



The Ohio Works First Evaluation: Final Report

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by

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I. INTRODUCTION

This report summarizes the results of a five-year evaluation of Ohio Works First (OWF), Ohio's response to welfare reform specified by the Temporary Assistance for Needy Families (TANF) program within the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enacted by Congress in 1996. It reflects findings that were presented in three previous reports generated under this evaluation. These include:

- Two reports that described the implementation of OWF in 10 counties.¹ These reports were generated from information collected during two sets of site visits to the 10 counties, a survey administered to County Department of Job and Family Services (CDJFS) staff, an employer survey supplied by the Ohio Department of Job and Family Services (ODJFS), and administrative data supplied by ODJFS.
- A study of OWF effects on employment and cash assistance outcomes.² This report examined how a cohort of individuals fared in terms of these outcomes over a two-year period, and then examined the outcomes in terms of OWF programmatic interventions. The report was generated from administrative data and a three-wave longitudinal survey of participants.

Because Ohio is a state-supervised, county-administered job and family service system, it leaves OWF implementation details to its 88 counties. This flexibility creates an opportunity to compare the different approaches used by the counties in implementing OWF and evaluate how the initiatives and case processing approaches in each county affected outcomes.

This report synthesizes information presented in the previously cited reports to answer three questions:

- To what degree did counties vary structurally in their organizational and case processing approach toward implementing OWF?
- To what degree did counties vary in their case processing behaviors—such as those relating to transitioning individuals off welfare, the application of sanctions, and the provision of time limit extensions—and in the extent to which individuals participated in work activities other than unsubsidized employment?
- To what degree did work activities and other factors contribute to differentials in employment-related welfare dependency and family well-being outcomes?

Because our expectation was that each CDJFS approach would be designed to fit the particular needs and barriers within its community, we might find differences with respect to the first and second questions. However, if we assume that the differences result in optimal county-level approaches, we might also expect to find no variation in outcomes among the counties.

¹ The Ohio Works First Evaluation: Final Implementation Report, Ohio Department of Job and Family Services, Columbus, Ohio, December 2003; The Ohio Works First Longitudinal Survey: Interim Site Visit Report From Ten Counties. ORC Macro, December 2002

² The Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes. ORC Macro, December 2003

This report consists of the following sections:

- Background
- Data Sources and Study Questions
- Results
- Summary and Conclusions

II. BACKGROUND

The Federal Welfare Reform Initiative: TANF

In the early and mid-1990s, there was a growing national consensus that the existing Aid to Families with Dependent Children (AFDC) program, which provided welfare relief to low-income families, fostered long-term welfare dependence and reduced personal responsibility and initiative. AFDC was perceived to need reform.

In 1996, Congress enacted PRWORA, which modified a number of existing assistance programs. The centerpiece of this legislation was the creation of TANF in place of AFDC. TANF aimed to eliminate long-term dependence on welfare by emphasizing work, personal responsibility, and self-sufficiency through the following four major provisions.

Diversion—The law authorized payments or services to individuals whose self-sufficiency could be maintained using one-time or short-term assistance.³ These payments were expected to eliminate the need for these individuals to become continuing cash assistance recipients.

Work Requirements—Individuals whose needs cannot be satisfied through diversion assistance and who are deemed eligible for cash assistance and are work able are expected to be involved in an approved work activity. The work requirements provision ensures that individuals participate in an activity that helps them to achieve employment or helps them in obtaining skills to increase their employability. The following work activities are approved by the federal government:

- Unsubsidized employment
- Subsidized employment
- On-the-job training (OJT)
- Unpaid work experience
- Job readiness and job search activities
- Vocational education
- School attendance
- Job skills training

These terms are defined in Appendix A.

³ Short-term assistance may enable the individual to complete a course of study necessary for employment or provide for other time-limited needs that may affect self-sufficiency. The specific implementation of diversion initiatives was left to the states.

Work Participation Rate—The federal government required that adults participating in TANF meet minimum work participation requirements. The federal government specified two requirements, one for one- and two-parent families combined (the All-Family Rate) and another for two-parent families only (the Two-Parent Rate).⁴ The degree to which individuals in a state fully meet these requirements results in two work participant rates corresponding to the two requirements. Acceptable minimum rates gradually increased from 1997 through 2002. In 2002, the federal rates were 50 percent for the All-Family Rate and 90 percent for the Two-Parent Rate.⁵

Time Limits—Individuals are permitted to receive federally funded welfare benefits up to a lifetime quota of 60 months.

In recognition of the need to form local solutions for transitioning individuals off welfare into work, TANF was authorized as a block grant to states, which were therefore able to fashion programs and initiatives to address their particular populations and employment conditions.

Ohio's Welfare Reform Initiative: Ohio Works First

In response to TANF regulations, Ohio created the OWF program, which was implemented on October 1, 1997. The program was consistent with two major themes: personal responsibility and integration of services. Welfare in Ohio would move from a focus on entitlement benefits and process-oriented, static operations to a focus on client participation in activities designed to lead to eventual employment. Integration of services was seen as a way to bring a variety of social services and programs to bear on the problems of those who are at risk of losing their self-sufficiency.

OWF legislation extended and modified certain aspects of the federal law in order to accomplish these intentions. The key program and organizational requirements are listed below.

Diversion—Ohio established the Prevention, Retention, and Contingency (PRC) Program to provide benefits and services in order to meet special non-recurrent temporary needs. These services are designed to:

- Divert individuals from ongoing cash assistance by helping them through a crisis
- Allow an employed individual to maintain employment
- Meet emergent needs that threaten safety, health, or well-being

Covered services include transportation to work, home and automobile repair expenses, shelter expenses, the purchase of tools or other work-related items, education and training, youth programs, and payments made to maintain individuals in their homes and keep families together.

⁴ For one-parent assistance groups, federal work requirements specify that as of 1999, individuals must work 30 hours per week. Two-parent assistance groups must work more hours, but the total varies depending on whether they receive federally supported child care assistance.

⁵ These rates remained unchanged for 2003 pending TANF reauthorization by Congress.

The \$250 and One-Half Disregard—Ohio adopted an earned income disregard to serve as an incentive for individuals to work while on OWF. Under this provision, the first \$250 earned each month along with half of the remaining income is not counted when determining eligibility for OWF benefits.

Self-Sufficiency Contract—All adult assistance group⁶ members (and minor heads of household) must sign a self-sufficiency contract that outlines the steps they will take to become self-sufficient. The self-sufficiency contract is a binding agreement between the assistance recipient and the county agency that designates the responsibilities of both parties. The contract is based on a required appraisal of the applicant's current situation including education, job skills, and job interests.

Work Activities—Ohio's menu of work activities includes the federal activities listed above as well as developmental/alternative activities into which individuals are placed when traditional work activities will not meet their needs. Developmental/alternative activities include mental health and domestic violence treatment and counseling, and vocational rehabilitation.

Work Requirements—OWF participants must spend at least 30 hours per week in work activities as specified in the self-sufficiency contract.⁷ Twenty of these hours must be in specific federal work activities. The remaining 10 hours must be in federal work activities or, for those with a child one to six years old, in developmental or alternative activities. Child-only assistance groups (AGs) are exempt from work requirements. Counties have the option of exempting single-parent assistance groups with a child under age one from the federal work participation requirements.

Work Participation Rates—Ohio added five percentage points to the federal All-Family Rate and mandated that the counties must meet the state rates. In 2002, the required minimum Ohio participation rates were 55 percent for the All-Family Rate and 90 percent for the Two-Parent Rate. Developmental/alternative work activities do not count toward the federal participation rates except for assistance groups with a child one to six years old.

Sanctions—OWF participants who fail to comply with their self-sufficiency contract without good cause face a three-stage sanction process. On the first violation, the entire family, not just the noncompliant individual, loses cash assistance for a month or until compliance, whichever is longer. The second and third violations lead to deprivation of cash assistance for the entire family for three and six months, respectively, or until compliance, whichever is longer.

Time Limits—Ohio established a time limit of 36 months for receipt of OWF cash assistance, with possible extensions of up to an additional 24 months due to hardship dependent upon county hardship criteria.

⁶ An assistance group is a group of individuals treated as a unit for the purposes of determining eligibility for the amount of assistance under Ohio Works First. A household, which implies individuals living at the same location, may contain more than one assistance group.

⁷ Two-parent assistance groups are subject to higher requirements. If the assistance group is not receiving federally funded child care, the adults must participate for at least 35 hours a week; if they are receiving federally funded child care, they must participate in work activities for at least 55 hours a week.

In each Ohio county, the responsibilities for administering welfare benefits reside with county agencies (CDJFS). These responsibilities may include the operation of public assistance, social services, child support enforcement, and Work Investment Act (WIA) programs. With regard to OWF, the county and the state established their respective responsibilities to each other through partnership agreements that were developed soon after OWF was implemented in October 1997 and that have been revised periodically. The partnership agreements are based on community plans assembled by the CDJFS, with involvement of community stakeholders.

Between 1997 and 2002, there have been several important state-level decisions that had an impact on county operations. Two of them provided additional funding that the CDJFS could use to implement various services and programs and, in doing so, provided county agencies with the opportunities to experiment and further differentiate themselves from each other. The third provided the CDJFS with the opportunity to integrate their public assistance activities more tightly with workforce development initiatives and programs.

- In state fiscal years 2000 and 2001, Ohio distributed \$100 million and \$200 million, respectively, through a PRC Developmental Reserves Program (PRC-DR program). This program provided substantial funding to counties to provide an array of services relating to increasing or maintaining self-sufficiency. Carryover of unused funds was not permitted, and many of the funded programs were discontinued because of lack of funding.
- Through 2001, the state awarded performance bonuses to counties that met their required participation rates. This financial bonus allowed the counties additional flexibility in funding services to participants. Excess funding from these bonuses could be carried over into the following fiscal years, and counties generally “banked” these funds. These funds helped the CDJFS adjust to the budget cutbacks in recent years.
- In July 2000, the then Ohio Department of Human Services merged with the Ohio Bureau of Employment Services (OBES) to create ODJFS. The effect of this merger was a more integrated approach to employment, workforce development, and self-sufficiency. Although the merger was not effected at the local level, it did signal the possibility of increased cooperation between the two agencies at the county level. Another related action was the implementation of WIA in 2000. The effect of this act in Ohio was to establish the CDJFS as having a major responsibility in implementing the act. As part of this effort, counties established one-stop centers, which, although generally separate from OWF operations, provided a valuable resource for the program.

III. DATA SOURCES AND STUDY QUESTION CONSIDERATIONS

Data Sources

This report provides responses to three questions, which were examined for 10 counties selected by ODJFS staff for the evaluation. The counties differ in their demographic and economic characteristics and as a result provide us with a broader perspective from which to measure OWF effects. Table 1 groups counties by selected characteristics.

Table 1. County Clusters By Selected Demographic and Economic Characteristics				
Counties	Urbanization	Presence of Minorities	Households Under Poverty	Unemployment Rate
Franklin, Hamilton, and Lucas	High level of urbanization	Relatively high percentage	Relatively high percentage	Relatively low
Stark, Greene, Licking, and Clark	Moderate level of urbanization	Varies among counties	Relatively low percentage	Relatively low
Scioto, Belmont, and Gallia	Lowest level of urbanization	Low percentage	Relatively high percentage	Relatively high

Data Source: Compiled from Census and state unemployment statistics.

Information presented in this report derives from the following data sources:

- Site visits conducted to the 10 counties in the fall and winter of 2000–2001 and 2002–2003. The site visits consisted of interviews with CDJFS staff in order to understand how the programs were implemented at each site. Information collected from these visits assisted in generating a response to the first question.
- A three-wave panel survey of individuals who were receiving cash assistance in January and June 2000. This information was used for examining well-being outcomes.
- Administrative data from ODJFS CRIS-E HR 3734, data warehouse, and wage record files. The information in these files was used to examine employment, income, and OWF participation outcomes, and to supply case processing and work activity measures.

Study Considerations

The first question is, to what degree did counties vary structurally in their organizational and case processing approaches toward implementing OWF? TANF and OWF changed the welfare assistance paradigm from an income maintenance perspective to one that stressed work and workforce development. Within this context, three elements of the law stand out as requiring the CDJFS to explore how they structured their services and organized their caseworkers to address individual needs. These three elements are discussed below:

- Diversion is an important component in both federal and state laws and was, in part, addressed by the PRC program. CDJFS methods of implementing diversion could take many forms, usually requiring modification of how the CDJFS does business. Within this context, we ask how the counties implemented PRC and other diversion approaches.
- By emphasizing workforce development, the laws underlying TANF and OWF imply that agencies expand their role beyond eligibility processing and income maintenance, and that caseworkers may be expected to take on responsibilities that involve workforce development. How the agencies reorganized their services to fulfill these responsibilities will be the second topic addressed under this question.

- Time limits were another important component of TANF and OWF. With receipt of OWF cash assistance limited to 36 months, a particular challenge for the CDJFS was what mechanisms were put in place for handling individuals who are approaching the time limit. Thus, we examine whether counties established any special mechanisms for dealing with this issue.

The second question is, to what degree did counties vary in their case processing behaviors? This question builds on the first question, which describes structural changes in how services and caseworkers were organized, by examining differences in how counties handled their caseload. Specific areas covered under this question are:

- Caseload levels indicate the degree to which counties reduced the number of individuals on assistance.
- The change in the number of new and reopened cases is a behavioral indicator of the success in diverting cases from assistance.
- Sanction and time limit extension rates are consequences of actions reflecting participant behaviors and agency commitments to enforcing work requirement sanctions and extending individuals' participation in OWF.
- Work participation rates indicate the performance of the agency in assisting individuals to meet their work requirements.
- Finally, participation in work activities may indicate county differences in the emphasis placed on specific work activities.

The third question is, to what degree did participation in OWF contribute to self-sufficiency as measured by employment income, welfare dependency, and family well-being outcomes? This question addresses the critical component of this evaluation, the achievement of self-sufficiency, and whether and how OWF contributed to that outcome. Because participation in work activities is intended to provide the basis for transitioning individuals out of welfare, we will focus on the advantages conferred by particular work activities in achieving this end. In assessing differences among counties, we examine how the responses to the first two questions affect outcomes.

The results are organized by the three study questions.

IV. RESULTS

Question 1: To what degree did counties vary structurally in their organizational and case processing approaches toward implementing OWF?

With the implementation of OWF, counties were expected to alter their organization to more efficiently provide workforce development activities. A broad range of changes was implemented to provide better and more integrated services to OWF customers, and significant attention was paid to restructuring case processing functions and approaches. Diversion is a critical area that differentiated CDJFS agencies.

Diversification Approaches

Both the federal TANF program and Ohio's OWF program encourage the use of diversion tactics as a way of discouraging dependence on cash assistance. Diversion activities can take several forms. They can meet short-term or emergency needs through the CDJFS PRC program or through referrals to local community service agencies. They also include requirements imposed on OWF applicants as a condition for program eligibility and participation, such as agreement to the terms of a self-sufficiency contract and enrollment in job search and life skills workshops.

All counties used the PRC program as a first step in assessing whether individual needs could be met without enrolling them in OWF. Most counties handled this internally through specialized staff who assessed need and then provided short-term assistance to handle specific needs. In Hamilton County, however, individuals who were determined to require PRC rather than cash assistance were directed to a contracted service provider. This provider handled PRC requests and was paid based on the success of keeping individuals from reapplying for OWF cash assistance.

In a similar fashion, all counties make an effort in their screening process to assess needs and direct individuals to the services that most appropriately address those needs. The degree of these efforts varies, reflecting the perception of some CDJFS that they are full-service agencies—providing a “menu” of services for their customer base within the community. Diversion in this case is the same as directing individuals to the appropriate services. One important indicator is whether eligibility processing occurs before or after an assessment of needs. Belmont, Gallia, Stark, and Lucas Counties appeared to be inclined to place individuals into OWF if they met eligibility and other requirements. On the other hand, Clark, Franklin, Hamilton, and Scioto used an approach that seemed centered on identifying customer needs and finding the appropriate program to meet those needs. Greene County was in transition to a similar approach.

Once the initial screening has occurred, and during the initial case processing phase, the self-sufficiency contract and the requirements it imposes on applicants may deter individuals from continuing with their application. This was mentioned by all counties, although some counties indicated that it was not as effective in diverting individuals as it was when OWF was first implemented. Individuals now generally know about the programs they are applying for, so they know what is involved in collecting cash assistance.

Another approach was instituted by Belmont County, which made OWF eligibility determination contingent upon applicant participation in two weeks of life skills workshops and employment counseling. Clark and Scioto Counties help to find individuals placements before assessing eligibility. Although the impression is that this is done in order to transition individuals into their work activity placements more quickly, it can be interpreted as a form of diversion since the person may find adequate employment through the placement.

Approach for Providing Workforce Development Services

One of the important questions posed when TANF was enacted related to the role of “caseworkers,” who up to that point had been largely focused on income maintenance functions. Under TANF, caseworker roles were seen as expanding to performing employee assessments,

brokering workforce development services for clients, monitoring participation in these services, and perhaps providing some services.

Total case management (TCM) was one approach that was suggested as providing a holistic and integrated approach for subsuming these additional responsibilities.⁸ Another approach was to differentiate eligibility determination and income maintenance functions from workforce development functions. The 10 county CDJFS used these approaches and variations of them in different ways.

Scioto and Franklin CDJFS adopted a TCM approach where case managers' roles were expanded to more comprehensively address client needs. In Franklin County, the provision of services was contracted out, but all other functions were provided by one set of caseworkers. In Scioto, there was a division of labor: The initial employment assessments were done by Employee Specialist Counselors, and thereafter the case was managed by a caseworker. They also operated an in-house job readiness and search activity for those individuals who were job-ready.

In Franklin, case managers had caseloads⁹ that made it impossible to give adequate attention to each OWF client. Faced with budget constraints that precluded the hiring of additional staff or contractors to reduce workloads, Franklin CDJFS managers instructed their staff to focus on eligibility determinations rather than work assignment monitoring and follow-up.

On the other end of the spectrum is the Hamilton CDJFS. The CDJFS contracts with Community Link, a local network of community service providers, to provide workforce development services for its OWF clients. All work-related functions, ranging from needs assessment to work activity assignment and monitoring, are managed by Community Link. CDJFS caseworkers perform eligibility determination and income maintenance functions just as they did before OWF was implemented.

Hamilton CDJFS opted to use a contractor to perform workforce development functions after attempting to handle this work in-house during the first several years of OWF implementation. Training former eligibility workers to do the work of social workers and employment counselors in addition to their eligibility determination duties proved to be ineffective and costly. Caseloads were too large to allow case managers adequate time to address all client needs, and many former eligibility workers lacked either the skills or desire to successfully assume these additional duties.

The other model emphasizes a clear-cut functional distinction between eligibility workers and job development specialists among individuals working for the CDJFS. Examples of this type of organization are Greene, Stark, Gallia, Clark, Licking, Lucas, and Belmont Counties. In many of these counties, the workforce development specialists are in different locations.

⁸ TCM is an approach that assigns the assistance group to a specific case manager for the duration of their stay on OWF. That case manager is responsible for managing all aspects of the assistance group's case, including their participation in other assistance programs.

⁹ Franklin County case managers handle food stamp and Medicaid cases in addition to OWF cases.

A last observation is that the counties are still experimenting with case processing approaches. As noted above, Hamilton went from a system that emphasized the functional differences between eligibility workers and workforce development but kept them in an integrated business unit, to one that outsources all workforce development activities. Belmont has moved from a system in which one caseworker handled all aspects of the OWF participant's needs to one that incorporates functional differentiation of eligibility and work development. During the 2002–2003 site visits, Clark and Lucas Counties expressed the intention to convert to a TCM approach in order to provide a more integrated approach to client services. Greene indicated that all workforce development activities, including the development of the self-sufficiency contract, are the responsibility of their workforce development unit. Licking indicated that the distinction between intake and ongoing workers will disappear.

Organizational Responses for Individuals Approaching Time Limits

Hardship criteria are determined by each county within state guidelines. Some counties are lenient with their extension criteria. Other counties are more stringent, allowing extensions mostly for those awaiting Supplemental Security Income (SSI) approval. In Clark County, very few individuals reach time limits, and the tendency is to grant extensions to individuals if they are showing progress toward reaching well-defined goals. Clark, Licking, and Lucas County staff members intensify their efforts for those who are about a year away from their time limits, or in Lucas, those 6 months away from their time limit. In some of these cases, designated staff are involved in intensifying efforts. When the time limit is imminent, workers explain to the client which benefits will continue beyond the cash assistance time limit and review the criteria for hardship extension. Greene and Hamilton Counties have specially assigned staff members who work with individuals who are about one year away from their time limits. In Scioto County, participants are assigned to a community program to receive intensive assessments and coaching during their last 12 months of eligibility. However, these efforts do not seem to compare to the one evidenced during the 2001 site visit in Belmont County, which developed a special unit to deal with individuals nearing time limits and was involved in providing or arranging intensive services for these individuals. The responsibilities of this unit were later changed to workforce development; this change seemed to result in placing less emphasis on an intensive level of service to those approaching the time limit. Stark County still maintains a special unit to deal with individuals who have been receiving assistance for about a year. This early intervention is intended to deal with barriers to employment. Overall, the reaction of counties seems to indicate that the impact of time limits was not as severe as some people expected. Only a few individuals reached the 36-month time limit, and those that did could generally be handled through extensions and working with them through normal casework practices.

Question 2: To what degree did counties vary in their case processing behaviors?

In the last section, we discussed variations in organizational/structural approaches for organizing staff and providing better services. For Question 2, we examine variations in the CDJFS case processing behaviors in order to identify and characterize explicit or implicit strategies or attitudes used by county agencies or their staffs for processing cases. We examine the following case processing indicators:

- Caseload levels
- New and reopened cases
- Sanctions and time limit extensions
- Work activity participation rates
- Participation in work activities

Caseload Level

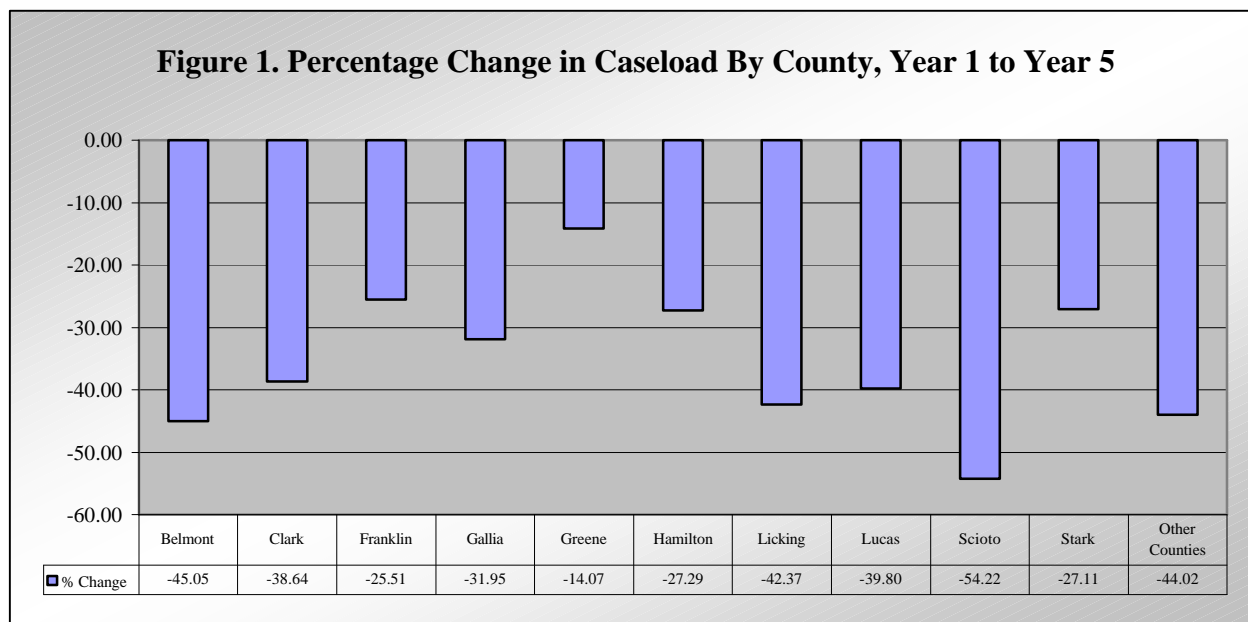
OWF was expected to reduce dependence on welfare and therefore lower the number of assistance groups on welfare. Variations in caseload decline may demonstrate different strategies or attitudes in transitioning individuals off OWF cash assistance. The CDJFS that have decreased their caseloads drastically may be pursuing an aggressive workforce attachment approach. Of course, such trends also may reflect the higher prevalence of work-ready individuals or employment opportunities in a county.

In Ohio as a whole, the number of assistance groups declined by about 40 percent between federal fiscal years (FFYs) 1998 and 2002.¹⁰ Among the 10 counties of interest, the decreases ranged from 14 percent (Greene County) to 54 percent (Scioto County) across the five years (Figure 1). Belmont and Licking Counties also showed larger decreases than most of the rest of the group, with decreases of 45 and 42 percent, respectively. Greene County's decrease of 14 percent was about 11 percentage points less than that in the next lowest county.

As expected, this decrease was most dramatic for one- and two-parent assistance groups, and far less among child-only groups. Scioto County experienced the largest decrease in these groups (79 percent for both one-parent and two-parent AGs), followed by Belmont County (60 percent for one-parent and 66 percent for two-parent AGs). Greene experienced the smallest decrease (24 percent for one-parent families and 3 percent for two-parent families). Seven counties actually experienced increases in their child-only cases, with Belmont County having a notably higher percentage increase than the other counties.

For all counties, most of the decrease (about 25 percent) took place in the first two years of the study period (FFYs 1998 and 1999). By the fourth and fifth year, caseload levels remained relatively stable, and in two counties (Franklin and Greene), they actually increased. Scioto was the only county that demonstrated a caseload decline of more than 10 percent between FFYs 2001 and 2002.

¹⁰ We use federal fiscal year because its start (October) coincides with the implementation of OWF in Ohio.

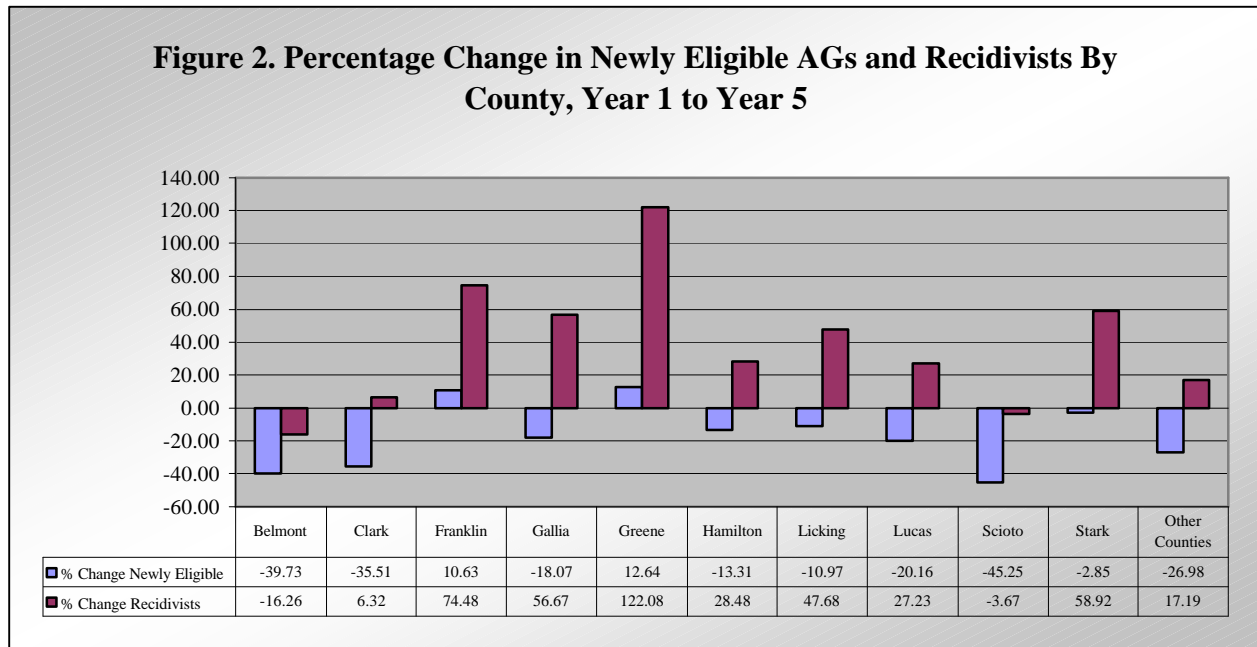


Data Source: ODJFS Administrative Datasets.

New and Reopened Cases

Caseload levels are to some extent determined by the number of new or reopened cases. Trends in new and reopened cases may indicate the presence or absence of aggressive diversion strategies.¹¹ Although most counties saw a decrease in individuals returning to the program or first-time individuals who were deemed eligible over the five-year period, Franklin and Greene Counties saw increases of 11 and 13 percent, respectively (Figure 2), and the decrease in Stark was close to zero. On the other hand, recidivists, or individuals returning to the program, increased in all but two counties (Belmont and Scioto); Clark County saw only a small increase. Greene County was notably higher in this regard than other counties (Figure 2), with Franklin County not far behind.

¹¹ Here again, other county-level factors, such as population differences or economic circumstances, may play a role in the degree to which individuals apply or reapply for benefits.



Data Source: ODJFS Administrative Datasets.

Sanctions and Time Limit Extensions

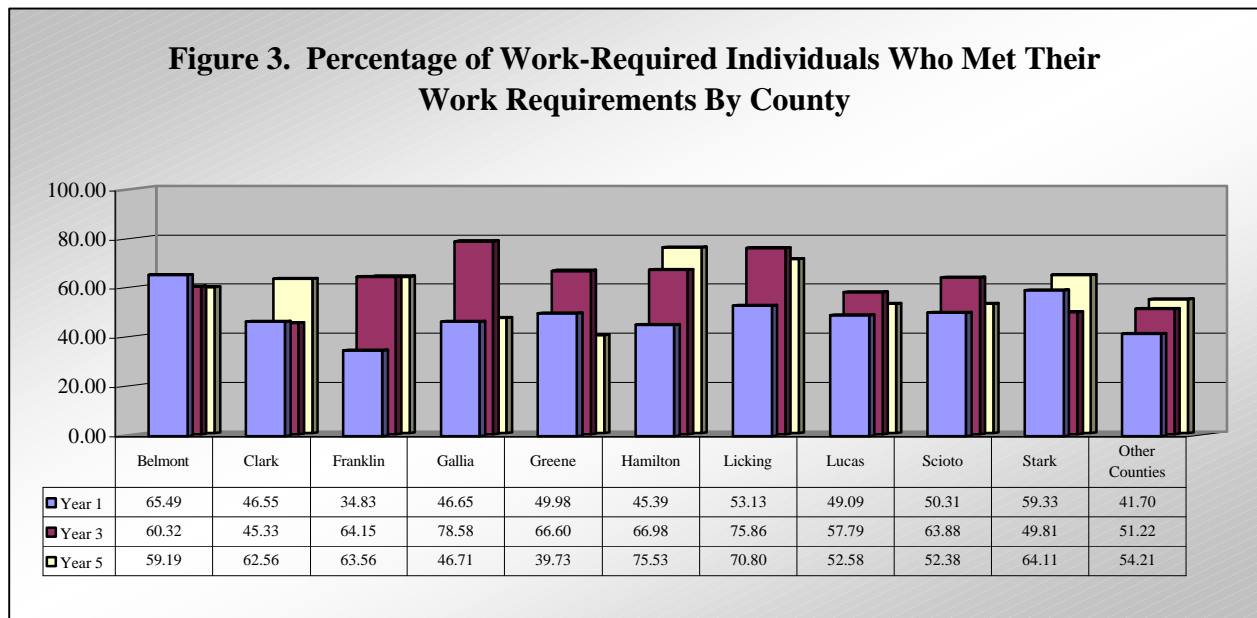
A critical part of clients' receipt of benefits is that they meet their obligations as specified in the self-sufficiency plan, including completing their work activity assignments. When individuals do not fulfill these obligations, sanctions may be issued and the AG can lose cash benefits for specified time periods. In general, only a small proportion (less than 5 percent in any county in any year and more generally between 0 and 2 percent) of AGs was ever sanctioned. Gallia and Greene Counties showed generally low sanctioning rates, and Franklin showed a low sanctioning rate after the first year. Scioto and Clark showed higher rates than the other counties, although the rates in Clark have decreased over the years.

Over the five-year study period, less than 2 percent of OWF clients per year in most study counties received cash benefits for 36 months. Greene, Scioto, and Licking Counties had low percentages reaching this limit, while Lucas, Stark, and Franklin had higher percentages. While those reaching their 36-month time limit could be granted a hardship extension, in total over the study period less than 5 percent of those reaching the 36-month time limit in most counties received extensions. Gallia granted notably more extensions than other counties (11.3 percent in FFY 2002), with Belmont and Hamilton also showing relatively high percentages (4.1 and 6.3 percent, respectively). Licking and Greene granted relatively fewer extensions.

Participation Rates

Individuals in receipt of cash assistance must participate in a single or multiple work activity for a minimum amount of hours per week. County work participation rates are determined by the proportion of AGs that meet this requirement. High rates would be indicative that a county is successful in assisting individuals in meeting work requirements. As presented in Figure 3, there are three patterns in participation rate trends. First, Clark, Franklin, Hamilton, Licking, and Stark

Counties show overall increases between Year 1 and Year 5. These increases are most notable in Franklin and Hamilton Counties. Licking exhibited a pattern in which the Year 3 rate increased and then subsequently decreased slightly, and in doing so maintained an overall positive trend. Second, there is a slight decrease in Belmont County. Third, a frequent pattern exhibited in the other counties is an initial and substantial increase between Years 1 and 3, and then a decline to former levels. Gallia and Greene represent places where this is a notable pattern, and it is also apparent (though less notable) in Lucas and Scioto. This third pattern seems to indicate the presence of some factor (perhaps the economy or the presence of additional funding during this period) that leads the participation rate to regress in these counties after reaching high points in Year 3. It should be noted that the opposite pattern was observed in Stark County.



Data Source: ODJFS Administrative Datasets.

Participation in Work Activities

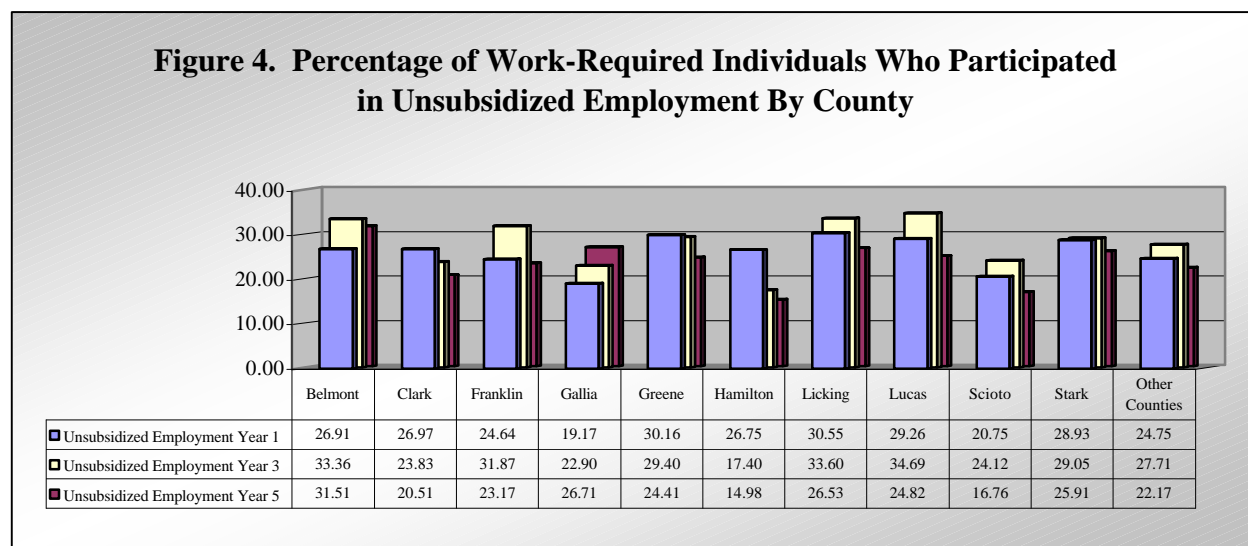
Participation in work activities reflects a number of factors, including:

- The job market, which might affect an individual’s potential to find unsubsidized employment
- Transportation, which might hinder the ability of an individual to travel to and from jobs or training sites
- Beliefs of the agency and caseworkers about the efficacy of certain types of opportunities
- Costs associated with providing certain types of training

The self-sufficiency contract plays a central role in designating a plan for the individual in terms of achieving self-sufficiency. It is an important element in all 10 CDJFS, and is regularly reviewed and modified to address changes in the OWF participant’s situation. In assessing applicants, caseworkers (or job developers) first determine if the individual is work ready, and

encourage these individuals to find employment whether that employment is in a permanent or temporary position, as a self-employed person, or in another pay-for-work capacity. Unsubsidized employment is the first work activity of choice. If individuals can fulfill only part or none of their work activity required hours in unsubsidized employment, they should fulfill the remaining required hours in another approved activity.

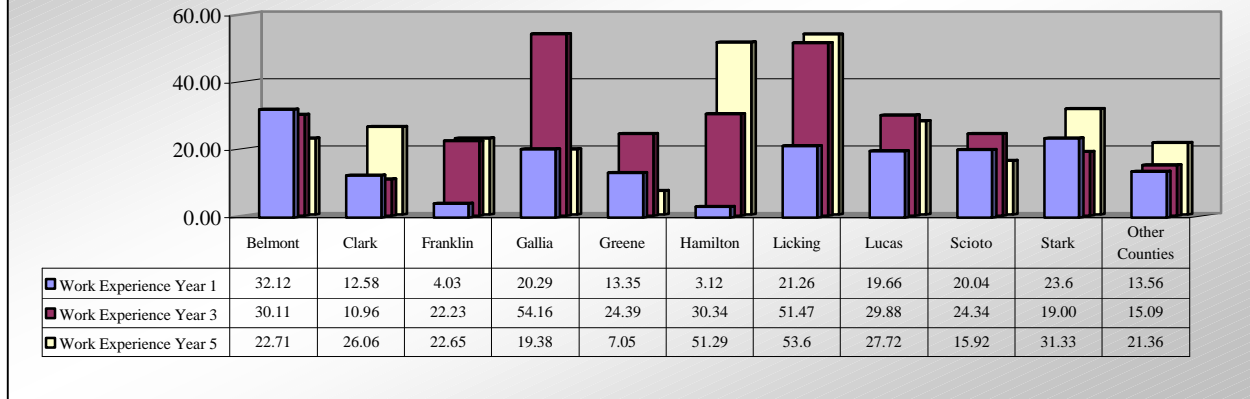
On an annual basis, participation levels in unsubsidized employment (Figure 4) have decreased in most of the counties. The only double-digit decline was in Hamilton County, which went from a 27- to a 15-percent participation rate. In Belmont and Gallia Counties, participation has increased by about 5 percentage points during this period. In several counties, participation peaked during Year 3 of the five-year study period, signaling that factors, perhaps the recession, were working to reduce the ability of individuals to find work that could be counted toward unsubsidized employment.



Data Source: ODJFS Administrative Datasets.

Many counties cite the work experience program (WEP) as the most important alternative to unsubsidized training. Most counties can, either on their own or through a contractor, establish sufficient WEP slots for the population although, as some county staff indicated, there is always a lack of quality WEP slots that might result in a job or provide a good stepping stone to a job. Clark, Franklin, Hamilton, Licking, Lucas, and Stark Counties demonstrated increases in WEP participation from Year 1 to Year 5 (Figure 5). The increases were more dramatic in the cases of Hamilton and Licking Counties, in which most of the participants are in WEP in the fifth year of the study. Three counties (Belmont, Greene, and Scioto) showed decreases in WEP participation. Gallia showed a very unusual pattern of a drastic increase and then a drastic decline.

Figure 5. Percentage of Work-Required Individuals Participating in WEP By County



Data Source: ODJFS Administrative Datasets.

Trends and observations¹² for other activities include:

- Participation in Vocational/Post-secondary Education Activities varied considerably across years but usually comprised less than 15 percent of the county’s work-eligible population. Perhaps the most notable change was observed in Franklin County, which went from a 4-percent participation rate in Year 1 to a 22-percent participation rate in Year 5. Other increases were observed for Belmont, Clark, Gallia, Greene, and Licking Counties. Hamilton showed a decrease, and less than 2 percent of its participants were in vocational/post-secondary education by Year 5. Lucas, Scioto, and Stark demonstrated virtually no change in participation.
- Participation in Alternative/Developmental Activities usually comprised about 10 percent of the population. In Stark County, close to 15 percent or more of the work-required population were in this activity. Gallia and Greene Counties showed a drastic increase in these activities, and Clark and Hamilton showed a drastic decrease in these activities.
- Job Readiness and Job Search Activities decreased slightly across years and counties. Gallia was notable for its lack of participation in this activity, and Scioto increased participation in this activity from Years 1 to 5.
- Of the other activities, participation in Job Skills Training increased dramatically in Greene and Scioto Counties; in other counties, participation in this training remained relatively nonexistent. Participation in school attendance shows a mixed pattern across counties over the five years, but compared with Year 1, every county has demonstrated an increase.
- The Subsidized Employment Program (SEP) was generally seen as a difficult program to implement—particularly in the for-profit sector. Very few counties placed individuals into these positions, and most of these placements occurred in the first years of the program.

¹² Data supporting these observations are available from The Ohio Works First Evaluation: Final Implementation Report, Ohio Department of Job and Family Services, Columbus, Ohio, December 2003.

Scioto, however, indicated that more than half of the subsidized employees retained their jobs, many of them earning \$12 to \$14 per hour, after the subsidy was discontinued.

These overall trends show that in nearly every county where WEP increased, unsubsidized employment and job search decreased, and education-related activities tended to increase or remain relatively unchanged. Alternative/developmental and job skills activities tended to decrease or remain the same where WEP participation increased. The converse is also true. Of the four counties where WEP participation decreased from Year 1 to Year 5, Belmont and Gallia showed increases in unsubsidized employment in Year 5. Participation in vocational education, school attendance, and alternative/developmental activities simultaneously increased or held steady in these counties.

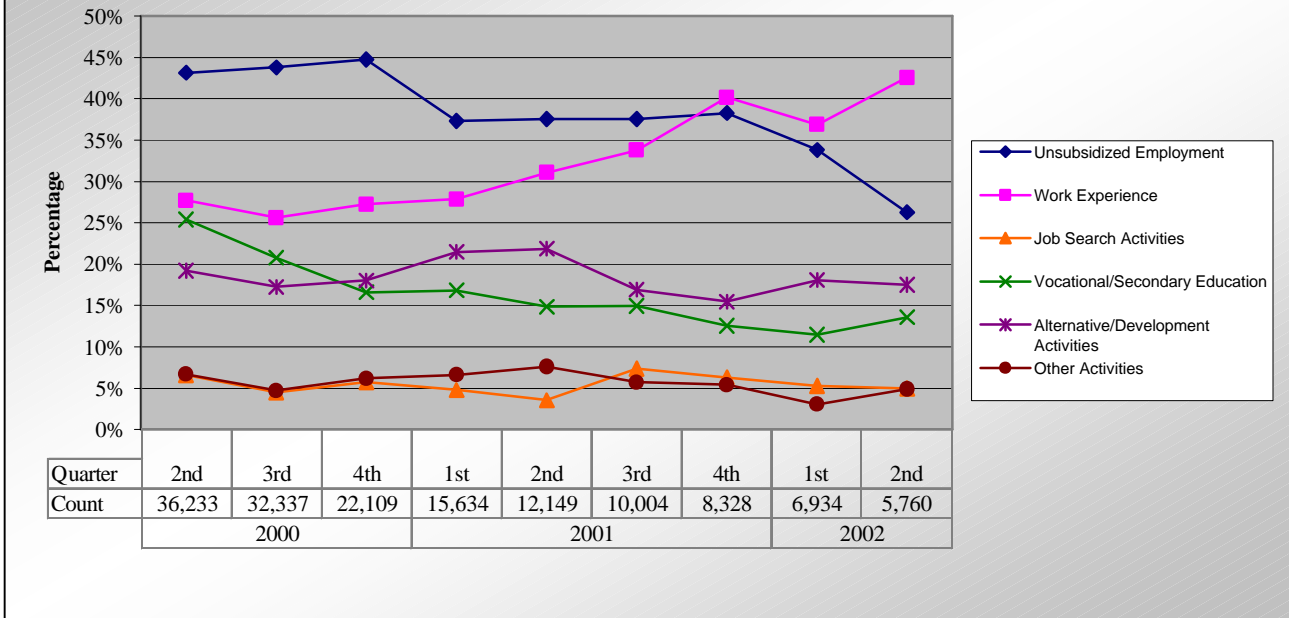
In this analysis, it also became very clear that overall and unsubsidized participation in the less urban counties increased and then declined. An important factor in this may be the economic recession, which might have affected the less resilient, less urban areas more.

The previous analysis reflects the trends in participation in various work activities for all work-required OWF recipients in that year. It provides little information on the relative participation of individuals in various work activities as a function of the length of their stay in the program. To provide information on this last perspective, we developed a study component that tracked participation for a cohort of 13,989 individuals who were in the program for all or most of the months between January and June 2000.¹³ Using administrative data, we examined participation in various work activities quarterly until June 2002. It should be noted that the population of OWF participants declined to about 16 percent of its original size, so far fewer individuals were in the pool of participants toward the latter part of the period. Figure 6 presents these trends.

The most notable finding is that work experience supplanted unsubsidized employment as the most prevalent form of work activity during this nine-quarter period. The decline in participation in unsubsidized employment and the increase in participation in work experience was substantial. It suggests that unsubsidized employment was less tenable for individuals who stayed in the program for longer periods. This could reflect the changing population (individuals who remained were most likely to be participating in work experience at the beginning of the period, or they may have failed to remain in unsubsidized employment and were placed in a work experience situation as a result). Also notable is the decline in vocational/post-secondary education and alternative/developmental activity participation rates.

¹³ These individuals constituted a sample from a population of 36,233. For further details, see The Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes.

Figure 6. Participation in Selected Work Activities



Data Source: ODJFS Administrative Datasets.

Based on a sample of 13,989 who were on OWF during the second quarter of 2000. Population counts for those on OWF (the denominator) decline with time.

Another question relates to what factors were used to place individuals into particular work activities. Participation in work activities other than unsubsidized employment could be expected to be guided by the background and skills of the participant as well as the kinds of services available through various work activities. Our analysis of administrative records indicates that personal characteristics such as education, age, and minority status are important in distinguishing unsubsidized employment and vocational education participants from work experience participants.¹⁴ Household composition variables and the length of stay on welfare are important in distinguishing unsubsidized employment participants from work experience and vocational/post-secondary education participants.

In examining these relationships by county through a multiple statistical regression approach, we find some evidence that participation rates differ by county, once individual background characteristics and welfare status were controlled. Table 2 shows the disparity between the 10 counties relative to each work activity.

¹⁴ The results are summarized from a statistical regression analysis of work activity participation between January and June 2000. The analysis allows us to identify the effects of individuals' backgrounds apart from the influence of county-level factors, and county-level factors apart from the effects of individual-level factors. The full regression results are presented in the Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes.

Table 2. County Groupings Based on Participation in Work Activities ¹⁵						
Relationship to Rest of State	Unsubsidized Employment	Work Experience	Job Readiness and Job Search	Vocational/ Post-secondary Education	Alternative/ Developmental Activities	Other Activities
Much higher than rest of state		Belmont, Gallia, Licking				Greene
Somewhat higher than rest of state	Licking	Franklin, Hamilton, Lucas		Greene, Scioto	Stark	
Relatively similar to rest of state	Belmont, Clark, Franklin, Greene, Lucas, Stark, Hamilton	Greene, Scioto, Stark	Belmont, Clark, Franklin, Gallia, Greene, Hamilton, Licking, Lucas, Scioto, Stark	Franklin, Hamilton, Licking	Clark, Greene, Lucas, Scioto	Belmont, Clark, Franklin, Hamilton, Licking, Lucas, Scioto, Stark
Lower than rest of state	Gallia, Scioto			Clark, Gallia, Lucas, Stark	Belmont, Licking	Gallia
Much lower than rest of state		Clark		Belmont	Franklin, Gallia, Hamilton	

Data Source: ODJFS Administrative Datasets.

As was observed in the last two sections, OWF has had significant effects on how the counties operate. There are substantial variations across the 10 counties in terms of how they organize services and how they meet the requirements imposed by HR 3734. There is also significant county variation in the kinds of work activities in which individuals participate. The next section examines the effect of these changes on outcomes.

Question 3: To what degree did participation in OWF contribute to self-sufficiency as measured by employment, welfare dependency, and family well-being outcomes?

The ultimate determination of OWF’s effectiveness is whether the program increased economic self-sufficiency and well-being. In this section, we focus again on the cohort of individuals who were participants in the program between January and June 2000. We will examine outcomes in terms of:

¹⁵ Counties were ranked by their regression coefficients that provided an indication of how participation in various work activities in the 10 counties varied relative to participation in the other counties in the state. This ranking is heuristic in that it is not based on statistical testing of differences between specific pairs of counties.

- Changes in employment income
- Changes in OWF assistance
- Changes in other sources of assistance

These changes will be examined across three periods: the baseline period (January to June 2000), a first follow-up period (July to December 2000), and a second follow-up period (January 2001 to June 2002).¹⁶ To set a context for this discussion, we will describe state-level outcomes and then proceed, where appropriate, to describe county-level differences. In addition to the outcomes listed above, we will also examine family and child well-being using results from the three-wave longitudinal survey that was conducted on a subsample of the cohort. The well-being analysis will describe trends at the state level.

Changes in Employment Income

In the aggregate, income from employment increased substantially throughout the period of study. Table 3 shows that 46 percent earned no income from employment during the baseline period, a figure that decreased to 35 percent in the six-month first follow-up period and to 29 percent in the second follow-up period.¹⁷ The proportion earning between \$1 and \$3,000 is comparable across the periods, but the proportion earning more than \$3,000 grows substantially. About 11 percent of those with income from employment earned \$3,001–\$6,000 during the baseline period, compared with the 17 percent who had earnings in this range during the first follow-up period and the 18 percent during the second follow-up period. At the upper end of the income range, 2 percent earned more than \$6,000 during the baseline period, 9 percent in the first follow-up period, and 11 percent in the second follow-up period. The data show that over time more individuals in the study are employed and more are in higher earning categories.

¹⁶ Figures for the last period, which consists of 18 months, have been adjusted so that they are comparable to the figures presented for the baseline and first follow-up periods, which are six months.

¹⁷ As the period in which a person is counted as employed or not employed lengthens, the probability of being unemployed decreases since an individual has greater opportunities to be employed, albeit for a month. For the analyses in this section, 30 percent are unemployed during the second follow-up period, which covers 18 months, but Figure 2 showed that about 40 percent were unemployed. The difference between the two figures is due to the duration of each—an individual has a greater chance of being employed at some time during an 18-month period than during a three-month period.

Income From Employment	Baseline Period (1/00–6/00)	First Follow-Up Period (7/00–12/00)	Second Follow-Up Period (1/01–6/02)
0	46.3	35.2	29.1
\$1–1,000	22.1	17.7	21.2
\$1,001–2,000	11.2	12.2	11.9
\$2,001–3,000	7.3	9.1	8.7
\$3,001–4,000	5.4	6.8	7.3
\$4,001–5,000	3.5	6.0	6.0
\$5,001–6,000	1.8	4.4	4.6
>\$6,000	2.4	8.6	11.2
Total	100.0	100.0	100.0

Data Source: ODJFS Administrative Datasets.

Another perspective is presented in Table 4, which compares employment income at baseline with mean and median changes in employment income at the follow-up periods. This information allows us to determine if all individuals, regardless of employment income at baseline, experience gains equally. The data show that the largest gains in income from employment are for individuals with low levels of income from employment at baseline. Interestingly, average earnings declined for those earning more than \$4,000. The median values—which split the groups into two even segments—show that changes are relatively small. In other words, the median values indicate that only relatively few individuals experience large changes in income from employment.

Baseline Employment Income	Percentage of Sample	Average and Median Change in Employment Income			
		First Follow-Up		Second Follow-Up	
		Average	Median	Average	Median
\$0	46.3	\$809	\$0	\$1,401	\$26
\$1–1,000	22.1	\$1,427	\$513	\$1,636	\$567
\$1,001–2,000	11.2	\$1,107	\$461	\$1,261	\$422
\$2,001–3,000	7.3	\$708	\$360	\$1,048	\$260
\$3,001–4,000	5.4	\$409	\$233	\$302	-\$98
\$4,001 or more	7.7	-\$69	\$204	-\$311	-\$132

Data Source: ODJFS Administrative Datasets.

¹⁸ Income during the second follow-up period was divided by three, thereby making it equivalent in dollars to income in the other two periods.

There are three major findings with respect to the determinants of changes in employment income.¹⁹

- High school completion and age affect changes in earnings (positively and negatively, respectively).
- Participation in most work activities (as measured by the hours of participation) does not affect changes in earnings. The exceptions are job readiness and job search, which had a positive effect on wages. Participation of certain individuals in particular activities also had a positive effect on wages; in particular, those with a high school education who participated in vocational/post-secondary education have much higher changes in earnings than others.
- When compared with the rest of the state, there is not very much evidence of differences among the 10 counties in change in earnings outcomes. However, it should be noted that Franklin and Licking showed a positive effect on changes in earnings, while Scioto had a relatively large negative effect during the first follow-up period. In the second follow-up period, larger changes in employment income were experienced by individuals in Franklin, Gallia, Licking, and Stark Counties, and smaller than average changes were experienced in Scioto County.

Changes in Cash Assistance

Changes in cash assistance reflect increasing or decreasing welfare dependence. Because of the decline in OWF participation for the cohort, we expected cash assistance to plummet during the timeframe of this study. The decline is documented in Table 5. The data indicate that about 91 percent received cash assistance during the first follow-up period, while 61 percent received such assistance during the second follow-up period. The percentage receiving \$1–\$1,000 increased from 5 percent at baseline to 29 percent in the first follow-up period and to 39 percent during the second follow-up period; similarly, the percentage receiving more than \$2,000 in assistance declined from 50 percent at baseline to 22 percent to 4 percent over the same periods. Thus, fewer individuals received cash assistance in the follow-up periods, and the amount of assistance decreased for those still on OWF.

OWF Cash Assistance	Percentage of Study Sample		
	Baseline	First Follow-Up Period	Second Follow-Up Period
\$0	0.0	8.6	39.5
\$1–1,000	5.4	28.8	39.0
\$1,001–2,000	44.6	40.6	17.1
\$2,001–3,000	40.2	18.4	3.9
\$3,001–4,000	8.8	3.2	0.5
>\$4,000	1.0	0.4	0.0
Total	100.0	100.0	100.0

Data Source: ODJFS Administrative Datasets.

¹⁹ The results are presented in the Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes.

A statistical regression analysis was conducted to assess the influence of participation in various work activities on cash assistance. The results indicate that:²⁰

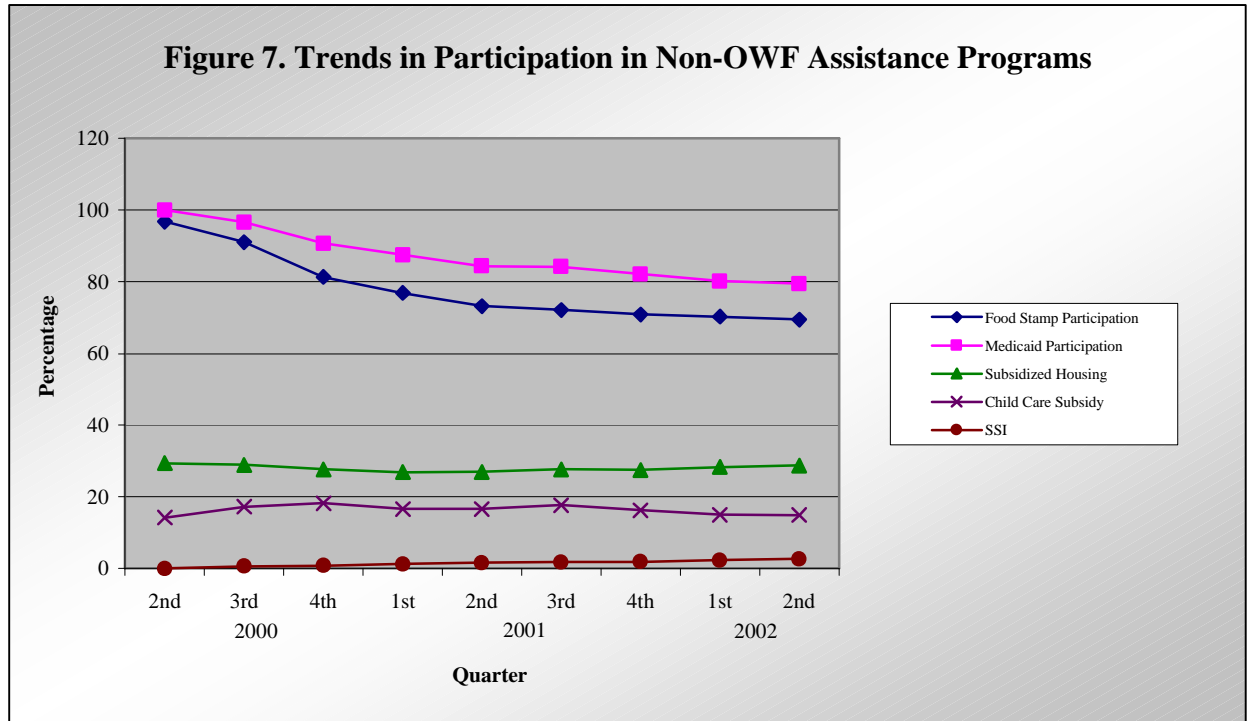
- **Unsubsidized Employment**—The number of hours spent in this activity bears no relationship to changes in assistance, although one finding indicates that older individuals with a greater number of hours in this activity are able to reduce assistance.
- **Vocational/Post-secondary Education**—Participating in vocational/post-secondary education during the baseline period has a positive effect on the amount of cash assistance received in the first follow-up period. For those with a longer dependence on OWF, time spent in vocational/post-secondary education results in a slight decrease in OWF assistance in the first follow-up period. No such relationship is observed for the second follow-up period.
- **Work Experience**—Participation in this activity bears no relationship to changes in cash assistance.
- **Alternative/Developmental Activities**—Overall, participation in these activities in the baseline period increases cash assistance in the first follow-up period and decreases cash assistance in the second follow-up period.
- **Job Readiness and Job Search Activities**—Participation in these activities reduces cash assistance in both periods, although its effect is larger in the first follow-up period than the second.
- **Other Activities**—Participation in these activities increases cash assistance in the second follow-up period but not the first.

County-level variables, generally, have no effect on variations in assistance amounts. However, in terms of differentiating among the 10 counties of interest, we find that the change in OWF assistance levels in Gallia County (and to a lesser degree in Belmont County) was particularly high in the first follow-up period, with the remaining counties showing little change. It should be noted here that the changes represent county variation after individual and other characteristics have been controlled. In the second follow-up period, the largest separation is between Gallia (which showed larger increases in assistance levels) and Greene (which showed larger losses in assistance).

Changes in Other Sources of Assistance

OWF provides transitional Medicaid and food stamp and child care assistance to those no longer on cash assistance. In addition, individuals may take advantage of subsidized housing and SSI. The percentages shown in Figure 7 represent individuals who received benefits from or were eligible for the above programs in the specified quarter. The percentage receiving food stamps decreased from 99 percent to about 70 percent, and the percentage of those participating in Medicaid decreased from 99 percent to about 80 percent. The proportions of people participating in subsidized housing and receiving a child care subsidy held steady at about 27 percent and 17 percent, respectively. Receipt of SSI is very low throughout the period, with a slight upward trend. We conclude that although participation in various forms of public assistance declines, it happens at a pace slower than the decline in OWF participation.

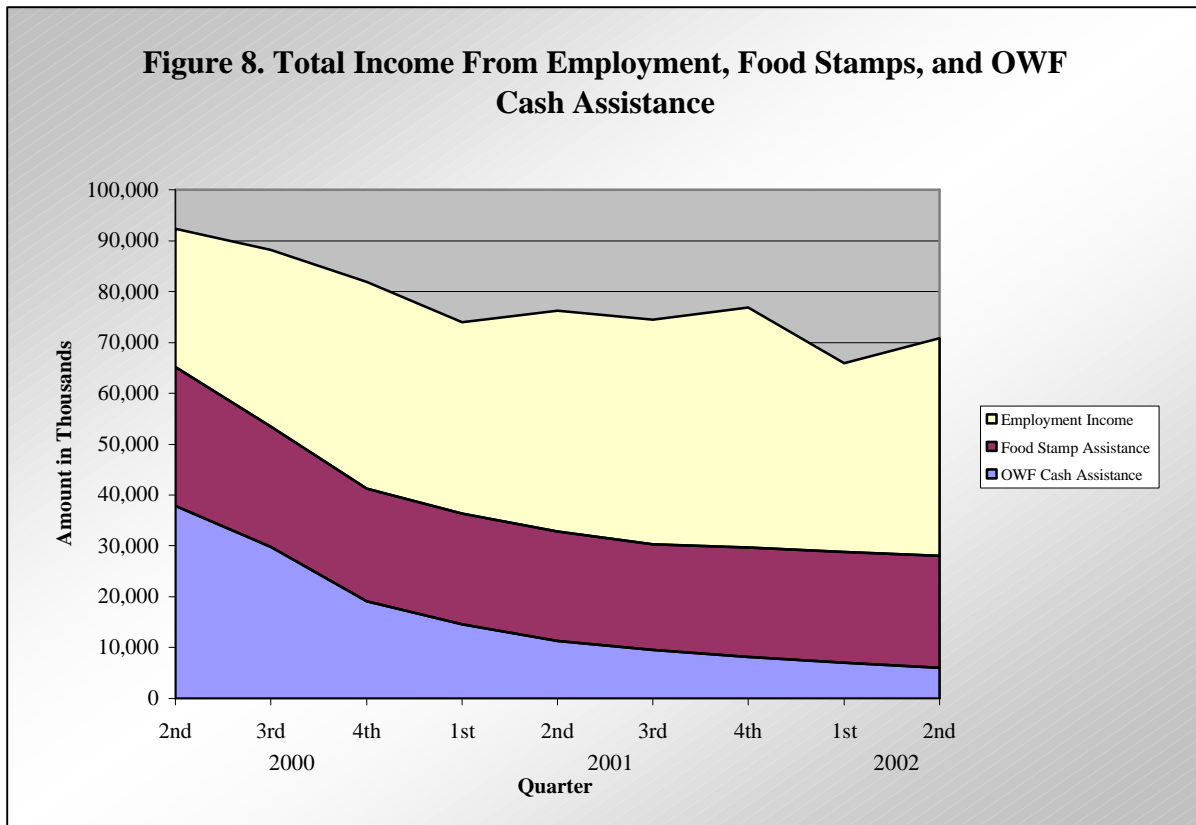
²⁰ The results are from a statistical regression analysis of changes in OWF assistance in the first and second follow-up periods. That analysis is presented in the Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes.



Data Source: ODJFS Administrative Datasets.
 Percentages represent records from 13,989 individuals weighted to the 36,233 in the population.

One way to evaluate these trends is to examine the total income or benefits received from the three largest sources: OWF, food stamps, and earnings from employment. As shown in Figure 8, the overall trend in total income from these three sources is downward through the nine-quarter period, decreasing by about 23 percent (\$21.5 million) for the individuals in the study cohort. Given the decline in the number of individuals receiving cash assistance, it appears that increases in income from employment do not match the amounts individuals received when on welfare. Before reaching a conclusion on the basis of the data, we need to caution that this statistic includes only OWF, food stamps, and employment income, and does not include other sources. To obtain a true measure of the individuals' total income, these other sources—particularly the earned income tax credit (EITC), which may increase concomitant with the increased earnings observed during the latter part of the period—should also be considered. Thus, although we may believe that the trends in Figure 8 underestimate total income in the latter portion of the period under study, we suspect that total income for individuals off OWF is not dramatically higher than it was when they were receiving assistance.

Figure 8. Total Income From Employment, Food Stamps, and OWF Cash Assistance



Data Source: ODJFS Administrative Datasets.
 Percentages represent records from 13,989 individuals weighted to the 36,233 in the population.

An expectation is that employment income will replace and even exceed the losses experienced by individuals from OWF and other forms of assistance. Table 6 presents information about changes in total income, measured against the total income individuals received during baseline.²¹ The information indicates that groups losing total income during the follow-up periods had the highest total income during the baseline period; individuals gaining total income during the follow-up periods had lower total income during the baseline. Thus, it would seem that gains are not being realized by individuals with relatively higher earnings in the baseline.

²¹ The analysis does not include some income sources and does not account for benefits added by the income disregard or EITC refunds, which would provide additional resources to high earners.

Baseline Total Income	Percent of Sample	Average and Median Change in Total Income			
		First Follow-Up		Second Follow-Up	
		Average	Median	Average	Median
\$0	0.0	—	—	—	—
\$1–1,000	0.1	\$947	\$201	\$1,159	\$116
\$1,001–2,000	3.1	\$876	\$140	\$606	\$38
\$2,001–3,000	12.2	\$341	\$80	\$132	-\$331
\$3,001–4,000	24.1	\$231	-\$11	-\$235	-\$688
\$4,001 or more	60.5	-\$379	-\$408	-\$1,261	-\$1,505

Data Source: ODJFS Administrative Datasets.

Family and Child Well-Being

Information on family and child well-being was collected through a three-wave longitudinal survey of about 685 individuals who were receiving OWF cash assistance in January and June 2000.²² Table 7 summarizes the findings of this section. In general, all evidence points to either no change or an increase in well-being across the three periods. There is no evidence that well-being declined. Since the population had largely left OWF by the third wave, this result can be broadly interpreted as the loss of assistance not having an effect on well-being.

Employment also results in neutral or positive changes in well-being. In general, there seems to be some evidence that employment is actually linked to improvements in well-being. The only negative results are in regard to debt. Perhaps being employed engenders a feeling of security that allows individuals to take on extra debt, and this may not be a bad sign in and of itself.

Area of Well-Being	Measure	Wave 1 Value	Change From Wave 1 to Wave 3	Difference by OWF Assistance Status	Difference by Employment Status
Financial viability	Having enough money to meet basic needs	78 percent expressed concern.	No change	Little or no difference	The employed are less worried.
	Difficulties in paying rent	27 percent expressed difficulties.	No change	Those currently on OWF are less likely to have difficulties.	Little or no difference
	Difficulties in paying utilities	49 percent expressed difficulties.	No change	Little or no difference	Little or no difference

²² See the Ohio Works First Evaluation: OWF Participation and Self-Sufficiency Outcomes.

Table 7. Summary of Findings From Well-Being Analyses					
Area of Well-Being	Measure	Wave 1 Value	Change From Wave 1 to Wave 3	Difference by OWF Assistance Status	Difference by Employment Status
Food security	Worried about food running out	60 percent are worried.	No change	Little or no difference	Those employed are less likely to be worried.
	Food ran out	56 percent ran out of food.	Percentage decreased during period	Little or no difference	Those employed are less likely to run out of food.
	Changed portion size or skipped meals	36 percent changed portion size or skipped meals.	No change	Little or no difference	Those employed are less likely to change portion size or skip meals.
Housing	Satisfaction with housing	78 percent are satisfied with their housing.	No change	Little or no difference	Little or no difference
Access to and use of health care by respondent	Worried about getting medical care	59 percent expressed worry.	No change	Little or no difference	Little or no difference
	Postponed needed medical care	22 percent postponed care.	No change	Little or no difference	Little or no difference
	Satisfaction with health care	92 percent indicated satisfaction.	No change	Little or no difference	Little or no difference
Access to and use of health care by respondent's children	Worried about getting medical care	57 percent expressed worry.	No change	Little or no difference	Little or no difference
	Postponed needed medical care	3 percent postponed medical care.	No change	Little or no difference	Little or no difference
	Satisfaction with health care	95 percent expressed satisfaction.	No change	Little or no difference	Little or no difference

Data Source: Longitudinal survey of individuals participating in OWF; three-wave panel survey of individuals who were receiving cash assistance in January and June 2000.

V. SUMMARY AND CONCLUSIONS

This study summarizes results from the three OWF reports. In it, we attempt to answer three questions:

Question 1: To what degree did counties vary structurally in their organizational and case processing approach toward implementing OWF?

With regard to the first question, we suggested that because of the need to address diversion, work development, and time limit features mandated in the enabling legislation for OWF, counties needed to modify their operations. We found that in general, counties developed special PRC units that screened for special temporary needs and allocated support to meet these needs. Hamilton County went a step further in contracting out diversion and creating a performance-based system for keeping referred individuals off OWF. In Belmont County, there were prerequisites that had to be satisfied before the individual received assistance.

County responses to work development responsibilities resulted in some counties adopting a TCM approach, while others adopted an approach that functionally separated eligibility and income maintenance work from workforce development activities. In adopting a TCM approach, caseworkers in one county were overwhelmed and regressed toward eligibility and income maintenance work. Hamilton County again presented a unique approach: It contracted out all workforce development functions and kept eligibility and income maintenance duties in-house.

Stark County established a special unit for handling cases approaching the 36-month time limit. The only other county that established a separate unit was Belmont, and the unit had changed its function by 2002. Other counties had less structured approaches to handling these cases.

Question 2: To what degree did counties vary in their case processing behaviors?

Caseworkers determine whether to divert cases, assist individuals to find work activities that help them achieve self-sufficiency, and decide whether to apply sanctions or extend their time on OWF. In the aggregate, these behaviors provide an indicator of the degree of the CDJFS orientation toward a work-first approach. The second question therefore examines county-level differences in how the CDJFS process cases. Table 8 provides information that compares counties in terms of their results in reducing caseloads. We find that Scioto represents a more aggressive approach than Greene. In Belmont and Franklin, child-only cases increased.

Table 8. Groupings of Counties at the Extremes in Caseload Change		
Indicator	Largest Decreases	Smallest Decreases or Increases
Change in caseload levels over five years	Belmont, Licking, and Scioto demonstrated larger declines.	Greene demonstrated smaller declines.
Change in caseload over last two years	Scioto demonstrated a larger decline.	Franklin and Greene demonstrated increases.
Change in child-only cases over five years	Hamilton, Licking, and Lucas demonstrated declines.	Belmont and Franklin demonstrated increases of more than 10 percent.

Data Source: ODJFS Administrative Datasets.

In terms of opening new cases, Franklin and Greene are more likely to do so than other counties, and Belmont, Clark, and Scioto are less likely.

Table 9. Groupings of Counties at the Extremes in New or Reopened Cases		
Indicator	Largest Increases	Largest Decreases and Smallest Increases
Change in new or reopened cases	Franklin and Greene demonstrated increases.	Belmont, Clark, and Scioto demonstrated decreases of more than 35 percent.
Change in reopened cases	Franklin and Greene demonstrated increases of more than 70 percent.	Belmont and Scioto demonstrated decreases. Clark demonstrated a small increase.

Data Source: ODJFS Administrative Datasets.

Sanctions and time limits affected very few participants. In comparing counties, we noted a pattern suggesting that Gallia County was lenient both in terms of sanctioning individuals and providing extensions.

Table 10. Groupings of Counties at the Extremes in Sanctioning and Time Limit Extensions		
Indicator	Higher Rate or Increases	Lower Rate or Decreases
Level of sanction activity	Hamilton and Scioto had high levels.	Gallia had a low level.
Change in sanction activity	No county demonstrated a substantial increase.	Belmont, Clark, and Franklin demonstrated substantial decreases.
Time limit extension activity	Gallia demonstrated a notably higher extension rate, followed by Hamilton and Belmont.	Licking demonstrated the lowest extension rate.

Data Source: ODJFS Administrative Datasets.

Franklin, Hamilton, and Licking all have high participation rates, but Hamilton and Licking seem to use work experience more than other counties, while Franklin seems to use vocational/post-secondary education to a greater extent. Scioto, which has a low participation rate, seems to place individuals into alternative/developmental activities to a greater extent than other counties.

Table 11. Groupings of Counties at the Extremes in Work Activity Placement		
Indicator	High or Higher Rates	Low or Lower Rates
Participation rate in Year 5	Franklin, Hamilton, and Licking demonstrate high rates.	Gallia, Lucas, and Scioto demonstrate lower rates.
Placement in unsubsidized employment	Belmont demonstrates higher rates.	Hamilton and Scioto demonstrate lower rates.
Placement in work experience	Hamilton and Licking demonstrate higher rates in Year 5.	Gallia, Greene, and Scioto demonstrate lower rates in Year 5.
Placement in vocational/post-secondary education	Franklin demonstrates a higher rate.	Hamilton shows a lower rate.
Placement in alternative/developmental activities	Greene and Scioto demonstrate higher participation rates.	Many counties demonstrate a low rate.

Data Source: ODJFS Administrative Datasets.

Question 3: To what degree did participation in OWF contribute to self-sufficiency as measured by employment, welfare dependency, and family well-being outcomes?

The ultimate effect of OWF is measured by the degree to which participants achieve self-sufficiency. Self-sufficiency can be measured by the degree to which participants reduced their dependence on all forms of public assistance and, most importantly, the cash assistance provided through OWF. Critical to reducing this dependence are employment and the earnings that come from such employment. We therefore examined how individuals on OWF during the January–June 2000 period fared subsequent to that period in terms of growth in earnings, decreases in OWF cash assistance, the degree to which earnings substituted for lost public assistance, and the degree to which individuals’ financial and physical well-being was sustained.

Changes in Employment Income

Employment income increased over the period January 2000 to June 2002, most significantly for individuals who were no longer receiving cash assistance. Aside from those who had no earnings while on OWF during the baseline period, the largest gains in employment income were realized by the individuals who had smaller earnings while receiving cash assistance. Those who had the largest earnings while on cash assistance saw declines in average earnings (although there was a slight gain in the median income in the six months following the baseline period). For those with no earnings, there were notable gains in average earnings, but only slight gains in median income.

When we examine the effect of participation in work activities on changes in earnings, we find that job readiness and job search were the only work activities that seemed to boost earnings for all participants. However, vocational/post-secondary education seemed to increase earnings more for those with a high school education than those without.

When compared with the rest of the state, there is not very much evidence of differences among the 10 counties in change in earnings outcomes. However, when individual counties are examined, individuals living in Franklin and Licking Counties had relatively larger increases in earnings, while those living in Scioto had relatively smaller increases in earnings.

Changes in Cash Assistance

At the end of the nine-quarter period beginning in June 2000, the proportion of those receiving cash assistance declined to about 16 percent (from 100 percent). Cash assistance payments generally mirrored this decrease. For those still receiving cash assistance, the amount decreased as well. Therefore, many individuals were not receiving cash assistance toward the end of the study period, and those who did received less.

In general, there was no relationship between participation in work activities and changes in cash assistance, nor were there substantial differences among counties in this outcome—although Gallia had higher cash assistance payments than the other nine counties during this period.

Overall Economic, Family, and Child Well-Being

The expectation was that individuals transitioning off OWF cash assistance would do so because they have financial resources that substitute for the cash assistance. At first, we would expect these individuals to use transitional benefits, such as food stamps, Medicaid, and child care subsidies. We found that although a smaller percentage of the population was eligible for Medicaid and food stamps in June 2002, a higher percentage was still using various benefit programs at that time (about 80 percent were enrolled in Medicaid and 70 percent received food stamp benefits). Participation in other assistance programs was shown to remain relatively constant.

If individuals are to achieve self-sufficiency, they must largely do so through increased earnings. As indicated above, earnings increased—but not to the extent to compensate for the elimination or decrease in OWF and food stamp assistance. Overall, the amount from these three sources declined between June 2000 and June 2002, which means that individuals may be worse off in terms of their finances than when they were receiving cash assistance. It should be noted that we could not assess sources of income such as refunds associated with the EITC, nor could we identify the earned income associated with working in the federal government or in self-employment due to the limitations of wage record information.

A final outcome relates to well-being. One concern was that family and child well-being would be affected when cash benefits were no longer available for the family. We find that well-being did not decline throughout the period June 2000 to June 2002, nor did it increase.

Conclusions

OWF had a profound effect on the administration of public assistance in three ways. First, it promoted some unique responses to processing caseloads. Of particular importance was how work development activities and diversion approaches were integrated into agency processes. In general, there were three models that existed in 2002–2003:

- A TCM approach, in which a single caseworker is responsible for all aspects of an individual's case. Two counties adopted this approach.
- An approach that functionally separates eligibility and workforce development and assigns these activities to different workers. Seven counties adopted this approach.
- An eligibility-focused approach, in which the agency outsources all workforce development work. One county, Hamilton, adopted this approach.

At various times during the period of this study, counties have adopted different approaches and variations of these approaches, indicating that agencies were constantly rethinking their approach in order to provide better services.

Second, practices varied from counties that took a strict approach to transitioning individuals off welfare to counties that seemed more lenient. The former have experienced dramatic declines in caseloads, while the latter have experienced a higher rate of recidivism. Additionally, county success in placing individuals into unsubsidized employment (and failing that, their placement of individuals in various work activities) is important. The relationship between unsubsidized employment and work experience is critical, since the latter substitutes for unsubsidized employment when it is difficult to achieve.

Third, information on OWF outcomes indicates that OWF participation and cash assistance amounts have declined drastically. However, individuals receiving cash assistance have a 16-percent chance of being on OWF after a two-year period, and they are more likely to be work experience participants. Income rises, but not uniformly across the population. Individuals with small earnings when they are receiving welfare see larger earnings during the following two years, while growth among those with larger incomes is small. Family and child well-being, however, remains constant.

Although changes in earnings and assistance levels are generally similar to those in the rest of the state, among the 10 counties, we find that Franklin and Licking have large increases in earnings as well as smaller decreases in cash assistance. We find the opposite pattern in Scioto. It should be pointed out that Scioto is one of the counties we have identified as aggressively transitioning individuals off OWF, while Franklin is one of the counties that actually saw increases in caseloads. Overall, however, employment income outcomes were determined by individual characteristics more than by county-level characteristics.

APPENDIX A

Glossary of Work Activities Terms²³

The following work activities are identified as approved work activities under federal and state law. They are defined as follows:

Employment: Work where an individual receives compensation for services performed, including activities that the county welfare agency deems to be legitimately entrepreneurial (e.g., micro-enterprise self-employment programs).

Work Experience: A program in which individuals work without pay at a job site in a public, private non-profit, or private for-profit organization to gain work experience and training. It may include activities to help participants become familiar with workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the labor market; specific hands-on training; child care in which a participant provides child care for a child who belongs to another AG; or activities wherein an OWF participant responsible for a minor child enrolled in elementary or secondary education is regularly involved in the minor child's education (if the last of these, the person must attend academic home enrichment classes that provide instruction in creating a home environment to prepare and enable children to learn at school and must participate in a work assignment at the school the child attends).

Subsidized Employment: Individuals work for pay at job sites in public, private non-profit, or private for-profit organizations to gain specific occupational training. In return for hiring the individual, a subsidy is provided to the employer for a specified period of time.

On-the-Job Training: A program that combines classroom instruction and paid or unpaid work experience to improve an individual's skills to help that person obtain, retain, or improve employment.

Job Search and Job Readiness Activities: These programs help individuals acquire the life skills used to obtain, retain, or improve employment and other activities to seek and secure employment (as directed and approved by the county welfare agency).

Vocational Education: A program of education and training with a goal of enabling individuals to obtain employment. Vocational education includes college, technical, vocational, or other course work leading toward a degree, certificate, or license. Study time may be included in this activity.

Job Skills Training: A program designed to increase individuals' employability potential. It may include college, technical, vocational, or other course work, or activities ensuring that participants become familiar with workplace expectations and exhibit the work behavior and attitudes necessary to compete successfully in the labor market. Various types of structured programs qualify, such as rehabilitation services, counseling, personal development, and pre-employment classes. Study time may be included as part of this activity.

²³ These descriptions were extracted from Ohio's TANF IV-A Plan covering the period October 2002 to July 2003.

Education Related to Employment: This is any educational program provided to individuals who do not have a high school diploma or General Equivalency Diploma (GED). Study time may be included as part of this activity.

Basic Education: These are services in a program provided to individuals who do not have basic literacy skills, regardless of whether they have a high school diploma or equivalent. Basic education may include high school equivalency, adult basic, and literacy education. Study time may be included as part of this activity.

Developmental Activities

Developmental activities are a special feature of OWF. For many AGs, they supplement the federal work activities and are performed after the amount of hours needed to satisfy TANF's work participation requirements has been met. For other AGs, such as single parents with children under age one who are exempt from the federal work requirement, developmental activities are the primary work assignment. Developmental activities may be the same as, similar to, or different from federal work activities and alternative work activities (discussed below) and may be any type of activity that moves the family toward self-sufficiency. Examples include basic education, mental health counseling, and vocational rehabilitation services.

Alternative Work Activities

In cases where traditional work activities are unsuitable and individuals are unable to fully participate in federal work activities, individuals are placed in alternative work activities appropriate to their specific circumstances and needs. Alternative work assignments may include parenting classes and life-skills training; certified alcohol or drug addiction programs; finding a home (for a homeless AG); active work in an individual written rehabilitation plan with the Rehabilitation Services Commission (for a minor head of household or an adult with a disability); and residing in a domestic violence shelter, receiving counseling or treatment related to domestic violence, or participating in criminal justice proceedings against a domestic violence offender (for victims of domestic violence). Like developmental activities, alternative work activities may be any activity that moves the family toward self-sufficiency. No more than 20 percent of adults and minor heads of households participating in OWF may be assigned to alternative work activities.