

Figure II.2: Arizona's Organizational Structure for Employment and Training Services and TANF Assistance



Note: Nonshaded blocks are welfare system; shaded blocks are workforce development system. Half-shaded blocks have elements of each system.

^aSince our field visit in March 1998, the Department of Economic Security has combined the JOBS and JTPA administrations into one. The welfare-to-work program resides here.

Arizona is transitioning its welfare delivery system from one that delivered many different services through multiple offices to one that is a system of welfare centers, called EMPOWER centers, resembling one-stop career centers but dedicated to serving only welfare clients. In the past, clients had to visit multiple locations within a community to obtain all of the TANF-related services they needed. For example, clients would go to the local Family Assistance Administration office to learn whether they were eligible for assistance, then to the local JOBS office to obtain employment and training services, and to a third location for child care or child support services. However, in October 1997, Arizona began converting these offices into local EMPOWER centers to bring together in one location all TANF-related services and to provide a resource room for clients to access the state's employment service job listings and other employment assistance tools. Because there are far fewer JOBS staff than staff who determine TANF eligibility, JOBS staff are not colocated with eligibility staff at EMPOWER centers in all areas of the state. TANF clients continue to receive their eligibility services from Family Assistance Administration staff and their employment and training services from JOBS staff, regardless of where these staff are located.

TANF clients at this time do not routinely obtain employment and training services through the state's one-stop career centers along with other clients³³ because the state developed a TANF client flow that routes them to JOBS staff rather than the traditional workforce development staff at one-stop centers. The Assistant Director of DERS told us that he strongly believes that welfare clients should not be on a separate track from other clients and hopes to eventually bring these two systems together.

Employment and Training Services Provided to TANF Clients

Arizona's welfare reform effort is a "work first" model that requires all clients to participate in work activities as soon as possible after benefits have been approved. The state identified four categories of clients who are a priority for employment and training services: (1) individuals who are subject to the time limits, (2) custodial teen parents, (3) two-parent families, and (4) individuals who are currently under sanction for noncompliance. The state's client flow, implemented in all local Family Assistance Administration and JOBS offices, begins with clients applying

³³In a few rural locations, such as Showlow and Stafford-Globe, EMPOWER and one-stop centers are colocated.

for cash assistance at a Family Assistance office or EMPOWER center. Once determined eligible, clients view a “welcome tape,” which highlights the state’s expectation that assistance is temporary and that all clients will obtain employment. Clients then meet with a JOBS counselor for an initial interview. At this point, some clients may be temporarily deferred,³⁴ although the JOBS Administrator told us that the state expects to defer only about 5 percent of its cases. The JOBS counselor then places clients in a rapid placement program.

The rapid placement program begins with 2 weeks of job-readiness training called “Steps to Self-Sufficiency.” Readiness training focuses heavily on job search techniques and strategies, covering topics such as the elements of a job search, communication and teamwork, planning for the future, assertiveness, job interviews, and stress management. If a client has not obtained employment by the end of the job-readiness training, the client moves into a 2-week job search component. This component includes a “job club,” a group in which clients provide support for each others’ job searches. The JOBS Administrator estimated that about 50 percent of the clients going through the rapid placement program obtain employment by the end of these 4 weeks.

Clients who do not obtain employment after the job search component then receive case management services from a JOBS counselor. In this phase, the JOBS counselor works with each client to identify the best short-term transition activity that will ultimately lead to unsubsidized work. These activities include further job search assistance, job development, subsidized work, unpaid work experience, community service work, on-the-job training, or basic education or vocational training. At this point, most clients enter unpaid work experience and few clients move into subsidized work or on-the-job training through JTPA. The JOBS Administrator explained that they have had a dramatic decrease in the number of clients (other than teen parents) entering basic education, a GED program, or other training as a result of PRWORA’s limitations on allowable educational work activities that meet the work requirement. (See fig. II.3, which depicts client flow for Arizona’s TANF clients.)

In fiscal year 1997, 10,975 clients participated in the job-readiness training, 205 in on-the-job training, 12 in subsidized work, 4,215 in unpaid work

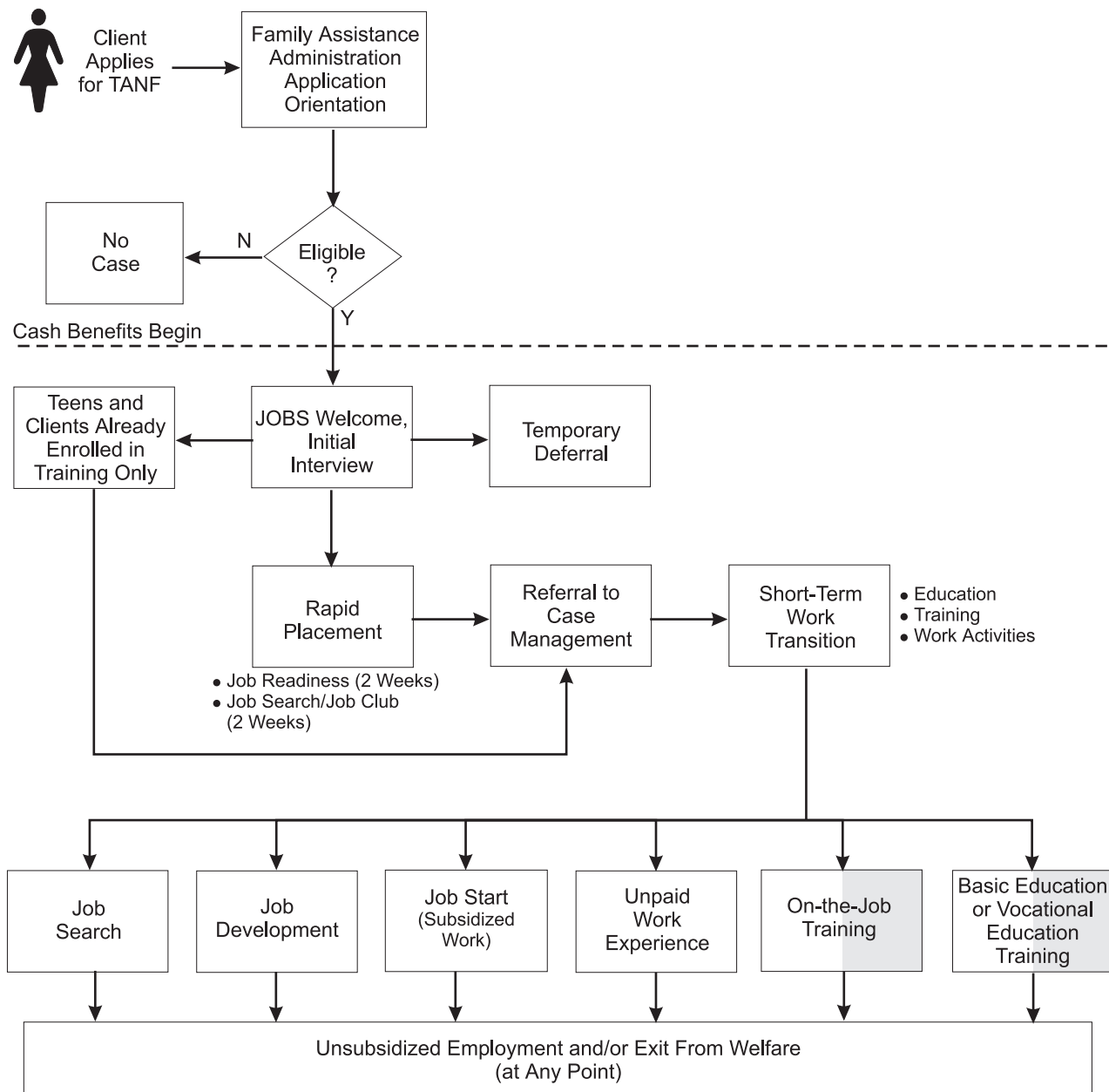
³⁴For a list of deferrals, see table II.1.

Appendix II
Arizona

experience, 45 in the community service program, 2,633 in basic skills training, and 3,557 in vocational training.³⁵

³⁵Because each state maintains its data differently, client participation data are presented differently and for different time periods in each appendix.

Figure II.3: Arizona TANF Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system. Half-shaded blocks are services provided by both systems.

Although basic education or vocational training is technically an option under the short-term transition activities, state and local officials told us that they generally use other options because of their “work first” philosophy. Most training they provide beyond the job-readiness training is generally short-term, customized training in specific industry sectors such as food service, hospitality, health care, electronics, child care, and telephone call centers. For example, clients can obtain customer service training, which applies directly to telephone call centers as well as other industry sectors. The state often works directly with specific employers that provide job placement after training. At the time of our visit, the state had just completed a training plan with the Tucson Medical Center, resulting in a commitment by the medical center to hire 40 clients. State officials believe the best training for a job is a job and therefore prefer to have clients test the marketplace first.

Funding Employment and Training Services

Arizona’s federal and state TANF funds comprise the predominant source of funding for employment and training services for TANF clients. Arizona’s 1997 federal and state TANF funds available totaled about \$312 million,³⁶ of which the state estimates it spent about \$16 million to provide employment and training services to TANF clients. Moreover, although JOBS officials told us that the number of TANF clients entering training has decreased, Arizona TANF clients are still accessing JTPA title IIA funds for training. During approximately the same time period,³⁷ the Arizona JTPA title IIA funding allotment, which must serve a broader population than TANF clients, totaled about \$13.8 million.

While TANF clients are still accessing services funded through JTPA title IIA training, the state’s emphasis on work leaves little opportunity for training, and fewer TANF clients are accessing these services. In 1995, 982 JTPA title IIA clients were AFDC/TANF clients, while in 1997 this number decreased to 620. Moreover, the proportion of title IIA clients who were AFDC/TANF declined between these 2 years by 5 percentage points. (See table II.2.)

³⁶This total includes the amount of funds available for TANF (total funds awarded less funds transferred to the Child Care and Development Block Grant and to the Social Services Block Grant), plus the amount of state TANF funds expended.

³⁷TANF funding is distributed on a federal fiscal year basis, while JTPA funding is distributed on a program year basis. Federal fiscal year 1997 ran from October 1996 to September 1997, while program year 1996 ran from July 1996 to June 1997.

**Appendix II
Arizona**

**Table II.2: Number of JTPA Title IIA
Clients for Program Years 1995-97**

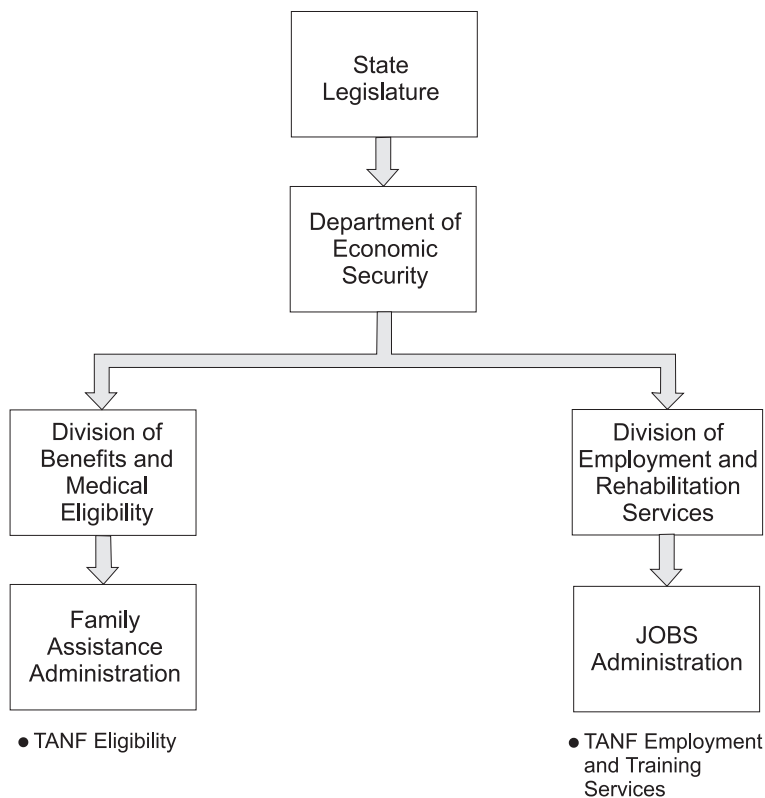
Program year	Total clients^a	AFDC/TANF clients	Percentage who were AFDC/TANF
1995	2,847	982	34.5
1996	3,033	1,042	34.4
1997	2,093	620	29.6

^aFor purposes of our work, participants are defined as those who terminated from the program during the program year.

Source: Program year 1995 and 1996 data are from the Department of Labor. Program year 1997 data are from the Arizona Department of Economic Security and are preliminary.

All TANF funds go directly to the Department of Economic Security. The funds for cash assistance flow through DBME to the Family Assistance Administration, while the funds for employment and training services for TANF clients flow through DERS to the JOBS administration (see fig. II.4).

Figure II.4: Flow of TANF Funds in Arizona



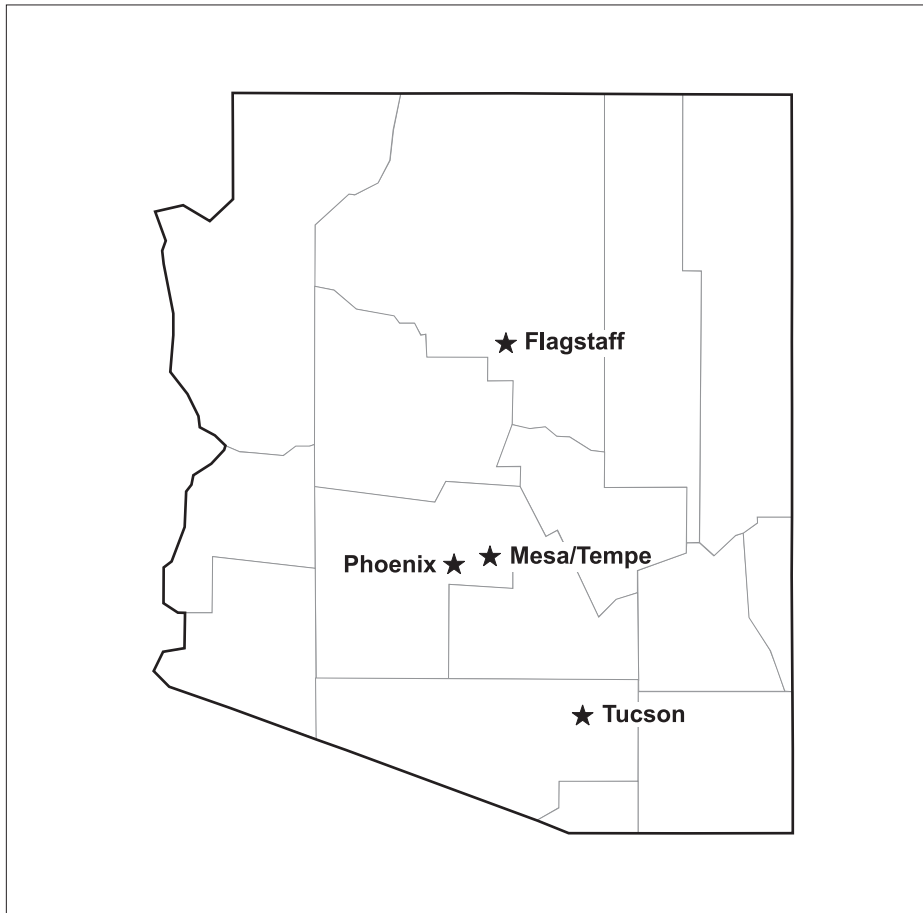
In August 1998, Labor awarded Arizona \$9 million in welfare-to-work funds for fiscal year 1998.³⁸ The Department of Economic Security is both the grant recipient and the state administering entity. The state plans to use these funds for the full range of federally allowable welfare-to-work activities and targeting strategies most appropriate for local needs. However, at the time of our visit, Arizona had not yet been awarded these funds.

³⁸To receive a formula grant, states must assure that \$1 of state matching funds is available for every \$2 of federal welfare-to-work funds. Arizona has assured the Department of Labor that it will provide \$4.5 million in state matching funds over the 3-year grant period. However, to date, the Arizona legislature has only appropriated \$1.5 million in matching funds for 1998; consequently, the state is currently allocating its grant funds on the basis of receiving \$3 million in federal funds.

Local Site Visits

We visited four local sites in Arizona, as shown in figure II.5: Phoenix, Tempe/Mesa, Flagstaff, and Tucson. We chose these sites to provide a mix of geographic locations, including a mix of urban and nonurban sites, as well as different service delivery structures. Each of these sites followed the prescribed client flow. Table II.3 summarizes information on the sites we visited.

Figure II.5: Local Sites Visited in Arizona



**Appendix II
Arizona**

Table II.3: Information on Local Sites Visited

Location	Number of TANF families	Type of community	Facilities visited	Comments
Flagstaff	223	Nonurban	Family Assistance Administration office; JOBS office; employment service office; JTPA service center	One-stop center was under development
Mesa/Tempe	269 ^a	Urban	EMPOWER center; JOBS office; one-stop career center	
Phoenix	453	Urban	EMPOWER center; multiagency site	
Tucson	177	Urban	EMPOWER center; one-stop career center	JOBS staff member located on-site at one-stop center

^aThe TANF caseload cited is for the Tempe EMPOWER center we visited.

Massachusetts

Massachusetts began reforming both its workforce development and welfare systems in the early to mid-1990s. Debate on welfare reform began in the early 1990s and culminated in 1995 with the passage of the state's welfare reform legislation. This legislation's intent was to transform a system that fostered dependency into one that would promote self-sufficiency. In 1994, Massachusetts became one of the first six states to receive a one-stop career center implementation grant from the Department of Labor to transform its fragmented array of employment and training programs into a high-quality, integrated service delivery system. The state opened its first one-stop career center in February 1996, but statewide implementation was delayed. However, the initiative is currently moving forward, with all centers expected to be operational within the next 12 months. The welfare and workforce development systems in Massachusetts have a long history of working together. For many years, the welfare system has contracted with the workforce development system to provide employment and training services to TANF clients, and this arrangement continues today. Workforce development staff generally provide these services to TANF clients in local welfare offices, and the TANF federal block grant and state dollars are the predominant funding sources for these services.

Massachusetts' Welfare Reform Efforts

Massachusetts' welfare reform legislation, passed in 1995, required clients to work and take individual responsibility for their families, and it made public assistance a transitional, rather than long-term, form of assistance. To implement this legislation, the state obtained AFDC waivers from the Secretary of Health and Human Services—effective on November 1, 1995—that placed work requirements on able-bodied recipients who had school-aged children in school full time. Although the state legislation called for time limits on cash assistance, Massachusetts did not obtain an AFDC waiver to implement this part of its reform. Time limits were implemented later under the TANF plan, which took effect in December 1996. Massachusetts' welfare system is state administered and locally delivered. Major provisions of its TANF plan are shown in table III.1.

**Appendix III
Massachusetts**

**Table III.1: Provisions of
Massachusetts' TANF Plan**

Provision	Description
Cash assistance (per month)	\$343 to \$997 ^a
Time limits for cash assistance	Nonexempt clients are generally limited to 24 months of assistance in a continuous 60-month period.
Hours weekly of allowable work activities	Minimum of 20 hours per week.
Work participation requirements	All nonexempt recipients who have received 60 days of benefits and whose child of record ^b is mandatory full-time school age are required to meet work requirements.
Allowable work activities to meet work participation requirements	Unsubsidized employment, subsidized employment, community service, combining work and community service, participating in an employment services program ^c component that began on or before 1/1/95, meeting his or her housing search requirements while in a temporary emergency shelter, or participating in the substance abuse treatment program while in a substance abuse shelter.
Reasons for exemptions	Those exempt from both the time limits and work requirements include disabled parents, parents caring for a disabled child or spouse, pregnant women in their third trimester, grantees whose child of record is under the age of 2 or who have any child under the age of 3 months, teen parents under the age of 20 who are attending high school full time and are meeting the requirements of structured living, and ineligible grantees. Clients exempt from the work requirement but not the time limit are those whose child of record is between the ages of 2 and mandatory full-time school age.
Training provisions	Training is an option for all clients, although those who are required to go to work must meet their work requirement as a prerequisite to participation in training activities.
Diversion program	None.

^aNot including \$40 per month rent allowance for clients not living in public housing.

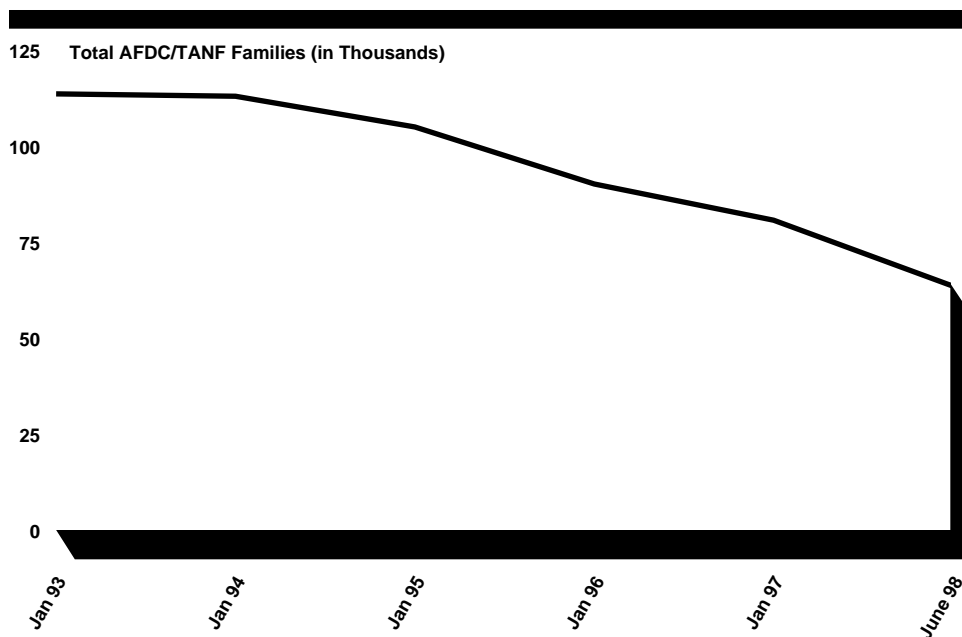
^bA child of record is defined as the youngest child of a parent (1) receiving assistance on July 1, 1995, or the date the waivers are effective, whichever is later; or (2) in the case of applicants, at the time the parent first applies for assistance after July 1, 1995, or the date the waivers are effective, whichever is later.

^cThe employment services program is administered by the Department of Transitional Assistance and offers job placement, education, skills training, transportation, supported work, and other services necessary for TANF clients to quickly obtain and maintain employment.

Source: Massachusetts Department of Transitional Assistance.

Since January 1993, Massachusetts' AFDC/TANF family caseload has declined 44 percent, from 113,571 to 63,501 in June 1998 (see fig. III.1).

Figure III.1: Massachusetts' AFDC/TANF Family Caseload, Jan. 1993-June 1998



Source: HHS Administration for Children and Families.

Many Massachusetts TANF clients find employment in the service industry, particularly in health care, food service, retail, and clerical positions. Major industries in the state include the service industry, trade, manufacturing, government, finance, transportation and utilities, and construction. Massachusetts state officials told us that the state is experiencing some skills shortages, particularly in the areas of software development, telecommunications, and manufacturing (specifically, machinists). At the time of our study, the Massachusetts economy was strong. The statewide unemployment rate had declined from 6.0 percent in 1990 to 4.0 percent in 1997, with a peak during these years of 9.1 in 1991. Although most of the state is experiencing this strong economy, it does have some pockets of high unemployment, such as the cities of Lawrence and New Bedford, where the 1997 unemployment rates were 8.8 and 9.3, respectively.

Massachusetts’ Workforce Development System Consolidation

In 1994, Massachusetts was one of six states to receive a one-stop career center implementation grant from Labor to combine its multiple employment and training programs into a coherent, client-centered workforce development system. However, the original design and implementation of the state’s one-stop career center system caused considerable turmoil within the workforce development community that, along with fiscal problems, stalled statewide implementation. At the time of our visit, Massachusetts had seven one-stop career centers operating in 3 of its 16 Regional Employment Board areas.³⁹ In early 1998, the state modified its one-stop career center design and reorganized the entity overseeing the one-stop center implementation, and now expects to have all one-stops operational within the next 12 months.

The one-stop centers offer individual clients the set of core services outlined by the Department of Labor, including

- information on local labor markets, career options, education and training program availability and quality, jobs currently available within the region and state, and eligibility requirements for training programs and financial aid resources;
- basic assessment of customer skills and interests;
- job search assistance;
- unemployment insurance enrollment;
- veterans’ employment and training services;
- older worker employment and training services; and
- referrals to specialty program providers.

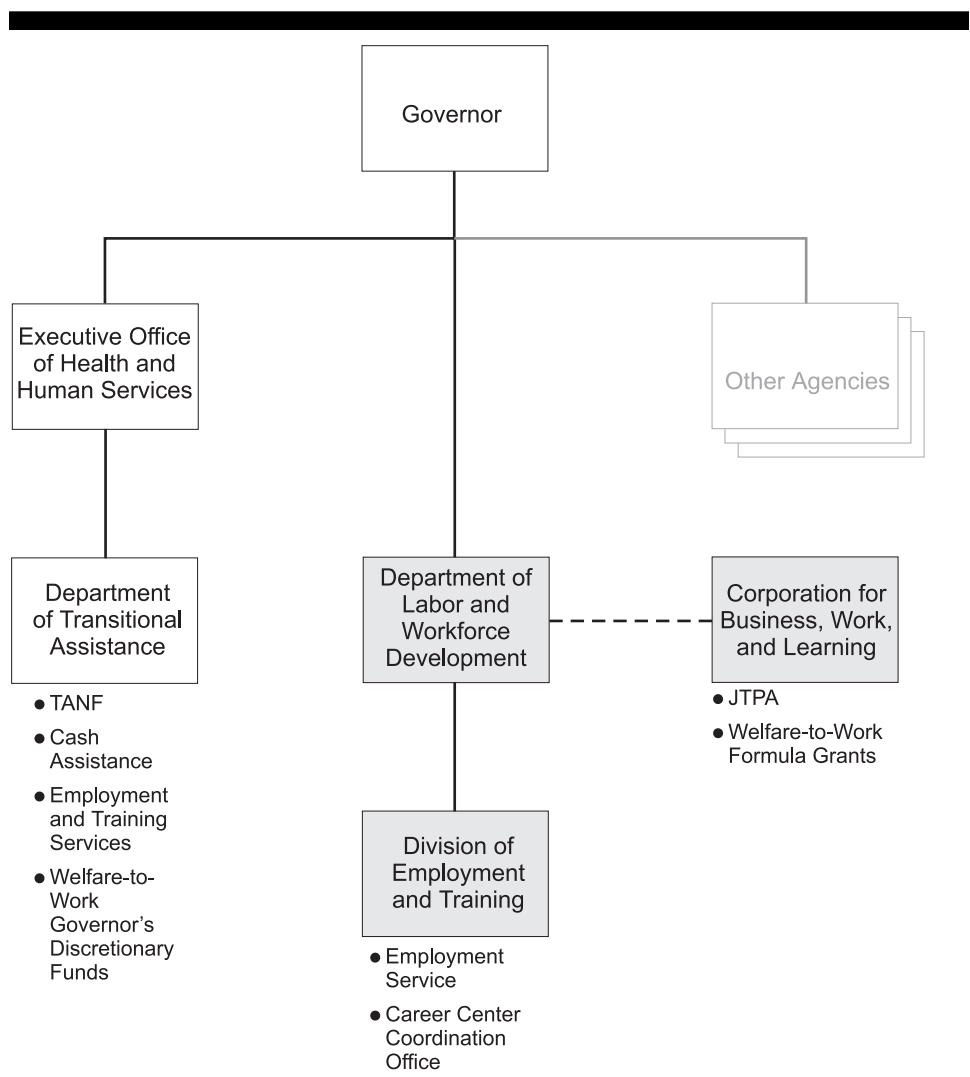
State Structure for Delivering Employment and Training Services to TANF Clients

Massachusetts’ welfare and workforce development systems have a long history of working together to provide employment and training services to TANF clients that continues today. The Department of Transitional Assistance (DTA) is responsible for all TANF policy-making and services provided to TANF clients, including those for employment and training. DTA contracts with state and local workforce development agencies to provide employment and training services to TANF clients, just as it did under the JOBS program, and DTA provides some direct assistance for services such as subsidized work and community service through its local office workers. DTA contracts with the Division of Employment and Training—housed

³⁹In 1988, Massachusetts expanded the role of the then Private Industry Councils to include local policy-making responsibility for all workforce development initiatives. At that time, the state renamed the Private Industry Councils to Regional Employment Boards. The state is divided into 16 local Regional Employment Boards and describes its workforce development system as “centrally guided and locally controlled.”

within the Department of Labor and Workforce Development (DLWD)—to provide employment assistance to TANF clients across the state through the state’s local Employment Service and one-stop career center staff. DTA also contracts primarily with the local JTPA entities to provide training services to TANF clients. Figure III.2 shows Massachusetts’ organizational structure for employment, training, and TANF-related services.

Figure III.2: Massachusetts’ Organizational Structure for Employment and Training Services and TANF Assistance



Note: Nonshaded blocks are welfare system; shaded blocks are workforce development system.

Because the Massachusetts workforce development system has not yet fully transitioned to one-stop career centers,⁴⁰ the workforce development entity that actually provides employment assistance to TANF clients varies across the 16 Regional Employment Board areas. In those areas where one-stop career centers exist, career center staff provide employment services,⁴¹ and in those areas without one-stop career centers, state Employment Service staff provide these services. Regardless of the service provider, employment services are generally provided to TANF clients at local welfare offices—the same location where DTA staff determine eligibility for cash assistance and provide or authorize other services such as Food Stamp and Medicaid benefits, as well as support services such as child care. Providing services in the local welfare offices rather than at the one-stop career centers (or Employment Service offices) is at the request of DTA state officials who believe their clients are better served if all services are provided on-site at DTA welfare offices. For training services, TANF clients see local JTPA staff in all areas of the state regardless of whether there is a one-stop career center or not. DTA again prefers that local JTPA staff provide access to training services at the local welfare offices where feasible. Therefore, while TANF clients are not precluded from directly accessing services at the state’s one-stop career centers or local workforce development offices, workforce development system staff are generally outstationed at local welfare offices. One program we visited in western Massachusetts periodically takes some TANF clients to the one-stop career center so the clients can be slowly introduced to the career center environment.

Employment and Training Services Provided to TANF Clients

Unlike some of the other states we visited, Massachusetts does not prescribe the employment and training services TANF clients must receive, even if they are required to work or are subject to the state’s 2-year benefits time limit. The state divides its TANF caseload into two categories—exempt and nonexempt—and the proportion of the total caseload in each category is about 50 percent (see table III.2 for Massachusetts’ categorization of TANF clients). The time limit and work requirements do not apply to exempt clients. While the time limit does apply to all nonexempt clients, the work requirement applies only to those nonexempt clients whose child of record is at the age of mandatory,

⁴⁰At the time of our field visit, 3 of the 16 Regional Employment Board areas had made this transition.

⁴¹In two of the seven one-stop career centers established at the time of our visit, Employment Service—the Division of Employment and Training—staff were part of the one-stop career center collaborative providing services. Therefore, in those two centers, employment services to TANF and other clients were provided by Employment Service staff.

full-time schooling (generally, 6 years old). Therefore, a large proportion of TANF clients in Massachusetts—nearly 81 percent in July 1998—are not required to participate in a work activity, and about half of all TANF clients are subject to the 2-year time limit.

Table III.2: Categories of Massachusetts' TANF Clients

Category	Time limit	Work	Service
Exempt			
Includes clients whose child of record is under the age of 2 and clients who have any child under the age of 3 months. Also includes disabled adults, adults caring for a disabled child or spouse, pregnant women in their third trimester, teen parents under the age of 20 who are attending high school full time and are meeting the requirements of structured living, and ineligible grantees.	No	No	Can access all employment and training services.
Nonexempt			
Child of record is between the ages of 2 and the mandatory full-time school age.	Yes	No	Can access all employment and training services.
Child of record is of the mandatory full-time school age.	Yes	Yes	Can access all employment and training services if meeting work requirement.

Source: Massachusetts Department of Transitional Assistance.

DTA workers encourage those clients who are not required to work to begin accessing services as soon as possible. Their service options include job search assistance and training—including longer-term education and training programs. Clients who are subject to the work requirement must first meet their work requirement before being eligible for other training services.

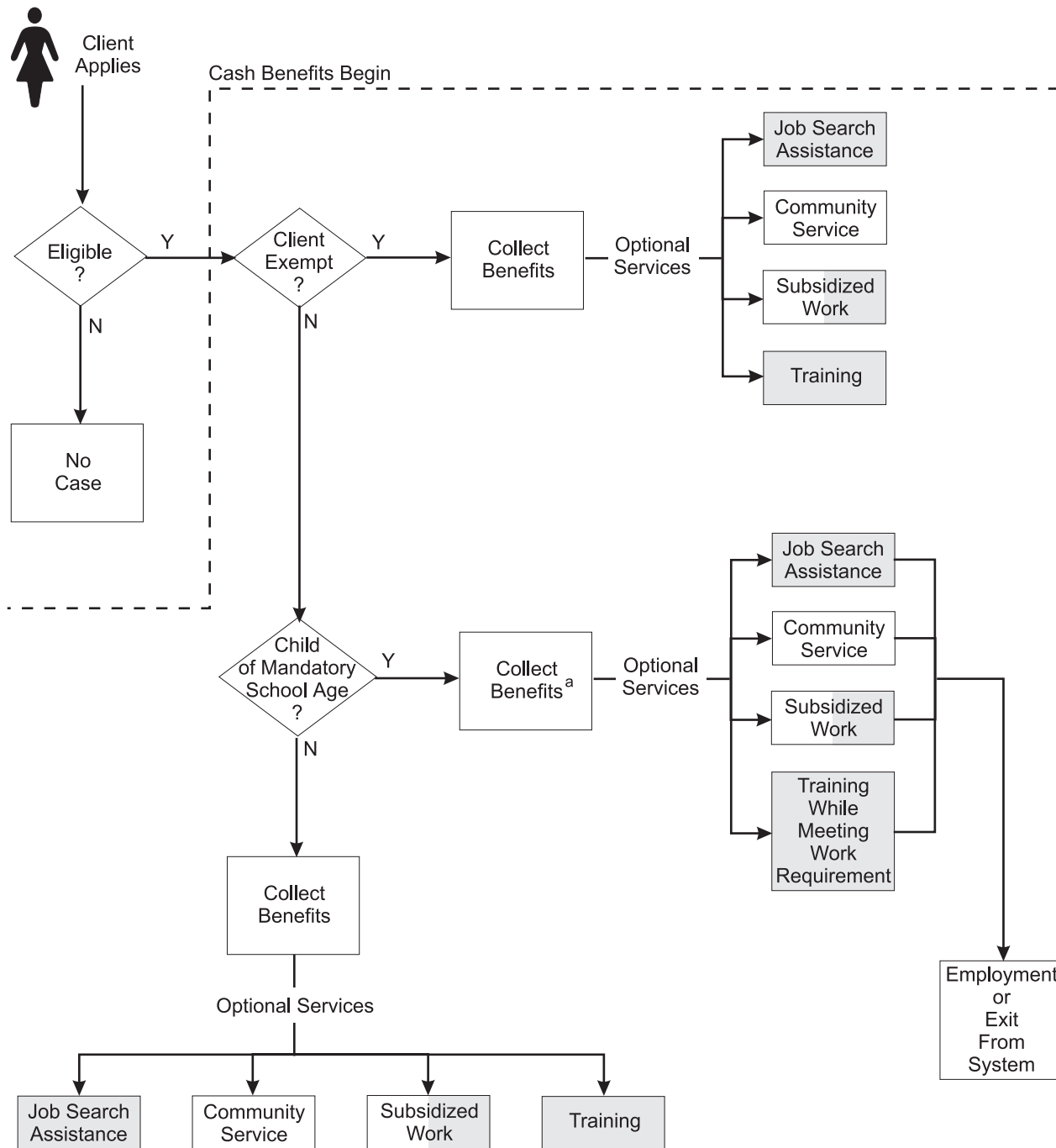
Client Flow

As shown in figure III.3, TANF clients apply for benefits at their local DTA office, where a caseworker determines whether the client is eligible, and if eligible, whether the client is exempt from the time limits and the work participation requirements. If a client is required to go to work, the DTA worker refers the client to either Division of Employment and Training or one-stop career center staff—depending upon staff location—for job search and placement assistance. If a client does not obtain employment

by the 60th day of receiving benefits, he or she is required to perform community service for a minimum of 20 hours per week. DTA workers then assist the client with a community service placement. Those clients who are not required to go to work but want to work are also referred to either Division of Employment and Training or one-stop career center staff. DTA workers generally refer those clients who are interested in training assistance to the local JTPA agency.⁴²

⁴²In some cases, DTA workers refer clients to other vendors for services such as community colleges or those providing services for the state's supported work program.

Figure III.3: Massachusetts' TANF Client Flowchart



(Figure notes on next page)

Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system.

^aClients with a child of record who is of mandatory school age must be in a work activity after 60 days of receiving benefits. Therefore, the service options shown are available to these clients both before and after this 60-day period, but clients must be meeting their work requirement after the 60th day to access these services.

Job Placement Assistance Services

All TANF clients accessing job placement assistance services are informally assessed to identify the client's strengths and barriers to employment and then provided services according to the client's needs. This assessment includes a review and evaluation of the client's

- occupational goals;
- vocational skills;
- aptitudes and interests;
- work history;
- previous job training and the availability of similar jobs in the local labor market;
- educational attainment levels and basic literacy and English proficiency;
- understanding of the world of work (job retention skills such as reliability, conflict resolution, and appropriate dress); and
- job-readiness skills, motivation, and willingness to actively participate, and his or her potential for immediate employment.

Job placement assistance services provided to TANF clients include job search assistance; developing job-readiness skills such as resume writing and interviewing; and developing "soft skills," such as getting to work on time and appropriate dress. Massachusetts recently developed a group-structured job search model to help provide employment services to the first group of TANF clients reaching the 2-year time limit in December 1998. This group-structured job search is a minimum 20-hour-per-week job search model that includes job-readiness topics and activities (such as self-esteem building; motivation development; employer expectations; time management; and appearance, dress, and hygiene) and job search topics and activities (such as identifying skills, abilities, accomplishments, finding job leads, resume development, and interview preparation). While the state's welfare reform law does not require participation in this activity, DTA workers strongly encourage clients to participate.

In addition to the structured job search, other DTA programs that assist clients with job placement include basic job search, Massachusetts Office of Refugees and Immigrants (a structured job search program for non-English and non-Spanish speakers), Supported Work (a program that places clients with considerable barriers to employment in highly supportive work sites before transitioning them to unsubsidized employment), and the Full Employment Program (a program that matches clients with employers who provide training and mentoring in exchange for wage subsidies).

During fiscal year 1997, 7,184 clients accessed job placement assistance services, and about the same number of clients enrolled in community service. In addition, 569 clients enrolled in Massachusetts' Full Employment Program and another 1,890 enrolled in the Supported Work program.^{43,44}

Training Services

The state's "work first" philosophy and the implementation of time limits has changed the pattern of training for clients receiving cash assistance. According to state officials, before welfare reform, training activities were delivered sequentially. Clients participated in training for extended periods of time, beginning with adult basic education and/or English-as-a-second-language training, moving into GED preparation, and then progressing into occupational training. According to state officials, long-term sequential training methodologies are no longer practical for clients subject to time-limited benefits. Under the state's 2-year time limit, clients who are nonexempt from the work requirement can only obtain training while otherwise meeting their work requirement. Clients who are not required to go to work can also participate in education and training services.

Education services provided by DTA include the Young Parents Program (direct contracts with providers to serve TANF clients who are pregnant and/or parents and between the ages of 14 and 22), and contracts with the JTPA entities to provide adult basic education, English for employment, English as a second language, and general education development. Training services funded by DTA include skills training, the Community College Voucher Program, and Parents Fair Share. The skills training

⁴³These numbers represent the number of individual clients who enrolled in these services. Therefore, if a client enrolled in more than one activity, that client would be counted in each enrollment.

⁴⁴Because each state maintains its data differently, client participation data are presented differently and for different time periods in each appendix.

programs are administered by the JTPA entities and are predominantly short-term (averaging 4 to 12 weeks in duration) with a placement outcome. The Community College Voucher Program provides certificate and noncertificate skills training programs that range between 1 and 6 months and have a job placement outcome. Parents Fair Share provides employment and training services to unemployed absent parents of children receiving TANF benefits in the Springfield area. According to DTA, the largest proportion of clients who enrolled in education and training in fiscal year 1997 enrolled in skills training. (See table III.3 for 1997 training activities.)

Table III.3: Number of TANF Clients in Training Activities, Fiscal Year 1997

Training activity	Number of clients	Percentage of clients
Skills training	5,687	43
GED	2,814	21
Community college	2,005	15
High school	1,437	11
Other college	629	5
English as a second language	419	3
Adult basic education	120	1

Notes: These data represent clients enrolled in training activities but do not include clients who are in paid employment. If a client enrolled in more than one activity, he or she would be counted in each activity.

Because each state maintains its data differently, client participation data are presented differently and for different time periods in each appendix.

Source: Massachusetts Department of Transitional Assistance.

Funding Employment and Training Services

Funding to support employment and training services for TANF clients comes largely from the federal TANF block grant and the related state funds. Massachusetts' 1997 federal and state TANF funds totaled about \$651 million,⁴⁵ of which about \$21.6 million was used to provide employment and training services to TANF clients. In addition, TANF clients are still obtaining services funded by JTPA title IIA. During roughly this

⁴⁵This total includes the amount of funds available for TANF (total funds awarded less funds transferred to the Child Care and Development Block Grant and to the Social Services Block Grant), plus the amount of state dollars the state reported expending.

**Appendix III
Massachusetts**

same time period,⁴⁶ the JTPA title IIA funding allotment for Massachusetts totaled about \$17 million.

While TANF clients in Massachusetts are still receiving services funded through JTPA title IIA, fewer clients have done so over the last 3 years. In 1995, 3,708 JTPA title IIA clients were AFDC/TANF, while in 1997, this number decreased to 1,142. Moreover, the proportion of clients who were AFDC/TANF declined between 1995 and 1997 by 8.8 percentage points. See table III.4.

Table III.4: Number of JTPA Title IIA Clients for Program Years 1995-97

Program year	Total clients^a	AFDC/TANF clients	Percentage who were AFDC/TANF
1995	7,020	3,708	52.8
1996	4,770	2,129	44.6
1997	2,593	1,142	44.0

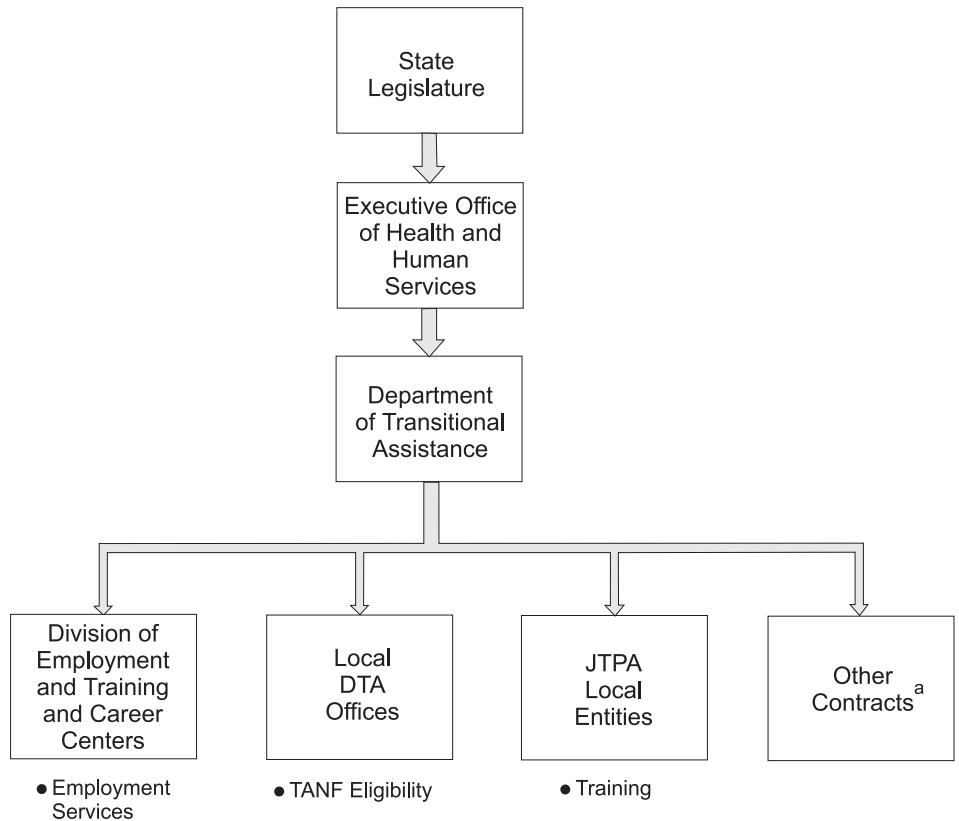
^aFor purposes of our work, participants are defined as those who terminated from the program during the program year.

Source: Program year 1995 and 1996 data are from the Department of Labor. Program year 1997 data are from the Massachusetts Corporation for Business, Work and Learning.

All TANF funds flow to DTA. DTA then disseminates the employment and training funds through contracts with the workforce development system and provides other TANF services through its local DTA offices (see fig. III.4).

⁴⁶TANF funding is distributed on a federal fiscal year basis, while JTPA funding is distributed on a program year basis. Federal fiscal year 1997 ran from October 1996 to September 1997, while program year 1996 ran from July 1996 to June 1997.

Figure III.4: Flow of TANF Funds in Massachusetts



^aIn addition to contracts between DTA and Division of Employment and Training/one-stop career centers and the JTPA entities, DTA also has direct contracts with providers in supported work, Young Parents Program, community colleges, Massachusetts Office of Refugees and Immigrants, Parents Fair Share, GED testing, and transportation assistance.

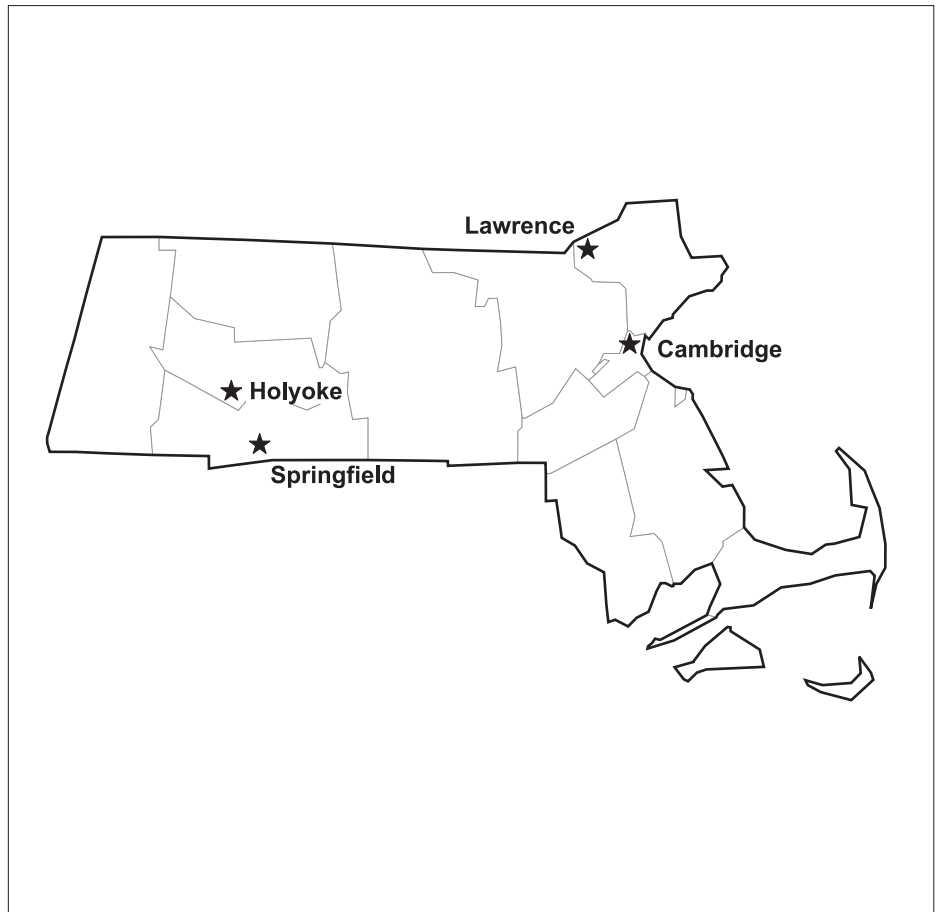
In February 1998, Labor awarded Massachusetts \$20,692,295 in welfare-to-work funds for fiscal year 1998. Massachusetts' Department of Labor and Workforce Development is the grant recipient, and its quasi-public subentity, the Corporation for Business, Work and Learning, is the welfare-to-work state administering entity. According to a state official, the majority of the service delivery areas (the local welfare-to-work entities) are coordinating their welfare-to-work programs with existing employment programs (including short-term job-readiness/placement programs and subsidized employment programs) and providing clients with new postplacement retention and support services. Some service delivery areas are offering variations to existing programs with

employers. At the time of our field visit, Massachusetts had not yet fully implemented this program.

Local Site Visits

We visited four local sites in Massachusetts, as shown in figure III.5, to discuss employment and training service delivery to TANF clients. We selected these sites to reflect different workforce development system designs and to provide a mixture of geographic locations, unemployment rates, and service providers (see table III.5). The Springfield one-stop career center is operated by a for-profit vendor. The Cambridge one-stop career center is operated by the local JTPA entity, while the Holyoke one-stop career center is operated by a collaboration of vendors that includes the local chamber of commerce, community college, and the Division of Employment and Training office. The fourth site, Lawrence, has not yet transitioned to a one-stop career center system and is therefore providing employment and training services under the more traditional workforce development system. All sites provided employment and training services to TANF clients under contracts with DTA. Table III.5 summarizes information concerning the local sites.

Figure III.5: Local Sites Visited in
Massachusetts



**Appendix III
Massachusetts**

Table III.5: Information on Local Sites Visited

Location	Number of TANF cases (at time of visit)	1997 unemployment rate	Type of community	Employment and training service provider
Cambridge	929 ^a	2.4	Urban	One-stop career center operated by JTPA entity
Holyoke	9,620 ^b	5.7	Urban ^c	One-stop career center operated by a collaborative including local chamber of commerce, community college, and Division of Employment and Training office
Lawrence	2,850	8.8	Urban	Division of Employment and Training and JTPA entities
Springfield	9,620 ^b	5.7	Urban ^c	One-stop career center operated by for-profit vendor

^aThis caseload number includes all of the Metro North Regional Employment Board caseload, which the Cambridge career center, along with another career center, serves.

^bThis caseload number is an estimate and includes all four DTA office caseloads, which service the Springfield Regional Employment Board. The Springfield Regional Employment Board has two career centers, both of which we visited—Holyoke and Springfield.

^cBoth Holyoke and Springfield are urban areas, but the career centers serve the entire Regional Employment Board area, which includes nonurban areas.

Michigan

Michigan began reforming its welfare and workforce development systems in the early to mid-1990s. The state began its welfare reform efforts in 1992 with a focus on helping clients become self-sufficient, and in 1995 it passed welfare reform legislation requiring clients to participate in work activities, and designating the state's workforce development system as part of the process. The primary vehicle through which Michigan is consolidating its workforce development programs is the one-stop career center. The state began this effort before the federal one-stop career center grant dollars were available to states, opening its first center in 1992. Michigan received a planning grant from the Department of Labor in 1994, and an implementation grant in 1996. The state's workforce development system provides employment and training services to TANF clients through these one-stop centers. Services to TANF clients include employment services such as job search and placement assistance, job skills training, and supportive services, all of which are largely funded from the TANF block grant.

Michigan's Welfare Reform Efforts

Michigan's welfare reform efforts began several years before federal welfare reform legislation was passed in 1996. In 1992, using AFDC waivers, the state developed a welfare reform agenda called "To Strengthen Michigan Families," which was guided by the philosophy that welfare clients need to become self-sufficient. Again using AFDC waivers, in October 1994, the state instituted its Work First program, which required job search as a condition of eligibility for AFDC benefits, and began sanctioning clients who did not comply. In 1995, to further underscore the new emphasis on work, the state passed welfare reform legislation, which required clients to sign a social contract as a condition of receiving benefits, required clients to participate in a work activity, and established the role of the state's workforce development system in providing employment and training assistance to welfare clients. Michigan came under the requirements of TANF on September 30, 1996, and major provisions of its TANF plan are summarized in table IV.1.

**Appendix IV
Michigan**

Table IV.1: Provisions of Michigan’s TANF Program—the Family Independence Program

Provision	Description
Cash assistance (per month)	Depends on family size and location. In 1998, state average was \$378.
Time limits for cash assistance	Michigan currently has no time limits for assistance. ^a
Hours weekly of allowable work activities required	20 hours for single parents with children under 6 years old; 25 hours for single parents with children aged 6 and over; 35 hours for two-parent families (55 hours if utilizing federally funded child care).
Work participation requirements	All eligible adults and children ages 16 and 17 enrolled in the Family Independence Program not attending school full time must <ul style="list-style-type: none"> —participate in employment-related activities that meet federal requirements, or —meet requirements for a temporary deferral from participation requirements, or —be referred to the Work First program for employment-related activities, or —be in a good-cause processing period for a maximum of 20 days, or —be penalized for noncompliance.
Allowable work activities to meet work participation requirements ^a	<ul style="list-style-type: none"> —unsubsidized employment —subsidized employment —on-the-job training —job search and readiness assistance —community service programs —job skills training^b —education directly related to employment^b —secondary education (GED or high school classes) —providing child care for other recipients
Reasons for deferrals from work participation	<ul style="list-style-type: none"> —under age 16 or at least age 65 —mother of a child under the age of 3 months —disability or blindness —caretaker of disabled person —local office discretion for critical event (for example, homelessness or domestic violence)
Training	Readiness training can be provided but is not required. Occupational training may be provided after clients obtain unsubsidized employment, but client must continue to meet work requirement. ^b Client is not required to accept additional hours offered by employer if client is in training program.
Diversion program	No formal program. ^c

(Table notes on next page)

**Appendix IV
Michigan**

^aMichigan will fund services and give cash assistance to clients who have passed the federal time limit on benefits with state funds.

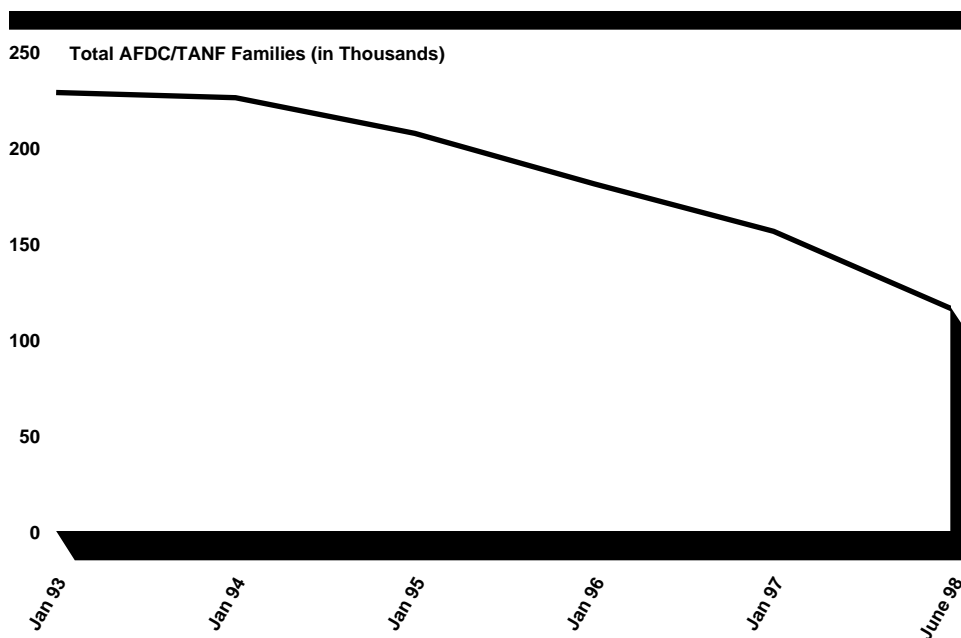
^bAt the time of our visit, vocational educational training, postsecondary education, and postemployment occupational training were available only to recipients meeting work requirements and employed 20 hours per week for 30 days. Since our visit, however, skills training may now be provided immediately upon unsubsidized employment placement.

^cAccording to officials, discussions of whether any upfront assistance could prevent the client from going on cash assistance are held during the initial eligibility interview.

Source: State of Michigan Family Independence Agency Program Eligibility Manual (Apr. 1, 1998).

Since January 1993, the number of Michigan's AFDC/TANF families has declined 49 percent from 228,377 to 115,410 in June 1998 (see fig. IV.1).

Figure IV.1: Michigan's AFDC/TANF Family Caseload, Jan. 1993-June 1998



Source: HHS Administration for Children and Families.

Many TANF clients in Michigan are obtaining employment in the agriculture, manufacturing, and service industries, including hospitality to

support the new gambling industry. Major industries within the state include transportation equipment manufacturing, retail trade, and services. At the time of our visit, Michigan's economy was strong. The unemployment rate has declined from 7.6 percent in 1990 to 4.2 percent statewide in 1997, with a peak during these years of 9.3 in 1991. Although this rate was generally low throughout the state, there were pockets of higher unemployment—such as the city of Detroit, with an unemployment rate nearly twice that of the rest of Michigan. Some areas also experienced seasonal fluctuations.

Michigan's Workforce Development System Consolidation

Michigan began its workforce development consolidation before the availability of federal funding for this effort. It opened its first one-stop career center in 1992, received a planning grant from the Department of Labor in 1994, and an implementation grant in program year 1996. Rather than roll out additional one-stop centers in phases, the state decided to implement them statewide immediately. Although it initially planned to use a "no wrong door" approach—whereby one-stop career centers are linked electronically with multiple points of entry rather than physically collocated—the state has decided to require each local area to have at least one center that physically collocates services by July 1999.

In 1995, the state expanded the administrative role of the Private Industry Councils beyond JTPA programs to include other workforce-development-related programs, including the Work First program (which provides employment and training assistance exclusively to TANF clients), the School-to-Work program, the Employment Service funded by the Wagner-Peyser Act, vocational rehabilitation, vocational education, and veterans' employment services. In this broader role, the Private Industry Councils became Workforce Development Boards, and the professional staff organizations that support them became Michigan Works! Agencies. There are 25 Michigan Works! Agencies—which are equivalent to JTPA's Service Delivery Areas. To avoid any conflicts of interest, the state prohibits the Workforce Development Boards and Michigan Works! Agencies from directly providing services to program applicants and participants unless a waiver gives them this authority. Organizations including public school districts and both for-profit and not-for-profit private sector entities deliver services through competitively bid contracts with the Michigan Works! Agencies. These services include

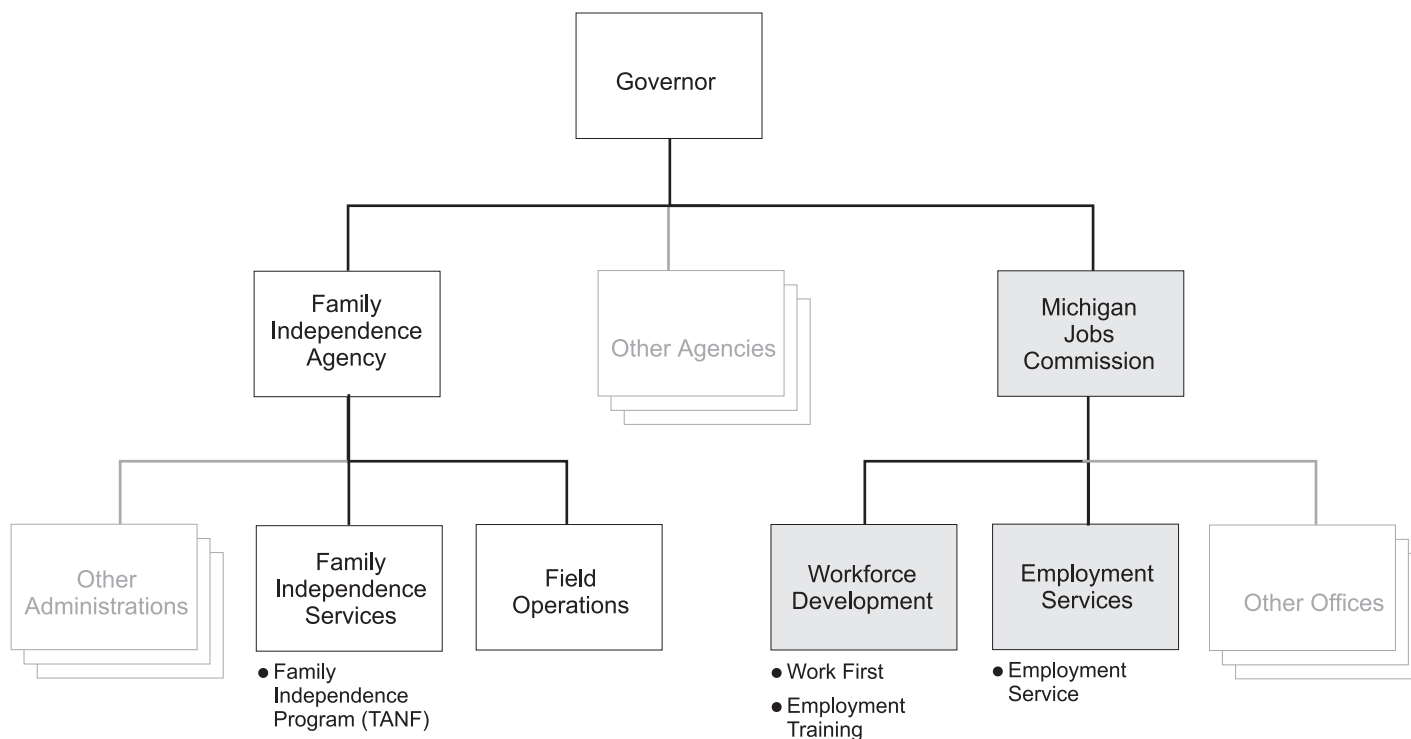
- training program information and referral;

-
- labor exchange information (utilizing the automated Michigan Talent/Job Bank);
 - self-assessment tools;
 - resume writing software and support;
 - employer directories for job search;
 - use of the local human services directory; and
 - information concerning labor market, occupational, training, financial aid, job search skills, and work place accommodation.

State Structure for Delivering Employment and Training Services to TANF Clients

Michigan provides employment and training services to TANF clients through its workforce development system entity, the Michigan Jobs Commission (MJC). MJC and the Family Independence Agency (FIA), the state's welfare agency, jointly develop TANF policy for employment and training services. The Work First program, housed within the Commission's Workforce Development office, oversees the delivery of these services to TANF clients statewide. At the local level, the Work First program staff—employees of the entity awarded the contract to provide client services—usually work at the state's one-stop career centers where TANF clients access employment and training services. FIA is responsible for determining TANF eligibility and sanction activities. Figure IV.2 shows Michigan's state structure for employment, training, and TANF-related services.

Figure IV.2: Michigan’s Organizational Structure for Employment and Training Services and TANF Assistance



Note: Nonshaded blocks are welfare system; shaded blocks are workforce development system.

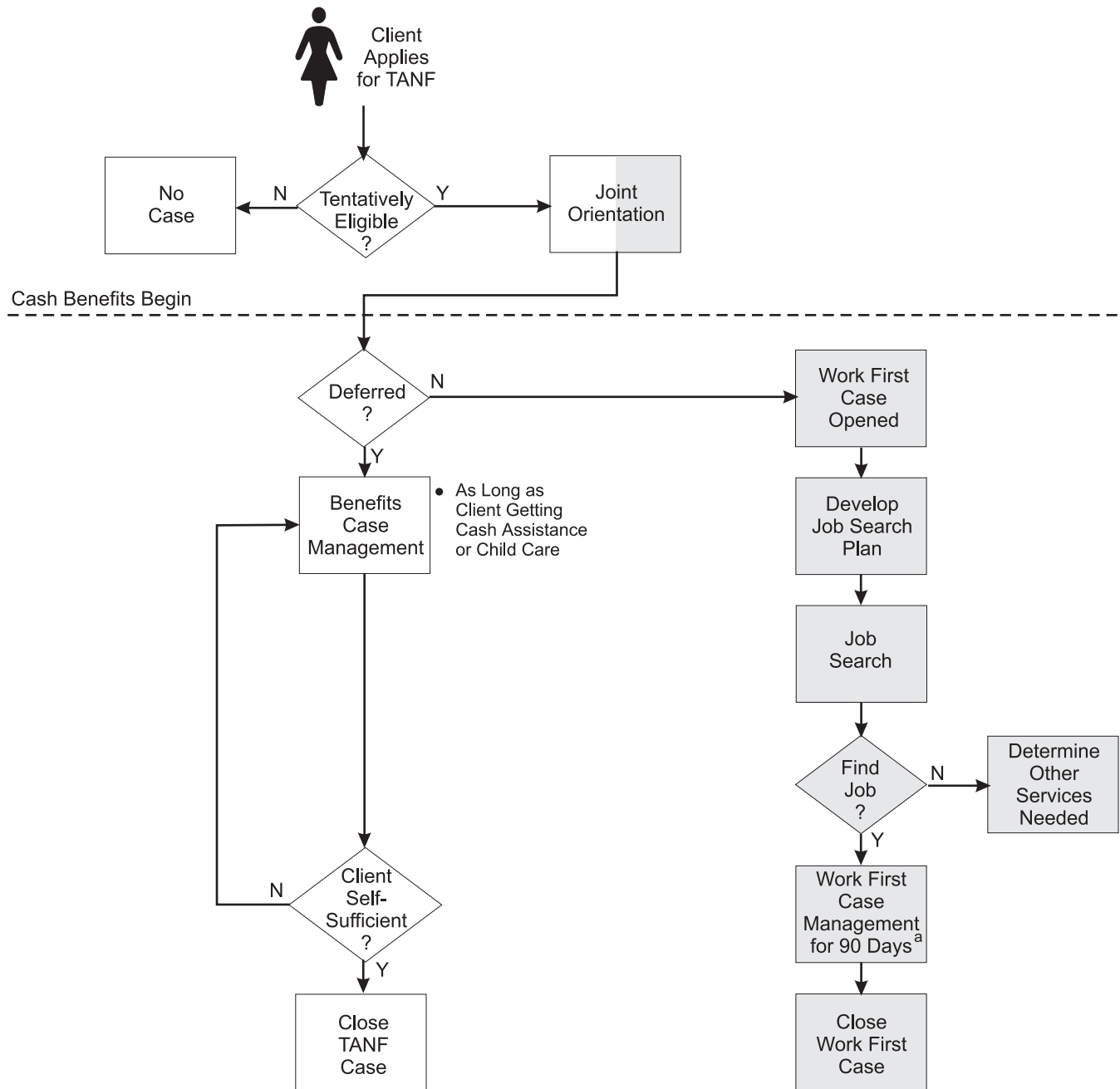
Employment and Training Services Provided to TANF Clients

Michigan’s welfare reform effort follows a “work first” model—that is, it requires all clients, except those who are deferred, to enroll in a work activity. TANF clients first enter the system through an FIA local office, where they meet with a family independence specialist (see fig. IV.3). Before determining eligibility, the specialist assigns the client to an orientation session that is jointly conducted by FIA and Michigan Works! Agency staff. All clients are required to attend the orientation within 10 workdays of this initial meeting, and cash benefits do not begin until the client has done so. Some clients drop out of the program after orientation. In fiscal year 1997, approximately 173,000 clients were referred and of those, about 26,000 terminated the program after orientation.

In addition to the eligibility determination for cash assistance, the family independence specialist determines whether a client may be deferred⁴⁷ from the Work First program. All deferrals are temporary—no longer than 90 days, but there is no limit on the number of times a client may be deferred. However, relatively few clients are deferred. Of the approximately 173,000 clients referred to orientation in fiscal year 1997, about 500 were deferred.

⁴⁷Those who may be temporarily deferred include mothers with a child under 3 months of age, clients who are disabled or blind, and clients who are caring for someone who is disabled. At the discretion of the local office, deferrals may also be granted for a specific circumstance, such as homelessness. However, a client's substance abuse may not be considered a reason for deferral; he or she is expected to work while receiving treatment.

Figure IV.3: Michigan TANF Client Flowchart



(Figure notes on next page)

Appendix IV
Michigan

Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system. Half-shaded blocks are services provided by both systems.

^aAfter our visit, effective October 1, 1998, the client flow was modified so that clients will be served by Michigan Works! Agency until the case is closed as a result of the client's income.

After orientation, eligible clients are then referred to a one-stop service center and assigned to a Work First case manager. Clients must then enroll in an employment-related activity within 10 days, and the primary activity is job search. However, one-stop center staff may also provide other employment services to Work First clients,⁴⁸ including job development and placement, job skills training,⁴⁹ and supportive services to remove barriers to employment. At the time of our visit, clients were monitored by the Work First case manager—and thus MJC—for 90 days after being placed in unsubsidized employment. At the end of 90 days, monitoring and follow-up was performed by FIA until the client became self-sufficient.⁵⁰

During fiscal year 1997, the two employment and training activities in which clients were overwhelmingly engaged were unsubsidized employment and job search/readiness activities. These two activities accounted for almost 90 percent of the activities for Work First clients (see table IV.2). Michigan makes very little use of subsidized work, community service, and unpaid work experience. While formal assessments were once frequently performed for many clients, they are now generally reserved for clients who have difficulty obtaining a job, accounting for only 6 percent of client activities. Michigan's current philosophy is that the job market will determine what skills a client needs to obtain employment. Vocational and occupational training is largely reserved for those clients who are already meeting their work requirements.

⁴⁸One-stop centers are required to provide a spectrum of "core services" to any client who requests them, regardless of whether the client is a TANF client, including training program information and referral, labor exchange information (utilizing the automated Michigan Talent Bank/Job Bank), self-assessment tools, resume writing software and support, employer directories for job search, use of the local human services directory; and information concerning the labor market, occupational training, financial aid, job search skills, and work place accommodation.

⁴⁹For clients otherwise meeting their work requirement.

⁵⁰However, after our visit, effective October 1, 1998, the client flow was modified so that clients will be served by the Michigan Works! Agency until the case is closed on the basis of client earnings.

**Appendix IV
Michigan**

Table IV.2: Number of TANF Clients Enrolled in Employment and Training Activities for FY 1997

Activity	Number of client activities^a	Percentage of client activities
Unsubsidized work	66,014	42%
Subsidized work	42	<1%
Community service	2,983	2%
Unpaid work experience	37	<1%
Job search and readiness	74,280	47%
Assessment and employment planning	9,457	6%
Providing child care or other work experience	12	<1%
Job development and placement	749	<1%
Postsecondary education	147	<1%
Vocational training	1,925	1%
On-the-job training	436	<1%
Basic skills training, including English as a second language and remedial training	1,267	1%
High school or GED	447	<1%
Other miscellaneous education and training activities	23	<1%
Substance abuse treatment	66	<1%
Total activities	157,885	100%^b

Note: Because each state maintains its data differently, client participation data are presented differently and for different time periods in each appendix.

^aThese numbers include duplicate counts—that is, if a client was enrolled in more than one activity, the client would be counted in each activity.

^bPercentages may not equal 100 because of rounding.

Source: MJC Management Information System.

Funding Employment and Training Services

Funding to support employment and training services for TANF clients comes largely from TANF block grant. Michigan's 1997 federal and state TANF funds totaled almost \$1.2 billion,⁵¹ of which about \$73.6 million was used to provide employment and training services to TANF clients. In addition, TANF clients in Michigan are still obtaining services funded by

⁵¹This total includes the amount of funds available for TANF (total funds awarded less funds transferred to the Child Care and Development Block Grant and to the Social Services Block Grant, plus the amount of state dollars the state reported expending).

**Appendix IV
Michigan**

JTPA title IIA. During roughly the same time period,⁵² the JTPA title IIA funding allotment for Michigan was almost \$28 million.

While TANF clients in Michigan are still receiving services funded through JTPA title IIA, fewer clients have been doing so over the last 3 years. In 1995, just over 2,030 JTPA title IIA clients were AFDC/TANF, while in 1997, this number decreased to just under 1,700. Moreover, the proportion of clients who were AFDC/TANF declined between 1995 and 1997 by 6.4 percentage points. (See table IV.3.)

Table IV.3: Number of JTPA Title IIA Clients for Program Years 1995-97

Program year	Total clients^a	AFDC/TANF clients	Percentage who were AFDC/TANF
1995	6,458	2,030	31.4
1996	7,051	1,851	26.3
1997	6,801	1,700	25.0

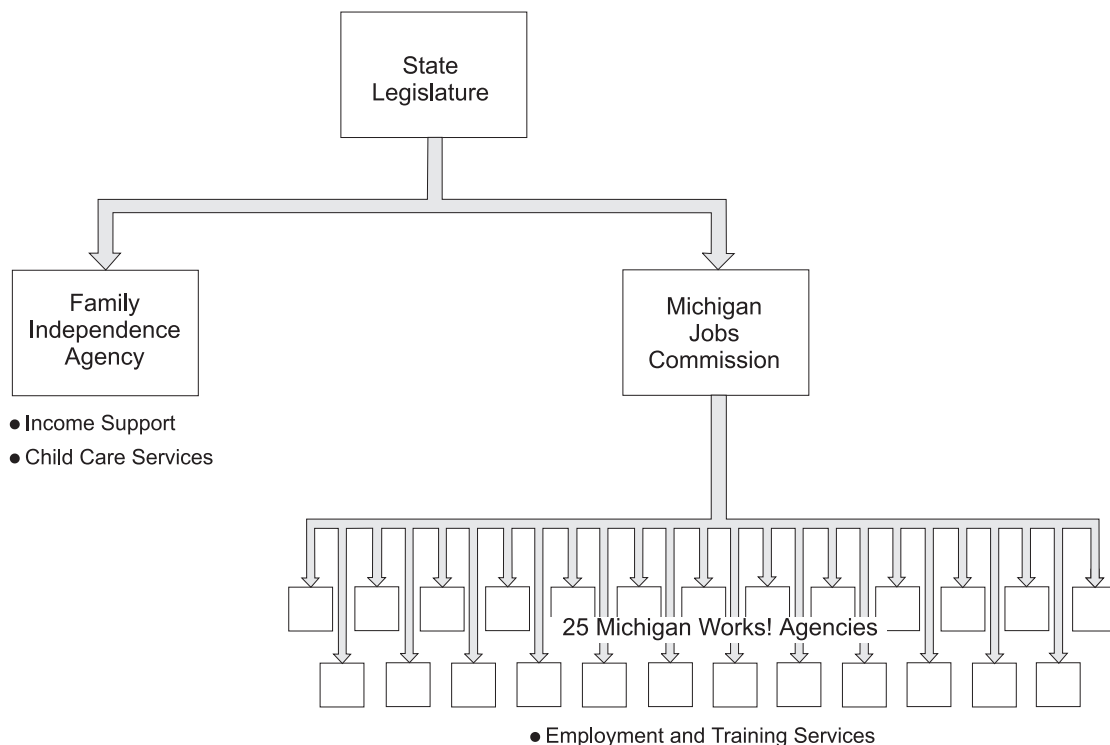
^aFor purposes of our work, participants are defined as those who terminated from the program during the program year.

Source: Program year 1995 and 1996 data are from the Department of Labor. Program year 1997 data are from MJC and are preliminary.

TANF funds are appropriated by the Michigan legislature and the funds for employment and training services flow to MJC, which in turn provides these funds to the 25 local Michigan Works! Agencies. These agencies then use these funds to provide employment and training services for TANF clients through the state's one-stop career centers. TANF funds for cash assistance and child care services flow to FIA, which provides those services through its local offices (see fig. IV.4).

⁵²TANF funding is distributed on a federal fiscal year basis, while JTPA funding is distributed on a program year basis. Federal fiscal year 1997 ran from October 1996 to September 1997, while program year 1996 ran from July 1996 to June 1997.

Figure IV.4: Flow of TANF Funds in Michigan



In January 1998, Labor awarded Michigan \$42,226,331 in welfare-to-work funds for fiscal year 1998. MJC is both the grant recipient and the state administering agency. The state plans to use the equivalent of 50 percent of these funds to serve noncustodial parents. Local service delivery areas must devote 50 percent of their welfare-to-work grant funds to assist this population. However, at the time of our visit, Michigan had not yet fully implemented this program.

Local Site Visits

We visited four sites in Michigan, as shown in figure IV.5, to discuss employment and training service delivery to TANF clients. We selected these sites to provide a mixture of geographic locations, urban and rural communities, and a National Learning Laboratory. All the sites we visited follow the statewide system of client flow discussed. Detroit has the largest TANF caseload in the state, while the other three sites have much

smaller caseloads. Traverse City was designated as a one-stop career center learning laboratory by the Department of Labor. Table IV.4 summarizes information concerning the sites we visited.

Figure IV.5: Local Sites Visited in Michigan



**Appendix IV
Michigan**

Table IV.4: Information on Local Sites Visited

Location	Number of TANF families (Mar. 98)	Type of community	Name of Michigan Works! Agency	Employment and training service provider(s)	Comments
Detroit	45,000 (est.)	Urban	City of Detroit Employment and Training Department	78 separate contractors	Network of two full service one-stop centers and 13 "self-sufficiency centers"
Midland	473	Urban/rural	Saginaw-Midland-Bay Michigan Works! Agency	1 contractor—Arnold Center, Inc. (private, nonprofit)	Project Zero site ^a
Romulus/Wayne	1,015	Suburban/rural	Southeast Michigan Community Alliance	1 contractor—Employment and Training Designs, Inc. (private, for-profit)	Project Zero site ^a
Traverse City	210	Rural	Northwest Michigan Council of Governments	1 contractor—Traverse Bay Area Intermediate School District	Department of Labor Learning Laboratory

^aProject Zero is a pilot project begun in six locations in Michigan, so-called because the project's goal is to lower to zero the number of cash assistance clients who lack any earned income.

Ohio

Ohio's reform efforts began well before federal initiatives to consolidate workforce development programs and reform welfare. Welfare reform began in 1988 when the state began obtaining waivers to its AFDC program, primarily focusing its efforts on education, employment, and self-sufficiency. Employment and training program consolidation in the state dates back to 1991 with the creation of customer service centers. Ohio began receiving Labor's one-stop career center grants in 1995 and currently has 25 one-stop career center systems in place. At the time of our visit, the state provided employment and training services through two separate cabinet offices. The Ohio Bureau of Employment Services oversees workforce development programs, including JTPA, Employment Service, and the one-stop career centers. The Ohio Department of Human Services develops some policies for the TANF program, but much of the policy-making responsibility, including the nature of employment and training assistance, has been delegated to the county departments of human services. There is therefore much local variation in TANF employment and training services and the structures used to deliver them.

Ohio's Welfare Reform Efforts

Ohio began reforming its welfare system before the enactment of federal welfare reform legislation. Beginning in 1988, the state began obtaining waivers to its AFDC program, ultimately receiving 20 such waivers. In 1994, 2 years before the passage of federal TANF legislation, state legislation changed the focus of welfare programs from providing financial assistance to emphasizing employment, responsibility, and self-sufficiency. This reform effort required all able-bodied adults to be involved in some form of employment or training for at least 20 hours per week. The state also obtained waivers allowing state officials to require cash assistance recipients to obtain a high school education or a GED, and to implement a program designed to promote school attendance by pregnant and parenting teenagers on welfare.⁵³ The Ohio Department of Human Services, which is the state's welfare agency, had rule-making authority under these early efforts. In July 1997, in response to the federal legislation, the state legislature created "Ohio Works First." This program permits counties, through their county commissioners and departments of human services, to decide many elements of the welfare program. While the Ohio Department of Human Services determines eligibility requirements and benefit levels, as well as the minimum hours clients must participate in a work activity, counties define work requirements and

⁵³These two waivers continue under TANF but are set to expire in 2002.

diversion program characteristics.⁵⁴ Table V.1 summarizes major provisions of Ohio's TANF program.

⁵⁴Counties are required to have some type of diversion program. They can choose the model developed by the Ohio Department of Human Services, or they can design one of their own.

**Appendix V
Ohio**

Table V.1: Provisions of Ohio’s TANF Plan—Ohio Works First

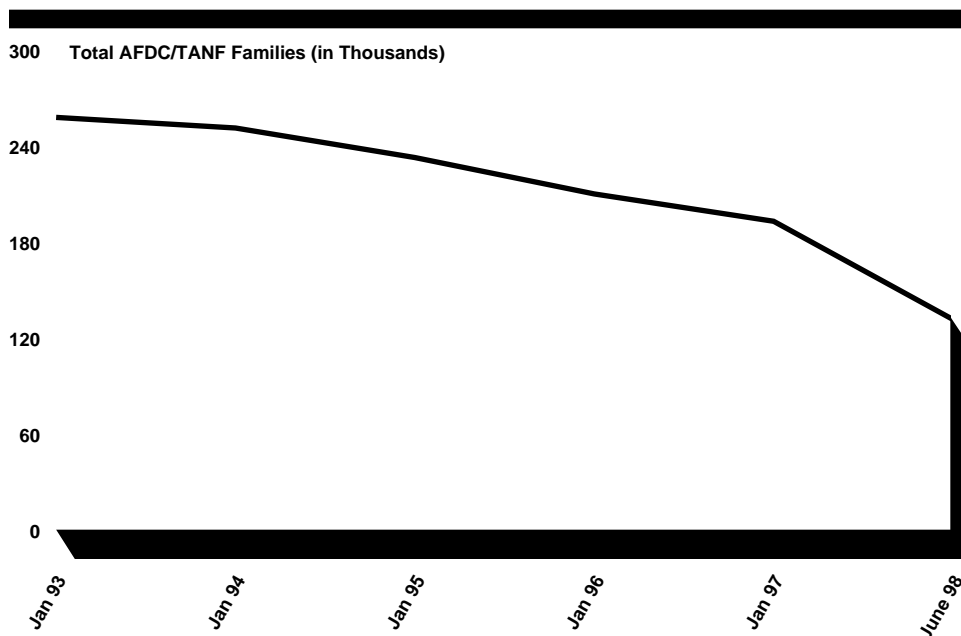
Provision	Description
Cash assistance (per month)	Range is from \$216 (1 person) to \$1,219 (15 people); \$90 each additional person over 15 (for example, a household of 3 would receive \$362/month).
Time limits for cash assistance	36 months, consecutive or nonconsecutive; 24 months additional with good cause. Time limits apply after October 1, 1997.
Hours weekly of allowable work activities required	30 hours of work activities and developmental activities, of which 20 hours must be in countable activities as defined by PRWORA. Counties may allow up to 20% of their caseloads to participate in alternative work activities countable under federal law.
Work participation requirements	All able-bodied adults or minor heads of household, except as exempted (see below).
Allowable work activities to meet work participation requirements	<p>Work activities—specified by the counties.^a These include unsubsidized employment, including activities deemed legitimately entrepreneurial; on-the-job training, including training for child day-care facility or in-home aide; certain community service activities; vocational education training activities; jobs skills training related to employment; education activities related to employment for those who have not earned a high school diploma or equivalent; education activities for participants attending a secondary school or a course of study to earn a GED; and child care service activities aiding another participant.</p> <p>Developmental activities—may include school enrollment, adult basic education classes, postsecondary education, counseling, parenting classes, and so on.</p> <p>Alternative work activities—may include parenting classes, alcohol or drug abuse addiction services, counseling for domestic violence victims, searching for housing, and so on.</p>
Exemptions	<p>Counties may exempt from work requirements single-parent families with children less than 1 year old.</p> <p>Counties may exempt from time limit not more than 20% of the average monthly number of participants from both the initial 36 months and the additional 24 months if time limit is hardship. However, counties cannot provide exemption until after initial 36 months have passed.</p>
Training provisions	Specified by the counties. First 5 hours of postsecondary education may count within the 20 hours of required work after the first 12 months the recipient has been enrolled in postsecondary education.

^aCounties must exceed the federal minimum work activity participation rate by not less than 5 percentage points on a statewide average basis.

Source: Ohio’s TANF plan dated October 7, 1997.

The number of Ohio's cash assistance families has declined by 49 percent from 257,665 families in January 1993 to 131,350 in June 1998 (see fig. V.1).

Figure V.1: Ohio's AFDC/TANF Family Caseload, Jan. 1993-June 1998



Source: HHS Administration for Children and Families.

At the time of our visit, Ohio's economy was strong, but there were pockets of high unemployment. The unemployment rate ranged from 2.6 percent to 18.5 percent among the 88 counties; 9 counties had double-digit unemployment. The statewide unemployment rate had dropped to 4.7 percent (adjusted) in March 1998 from a high of 7.3 percent in 1992.

Ohio's Workforce Development System Consolidation

Consolidation of workforce development activities into one-stop career centers began in Ohio in 1991 with the creation of customer service centers. These service centers originated in an effort to coordinate workforce development programs and service delivery systems to improve the quality and range of employment and training services provided to

Ohio's citizens. In 1995, Ohio began receiving Department of Labor one-stop career center implementation grant funds.⁵⁵

At the time of our visit, state officials reported that 23 one-stop career center⁵⁶ systems were operating in 77 of the 88 counties. Two additional systems were in the final planning stages. When fully implemented, the 25 one-stop systems will include well over 300 sites. In contrast to Wisconsin and Michigan, collocation has not been an essential characteristic of Ohio's one-stop program. In many cases, the one-stop system has included programs that were electronically linked to each other—called a “no wrong door” approach. That is, participants may gain access to all services through any member agency (such as Employment Services or county departments of human services). In other cases, a core of member agencies is collocated and electronically linked to satellite sites—called “hub and cluster.” Sometimes at these no-wrong-door and hub-and-cluster locations customers themselves interact electronically with other one-stop partners through the use of cameras and microphones hooked to partners' computers. Each stop of the career center system offers a core set of services, including

- customer-oriented information, including labor market information, availability of quality training and education programs, and initial eligibility for community programs;
- testing and assessment;
- job search assistance;
- job matching referral; and
- direct access to state-required agencies.

The Ohio Department of Human Services is a one-stop partner at the state level, but using one-stop centers to administer TANF services is left to the discretion of each county. In some cases, one-stop centers are not used to deliver services to TANF clients—separate welfare-dedicated structures, similar to one-stop centers, called “opportunity centers,” provide services to TANF clients. However, in other cases, some or all TANF services are provided at one-stop centers or at other workforce development system locations.

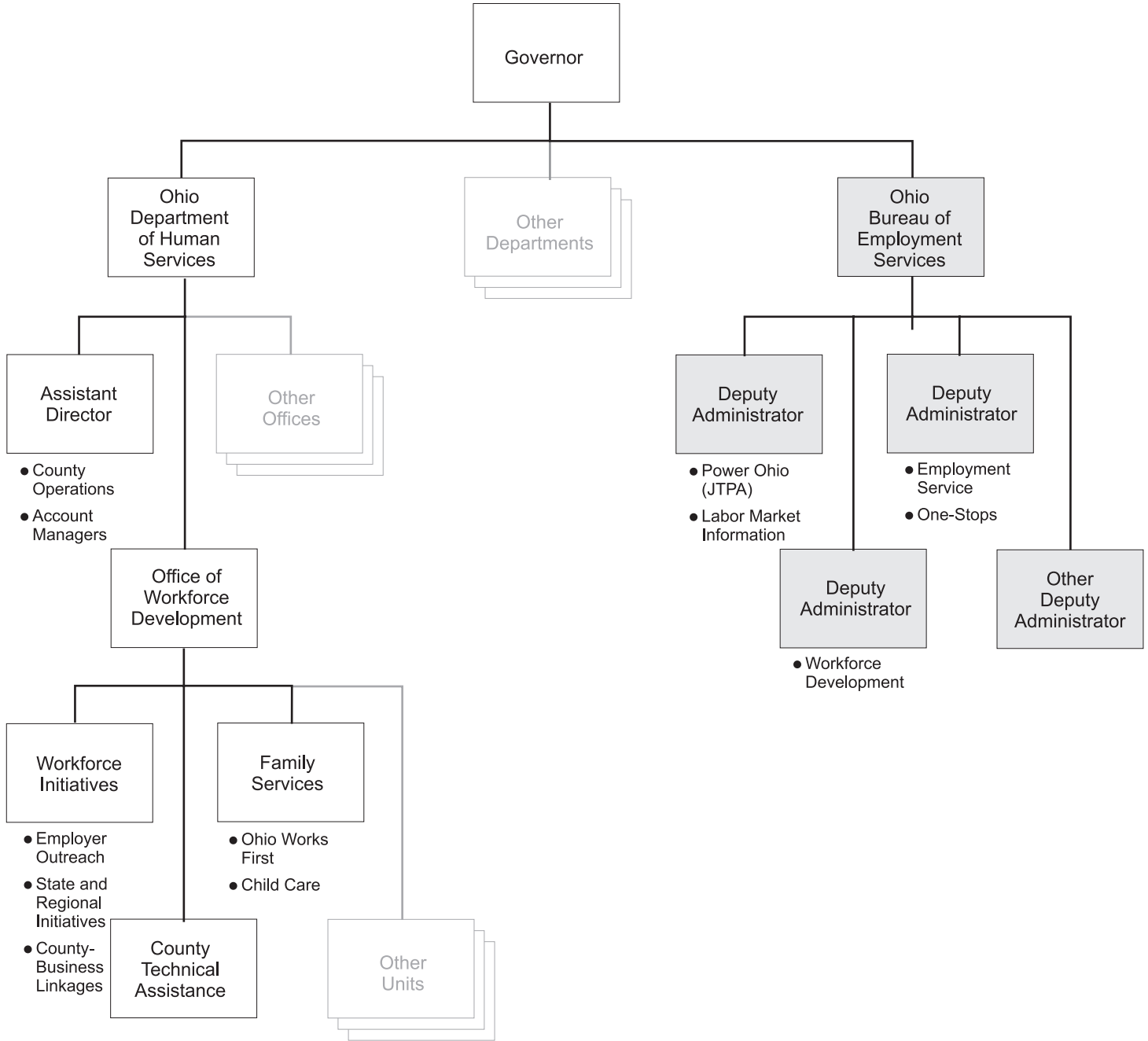
⁵⁵Ohio did not receive a one-stop planning grant.

⁵⁶Ohio refers to its one-stop career centers as “One-Stop Employment and Training Systems.” However, for continuity in the report, we refer to them as one-stop career centers.

**State Structure for
Delivering
Employment and
Training Services to
TANF Clients**

Ohio has two separate departments at the state level that administer workforce development and welfare programs (see fig. V.2). Workforce development programs reside within the Ohio Bureau of Employment Services. The Ohio Department of Human Services administers all TANF activities—including employment and training services—as well as other welfare and child-care-related programs. The Bureau has no state-level policy-making role in providing employment and training services to TANF clients.

Figure V.2: Ohio's Organizational Structure for Employment and Training Services and TANF Assistance



Note: Nonshaded blocks are welfare system; shaded blocks are workforce development system.

The Bureau has responsibility for most workforce development programs funded by the Department of Labor. It administers all titles of JTPA, the Employment Service, and the one-stop career center system. The Bureau also houses a Workforce Development Branch whose primary function is economic development. The organizational structure is not arranged around a programmatic theme—officials told us this was intended to allow greater integration of program functions. There are 30 JTPA service delivery areas in Ohio. One-stop career center development largely follows the JTPA structure.⁵⁷ The state Employment Service, on the other hand, is a state-based program with 56 offices that serve 88 counties; the territories served by these offices may not follow county lines. Employment Service staff, who are state employees, may not be located in one-stop service centers, depending upon local preference.

While a new Ohio Department of Human Services organizational structure was being developed at the time of our visit, some organizational changes had already occurred. Like the Bureau, the Department has created an Office of Workforce Development. The Family Services Branch of the Office of Workforce Development has responsibility for TANF employment and training policies. Another branch—Workforce Initiatives—is responsible for state and regional economic development with a focus on establishing a job market for TANF clients. With the devolution of TANF policy-making to the counties, Department officials see the Department's role as that of providing technical assistance to the counties and monitoring their activities. To assist in that new role, they have established a new position—account manager—to serve as the primary liaison between the Department and county human services departments.

At the local level, each county may decide which structures to use to deliver services to TANF clients, including employment and training services. The Department proposed the concept of opportunity centers to deliver services to TANF clients. In the four counties that have chosen to use them, these centers provide the full range of services from eligibility determination to training and job placement, including case management. The centers are sometimes linked to a one-stop center. One-stop centers are also being used by some counties to provide employment and training assistance to TANF clients.

⁵⁷However, in at least one case, a single county has aligned itself with two separate one-stop centers.

Employment and Training Services Provided to TANF Clients

Employment and training services to TANF clients in Ohio, as in the other states we visited, usually focused on getting a client a job. The types of services provided, however, and the order of those services were different for each location we visited. (See discussion of local site visits that follows.) Table V.2 shows the average number of participants per month in each category during calendar year 1997. As shown in table V.2, the largest single work activity category for TANF clients, on average, per month was the work experience program, with approximately half of the participants in this category for the last 6 months of the year. Job skills and postsecondary education declined over the two 6-month periods from 27 percent during the first 6 months of the year to 11 percent during the last 6 months. Only about 1 percent of TANF clients participated in subsidized employment. The proportion of clients receiving job development/job-readiness services was also small, down to 3 percent in the last 6 months.

Table V.2: Average Number of Ohio TANF Participants per Month in Each Work Activity, During Calendar Year 1997

Activity	Average participants/month for Jan. 1 to June 30, 1997		Average participants/month for July 1 to Dec. 31, 1997	
	Number	% of total	Number	% of total
High school/adult basic education or GED	3,031	9	2,087	9
Job skills training/postsecondary education	9,302	27	2,595	11
Job development/job readiness	1,588	5	727	3
Vocational assessment	1,311	4	1,099	4
Work experience program	11,996	35	12,113	50
LEARN ^a	18	<1	21	<1
Job club	5,262	15	4,098	17
Individual job search	1,872	5	1,437	6
Subsidized employment	136	<1	273	1
On-the-job training	16	<1	11	<1
Total	34,532		24,461	

Notes: Data include duplicate counts—that is, if a client was enrolled in more than one activity, he or she was counted in each activity.

Because each state maintains its data differently, client participation data are presented differently and for different time periods in each appendix.

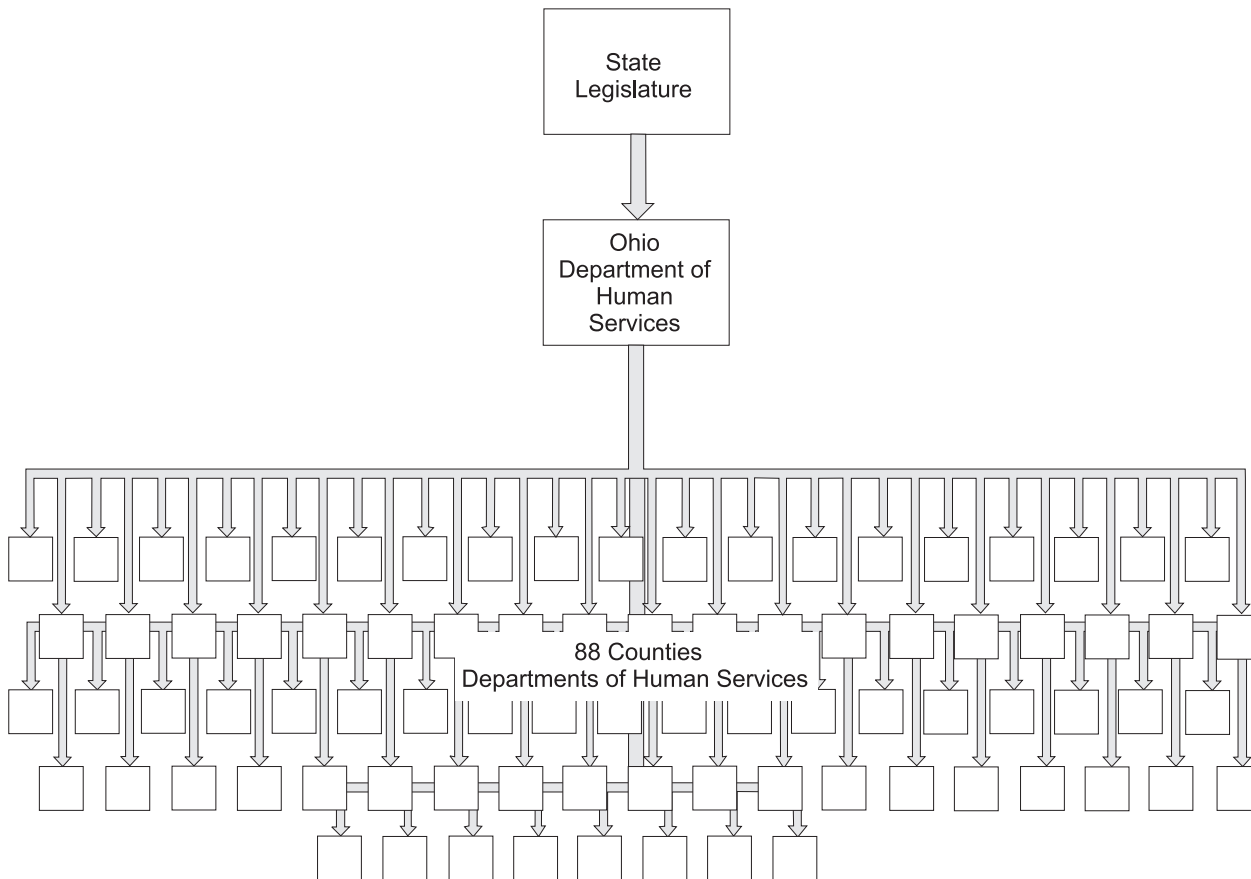
^aThe Linking Employers and Recipients to Needs program is an effort in its early stages to establish a nonpaid internship placing recipients with employers.

Source: Ohio Works First data, Ohio Department of Human Services.

Funding Employment and Training Services

Funding to support employment-related services for TANF clients comes largely from the TANF block grant. Ohio's share of federal TANF funds in fiscal year 1997 was about \$728 million, and the state contribution to serving TANF clients was about \$417 million. Ohio state officials reported that they spent \$11,946,538 during fiscal year 1997 to provide employment and training assistance to TANF clients. Figure V.3 shows the flow of TANF funds in the state of Ohio. TANF funds are appropriated by the Ohio legislature and all TANF funds are provided to the Ohio Department of Human Services to be distributed to the county departments of human services. The Department distributes these funds to the counties primarily on the basis of the size of the county's caseload.

Figure V.3: Flow of TANF Funds in Ohio



While TANF clients in Ohio are still accessing services funded through JTPA title IIA, fewer clients have been doing so over the last 3 years. In 1995, nearly 4,000 JTPA title IIA clients were AFDC/TANF, while in 1997 this number decreased to about 2,400. Moreover, the proportion of clients who were AFDC/TANF declined between 1995 and 1997 by nearly 6 percentage points. See table V.3.

Table V.3: Number of JTPA Title IIA Clients for Program Years 1995-97

Program year	Total clients ^a	AFDC/TANF clients	Percentage who were AFDC/TANF
1995	9,176	3,989	43.5
1996	6,693	2,855	42.7
1997	7,028	2,641	37.6

^aFor purposes of our work, participants are defined as those who terminated from the program during the program year.

Source: Program year 1995 and 1996 data are from the Department of Labor. Program year 1997 data are from the Ohio Bureau of Employment Services and are preliminary.

Ohio initially applied for its nearly \$45 million welfare-to-work formula grant, but later declined to participate, citing concerns about the complexity of the grant process and the requirement for the dollar match. Officials reported that they had excess, unobligated TANF funds that were less restrictive and could be used for many of the same purposes.

Local Site Visits

We visited four local sites chosen in concert with officials at the Bureau's one-stop office and those within the Workforce Initiatives Branch of the Department. We chose these local sites to obtain a mix of urban and nonurban locations, varying service-delivery styles, and programs in high- and low-unemployment areas. Figure V.4 shows the location of sites visited in Ohio. Table V.4 summarizes information about these sites.

Figure V.4: Local Sites Visited in Ohio



Table V.4: Information on Local Sites Visited

Location	Number of TANF cases (at time of visit)^a	Type of community	Type of employment and training service provider
Circleville (Pickaway County)	289	Nonurban	One-stop career center
Columbus, Franklin County Opportunity Center	8,912	Urban	Welfare-dedicated center
Ironton Center (Lawrence County)	1,220	Nonurban, high unemployment	One-stop career center
The Job Center, Dayton (Montgomery County)	4,538	Urban	One-stop career center (all TANF-related services, including eligibility)
Statewide	91,677		

^aReflects number of assistance groups in the caseload that would be required to participate in work and would be used to calculate the all-family participation rate. Source for caseload data: Ohio Department of Human Services Participation Rates Report as of Mar. 31, 1998.

Circleville (Pickaway County) One-Stop System

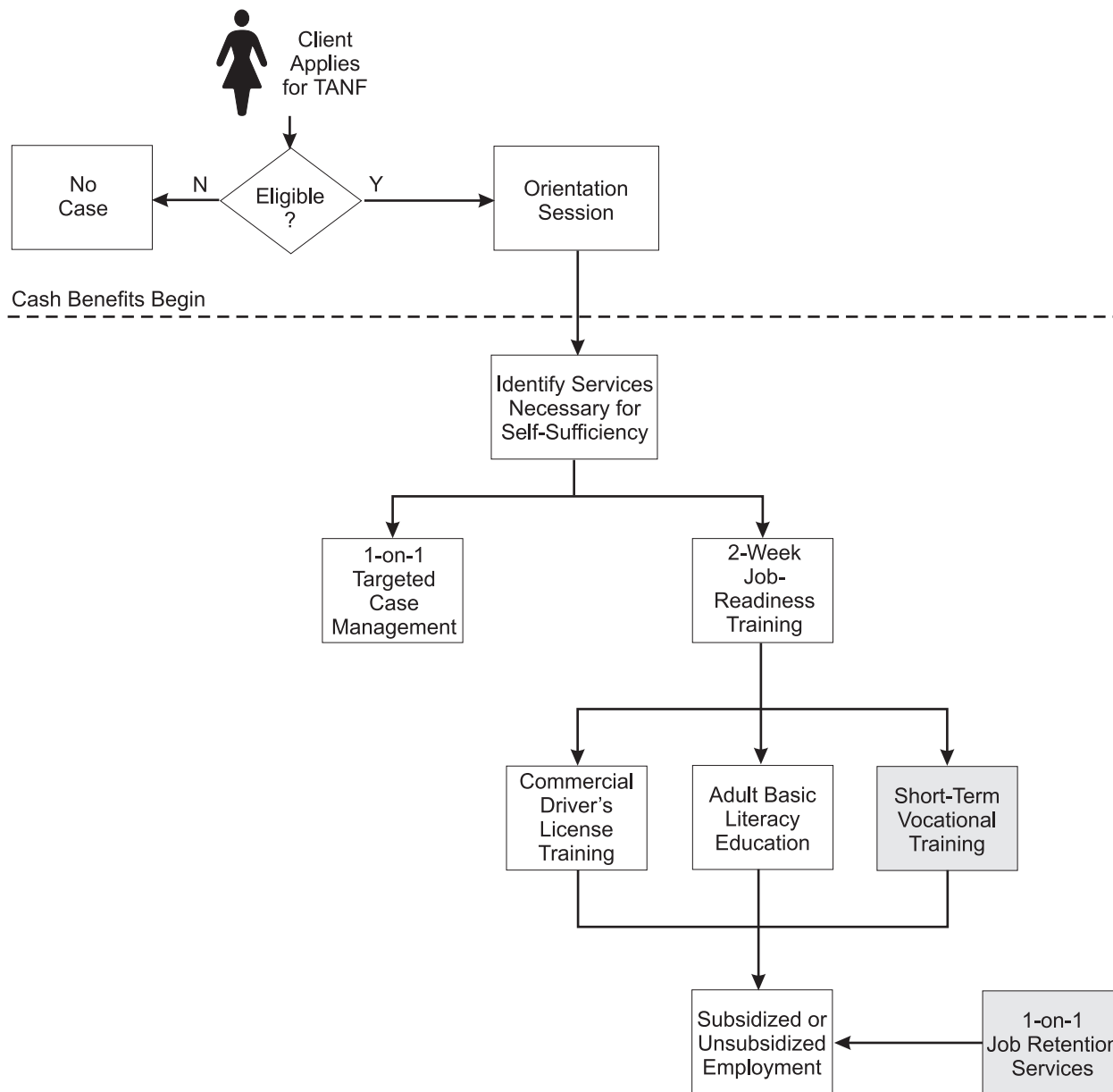
Circleville’s one-stop system is a network of service providers that are electronically linked, dubbed a “no-wrong-door” approach. Very few services are actually delivered on-site at the one-stop career center office; electronic linkages are formed by way of the one-stop’s Web site and also through its local area network system. TANF clients are served by the one-stop core partners as determined appropriate by their caseworker at the Pickaway County Department of Human Services, also a partner in the Circleville One-Stop System. Because unemployment rates are very low in the Circleville area, the lack of a high school diploma or a GED is not a barrier to employment—students are reportedly dropping out of high school because they already have jobs. At the time of our visit, Pickaway County reported that it had 289 TANF assistance groups⁵⁸ (all families).

TANF clients receive individualized services on the basis of their needs and abilities. Figure V.5 shows the client flow in Pickaway County. Clients may enter the system through any of the partners; however, if the client appears to be eligible for the TANF program, he or she would be referred to the Pickaway County Department of Human Services for initial screening and eligibility determination. This one-stop center has pioneered a new data-sharing concept that allows agencies who have signed confidentiality

⁵⁸Assistance group is defined as a group of individuals (such as family) treated as a unit for purposes of determining eligibility for and amount of assistance provided under Ohio Works First.

agreements to access and annotate a client's records. This common intake and case management system will only be used in cases in which multiple agencies are providing services to the same client. As soon as eligibility has been determined, all TANF clients are required to attend an orientation session, during which clients are informed of work requirements. These orientation sessions are usually conducted on the day eligibility has been determined. After the orientation, clients are assigned to an employment service worker, they develop a self-sufficiency plan, and they receive their first work assignment. Those clients who have serious barriers to employment, such as drug or alcohol dependence or domestic violence, are referred to one-on-one targeted case management. Those without serious barriers are sent to a 2-week job-readiness training class, called "Job Transitions," for their first work assignment. From there, clients may be referred to other services, such as GED/basic skills training (Adult Basic Literacy Education), training to obtain a commercial driver's license, or short-term vocational training. Clients may also be referred for additional social services, such as mental health counseling. Once the client has obtained subsidized or unsubsidized employment, the workforce development system will provide one-on-one job retention services to help the client maintain employment.

Figure V.5: Pickaway County Ohio Works First Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system.

The role of the workforce development system in providing employment and training assistance to TANF clients in Pickaway County is to make formal client assessments and develop job openings that are appropriate for the clients. The workforce development system also assists with identifying and providing for clients' training needs, such as short-term vocational training, and provides one-on-one retention services after placement.

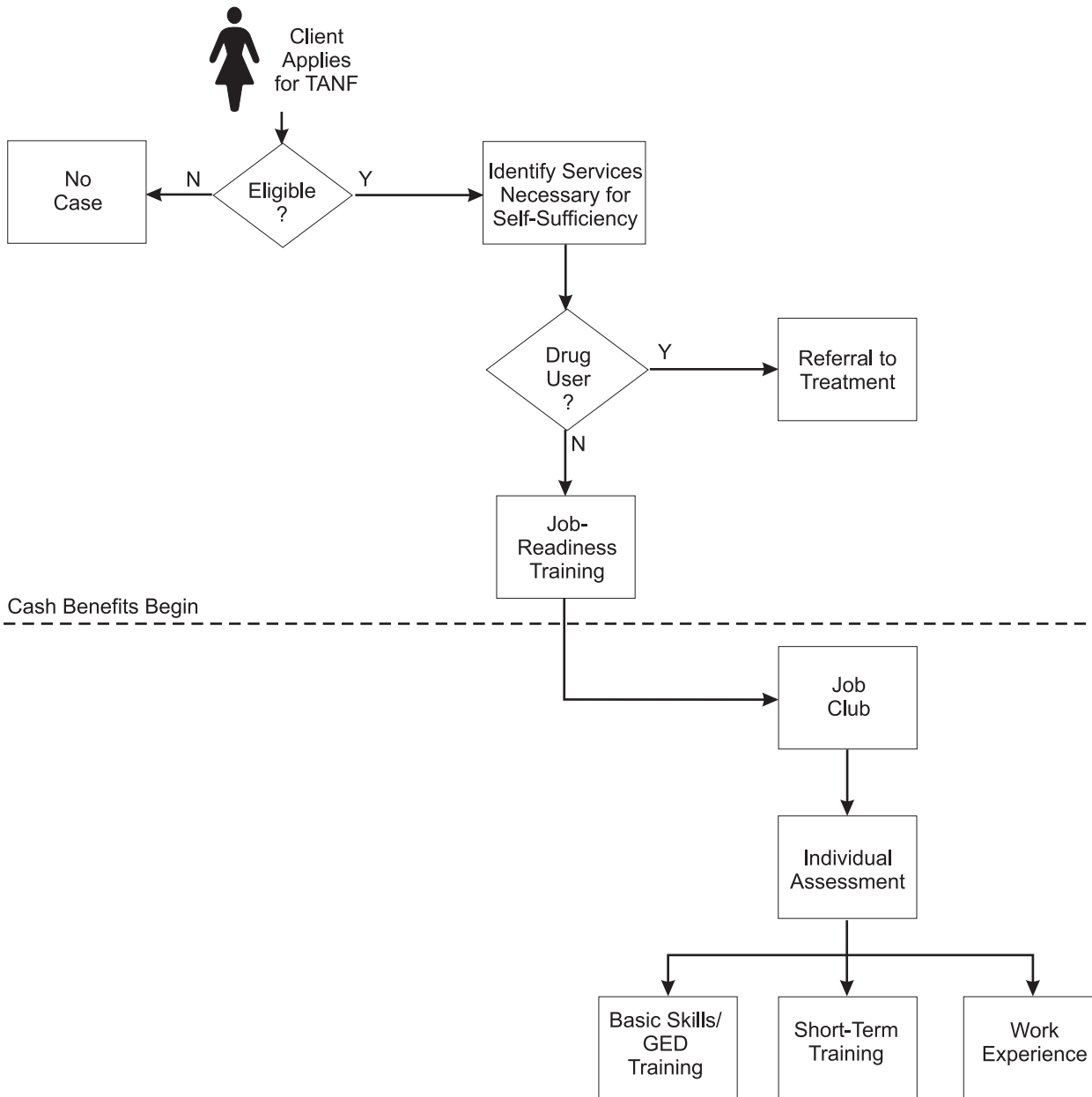
Franklin County
Opportunity Center (South
Community Center,
Columbus)

The center is part of a system of centers in the county—called opportunity centers—dedicated to serving only welfare clients. It is operated by the County Department of Human Services, and the staff are all county employees. All TANF-related services are available on-site. At the time of our visit, the county had 8,912 TANF assistance groups (all families).

All TANF clients at the Franklin County Opportunity Center receive similar services in the same order. Figure V.6 shows the client flow at this center. After an initial screening, the client is assigned a caseworker who interviews the client and reviews the case. The caseworker stays with the client throughout the process and may also assist the client in obtaining food stamps, Medicaid, assignment to rehabilitation or counseling, and assistance in identifying the noncustodial parent. The first work assignment for all TANF clients is a 2-week self-esteem and job-readiness class. This class must be completed before the client begins receiving cash assistance.⁵⁹ After the class, if he or she is not yet employed, the client goes to the job club. Clients with reading and math levels below eighth grade may take basic skills courses for 10 hours a week but must perform some other work activity for an additional 20 hours per week. In addition, some short-term training classes are provided to clients who need them. One such short-term training class—called Marketable Office Skills Training—is a collaborative partnership between the county, the Urban League, IBM Corporation, and the United Way. This 13-week, 25-hour program assists clients in acquiring or updating their computer skills.

⁵⁹After 1 week in readiness training, however, the client may begin to receive food stamps.

Figure V.6: Franklin County TANF Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system.

The center provides several types of job search assistance services. To provide individual services, the center was locating a private employment service permanently on-site within a few weeks of our visit. Center officials also reported that they frequently have employers on-site to conduct mass hirings. During the month of April 1998, for example, at least nine different employers were scheduled to interview for positions in the areas of food service, patient care, clerical and data entry, customer service, and warehousing.

The Franklin County Opportunity Centers are developing linkages with the workforce development system, and will become part of the one-stop system when it is fully implemented. Generally, funding for all services is provided from state or federal TANF funds. Some Ohio Works First clients were able to use JTPA title IIA funds to pay for training opportunities at the community college.

**Ironton One-Stop Center
(Lawrence County)**

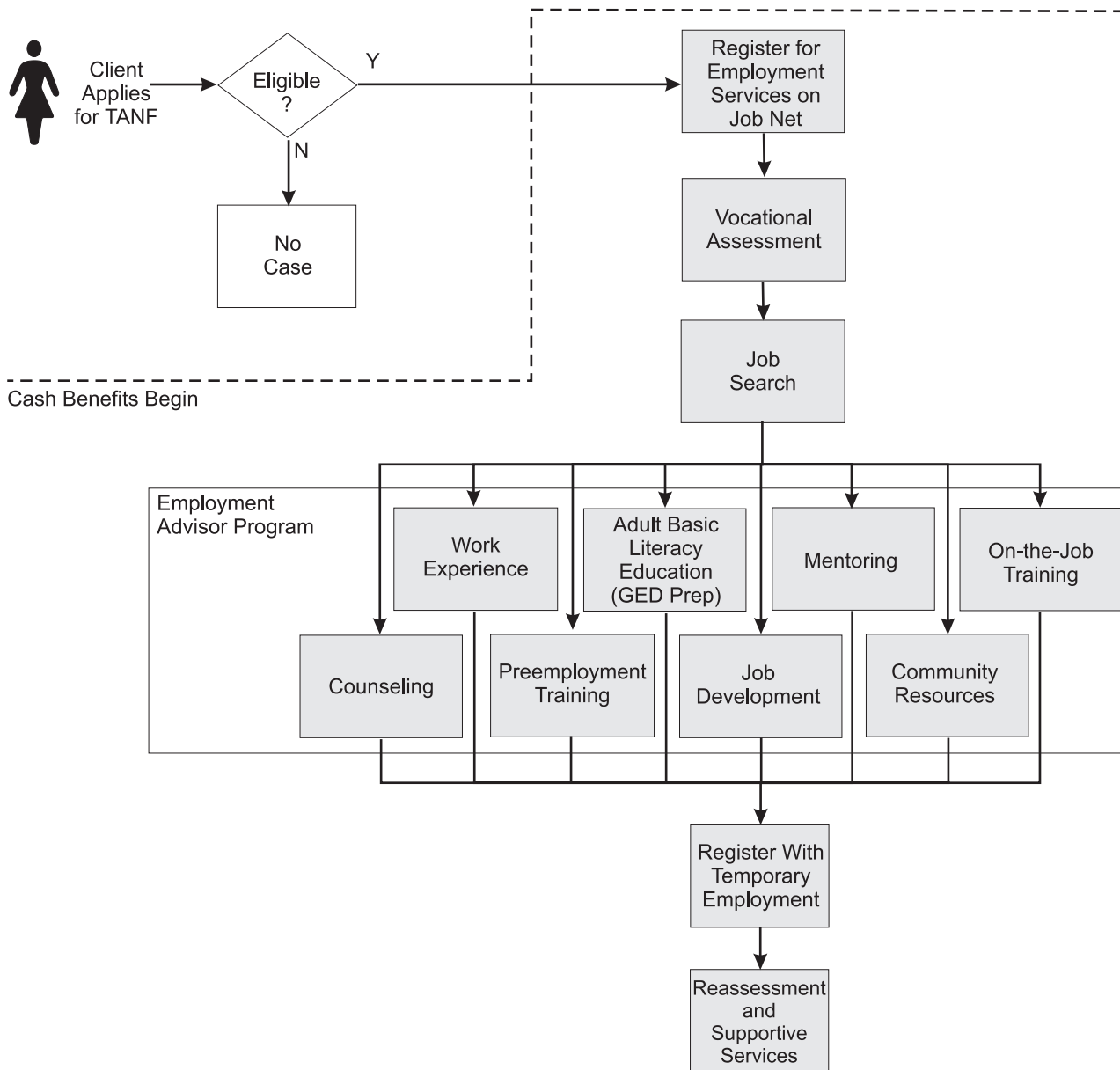
The Ironton one-stop center—called the “Workforce Development Resource Center”—has the following partners on-site—the Employment Service, JTPA, Collins Career Center (operated by the Joint Vocational School), Ohio University, Adult Basic Literacy Education, and Head Start Day Care. The one-stop center has a combination of state, county, and private sector employees. While the Lawrence County Department of Human Services is not on-site, the one-stop is initiating a new program to integrate its services with those of the Department for the benefit of TANF clients. Lawrence County had 1,220 TANF assistance groups (all families) at the time of our visit.

Lawrence County is in an isolated area in the Appalachian region of southern Ohio, a region with relatively high unemployment. Lawrence County’s unemployment rate at the time of our visit was higher than the statewide average—7.2 percent compared with 4.3 percent statewide—and nearly all surrounding counties had rates in excess of 10 percent—some as high as 16 percent. Therefore, there is little opportunity for clients in the Lawrence County area to go to nearby communities to get jobs. As a result of this high unemployment, employers in the area can be more selective in hiring than in other areas of Ohio we visited, and the skill levels of TANF clients often fall short of meeting employers’ demands. Unlike Circleville, for example, where clients are easily able to obtain employment without a high school diploma, jobs in the Ironton area require a high school diploma, and most of the area’s TANF clients lack a high school diploma or GED. Competition for any job opening is stiff—a single job at McDonald’s

brought 50 or more applicants in this small community. Clients also have difficulty relocating, often having lived in the region for generations.

The Workforce Development Resource Center and the Lawrence County Department of Human Services were beginning a new process to integrate services for Lawrence County TANF clients. Figure V.7 shows this new client flow. Under this concept, a TANF client must first go to the Lawrence County Department of Human Services office to determine eligibility for cash assistance, food stamps, and Medicaid. Clients are then referred to the Workforce Development Resource Center and are seen by the Ohio Bureau of Employment Services to register for employment services on Ohio's electronic Job Net. If the client is not immediately employed, he or she receives a formal vocational assessment and is sent to a 4-week job search class. If no job has been found during the job search assignment, the TANF clients are then referred to an employment advisor at the one-stop. The employment advisor works with the client during a 30-day period to remove barriers. Some barriers that may need to be addressed include lack of skills and the need for child care, transportation, and/or counseling. The Workforce Development Resource Center would like to focus on providing short-term skills training, but TANF's limitations on training and education pose a problem for service providers, as does the high percentage of the caseload that lacks a diploma or GED. Funding for services comes from a combination of state and federal TANF funds; JTPA, all titles; the Employment Service; state Department of Education funds; and other state grants.

Figure V.7: Lawrence County Ohio Works First Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system.

The Job Center,
Montgomery-Preble
One-Stop Center (Dayton)

This one-stop center, modeled after the Kenosha, Wisconsin, center, is a highly evolved one-stop that at the time of our visit served an average of 1,500 clients on-site per day. The one-stop center is operated by Montgomery County in collaboration with the 43 partner agencies on-site at the time of our visit,⁶⁰ each renting space and providing staff. These agencies include the county department of human services, the Ohio Bureau of Employment Services, local government, community-based organizations (nonprofit), and four for-profit staffing agencies. The facility currently occupies 3-1/2 acres of the 8-acre facility, and it employs 650 people who are a combination of county, state, and private employees. About one-fourth of the clients were on public assistance, including TANF. At the time of our visit, Montgomery County had 4,538 assistance groups (all families).⁶¹

The process followed by a TANF client in Montgomery County is relatively standardized; it is also well integrated with services provided to other clients. All services are provided on-site. All clients entering the center—TANF and non-TANF—start at the reception area. The center’s goal is an empty waiting room, and employees work to minimize the waiting time for all clients. Clients all receive a “15-second” screening up front, then move quickly to services. Figure V.8 shows the TANF client flow at this center. TANF clients are initially screened using a triage approach—screeners do a records check and evaluate in general terms where the client might be qualified for services such as Medicaid, food stamps, and cash assistance. The screeners then refer the TANF clients to one of three multidisciplinary teams that do the final eligibility assessment and advise clients on the programs’ requirements. Benefits begin once all paperwork has been completed and data verified. After the multidisciplinary team evaluations, the client moves on to a case manager, who works with the client to assess supportive services needs and refers him or her to an orientation session. All of these events occur on the first day, and clients are required to stay through the entire process. They are also given their work assignment on the first day—usually three 2-week modules⁶² of job-readiness training.⁶³ Clients who do not get a job during this period move to another job-readiness activity or “fast track.” Fast track training is

⁶⁰The number of partner agencies has increased to 47 since our visit.

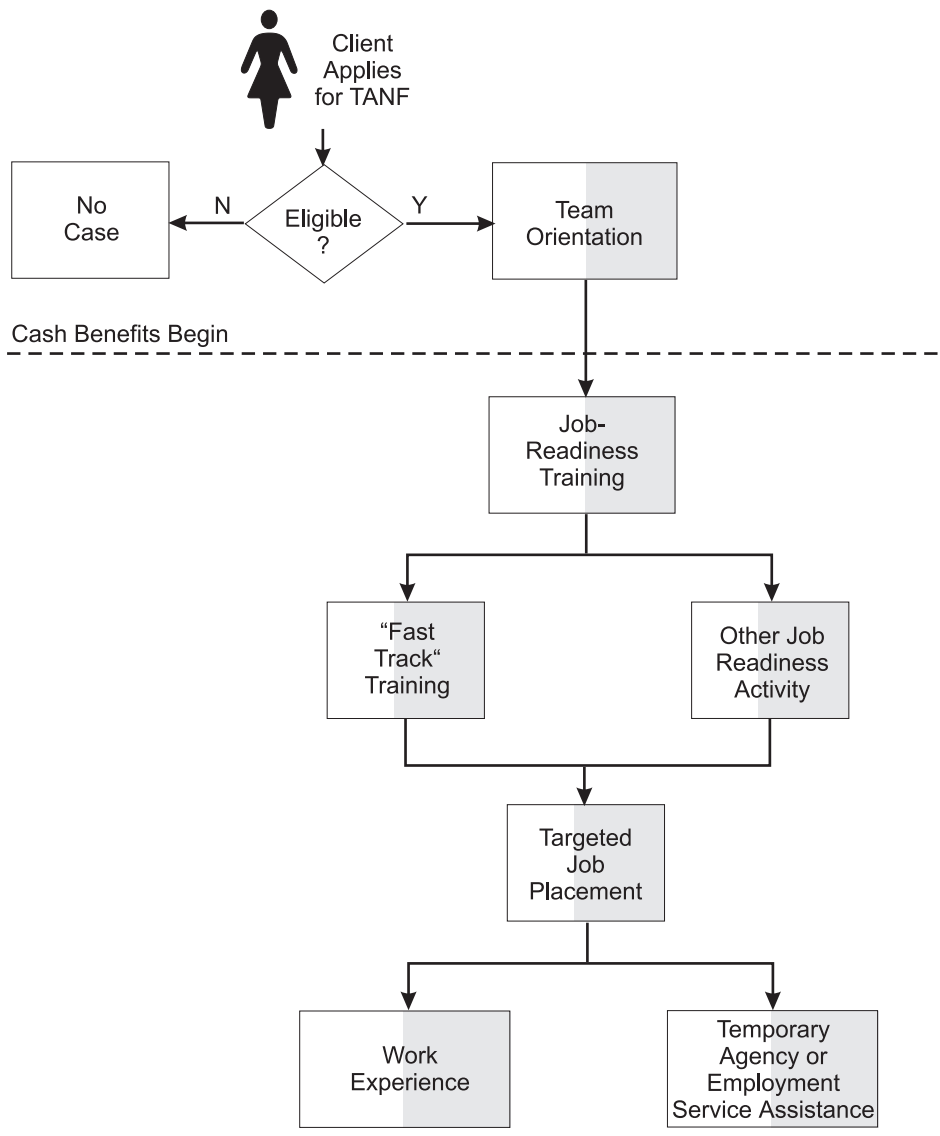
⁶¹Preble County is also served by this one-stop; however, its clients receive human services assistance at another location. Preble County had only 92 assistance groups on the caseload at the time of our visit.

⁶²Two weeks each are dedicated to job search, 2 to job retention, and 2 to job progression.

⁶³All clients who have never been to the center or have not been employed within a year are sent to job readiness training. The center estimates that about 80 percent attend this training.

geared toward building specific skills, such as computer skills, and is to be completed in 4 weeks at 35 hours per week. If the client still has no job at this point, he or she is assigned to a work experience program. In general, training plays a very small role at this location—20 hours (of the 32 hours per week the client is required to participate) must be spent at work.

Figure V.8: Montgomery County Ohio Works First Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system. Half-shaded blocks are services provided by both systems.

Placement assistance is provided in a variety of ways on-site. The center houses four staffing agencies on-site, including agencies that provide temporary-to-permanent job placements and placements in specialized areas. The state Employment Service is also on-site. In addition, the center has an extensive resource room with a variety of on-line job search tools and frequently conducts job fairs or mass hirings. The facilities include private interview rooms for employers to use in screening and interviewing potential new hires.

Funding for services come from the programs to which the client is referred and includes state and federal TANF funds as well as funds available through JTPA title IIA, the Employment Service, and other sources.

Wisconsin

Wisconsin has been reforming both its welfare and workforce development systems for well over a decade. Through the years, the state has implemented a number of welfare reform demonstration projects, and in 1996, the governor signed legislation creating the Wisconsin Works (W-2) program. This program eliminated the automatic welfare check and operates under the belief that everyone is capable of some level of work. Wisconsin has also spent considerable time overhauling its workforce development system from a group of individual programs to a system that coordinates all available services and programs to comprehensively meet the needs of its customers. The state opened its first one-stop career center long before receiving one of the first one-stop career center implementation grants in 1994 from the Department of Labor and has nearly completed statewide coverage. The welfare and workforce development systems work together to provide employment and training services to TANF-eligible clients through the locally managed one-stop centers. Staff from both systems provide a mix of services to TANF clients, predominantly funded through the TANF block grant.

Wisconsin's Welfare Reform Efforts

The philosophy of Wisconsin's welfare reform program is that work fulfills a basic human need because it connects individuals to society and its values, and that welfare isolates clients from society by providing income without the need for work. The W-2 program ends entitlement, places time limits on cash assistance, and requires clients to participate in a work activity. This effort is the culmination of many past demonstration projects and waivers obtained from HHS to modify the AFDC program. Wisconsin's TANF plan, which is the W-2 program, was approved by HHS in September 1996, and the state announced statewide implementation on April 1, 1998. The W-2 program is state administered and locally delivered. Major provisions of Wisconsin's TANF plan are shown in table VI.1.

**Appendix VI
Wisconsin**

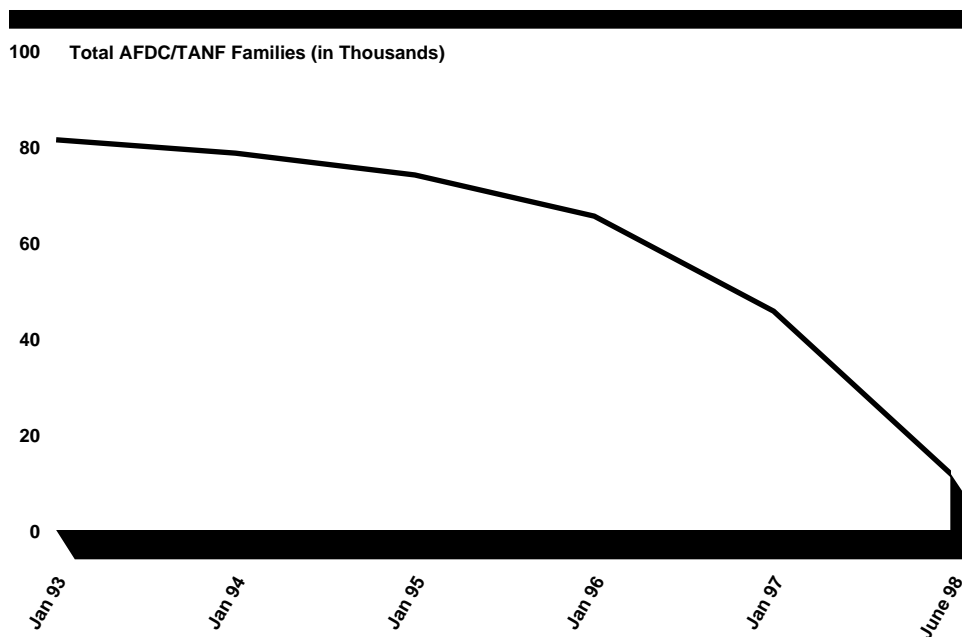
Table VI.1: Provisions of Wisconsin's TANF Plan

Provision	Description
Cash assistance (per month)	—unsubsidized employment—no cash payment —trial jobs: up to \$300 per month to employer; client receives no less than the federal minimum wage from the employer —community service jobs: flat grant of \$673 per month —W-2 transition: flat grant of \$628 per month
Time limits for cash assistance	60-month lifetime limit; 24-month limit on W-2 positions other than unsubsidized employment. Exceptions are (1) custodial parent of a child 12 weeks old or less and (2) individuals on a Native American reservation with over 50 percent unemployment.
Hours weekly of allowable work activities required	—unsubsidized employment: not applicable (no cash payments) —trial jobs: not applicable (full-time employment assumed and employer subsidy decreased proportionally when hours are not full time) —community service jobs: up to 30 hours per week of work and 10 hours of education and training activities —W-2 transition: up to 28 hours per week of work activities, which may include alcohol and other substance abuse evaluation assessment, and treatment; mental health activities; counseling or physical rehabilitation activities; and up to 12 hours per week of education and training activities.
Work participation requirements	All clients are expected to meet work participation requirements, except a custodial parent with a child 12 weeks old or less.
Allowable work activities to meet work participation requirements	Unsubsidized employment, subsidized employment, community service, short-term job skills training, job search activities, job skills development, motivational training, life skills training, and postsecondary education.
Exemptions	Custodial parent of a child 12 weeks old or less. All other clients unable to obtain employment are placed in W-2 transition and perform other work activities.
Training provisions	Training is an option for clients, but long-term training is no longer an option.
Diversion	Before filing an application for W-2, clients meet with a resource specialist who attempts to identify other sources of assistance that would eliminate the need for W-2 enrollment. If the resource specialist believes the client could conduct a productive job search, the specialist then diverts the client to a job search.

Source: Wisconsin Department of Workforce Development.

Since January 1993, Wisconsin's AFDC/TANF family caseload has declined 86 percent, from 81,291 cases to 11,276 cases in June 1998 (see fig. VI.1).

Figure VI.1: Wisconsin's AFDC/TANF Family Caseload, Jan. 1993-June 1998



Source: HHS Administration for Children and Families.

Many Wisconsin TANF clients find employment in the service and retail industries. According to state officials, Wisconsin has six very distinct regional economies. Major industries in the southeast include durable goods manufacturing and the service sector, including business services, health care, legal, and educational services. The northeast is strong in paper and allied products manufacturing as well as kindred products manufacturing, while the south central area is strong in government, educational services, and tourism-related industries. Southwestern Wisconsin's industries include agriculture, specialty manufacturing, and tourism-related industries. The north-central area's strength is lumber and wood products manufacturing, paper and allied products manufacturing, and tourism, while northwestern Wisconsin has a strong attachment to the Minnesota markets but is also strong in manufacturing and agriculture-related industries.

At the time of our visit, Wisconsin was enjoying a strong economy. The statewide unemployment rate has been low over the last 7 years, declining from 4.4 percent in 1990 to 3.7 percent in 1997, with a peak of 5.5 in 1991.

Wisconsin's Workforce Development System Consolidation

Wisconsin began consolidating its workforce development system over a decade ago with a pilot project in southwest Wisconsin in 1985 that brought together employment services provided by the Job Service and training programs provided by JTPA (through the local Private Industry Councils). According to a State Legislative Audit Bureau report in 1994, 12 state agencies administered over 100 employment and job training programs. In 1996, Wisconsin created the Department of Workforce Development to streamline government by replacing this myriad of programs with one comprehensive employment and training system called the Partnership for Full Employment. The W-2 program is an integral part of this system. In 1994, Wisconsin also became one of the first six states to receive a one-stop career center implementation grant from the Department of Labor to develop a statewide system of one-stop career centers, called job centers.

The job center system is Wisconsin's statewide service delivery infrastructure for the Partnership for Full Employment services at the local level. Core services include

- a computerized listing of job openings;
- job search assistance;
- testing and assessment;
- information on careers, jobs, and labor markets;
- information on workforce development support services;
- information on education and training programs; and
- automated links to the unemployment insurance system.

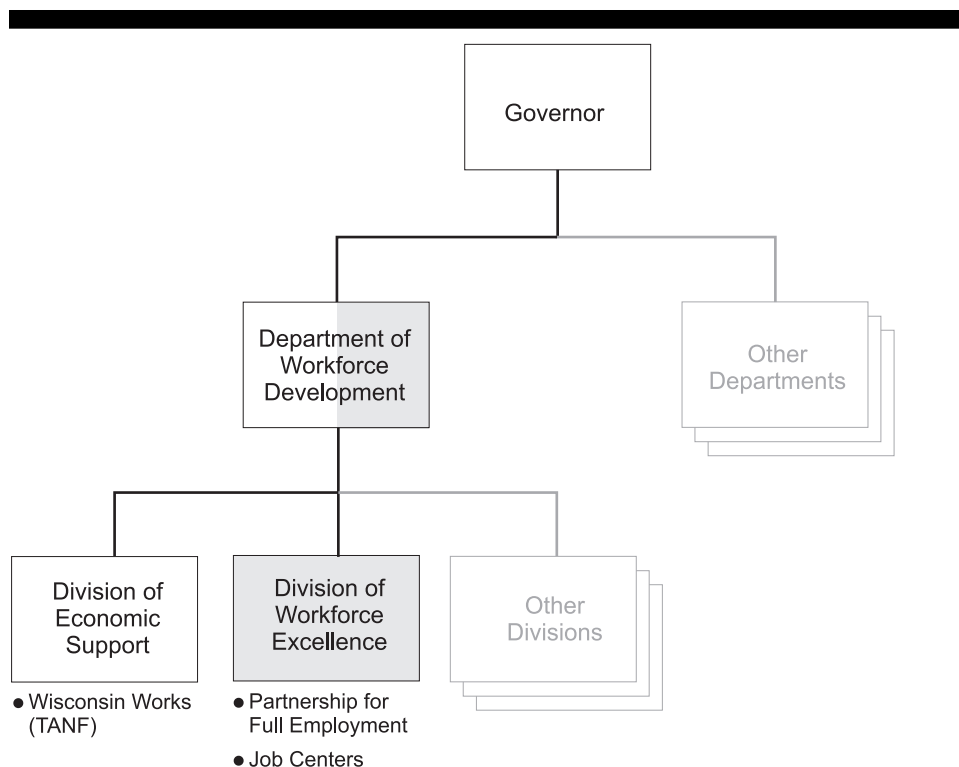
In addition, W-2 clients receive services such as eligibility determination, case management, and employment and training services at the job centers. The minimum core partners include JTPA programs (through the Private Industry Councils), the Job Service, the Carl Perkins Vocational Education and Adult Basic Acts programs (through the Wisconsin Technical College System), the TANF program (through W-2 agencies), and Vocational Rehabilitation. Job Service and Vocational Rehabilitation are state-administered and -operated programs. Most job centers have additional employment and training partner agencies, programs, and

services. Wisconsin's job center system has near statewide coverage with 76 operational job centers as of September 1998.

State Structure for Delivering Employment and Training Services to TANF Clients

In Wisconsin, the workforce development and welfare systems come together to provide employment and training services to TANF (W-2 program) clients. The Department of Workforce Development, consisting of eight major divisions, is responsible for both systems (see fig. VI.2). Within the Department, the Division of Economic Support is responsible for W-2 program implementation and policy-making, as well as all other income support programs and benefits paid to children, families, and individuals in temporary need. The division contracts with an organization in each county (or in the case of Milwaukee, six districts) called the W-2 agency, to deliver TANF services locally through the job centers. Most W-2 agencies are county governments, but both nonprofit and private organizations also hold W-2 contracts. Within the Department of Workforce Development, the Division of Workforce Excellence has responsibility for employment and training programs such as JTPA and the Job Service, as well as responsibility for job center operations, the collection and analysis of labor market information, and other programs. While the state has decided that clients will receive employment and training services, including W-2 services, through the job center system, how each center provides these services is left to local discretion. In the sites we visited, both W-2 and workforce development staff provided employment and training services to TANF clients at the local job centers. For example, while case management services were provided by the W-2 staff, employment assistance was often provided by both the Employment Service and W-2 staff. In one job center we visited, each client was assigned to one of three service delivery teams made up of both workforce development and W-2 staff.

Figure VI.2: Wisconsin’s Organizational Structure for Employment and Training Services and TANF Assistance



Note: Nonshaded blocks are welfare system; shaded blocks are workforce development system. Half-shaded blocks have elements of each system.

Employment and Training Services Provided to TANF Clients

Wisconsin’s welfare reform effort is a “work first” model that requires all clients to participate in some work activity shortly after applying for cash assistance. Before a client applies for cash assistance, a resource specialist meets with the client to try to divert him or her from submitting an application for assistance.⁶⁴ Once a client applies for assistance, a W-2 staff person—called the financial and employment planner—assesses the client’s recent work history, education, skills, interests, and abilities, and determines if the client is job ready. On the basis of this assessment, the planner places the client on one of four rungs of an employment “ladder,” shown in table VI.2.

⁶⁴The resource specialist does this by helping the client access other community resources or, if the resource specialist believes the client is capable, helping the client begin a job search.

Table VI.2: Wisconsin's W-2 Program Ladder

Ladder rung	Client attributes and services	Percentage of clients on rung in July 1998
Unsubsidized employment	<ul style="list-style-type: none"> —Judged ready for unsubsidized employment —Assigned to job search —Receives case management and support services —Not eligible for monthly cash assistance 	31.6
Trial jobs (subsidized employment)	<ul style="list-style-type: none"> —Lacks sufficient work experience to be "job ready" —Provided a subsidized job (state subsidizes the employer) —Receives at least minimum wage, case management, and support services 	0.5
Community service job (work experience training)	<ul style="list-style-type: none"> —Has poor work habits or low job skills —Assigned to job serving a useful public purpose —Receives monthly cash assistance, case management, support services, up to 30 hours per week of work training activities, and up to 10 hours per week of education and training activities 	54.0
W-2 transition (work experience training)	<ul style="list-style-type: none"> —Unable to obtain subsidized employment because of severe barriers —Assigned to up to 28 hours of appropriate activity given client's limitations (such as substance abuse treatment or caring for a family member with a severe incapacity) and up to 12 hours per week of education and training. —Receives monthly cash assistance, case management, and support services 	13.9

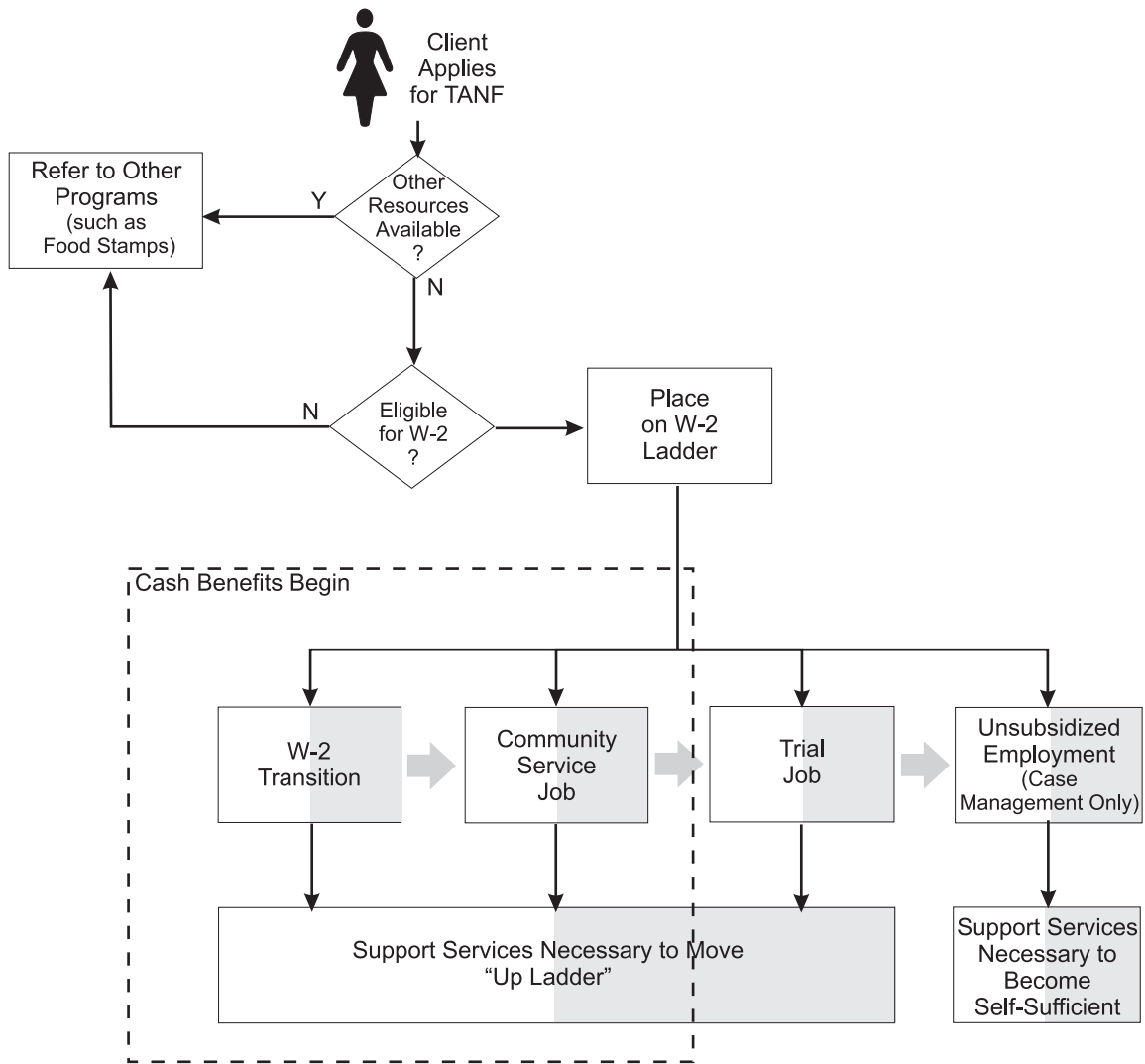
Source: Wisconsin Department of Workforce Development.

The highest and most desirable rung on the employment ladder is unsubsidized employment. The state expects those positions it subsidizes for the trial jobs rung to convert to unsubsidized positions, but this rung is essentially unused because of Wisconsin's robust economy. The community service jobs are intended to provide clients with an opportunity to practice work habits and skills such as punctuality, reliability, and social skills necessary to succeed in the work place. These clients may also be required to participate in up to 10 hours per week in education and training activities such as GED training or in courses that provide an employment skill, English as a second language, parenting skills, life skills, job skills, or other basic adult education. Clients on the W-2 transition rung include those who are determined incapacitated for at

least 60 days because of physical or mental limitations or substance abuse, those needed in the home to care for another member of the W-2 group who is severely incapacitated, or those incapable of working for reasons such as legal problems, family crises, homelessness, domestic abuse, or children's school or medical activities.

Once the financial and employment planner determines the appropriate rung of the ladder, the client and the planner jointly develop an employability plan that details the logical, sequential series of actions that will move the client off assistance to self-sufficiency. The local W-2 agency must ensure that each client is initially assigned to the highest possible rung on the ladder and moves up to the next appropriate rung at the earliest opportunity, with unsubsidized employment as the ultimate goal. See figure VI.3 for Wisconsin's W-2 client flow.

Figure VI.3: Wisconsin TANF Client Flowchart



Note: Nonshaded blocks are services provided by the welfare system; shaded blocks are services provided by the workforce development system. Half-shaded blocks are services provided by both systems.

The financial and employment planner determines the client's placement on the W-2 ladder, monitors the client's progress, and provides other

services such as assisting the client with a community service placement and accessing needed support services such as child care and transportation. While the state outlined the W-2 program elements and decided that these services would be delivered through the local job centers, each local W-2 agency decides how to deliver the services. This means that the entity delivering the service can vary across the state. For example, in some job centers, the financial and employment planner may provide job search and placement assistance, while in other areas the Employment Service staff within the job center may provide this service. In general, staff from both the workforce development and welfare systems provide employment and training services to TANF clients at the local job centers throughout the state. Many W-2 agencies have entered into subcontracts with a variety of employment and training partner agencies for specific W-2 program services.

The nature of training has changed under welfare reform in Wisconsin. Before welfare reform, clients could attend training up to 24 consecutive months. However, the current system has changed the face of training so that skills training is short term and employment-focused. The state, however, was unable to provide training and other outcome data regarding employment and training activities for TANF clients this early in the W-2 program experience.

Funding Employment and Training Services

Funding to support employment and training services for TANF clients comes predominantly from the TANF block grant. Wisconsin's 1997 federal and state TANF funds totaled about \$477 million,⁶⁵ of which about \$75 million was used to provide employment and training services to TANF clients. In addition, TANF clients are still obtaining services funded by JTPA title IIA in Wisconsin. During roughly the same time period,⁶⁶ the JTPA title IIA funding allotment for Wisconsin totaled just over \$9 million.

While TANF clients in Wisconsin are still accessing services funded through JTPA title IIA, fewer clients have been doing so. In 1995, 1,423 JTPA title IIA clients were AFDC/TANF clients, while in 1997, this number had decreased slightly to 1,185. However, the proportion of JTPA title IIA clients who were

⁶⁵This total includes the amount of funds available for TANF (total funds awarded less funds transferred to the Child Care and Development Block Grant and to the Social Services Block Grant), plus the amount of state dollars the state reported expending.

⁶⁶TANF funding is distributed on a federal fiscal year basis, while JTPA funding is distributed on a program year basis. Federal fiscal year 1997 ran from October 1996 to September 1997, while program year 1996 ran from July 1996 to June 1997.

**Appendix VI
Wisconsin**

AFDC/TANF increased between 1995 and 1997 by 9.1 percentage points. See table VI.3.

Table VI.3: Number of JTPA Title IIA Clients for Program Years 1995-97

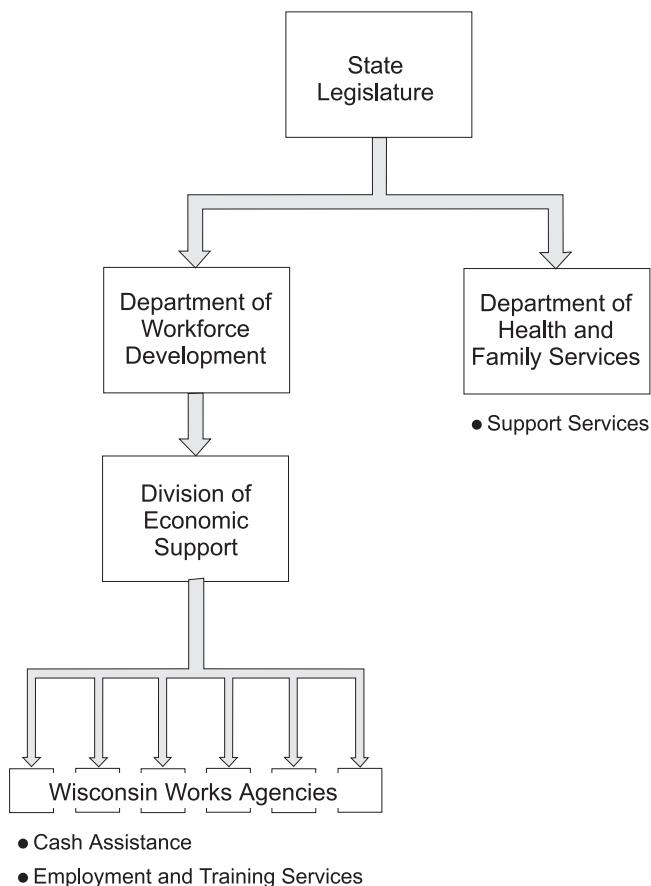
Program year	Total clients^a	AFDC/TANF clients	Percentage who were AFDC/TANF
1995	3,591	1,423	39.6
1996	3,146	1,095	34.8
1997	2,431	1,185	48.7

^aFor purposes of our work, clients are defined as those who terminated from the program during the program year.

Source: Program year 1995 and 1996 data are from the Department of Labor. Program year 1997 data are from Wisconsin's Department of Workforce Development and are preliminary.

Most TANF funds are allocated to the Department of Workforce Development, and W-2 agencies are paid on the basis of contracts with the Division of Economic Support. A portion of federal TANF funds is allocated to the Wisconsin Department of Health and Family Services for some support services. Figure VI.4 illustrates this flow of funds.

Figure VI.4: Flow of TANF Funds in Wisconsin



In June 1998, Labor awarded Wisconsin \$12,885,951⁶⁷ in welfare-to-work formula grant funds. The Department of Workforce Development is the grant recipient and the administering entity. Wisconsin planned to target services to noncustodial parents with its welfare-to-work formula grant funds, and, because its TANF caseload is low, the state also proposed to assist individuals who were receiving TANF child care subsidies rather than

⁶⁷On April 20, 1998, Wisconsin submitted a written request to Labor for \$12,711,210 in federal welfare-to-work funds. This amount reflected a reduction from the state's federal fund allotment to account for \$174,741 in welfare-to-work funds declined by one of the local service delivery areas. On June 1, 1998, the state sent Labor a letter transmitting its signed grant agreement requesting the full \$12,885,951. Although the service delivery area still declined to accept the funds, the state requested that the full amount be awarded to the state so that it could allocate maximum funding to all local jurisdictions. Wisconsin obligated all its formula funds except for the \$174,741, which the state plans to return to Labor.

cash assistance. A state official explained that for working families, child care subsidies are considered TANF payments, making recipients eligible for welfare-to-work funds as long-term TANF recipients.

Local Site Visits

We visited four local sites in Wisconsin to discuss employment and training service delivery to TANF clients (see fig. VI.5). Working with state officials, we selected these sites to reflect a mix of urban and nonurban settings, varying caseloads, and varying types of W-2 agencies. Table VI.4 summarizes information concerning these local sites. Milwaukee Job Center South is one of two large job centers in Milwaukee County, which has by far the largest W-2 caseload in the state. Conversely, Grant and Walworth Counties are rural areas with only a handful of cash assistance clients. Kenosha has a caseload between these extremes and was designated a national learning laboratory by the One-Stop Career Center Office in the Department of Labor.

Figure VI.5: Local Sites Visited in Wisconsin



**Appendix VI
Wisconsin**

Table VI.4: Information on Local Sites Visited

Location	Number of TANF cases (July 1998)		Type of community	W-2	Comments
	Receiving cash assistance	Total			
Grant County Job Center	3	6	Nonurban	Southwest JOBS	Consortium manages W-2 program for five counties
Kenosha County Job Center	146	366	Urban and rural	Kenosha County Department of Human Services	Job center management contracted to private firm by local Department of Human Services
Milwaukee Job Center South	1,135	1,803	Urban	United Migrant Opportunity Services	Part of Milwaukee Job Center Network of two comprehensive one-stop centers and numerous satellite locations
Walworth County Job Center	14	43	Nonurban	Kaiser Group, Inc.	Kaiser Group is a for-profit private sector company

Employment and Training Services and Funding in the States

One-Stop Career Centers

All 50 states have received at least some planning and/or implementation grant funds, totaling nearly \$320 million through fiscal year 1998. Labor awarded the first planning and implementation grants in fiscal year 1994. Not all states received planning grants; some instead immediately began receiving implementation grant funds. These one-stop grants were designed to develop the concept and establish the structures, but operational funds for the one-stop centers are provided by the programs within the system, such as JTPA title IIA or the Wagner-Peyser-funded Employment Service. Table VII.1 shows the sources of operating funds, as well as the total amount each state received in one-stop career center grant funds.

**Appendix VII
Employment and Training Services and
Funding in the States**

**Table VII.1: One-Stop Career Center
Summary**

State	One-stop center implementation program year	Total planning grant^a
Alabama	1997	\$275,000
Alaska	1996	295,000
Arizona	1995	200,000
Arkansas	1997	346,000
California	1996	600,000
Colorado	1996	299,954
Connecticut	1994	N/A
Delaware	1997	206,250
Florida	1996	650,000
Georgia	1997	325,000
Hawaii	1997	206,250
Idaho	1996	300,000
Illinois	1995	N/A
Indiana	1995	299,715
Iowa	1994	N/A
Kansas	1998	325,000
Kentucky	1995	200,000
Louisiana	1995	N/A
Maine	1997	187,500
Maryland	1994	N/A
Massachusetts	1994	N/A
Michigan	1996	400,000
Minnesota	1995	50,000
Mississippi	1997	275,000
Missouri	1995	N/A
Montana	1997	324,780
Nebraska	1998	206,250
Nevada	1997	206,250
New Hampshire	1997	206,250
New Jersey	1995	400,000
New Mexico	1997	325,000
New York	1997	312,500
North Carolina	1995	N/A
North Dakota	1998	206,250
Ohio	1995	N/A
Oklahoma	1996	200,000

**Appendix VII
Employment and Training Services and
Funding in the States**

Total implementation grant ^a	Sources of operating funds				
	JTPA	Vocational Rehabilitation	Wagner-Peyser	TANF	Other
\$4,275,000	X		X		
3,775,000	X	X	X	X	X
7,800,006	X		X		X
2,000,000	X		X	X	X
15,700,000	X		X	X	X
6,660,000	X	X	X	X	X
9,481,616	X		X	X	X
1,500,000	X		X		
12,225,000	X	X	X	X	X
4,000,000	X	X	X	X	X
1,450,000					
3,800,000	X		X	X	
15,308,688	X	X	X	X	X
9,969,614	X		X		X
9,431,616	X	X	X	X	X
2,500,000					
7,754,843	X	X	X		X
3,693,772	X	X	X		
3,700,000	X	X	X		X
11,192,480	X		X		
9,742,500	X		X		X
5,200,000	X	X	X		X
7,451,906			X		X
2,000,000					
4,845,700	X	X	X	X	
1,500,000	X		X		X
1,865,000					
3,700,000					
2,000,000	X		X		
11,076,561	X		X	X	X
3,700,000	X		X		
12,950,000	X		X		
8,862,376	X	X	X	X	X
1,500,000					
15,508,287			X		
5,642,500	X		X	X	X

(continued)

**Appendix VII
Employment and Training Services and
Funding in the States**

State	One-stop center implementation program year	Total planning grant^a
Oregon	1997	300,000
Pennsylvania	1997	347,300
Rhode Island	1997	187,500
South Carolina	1997	275,000
South Dakota	1997	206,250
Tennessee	1997	250,000
Texas	1994	N/A
Utah	1996	200,000
Vermont	1996	198,846
Virginia	1997	486,821
Washington	1997	450,000
West Virginia	1998	325,000
Wisconsin	1994	N/A
Wyoming	1997	206,250
Total		\$11,260,916

**Appendix VII
Employment and Training Services and
Funding in the States**

Total implementation grant ^a	Sources of operating funds				
	JTPA	Vocational Rehabilitation	Wagner-Peyser	TANF	Other
5,550,000	X	X	X	X	X
6,000,000	X		X		
2,775,000	X	X	X		X
2,500,000	X		X		X
1,500,000	X	X	X	X	X
6,475,000					
18,401,243	X	X	X	X	X
3,700,000	X		X	X	X
2,775,000	X	X	X	X	X
4,000,000	X		X		
6,475,000	X	X	X	X	X
2,000,000	X		X		
11,042,480	X	X	X	X	X
1,500,000			X		
\$308,456,188					

Note: N/A = not applicable.

^aPlanning and implementation grant amounts for each state are as of September 28, 1998.

Source: Department of Labor headquarters and regional officials.

Local Structures Used to Deliver Employment and Training Services to TANF Clients

Local administrative structures varied across the 50 states. According to HHS officials, 17 states, including 3 we visited, use one-stop centers or other traditional workforce development structures as the primary means to deliver employment and training services to TANF clients. Another 14 states, including 1 state we visited, have established welfare-dedicated centers as the primary means to provide employment and training services to these clients. The remaining states use a combination of service delivery options (see table VII.2).

**Appendix VII
Employment and Training Services and
Funding in the States**

**Table VII.2: Primary Local Mechanism
for Providing Services**

State	Traditional workforce development structure	Welfare- dedicated centers	Mix^a	Other^b	Varies by county
Alabama				X	
Alaska			X		
Arizona		X			
Arkansas		X			
California		X			
Colorado					X
Connecticut	X				
Delaware				X	
Florida	X				
Georgia				X	
Hawaii		X			
Idaho			X		
Illinois			X		
Indiana	X				
Iowa	X				
Kansas		X			
Kentucky	X				
Louisiana		X			
Maine				X	
Maryland		X			
Massachusetts	X				
Michigan	X				
Minnesota			X		
Mississippi		X			
Missouri			X		
Montana			X		
Nebraska				X	
Nevada			X		
New Hampshire	X				
New Jersey	X				
New Mexico				X	
New York			X		
North Carolina		X			
North Dakota	X				
Ohio					X
Oklahoma			X		

(continued)

**Appendix VII
Employment and Training Services and
Funding in the States**

State	Traditional workforce development structure	Welfare- dedicated centers	Mix^a	Other^b	Varies by county
Oregon		X			
Pennsylvania		X			
Rhode Island	X				
South Carolina		X			
South Dakota	X				
Tennessee		X			
Texas	X				
Utah	X				
Vermont			X		
Virginia		X			
Washington			X		
West Virginia	X				
Wisconsin	X				
Wyoming	X				

^aClients are served in about equal numbers at traditional workforce centers and welfare-dedicated centers.

^bMechanisms include social services staff directly referring clients to contractors or other agencies that provide employment or training services to adult TANF clients.

Source: HHS regional officials.

**JTPA Title IIA
Summary for Program
Years 1995 and 1996**

Table VII.3 provides information on funding allocations and the number of clients leaving the program in program years 1995 and 1996. It also provides information on the proportion of clients who were also enrolled in AFDC/TANF. Relative to all JTPA title IIA clients, the proportion of clients who were also AFDC/TANF clients declined somewhat in many states from program year 1995 to 1996. Thirty-four states had declines during this period that ranged from a low of 0.1 percentage point in Arizona and Colorado to a high of 19.1 percentage points in New Hampshire.

**Appendix VII
Employment and Training Services and
Funding in the States**

**Table VII.3: JTPA Title IIA Summary for
Program Years 1995 and 1996**

State	Program year 1995		
	JTPA IIA allotted funds	Total participants ^a	Percentage who were AFDC
Alabama	\$18,422,732	7,317	16.9%
Alaska	2,837,523	491	39.5%
Arizona	13,935,061	2,847	34.5%
Arkansas	9,664,236	1,351	21.5%
California	176,173,325	28,404	33.2%
Colorado	9,930,813	3,036	38.9%
Connecticut	10,156,627	1,309	41.0%
Delaware	2,630,042	700	33.3%
Florida	53,192,656	12,321	37.0%
Georgia	22,142,035	7,412	41.5%
Hawaii	2,977,386	637	29.8%
Idaho	3,194,169	570	31.4%
Illinois	42,901,850	7,889	33.2%
Indiana	15,399,204	3,362	25.8%
Iowa	5,396,367	960	42.3%
Kansas	6,345,185	999	48.4%
Kentucky	14,745,934	3,099	34.9%
Louisiana	24,378,762	3,824	26.3%
Maine	5,345,984	727	33.0%
Maryland	15,292,528	6,330	26.3%
Massachusetts	23,469,898	7,020	52.8%
Michigan	39,070,058	6,458	31.4%
Minnesota	11,057,240	3,392	40.7%
Mississippi	12,961,173	3,395	18.7%
Missouri	17,412,714	4,112	41.9%
Montana	3,158,989	561	47.4%
Nebraska	2,630,042	667	36.0%
Nevada	5,012,949	1,428	35.9%
New Hampshire	3,850,939	536	50.0%
New Jersey	29,934,546	8,500	36.7%
New Mexico	7,024,514	982	31.1%
New York	81,867,897	12,830	37.2%
North Carolina	17,084,620	3,652	39.5%
North Dakota	2,630,042	648	22.5%
Ohio	38,727,805	9,176	43.5%
Oklahoma	12,070,920	1,714	32.3%

**Appendix VII
Employment and Training Services and
Funding in the States**

Program year 1996

JTPA IIA allotted funds	Total participants^a	Percentage who were AFDC/TANF	Percentage point change in % AFDC/TANF from PY 1995 to PY 1996
\$13,665,742	7,008	15.9%	-1.0
2,567,694	501	41.5%	2.0
13,773,635	3,033	34.4%	-0.1
7,008,959	1,380	21.5%	No change
149,753,588	27,316	34.5%	1.4
7,202,293	2,634	38.8%	-0.1
7,366,063	1,638	32.4%	-8.7
2,119,367	694	32.9%	-0.4
40,661,143	9,819	34.0%	-3.0
16,058,445	6,133	37.5%	-4.0
3,672,768	721	32.3%	2.5
2,996,561	553	27.8%	-3.6
32,646,845	6,633	34.2%	1.0
13,246,703	2,701	23.5%	-2.3
3,913,699	707	43.7%	1.4
4,601,826	1,202	39.9%	-8.6
12,312,685	2,424	32.0%	-2.9
21,144,090	4,333	23.4%	-2.8
4,163,587	1,119	30.7%	-2.3
11,090,860	4,090	19.0%	-7.3
17,021,474	4,770	44.6%	-8.2
28,495,837	7,051	26.3%	-5.2
8,019,230	2,590	43.1%	2.4
10,123,204	3,009	14.5%	-4.2
12,628,519	3,864	38.7%	-3.2
2,601,482	418	51.9%	4.5
2,119,367	717	34.0%	-2.0
4,587,956	1,321	38.4%	2.5
2,792,882	669	30.9%	-19.1
25,918,524	6,908	33.4%	-3.3
5,817,558	1,032	37.8%	6.7
63,670,017	15,189	35.7%	-1.5
13,822,357	3,490	36.8%	-2.7
2,119,367	644	17.4%	-5.1
29,517,477	6,693	42.7%	-0.8
8,754,399	1,451	27.2%	-5.1

(continued)

**Appendix VII
Employment and Training Services and
Funding in the States**

State	Program year 1995		
	JTPA IIA allotted funds	Total participants^a	Percentage who were AFDC
Oregon	12,167,986	2,928	23.3%
Pennsylvania	43,523,589	15,772	52.4%
Rhode Island	4,177,738	622	50.5%
South Carolina	15,607,751	3,739	26.9%
South Dakota	2,630,042	954	22.6%
Tennessee	16,340,812	3,630	53.8%
Texas	78,781,890	14,658	25.8%
Utah	3,004,148	909	28.6%
Vermont	2,630,042	804	30.7%
Virginia	16,259,008	4,255	29.4%
Washington	20,170,821	4,338	39.0%
West Virginia	11,682,542	1,768	31.2%
Wisconsin	12,191,704	3,591	39.6%
Wyoming	2,630,042	368	27.2%
Total	\$1,004,824,880	216,992	35.6%

**Appendix VII
Employment and Training Services and
Funding in the States**

Program year 1996

JTPA IIA allotted funds	Total participants^a	Percentage who were AFDC/TANF	Percentage point change in % AFDC/TANF from PY 1995 to PY 1996
8,824,795	2,509	17.6%	-5.6
38,462,093	12,346	53.6%	1.1
3,379,959	656	54.0%	3.5
11,319,476	3,169	27.6%	0.8
2,119,367	945	22.2%	-0.4
12,679,992	3,311	45.4%	-8.4
66,453,677	13,572	24.9%	-0.9
2,298,126	610	31.3%	2.7
2,119,367	575	24.7%	-6.0
14,075,092	3,956	26.4%	-3.0
16,895,807	4,061	39.2%	0.2
8,813,245	1,284	32.1%	0.9
9,529,322	3,146	34.8%	-4.8
2,119,367	465	26.0%	-1.2
\$807,065,888	195,060	33.6%	-2.0

^aWe define participants as those who left the program during the program year (terminees).

Source: Department of Labor.

GAO Contacts and Staff Acknowledgments

GAO Contacts

Sigurd Nilsen, Assistant Director, (202) 512-7003
Dianne Murphy Blank, Evaluator-in-Charge, (202) 512-5654

Staff Acknowledgments

In addition to those named above, the following individuals made important contributions to this report. Denise de Bellerive Hunter participated in planning, data collection, and reporting, and led two site visits. Robert Sampson participated in planning and data collection, including leading a site visit, and he managed the preparation of the site visit appendixes. Sheila Nicholson assisted with the site visits and managed the 50-state data collection and presentation. Mary Roy led one site visit and assisted with two others. Betty Clark, Margaret Boeckmann, Bill Keller, Edward Tuchman, and Christopher Clark assisted with data collection and analysis. Stefanie Weldon advised on legal issues. Elizabeth T. Morrison and Ann McDermott assisted with report preparation. Richard Nathan, of the Rockefeller Institute, and Gale Harris advised on technical issues.

Bibliography

Holcomb, Pamela A. Welfare Reform: The Family Support Act in Historical Context. Washington, D.C.: The Urban Institute, Nov. 1993.

Kogan, Deborah, and others. Creating Workforce Development Systems That Work: An Evaluation of the Initial One-Stop Implementation Experience. Menlo Park, Calif.: Social Policy Research Associates, Aug. 15, 1997.

Maloy, Kathleen A., and others. A Description and Assessment of State Approaches to Diversion Programs and Activities Under Welfare Reform. Washington, D.C.: George Washington University Medical Center, Center for Health Policy Research, Aug. 1998.

Nathan, Richard P., and Thomas L. Gais. Overview Report: Implementation of the Personal Responsibility Act of 1996. Albany, N.Y.: State University of New York, Oct. 1998.

The Urban Institute. The Structural Link Between JTPA and State Welfare Reform Programs in 1997. Washington, D.C.: The Urban Institute, Dec. 1997.

U.S. General Accounting Office. Employment Training: Successful Projects Share Common Strategy. [GAO/HEHS-96-108](#), May 7, 1996.

_____. Evidence Is Insufficient to Support the Administrations's Proposed Changes to AFDC Work Programs. [GAO/HRD-85-92](#), Aug. 27, 1985.

_____. JOBS and JTPA: Tracking Spending, Outcomes, and Program Performance. [GAO/HEHS-94-177](#), July 15, 1994.

_____. Welfare Reform: Early Fiscal Effects of the TANF Block Grant. [GAO/AIMD-98-137](#), Aug. 18, 1998.

_____. Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence. [GAO/HEHS-98-109](#), June 18, 1998.

_____. Welfare Reform: Status of Awards and Selected States' Use of Welfare-to-Work Grants. [GAO/HEHS-99-40](#), Feb. 5, 1999.

_____. Welfare Reform: Three States' Approaches Show Promise of Increasing Work Participation. [GAO/HEHS-97-80](#), May 30, 1997.

Bibliography

_____. Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment. [GAO/HEHS-95-28](#), Dec. 19, 1994.

_____. Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement. [GAO/HEHS-95-113](#), May 19, 1995.

_____. Welfare to Work: Participants' Characteristics and Services Provided in JOBS. [GAO/HEHS-95-93](#), May 2, 1995.

_____. Welfare Waivers Implementation: States Work to Change Welfare Culture, Community Involvement, and Service Delivery. [GAO/HEHS-96-105](#), July 2, 1996.

_____. Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy. [GAO/HRD-87-34](#), Jan. 29, 1987.

Related GAO Products

Welfare Reform: Status of Awards and Selected States' Use of Welfare-to-Work Grants ([GAO/HEHS-99-40](#), Feb. 5, 1999).

Welfare Reform: Early Fiscal Effects of the TANF Block Grant ([GAO/AIMD-98-137](#), Aug. 18, 1998).

Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence ([GAO/HEHS-98-109](#), June 18, 1998).

Welfare Reform: Three States' Approaches Show Promise of Increasing Work Participation ([GAO/HEHS-97-80](#), May 30, 1997).

Welfare Waivers Implementation: States Work to Change Welfare Culture, Community Involvement, and Service Delivery ([GAO/HEHS-96-105](#), July 2, 1996).

Employment Training: Successful Projects Share Common Strategy ([GAO/HEHS-96-108](#), May 7, 1996).

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

