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**Evaluation of the
Arizona
EMPOWER
Welfare Reform
Demonstration**

*Process Study
Interim Report*

Executive Summary

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Executive Summary

This report presents findings from site visits conducted as part of an evaluation of state welfare reforms adopted by the Arizona State Legislature and implemented by the Arizona Department of Economic Security (ADES) since 1995. These reforms have occurred in several stages. The first—entitled EMPOWER, for “Employing and Moving People Off Welfare and Encouraging Responsibility,” implemented in November 1995—was a series of changes to the eligibility rules for cash assistance and related transitional benefits. (Most important among the changes was a 24-month time limit on adult cash assistance.) The second—entitled Redesign, implemented in August 1997—was a latter wave of changes to the state’s cash assistance program, including not only further policy changes (including Personal Responsibility Agreements and full-family sanctions) but also administrative reforms aimed at better integrating program services under a “Work First” approach.

The site visits reported here were conducted during March-July 1998. Visits were made to four local Family Assistance Administration (FAA) offices that have participated in an experimental impact evaluation of EMPOWER—three FAA offices in the Phoenix metropolitan area (Maryvale, Peoria, and Glendale, all in Maricopa County) and one FAA office on the Navajo Reservation (Chinle, in Apache County). Visits also took place to the local Job Opportunities and Basic Skills (JOBS) program office (in West Phoenix) that serves the Phoenix-area experimental sites and to the Tribal JOBS office in Chinle. In addition, visits were conducted to four local offices that were among the first to become “Redesign offices”—i.e., to adopt the Work First focus and integrated service delivery approach called for under the Redesign initiative: three offices in the Phoenix metropolitan area (East Thomas, West Thomas, and Tempe) and one in Tucson (Fort Lowell).

This report has two main objectives. The first is to describe how the implementation of EMPOWER has proceeded in the four experimental sites since the first-round visits conducted in the fall of 1996. The second is to describe how the Redesign administrative reforms have been implemented in the four Redesign offices.

This process study seeks to describe the implemented changes in program policy and administration and to consider the extent to which the changes as implemented are consistent with the changes as planned. With respect to EMPOWER, the process study enables a more informed interpretation of the impact estimates derived from administrative data and survey data collected on randomly-assigned experimental and control cases in the research offices.¹ With respect to Redesign, this study provides a first look at the state’s progress at achieving ambitious administrative reforms. This report does not set out to provide recommendations to ADES regarding possible actions that might enable the Department to bring the implemented changes into greater conformance with the intended changes.

This report is organized as follows. Chapter 1 provides a brief introduction to the process study and describes the context of welfare reform in Arizona. Chapter 2 describes the administration of cash assistance in the Phoenix-area experimental offices; Chapter 3 addresses the administration of JOBS

1 These impact estimates are reported in Mills *et al.*, Evaluation of the Arizona EMPOWER Welfare Reform Evaluation: Impact Study Interim Report, Abt Associates, Cambridge, MA, April 21, 1999.

services to the same client population. Chapter 4 describes the administration of cash assistance and JOBS services on the Navajo reservation. Chapter 5 examines the establishment of the Redesign offices as a means of integrating program services in a more work-focused system of client flow and service delivery. Chapter 6 provides a concluding assessment of the process study findings.

Cash Assistance in the Phoenix Experimental Sites

The first-round visits to the EMPOWER research sites in the fall of 1996 found that the provisions of EMPOWER were implemented largely as planned, with no variations in program operations among offices. There was little change, however, in local office culture toward preparing clients for work, finding and keeping jobs, and moving toward economic self sufficiency. It was unclear if clients were receiving the message about time-limited assistance seriously enough or were not able to plan for what they might do when the time limit ran out.

The organization and administrative structure of the three Phoenix research sites had not changed in any significant way during the time between the first- and second-round site visits. All three were anticipating that their buildings were to be renovated to house the JOBS, Child Care, and Resource Center units when they became Redesign offices. These anticipated changes, however, had not had any impact on the organizational and administrative structures at the time of the second-round site visits.

In addition, not much planning or additional staff training had taken place in implementing the Redesign policies. Unit supervisors had sensitivity training to help them manage the changes, but nothing specifically focused on the Redesign policies themselves. One local office manager had set up a special team to identify and prepare for changes, but this team had not met.

The emphasis for evaluating the performance of eligibility interviewers (EIs) continued to be on accuracy and timeliness. Although mention was made about the need for EIs to tell clients about the importance of finding a job, EIs' performance evaluations were not based on this. Thus, the concept of Work First was not yet being implemented in these EMPOWER sites.

An important change, however, occurred between the first- and second-round visits in informing clients about policy rules and client responsibilities. All clients were given a group orientation that consisted of a video and a standard script that was read to them. The purpose was to give clients at each site the same information. Because clients in the experimental and control groups attended the same orientation, however, they received the same information. This contributed to confusion about whether or not the control group clients were subject to the same rules as the experimental group clients. The control cases were distinguished in the offices through color-coded files. Nonetheless, many unit supervisors and EIs believed that control group clients were confused about what rules applied to them. The staff themselves also appeared confused about the rules applicable to control group cases.

The second major change that occurred between the first- and second-round visits was the imposition of full-family sanctions. Clients who did not comply with the mandatory JOBS requirements (or provisions related to child support enforcement, child immunization, and school attendance) were subject to successive reductions in the family's monthly benefit of 25, 50, and 100 percent for the first, second, and third months of noncompliance, respectively. In the judgment of office staff, this had a significant impact

on clients, encouraging more to comply than under the former sanction rules (that resulted in a loss of only the adult portion of the grant).

The unit supervisors and EIs generally felt that the administration of cash assistance was proceeding well in their offices. In particular, staff turnover was down, there was less stress among workers because of smaller case loads, clients were getting better information because of the orientation sessions, and the work flow was better. One issue of expressed concern was the relationship with district offices; several unit supervisors felt that those offices took too long to respond to questions.

JOB Services in the Phoenix Experimental Sites

Because the JOBS office serving the Phoenix experimental sites was not visited during 1996, no comparisons could be made. The JOBS site visit in 1998, however, resulted in a detailed description of its organization, administration, client flow, and services. Staff morale was low among the JOBS workers because of increased caseloads and accountability. Friction existed among workers over issues of differential pay and workload, resulting in a high level of worker turnover. Staff expressed anxiety over the possible privatization of JOBS services. Workers felt that program requirements had become tougher for clients to meet, although staff found ways to help clients, as through the daily allowances for clothing, tools and equipment, bikes, and relocation costs.

JOBS workers felt that the system was working well for clients who wanted employment. The JOBS office was surpassing its goal of placing clients in jobs. Clients, however, complained that the system was unfair to children, and some workers felt that clients at times accepted sanctions because they had other unreported sources of income.

Cash Assistance and JOBS Services in the Navajo Experimental Site

The only change in office structure and administration since the first-round visit to the Chinle FAA office was the use of group orientations for cash assistance clients. Applicants viewed a video (in Navajo) on welfare policies, shown in the waiting room. Each of the key policy changes under EMPOWER and Redesign was listed on a bulletin board. As a result of these group orientations, workers spent less time reviewing policy changes with clients. EIs had to verify school attendance and employment, however, which was not done previously.

A major change in policy rules was the Navajo reservation's exemption from the 24-month time limit on adult cash assistance. EIs still emphasized the importance of work, however.

As in the Phoenix research sites, control cases in the Chinle office were confused about which provisions applied to them. Confusion may have stemmed from the complexity and flux of program requirements, with differing rules for reservation and non-reservation areas, rules under Redesign that superseded those under EMPOWER (for both experimental and control cases), and considerable discretion exercised by reservation workers in applying the rules (e.g., in imposing sanctions).

In contrast to the Phoenix offices, Tribal JOBS workers seemed more genuinely concerned about client needs. Error reduction was still a priority, but this did not overshadow an emphasis on encouraging clients to pursue work. Greater efforts were made on the Navajo reservation than in the Phoenix sites to communicate to clients the implications of the EMPOWER provisions. These efforts met with limited success, however, because clients often doubted that the state would actually impose benefit restrictions, and because there were so few job opportunities on the reservation.

Establishment of Redesign Offices

The purpose of the visits to the Redesign offices was to assess the implementation of a more work-focused, one-stop approach to delivering program services. The offices visited were the first in the state to have been physically reconfigured to enable co-location of staff from FAA, the Division of Child Support Enforcement, the Child Care Administration, the JOBS Administration, and the Job Service. Locating all of these different agencies in one building was intended to improve the efficiency and effectiveness of their operations by improving staff communications, eliminating the need for client travel, and changing the emphasis to Work First.

There was some variation in the physical arrangement among the sites. The large size of the East Thomas and West Thomas offices complicated face-to-face communication among workers in different units. Another factor inhibiting communications were the different hours of operation of different units. In addition, because the various administrations served clients from different zip codes, the one-stop service concept did not apply for all clients, and not all offices had child support enforcement staff on site. The Fort Lowell office did the best job of emphasizing Work First; the situation in the East Thomas office, in contrast, resembled that of the nonintegrated offices.

Most workers felt that Redesign was indeed the best way to serve clients, as it lessened the burden on clients and increased the likelihood that clients would find work. Workers also reported, however, that their jobs were now more complicated; they now had to know more policies and procedures. Staff also felt that Redesign had problems, including break downs in communication (with sanctions sometimes thereby not imposed) and a continued emphasis on accuracy and timeliness. Child care workers were the most critical of the new system, as most of their cases were not also served by FAA, even though many TANF cases indeed receive child care assistance.

The JOBS staff felt that because clients who were motivated quickly found jobs, those that remained were more difficult to help. Workers observed that, although some clients seemed more optimistic about getting off welfare, others were unhappy with the changes. There continued to be a considerable number of no-shows at scheduled interviews. Workers were unsure as to why this was occurring; a lack of transportation among clients was cited.

The program staff in the Redesign offices felt that the combination of policy and administrative reforms under Redesign were more effective in conveying to clients the need to find a job. The factors perceived as having the greatest influence in accomplishing this were the shift to having clients seek employment services before applying for benefits, in conjunction with fewer exemptions from JOBS participation and more stringent sanctions for noncompliance.