

**Moving Toward a Vision of Family Independence:
Local Managers' Views of Michigan's Welfare Reforms**

**Kristin S. Seefeldt
Jodi Sandfort
Sandra K. Danziger**

February, 1998

This project is supported by grants from the Joyce Foundation and the University of Michigan's Presidential Initiatives Fund. Any opinions expressed are those of the authors and not of the sponsoring agencies.

TABLE OF CONTENTS

ACKNOWLEDGMENTS

EXECUTIVE SUMMARY	i
SECTION I: INTRODUCTION	1
Policy and Administrative Context	1
Study Design and Research Methodology	8
SECTION II: THE STRUCTURE OF MICHIGAN’S WELFARE SYSTEM	11
The Family Independence Agency.....	12
The Michigan Jobs Commission.....	13
Work First Providers	14
SECTION III: LOCAL SERVICE DELIVERY PROCESS	19
FIA Service Delivery.....	19
Referrals to Work First	22
Work First Assistance.....	24
Job Search Preparation.....	29
Job Search.....	31
After Job Search.....	35
Contractors Providing Other Program Activities.....	37
What Explains Service Variation?	39
SECTION IV: MANAGERS’ VIEW OF WELFARE REFORM AND IMPLEMENTATION ISSUES	44
Support for Reform Initiatives.....	45
Limitations of the Work First Model.....	49
Barriers to Implementing Case Management and Resolving Client Barriers.....	56
Implementing Sanctions	61
Barriers to Interagency Collaboration.....	64
SECTION V: SUMMARY OF MAJOR FINDINGS, POTENTIAL “BEST PRACTICES,” AND QUESTIONS FOR FURTHER RESEARCH	69
Organization of Services.....	69
Variation in Service Delivery.....	70
Views on Implementation and Reforms	73
CITATIONS	78
APPENDIX A: Work First Contractual Arrangements	
APPENDIX B: County Changes in AFDC/FIP Caseload and Cases Reporting Earned	

	Income from Sept. 1992 to Oct. 1996	
APPENDIX C:	Research Methods	
APPENDIX D:	Additional Descriptive Information on Work First Providers, Based on Organizational Auspice	

LIST OF FIGURES

FIGURE 1:	Michigan’s Welfare System	5
FIGURE 2:	Referral of Clients to Work First Providers.....	23
FIGURE 3:	Type and Timing of Job Preparation and Job Search Activities	26
FIGURE 4:	Typical Service Delivery in Urban v. Rural Areas.....	28

LIST OF TABLES

TABLE 1:	Work First Providers by Organizational Auspices	15
TABLE 2:	Types of Other Programs Offered by Work First Providers	16
TABLE 3:	Job Search Assistance in Work First Programs.....	33
TABLE 4:	Levels of Job Search Assistance.....	34
TABLE 5:	Options for Clients Unable to Find Jobs	36
TABLE 6:	Strengths of Work First Approach	46
TABLE 7:	Advantages of the Case Management Approach (FIS)	48
TABLE 8:	Reasons Why Sanctions Motivate Client Participation.....	49
TABLE 9:	Limitations of the Work First Model.....	51
TABLE 10:	Characteristics of “Hard-to-Serve” Clients	54
TABLE 11:	Barriers to Implementing Case Management (FIS).....	58
TABLE 12:	Reported Types of Collaboration	67

Acknowledgments

The authors wish to thank a number of individuals who helped make this report possible:

Julie Gottschalk, John Wilhelmsen, and Bowen McBeath helped conduct the telephone interviews and provided able research assistance. Bowen deserves special note for having conducted a large number of the interviews. Julie provided invaluable assistance in preparing the document. Barbara Ramsey provided secretarial support to the project and helped assemble large mailings.

Charles Overbey and Steve Smucker of Michigan's Family Independence Agency and Robert Pendleton and Janet Howard of the Michigan Jobs Commission gave assistance and were instrumental in many stages of this study. Robert Lovell (formerly of FIA) and Dan Cleary of FIA have also given much of their time and expertise in helping our study move forward.

Sheldon Danziger and Ann Lin of the University of Michigan, Pamela Holcomb of the Urban Institute, Harry Holzer of Michigan State University, and Alan Werner of Abt Associates provided useful and constructive comments on an earlier draft of this report. Kara Mikulich of the Joyce Foundation also commented on the draft and has been a supportive Project Officer throughout the first part of the study. Funding was also provided by the University of Michigan, Office of the Vice-President for Research.

Finally, we thank the managers of the local FIA and Work First offices who so graciously gave their time and were willing to speak openly and candidly to us. We look forward to talking to them again. This report would not be possible without their participation. However, the interpretations of the data are those of the authors alone and not of any supporting agency or institutions.

EXECUTIVE SUMMARY

During the 1996 national debates over welfare reform, Michigan emerged as a state exemplar of substantive welfare reform because of the series of program and policy changes first initiated by the Engler Administration in 1992. Passage of federal welfare reform afforded Michigan the opportunity to enact more reforms, including provisions to: 1) link eligibility for cash assistance with attendance at an orientation to Work First, the state's laborforce attachment program to assist welfare recipients in finding employment; 2) enforce stricter sanctions for failure to participate in Work First; and 3) change the role of welfare office staff from income maintenance workers to case managers.

Because these and other changes to the welfare system ultimately take place at the local level, understanding variations in how they are implemented by local program managers is a critical first step in understanding welfare reform. This study, funded by a grant from the Joyce Foundation to the Michigan Program on Poverty and Social Welfare Policy, explores implementation of Michigan's welfare reform by describing the local organizations involved, the service delivery process, and the issues facing managers. The data were collected during telephone interviews with nearly all local managers responsible for cash assistance and employment programs delivered to welfare recipients.

Following is a summary of the study's major findings:

- **Michigan's welfare system is run by one centralized (FIA) and one de-centralized system (Work First); each has a different organizational structure and background, with FIA offices organized in fairly standard fashion and Work First providers differing in a number of ways:**

Administratively, two sectors of state government operate Michigan's welfare system. The Family Independence Agency administers the state's primary cash assistance program, the Family Independence Program (FIP, formerly the Aid to Families with Dependent Children program), and the Michigan Jobs Commission is responsible for the state's employment program for welfare recipients, Work First. At the local level, eligibility for cash assistance is determined at county or district FIA offices by staff who are state employees. These offices are part of the traditional public welfare bureaucracy.

Local organization of the Work First program, however, is different. Work First is administered through de-centralized Workforce Development Boards, which are staffed by local *Michigan Works!* Agencies (MWAs). During 1996-97, 10 of these MWAs provided Work First services directly through their own staff, while the other 16 contracted out the program to other, primarily private, organizations. Almost half of all clients are served by non-profit agencies, more than a quarter by for-profits, a fifth by school-based providers, and a small number by a state government agency. The vast majority of Work First providers offer other employment-related services and programs in addition to Work First.

- **The coupling of a centralized with a de-centralized system has produced local variation in service delivery. Although a welfare client's experiences with the FIA sector do not vary substantially across the state, the services received through the Work First program vary along a number of dimensions.**

FIA staff are responsible for eligibility determination and monitoring, conciliation, and requests for information. As such, clients have limited contact with FIA staff (although this is expected to expand as the state transitions to a case management model). A client has more day-to-day contact with Work First staff. The majority of the state's caseload were assigned to a Work First contractor based on where they live (or only one contractor served the area). An estimated one-tenth of the welfare caseload received Work First services directly by staff from one of nine MWAs. The remaining quarter of the caseload either received different program components from different contractors, received services from both MWA staff and a Work First contractor, chose or was randomly assigned to one of several Work First providers.

Throughout the state, variation in the sequencing and type of services provided can affect client experiences in Work First. For example, a client may not be required to test the labor market until completing some classroom training on job search-related techniques, or she may have to start her job search almost immediately. Additionally, the topics covered during job search preparation classes and the types of job search tools and approaches utilized vary across the local programs. The most common classroom training topics include instruction in resume preparation, job application completion, and interviewing and letter writing techniques. In some localities, these sessions also cover workplace behavior or focus on enhancing self esteem. With respect to job search, about half of the programs have a dedicated job developer on staff, and about one fifth bring employers on site to the program. Self-directed job search or group techniques to share job search information are also utilized in some programs.

A few programs have Work First contracts to provide specialized services. Some offer vocational training and work experience, primarily to clients who are unable to find work within a specified timeframe. Others coordinate provision of support services, a third group are contracted to work with particular subgroups of clients, such as teens or pregnant women.

Although one might expect that economic conditions in a county could affect the structure of Work First programs, local unemployment rates are not related to this variation. Programs in the most economically-distressed counties are equally likely to require immediate job search as they are to provide job search preparation training, whereas in counties with the lowest unemployment rates, most programs provide structured assistance in job preparation and job search.

- **Michigan, like other states, primarily uses three vehicles-- Work First, sanctions, and a case management approach-- for moving welfare recipients into employment and conveying the message of personal responsibility. There is consensus that quick entry into the labor market can be beneficial, that case management can constructively improve services to clients, and that sanctions can clarify the new message. However, managers also note potential limitations of these policies to move clients to self-sufficiency as well as barriers to implementing each mechanism.**

The majority of local managers generally approve of the state's approach to welfare reform. Many, however, also see limitations of these reforms. For example, some managers are skeptical that just getting a job will enable clients to acquire greater skills and opportunities to move up the employment ladder. Work First may need to offer more education and training services to clients to prepare clients for better jobs and/or spend more time working with clients, especially those with significant barriers to employment. Managers identify client barriers ranging from substance abuse, health or mental health problems, child care and transportation problems as characteristics of clients who are hardest to serve. While drug, alcohol and health problems may exempt a client from participation in Work First, day care and transportation problems are barriers which programs have resources to resolve. However, managers note that solutions to day care-related problems go beyond just increasing its affordability or supply. Lack of availability for second or third shift jobs and resistance among mothers who would need multiple arrangements are harder to solve problems. Similarly, the limitations in public transportation services across broad geographic regions constrains the options of clients who live far from where jobs are located.

The state's new case management position, the Family Independence Specialist (FIS) was designed to help remove some client barriers to self-sufficiency. However, FIA managers note some potential implementation problems including: heavy paperwork burdens which could limit the amount of time FIS can devote to performing the interactive part of the case management job; training staff to do eligibility and process paperwork for programs about which they currently have little knowledge; and training staff to interact with clients in a new, more holistic manner.

The majority of managers in both sectors believe that sanctions are an appropriate tool to increase compliance with work requirements. About one in four Work First managers believe that the process used to impose sanctions is not strict enough, and clients are allowed to "beat the system." One in three managers agree that sanctions are necessary but express concerns that they be applied correctly and fairly.

Because Michigan's welfare system is comprised of two sectors, the way the two sectors work together at the local level may affect implementation case management: the FIS may be able to better serve clients if Work First providers pass on relevant information (and vice-versa). Additionally, enforcing program compliance and ensuring program fairness depends in part upon the degree of collaboration between local FIA and Work First providers. Local managers are aware of obstacles they must overcome to effectively collaborate and communicate with their partner agency. They note their different structures, contradictory policies and administrative and organizational histories as impediments

to closer ties between FIA and Work First. About three-tenths of Work First providers report that their organization does not communicate with their partner (FIA).

- **The charge to provide effective services and implement new policies not only raises concerns among managers, but also pushes many to develop innovative practices which other service providers may find useful. The potential of these and other practices to facilitate welfare reform, as well as other issues which emerge from this report, will continue to be explored in the next round of data collection.**

Managers offer a number of potential “best practices” to link Work First more closely with local employers, overcome child care and transportation barriers, and smooth the transition to a case management model. The next round of data collection will attempt to gather more of this type of information, so that others can learn from the experience of Michigan’s managers. Service delivery variation and implementation processes will continued to be monitored. Empirical analyses will be conducted to test the effect of programmatic and organizational variation on employment outcomes to determine if certain service delivery processes, practices, or organizations are associated with higher rates of employment for welfare recipients.

SECTION I: INTRODUCTION

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 transforms the provision of welfare and welfare-to-work programs by devolving more responsibility to the states and instituting time limited cash assistance.¹ Michigan has emerged as an exemplar of welfare reform because of the Governor's national role in the debate and early state action in overhauling the welfare system. Before the passage of federal law, Michigan had already revamped its welfare system, and many of the changes closely conformed to those required under PRWORA. This facilitated Michigan's ability to be one of the first states to submit and receive approval for implementation of the new federal block grant, the Temporary Assistance for Needy Families (TANF) program.

This report details how welfare reform was being implemented at the county level in Michigan during late 1996 and early 1997. First, this section gives a brief overview of the state's key policy and administrative changes as well a summary of the research methods used for this study.

Policy and Administrative Context

Michigan's early implementation of the 1996 federal legislation was possible in large part because it was able to build upon a series of previous welfare reforms. Since the early 1990s, the state has implemented a series of reforms with the stated intent of "strengthening Michigan's families" and encouraging "family independence."

¹ See the following for summary of the key provisions of this legislation: Blank (1996); Center for Law and Social Policy (1996); U.S. Department of Health and Human Services (1996).

Early Reforms

Governor Engler in 1991 proposed and the state legislature passed the elimination of the state's general assistance program for poor, able-bodied adults.² In 1992, the administration issued a reform plan, entitled *To Strengthen Michigan's Families* (TSMF), and requested (and received) a number of waivers from federal policies.³ The administration expanded these proposals with TSMF 1994 and TSMF 1996⁴. *To Strengthen Michigan Families* was the foundation for many changes in the state's social policies. The initial TSMF consisted of 21 program directions covering a range of issues -- from employment and training to family preservation, children's health care to family planning.

A number of TSMF reforms changed work incentives in the welfare system by disregarding larger amounts of earned income when determining eligibility for cash assistance and by eliminating restrictions on the amount certain families could work. TSMF also introduced the "social contract," a written agreement between public assistance recipients and the state which required 20 hours a week of productive activity in exchange for cash assistance.

Work First: A New Direction

In October 1994, the Engler Administration implemented a new welfare-to-work program, Work First, based on a labor force attachment model that assumes that finding a job and developing work skills through direct experience--- rather than participating in education and training--- will move recipients off the rolls. This report documents wide latitude in how local Work First providers implement this labor force attachment model. Most emphasize activities designed to assist recipients in finding unsubsidized employment. This approach is a significant departure from the state's prior welfare-to-

² For an analysis of the impact of the GA termination see Danziger and Kossoudji (1995).

³These policies were evaluated by Abt Associates in an experimental design study in four counties (Werner and Kornfeld, 1997).

work program which focused on increasing recipients' education and training levels before requiring employment.⁵ Initially, only 1) new applicants, 2) those not complying with their Social Contract requirements, and 3) two parent cases were required to participate in Work First. However, starting October 1, 1996, nearly all cash assistance clients are required to participate in this program. Single-parents must complete twenty hours a week of job search activities under the supervision of a local Work First provider if they are unable to secure employment through their own efforts.⁶ Recent administrative reports indicate that thirty-nine percent of Work First participants throughout the state find employment and seventeen percent retain their jobs 90 days later.⁷

New Organizational Arrangements

Not only did implementation of the Work First program reflect a change in emphasis from education and training to job placement, it also introduced a new organizational arrangement within the welfare system. Until Work First, the state's public welfare agency, the Family Independence Agency (FIA),⁸ administered all welfare-to-work programs through local contracts with not-for-profit and public agencies. In 1994, Governor Engler shifted this responsibility to a newly created, cabinet-level agency, the Michigan Jobs Commission which is charged with improving the state's business climate through a range of initiatives, including workforce development. Administration of workforce

⁴ Michigan Department of Social Services (1994 and 1995a).

⁵ Work First did not require a federal waiver, since this program operated as part of Michigan's JOBS program, called the Michigan Opportunities and Skills Training (MOST) program. Since it was part of MOST, a client's Social Contract obligation could be met through participation in Work First or in another approved activity. With the implementation of block grants, though, the MOST program has been phased out, and virtually all clients must participate in Work First.

⁶ Federal law requires that in two parent families, one parent attends the program or works 35 hours each week, while the other attends or works 20 hours a week.

⁷ The data are from the Michigan Jobs Commission and cover program operations from October 1 1996 to July 31st 1997(reflecting the time period of data collection). However, this proportion does not reflect clients who were mandatory participants in the program but did not attend; it also may double count clients participating in the program more than once a year. The Family Independence Agency publishes different Work First participation data.

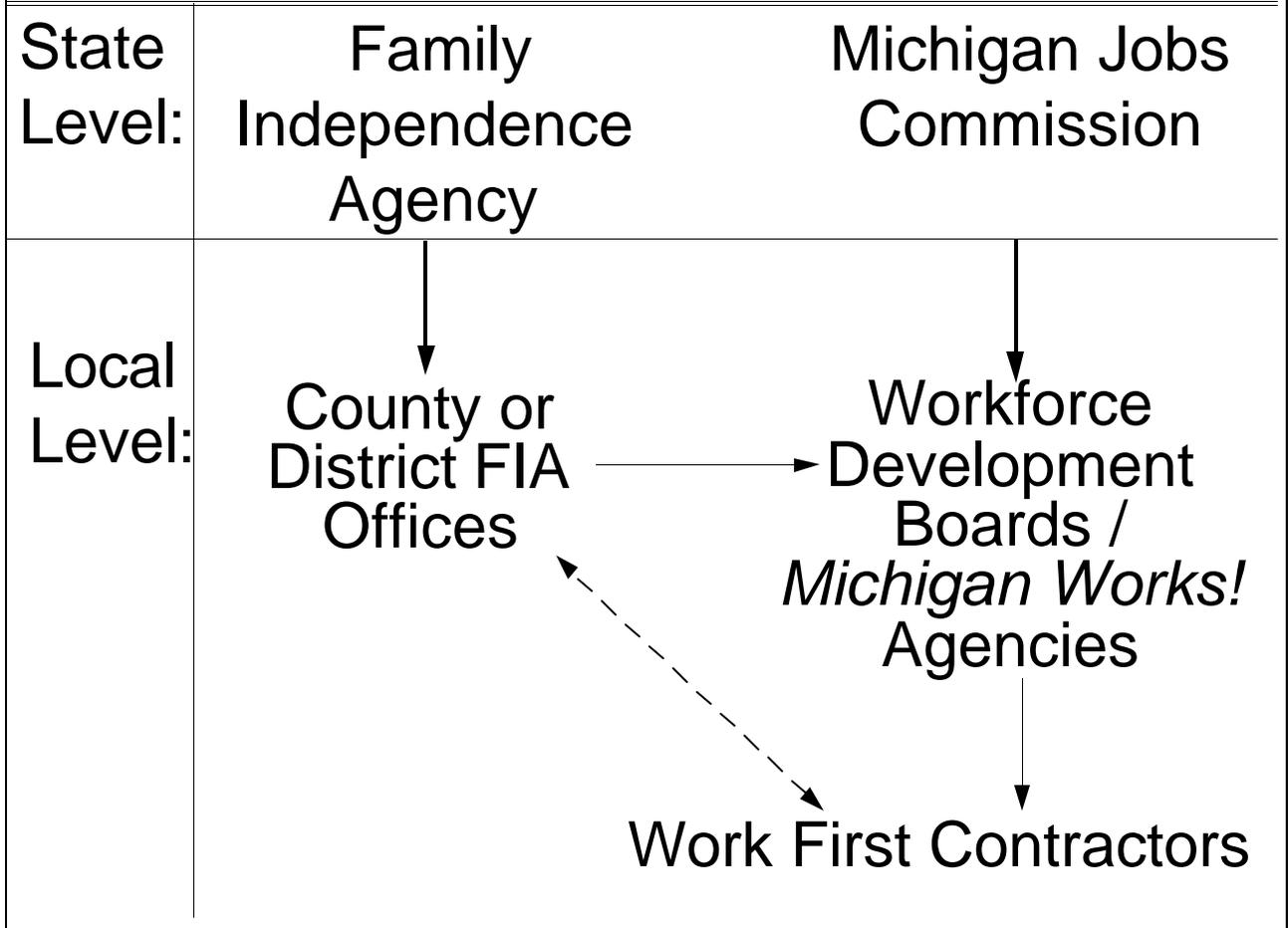
⁸ Until March 1996, its name was the Michigan Department of Social Services.

development programs, including Work First, is left to the authority of 26 Workforce Development Boards that allocate resources on a local level. The staff of these boards are found in local *Michigan Works!* agencies (MWAs) -- an assortment of not-for-profit agencies, city and county governments, and public consortiums.⁹ (See Appendix A for details about these local administrative entities).

Since 1994, this decentralized workforce development system and the FIA have joint responsibility for welfare programs. Figure 1 illustrates the mandated lines of collaboration. As the dotted line illustrates, the daily coordination between the local organizations that provide services to clients is left to the initiative of individual FIA and Work First managers. The Family Independence Agency determines and monitors eligibility for public assistance programs, refers clients to Work First, assesses clients' reasons for not attending the program, and imposes sanctions for non-compliance. Work First agencies provide job search assistance and monitor clients' employment status for 90 days.

⁹ The MWAs are an outgrowth of the agencies that formerly served as local Private Industry Councils which administered the federal JTPA program. As MWAs, their purview includes, but extends beyond the JTPA program to cover a variety of employment and training initiatives. However, the geographic boundaries marking the areas served by the MWAs are those designated by federal JTPA program regulations.

**Figure 1:
Michigan's Welfare System**



Other Important Policy Changes

Michigan has experienced significant policy and administrative changes in the last few years.

Some highlights of policy changes since October 1996 include:

- The federal entitlement Aid to Families with Dependent Children (AFDC) program was changed to the block-granted Family Independence Program (FIP);
- Attendance at an orientation to the Work First program is now a condition of eligibility for cash welfare benefits;
- Minor parents are required to live in approved adult- supervised settings and attend school as conditions of eligibility;
- Mothers with newborn children are excused from Work First only if children are less than 12 weeks of age (the previous exemption extended until the child's first birthday);
- Day care is no longer treated as an expense of employment, but a (capped) subsidy is paid directly to the provider or client;
- Clients working for three consecutive months receive "cashed out" Food Stamp benefits;
- The federal Food Stamp time limit for able-bodied unemployed adults (3 months) was implemented.

Michigan also has strengthened sanction policies for clients who cannot find at least part-time employment and who are unwilling to attend the Work First program. If clients cannot demonstrate good cause for noncompliance, their grant is reduced by 25 percent. Initially, clients' cases closed completely if they did not cooperate with the state for a full year. In April 1997, this period was shortened, so case closure results after 4 months of non-compliance. In addition, new applicants are not eligible for assistance beyond 60 days if they fail to cooperate.

Unlike many states, Michigan has not instituted any state time-limit for the receipt of cash assistance.¹⁰ Although the 1996 federal legislation prohibits federal funds from being utilized for families for more than 60 months, state officials have indicated that the state will use state funds to provide assistance for families who reach the federal time limit (these cases will begin to appear October 2001). However, no specific programs exist for assisting such clients.

Notable alterations have also been made in administrative practices. In July 1996, the Governor instituted “Project Zero,” a pilot program in six counties to provide additional child care and transportation resources in an attempt to reduce the number of welfare cases without earnings to zero.¹¹ Also, the client application form, previously 30 pages, was reduced to six pages. Most significantly, FIA restructured its work force. In April 1997, many income maintenance and JOBS workers, who determined eligibility, provided supportive services, and maintained cases for assistance programs, were reclassified as “Family Independence Specialists” (FIS). Instead of focusing on eligibility determination and income verification, these front-line workers are now expected to work more holistically with families, to identify barriers to employment and provide supportive services. FIS is charged with the “development, implementation and monitoring of a services plan to promote independence and self sufficiency” through the application of case management techniques.¹² Non-family cases (such as Food Stamp-only, Medicaid or Supplemental Security Income cases) are now handled by Eligibility Specialists who carry out more routine, income maintenance tasks. Simultaneously, an early retirement initiative to reduce the number of all state employees dramatically affected the Family Independence Agency. About ten percent of its work force -- including many local managers and state-level administrators -- retired during the early summer of 1997 (after the interviews for this study were conducted).

¹⁰ According to plans submitted to U.S. Department of Health and Human Services, 20 states have instituted time-limits for cash assistance shorter than 60 months (5 years). (National Governors Association, Center for Best Practices, 1997).

¹¹ For more details about the services provided and the implementation processes in these counties see Seefeldt, Sandfort, and Danziger (1997).

¹² These details are taken from a description of the FIP philosophy included in the FIA Program Eligibility Manual. This took effect in April 1997 when FIS was implemented.

These policy and administrative reform efforts have coincided with significant changes and reductions in the welfare caseload. In September 1992, before TSMF began, 15.7 percent of the caseload reported earnings in any month; by early 1994, this proportion increased to 24 percent; by October 1995 through the present, to nearly 30 percent. In addition, the cash assistance caseload fell by 22 percent between September 1992 to October 1996, with reductions continuing in the past year (1996 - 1997). (See Appendix B for county by county breakdowns).

Most program and policy changes are mandated by federal and state law. They are administered, however, at the local level. This report focuses on how that process has occurred in the two sectors -- the Family Independence Agency and the *Michigan Works!* Agencies.

Study Design and Research Methods

This study, supported by the Joyce Foundation, explores how shifting legislative priorities, policy innovations, administrative alterations, and caseload reductions are being implemented and how they are shaping the delivery of services to low-income families. To that end, this report has three primary objectives:

- To describe the local organizations, service delivery context, and services being provided;
- To examine the roles of local office managers in the implementation process; and
- To identify factors that might promote or inhibit successful implementation of welfare reform.

This approach to assessing welfare reform implementation has a number of unique strengths. For one, it describes local program organization throughout the state as opposed to focusing on a few sites within a state, typically chosen because of the characteristics of clients, local economies, or

particular policy innovations.¹³ The data in this report were gathered through interviews with the entire *population* of local managers responsible for the implementation of both cash assistance and Work First programs.

Second, this examination evolved from an ethnographic study of welfare and Work First programs in two counties conducted under the auspices of the University of Michigan Program on Poverty and Social Welfare Policy.¹⁴ Two questions emerged that guided the current study: How do the services being provided to welfare recipients vary throughout the state? What do local managers consider to be the key issues for translating policy into practice, that is in implementing state policy directives at the front-lines?

This study does have some limitations. It relies on descriptions and assessments of individuals who in some cases are far removed from interaction with clients. Additionally, the data represent managers' descriptions, rather than researcher observations, of program operations. Nevertheless, we can learn much about how welfare policy is implemented by examining the viewpoints of local managers, since they provide the leadership within local offices. And, policy implementation theories assume that one condition of effective implementation is management skill and commitment to the policy's objectives.¹⁵

This report presents information from the first of two waves of telephone interviews with the managers of local welfare and welfare-to-work programs. In total, 98 FIA managers who oversee all

¹³ For example, under Section 1115 of the Social Security Act, states could apply for waivers from federal program regulations to conduct experiments with the AFDC programs. As part of that process, states were required to conduct independent evaluations. In general, these evaluations were based on examinations of implementation and impacts noted in selected areas of the state, either because a full state evaluation was too costly, or because the reforms were not implemented statewide.

¹⁴ Sandfort (1997).

¹⁵ For example, see Rosenthal (1989); Sabatier and Mazmanian (1979).

117 county or district welfare offices were interviewed, for a response rate of 100 percent. These interviews, conducted between October 1996 and January 1997, reflect conditions in the offices during that period. At this time, Michigan had just started to implement its TANF plans. Interviews with 106 managers of Work First programs, 93 percent of the identified providers, were conducted from January to June 1997. In addition, modified interviews were done throughout the study period with 85 percent of the 26 *Michigan Works!* Agencies to glean information about contracting procedures and service delivery arrangements (See Appendix C for more details on the research methodology).

A variety of topics were discussed with local FIA and Work First managers, including:

- Organizational conditions (such as staffing levels, training requirements, contracting details);
- Service technology (descriptions of services provided to clients and changes made in these services);
- Interagency collaboration (frequency and nature of interagency collaboration and types of state involved in collaborative efforts);
- Clients and economic conditions (descriptions of local characteristics of hard-to-serve clients and of demand for low-skilled labor);
- Welfare reform initiatives (opinions of initiatives and local implementation plans); and
- Management practices (internal and external efforts for managing local organizations).

This report both describes Michigan's welfare system across the localities and explores the role that local managers play in program implementation:

Section II describes the structure of the welfare system, providing more details about the Family Independence Agency and the *Michigan Works!* system;

Section III describes how programs and services are delivered to welfare recipients by the Family Independence Agency and the diverse Work First providers;

Section IV describes how managers view the state's efforts to move toward the vision of "family independence" and highlights potential implementation issues associated with the Work First approach to welfare-to-work programs, a new case management position to assist families in making the transition to work, and the imposition of sanctions on clients unable or unwilling to comply with new program requirements;

Section V summarizes the findings, identifies innovative local practices to facilitate implementation, and details the future questions to be explored by this study.

A subsequent report, expected in late 1998, will provide additional information on these issues, explore how welfare reforms have altered the system, and further analyze the roles of local managers.

SECTION II: THE STRUCTURE OF MICHIGAN'S WELFARE SYSTEM

The implementation of welfare programs in Michigan depends upon the collaboration of two diverse sectors. One, the Family Independence Agency, is the state's centralized social service organization; the other, the Michigan Jobs Commission, is a recently formed, de-centralized workforce development agency.

As the state's social service organization, the Family Independence Agency administers the welfare program as well as child welfare programs (protective services, family preservation, foster care, delinquency services, adoption programs), adult service programs (independent living, community placement, HIV/AIDS services), and programs for special populations (migrants, Native Americans, refugee, teen parents, homeless youth).¹⁶ The Michigan Jobs Commission is the state's economic development organization charged with improving the state's business climate.¹⁷ To that end, it administers economic development initiatives, the Michigan Employment Security Agency, the state's travel bureau, and a collection of workforce development programs. In addition to Work First, the job training and retraining programs under the purview of the Jobs Commission include services for parolees, displaced homemakers, youth, dislocated workers, the blind, and the physically disabled. In the daily delivery of welfare services at the local level, the two sectors operate together to determine the scope of the programs delivered to low-income families.

¹⁶Many of these services are provided to localities through contracts with private human service organizations.

¹⁷In 1993, Governor Engler formed the MJC by moving 35 programs from 8 agencies into this new agency.

The Family Independence Agency

The Family Independence Agency is a large, state-wide agency with a hierarchical structure that -- in large counties -- has as many as seven levels of administrators separating a front-line worker from the Agency's Director. Depending upon the county size, programs are provided either at one county office or at multiple district offices. Wayne County (Detroit), for example, has approximately 30 district offices. In rural or sparsely populated areas, one manager may oversee two or three county offices.

Within local offices, both income maintenance and JOBS workers are responsible for service delivery,¹⁸ although both functions are currently being consolidated in the new Family Independence Specialist (FIS) position. Until April 1997, most offices had "intake" income maintenance workers who conducted initial interviews with clients and determined eligibility. Once a case was opened, it was passed to an "ongoing" worker who maintained the case by responding to emergencies and conducting annual redetermination interviews to verify eligibility. JOBS workers monitored clients in secondary and post-secondary education programs, processed applications for day care subsidies and conducted conciliation visits for clients who refused to attend the Work First program. The number of staff in these positions vary throughout the state, since staffing ratios are based in part on caseload ratios. For example, in 1996 Wayne County (Detroit) district offices averaged about 60 income maintenance and JOBS workers combined while counties in the northern part of the state averaged about 11 per county office.

¹⁸ In Michigan, income maintenance workers were called "Assistance Payments" and the former JOBS program workers were called "MOST" workers.

The Michigan Jobs Commission

The Michigan Jobs Commission administers Work First through a decentralized, quasi-governmental structure called the *Michigan Works!* system. This system is an example of a “reinvented,” “re-engineered” government sector.¹⁹ For Work First, the Jobs Commission develops policy guidelines, monitors service provision, and generates reporting requirements. Localities, however, have considerable authority in defining the scope of the programs. Twenty-six *Michigan Works!* Agencies (MWAs) act as fiduciaries for public employment and training funds. Each MWA is accountable to a local Workforce Development Board, consisting of private sector, community and public leaders. The composition of each board is approved by the Governor to ensure that local business leaders are adequately represented; private sector representatives are given priority in determining the Board’s directions. The Jobs Commission is not required to directly interact with the organizations operating Work First but, instead, monitors the number of clients enrolled in Work First and placed into employment within each local MWA.

State policy requires that all *Michigan Works!* Agencies contract out Work First and other programs to non- or for-profit private agencies by October 1, 1997. During 1996-97, though, 10 of the 26 MWAs provided services through the efforts of their own staff. The other sixteen MWAs contracted out services. The details of these contracts vary; some MWAs reimburse contractors on an actual cost basis while others tie payment to an organizations’ “performance” (how many clients are

¹⁹ Osborne and Gaebler (1992).

placed into employment and retained for 90 days).²⁰ (See Appendix A for more details regarding the variation in the administration of Work First).

Work First Providers

In this decentralized system, the types of organizations providing Work First programs vary greatly. For one, the organizational auspices differ. Although Work First is operated primarily by private organizations, the private for-profit sector does not dominate. As noted in Table 1, only thirteen percent of Work First operators are for-profit organizations.²¹ However, many for-profit Work First providers are located in areas with large caseloads (e.g., Detroit), and in total, these organizations serve more than a quarter of the state's caseload.

More often, not-for-profit agencies and schools are Work First providers. Forty-four percent of Work First operators are not-for-profit organizations, including Goodwill, the Salvation Army, sheltered workshops, community-based organizations and job training organizations; forty percent are schools, including Intermediate School Districts (ISD), community colleges, and public universities. Although a nearly equal number of non-profits and schools are Work First providers, the non-profits serve a much larger share of the caseload (an estimated 46 percent compared to 22 percent). Only three Work First operators are public agencies which provide federally funded Wagner-Peyser employment services (i.e., labor market information and labor exchange services), and these operators serve only a very small share of the overall caseload.

²⁰Only two MWAs exclusively reimburse contractors according to the numbers of clients placed into jobs. Additional details about contracting practices will be included in the second report of this study.

²¹Several of these firms are nationally-based and / or operate programs in various locations throughout the state. Others are small, privately-owned businesses.

**Table 1:
Work First Providers by Organizational Auspices**

Type of Organization	Work First Providers (n=106)	Number of Providers (n=106)	Estimated % of FIA Caseload Served by Organization Type*
Non-Profit	44%	47	46%
School	40%	42	22%
For-Profit	13%	14	28%
Government Agency	3%	3	5%

Percentages may not add to 100 due to rounding.

* This is only an approximation, since more than one Work First provider may serve an FIA office.

Second, the various organizations that deliver Work First provide a wide range of other programs and services. As reflected in Table 2, most (70 percent) primarily operate other employment or job-related skills and training programs, and most of the FIP caseload (an estimated 71 percent) is served by these organizations. Their other services range from job placement initiatives to short-term occupation-specific training. Thirteen of these organizations run “sheltered workshops” which give developmentally delayed or disabled adults work experience in fields such as light manufacturing. Only four organizations run the Work First program exclusively and therefore depend entirely on these funds.

Only sixteen percent of Work First operators run primarily education-focused programs, such as GED preparation, adult education, alternative high school, or early childhood education programs.

Although they may also run other employment training programs, their main focus is

**Table 2:
Types of Other Programs Offered by Work First Providers**

Type of Program	Work First Providers (n=104)	Estimated % of FIA Caseload Served by Program Type*
Employment	70%	71%
Education	16%	11%
Social Service	10%	13%
Multi-Service	5%	5%

Percentages may not add to 100 due to rounding.

* This is only an approximation, since more than one Work First provider may serve an FIA office.

education, not job placement. About eleven percent of the welfare caseload is served by these educationally-focused programs. Another ten percent of Work First providers mainly offer various social services. Some of these are emergency services, such as food pantries and assistance to the homeless. Several others run health care clinics or provide substance abuse treatment. For these types of organizations, Work First may serve a similar clientele to other programs offered by the organization, but Work First is fairly different in its goals and services. Social services-focused providers serve approximately 13 percent of the caseload. Finally, a small group (5 percent) of agencies serving a small share of the caseload (about 5 percent) are “multi-service” programs spanning the three types of services described above, with no exclusive focus. For example, one program, in addition to running Work First, offers vocational training, runs a child care program, and holds special education classes.

Employment-focused programs are run by all auspices of the organizations (non-profits, for-profits, government agencies, and schools); those providing mainly social services or multi-services are

typically non-profits.²² Not surprisingly, schools operate the predominantly educationally-focused services.

One similarity among Work First providers is that they have roughly equal numbers of front-line staff working with the program. Work First providers in Wayne County have an average of eight staff providing services, while providers in the north average 11. However, Wayne County providers serve only a portion of the County's caseload, whereas providers in the north are responsible for multiple county areas.²³

Each local organization defines the scope of its own Work First program. As will be discussed in Section III, different approaches are utilized throughout the state. In some cases, the other services being offered by the organization may influence how Work First is delivered. In interviews, managers were asked how Work First compares with their other programs. Sixty-one percent believe there are some similarities, including program goals and the types of clients served. However, sixty percent also articulate some significant differences between Work First and their other programs. These differences are primarily in the nature of the services, clients, or administrative rules and regulations.

Finally, these organizations differ in the length of time they have operated the Work First program. Of the 106 identified programs, sixty percent have been in operation for the entire three year period that this approach has existed in Michigan. In contrast, only seventeen percent (18 providers) first received their contract during the 1996-1997 program year. Interestingly, ten of these eighteen programs offer services that are not specifically focused on job search (e.g., vocational training, on-the-

²² One multi-service provider is a school.

²³ These staff numbers reflect averages of the number of front-line staff working with Work First, not the number of front-line staff within the organization as a whole. The FIA staff counts reflect averages of the entire income maintenance and JOBS staff, but not all these workers work exclusively with FIP clients. Across the state, the number of front-line staff ranges from 1 to 22 among Work First providers and 2 to 142 among FIA offices.

job training placements). The Work First operators providing more traditional job search assistance -- a combination of job search preparation training and job search -- are more likely to have operated the intervention since its implementation in 1994.

Unlike the centralized Family Independence Agency where local offices have standard organizational structures, Work First is administered regionally or locally by a diverse set of organizations. Although the services provided to clients differ little across local FIA offices, there is wide variation in the services provided by Work First. The next section describes the services that clients receive from both sectors.

SECTION III: LOCAL SERVICE DELIVERY PROCESS

How are services to welfare recipients delivered? This section describes the process by which a single mother applies for public assistance and fulfills her Work First requirement. In order to gather comparable information across the state, managers were asked to give a detailed account of how a hypothetical single mother with limited work experience would experience the two sectors of the local welfare system. In the more centralized FIA sector, this experience is similar across all sites. In the decentralized Work First sector, however, services vary widely. As a result, much of this section describes the service delivery details of local Work First programs, including assignment of clients to the various providers, sequence and content of program activities, assistance provided during job search, and options available to clients who are unable to find employment.

FIA Service Delivery

In Michigan, the FIA has operated as a traditional income maintenance system where staff focused on eligibility determination, verification activities, and distribution of benefits. Although FIA was moving its staff toward a new case management model at the time of data collection, reclassification of staff had not yet occurred throughout most of the state.²⁴ Therefore, the following reflects system operation during the Fall and Winter of 1996.

The hypothetical single mother must proceed through a series of activities in order to be determined eligible for cash assistance in Michigan. When applying for cash benefits,²⁵ she enters one

²⁴ This model was piloted in the Project Zero sites. See Seefeldt, Sandfort, and Danziger (1997) for more details.

²⁵ With passage of federal welfare reform, the former cash assistance program, Aid to Families with Dependent Children (AFDC), ceased to exist. Michigan now operates the Family Independence Program (FIP).

of the 117 county or district FIA offices nearest her residence, fills out an application, and has an intake interview with an FIA staff person. In the majority of offices -- 70 percent -- this interview occurs the same day she walks into the local office. However, in the other 30 percent of offices, she must return one to three days later. In the eligibility interview, the prospective client must provide FIA with a variety of documentation, including birth certificates and social security cards for herself and her children, paperwork that will verify her income and assets, copies of bills, and other requested forms. If this woman does not bring all the verification information to the interview, she will have to submit the materials to the office within an established time frame -- usually ten days. Assuming all materials have been submitted, FIA staff determine whether the woman and her family meet the income eligibility criteria for receiving cash assistance.

However, providing this information and meeting income eligibility standards are not the only criteria she needs to fulfill in order to receive assistance. Since October 1, 1996, this single mother must also attend an orientation to the Work First program, conducted jointly by FIA and Work First staff. In some FIA offices, these orientations are held once a week, in others, once a day or more.²⁶ Attendance at such an orientation session is mandatory. A cash assistance case will not be opened if the applicant does not attend.

Within 45 days of submitting an application, the FIA worker will make a determination of the family's eligibility for assistance. The single mother must continue to participate in Work First, and if she does not attend the program or is otherwise uncooperative, Work First staff refer her case back to FIA. At that time the FIA JOBS worker makes a "conciliation" visit to this client's home to determine the

²⁶ The frequency of orientations changed during the course of our interviews. Offices made adjustments over time to their schedules based on numbers of applicants and clients needing to attend.

reason for non-compliance, attempt to remove any barriers to participation, and bring her back into compliance. If the client continues to be un-cooperative, the FIA can levy a sanction against her case.

For all other income maintenance matters, though, the woman must deal with a different than the one who initially processed her application for assistance. If this client has an emergency, such as a utility shutoff, or a change in circumstances, she may call this “ongoing” worker. However, if such events do not occur, and if this client complies with various requests for information -- monthly income reports if she is working and other periodic verification reports -- she may have very little contact with the agency and not see this worker until a year later when her eligibility for assistance is redetermined.

Throughout the state, then, face-to-face contact between a particular welfare mother and the FIA is fairly limited. This is an important fact to keep in mind, since FIA staff, under the new worker roles discussed in the next section, will be expected to have much more substantive interaction with clients. In Michigan’s movement toward a welfare system that stresses “family independence,” these workers are viewed as essential for promoting this message.

Referrals to Work First

Assuming our hypothetical client complies with program requirements, she has much more day-to-day contact with staff in the Work First system. How she is referred to her Work First program depends upon the procedures of the local FIA office and the arrangement of Work First providers in the area (see Figure 2). An estimated one-tenth of the welfare caseload would receive Work First services directly by staff from one of nine MWAs (referral process 2).²⁷ For the most part, this process occurs in smaller counties. The majority of the state's caseload lives in areas where Work First is contracted out to a private provider. Furthermore, most assignments are based on where the client lives (referral process 1), while in some areas one contractor serves all clients (referral process 5).²⁸

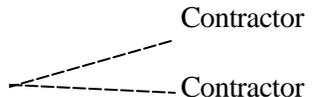
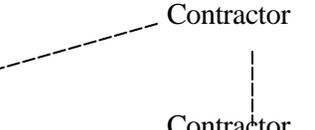
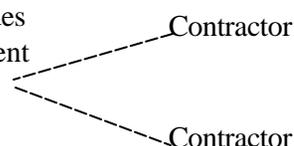
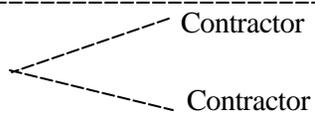
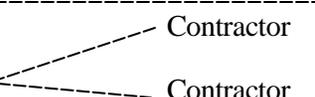
The remaining fifth of the caseload either: i) receives different program components from different contractors-- the client begins with one contractor and then, if she is not able to find a job, moves to another contractor (referral process 3); ii) is assigned to a provider based on where she lives, but Michigan Works Agency staff provide all case management services and coordinate support services (referral process 4); iii) chooses one of the several Work First programs to attend (referral process 6); or iv) is randomly assigned to one of several Work First providers (referral process 7).

In most areas of the state, then, clients cannot choose their provider. In some areas, this is because only one provider serves the area (the local Workforce Development Board may have

²⁷ All caseload figures cited in this chapter reflect calculations based on the number of FIP cases (one and two parent) in October, 1996 as reported in "Assistance Payments Statistics," Family Independence Agency, Data Reporting Unit.

²⁸ The various Work First providers either serve specific zip codes or geographic areas, or, in larger counties, a contractor(s) is matched to a particular FIA district office (and clients are assigned to district offices based on where they live).

Figure 2: Referral of Clients to Work First Providers

The Seven Referral Processes		Estimated % of FIA Caseload Served
1) MWA		Multiple Contractors; Referral Based on Geographic Location 65%
2) MWA		MWA Serves All Clients 10%
3) MWA		Multiple Contractors Offering Different Components; Clients Progress Through Components 6%
4) MWA Provides Case Management		Multiple Contractors; Referral Based on Geographic Location 6%
5) MWA		One Contractor Serves All Clients 5%
6) MWA		Multiple Contractors; Clients Choose Contractor 4%
7) MWA		Multiple Contractors, Clients Randomly Assigned 3%

decided the area only needed one provider, or only one provider was determined to be qualified to provide services). In other areas, assignment is pre-determined by where clients live; the Workforce Development Board may have determined this catchment area approach as the most efficient way to provide services to clients. These differences in how clients are assigned are notable, because the types of services offered to clients varies among the Work First providers.

Work First Assistance

Although “Work First” programs have become increasingly popular among states and localities, this label may describe any number of program designs. At a very general level, a program using a work first approach is one that stresses actual employment as the means to succeed in the labor market as opposed to acquisition of skills through formal education and training programs (a human capital approach). A Work First program might also incorporate job search activities along with participation in education and training courses --- but these courses would tend to be short-term and focused on gaining skills needed for employment (as opposed to obtaining a two-year Associate’s degree).²⁹ However, the federal work participation rates specified in PRWORA limit the number of clients participating in training activities (and the duration of that training) that states can count toward meeting the participation rate. Other regulations in PRWORA defining participation in work activities will most likely lead states to emphasize quick entry into the labor market (or subsidized employment) rather than training.³⁰

²⁹ Brown (1997), p. 2.

³⁰ According to the law, up to, but no more than, 20 percent of the caseload can participate in vocational education and be included in the work participation rate. For the rest of the caseload, allowable activities include at least 20 hours a week (for single parents) of participation in: unsubsidized or subsidized employment, work experience or on-the-job training programs, community service jobs, or job search and job readiness training (for the last two activities,

For the most part, “Work First” in Michigan means participation in job search and job search-related activities. Nevertheless, providers use a variety of strategies to move welfare clients into the labor market. Figure 3 illustrates the type and timing of these strategies. Of the 81 Work First operators offering job search assistance,³¹ all begin by assessing the client’s barriers to employment, most commonly by giving her standardized tests. The majority (53 providers) then place our hypothetical client into a structured classroom component in which a standardized curriculum is used to prepare her for job search (Model A). After completing that training, she is required to job search. The classroom training may last anywhere from two to three days (10 providers), a week (20 providers) or two weeks or more (18 providers).³² Not only do the majority of providers follow this model; most of the FIP caseload (an estimated 70 percent) would be referred to a provider using this model.

Less often, this client will be required to begin searching for work within the first or second day of entering the program, but she will also spend part of her time in a classroom setting. Eleven Work First providers serving approximately 11 percent of the caseload fit this model (Model B). Still another program model places the client into classroom training, but the content and duration of that training depend upon the group’s or individual’s needs. Seven providers (who serve about 9 percent of the caseload) use this model (Model C). Another four providers require immediate job search, but then offer classroom training sessions to individuals unable to find work after a certain period of time (Model E). Finally, six providers require immediate job search by this client and do not provide any upfront or

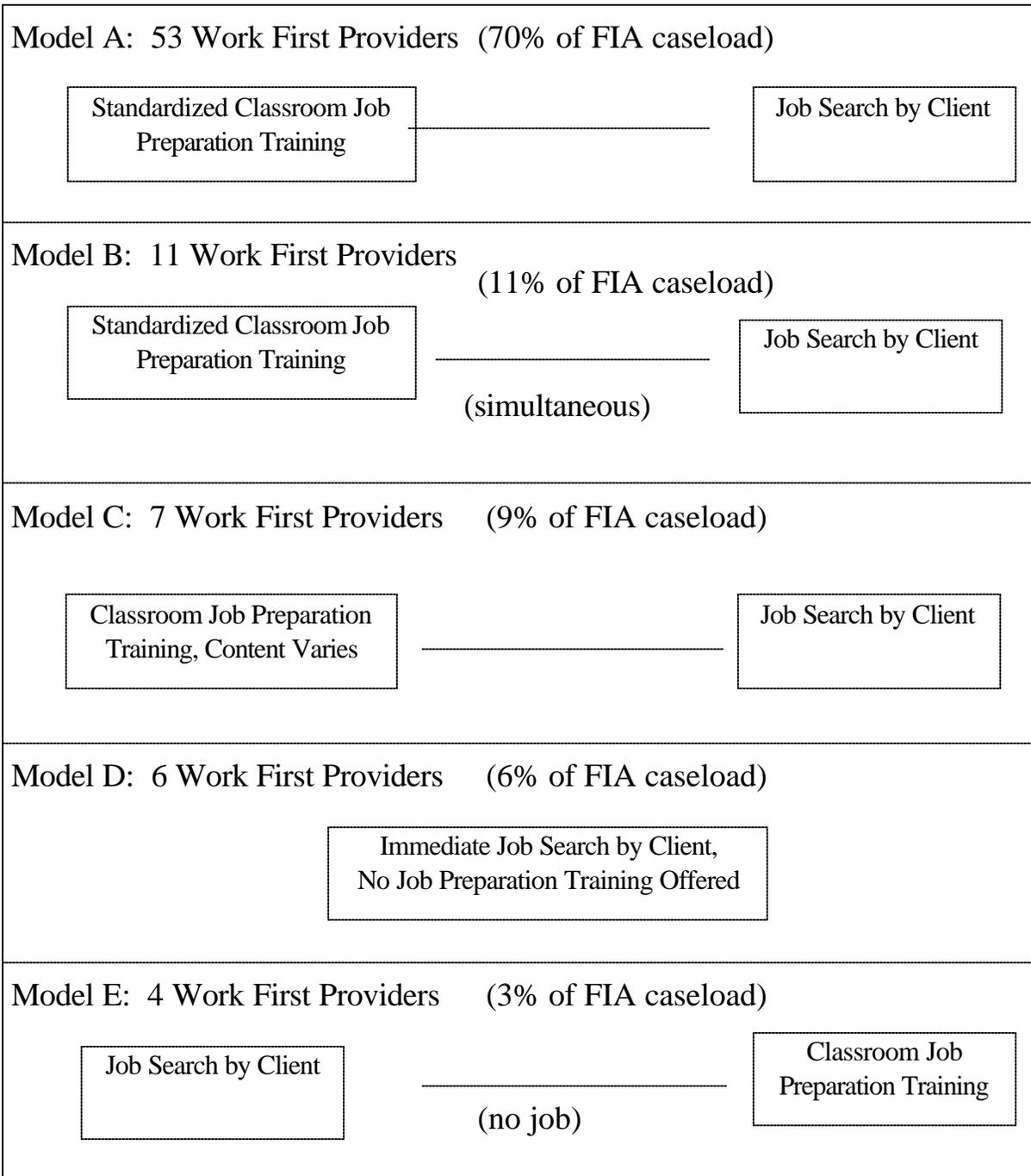
states may only count an individual’s participation for up to six weeks total per year and for no more than four consecutive weeks at a time).

³¹ 26 organizations have contracts to provide other types of assistance.

³² We were unable to determine the length of job preparation activities for five of these programs, although they all were at least two days.

simultaneous classroom job search preparation training (Model D).

**Figure 3:
Type and Timing of Job Preparation and Job Search Activities**



26 providers have contracts for other program activities.

Combined, these approaches are used by programs serving less than 10 percent of the caseload. (See Appendix D for more descriptive information about the types of organizations using these models).

This variation results in important differences experienced by Work First clients throughout the state. Suppose the hypothetical single mother lives in Southeastern Michigan (Detroit/Wayne County and the surrounding areas), the largest urban area in the state. Her experience in the welfare system would be different than if she lived in one of the counties in Northern Michigan, the state's largest rural area. Figure 4 below illustrates the basic service delivery system used in those two areas.³³

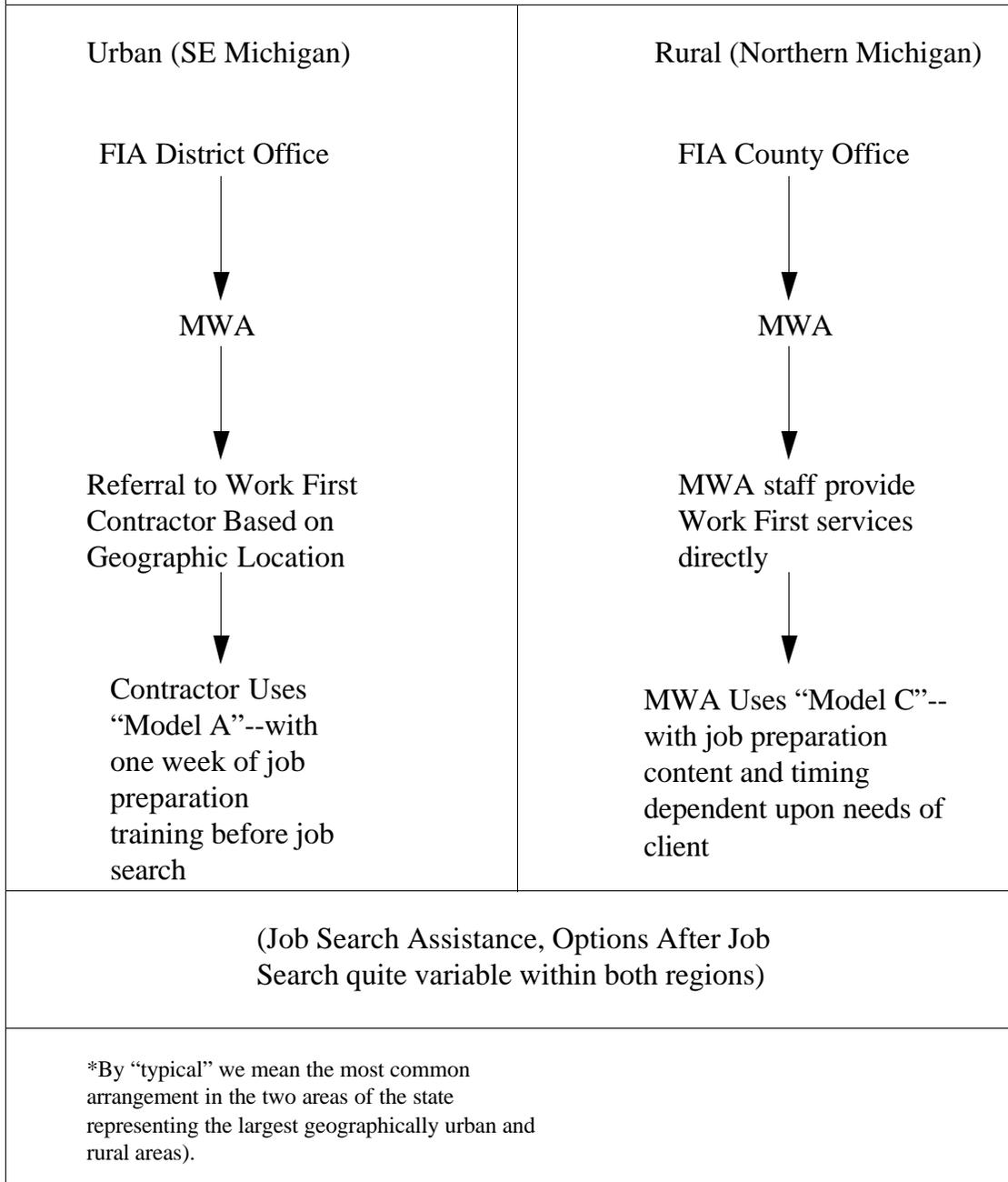
As the figure shows, if the single mother lives in an urban area she is more likely to enter the welfare system through an FIA district office and then be referred to a Work First contractor. The particular contractor to which she will be assigned depends upon the location of her home. Once she arrives at the program, she will most likely participate in a structured job search classroom preparation training for one week. Then, she would be required to search for work (Model A).

If this client lives in a rural area, though, she applies for assistance through her county's FIA office, and goes to a Work First program run directly by MWA staff. Rather than following a set one-week job search preparation training session, MWA staff will structure the content and length of the client's job search preparation training component based on her needs and readiness for work (Model C). Since the rural counties of the state serve approximately 4300 participants

³³ Within those two areas, the Work First providers vary on a number of service delivery dimensions, but enough providers are similar, so that we can describe how a client would "typically" experience Work First.

Figure 4:

Typical Service Delivery in Urban v. Rural Areas*



during the time of data collection, compared to the 54,000 served in urban areas, rural providers may be more able to tailor services to the needs of particular clients.³⁴

Throughout the state, the variation in sequencing and type of services can have an effect on how a particular client experiences the Work First intervention. Depending upon the model used by our client's provider, she may not be required to test the labor market until she has completed some classroom training, or she may have to start her job search almost immediately-- possibly without any formal instruction in job search techniques or other topics. Even in those programs that provide classroom job search preparation training, the content of that training varies considerably.

Job Search Preparation

All programs offering some type of job search preparation training (Models A, B, C, and E) include sessions designed to sharpen clients' job seeking skills. The most common activities are instruction in:

- Preparing resumes;
- Filling out job applications properly;
- Interviewing techniques for both in-person and telephone interviews; and
- Writing cover letters and thank you letters properly.

Some Work First programs cover additional topics in their classroom sessions. Eleven programs also address issues which, while less directly related to the process of seeking work, may have an impact on how successfully a client can negotiate the "world of work." The goal of these sessions are to attune welfare clients, who may have had problems getting or keeping jobs, to the rules of the workplace. For instance, a classroom instructor might conduct a session on the importance of

³⁴ Computations based on data from the Michigan Jobs Commission covering program operations from October 1

proper dress, punctuality and general workplace behavior. A program may bring in an employer from the community to talk about his/her expectations of employees.

A different approach, used by 19 programs, is to focus some classroom sessions on clients' personal lives. For example, a group might be led through a series of exercises which are designed to help clients improve their ability to solve problems, so that if an emergency arises (e.g., the client's baby-sitter cancels), the client can figure out a way to resolve the problem and not miss work. Other exercises may try to help clients boost their self-esteem and internal motivation. Again, these kinds of activities are not directly related to the process of finding or keeping jobs, but the intent is to improve the way clients feel about themselves. The rationale behind improving self-esteem is that if clients feel good about themselves they will approach all aspects of their lives-- including work-- with a positive attitude and a desire to do well. Although research in this area does not provide any definitive answers, case studies of other welfare-to-work programs reveal widespread belief that low self-esteem and problem management are issues that can interfere with recipients' abilities to obtain and hold jobs.³⁵

Seventeen programs cover all of these topics ("job seeking" skills, "world of work" skills, and "personal skills") in their classroom training sessions. Interestingly, there is no correlation between programs which offer a larger range of activities and the length of the classroom sessions. All of these curricular components are fairly equally distributed between programs giving two, one, or less weeks of classroom training. Therefore, the depth with which any of these topics are covered is unknown. Furthermore, there is no correlation between this range of activities and the service model used (i.e., Model A, B, C, E).

1996 to July 31st 1997(reflecting the time period of data collection).

³⁵ For instance, see Pavetti, Olson, Pindus, and Pernas (1996) and Herr and Wagner (1995).

Job Search

Ultimately, the goal of any Work First program is to move clients into employment. As such, the type of assistance provided to clients as they look for jobs is an important aspect of these programs. All Work First programs in the state provide clients with some basic tools to assist them in searching for work, such as newspaper want ads, job postings, and telephones to call potential employers. Beyond that, assistance to clients varies. As shown in Table 3, program staff may be actively involved with the employer community by developing jobs for clients and bringing in employers to interact with or even hire clients. Clients themselves may help each other by sharing job leads and talking about the job search process. Other clients may be required to conduct the job search process primarily on their own.

One type of assistance to clients is providing actual job leads which staff have culled directly from employers. Staff may use a variety of techniques, ranging from obtaining listings of all job openings with various employers to working with specific employers to develop job matches or job leads for particular clients. While most Work First staff perform “job development” activities as one of their duties, about half of these programs have one or more staff whose sole responsibility is to develop job leads for Work First clients (and sometimes clients in other programs). In the interviews, managers emphasize the importance of understanding employers’ needs and sending good candidates for job openings. Sending unqualified clients for job interviews may jeopardize the relationship between the Work First program and the employer. As one manager discussed the approach of his agency:

You’re telling the [employer], “I won’t send you anyone that’s not ready”. So if you have a [client] that’s punctual, that you trust, then you send them to that company. Employers are looking for a

Work First provider who can respond quickly, who can provide [job applicants] better than they could get themselves--that's the key.

In other words, for job development to be successful, Work First providers must assure that the client is ready to work. At a minimum, this means the client must be reliable and willing to work. Work First might then be a source employers look to for future hires. Sending a poorly qualified applicant, on the other hand, may result in the employer refusing to hire other Work First clients.

An additional method of facilitating a client's job search is to bring employers directly to the program.³⁶ Although fewer managers (21 percent) mentioned this practice, bringing employers to the program site to do presentations, recruitment or hiring is one way for clients to become exposed to the types of employment opportunities in the area, to understand better the skills needed for various positions, and possibly to secure a job.

Another practice -- cited by others in the field who design and operate job search programs³⁷ as potentially helpful in the job search process -- is to have clients meet periodically with each other to discuss their job searches, share techniques that may and may not be working, and pass along any job leads they may have found. Just a handful of managers (12 percent) report specifically using this technique, but this may be an undercount, since this type of activity could be taking place during job search preparation classes.³⁸

³⁶ A recent report issued by the U.S. Department of Labor's Employment and Training Administration identified this as a promising approach in moving welfare recipients to work (Westat, 1997).

³⁷ Brown (1997), p. 68, based on interviews with a number of well-known Work First and other job search assistance programs.

³⁸ Clients are never prohibited from searching for work, so that clients in programs using Models A and C may actually start searching for work on their own before completing the classroom portion.

Table 3: Job Search Assistance in Work First Programs	
Type of Assistance	Programs (n=81)
Dedicated Job Developer	48%
Employers Brought to Program	21%
Group Meetings to Discuss Job Leads, Get Feedback	12%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses are not shown

However, neither the presence of a dedicated job developer, the practice of bringing employers to recruit clients, nor the implementation of group job search debriefings are necessarily proven methods of finding clients jobs. Some in the field, including at least 16 percent of Michigan’s Work First managers, believe that the best way for clients to find jobs is to do so on their own. Supporters of this approach argue that clients may be more committed to staying in a job they found on their own. Clients need to learn how to job search, because in the future they may have to find work on their own. Additionally, a client may prefer to find work on her own rather than being identified as a welfare recipient to potential employers.

Interestingly, the type of assistance provided to clients while they search for work seems to be somewhat related to the sequencing of activities prior to this search. More than three-fifths of providers providing job search preparation training (Models A, B, and C) also use one or more of the focused approaches noted above (hiring a dedicated job developer, bringing employers to the program, or holding group job search discussions). On the other hand, this type of assistance is

**Table 4:
Levels of Job Search Assistance**

Type of Job Search Assistance	All Work First Providers (n=81)	Est. % of FIA Caseload	Providers Using Models A, B, C* (n=70)	Providers Using Models D, E* (n=10)
Focused Job Search Assistance (Dedicated Job Developer, Employers On-site, Group Sessions)	57%	66%	64%	20%
Some Job Search Assistance (But Not Focused Approaches)	27%	25%	26%	30%
Very Limited Assistance (Job Search is Client-Directed)	16%	9%	10%	50%

Percentages may not add to 100 due to rounding.

* Models A, B, and C provide job search preparation training prior to or in conjunction with job search; Models D and E require immediate job search without job search preparation training.

much less common in programs requiring immediate job search (Models D and E) and in programs run by school-based organizations. Only two of the 10 managers running such programs report that their Work First programs have a dedicated job developer, engage employers in program activities, or hold group job search meetings. Half of the managers of these types of Work First programs report that clients are primarily responsible for finding their own jobs and that program contact with employers is rather limited.³⁹ (See Appendix D for more of this type of information).

³⁹ Additionally, school-based Work First providers are more likely than other types of organizations to require that clients search for work on their own with minimal assistance from staff, regardless of whether the organization uses one of the immediate job search models (Model D and E) or not (See Appendix D).

After Job Search

Once a client becomes employed, Work First providers must document whether she is still employed 90 days later. However, this is a verification process; Work First providers are not mandated to provide assistance to clients to help them retain their jobs. But, some (11 percent) of these managers note that their programs offer job retention services. In these programs, staff maintain contact with the client and/or employer to monitor the work situation, intervene if any problems arise, and address these problems so that the client does not lose her job.

In addition to helping clients stay employed, retention services can also help ease the client's transition to a new environment of work. Furthermore, follow-up and intervention into problematic situations may solidify a Work First provider's relationship with an employer, because the employer is not left to supervise the client alone. However, because of the stigma associated with welfare receipt, some clients may not want this kind of assistance. These clients fear that potential employers may be reluctant to hire them or that co-workers would discriminate against them.

Other clients may not find work within the allotted time. Generally, clients have a limited amount of time to find a job, usually about four weeks, although this will vary depending on the program model used. If, after this time, a client has not yet found a job, Work First managers and their staff might exercise one of a number of options.

Table 5 gives the range of managers' responses about what happens to clients who cannot find a job within the allotted time. Over one-third of managers say they would continue to work with the client to help her find employment and perhaps offer her more individualized services. Another option, cited by a little more than a quarter of managers, is a Community Work

**Table 5:
Options for Clients Unable to Find Jobs**

Option	Work First Managers (n=81)
Keep Client in Program	35%
Place Client in CWEP/OJT	27%
Place Client in Vocational Training	19%
Reassess Client	16%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses are not shown.

Experience Program (CWEP) or On-the-Job Training (OJT) placement. These types of programs are designed to give clients who may lack work experience a chance to work in either a non-profit (CWEP) or with a public or private employer (OJT). The participant's wages are subsidized, and, in the case of OJT, the employer is expected to hire the client as a regular employee after a specified amount of time. Other options include placing the client in a short-term vocational training program where the client would learn job-specific skills (19 percent of programs) or reassessing the client to determine more precisely her barriers to employment and to refer her to the appropriate services (16 percent of programs).⁴⁰

⁴⁰ A number of managers note that these options are available but may be used infrequently. They perceive the inability of clients to find jobs as a compliance issue; that is, clients either get jobs or they drop out of the program (and are referred back to FIA for possible sanctions). Other managers, although not prompted, indicate that of the clients who attend the program, the number who are unable to find a job within four weeks is small.

Contractors Providing Other Program Activities

A few MWAs contract with specific agencies to provide some of these services for clients unable to find employment. Seven agencies have Work First contracts to find and monitor CWEP or OJT placements for clients. Additionally, seven organizations have contracts with vocational training programs (such as nurses' aide, clerical training), and one provides remedial education.

In some areas of the state, Work First contracts are awarded to provide particular services to special populations [see Appendix A]. Five providers serve AFDC clients who are teens, pregnant, or disabled. Although most teens are exempt from Work First program requirements, teens who have graduated from school or who are not enrolled in school must participate in Work First (or be working) just like any other non-exempt adult. The Work First providers serving teens focus on those who have not graduated from high school and try to keep them in school. The organizations provide intensive case management, supportive services, and referrals to outside agencies. As one manager put it:

The main goal of this program is to encourage the teens on assistance to graduate from high school or attain their GED certificates. This will give them a better chance to avoid the welfare system in the future.

These types of services are believed to be preventative in nature; if the teen is better educated, she is more likely to succeed in the labor market and not need welfare as an adult.⁴¹

Although clients with physical or mental impairments are exempt from Work First requirements, sometimes these disabilities will go unnoticed, and the client will be referred to a Work First program.

In one location, however, an agency is under contract to serve clients who other operators assess as having difficulties or clients who have applied for but have not yet started to received SSI. This agency

⁴¹ Research has shown that dropping out of school increases the likelihood that a teenage mother will end up on welfare and stay on welfare for a comparatively long time. (See, for example, Berlin and Sum, 1988 and Bane and Ellwood, 1983).

serves as a broker for these clients, assisting them in applying for other programs and services for which they may be eligible and, if necessary, helping the person to qualify for a Work First exemption.

Pregnant women are not exempt from Work First requirements until they give birth, and then they must return to the program or to work when the child is 3 months old. Some managers reported that pregnant women are hard to serve, because some employers are unwilling to hire women who will leave in a few months to have a child. In one area of the state, a separate Work First contractor works with this group. The agency provides instruction in job search and job readiness skills, so that once the woman has her baby and is required to work, she is better prepared to find a job. For women who are not as far along in their pregnancy, the program offers unpaid “internships” with non-profit agencies.

Five contractors receive Work First funds to help arrange for support services such as child care, transportation, or counseling. In a few sites, this contractor is responsible for helping all Work First clients secure the needed support services; while in other areas, only certain clients are referred to the provider.

Finally, one Work First contractor provides clients with training and support services necessary to start their own business. This is an example of a “Self-Employment Initiative.”⁴² Clients in this particular program are selected and screened to go through an eleven week program in which they develop their business plan, learn about finances, marketing, management, credit, taxes, and other aspects of opening and running a business. Assistance is also available to help clients secure the appropriate licenses, purchase small amounts of inventory, and take care of insurance. Clients have set up daycare, hair care, and construction businesses through this program.

What Explains Service Variation?

As the preceding analysis has shown, individual clients in Michigan's welfare system have very different experiences with the Work First program, depending on where they live and to which provider they are assigned. Clients may be served directly by MWA staff, or the program may be contracted out to other agencies. A particular Work First provider may offer job search preparation training sessions, or clients may start searching for work fairly soon after entering the program. Staff may provide clients with assistance in their job search, or clients may search for work on their own. Possible reasons for this variation include: 1) state policy; 2) assessment of client needs; 3) local economic conditions; 4) available resources and/or 5) past organizational experience.

Overall, the operations of local Work First programs vary by a few components: the sequence of job search preparation and job search, the substantive content covered, and the length of program activities. The *Michigan Works!* system explicitly encourages such variation by providing few program guidelines and, instead, allows local operators to craft their own interventions. Yet in developing programs, local managers have different views as they consider important trade-offs in these approaches.

In deciding how to sequence activities, for example, managers must consider the merits of having clients immediately test the labor market before providing any types of concrete services (Models D and E), thereby letting market forces sort clients most in need of job search skills from those able to find jobs on their own. Other programs (Models A and C) provide structured job search preparation before clients search for employment, thereby providing some tips to clients with limited

⁴² For information on the effectiveness of such programs, see Guy, Doolittle, and Fink (1991).

employment experience about how to successfully secure a job. Still other programs (Model B) require clients to simultaneously look for work and attend structured activities.

The decisions about sequencing are directly tied to the substantive content of local Work First programs. Managers must determine what types of assistance welfare recipients need to move into work. If many clients have skills, knowledge, and experience with job search, programs with structured training (Models A and C) may not be necessary. If, on the other hand, many clients have limited experience, sessions which teach clients how to do interviews and correctly fill out applications may play a critical role helping clients secure employment.

Case studies of other states' welfare-to-work programs suggest that effective employment programs should offer some of these types of activities to at least a portion of the caseload.⁴³ In part, the importance of structured preparation for job search is bolstered by recent research revealing that employers frequently desire workers who have "soft" skills such as being able to work well with others, showing up for work on time, and not missing work.⁴⁴ Workshops dealing with the "world of work" and with "personal skills" may be useful to begin to build these skills in clients.

Work First managers also must decide whether their program will support job search efforts. As discussed earlier, one option is dedicating staff to locate job leads. Some clients may need this service, especially those with weak employment histories or those who struggle when searching for employment. The job developer may be able to serve as a link between the program and the employer community. While this approach may both help connect clients with employers and increase placement outcomes, it also can increase program costs. Other managers clearly believe that such "job

⁴³ See Brown (1997), Pavetti, Holcomb and Duke (1995), Bloom (1997).

⁴⁴ For example, see Moss and Tilly (1995), Berg, Olson, and Conrad (1991).

developers” undermine the overall program message that clients now have a responsibility to find employment.⁴⁵

Conceivably, local economic conditions could shape the sequence and content of local program operations. In areas with tight labor markets, a Work First program may not need to do upfront job search training or devote substantial resources to job development, because employers may be less discriminating about the skills of potential workers. The demand for labor would mean that clients would have less difficulty securing jobs on their own. Providers in areas with higher unemployment rates, though, may need to spend more time preparing clients for job search and providing more direct assistance to clients throughout their search.

However, analysis of these data reveal that local economic conditions (as measured by unemployment rates) are not related to the sequence and content of Work First program activities in Michigan. Among the eight providers serving the most economically distressed areas of the state,⁴⁶ half require clients to search for work immediately -- with the responsibility of finding a job resting with the client.⁴⁷ In contrast, in the areas of the state with the healthiest economies,⁴⁸ Work First providers offer more support for clients’ job search efforts. Only eight percent of the Work First providers in these areas require immediate job search, and only one out of five provide just the basic level of assistance (e.g., phones, newspaper want ads, but no job development activities) when clients are looking for work. In other words, most programs located in areas with very low unemployment

⁴⁵ Brown (1997), p. 69.

⁴⁶ We examined counties with 1996 unemployment rates greater than 8.7 percent according to data compiled by the Michigan Employment Security Commission.

⁴⁷ In these cases the manager reports no or very infrequent interface with the employer community and/or that job search is self-directed.

⁴⁸ Having an unemployment rates lower than 4.7 percent.

rates provide structured classroom training and substantial assistance in job search, whereas half of programs in areas with high unemployment rates -- where the demand for labor is less -- do not.

Of course, the inverse might also be true. When the economy is booming, the easiest to place clients may get jobs on their own, so that the group who are referred to Work First are those who need job search preparation training. Likewise, if a county's unemployment rate is 16 percent, no amount of preparation may help a client secure a job in the area. Furthermore, the above finding should not be construed to mean that programs offering job search preparation training (Models A, B, C) are better than those requiring immediate job search (Models D, E). A "Model D" program which provides clients with strong job leads and retention services may have better outcomes and serve clients better than a "Model A" program which does job preparation training, but does it poorly.

One determinant of the quality of a program may be the length of the intervention. If a program offers classroom job preparation training, the manager must decide on the appropriate length of time for that activity before moving clients into job search. Longer classroom sessions may be more costly than those which require clients to search for work almost immediately. In fact, in the areas of the state with lower costs per placement,⁴⁹ the majority (almost 60 percent) of Work First programs move clients quickly into job search, either immediately-- in conjunction with classroom sessions or not-- or within a few days of entering the program.⁵⁰ However, short programs may not give clients adequate time to prepare themselves to enter the job market, especially clients who have limited work histories. Those unfamiliar with the world of work may need structured classroom training if they are to be successful in finding and retaining employment. Voicing a concern shared by other Work First managers throughout

⁴⁹ In other words, cumulative program expenditures divided by the number of employed Work First participants.

⁵⁰ Computations based on Work First monthly report, data covering program operations from October 1996 - July 1997, Michigan Jobs Commission (reflecting the time period of data collection).

the state, one manager notes: “[T]hey [welfare recipients] didn’t get on ADC in 4 weeks, and they’re not going to make headway in 4 weeks.”

Thus, local managers make decisions about the sequence of activities, program content, and length of components. From our interviews, these program components and processes seem to be evolving within particular organizational contexts. As reported in the previous section, most Work First operators are organizations that offer an array of employment training or educational programs. Possibly, the variation among local Work First programs may be, in part, a reflection of past experiences of each organization. Rather than responding to local economic conditions or systematic assessments of client needs, the development of program components might be more dependent on organizational history. However, annual contractual requirements may inspire changes, as could federal work requirements.

Michigan has been recognized as a leader in moving welfare recipients into work, with 39 percent of Work First participants finding employment.⁵¹ However, this proportion represents those attending Work First, not the entire FIP caseload nor those referred to Work First. Of the clients referred to Work First by FIA, 37 percent did not attend.⁵² With federal requirements of minimal rates of client participation in work or welfare-to-work activities increasing each year, the state -- and local programs -- will have to work hard at moving more recipients into employment.

⁵¹ Data from the Michigan Jobs Commission covering program operations from October 1 1996 to July 31st (reflecting the time period of data collection).

⁵² A certain number of these clients will have been ineligible for assistance (i.e., did not qualify for FIP and thus Work First), but some clients did not comply. (Computations based on Work First monthly report, data on program operations from October 1996 - July 1997, Michigan Jobs Commission, reflecting the time period of data collection).

SECTION IV: MANAGERS' VIEWS OF WELFARE REFORM AND IMPLEMENTATION ISSUES

Work First, with its varying local operations, is the primary vehicle by which welfare clients in Michigan receive employment services. Over the last several years, however, other initiatives have also sought to increase employment. Although Michigan has put in place other reforms to support its vision of family independence, including earned income disregards and other provisions described in Section I, three initiatives--- Work First, case management, and sanctions--- most fundamentally alter the relationship between the welfare system and clients. Clients, with assistance from the Work First program, are now obligated to search for work or be working. A new case management position is replacing the income maintenance position within the Family Independence Agency. Workers in this new position, called the Family Independence Specialist (FIS), are supposed to resolve barriers so that clients can find employment, utilize the other supports available (e.g., child care and transportation assistance, income disregards), and move to independence. If a client fails to comply with program requirements laid out by Work First and FIA staff, her grant can be sanctioned, and, eventually, terminated.

Policy makers expect that Work First, case management, and sanctions will convey to welfare recipients a message of personal responsibility and family independence. At the local level, however, programmatic and policy changes may not translate or be communicated so clearly. This section focuses on local managers' perceptions of possible barriers for implementing these measures, their beliefs about the intent of the reforms, ways they can be adapted to be more effective, and challenges of working together.

Support for Reform Initiatives

While the following discussion highlights some of the perceived problems in implementing and operating Work First, case management, and the sanction policy, it is important to note that most local managers expressed support for these initiatives. For example, nearly all Work First managers believe the Work First model (quick labor force entry) can produce positive outcomes for clients. As shown in Table 6, over a third of Work First managers believe that a “Work First” approach empowers and motivates clients to believe that they can succeed in the labor market. The approach, says one manager, allows staff to “put hope out there, in front of [clients], and talk about what a better existence their children can have if they can get work somewhere and provide for the children.”

A quarter of managers believe the strength of the program is its forceful message that clients must seek work and take some responsibility for their lives. Other managers believe the assistance provided, both in helping clients find jobs and offering the necessary support services (e.g., child care and transportation), is a strength of Work First. Although this assistance is not necessarily a philosophical underpinning of the quick labor force attachment approach, these managers consider such services to be essential. Just over a tenth of Work First managers can think of few advantages to using this approach, especially with a harder to serve population. These managers instead think that the program model pushes unprepared clients into jobs without adequately dealing with barriers to employment or other more complicated problems clients may face.

**Table 6:
Strengths of Work First Approach**

Strengths	Work First Managers (n=106)
Empowers and Motivates Clients	35%
Forces Work and Personal Responsibility	25%
Provides Assistance in Finding Employment	14%
Provides Support Services	13%
Approach Has No/Few Strengths	11%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses are not shown.

Case management provided by the FIA is supposed to insure that clients participate in Work First and receive the services they need to become self-sufficient. However, managers of local Family Independence Agencies are mixed in their support of the case management model; about two-fifths (44 percent) believe this new worker will better serve clients who have difficulty in moving to self-sufficiency. According to the new policy, welfare applicants and recipients are assigned to a single Family Independence Specialist (FIS) rather than seeing up to three workers to open a case and receive other services. FIS workers perform all of those functions and also conduct visits to clients' homes, provide (as needed) counseling services, and perform other case management activities. For many clients, this will mean more direct contact with their FIA worker. Non-family cases (e.g., Food Stamp

only, Medicaid only) are handled by another new classification of staff, the Eligibility Specialists (ES), who carry out more traditional income maintenance functions.⁵³

Although our interviews were conducted prior to this transition, FIA directors and district managers were well aware of the forthcoming change. Of the two-fifths who saw it as advantageous (see Table 7), most (70 percent) thought the social work nature of the position-- the expectation that the FIS will work with the client to resolve barriers problems-- is the most significant advantage. Along those lines, home visiting was mentioned as a beneficial “social work” service. As one manager noted:

You’ll miss the boat if you don’t look at all parts of a person’s life. It’s imperative to be able to go to someone’s house and see that the black and white TV’s been stolen, that the windows are busted out, and that there hasn’t been any heat in the house for four days.

Other cited advantages of case management are that clients are assigned one worker (37 percent)-- hopefully improving the continuity of services-- and that the FIS will have lower caseloads, allowing them to spend more time with clients (12 percent).

In addition to providing case management and Work First services, Michigan and other states can sanction, or punish, clients who fail to comply with program requirements. Clients who fail to participate in Work First may have their cash grant and their Food Stamps reduced by 25 percent.⁵⁴ If non-compliance continues for a year (or, with recent changes, four months), the entire family may lose its benefits. Although sanctions are applied by FIA staff, they are imposed for non-compliance in Work First programs. The majority of managers from both sectors view

⁵³ This restructuring began on April 7, 1997.

⁵⁴ Clients who do not comply with the state’s requirement that welfare recipients have their children immunized also can be sanctioned. The focus of this analysis is the impact of sanctions on Work First participation.

**Table 7:
Advantages of the Case Management Approach (FIS)**

Advantages	FIA Managers (n=43)*
Provides Social Work Services	70%
Clients See Only One Worker	37%
Workers Spend More Time with Clients	12%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses not shown.

* asked of those believing case management will better serve clients

sanctions as an appropriate tool to encourage client participation. Very few (about seven percent) do not believe that sanctions serve a legitimate function.

Managers cite a variety of reasons why sanctions are a necessary part of the welfare system, as shown in Table 8. Many clients, these managers believe, will only respond to more threatening policies. According to one FIA manager, “unfortunately, some people need negative motivators.” Others managers see sanctions essential to a welfare system based on reciprocity: the state will provide assistance, but if recipients do not hold up their end of the bargain, they must face the consequences. Finally, a handful of managers believe sanctions not only motivate participation for unemployed clients, but also discourage participation for clients who do not need assistance. In the words of an FIA manager, “I think people who don't cooperate have a reason—they're usually already working.” In other words, these managers believe that clients who get sanctioned are not truly eligible for assistance and are committing welfare fraud.

Table 8: Reasons Why Sanctions Motivate Client Participation*		
Reasons	FIA Managers (n=52)	Work First Managers (n=69)
Other Policies Have Not Motivated Clients	40%	42%
Must Have Consequences for Actions	29%	17%
Discerns Needy Client from Fraudging Client	10%	4%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses not shown.

* asked only of those agreeing that sanctions are a good motivational tool.

Despite general support for these reforms, all managers in Michigan’s welfare system can see potential limitations to the ability of these policies to move families to self-sufficiency. Additionally, managers have found or anticipate problems in implementing some of these reforms. Limitations of the Work First model and problems in implementing case management and sanctions are discussed in turn below.

Limitations of the Work First Model

In Michigan’s welfare system, the goal of Work First is to help clients find employment so that they ultimately move to self-sufficiency. However, managers of these programs recognize several roadblocks to achieving this outcome, as shown in Table 9. First, more than two-fifths of Work First managers suggested that the program offer more education and training services to clients.⁵⁵ Without

⁵⁵ A tenth of FIA managers also identified this as a need. However, Federal law limits both the amount of time welfare recipients may spend in job search and the numbers of clients who can participate in education programs and still be counted toward the participation rate.

more skill building, some contend, even a Work First approach will not get people off of welfare. One manager says:

When you look at our labor market and see what jobs are available, you'll find that these positions require an increase in technical ability. If you're not helping participants get these abilities, then are you helping?

These managers are skeptical that just getting a job will lead to greater skills and opportunities to move up the employment ladder. This is also supported by their assessments of the jobs available to clients. Even though Michigan's overall economy is strong and few managers report having difficulty in finding jobs for clients who want to work, these jobs tend to be in the service industries --- fast food chains, retail outlets, hotels, housekeeping/maintenance, and laundries. In addition to these kinds of low-wage jobs, some clients do day labor or perform temporary service work. Many managers report that clients can find seasonal work in the tourism industry, in agriculture and food processing or in newly developing casinos. Most of these job openings tend to be part-time, minimum wage, and without benefits.

Welfare clients' ability to secure and hold down even these types of jobs may be undermined without adequate support services. Over one-third of Work First managers cite a need for improved services to help clients maintain employment (Table 9). Even though some managers see support services as a strength (as mentioned earlier), others believe more resources should be allocated for support services. This may mean extending or better publicizing eligibility

Table 9: Limitations of the Work First Model	
Limitations	Work First Managers (n=105)
Clients Need Education and Training	42%
Support Services Too Limited	35%
Need More Time to Work with Clients	31%
Does Not Remove Clients from Poverty	30%
Clients' Barriers too Severe	21%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses are not shown.

* Analysis of perceived limitations of the Work First model and suggestions for improving the welfare system.

for transportation, child care or health insurance (e.g., transportation assistance currently ends after a client has been employed 30 days, transitional benefits may be underutilized⁵⁶).

Even with these supports, welfare recipients may not have good prospects for upward mobility, given the types of jobs they tend to hold. Low-skilled workers can expect low wages and limited opportunities for advancement.⁵⁷ Indeed, about one-third of Work First managers comment that while these types of jobs are plentiful, they will not move people “beyond the ground floor” and out of poverty (Table 9). Some of these managers believe the welfare system would provide better assistance to clients if job retention and job development services were enhanced. Even with a booming economy,

⁵⁶ Past research has indicated that utilization rates for Transitional Medicaid and child care services (for which Michigan welfare recipients are eligible to receive for up to 12 months if they leave welfare due to increased earnings or hours of work) are low (see for example, U.S. General Accounting Office, 1992; Long, Nightingale, and Wissoker, 1994).

⁵⁷ Blank (1995), p. 33.

placing a recipient in a low-wage job does not mean she will be able to keep the job, much less gain the skills to move into higher-paying positions. A Work First manager says, "you can find people jobs, but if they are not jobs where they can grow, they won't last, they won't be family-building jobs. People need to continue to develop for a lifetime." These managers suggest more intensive follow-up services, like those described in Section III, to ensure that clients can maintain employment and that programs focus on helping clients get better-paying, more stable jobs.

Just under a third of Work First managers believe that more clients might get jobs if staff spent more time working with them on job search preparation activities (Table 9). Some note that the pressure to place clients quickly into jobs may mean that some clients are not well-prepared. Some clients, especially those with little contact with the labor market, may need more time to find work. According to a manager, "For you and me, four weeks of job search is a lot of time. But if you're taking someone with a GED who is marginally literate, this might not be." These suggest that programs spend more time preparing clients for the world of work and addressing some of their barriers to work, fewer clients, these managers believe, would drop out of programs, fail to find work, or lose jobs.

Currently, many welfare clients referred to Work First do not find jobs--- program data show that more than one-third of those referred to the program never attend. Others attend, but drop out before becoming employed. Of those who participate in the program and find jobs, only two-fifths remain employed three months later.⁵⁸ Although the reasons for this are not entirely clear, clients' own barriers may contribute to these outcomes. Just over a fifth of Work First managers believe that some clients have such severe problems that they are unemployable (Table 9). Indeed, as welfare caseloads

⁵⁸ All computations based on data available from the Michigan Jobs Commission covering program operations from October 1, 1996 to July 31st, 1997 (reflecting the time period of data collection).

have declined, many policymakers, advocates, and researchers are concerned that the remaining clients may present more barriers to employment. Many local program managers also share this concern, and some are beginning to notice this trend in their own caseload. As one manager notes:

Many of the longer-term recipients we're getting now are handicapped in a way: they may have speech impediments, they may have the shakes from long-term drug abuse. They don't interview well, so no matter how much training you give them, they just won't do it well.

Recent research indicates that the type of client described above, as well as other clients with significant barriers to employment, may represent a substantial proportion of the caseload. One study offers these varying estimates of the proportion of clients with serious barriers:⁵⁹

- 6.1 to 13.6 percent with a serious disability;
- 16.6 to 30.8 percent with any health limitation;
- 2.0 to 28.4 percent with a mental health condition;
- 11.1 to 21.1 percent with children with a disability;
- 10 to 30 percent with low skills/education;
- and 4.9 to 37 percent with substance abuse problems.

Other analyses of a nationally representative sample of women on welfare in 1991 reveal even more serious prevalence of these problems.⁶⁰ For example, almost two-thirds of the sample have low basic skills.

Although precise estimates are not available of the proportion of Michigan's caseload with these of barriers,⁶¹ local managers' descriptions of the characteristics of clients who are "hard-to-serve" show that they believe a wide array of problems may affect a significant part of the welfare caseload. Table 10 below shows that Work First managers are likely to characterize hard-to-serve clients as those who have uncooperative attitudes, child care and transportation difficulties and/or

⁵⁹ Olson and Pavetti, (1996), p. 21.

⁶⁰ Olson and Pavetti, (1996), p. 25.

**Table 10:
Characteristics of “Hard-to-Serve” Clients**

Characteristics	FIA Managers (n=98)	Work First Managers (n=106)
Low Education Levels	43%	25%
Health/Mental Health Problems	36%	16%
Substance Abuser	34%	13%
No/Little Work Experience	31%	20%
Low Self-Esteem	28%	12%
Long-Term Welfare Receipt	26%	18%
Uncooperative Attitude	24%	34%
Transportation Barriers	24%	15%
Child Care/Child-Related Barriers	23%	26%
Few Social/Workplace Skills	21%	8%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses not shown.

low educational levels. Even though some of the programs described in Section III offer activities meant to change clients’ attitudes, managers believe this lack of motivation makes them unlikely to benefit from the program. One manager describes these clients as those who “just know how to manipulate the system and refuse to believe that they can’t continue to do this any longer [collect welfare without working].”

⁶¹ The University of Michigan’s Program on Poverty and Social Welfare Policy is currently undertaking a longitudinal study of welfare recipients from one Michigan county to document their barriers to employment. Initial results will be available in the Spring of 1998.

As the discussion earlier indicated, some Work First managers believe the program needs more resources for support services like child care and transportation. However, other managers do not believe that simply increasing resources would resolve these issues. For example, they acknowledge that because most daycare centers operate during business hours, clients working second or third shift jobs may have difficulties finding care. Furthermore, several respondents note that clients who have many young children often need multiple child care arrangements, which are both difficult to set up and to balance with school and work schedules. Finally, managers believe that some clients simply do not want to use child care. According to one manager, some mothers “are unwilling to leave their children with someone they don’t know.”

Managers also acknowledge transportation as a barrier to work. Managers in rural, suburban, and urban areas are equally likely to cite transportation barriers as a common problems for hard-to-employ clients, noting that public transportation either does not exist or operates a limited number of hours and goes to a limited number of locations. Clients often do not live near routes, and many do not have cars. One manager sums up this dilemma by noting: “If the bus isn’t running in the right direction, then what good is a job?” A few respondents realize that solutions to this problem lie outside their jurisdiction. Without funding increases and a commitment to provide regional transportation services, many transportation-related barriers cannot be resolved. Managers’ comments imply that other sectors will have to become involved to address this client barrier.

Finally, Work First managers may not be able to adequately address clients’ educational deficiencies, because, as noted above, the program does not offer education and training services. Even in a tight labor market, clients with low education levels may face dim prospects because they lack the skills employers want. One manager notes that:

There's quite a bit of demand in retail and services. There are quite a few part-time minimum wage jobs where single parents can meet the Work First requirements. But we have a lot of employers who want a lot more from employees. They don't want to give them a regular schedule, they pay low wages, yet they want the best employees. So opportunities are there, but it's still an employer's market.

Barriers to Implementing Case Management and Resolving Client Barriers

The case management model is designed to help clients overcome some of these barriers to employment, so that Work First can help them get jobs. However, FIA managers see a number of roadblocks to implementing a case management system and resolving client barriers. Some of these barriers emerge from their perception of clients. Like some of their Work First counterparts, 11 percent of FIA managers believe that a group of clients have severe problems that case management services cannot address (see Table 11). According to one manager:

These type of people will never make it. Whether they're alcoholics or something else, they can never keep a job for long. These people will be on and off the rolls all the time.

When comparing FIA and Work First managers' perceptions (Table 10), a few differences are apparent when comparing FIA and Work First perceptions of which characteristics make clients hard to serve or unlikely to benefit from current approaches. More FIA managers perceive the harder core clients as having substance abuse problems and mental or other health problems. This difference in perception can be partially explained by the cross section of the caseload that each program serves. For instance, substance abuse and chronic health problems are two very limiting conditions which require medical treatment. As such, not all clients with these problems may be referred by FIA to Work First. Federal law allows states to exempt up to 20 percent of the caseload from work requirements, and Michigan does not require Work First participation from clients meeting certain

criteria.⁶² Even if these clients are mandated to participate, their problems may keep them from attending Work First activities and finding employment.

Nevertheless, FIA managers do not see client characteristics as the primary barrier to FIS implementation. Rather, their concerns stem from more logistical concerns. As shown in Table 11 below, more than two-fifths of FIA managers worry that the realization of the case management position will be limited until Federal Food Stamp, Medicaid, and cash assistance program (FIP) policies have been simplified. Workers, these managers believe, will still be faced with myriads of paperwork to process, limiting the amount of time they can devote to performing the interactive part of the case management job. A few managers planned to press state officials to do what they could to eliminate some paperwork, but most managers voicing this concern either did not know how to solve this problem or believed it beyond their ability to change.

While the paperwork associated with these programs is time-consuming, it is also complex. About a quarter of managers note that converting staff to case managers means teaching them how to determine eligibility and process paperwork for programs about which they currently have little knowledge. Under the “pre-FIS” system, certain workers specialized and were responsible for knowing the details about certain programs. As case managers, though, staff are generalists--- responsible for addressing a family’s various needs and barriers to employment and for processing paperwork for the variety of public assistance programs for which a family may be eligible.

In order to address this concern, many managers were pairing staff, so, for example, one who knows income maintenance policy could learn child care regulations from the other and vice-versa.

⁶² Exempt from participation in Work First are: clients with a disability; clients caring for a child with a disability; minor mothers (but they must live at home or in an adult-supervised setting, and they must attend school); new mothers

Other managers were hiring external consultants to run training sessions or supplement state-sponsored training. But initiatives like these may not address the primary issue: public assistance program rules are complicated, so managers were justifiably concerned

Table 11: Barriers to Implementing Case Management (FIS)	
Barriers	FIA Managers (n=98)*
No Policy Simplification	44%
Staff Lack of Social Work Skills	41%
Low Staff Morale	24%
Unfamiliar Policy	24%
Caseloads Too Large	14%
Clients' Barriers too Severe	11%

Percentages will not add to 100 due to multiple responses. Infrequently mentioned responses not shown.

*Analysis of reasons why case management will not better serve clients and suggestions for improving the welfare system.

about whether or not staff would have enough time to fully understand the various program rules. Many managers said that income maintenance workers do not become fully proficient in these program until well into their second year on the job.

Other hesitations about implementing FIS stem from managers' assessments of the qualities and attributes staff needed to be successful as income maintenance or JOBS workers. In these past roles, the majority of managers (70 percent) believed that their best staff had exceptional "processing" skills

(up to the 12th week postpartum) and clients working at least 20 hours a week (single parent household) or 35 hours a week (two parent household).

and were organized, efficient, accurate. They needed to manage high volumes of paperwork in a timely fashion. Only two-fifths of managers thought that good interpersonal skills were needed to be exceptional workers -- and this often was perceived as a necessary characteristics for JOBS workers, not for income maintenance staff. However, having good “people” skills does not necessarily translate into being a good case manager. The types of skills needed for the new position -- assessing clients’ needs, advocating for and linking clients to other services, and motivating clients to move to self-sufficiency -- are skills that only a little over a quarter of managers cite as being important qualities for a good welfare worker. Thus, managers’ assessments of important qualities of current staff raise some questions about they can carry out the new case management position without undergoing significant re-training.⁶³

Many local FIA managers expressed doubts about carrying out this conversion with current staff. Two-fifths question the ability of current workers to become case managers (Table 11). Not only is this a set of skills for which this part of the workforce may have had no formal training (a college degree is not a requirement for an income maintenance job), but the conversion also requires staff to deal with clients on a very different level. As one manager notes:

Historically, the hardest thing for an [income maintenance] worker is that they’re used to black and white. If they have a question, they’ll ask their supervisor, “Tell me what to do.” Sometimes it’s like they’re trying not to ask the magical questions and not deal with clients as a human being. If you deal with them as a human being, you won’t be able to have the time to get them the money they need. They’ll need to learn that it’s not all black and white in dealing with humans.

⁶³ The state provided training on “Strength-Based Solution Focused” interviewing techniques, as adapted from the work of Insoo Kim Berg (1994), and has plans to provide further training.

Many managers were taking proactive approaches to address their concerns about the change in staff roles, so as to improve the implementation of the FIS. The most common strategies used by local managers are the following:

- sending eligibility staff on home calls with staff who already perform this function;
- holding training sessions on topics such as customer relations and cultural sensitivity;
- talking about the impending transition in both formal and informal meetings, so that staff have a chance to voice their own concerns or propose their own solutions.

In the Project Zero sites, which implemented the case management prior to the rest of the state, managers were unanimous in their perception that staff like doing case management and like the Strength-Based interviewing technique.⁶⁴ As such, lack of skills may be more easily overcome as implementation proceeds in the next year.

Low staff morale is another potential barrier to moving to a case management system, according to a quarter of the FIA managers (Table 11). Because of the state's selection criteria, not all income maintenance staff were eligible to become case managers -- a position that is a promotion. Staff were aware of these conditions, and about a quarter of managers said that their staff were full of uncertainty and even resentment. A few believed that a very simple way to address this issue is to keep lines of communication open: staff need to know what is expected of the FIS and what their chances are of being selected.

Finally, a handful of managers were concerned that the FIS would not be allocated smaller caseloads and would not have adequate time to devote to clients. For some managers, this concern stems from the uncertainty about the size of their workforce. In early 1997, the Governor offered an early retirement package, with the stipulation that agencies could only replace one worker for every four

⁶⁴ Seefeldt, Sandfort, and Danziger (1996), p. 13.

workers who retired. If many workers took the option, fewer workers would be left to cover the caseload. Additionally, in the Project Zero sites, six months after implementing the case management position, many FIS were not yet carrying the type of caseload envisioned by the state nor were most caseloads of the size necessary to allow for intensive case management services. For example, these workers, in addition to 50-60 FIP cases, also handled other, non-family cases (e.g., Medicaid-only, Food Stamp-only, and SSI cases). The addition of other types of cases led to total caseloads per worker as high as 130, rather than 65 or less -- the state's original goal.⁶⁵ While caseloads of case managers vary across states and across the array of programs using case management, a typical ratio is 30 clients per one worker. Within the nation's public welfare system, income maintenance workers average about 100 cases per worker.⁶⁶

Given these concerns, as well as the experience of the Project Zero sites, it will be important to document the transition to the case management model in the second round of interviews with the local managers, not only by finding out whether some of these anticipated problems came to pass, but also by sharing some of the strategies managers found most successful in moving their staff in this new direction.

Implementing Sanctions

In theory, sanctions are used as a last resort to motivate clients who otherwise would not participate in programs or search for work. According to the Manpower Demonstration Research Corporation, which has evaluated many welfare-to-work programs, "the success of sanctions is

⁶⁵ Several factors seem to explain why the FIS did not carry smaller caseloads; managers believed: 1) Eligibility Specialists' caseloads would be enormous and the job would be impossible unless FIS workers shared some of the load; 2) certain workers needed more time to learn unfamiliar policy 3) cases which had just transitioned off FIP but were still receiving other services (e.g. medical or daycare) could benefit from continued case management, preventing them from returning to FIP rolls (Seefeldt, Sandfort, and Danziger, 1996, pp. 13-14).

judged not by the number of sanctions ultimately imposed, but by the extent to which those under the mandate *do* participate.”⁶⁷ Other research has suggested that sanctions can increase welfare recipients’ participation in program activities.⁶⁸

Available data suggest that few clients in Michigan have received sanctions. During the time of data collection, Michigan’s sanction rate was approximately three percent.⁶⁹ According to state literature, “few recipients require penalties to motivate them to cooperate and participate. For those who have resisted our request for mutual responsibility, penalties have varied in their effectiveness.”⁷⁰ Ultimately, the effectiveness of sanctions in changing a client’s behavior depends on her actions. She can choose to be non-compliant and gamble on whether or not she will be sanctioned, or she can be responsive to the threat of losing money and be induced to participate in a program. However, the use and impact of sanctions also depends on other factors: the regulations and paperwork associated with processing sanctions, the views of staff about using sanctions, and the views of managers regarding the appropriateness of sanctions.

Although local managers were not specifically asked about the use of sanctions, many, especially in Work First programs, volunteered their perceptions. Few believe that many clients are being sanctioned, even if a sanction seems appropriate.⁷¹ In part, this view emerges because of the

⁶⁶ Marks, (1994), pp. 24-25.

⁶⁷ Brown (1997), p. 21.

⁶⁸ For example, see Pavetti, Holcomb and Duke (1995).

⁶⁹ Reported in “To Strengthen Michigan Families, Welfare Reform Data Monitoring,” April, 1997. Additionally, one year after the April, 1995 sanction policy went into effect, 168 clients had their grants terminated after 12 months of non-compliance (Colville, Moore, Smith, and Smucker, 1997). Abt Associates, which is evaluating Michigan’s welfare waivers, found the 25 percent reduction being applied to less than 3 percent for a sample of clients in its research sites (Werner and Kornfeld, 1996).

⁷⁰ From “Michigan’s Block Grant Proposals, 1996.”

⁷¹ From the point of view of a Work First operator, this perception may be true; during the time period 10/1/96 to 7/31/97, 61,410 referrals failed to attend the Work First program. During the same time period, not more than 5,685 clients were in sanction status for failure to comply with Work First requirements. The gap between these numbers is large. However, some of the 61,410 who failed to attend the program would have been ineligible for assistance, some

division of responsibilities -- Work First providers must monitor client participation and refer back to FIA for assessment those clients who do not comply with program rules. However, before FIA issues the sanction, a worker must initiate a face-to-face contact with the client to: 1) convince the client to comply and 2) identify any barriers to participation.⁷²

According to 23 percent of Work First managers, this administrative arrangement may undermine the “motivational” or “stick” function of sanctions, because clients do not take the policy seriously. This, they reason, is because FIA is lenient about allowing clients to come back into the system. Typical of these responses is the following anecdote from a Work First manager:

The process is too accommodating: clients learn the rules and the loopholes, and they learn it masterfully. We’ll send a client back to FIA after 4 weeks of not doing anything, and you know what, they’ll come back to us in 3 weeks. It’s just a revolving door for those who know how to beat the system.

Another possibility, which will be explored more in future analyses, is that managers’ own reactions toward sanctions may influence how that policy is implemented within their office. A group of managers (about one-third for both FIA and Work First) generally agrees that the welfare system needs to have a sanction policy but is concerned about who gets sanctioned and when. For example, a number of managers are concerned that sanctions may be applied to clients with significant barriers to participation Work First. As one manager notes, “If you’ve got somebody who can barely read or write, sanctioning will not help them (sic) learn.” Along these same lines, others note the need to discern clients who are trying to comply from clients who refuse to participate. Some would use sanctions only

would have come into compliance, and some would have already been employed. (Data sources: Work First Monthly report covering program operations from October 1, 1996 to July 31st, 1997 (reflecting the time period of data collection) and “To Strengthen Michigan Families, Welfare Reform Data Monitoring,” October, 1997.

as an absolute last resort, after all efforts at providing help, removing barriers, and solving problems have failed.

On the other hand, a small number of managers in both sectors recommend that the state implement a stricter sanction policy. These managers believe that reducing the grant by 25 percent for a year before terminating benefits is not enough of a reduction for clients to notice and that it undermines the ability of sanctions to serve as a “wake-up call” that the system has changed. According to several managers, some clients would rather take the reduction than participate in a program, because they do not believe themselves to be much worse off with a slightly smaller check. For these managers, the April, 1997 change in sanction policy (shortening to four months the length of time before benefits are terminated and imposing stricter participation requirements for applicants) is a corrective step. However, managers, policy makers, and all those involved in the welfare policy arena should be cautious in interpreting increases in sanction rates. Programs must continue to attend to the fairness of a sanction policy and put in place safeguards to ensure that clients who are complying with the rules or who are eligible for exemptions are not punished. It is also critical to note that there is limited evidence as yet on the impact of sanctions on families.

Barriers to Interagency Collaboration

Because Michigan’s welfare system is comprised of two sectors, enforcing program compliance and ensuring program fairness depends in part upon the degree of collaboration between local FIA and Work First providers. Additionally, the way the two sectors work together at the local level may affect

⁷² As of August, 1997, FIA staff are no longer required to initiate face-to-face contact with a client before imposing a sanction. However, a home visit with the client is “strongly encouraged” (L-97-208, State of Michigan Family Independence Agency).

implementation of other policies, such as case management: the FIS may be able to better serve clients if Work First providers pass on relevant information (and vice-versa). Finally, a recent review of promising welfare-to-work programs finds that recipients are best served when agencies can work together and provide clients with the widest range of services possible.⁷³

When the state first phased in the Work First program, some indications arose that collaboration and effective communication were not happening between some local FIA offices and the local Work First provider.⁷⁴ To document the degree of collaboration during 1996-97, managers were asked a series of questions about the relationship with their local partners. Every group of local partners must grapple individually and collectively with obstacles such as different organizational structures and routines, the desire to maintain autonomy, and different program goals.⁷⁵

Managers, both from FIA and Work First, recognize the difficulty of having organizations with different structures functioning as partners within the welfare system. As a long-established public bureaucracy, FIA has written rules and institutionalized policies and practices for all aspects of its welfare programs. Although many Work First providers also may have been in existence for many years, the Work First program itself is relatively new. Because it is administered through a decentralized system, Work First does not have the same volume of written policies and established procedures. In fact, managers (19 percent of FIA, 33 percent of Work First) note that the rules and the regulations that exist in the Work First program sometimes conflict with those written by FIA. As one manager put it, “Nobody’s sure what could be allowed under what situations and when.”

⁷³ Westat, Inc. (1997), p. 7.

⁷⁴ Michigan Department of Social Services (1995b).

⁷⁵ Weiss (1987), p. 95.

Managers often attribute this confusion to a lack of coordination at the state level between the two agencies responsible for writing policy.

In addition to this, about a third of all managers (more FIA than Work First) point out that the FIA and Work First providers have very different organizational orientations and histories. As shown in Section II, almost all Work First providers tend to be employment or education-based agencies; very few share the human service background of FIA. These organizational realities-- different structures, contradictory policies, different histories-- sometimes impede local interagency collaboration.

As shown in Table 12, local managers also report varying degrees of communication between the agencies. According to respondents, less than half of local FIA and Work First front-line staff regularly communicate with each other regarding clients. This type of communication -- regularly scheduled meetings to talk about specific clients, frequent telephone contact -- is important, because it allows staff from both agencies to get a more complete picture of clients' needs and limitations so that both agencies can provide the most appropriate set of services. Additionally, staff can coordinate their message to clients, so that clients are not told confusing and perhaps conflicting information from the two sectors (e.g. about sanctions).

Another way to achieve this type of interaction is to designate one staff person (usually a supervisor) as a "liaison" to the partner agency. Just under a fifth of managers (most from FIA) report using this practice. However, the decision to use a liaison rather than having individual staff communicate with each other involves some tradeoffs: designating one staff person as a "liaison" allows other staff to devote more time to getting work done, but the liaison is usually not the staff person responsible for a particular client's case. As such, the liaison may lack all the information about the client, impeding resolution of the issue.

**Table 12:
Reported Types of Collaboration**

Types	FIA Managers (n=97)	Work First Managers (n=102)
Regular front-line communication about clients	43%	44%
Regular communication with liaison about clients	14%	2%
Regular front-line communication about program operations only	32%	16%
Very little front-line communication	11%	38%

Very little communication at any level	3%	29%

Front-line staff may communicate with each other formally or informally about issues related to program operations (e.g., running the joint orientation sessions, entering data on the computer system) rather than issues related to clients in the program. However, about three-tenths of Work First managers (and a small number of FIA managers) say that their organization has virtually no communication of any sort at any level with the partner agency. In some instances, this is because the local *Michigan Works!* Agency handles all interface between Work First providers and the local FIA,⁷⁶ and in other instances, agencies simply may not have connected.

Staff from offices in urban areas are the least likely to work with each other (less than two-fifths of managers report that their staff or a liaison share information about clients with staff from the other office). In rural areas more coordination might be expected, simply because offices and caseloads are

⁷⁶ In these situations, local FIA managers may not distinguish between MWA staff and Work First provider staff, accounting for the much smaller proportion of FIA managers reporting no communication.

smaller and less bureaucratic layers exist, and in fact, more managers in rural areas -- about three-fifths -- do report frequent communication between Work First providers and the FIA office. Nevertheless, barriers to interagency collaboration can be overcome. Several managers note that building a relationship between their organization and their partner agency took time and understanding. Additionally, about half of all managers report that both their organization and their partner (either FIA or Work First) share the similar goal of making clients self-sufficient (with only a handful of managers not being able to think of any common goals), so that philosophically, managers are “on the same page.”

In part, the belief that the partner agency shares the same goal for clients is a reflection of local managers’ general acceptance of the premises inherent in Michigan’s major reforms--- namely, that quick entry into the labor market can be beneficial, that case management can improve services to clients, and that sanctions help clarify the message of personal responsibility. However, managers also view the implementation of each mechanism as somewhat problematic. The last section highlights innovative approaches managers have found to address some of these issues and discusses implementation issues which deserve further research.

V. Summary of Major Findings, Potential “Best Practices” and Questions for Further Research

According to some managers, many of the issues and concerns mentioned in the previous section could be addressed if local operators had more say in developing policy. Additionally, some managers want more discretion, so that they can adjust policy to fit local and/or individual situations. Local managers are concerned about how they can implement policies given the constraints of their local environment. However, flexibility and discretion at the local level should not result in inequitable treatment of clients. Local operational diversity should achieve the end of better services to clients along with smooth implementation of policies.

In the context of the major findings of this report, a number of potential “best practices” for reaching those goals--- providing better services and easing implementation--- are offered. Additionally, a number of issues for further research are posed. In 1998, a second round of interviews with the FIA and Work First managers will be undertaken. Although certain topics will be revisited, other questions, based on the analysis of first round data, have emerged. These questions are not necessarily specific to Michigan’s situation; policymakers and researchers in other states may want to explore some of the following questions raised here.

Organization of Services

Michigan’s welfare system consists of one centralized (FIA) and one de-centralized system (Work First). Local FIA offices are part of a state-level bureaucracy and are organized in fairly standard fashion. The types of organizations running Work First providers vary along a number of dimensions.

While FIA offices throughout the state are organized in a fairly uniform manner, Work First programs differ a great deal. Within FIA, job titles are standardized, and staff perform similar job functions. Work First providers, on the other hand, differ by organizational auspice, other services provided by the agency, and service delivery process. Most of the caseload receives Work First services from a non-profit agency (46 percent), while the rest of the caseload is served by for-profits (28 percent), school-based entities (22 percent) or a state government agency (4 percent).

Questions for Further Research

Since a variety of organizations with different backgrounds operate the Work First program, further research will attempt to investigate the role of past organizational experience on the type of services offered through Work First (e.g., do providers that operate other employment programs for low-income groups differ from those that offer educational programs?) Additionally, organizational background and auspice will be tested in analyses to explore the relationship between organizational and programmatic variation and employment outcomes (see below for more details).

Variation in Service Delivery

Although a welfare client's experiences with the centralized FIA sector do not vary much across the state, the services received through the Work First program vary along a number of dimensions, including referral processes and services provided prior to and during job search.

Clients enter the welfare system via local FIA offices where staff determine eligibility, monitor program compliance, and respond to requests for information. Unless a client has a particular problem or a change in circumstances, though, she will not have frequent contact with the FIA (although this is expected to expand as the state transitions to a case management model).

Rather, a client has more day-to-day contact with Work First staff. Clients are referred to local Work First programs through a variety of processes, although most live in regions where they are assigned by geographic or catchment area. Once referred, services are provided through one of five service delivery models which differ as to the sequence and timing of job search preparation activities and job search. Most clients are assigned to programs which offer standardized classroom instruction on various topics related to work search and/or work readiness (although the that training is highly variable in terms of content and length of time in this component). Job search follows this instruction.

Additionally, assistance with job search also varies. Programs may have a job developer on staff, they may bring employers into the program, they may offer group feedback sessions on the search process, or they may provide clients with resources such as phone banks and newspaper want-ads but require clients to do most of the job search independently. Interestingly, providers offering more assistance in job search, as well as structured job search preparation classes, are more likely to be found in areas of the state with better economies. Providers in areas of the state with the highest unemployment rates are more likely to require immediate job search with little assistance from staff.

Potential “Best Practices”

In deciding how to structure Work First programs, managers and their staff must consider a variety of factors including efficient resource allocation. A possible service delivery model to consider is one which “triages” clients. For example, clients with some work experience may be best served by getting into job search quickly and by having a case manager address other barriers to employment. If certain clients can get jobs fairly easily on their own, it is unnecessary to exert resources to help them find employment. However, some clients will need more assistance.

One way to determine which clients fit into each group is to engage in more upfront assessment of clients so that they can be channeled into the appropriate services. For example, Indiana has developed an assessment tool used throughout the state to classify recipients as job ready or not. Under its waiver program, a “Work First” approach is used with both types of clients, but clients who are not job ready may engage in more education and training activities and are not subject to as strict penalties for non-compliance.⁷⁷

Additionally, a number of Michigan’s Work First managers cite the following as low-cost, but very useful, practices that have helped their agencies move welfare recipients into jobs:

- * solicit members of the business community to sit on the agency’s board, using their presence as a way to keep up-to-date on the needs of local employers and to shape program curriculum;
- * work with job developers from other agencies or programs who are willing to share job leads;
- * identify employers who are willing to work with clients who may have more barriers to employment and who may need more support from the employer while transitioning to work-- an OJT or other subsidized position may be one way to facilitate this kind of relationship.

Questions for Further Research

The next set of interviews will continue to document changes in the service delivery system. Within FIA, this will be very important, since the case management position has been implemented. Similarly, further changes in the Work First service delivery system will be captured, but a greater attempt will be made both to obtain more direct assessments of managers’ program design decision-making processes and to collect information on any variation in services based on clients’ needs. Because managers were asked in the first survey to describe the set of activities a single mother with

⁷⁷ Fein, Holcomb, et. al. (1997). Note that with passage of Federal welfare reform, certain waiver provisions will be modified.

limited work experience would receive, the current data do not capture the extent to which programs direct more job ready clients into a different set of activities. The next set of interviews will gather information to document the extent to which services are tailored to clients. Finally, analyses will be conducted that will look at service delivery variation and its effect on outcomes (e.g., do certain program models and services lead to higher rates of employment?)

Views on Implementation and Reforms

Work First, sanctions, and a case management approach are the major reform efforts aimed at moving welfare recipients into employment and conveying the message of personal responsibility. Managers generally agree that quick entry into the labor market can be beneficial, that case management can improve services to clients, and that sanctions can clarify the new message. However, managers also articulate barriers to the implementation of these reforms.

Most managers believe that Work First motivates, empowers, or forces clients to engage in the mainstream economy. A fair number of FIA managers believe case management will provide better services to clients. And the majority of managers adhere to the view that sanctions are an appropriate tool to increase participation in work activities. However, managers also see roadblocks to achieving the outcomes of welfare reform with these mechanisms. These range from client-related barriers (education, health, child care, and transportation problems), to limitations in the types of jobs open to them, and administrative problems in transforming income-maintenance workers into case managers.

Potential “Best Practices”

Client transportation and child care problems are two barriers frequently mentioned by managers in Michigan’s welfare system and in the larger body of research on welfare programs. States and localities might consider the following options, some suggested by Michigan’s managers:

- * help clients who find jobs in the same area to form carpools;
- * identify jobs located along bus routes, and work with these employers to develop jobs for clients;
- * allow funds to be spent on car repair or on the purchase of cars;
- * work with state and local transportation authorities to find ways to address some of the biggest gaps in transportation.

The last two options may require states to dedicate more funds for transportation purposes, so policymakers need to consider whether or not the expenditures will yield long-run savings. California and Wisconsin are implementing programs that allow welfare recipients to borrow money to purchase cars,⁷⁸ and Michigan's Family Independence Agency and Jobs Commission have experience working with state and local transportation authorities to provide enhanced transportation services for welfare clients in the Project Zero sites.⁷⁹

Similarly, resolving child care problems can be difficult. Welfare clients need affordable and reliable child care and child care that fits their work schedules, both timewise and logistically. Providers that close at 6 pm are not an option for a client who must sometimes work until 10 pm. Likewise, if a client's child care provider is located in the opposite direction from her job, then the daily trek to work becomes even more burdensome. Options for addressing these issues might include:

- * helping clients identify multiple child care providers; one site in Michigan uses a "three tiered" network of providers. Clients are linked with a primary child care provider, as well as a provider who can be used as a backup, and another provider who can care for the child when s/he is ill;
- * recruiting a center which is willing to expand its hours of operation; another program in Michigan dedicated some of its resources to a center so that it could offer child care from 6 am until midnight. After seeing the demand for such care, other local centers responded by extending their hours-- without receiving additional funding from the welfare system;
- * establishing a close relationship with the local child care resource network; many localities across the nation advise clients needing child care of the existence of local child care referral agencies, but programs may consider tightening this process. For example, a local welfare

⁷⁸ "Poor Without Cars Find Trek to Work is Now a Job," New York Times, November 18, 1997.

⁷⁹ Seefeldt, Sandfort, and Danziger (1997), p. 11.

office could make arrangements with the referral agency to come on-site on days when applications are taken, orientations are held, or other times when groups of welfare clients may be in the office. In a couple of communities in Michigan, the welfare system funds the local child care referral agency to provide enhanced services-- identifying potential providers able to take a client's child, rather than providing the client with a list and having the client make the inquiries.

Case management services may also help address many client barriers. Several tactics, used by Michigan's managers, may prove useful in facilitating the conversion of income maintenance staff to case managers:

- * team up staff with different areas of expertise, so that they can learn from each other;
- * invite representatives from other community agencies to make presentations, in order for staff to learn about services available to clients and to begin to build relationships with these providers;
- * bring in outside speakers or consultants to conduct training sessions with staff. These sessions need not be expensive undertakings; staff in many community agencies perform case management, and their expertise might be tapped. University schools of social work may also be a resource;
- * allow staff opportunities to share their concerns about making this transition and to suggest ways to address the concerns, so that they are part of the decisionmaking process.

Questions for Further Research

Clients with substance abuse problems or serious health problems require services beyond the scope of those traditionally offered in welfare and welfare-to-work programs. The next set of interviews will ask managers to assess the availability and access to services for clients who may not be readily employable. Also, as noted by a number of managers, clients with educational or skill deficits may have difficulty in finding or maintaining employment. However, a number of Work First providers, the majority of them recently receiving contracts, offer training, work experience, or other non-job search activities (see Sections II and III). The next phase of the study will continue to monitor the distribution of Work First program models to see if more areas provide Work First services other than the traditional labor force attachment approach.

Within FIA, managers and staff will have had nearly a year working with and as case managers. Did the barriers they anticipated with this shift arise or not? What mechanisms and strategies did they use to facilitate the conversion, and how successful were these in realizing their goals?

The study will also focus more on interagency collaborations that might be developing. What kinds of collaborative relationships are most productive at the local level? Which arrangements and activities seem to be working better than others, and how do managers assess communication and its effectiveness? Additionally, types of interagency collaboration will be tested in the analysis mentioned above about service delivery variation and its effect on client employment outcomes.

Other issues for this study will undoubtedly emerge, since policy implementation is an ongoing and evolving process (for example, Governor Engler recently announced a pilot program to deny benefits to recipients who test positive for illegal substances and refuse treatment). However, these

issues are not unique to Michigan. Federal welfare reform increases the emphasis placed on putting welfare recipients to work, and variations of a “Work First” program are being implemented elsewhere. Other states may also adopt case management strategies.⁸⁰ And all states are adopting sanction policies to penalize recipients who refuse without good cause to participate in work or work-related activities.⁸¹ The experience of Michigan’s managers as they grapple with these changes has much to teach others about the difficulties and the opportunities for carrying out welfare reform.

⁸⁰ “When One Size Doesn’t Have to Fit All,” Washington Post, July 7, 1997.

⁸¹ The federal welfare laws requires states to institute some kind of sanction policies, but many states had done so prior to the 1996 reforms. By mid-1995, just over half the states had submitted proposals to the U.S. Department of Health and Human Services to increase the length or amount of the sanction for non-cooperation. (Savner and Greenberg, 1995, p. 39).

Citations

- Bane, Mary Jo and David Ellwood (1983). The Dynamics of Dependence: The Routes to Self-Sufficiency. Cambridge, MA: Urban Systems Research.
- Berg, Insoo Kim. (1994). Family Based Services: A Solution-Focused Approach. New York: W.W. Norton and Company.
- Berg, Linnea, Lynn Olson and Aimee Conrad. (1991). "*Causes and Implications of Rapid Job Loss Among Participants in Welfare-to-Work Programs.*" Paper presented at the Annual Research Conference of the Association for Public Policy and Management, Bethesda Maryland, October 1991.
- Berlin, Gordon and Andrew Sum. (1988). Toward a More Perfect Union: Basic Skills, Poor Families and Our Economic Future. New York: The Ford Foundation.
- Blank, Rebecca. (1995). "*Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs,*" in The Work Alternative: Welfare Reform and the Realities of the Job Market, Demetra S. Nightingale and Robert Haveman, eds.. Washington DC: The Urban Institute Press.
- (1997). "*Policy Watch: The 1996 Welfare Reform,*" Journal of Economic Perspectives 11:1 (Winter 1997), p. 169-177.
- Bloom, Dan. (1997). After AFDC: Welfare-to-Work Choices and Challenges for States. New York: Manpower Demonstration Research Corporation.
- Brodkin, Evelyn. (1997). "*Inside the Welfare Contract: Discretion and Accountability in State Welfare Administration,*" in Social Science Review, (March, 1997), p. 1-33.
- Brown, Amy. (1997). Work First: How to Implement an Employment-Focused Approach to Welfare Reform. New York: Manpower Demonstration Research Corporation.
- Center for Law and Social Policy. "*A Brief Summary of Key Provisions of the Temporary Assistance for Needy Families Block Grant of H.R. 3734: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996,*" August 1996.
- Colville, Laura, Gerry Moore, Laura Smith and Steve Smucker. (1997). A Study of AFDC Case Closures Due to JOBS Sanctions, April, 1996 Case Closures. Lansing, MI: Administration for Legislation, Budget, and Analysis, Michigan Family Independence Agency.

- Danziger, Sandra and Sherri Kassoudji. (1995). When Welfare Ends: Subsistence Strategies of Former GA Recipients: Final Report of the General Assistance Project. Ann Arbor, Michigan: University of Michigan, School of Social Work.
- Family Independence Agency. "To Strengthen Michigan Families, Welfare Reform Data Monitoring," Lansing, MI: April 1997.
- Fein, David, Pamela Holcomb, et. al. (1997). The Indiana Welfare Reform Evaluation: Assessing Program Implementation and Early Impacts on Cash Assistance. Bethesda, MD: Abt Associates.
- Gueron, Judith. (1996). "A Research Context for Welfare Reform," in Journal of Policy Analysis and Management, 15:4 (Fall 1996), p. 547-561.
- Guy, Cynthia, Fred Doolittle, and Barbara Fink. (1991). Self-Employment for Welfare Recipients: Implementation of the SEID Program. New York: Manpower Demonstration Research Corporation.
- Hagen, Jan, Irene Lurie, and Ling Wang. (1993). Implementing JOBS: The Perspective of Front-Line Workers. Albany, New York: The Nelson Rockefeller Institute of Government, State University of New York.
- Hasenfeld, Yeheskel and Dale Weaver. (1996). "Enforcement, Compliance, and Disputes in Welfare-to-Work Programs," in Social Service Review, 70:2 (June 1996), p. 235-256.
- Herr, Toby, Suzanne Wagner, Robert Halpern and Ria Majeske. (1995). "A Long-Term, Developmental View of Leaving Welfare: The Project Match Experience." Prepared for the 1995 Spring Colloquia on 'Women and Violence' Northwestern University.
- Kane, Thomas. (1990). "The Caseworker-Client Relationship and Welfare Reform," paper #H-90-9, Malcolm Wiener Center for Social Policy, John F. Kennedy School of Government, Harvard University.
- Kane, Thomas and Mary Jo Bane. (1994). "The Context for Welfare Reform," in Welfare Realities: From Rhetoric to Reform, by Mary Jo Bane and David Ellwood. Cambridge, MA: Harvard University Press.
- Long, Sharon K., Demetra Smith Nightingale, and Douglas A. Wissoker. (1994). The Evaluation of the Washington State Family Independence Program. Washington, D.C.: The Urban Institute.
- Marks, Ellen L. (1994). "Case Management in Service Integration: A Concept Paper." National Center for Children in Poverty, Columbia University School of Public Health.

- Mazmanian, Daniel and Paul Sabatier (1989). Implementation and Public Policy. Lanham, MA: University Press of America.
- Meyers, Marcia, Bonnie Glaser, and Karin MacDonald. (forthcoming). “*On the Front-Lines of Welfare Delivery: Are Workers Implementing Policy Reforms?*” in Journal of Policy Analysis and Management, 17:1, (Winter, 1998), pp. 1-22.
- Michigan Department of Social Services. (1994). “*To Strengthen Michigan Families, 1994.*” Lansing, MI: Michigan Department of Social Services.
- (1995a). “*To Strengthen Michigan Families, 1992-1994-1996: Block Grant Reform.*” Lansing, MI: Michigan Department of Social Services.
- (1995b). “*Work First Impact Survey,*” unpublished report prepared by the Office of Employment Policy Coordination.
- Moss, Philip and Chris Tilly. (1995). “*‘Soft’ Skills and Race: An Investigation of Black Men’s Employment Problems.*” Department of Policy and Planning, University of Massachusetts at Lowell.
- National Governors Association, Center for Best Practices, “*Summary of Selected Elements of State Plans for Temporary Assistance for Needy Families,*” August 1997.
<http://www.nga.org/welfare/WelfareDocs/TANFmatrixsummary970812.htm>.
- Olson, Krista and LaDonna Pavetti (1996). Personal and Family Challenges to the Successful Transition from Welfare to Work. Washington, D.C.: The Urban Institute.
- Osborne, David and Ted Gaebler. (1992). Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector. New York: Penguin Group.
- Pavetti, LaDonna, Pamela Holcomb and Amy-Ellen Duke. (1995). Increasing Participation in Work and Work Related Activities: Lessons from Five State Welfare Reform Demonstration Projects. Washington, DC: The Urban Institute.
- Pavetti, LaDonna, Krista Olson, Nancy Pindus and Marta Pernas. (1996). Designing Welfare-to-Work Programs for Families Facing Personal or Family Challenges: Lessons from the Field. Washington, DC: The Urban Institute.
- “*Poor Without Cars Find Trek to Work is Now a Job,*” by Jane Gross, in The New York Times, November, 18, 1997.

- Rosenthal, Stephen R. (1989). *“Mandatory or Voluntary Work for Welfare Recipients?: Operations Management Perspectives,”* in Journal of Policy Analysis and Management, 8:2, pp. 298-303.
- Sabatier, Paul and Daniel Mazmanian. (1979). *“The Conditions of Effective Implementation: A Guide to Accomplishing Policy Objectives,”* in Policy Analysis, 5:4, (Fall, 1979), pp. 481-504.
- Sandfort, Jodi. (1997). Peering Inside the “Black Box”: A Study of the Front-Line Organizations Implementing Welfare Policy in Michigan. Unpublished dissertation, University of Michigan, Ann Arbor.
- Savner, Steve and Mark Greenberg. (1995). The CLASP Guide to Welfare Waivers: 1992-1995. Washington, D.C.: The Center for Law and Social Policy.
- Seefeldt, Kristin, Jodi Sandfort and Sandra Danziger. (1997). *“Project Zero: A View from the Sites.”* Program on Poverty and Social Welfare Policy, School of Social Work, University of Michigan.
- U.S. Department of Health and Human Services, “Summary of Provisions, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H.R. 3734).” Issued August 7, 1996.
- U.S. General Accounting Office. (1992). Welfare to Work: Implementation and Evaluation of Transitional Benefits Need HHS Action. GAO/HRD-92-118. Washington, D.C.: U.S. GPO.
- U.S. General Accounting Office. (1996). Welfare Waivers Implementation: States Work to Change Welfare Culture, Community Involvement, and Service Delivery. GAO/HEHS-96-105. Washington, D.C.: U.S. GPO.
- Weiss, Janet. (1987). “Pathways to Cooperation Among Public Agencies,” in Journal of Policy Analysis and Management, 7:1 (Winter 1987), p. 94-117.
- Werner, Alan and Robert Kornfeld. (1997). Final Impact Report: The Evaluation of To Strengthen Michigan Families. Cambridge, MA: Abt Associates.
- Westat, Inc. (1997). Case Studies of Successful or Promising Welfare-to-Work Programs that Have Involved JTPA or Employment Services Systems. Report prepared for the U.S. Department of Labor, Employment and Training Administration.
<http://wtw.doleta.gov/documents/casetable.htm>.
- “When One Size Doesn’t Have to Fit All,”* by Barbara Vobejda and Judith Havemann, in the Washington Post, July 7, 1997.

APPENDIX A:

WORK FIRST CONTRACTUAL ARRANGEMENTS

**APPENDIX A:
WORK FIRST CONTRACTUAL ARRANGEMENTS**

<i>Michigan Works! Agencies</i>	<i>Contracted out Work First</i>	<i>Number of contracts</i>	<i>Types of Organizations Holding Contracts</i>	<i>Work First Programs That Serve Special Populations</i>
ACSET	Yes	12	Non-Profit, School	x
Balance of Oakland County	Yes	9	Non-Profit, School	x
Berrien-Cass-VanBuren	Yes	9	Gov't Agency, Non-Profit, School	
Calhoun Int. School Dist.	Yes	1	Non-Profit	
CAPC	Yes	2	Non-Profit, School	
City of Detroit	Yes	29	For-Profit, Gov't Agency, Non-Profit, School	x
Eastern UP E&T Consortium	No			
Greater Pontiac Consortium	Yes	5	For-Profit, Non-Profit, School	
Hillsdale Intermediate School District/Region II	No			
Jobs Central	Yes	4	For-Profit, Non-Profit, School	
Kalamazoo-St. Joseph MWA	Yes	3	Non-Profit, School	
Lansing-Tri County E&T Consortium	Yes	5	Non-Profit, School	
Livingston Job Training Services	Yes	2	Non-Profit, School	
Macomb-St. Clair WFDB	Yes	3	For-Profit, School	
Muskegon Oceana Consortium	Yes	7	Non-Profit, School	x
NE MI Consortium	No			
NWCMCOG	No			
Ottawa Cty. Dept of E & T	Yes	1	Non-Profit	
Region 7B E&T Consortium	No			
Saginaw-Midland-Bay	Yes	15	Gov't Agency, Non-Profit, School	
SEMCA	Yes	6	For-Profit, Non-Profit	x
Six Cty Employment Alliance	No			
Thumb Area E&T Consortium	No			

Washtenaw Cty WFDB	No			
West Central MI E&T Consortium	No			
Western UP Manpower Consortium	No			

APPENDIX B:

**COUNTY CHANGES IN AFDC/FIP CASELOAD AND CASES
REPORTING EARNED INCOME
SEPT. 1992 TO OCT. 1996**

County/Office	Sep-92 AFDC Caseload	Oct-96 FIP Caseload	% Change	Sep-92 % With Earned Income	Oct-96 % With Earned Income
Alcona	155	116	-25%	34.2%	49.5%
Alger	93	62	-33%	35.5%	45.2%
Allegan	1118	676	-40%	21.2%	33.9%
Alpena	587	392	-33%	33.2%	56.7%
Antrim	246	123	-50%	34.1%	40.4%
Arenac	387	256	-34%	30.5%	50.6%
Baraga	184	115	-38%	29.3%	52.8%
Barry	671	381	-43%	26.2%	41.3%
Bay	2438	1830	-25%	25.6%	52.8%
Benzie	157	84	-46%	43.3%	41.0%
Berrien	4351	3268	-25%	20.8%	36.0%
Branch	652	416	-36%	23.6%	36.3%
Calhoun	3531	2648	-25%	18.7%	37.3%
Cass	1032	724	-30%	17.0%	31.9%
Charlevoix	282	168	-40%	38.3%	38.5%
Cheboygan	412	215	-48%	33.5%	43.8%
Chippewa	552	340	-38%	32.6%	43.5%
Clare	938	707	-25%	27.7%	46.7%
Clinton	502	318	-37%	26.3%	48.8%
Crawford	258	221	-14%	27.9%	48.3%
Delta	667	521	-22%	30.4%	50.4%
Dickinson	286	261	-9%	34.6%	41.9%
Eaton	886	692	-22%	27.2%	46.3%
Emmet	253	123	-51%	36.0%	38.9%
Genesee	16817	13243	-21%	13.6%	34.5%
Gladwin	597	370	-38%	25.6%	51.0%
Gogebic	303	285	-6%	26.4%	35.3%
Grand Traverse	547	309	-44%	30.7%	43.0%

County/Office	Sep-92 AFDC Caseload	Oct-96 FIP Caseload	% Change	Sep-92 % With Earned Income	Oct-96 % With Earned Income
Gratiot	753	514	-32%	25.0%	41.3%
Hillsdale	674	395	-41%	24.5%	32.5%
Houghton	573	370	-35%	33.3%	59.1%
Huron	566	275	-51%	33.6%	50.8%
Ingham	6048	4692	-22%	19.4%	45.4%
Ionia	821	543	-34%	25.9%	40.1%
Iosco	427	294	-31%	32.6%	40.4%
Iron	168	140	-17%	31.5%	44.2%
Isabella	923	649	-30%	26.8%	41.4%
Jackson	3136	2289	-27%	21.5%	36.3%
Kalamazoo	4256	3076	-28%	21.1%	32.9%
Kalkaska	257	109	-58%	26.8%	37.9%
Kent	7803	5959	-24%	20.9%	31.6%
Keweenaw	15	6	-60%	26.7%	100.0%
Lake	362	286	-21%	27.6%	30.9%
Lapeer	908	491	-46%	21.4%	42.7%
Leelanau	113	55	-51%	42.5%	37.2%
Lenawee	1495	1036	-31%	25.4%	38.2%
Livingston	720	413	-43%	20.6%	40.6%
Luce	111	101	-9%	37.8%	45.3%
Mackinaw	95	71	-25%	40.0%	34.4%
Macomb	6108	4986	-18%	17.7%	38.3%
Manistee	400	300	-25%	29.0%	42.1%
Marquette	848	670	-21%	38.6%	53.4%
Mason	503	326	-35%	29.2%	46.8%
Mecosta	745	567	-24%	28.1%	38.4%
Menominee	243	179	-26%	32.5%	39.5%
Midland	1169	855	-27%	29.3%	49.9%

County/Office	Sep-92 AFDC Caseload	Oct-96 FIP Caseload	% Change	Sep-92 % With Earned Income	Oct-96 % With Earned Income
Missaukee	263	151	-43%	28.5%	51.0%
Monroe	2000	1432	-28%	19.3%	40.3%
Montcalm	1134	669	-41%	24.0%	36.0%
Montmorency	202	115	-43%	34.7%	46.8%
Muskegon	4660	3647	-22%	22.6%	34.7%
Newaygo	765	540	-29%	31.0%	31.6%
Oakland	10819	8556	-21%	17.1%	33.7%
Oceana	483	332	-31%	31.3%	36.2%
Ogemaw	545	423	-22%	24.2%	53.7%
Ontonagon	124	83	-33%	33.1%	48.7%
Osceola	497	378	-24%	25.4%	35.8%
Oscoda	172	122	-29%	32.0%	42.1%
Otsego	191	123	-36%	40.3%	51.4%
Ottawa	1238	659	-47%	26.0%	40.6%
Presque Isle	189	88	-53%	30.7%	57.5%
Roscommon	572	406	-29%	29.9%	48.7%
Saginaw	7302	5972	-18%	19.4%	41.1%
St. Clair	2745	1678	-39%	23.9%	43.3%
St. Joseph	1026	690	-33%	21.0%	31.0%
Sanilac	729	353	-52%	32.4%	48.3%
Schoolcraft	199	131	-34%	22.6%	42.7%
Shiawassee	1196	701	-41%	24.6%	45.1%
Tuscola	958	531	-45%	27.3%	47.0%
Van Buren	1811	1167	-36%	28.3%	38.6%
Washtenaw	3048	2439	-20%	17.7%	33.9%
Wayne-Redford	3970	2500	-37%	10.7%	27.6%

County/Office	Sep-92 AFDC Caseload	Oct-96 FIP Caseload	% Change	Sep-92 % With Earned Income	Oct-96 % With Earned Income
Wayne-Lincoln Park	3092	2684	-13%	15.4%	28.5%
Wayne-Greydale/Grand River	4706	4001	-15%	7.8%	19.2%
Wayne-Romulus	2782	1827	-34%	15.8%	35.3%
Wayne-Joy/Greenfield	4385	3677	-16%	9.4%	19.6%
Wayne-Taylor	3328	2597	-22%	15.1%	35.4%
Wayne-Inkster	3001	3569	19%	15.1%	31.7%
Wayne-Schaefer/Six Mile	3492	2615	-25%	6.5%	15.5%
Wayne-Tireman	3223	2469	-23%	4.9%	26.1%
Wayne-Schoolcraft/Stansbury	4131	3926	-5%	7.3%	22.3%
Wayne-Fullerton/Jeffries	4303	3380	-21%	6.1%	16.5%
Wayne-FortWayne	3343	3179	-5%	6.6%	21.5%
Wayne-Rosa Pks/Blvd	2671	2462	-8%	6.8%	19.8%
Wayne-Oakman/Grand River	3168	2377	-25%	5.8%	19.2%
Wayne-Magnolia/W. Grand	3345	2742	-18%	6.9%	22.3%
Wayne-Lafayette/Rosa Parks Blvd	1061	1243	17%	6.8%	20.7%
Wayne-Gd.River/Warren	2050	2055	0%	4.8%	18.1%
Wayne-Hamtramck	4758	2655	-44%	6.8%	21.5%
Wayne-Highland Park	2383	2483	4%	5.6%	17.2%
Wayne-Medbury/Concord	2714	2236	-18%	6.0%	18.0%
Wayne-McNichols/Goddard	4346	3694	-15%	7.0%	18.4%
Wayne-Harper/Gratiot	3777	3250	-14%	6.6%	17.5%
Wayne-Maddelein East	3029	2581	-15%	7.1%	20.9%
Wayne-Forest/Ellery	2594	1902	-27%	5.9%	21.5%
Wayne-Kercheval	2815	2058	-27%	6.3%	21.9%
Wayne-Maddelein West	5164	4494	-13%	7.0%	17.1%
Wayne-Warren/Conner	2943	2436	-17%	6.9%	16.8%
Wexford	618	339	-45%	28.2%	43.7%
State Total	213203	165783	-22%	15.7%	30.6%

Septemeber 1992 caseload reflects month prior to implimentation of "To Strengthen Michigan Families".

APPENDIX C:

RESEARCH METHODS

APPENDIX C

This appendix provides additional details about the research methodology used in this study.

The phone interviews with local managers were structured and opened ended, lasting between 45 and 60 minutes. Managers from FIA offices and Work First providers were asked an uniform set of questions about organizational conditions, service technology, interagency collaboration, client and economic characteristics, opinions of reform initiatives, reform implementation plans, and management practices. Interviewers were trained to probe for similar elements to allow for comparability between responses. The results of these interviews were typed into a word processing file, checked for accuracy, and then transferred into a qualitative software analysis package, QSR-Nudist.

The analysis utilized both inductive and deductive techniques. For many questions, codes were developed from the range of responses to summarize similar answers. In others, policy and administratively relevant codes were deductively applied to highlight certain implementation conditions. The utilization of computer software allowed the systematic application of codes and facilitated consistency checks. It also allowed the stratification of data by key factors, such as service delivery arrangements and geographic conditions, thereby enhancing the analysis.

APPENDIX D:

**ADDITIONAL DESCRIPTIVE INFORMATION ON WORK FIRST
PROVIDERS, BASED ON ORGANIZATIONAL AUSPICE**

**Appendix D:
Additional Descriptive Information on Work First Providers, Based on Organizational Auspice**

Table D.1 Organizational Auspice and Focus of Other Programs (n=104)				
	Employment	Education	Social Services	Multi-Service
Non-Profit	71%	----	21%	8%
School	56%	41%	----	2%
For-Profit	100%	----	----	----
Gov't Agency	100%	----	----	----

totals across rows may not add to 100 due to rounding

Table D.2 Organizational Auspice and Work First Program Model Used (n=106)						
	Model A	Model B	Model C	Model D	Model E	Other Services
Non-Profit	42%	17%	8%	4%	6%	23%
School	54%	5%	5%	5%	2%	29%
For-Profit	69%	----	6%	13%	----	13%
Gov't Agency	33%	33%	----	----	----	33%

totals across rows may not add to 100 due to rounding

Table D.3
Organizational Auspice and Level of Job Search Assistance
(n=81)

	Focused	Some	Very Limited
Non-Profit	62%	24%	14%
School	48%	29%	24%
For-Profit	71%	21%	7%
Gov't Agency	100%	----	----

totals across rows may not add to 100 due to rounding